CAN CASH TRANSFER LEAD TO SCHOOL RETENTION AMONG THE ORPHANS AND VULNERABLE CHILDREN? AN EMPIRICAL ANALYSIS OF CT-OVC IN KWALE COUNTY.

BY

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DECLARATION

I, the undersigned, declare that this is my original work and to the best of my knowledge has not been presented for award of any degree in any other university and institution of higher learning.

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This research has been submitted for examination with my approval as the university supervisor

Signature…………………………………….Date…………………………………

Dr. Daniel Abala

DEDICATION

I dedicate this research project to my uncle Geoffrey Murimi who has provided both financial assistance and encouragement in ensuring this work becomes a success. You are truly big hearted and an able educator and I thank you from the bottom of my heart.

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ACRONYMS AND ABBREVIATIONS

CCTP   Conditional Cash Transfer Program

CT-OVC   Cash Transfer for Orphans and Vulnerable Children

GDP   Gross Domestic Product

GoK   Government of Kenya

HH   Household

HSNP   Huger Safety Net Program

KNSPP   Kenya National Social Protection Policy

KSH   Kenya shilling

MDGS   Millennium Development Goals

NGOS   Non-Governmental Organizations

NSNP   National Safety Net Program

OP-CT   Older Persons Cash Transfer

OVC   Orphans and Vulnerable children

PWSD-CT   Persons with Severe Disability Cash Transfer

SDGS   Sustainable Development Goals

SDSP   State Department for Social Protection

UNICEF   United Nations Children's' Emergency Fund

ABSTRACT

Cash Transfer Program have become widespread in the world and have gradually gained acceptance as programs that can drive masses out of poverty. Few studies have been conducted in Kenya and Africa as a continent regarding conditional and unconditional cash transfers programs. Considering the fact that Kenya's program is unconditional there remains so many unanswered questions. This study sought to fill the gap by conducting a research on whether cash transfer can lead to school retention among the orphans and vulnerable children in Kwale County. This research focused on the cash transfer for orphans and vulnerable children which is important in ensuring social inequalities do not act as a barrier to a child accessing the right to education. Moreover, the research gave an insight on whether the use of cash transfer is deemed appropriate to support poverty alleviation and vulnerability in Kenya as well as increase school retention among the OVCs. There is need to employ different methodologies in conducting this type of research in Kenya and Africa in general to add to the existing literature and therefore there still remains a gap where similar studies should be conducted across the continent. The research employed interview guides to interview selected households. In addition to this, the research used probit regression model. The United Nations 2030 Agenda recognizes Social Protection as an enabler to various Sustainable Development Goals and can be used as a tool to reduce poverty and promote inclusive economic growth. In this context, Cash Transfer for Orphans and Vulnerable Children invariably is a means of implementing SDGs.

CHAPTER ONE: INTRODUCTION

1.1 Background

Social Protection has emerged as a policy framework addressing poverty and vulnerability, in developing countries, due to the economic and financial crisis in the 1980s and 1990s structural adjustment and globalization (Barrientos 2010). There has been a consensus on the broader developmental role of Social Protection and its focus on extreme poverty reduction. Social Protection can be seen as; social insurance, social assistance and labour market regulation (international labour organization ILO 2012).

This study focused on social assistance which is mainly composed of safety nets. In Kenya the safety nets are run under one umbrella known as the National Safety Net Program. They have also been widely adopted around the world and have been referred to by different names such as "magic bullet" (Durr-E-Nayab and Shujaat Faro-o-q) and silver bullet (JAYATI GHOSH) for the incredible impact on poverty reduction. In Kenya Social Protection has been implemented by both contributory and non-contributory schemes. In Kenya, Social Protection is divided into social assistance, social security and Health insurance.

Social assistance entails formal and informal safety nets. Formal safety nets legally guarantee low-income individuals' access to economic or social support while informal safety nets offer livelihood to individuals to ensure they are above the poverty line but with no legal assurance the support will continue. Therefore, social assistance refers to a non-contributory transfer program aimed at preventing the poor from falling below the poverty line (KNSPP). In this regard a common operating framework known as National Safety Net Program (NSNP) was established in

September 2013 and included four major programs: PWSD-CT, CT-OVC, OP-CT and Hunger Safety Net Cash Transfer. The Social Pillar, is one crucial element in the realization of vision 2030, which is aimed at improving the quality of life of all Kenyans.

