

# Ageing, Livelihoods and HIV/AIDS

## Briefing Notes .....No: 4

### The Social Pension

#### Key Points:

- The pension constitutes an important 'safety net' that mitigates livelihood shocks.
- It is a social assistance programme transferring cash to households through the elderly
- The injection of cash through the pension has triggered a new informal economy.
- The elderly as the main source of cash are being increasingly asked to use their pensions to pay for services destabilising traditional support mechanisms

The pension is the major social welfare payment administered by the Namibian Government playing an important role in the livelihoods of elderly headed household. In this briefing, we explore the contemporary role of the pension, both within elderly households as a safety net and in the wider community and argue that the transfer of cash to communities through the elderly may actually be destabilising traditional support structures. In a subsequent briefing, the role of the pension in mitigating the impacts of HIV/AIDS is examined.

#### The Pension

Namibia (alongside Botswana and South Africa) is one of the few countries to operate a non-contributory social pension scheme in sub-Saharan Africa. All those aged over 60 years now receive a monthly pension of N\$370. Despite previous research highlighting low take-up of pension in the region, the survey revealed that 95% of all women and 97% of all men received a pension. This is largely due to new mobile pay points.

#### The pension as a social safety net

The pension was introduced by the South Africans in 1949 and extended to African Namibians in 1973. It is now widely recognised as a social grant that is paid to the elderly, but used to sustain the livelihoods of entire households. Because the pension is non-contributory and is not associated with a change in employment status, it is effectively a social assistance programme, transferring cash to households through the elderly. Policy interviews revealed that the elderly are typically regarded as reliable, honest and the most willing to share what they have with household members often, we argue, at the expense of their own well-being. The pension therefore constitutes an important 'safety net' that mitigates livelihood shocks.



In particular, see BN3a, the most important livelihood activity cited by respondents is cropping and in particular the cultivation of *Mahangu* (Pearl Millet), the household staple. Despite recent good rains, the region has been affected by several years of drought severely affecting the harvest such that *Mahangu* no longer lasts until the next harvest. Cash from the pension is widely used to purchase maize meal to supplement *Mahangu* and sustain the household until the next harvest.

Although the elderly have always cared for grandchildren (see BN 2 on households), these numbers have increased through caring AIDS orphans threatening household food security. For many households, even a good harvest will no longer sustain the household. Beyond food support, the pension is used to cover schooling costs of children plus basic household essentials. Such are the impacts of HIV/AIDS on the pension that they are covered in a separate Briefing 4a.

### **Impacts on the Informal Economy**

The impact of the social pension extends beyond the immediate household to entire rural communities that are predominantly characterised by subsistence livelihoods. The injection of cash through the pension has triggered a new informal economy. Pensioners' markets now follow the pension, from one pay point to the next.

### **Pensioners Market, Tsandi Constituency**



Although this helps to support other households, pressure on the pension as a household safety net potentially threatens the regional sub-economy. In short, if the elderly have less money to spend, the informal economy that has developed around the pension will also suffer affecting the livelihoods of other households.

### **The pension and social support**

Briefing 8 discusses the important role of *endjabi*, a traditional social support system to the livelihoods of the elderly. *Endjabi* is founded on notions of reciprocity and community support. It is an informal social pact that is practised in the north whereby households can call on neighbours to help undertake tasks e.g. ploughing, weeding in return for an offering that may take the form of food or a traditional brew.

In particular, the elderly have relied on *Endjabi* to undertake tasks that they are unable to perform themselves. In recent years, elderly case study participants have reported a breakdown in this system of cooperation. Specifically, the elderly as the main source of cash, are being increasingly asked to use their pensions to pay for services. Other pressures on the pension mean that the elderly cannot pay for such services resulting e.g. in fields left unploughed. By destabilising traditional support mechanisms, the pension is inadvertently affecting household food security.

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#### **Project website:**

<http://www.ageingnamibia.group.shef.ac.uk>

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