Beyond aggregate measures: Exploring the impact of local structures on economic multipliers of social pensions in Uganda

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Abstract

Several studies have established the link between Social Cash Transfers (SCTs) and micro-level growth using aggregate measures. Specifically, it has been argued that the economic contribution of interventions (such as social pensions) directed at less productive groups works mainly through economic multipliers involving recipient households and community members. Yet the extent to which any intervention can make those economic contributions depends on various structural circumstances in which people generate their livelihoods (e.g. daily markets, reliable transport and communication services, and savings and credit facilities). This suggests that studies measuring local economic multiplier effects at an aggregate level may hide significant differences between communities with different structural circumstances.

Using a qualitative inquiry into the differences in local economy multiplier effects of Uganda’s social pension scheme in communities endowed with key sets of infrastructure and services and those without, this study provides in-depth evidence on the factors enabling local multiplier effects. Particular attention is given to the community effects including effects on non-recipients and local structural circumstances. Findings indicate vital differences in economic multiplier effects between areas that are more integrated into the economy and those with comparatively very limited integration. These findings are highly relevant for policy making in the context of cash transfer programs and can make important contributions to better coordinated policy interventions.

Keywords: Social pensions, structural circumstances, multiplier effects, Uganda
1. **Introduction**

Several studies have established the link between Social Cash Transfers (SCTs) and micro-level growth using aggregate measures. Specifically, it has been argued that the economic contribution of interventions directed at less productive groups (e.g. social pensions) works mainly through economic multipliers involving recipient households and community members. Yet the extent to which any intervention can make those economic contributions depends on various structural circumstances in which people generate their livelihoods (e.g. daily markets, reliable transport and communication services, and savings and credit facilities). This suggests that common studies measuring local economic multiplier effects at an aggregate level may hide significant differences between communities with different structural circumstances.

Taking the case of Uganda’s social pension scheme, this study investigated the differences in local economy multiplier effects in communities endowed with different local structural circumstances. Uganda’s social pension is a universal social pension for people over 65 years. The transfer is currently worth Uganda Shillings 25,000 per month and is paid every 2 months through the Post Bank using mobile vans. The Implementation of this programme is under the responsibility of the Ministry of Gender, Labor and Social Development (MGLSD). Currently the scheme is implemented across 35 districts and has 138,000 beneficiaries. Local structural circumstances are defined with respect to growth-mediating facilities and services - such as the availability of financial services; transport and communication infrastructure – as well as livelihood related infrastructure and services such as labour opportunities, agricultural services and trading centres.

The study provides in-depth evidence on the factors enabling local multiplier effects. Particular attention is given to the community effects including effects on non-recipients and local structural circumstances. Doing so, it broadly adapts Barrientos’ (2012) framework linking social transfers and micro-level growth by looking at growth-mediating processes and livelihood activities. The study however extends this framework by focusing on the local multiplier effects for non-recipients. It will hence assume the same transmission channels for non-recipients as for recipients from indirect benefits to micro-level growth.

This paper will predominantly focus on presenting the empirical findings. It will however commence by providing a brief review of the theoretical justifications of our study. The following section will provide an overview of our methodology which was a predominantly
a comparative case study design using qualitative methods. The main section constitutes the presentation of our empirical findings structured around two broad themes, growth-mediating processes and livelihood impacts. The last section will provide a tentative conclusion for our study.

**Theoretical considerations**

The aim of this paper is to find out more about the differences in economic multiplier effects of social pensions on non-recipients in integrated and remote areas. To conceptualise this question the study borrows from Barrientos (2012) basic framework that links social transfers and micro-level growth through intermediate growth processes (ibid.: 12). This framework had been particularly useful for our study for organising our findings.

Yet the proposed framework ignores the economic multiplier effects of social cash transfers on non-recipients. It assumes that the effect of social cash transfers on non-recipients is primarily -negative- through taxation. It hence disregards circumstances where social cash transfers are funded by external donors as well as the various positive multiplier effects that have been found (Davies & Davey, 2008; Devereux, 2002). In particular with regard to universal social pensions, several studies have established that the impact of these transfers can go beyond the immediate objective of protecting old persons, but they can also have secondary effects on local economic growth (Ardington, et al. 2007; Posel, et al. 2006; Devereux, 2002).