Kenya's economic growth has been on the rise over the recent period owing to the improved delivery of services by the Government of Kenya. But still economic development lags behind which reflects the increased poverty level especially because GoK has concentrated on infrastructure which tend to be long-term. Kenya's GDP has been on the rise by an average 48% since 2000 but unfortunately the addition wealth has only benefited a small section of the poor increasing the gap between the rich and the poor. Another problem has been the rise in number of cartels who sabotage Government projects, high levels of borrowing with the ceiling been lifted to 9 trillion and thus most of revenue is used in repaying loans and increased levels of corruption both by the national and County Government.

The Kenyan population continues to rise requiring a remedy that will distribute the resources to the less fortunate in the society a bid to place them on a level ground with the developed countries. There is need to create more job opportunities for the youths, provide resources for the less privileged members of the society and implement disaster management programs. Kenya unlike other African economies is principally driven by services rather than agriculture explaining the increased level of incomes. Kenya has consolidated its position as an economic hub in the region and the world but despite these advance high rates of poverty persist leading the country to embrace safety net programs.

Equity has been a major hindrance to many countries' realization of full potential of its citizens which translates to capacity constraints. In recent years this area has attracted global attention to an extent that even the politics of today have revolved around that area. The social safety net program has focused on the sustainable development goals (SDGS) in that they aim to alleviate poverty which is also listed in the millennium development goals (MDGS). SDG 1 aims at ending extreme poverty in all its manifestation by 2030, guarantee Social Protection for the poor and the vulnerable, increase access to basic services and the rationale behind providing conditional cash transfer is to provide a safety net for the poor and this kind of safety net are increasingly been adopted by developing countries.

The poverty index is higher in rural areas (48%) than in urban areas (28-29%).This rate are in terms of resources e.g. reliable income, capital, being educated, professional skill and being healthy, opportunities e.g. access to social services and human security which refer to constraints different individual and groups face in an attempt to exercise their human rights and find paths out of poverty .The annual absolute poverty reduction rate in slightly lower in rural areas compared to the urban areas.

According to Household Budget Survey 2015/2016, this rates are reflected among the vulnerable groups particularly orphans and vulnerable children, older people and persons with disabilities. This indicates that poverty in Kenya is intertwined with continued vulnerability to shocks such as drought, elections, disease outbreak etc. In 2013 the Government of Kenya took a step forward by launching the National safety Net program with an aim of improving and enhancing the Social Protection in Kenya and its expenditure on these programs has risen rapidly over the recent years.

The coverage of cash transfer program has tremendously increased over the years but still low in comparison with the population in need.

Grosh et al. (2008) suggest that implementation above all is the most important issue hence requiring very many at heart intentions to run these programs across the country. Therefore, as the global interest in the social safety nets continues to grow countries are looking for ways to integrate the programs. The NSNP was created by GoK to act as a platform with a similar operating framework to run the Governments four operating cash programs. The GoK Cash Transfer Program are; Hunger Safety Net Program(operates in four poorest and arid counties of wajir ,Turkana, Mandera,and Marsabit) (HSNP),the Older Persons Cash Transfers(OPCT),Orphans and Vulnerable Children Cash Transfer(OVC-CT) and Persons With Severe Disabilities Cash Transfers(PWSD-CT).Alderman, H.(2002) opines that social safety net are not sufficient to lift people from severe poverty unless there are selected approaches and much of attention focusses on functional infrastructure ,good governance etc.