In contrast to Barrientos (2012) framework, this paper regards non-recipient that benefit indirectly from the cash transfer as second beneficiary of the intervention. This study thus assumes that similar transmission channels from social cash transfers to economic growth exist. Barrientos (2012) basic framework suggests that the benefit (here the economic multiplier) impacts growth-mediating processes. This study will look at three core following growth mediating processes, namely transport services, credit, and communications. Moreover, the basic framework looks at the impacts on productive activities. In our context in rural Uganda this will include agricultural wage labour, farming business, and off-farming business.
The proposition about the impact of structural differences on both growth-mediating processes and productive activities arises from the livelihood literature. People living in areas that are more isolated and those living in areas that are better integrated into the economy. People living in remote areas have less access to infrastructure, markets and services than people living in integrated areas. It is therefore crucial to understand the differences in the wider structural context in which the SCG transfer operates and in which people strive to survive.

**Methodology**

Four different SCG parishes, two with good infrastructure, such as access to markets, transportation and roads, and two with very limited access to infrastructure and services were selected to constitute our study sites as follows:

<table>
<thead>
<tr>
<th>Parish</th>
<th>District</th>
<th>Selection category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kisojo Parish in Kisojo Sub-county</td>
<td>Kyenjojo district</td>
<td>Integrated area</td>
</tr>
<tr>
<td>Mukunyu Parish</td>
<td>Kyenjojo district</td>
<td>Integrated area</td>
</tr>
<tr>
<td>Apoi Parish in Akokoro sub-county</td>
<td>Apac district</td>
<td>Remote areas</td>
</tr>
<tr>
<td>Akurao Parish in Toroma sub-county</td>
<td>Katakwi district</td>
<td>Remote area</td>
</tr>
</tbody>
</table>

**Tools and Instruments**

The qualitative study utilised a combination of participatory tools including; key informant interviews, observations and Focus Group Discussions.

**Transect Walk/Drive**

To kick off the research in the specific research areas, the researchers together with a few key informants conducted a transect walk and/drive in order to observe and record the structural circumstances in the parish (e.g. shops, markets, roads, bus stops etc) as well as productive activities (e.g. trading, farming and transportation activities). This exercise was combined with the courtesy calls to sub-county local government offices. Moreover this helped to engage key informants into discussions about recent structural changes and changes in productive activities in the parish. Specifically, the transect walk aimed at collecting data on the structural circumstances in the community and how accessible they were, and people’s productive activities in the communities.
Key Informant Interviews

Key Informant Interviews (KII) were employed to collect data from selected individuals with key insights into the communities and/or the delivery of the social pensions at the local level. The key informant interview respondents provided crucial information on the changes in productive activities in the communities. Four broad categories of respondents for the key informant interviews were targeted as follows:

Table 1: Number and categories of Key Informants targeted for interviews

<table>
<thead>
<tr>
<th>Key informants</th>
<th>Number of interviews per parish</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Interviewees with people from the business sector</td>
<td></td>
</tr>
<tr>
<td>1.1 Chair-persons of Local Business Associations</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Representatives of Rural Growth center or local market</td>
<td>1</td>
</tr>
<tr>
<td>1.3 Owner/trader of Agricultural supplies [crop and animal]</td>
<td>1</td>
</tr>
<tr>
<td>2. Interviews with people from Civil Society</td>
<td></td>
</tr>
<tr>
<td>2.1 Chair or deputy chair person of the Associations of the elderly</td>
<td>1</td>
</tr>
<tr>
<td>3. Interviews with people from Financial Services</td>
<td></td>
</tr>
<tr>
<td>3.1 Mobile Money Business Operators</td>
<td>1</td>
</tr>
<tr>
<td>3.2 Chair persons of SACCO/ROSCA</td>
<td>1</td>
</tr>
<tr>
<td>3.3 Manager of local finance institution/bank or microfinance</td>
<td>1</td>
</tr>
<tr>
<td>4. Interviews with people from political or administrative level</td>
<td></td>
</tr>
<tr>
<td>4.1 Parish Chief</td>
<td>1</td>
</tr>
<tr>
<td>4.2 Community Development Officer</td>
<td>1</td>
</tr>
<tr>
<td>4.3 District Chief Administrative Officer</td>
<td>1</td>
</tr>
<tr>
<td>4.4 Head of SAGE for the selected Parish</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL KEY INFORMANTS PER PARISH</strong></td>
<td><strong>11</strong></td>
</tr>
</tbody>
</table>