The objectives are to gradually expand the program coverage ,implementation of timely disbursement to beneficiaries, dealing with grievances and enhancing greater awareness of program objectives to both beneficiaries and non-beneficiaries, scaling up the capacity of transfers in response to shock and ensuring appropriate links to existing early warning and finally developing a stable management system for each program and a single registry that collates information from all of the programs as well as putting into operation. CT-OVC, OPCT and PWSD-CT are implemented by the SDSP under the Ministry of East African Community Labour and Social Protection (MEACL andSP). But for the HSNP it is run by National Drought

Management Authority (NDMA) in the state department of special programs under ministry of devolution and planning.

The development of sustainable safety net program has been rolled out as a key component of World Bank labour strategy 2012-2022. According to the world bank report social safety net programs have impacted positively on education, health and food security and by managing this risks they have enhanced the households ability to generate income in various ways .As shown by the positive results in developing countries there is an opportunity for using these policies to deal with market failures that preserve poverty in an environment with high inequality settings (Ravallion 2003, WDR 2006).

In Egypt the Takaful and Karamu program covers 2.26 million whereby the program provides monthly conditional pensions to vulnerable families and Karamu on its part provides a non-conditional pension to poor, elderly citizens above 65 years, orphans and persons with severe disabilities. Southern Africa regions cash transfers have become core in dealing with disaster prone population in Lesotho, Malawi, Madagascar and Mozambique. Ethiopia's productive safety net program analysis that direct effect payment reduces poverty by 7%. Subbarao et al 1997 indicates the state has a role to play in these programs by designing, financing and execution in both developed and developing countries even though the extent of intervention by state may vary with level of development of a country and the degree of uninsured risk. The national safety program has proven a track record globally.

World Bank estimated about 36% of poverty-stricken households to have escaped the extreme poverty level due the social safety nets showing the prevalence of a great impact in the global

efforts to fight against poverty. The data from World Bank clearly indicates that these programs reduce the inequality and poverty gap by around 45 percent. Also shown is that sub-Saharan African countries spend on average 16 us dollar per citizen annually on safety nets. For instance, in Bolivia ESF produced positive impact proving that such a program had a capacity to deliver results if handled in a transparent and non-partisan manner, with local Government and NGOS of all political divides despite the country aid programs been influenced by bureaucracies.

This was facilitated by the collaboration of efforts between NGOS and the groups with the closest connection the poor therefore developing a channel to reach the poor in remote regions. However there also other region in the world that have exhibited negative impacts such as in Peru where the program was devised as a tool by the governing party which ultimately resulted in the undermining of its public image. This actions by the authorities suppressed the efforts of the self-help groups which were key to survival for the poor. This made the marginal effect on poverty eradication temporary while the disruption on self-help organizations developed permanent effects.

This research paper focused on the orphans and vulnerable children that is the CT-OVC program. Due to the ongoing tragedy of poverty, fragmented development and HIV/AIDS children increasing, most of Kenyans are growing up without adequate support care and protection. In most African countries families and communities continue to take care of majority of orphans and vulnerable children keeping in mind that many families face severe economic constraints that limit their ability to meet children needs. In this case the orphans often are more vulnerable compared with other children for example in the access to education and health. In 2004 the vice president (moody Awori) proposed the introduction of a cash transfer program as a way to meet the needs

of a country's growing number of children made vulnerable due to poverty and HIV/AIDS. The idea having been discussed by a wide range of organizations gained much support and a first version of a national action plan was rolled out.

1.1.1 Cash Transfer Program for Orphans and vulnerable children (CT-OVC).

This program was launched by GoK in 2004 for the purposes of supporting household living with and taking care of OVCS.The overall objective was fostering and retaining of OVCS within their families and communities and promote human development. It began by rolling out a pilot project that targeted 500 households and was undertaken in the then districts of Kwale, Nairobi and Garissa and by the completion of the project 13280 HH were receiving CTs in 17 districts.

In 2007/08 the GoK funding came on board and by2008/09 the number of HH rose to 45911.2009/10 world bank (IDA) was brought on board and number of households rose to 82137.The following year 2010/11 DFID (WBTF) came on board and the number of HH rose to 124991.In the next period 2011/12 to 2012/13 the number of HH rose to 144931 and 152323 respectively. During 2013/2014 financial year GoK became the main contributor to CT-OVC and at the same time UNICEF exited as a principal contributor.2015/16 to 2016/17 the number of HHs increased to 255608 and 355000 respectively. A clear indication of Government's commitment.