Focus Group Discussions

Focus Group discussions (FGDs) targeted male and female recipients and non-recipients. In each parish four FGDs were conducted in line with the following criteria:
Table 2: Number and categories of Focus group discussions conducted

<table>
<thead>
<tr>
<th>Focus Group Discussions</th>
<th>Number of FGDs per parish</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. FGDs with male recipients</td>
<td>2</td>
</tr>
<tr>
<td>2. FGDs with female recipients</td>
<td>2</td>
</tr>
<tr>
<td>3. FGDs with male non-recipients</td>
<td>2</td>
</tr>
<tr>
<td>4. FGDs with female non-recipients</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL KEY INFORMANTS PER PARISH</td>
<td>8</td>
</tr>
</tbody>
</table>

Selection and mobilisation of participants

Each FGD consisted of 6 – 10 participants. The selection of FGD participants largely utilized random criteria. First, participants in FGDs for recipients were selected based on the list of SAGE cash recipients in the community. Given that 10 participants were targeted per male/female FGD, the number of female and male recipients per list was divided by ten [participants] to obtain the sampling interval; for example if there were 70 female on the list of recipients, the interval was set at 7 i.e. [seventy divided by ten]. To select the ten eligible female participants, every seventh female on the list was selected.

A selected participant was substituted by the immediate next [male or female on the list if the earlier selected: (1) was found to be sick/too weak to sit in a discussion for a long time; (2) had a hearing impairment and without a sign language interpreter; (3) had not received a cash transfer for 2 years and more.

Non-recipient participants in FGDs did not have to be senior citizens who missed to be on the program for one reason or another or those who had just turned 65 years. Every second or third adult male or female who lived in the third household after the selected recipient’s house was selected. Selected participants were informed about their participation in the FGD by a local mobiliser a day before the FGD and where possible reminders were made in the morning of the day for FGD. Venues that were central and accessible in the parish such as schools, churches or health facilities were prioritized for the FGD meetings.
Empirical findings

This section sets out the empirical findings on (i) the growth mediating processes for economic multipliers in remote and integrated communities including: transport, communication and credit; and (ii) livelihood outcomes as a result of SAGE including changes in wage labour, agricultural extension services, trade and market infrastructure. Throughout the presentation, differences and similarities between remote and integrated communities with regard to the perceived effects of SAGE are highlighted.

Growth mediating processes

This section sets out the main differences and similarities in terms of the changes in growth mediating processes as a result of the social cash transfers between remote and integrated communities with regard to the effect of these changes on non recipients. In particular, the section looks at changes in three different growth mediating processes namely transport, communication and credit.

i. Changes in transport services

Our findings show that integrated areas were better served with a better road network linking villages to trading centres and markets, main towns and the capital city Kampala as compared to the remote communities. However, there is a perceived increase in the use of hired motorcycles - locally known as boda-boda for easy mobility in both remote and integrated communities; these boda-boda not only benefitted recipients by enabling their movements to the usually distant pay points, markets and health facilities but also quite importantly non-recipients who have come in to tap the opportunity and provide the boda-boda service highly demanded for it by recipients. Non-recipient boda-boda operators were singled out as “making a kill on every pay day” as one of the key informant respondents observed in an interview in integrated Kisojo parish, Kyenjojo district. Owing to the increase in demand for the boda-boda service, some of the operators of this popular form of travel have base in distant villages but often are seen around pay days because they are tapping from the demand for the service and in healthy competition with those few existing in the vicinity of the pay-point centres as observed in a focus group discussion with male non-recipients in remote Akurao parish, Katakwi district: “…these bodaboda they are not from this place but they show up on pay days, then we wonder where they come from.”
The boda-boda business has also thrived on these structural changes that have seen more and more people getting involved in business activities as a result of the increase in demand for basic goods and services due to the relative increase in the circulation of money in both integrated and remote communities. The supply for items such as salt, sugar, soap has increased as a result of the relative growth in business. As a result of this increase in demand for transport, boda-boda are also serving to supplement other means of transport that may be limiting; “...if the morning truck leaves you, then you will either have to wait till mid-day for the next one or if you are in a hurry you will hire a boda-boda” as observed by a key informant interview with a business operator in Apoi Parish, Apac district.