Overview of the CT-OVC Program

The following eligibility criteria is used in the targeting of beneficiaries. To start with, the beneficiary must be part of an extremely poor HHs with one or more OVCs as a permanent

member. Also, HH must not be benefiting from any other social assistance program; the household is required not to be enrolled in any other Government social assistance program. Finally, HH with a caregiver who was chronically ill/unable to perform his/her duties; household with chronically ill caregiver is given a priority for inclusion into the program.

The main focus of this program is to; increase the enrolment and attendance of OVCs in basic school ,lower the rates of mortality and morbidity among children aged five years and below, especially by expanding immunization coverage, growth monitoring and vitamin A supplementation, promote household food consumption and food security, encourage civil registration of children and caregivers and appropriate case management for individuals with HIV/AIDS through coordination with other stakeholders.

Process of implementation

The several steps undertaken are; firstly, targeting which involves the process of identifying households that are eligible for CCTP. The target mechanism can be divided into; individual targeting, geographic or indicator targeting and self-targeting. The individual targeting checks on income, nutritional status, type of dwelling etc. The geographic indicator grant eligibility to groups on basis of easily identified shared characteristic. Mainly the idea is to come up with an indicator that is less costly to identify but sufficiently correlated with income to be useful for identifying the poor (Bensely and Kanbur 1993). These indicators include land, house ownership, level of education etc.

Self-targeting is when a program is available to all but designed to discourage the poor from participating. For instance, the participants may be required to work. Also, in this particular case

a low-quality product could be subsidized inducing the non-poor to stay. Therefore, the GoK choose geographical targeting which was employed in this CCTP program. It involved the selection of counties, sub-counties, location and sub-location where the program was implemented and distribution of beneficiaries across these units in accordance with most KIHBS and National Population census data.

Secondly, enrollment is a process whereby the identified HHs transit into the level of beneficiaries and subsequently been considered as eligible for the program in a position of been ready to receive the transfer following the issuance of payment card.

Thirdly, Sensitization of rights, duties and responsibilities is undertaken. The beneficiaries and caregivers are made aware of the program rights, duties and responsibilities. In addition to this, biometric data of beneficiaries and caregivers is collected. The information is also collected by the payment service providers. In this occasion the caregivers are supposed to be 18 years and above. There is also the Provision of information on payment agents in the area. Therefore, in collaboration of efforts with the PSP the beneficiaries and caregivers are mapped to nearest payment point.

Lastly there is the Issuance of Payment Cards, recertification and PSP payment prints and issues smartcards that are used for payment. The recertification process involves the reassessing of HHs social economic indicators to determine whether their vulnerabilities have changed and whether they should remain in the program or exit. It occurs when the beneficiaries report to the program officials or the program rolls out the rescreening process after five years.

Payment, is simply the disbursing of funds to the beneficiaries which are also required to be timely, regular and predictable. The payment is exercised bi-monthly which accrues to 4000 with a monthly allocation of 2000.

The CCTP uses contracted payment service provider to pay beneficiaries. This is done through the Equity Bank Limited (EBL) and Kenya Commercial Bank (KCB). The payment is made electronically and beneficiaries produce identity card and are run though a biometric fingerprint identification. There are six payment cycle in a year. Grievance and case management is also vital in the implementation process. There are channels in which the caregivers and beneficiaries can voice their grievances. This is very important for the purpose of updates and improvement on the management mechanisms. Issues like corruption which are slowly eroding the morality of the society can be addressed thus making the program effective.