Our study also established that roads in integrated areas compared to remote communities were more motor-able throughout the year compared to the roads in remote communities, but also easily linked these communities to Uganda’s Capital City Kampala and the nearby Fort-Portal and Kyenjojo towns in Western Uganda. This was not the case for the remote communities where it was indicated that one has to use several means to reach the district headquarters, and even more to get to the Capital which was not only inconveniencing but also more costly. In emphasis of the poor quality of the roads in remote communities, it was mentioned that the roads get worse during the rainy season to the extent that even bicycles cannot use them as observed in a key informant interview in Akurao, Katakwi district; “the roads are not motor-able and this forces people to foot because not even bicycles can pass... and also walking on those roads during the rainy season is very challenging because the roads are so slippery and if one is not careful he/she can even fall”. On the contrary, integrated Kisojo and Mukunyu communities have highways with buses and trucks regularly operating through to various town destinations in western Uganda and the Capital Kampala. The highway through Mukunyu has been a tarmac road for so many years while Kisojo is only about 5 miles away from the same tarmac road linking Fort Portal town to Kampala. This has implied that buyers and sellers in integrated Kisojo and Mukunyu have a higher leverage on mobility and connectivity by road compared to remote Akurao and Apoi in Katakwi and Apac respectively; “...we have several truck stop centers, almost in all the nearby trading centers in Kisojo... they buy most of the agricultural produce like Matoke, Tea, Potatoes and livestock from these stops villages” as observed by a key informant in integrated Kisojo.

Despite the poorer nature of roads in remote Akurao and Apoi, the study findings indicate that there are improvements as a result of repair and opening up of some of the roads
linking communities to popular markets and trading centres mainly outside of these remote communities as observed in a focus group discussion with male non-recipients of social pensions in remote Apoi: “The road infrastructure has improved trade in this sub-county because of the many different businesses coming up in the communities; for example in Apoi here some roads have been opened to help link the different trading centres... This has made the movement of traders from other places easy ...” In an FGD with female non-recipients a similar observation was made: “Because of the recently constructed roads, there are many goods being brought into this community, mostly by other business people from Apac and Lira”. In integrated communities, new roads have also been opened up but as noted by key informants in Mukunyu, the growth in number of vehicles available to offer transport services due to better roads is more noticed as growth mediating factor; “Transport is not a very big problem... we have cars offering special hire services and taxis, trucks and buses taking people to different destinations throughout the year, save for the rainy season when most of the village access roads are impassable... and we see a steady flow of people, goods and services in our community”.

ii. Changes in credit

Our study findings show that more informal village saving groups have come up recipients and non-recipients of SAGE in both remote and integrated communities as a result of the cash. However, in integrated areas more and better credit opportunities exist because of the existence of formal credit facilities in form of Savings and Credit Cooperatives SACCOS; “even the non recipients can now borrow money from the recipients because at least now they [recipients] have money unlike those days when the elderly could not be able to lend money to other people” as observed in a key informant interview with a business operator in remote Akurao, Katakwi district. Our study findings indicate that increased access to credit has especially impacted positively on retail and petty trade especially activities in the remote communities compared to integrated Mukunyu where a formal savings and credit facility mainly owned by non-recipients exists serving alongside the several informal VSLAs which were accordingly reported to be easier to access than the formal lending credit institutions that have bureaucratic requirements that many would be borrowers find discouraging, as observed in a focus group discussion with female non-recipients of the social pensions in integrated Mukunyu; “ It is easier for someone to get a loan from these groups [VSLAs] compared to the SACCO [formal credit institution] because for the SACCO you have to go and fill the form, take photos, then get a surety to stand in for you.... but with village savings you do not need all of
these they ask how much you have saved and ask the members whether you should take such amount of money or more and if they agree, you get the money”. The flexibility in access to credit from village savings and loan schemes has indeed increased access to credit by community members due to the higher chances of accessing credit any time they want provided they have some savings in the group as observed in a key informant interview with a mobile money service operator in Kisojo; “we don’t get any problems with getting credit. Anytime you want money you get it because it’s your money that you save!”

As more people are acquiring and using mobile phones especially in the integrated communities, the mobile money services have also changed dynamics around accessibility and friendliness of savings and credit services. Receipts and payments for credit can now be made using a mobile phone. Owing to this, borrowers are not only able to save on the costs of accessing credit services but also enjoy safety and security of the borrowed funds, including effecting payments from the borrowed funds using mobile money.

iii. Changes in communication infrastructure

Our study notes an exceptionally higher level of use of the mobile phone in integrated compared to the remote communities. “Those involved in trade can use the phone to communicate with suppliers of commodities that they deal in, especially if they want to re-stock”. There are also greater improvements especially in the integrated areas with regard to network connectivity for major telecommunication companies mainly Airtel and Mobile Telecommunication Network (MTN) compared to the connectivity in remote areas; people in integrated areas compared to those remote communities can easily make and receive phone calls using these major networks anywhere they are compared to remote Akurao and Apoi. In a focus group discussion with non-recipients in integrated Kisojo, participants observed in emphasis of a good service that; “even when you are in a pit you can make or receive a phone call using Airtel”, which is a different experience in remote areas where it was observed in a key informant interview with a business operator that the network is found in selected spots in the community and that “sometimes totally off the whole day yet people need to communicate”.

Remote communities not only suffer poor network connectivity problems but also have inadequate phone charging facilities/services with existing ones being fairly costly, as these are mainly private solar installations that are limited in coverage compared to integrated
Kisojo and Mukunyu that are connected to the main electricity grid in the country with lower prices for mobile phone charging. Moreover, more villages in integrated Mukunyu and Kisojo are being connected to the main grid for electricity, and also fairly more homes distantly located from the grid have installed solar power. The same discrepancy in service delivery was expressed of phone repair services as well as credit for airtime which was in fact found selling slightly higher than the price on the voucher and also reportedly scarce due to the longer distances that those who need such services have to cover, as noted in one of the focus group discussions with non recipients in Akurao; “we face one big challenge here in terms of communication, we have phones but we cannot access airtime easily because they run out quick and the ones we have available are more expensive because the ones which for example go for one thousand shillings are sold out for one thousand five hundred or more shillings.”

The discrepancy in communication services between remote and integrated communities was not only found with the mobile phone and its related services but also with the use and ownership of Radio. Many people now listen to radios using their phones, while others have both the ‘phone radios’ and separate radio gadgets or television sets. The findings from this study indicate a limited usage of radio and television in remote Akurao and Apoi compared to Kisojo and Mukunyu where it was mentioned in a key informant interview that ‘there are two radio stations in Kyenjojo to provide information’, and that ‘almost every household has a phone or a radio’.

Livelihood outcomes

This section will set out the main differences and similarities in terms of structural circumstances affecting the livelihood of non-recipient and recipients of the SAGE. Moreover, it will present findings with regard to the differences and similarities of the perceived SAGE effects on the livelihood activities of non-recipients. In particular, it will look at three different livelihood activities of non-recipients, namely engagement in wage labour, provision of agricultural services, and engagement in trading activities.

i. Changes in wage labour of non-recipients and availability of labour opportunities

Our findings show that as a result of SAGE there is a positive improvement in labour opportunities in both the remote and integrated areas. However in remote areas the
improvement in labour opportunities is perceived to be stronger compared to integrated areas.

In remote areas it was noted in Akurao for instance that: “There is high demand and supply of wage labour because of the flow of the money unlike before the SAGE [Social Assistance Grants for Empowerment] programme” (Key Informant Interview with a leader of the elderly Association, Akurao), and in Kisojo integrated community that: “there are many casual labourers in our parish because they know there is money, and jobs are available (FGD, male non-recipients, Kisojo). In integrated areas it was also noted in FGDs with non recipients that before SAGE, the elderly did not have the financial capacity to hire labour because they did not have the money to pay, but after SAGE, people run to them seeking employment as in the following quote:

“Did you work for them before SAGE came in? [...] No! How could we work for them! Did they have money? .... They would request help from you to come and do a certain kind of work, but you refuse to help, but now we are the ones begging to work for them (FGD, Male non recipients, Integrated Mukunyu area)

It has been argued that these new wage labour opportunities would particularly benefit young people who were hired by old people for instance in crop farming, construction of dwelling units and kitchens, and digging pit latrines. This is illustrated by the following quote of a participant in an FGD with female non-recipients in integrated Mukunyu Parish:

“... Now there are more labour opportunities... as many people especially young men work for the elderly to build for them houses, pit latrines and also in crop farming.... As of now, a day’s work is paid for 5,000 shillings and if one needs money they can find it and work. This is common with the youth because they don’t have land of their own so they go and work (Participant, FGD with female non Recipients, Mukunyu Integrated Area)