1.1.2 Overview of Kwale County

This is a County within the original coast province boasting of a population of 866,820 people.it hosts a mixture of tribes that includes the Duruma, Digo and some Kamba. (2019 census). The County has four constituencies Msambweni, Matuga, Kinango and Lungalunga.According to the Gini coefficient for counties the most unequal counties are in the cost that is Tana river (631) Kwale (604) and Kilifi (570) (KNBS)

Below is the distribution of the population by sex and sub County

Table 1.1: Kwale Population Distribution

SUB-COUNTY	MALE	FEMALE	INTERSEX	TOTAL
KINANGO	45,413	48806	1	94220
LUNGALUNGA	97174	101,245	4	198423
MATUGA	95831	98419	2	194252
MSAMBWENI	89206	88480	4	177690
SAMBURU-KWALE	97497	104731	7	202235

(Kenya Household Integrated Survey 2019)

Just like in Kenya, HIV/AIDS is a major challenge, in Kwale County. The County has an estimated 5.7% prevalence making the County to have a medium HIV burden and is ranked as the 24th highest prevalent County nationally. There are 21000 persons living with HIV and among this 2,659 are children. Therefore, this is one of the major contributing factors to the high number of orphans and whereby if the CT-OVC program is executed properly major impacts are to be realized in human capital development. There is also the idea that being a beach boy or beach girl is more rewarding mainly because in education takes longer to realize return and it's a low skill that pays much.

Another major challenge is that even though the County has natural resources and is a major tourist destination poverty levels are comparatively high in the County: majority of residents depend on small scale farming, fishing and keeping livestock to earn a living contributing to the high number of vulnerable children. The County also has a high number of persons living with disabilities (PWDS). (KCASP 2016/2020)

1.2   Statement of the Problem

This research paper will be among the very few conducted in assessing the effects of Kenya's unconditional cash transfer program on children schooling and most of the evidence will be based on evidence from conditional Cash Transfer Program especially from the Latin America.

Public Cash Transfer Program are linked to human capital investment with the intention of eliminating current poverty and reducing its transmission from one generation to the other. Today's approach to tackle poverty around the world is both an alternative to more traditional social assistance program and a demand side complement to supply of health and educational services. Part of market-oriented demand side intervention to directly support the poor and complement traditional supply side mechanisms such as great subsidies or investment in school, health centers and other providers of social services (Berhman, Susan W parker).

This is geared towards human capital development and has been adopted in numerous countries. This new thinking has led to the adoption of this idea by both developed and developing countries. Kenya Inua Jamii Program (CT-OVC) have listed school enrollment, attendance and retention of OVC in school as the objective of the program since most children are from poor households. Despite the positive growth in the economy and specifically the sectors of education, health and technology, poverty and vulnerability prevail. Kenya remains a middle-income state that experiences high rates of poverty and vulnerability together with obstacles such as natural seasonal disasters, terrorism, poor governance, corruption etc. This notwithstanding the welfare of the orphans and vulnerable children.

1.3   Research Questions

The Cash transfer Program for Orphans and Vulnerable Children aims to uplift the economic status of OVC families; by reducing poverty and increase the literacy levels. This study seeks to answer the following questions;

1. Does the Cash Transfer Program have an effect on the health and nutrition of the OVC?

2. Does the Cash Transfer Program have an effect on the economic status of the CT-OVC household?

3. Does the CT-OVC program have an effect on the school retention of OVCs in Kwale County?

1.4   Objective of the Study

1.4.1   General Objective

The main objective of this research paper was to assess the effect of CT-OVC on school retention in Kwale County.

1.4.2   The specific objectives

In an attempt to investigate the effect of CT-OVC on school retention in Kwale County, the research is guided by the following objectives.

1. To examine what hinders school retention for the OVC.

2. To establish the challenges faced by beneficiaries of CT-OVC and strategies adopted to deal with the challenges.

3. To establish the influence of the CT on the OVC's continuity from one level of education to another.

1.5 Justification of the Study

The scope of the study narrowed down to County level and is useful to the County children officers since it will help in making key decisions that will affect the OVCS and particularly in advising the Government in terms of allocating resources to the OVCS. That is in terms of raising the budget allocated to the OVCs as per the results of the study. Secondly the research is of importance to the policy makers who are responsible for overseeing the policies that affect the vulnerable and the overall wellbeing of the nation.