Moreover, the perceived increase wage labour opportunities also resulted from a reduction in competition for already existing labour opportunities in the communities. It was thus reported that old people, prior to receiving the SAGE, used to engage in wage labour activities. However since receiving the SAGE, it was reported that old people in both integrated as well as remote areas have largely withdrawn it, thus providing more opportunities for young people to engage in labour. In integrated areas it was noted for instance; “We have more labour opportunities because old people have stopped
competing with us” (FGD participant, Male non-recipients in integrated Mukunyu). In the remote areas, it was also noted in both the FGD with female non-recipients and in a key informant interview with local leader that more labour opportunities had emerged as a result of the reduced competition in wage labour with the elderly who had now become recipients; “there are more labour opportunities because old people have stopped wage labour” (Local political Leader, remote Akurao). However, in limited cases in both remote and integrated areas, delays in SAGE payments have prompted some of the elderly to engage in wage labour. A key informant in Mukunyu integrated area noted for instance: “much fewer elderly people who receive SAGE are working in tea plantations compared to the numbers before”. It should be noted that apart from real financial stress, participation in wage labour by recipients especially in integrated areas could also be attributed to the more wage labour opportunities there compared to remote areas with much fewer opportunities.

The findings also indicate a perceived increase in trust by non-recipients, that cash payment for the wage labour was more assured in both remote and integrated communities unlike before the social pensions were rolled out as observed in a key informant interview with a Political leader in remote Akurao: “…non-recipients want to work for recipients because they know they will be paid”, and this perception was somehow higher in remote than integrated communities mainly because of the relatively fewer wage labour opportunities mainly provided by the elderly recipients of social pensions.

Despite the reported similarities in terms of non-recipients the increased wage labour opportunities in remote and integrated areas, our findings indicate a perception difference in terms of relative importance of these changes for non-recipients in remote and integrated areas.

ii. Changes in Agricultural Extension Services

Both integrated and remote communities depend on agriculture as their main source of livelihood. Unsurprisingly, in integrated areas the availability of agricultural inputs - improved seeds, pesticides, pangas, and hoes - were somehow better that in remote areas. In integrated areas we found that some shops and vendors for such inputs and supplies existed in the trading centres and markets, and also private veterinary services providers. In contrast in remote communities, markets and trading centres where such inputs could be
obtained were more distantly located in other parishes. In fact not even a single agricultural input seller could not be found in Apoi parish.

*On the side of seeds, those who want and buy them go to the private dealers in Toroma at the Sub-county. For us here in Akuro parish and Toroma Sub County in general, we still use the seeds that we found our ancestors using* (Interview with a community political leader, remote Akurao)

“We also buy agricultural inputs such as super-grow is a fertiliser and ambush which is pesticides for beans, maize, pigeon peas and groundnuts, and we usually access it from Ayago during market days” (focus group with female non-recipients, remote Apoi)

Our study found a difference in the perceived effects of cash transfers on the demand and supply for agricultural inputs. In integrated areas, our findings suggest that there was an increased demand by recipients and their household members for agricultural inputs which consequently resulted in multiplier effects for non-recipient input sellers. As such an input seller in an integrated study area noted:

“Yes this one I say with a lot of confidence, the demand [for inputs] is high,..., in most cases the elderly come here and I give them drugs on credit, you know SAGE [the scheme] pays every after two to three months ...Before, my customers were not the elderly but middle aged men, and the youth. When SAGE came in, the elderly became more interested in farming since SAGE trained them on how to make use of the money” (input seller, integrated Kisojo Parish)

In remote areas, the findings indicate severe limitation to access input sellers for recipients. To access inputs recipients needed to travel to the next input seller located in considerable distance. It was thus reported that inputs were thus merely purchased by those recipients and their household members who had the strength and money to travel to the next input seller. This consequently implies limited multiplier effects on the non-recipient input sellers that were mostly located in considerable distance.

In terms of public agricultural extension services in both remote and integrated areas, these services are merely available at the sub-county and district local government headquarters. These services were thus perceived as relatively difficult to access and inadequate as illustrated by the following quote “It is not easy to access agricultural extension services because the officer sits at the sub-county and he is very hard to get” (focus group with male non-recipients, remote Apoi). In remote Akurao it was observed that: “operation wealth creation [a
government livelihoods program] has problems; they are not adequate at all! Few people receive the seedlings and beans and the worst is that they supply these items when it is almost a dry season when someone cannot plant them. The seedlings for example end up drying because of the long drought and scarcity of water during dry season here (Political Leader, Akurao). Similarly, in integrated Mukunyu it was also observed in a key informant interview with a political head of the sub-county that: “the agricultural services are not adequate because of high demand; only one agricultural extension worker serves the whole sub county”, and that “people do not have adequate training [in farming] which they need so that they can produce well (Key Informant interview with local politician, Kisojo)

Some efforts of government through the ‘operation wealth creation’ program have also been marred by perceptions of patronage in ensuring access and utilisation by those who most need them as study participants observed. “Whenever they [government extension workers] bring like improved seeds they call their friends to receive...we can’t access them (focus group with female non-recipients in Mukunyu)

Our findings also note a difference in coping with inadequate agricultural and veterinary services between remote and integrated areas. Non-recipients in remote areas have formed associations that help members to access services fairly cheaply unlike remote areas where such initiatives have not taken effect. For instance, farmers in integrated communities pool money to purchase inputs/drugs for their animals as was the case with the Kisojo Livestock Farmers Association in Kisojo Parish; “we have an association here where we save some money and when there is a disease affecting our cattle, we buy the drugs as a group slightly cheaper than when we were to buy as individuals” (FGD, Non Recipients, Kisojo). In the remote communities, none of such associations or initiatives existed; individual people who could afford travel to the district main towns to buy such inputs; “we do not have any agricultural institutions here... In case we want to buy anything we have to go to Apac town” (Focus group with Male non-recipients, Apoi).

In conclusion, there is a limited effect of the SAGE on non-recipients in both remote and integrated areas. In integrated areas, these services are already more accessible due to location and a higher number of private service providers. This was not the case with remote areas. Nonetheless, the effect in remote areas can be traced from the fact that increased local demand with scarcity for extension services presents opportunities to non-recipients
especially those involved in bodaboda service delivery to those in need of the services offered from distant locations outside.

iii. Changes in trade by non-recipients and availability of market infrastructure

Remote and integrated study areas, of course, largely differ in terms of the accessibility and quality of markets and trading centres. In integrated areas we thus found a variety of trading opportunities for recipients and non-recipients as illustrated by the following quote of a business operator in the integrated study area of Kisojo: “We have Kijumba, Kiterwa, Kitabona, Kyamutara, Kyamulimi, Kisojo and Kyarusura trading centres all in our parish... Most of the people bring their commodities to sell them in Kisojo trading centre” (Key informant, Business operator, Kisojo). Markets and trading centres in integrated communities were not only several but were also located along highways leading to the nearby Kyenjojo and Fort-Portal towns, which provide additional trade opportunities by making it “easy to do shopping and re-stock businesses” as observed by male non-recipients in a focus group in Kisojo. Moreover, most of the trading centres and markets are connected to the national electricity grid, allowing business operators to have more stock options for their businesses, a structural condition that was curtailed in remote Akurao and Apoi which are located nearly 30 kilometers from their district towns with electricity, and with none of their trading centres connected to the national electricity grid.

In contrast, in remote communities, the markets and trading centres were located far away compared to the integrated communities as explained by the following quote: “People go to Toroma market on a Saturday and Oboda market on a Thursday, all these markets are outside Akurao parish... as I told you that from Akurao to Toroma market its 8kms so normally men don’t like moving far distances except those ones who are able to ride bicycles but not walking on foot, they normally send their wives (Local political Leader, Akurao). The inadequacy of markets and trading centres in remote communities was also found to be even more curtailed by the fact that these markets do not even have all the basic goods and supplies needed by the community members, and most sellers in the markets for remote communities come from outside of these communities. “Most of the traders and suppliers come from other nearby districts of Soroti, Mbale and Kumi. Traders mostly come from Mbale district and supply this place with most of the commodities” (key informant interview, Akurao). On the contrary, almost all that is needed in terms of basic goods and services can be found within the integrated communities.
Our weekly market is adequate; people get most of the things they need from that market, people buy the things that can run them through the week, as they prepare for the next week’s market. So in my view, the market serves its purpose” (Key informant, Mukunyu).

The difference in availability of markets and trading centres has seen more engagement in off farm activity by non-recipients in integrated communities compared to remote communities. This is mainly in terms of number and accessibility of the trading centres as in the following quote: “almost every village has its own trading centre” (Parish Chief, integrated Kisojo). In terms of the effect of SAGE on this increased participation in off farm activities, a participant in an FGD with male non recipients mentioned how his business thrived a lot on a pay day in Kisojo; “I own a restaurant; that day when they are being paid they come very early so they come for lunch. On that day, I make more sales than other days so the money has helped us” (Participant, Male FGD, Non Recipients, Kisojo)

Regarding changes in markets and trading centres, both remote and integrated communities have experienced changes. However, there is a higher perception of changes in remote as opposed to integrated communities. Our findings show that the change in trading centres and markets either in terms of new trading centres getting established or new traders and products coming to the community was easier to notice by study participants in remote communities as opposed to integrated areas as in the following quotations:

“Markets have increased in terms of new products that used not to be there like mattresses, clothes and others. There are also lock ups [makeshift business structures] that have been constructed in these markets and I think that is a sign of expansion” (Focus group, non recipient female, Akurao)

There are two existing trading centres here, one called Kyambogo and the other Main. Soon they [community members/leaders] are opening other trading centre called Obecelin Magara because they have started brewing local brew from there and people have been demarcating plots of land for its development (Key informant, Akurao)

The findings show that in remote areas, traders bring commodities to sell targeting recipients of social pensions especially around payment time, after which they return to their communities; “There are traders who bring goods here by truck like cabbages, traders from
Luwero district bring their pineapples and bananas here and sell and when they have sold everything they go back”.

**Overall Summary and tentative conclusion**

Empirically, our findings have shown that differences in structural circumstances direct implications on the extent to which social pensions can impact on the local economy and more specifically on non-recipients more generally. The study has shown overall that favourable growth mediating processes (credit, transport and communication) are key in influencing economic multipliers for social pensions. From our findings, both remote and integrated areas have experienced changes in availability of savings and credit opportunities for increased economic multiplier effects as a result of SAGE cash in these communities. However, the findings indicate that beyond informal savings and credit opportunities, non recipients in integrated areas also have opportunities to borrow from more formal savings and credit institutions. This means that borrowers in integrated areas face lesser competition than those in remote areas.

Also, integrated areas show greater opportunities for recipients and non recipients in terms of better transport and communication infrastructure. The growth in bodaboda as the main form of transport has been experienced in both areas, but more in integrated areas as more and more operators have been observed as a result of SAGE despite a relatively higher cost of using them to access distant but imperative services including markets. The findings also indicate an increase in use of the mobile phone in both remote and integrated communities. However, the remote communities presented themselves with limited network connectivity as well as limited battery charging or repair services that not only curtail sending of verbal messages that may be business related but also use of the fast growing mobile money transaction services that are mainly provided by non-recipients.

The study has also highlighted the differences in livelihood outcomes between remote and integrated communities, with the overall picture in favour of integrated communities. First as a result of SAGE, a positive improvement in labour opportunities was experienced in both the remote and integrated areas but perceptually stronger in remote than integrated communities known to have had alternative wage labour options even before SAGE. Both remote and integrated communities rely on agriculture for a livelihood and hence demand agricultural and extension support services. Our study notices a difference in availability of
such services with remote areas having a much higher service deficit compared to integrated areas.

Differences between remote and integrated communities in terms of availability and accessibility of markets and trading centres are also noted as well as the effect of changes resulting from SAGE on these structures and non-recipients. There are not only perceptual but also more noticeable differences in terms of structural changes in market infrastructure, goods and trader presence in remote as opposed to integrated communities. The increase in demand for goods and services as a result of SAGE has not only impacted through the growth and emergence of markets in both remote and integrated areas but has also attracted services supplied by non-recipients within and outside of the communities.

The findings suggest the need for ensuring favourable local circumstances if social cash transfers are to impact better and benefit both recipients and non-recipients. Moreover both categories of people symbiotically need each other for increased productivity. Energetic recipients provide wage labour and earn income on one hand and on the other enhance the productive capacity of elderly recipients. The improvement in consumption/demand capacity of recipients due to improved incomes improves sales and incomes for non-recipients involved in business and the wider economic growth.

References