Thirdly the findings are fundamental to the front-line officers in dispensing these services to the community such as chiefs and assistant chiefs in advising their respective communities on the importance of enrolling the vulnerable in the program and the trickle-down benefits to the overall community. More significantly the research will help the NGOS and other humanitarian organization in weighing the option of expanding their financial assistance in a bid to scale up this program. Therefore, the findings of the study exhibit both theoretical and practical implications that will be helpful to the widening of the program.

If these programs are not successfully managed, they may end up been cash cows leading to huge wastage of resources and so constructive feedback can be a tool to make the programs more effective. Lastly the research is beneficial to future research related to the study area considering not much have been done in terms of access to data which will be crucial to advancing on this study area. As aforementioned this research paper is important in contributing to the literature.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides the underlying theoretical and empirical literature. Under theoretical literature the study reviews the basic need model, capability approach, sustainable livelihood approach and human capital theory since they provide a linkage to the development of a child and especially the orphans in regard to the cash transfer and school retention. The empirical literature from previous studies establishes the connection between school retention, enrollment and cash transfer especially experiences from Latin America.

2.2 Theoretical literature

This section discusses the theories that explain the subject of study. The three main theories discussed; The Basic Need Model, Capability Approach and Sustainable Livelihood Approach.

2.2.1 Basic Need Model

This model was introduced in 1976 by the ILO and proposes the fulfillment of basic human needs. Many Governments and organizations have endorsed this model which has mapped a way towards creating major influential policies and programs. Recently the model is acting as a guideline to the human development approach.it seeks to obtain additional resources to aid the marginalized groups which include the PWSDS, OP and OVCS. These can be achieved through redistribution or charitable actions (World Bank funding). This is guided by important aspects which include the minimum requirements of a family such as clothing and shelter. There is also the larger community need which are essential for development which include safe drinking water, health, education, public transport and sanitation. This aligns with the objective of the National Safety Nets of raising

the most vulnerable from the poverty trap in a bid to achieve the country's vision. By providing the minimum cost of the food basket to the beneficiaries it essentially covers the basic needs. These benefits are injected into the larger community indirectly and some may even have long-term effects.

The basic need model theory is important in explaining the role of cash transfer program in achievement of SDGs. However, its main focus is on the basic needs that is food, shelter and clothing which are not enough in a competitive world characterized by few job opportunities and high levels of skills since the world has slowly been technologically advancing and replacing human labour. This is traditional assistance when one reflects on the objectives of CT-OVC which are long-term and not short term but we cannot discard it at a glance since it is the basis that leads to achievement of the long-term objectives

2.2.2 Capability Approach

The approach is built on two concepts: Capabilities and Functionings. Capability is being able to achieve while Functionings are defined as the key outcomes or the thing that an individual is able to be or to do. At a broad level this includes being adequately nourished, being able to read, attaining a slot in the vocational training colleges and university and doing a job. An achievement is not a functioning if it is not valued by that person. This is a framework that can be used to aid in the understanding of the wellbeing to achieve positive outcomes such as school attendance, enrollment and retention. Conceptualizing and evaluating inequality. For example in a case of two persons with different height watching a football match, the tall person experiences the functioning

because he is able to get a clear view of the match that is he also has the capability which the short individual lacks, but the short individual is provided with something to step on he also has the capability to probably view the match and both individuals end with the functioning unlike before.

It is a broad standardized framework for assessment of individual wellbeing and social arrangement, the design of policies and proposal about social change in society (Sen 1999). It can be used to analyze a wide variety of aspect of people's wellbeing such as individual well-being, inequality and poverty. This approach can be employed to evaluate social cost-benefit analysis or even evaluate development policies by Government and non-Governmental organizations. This approach proposes that social arrangement which include CT-OVC and other Cash Transfer Programs should be evaluated primarily according to the extent of the choice people have to promote or achieve the functioning they value. Thus, human development is a process of enlarging peoples' choice to be able to make decision that will hugely impact their lives for instance attending school, avoiding dropping out and passing their exams.

2.2.3 Sustainable livelihood approach

This approach entails the objectives, purview and development priorities. Its centrality is based on progressive thinking about the way the poor and vulnerable live their lives and the importance of policies and institutions. Therefore, the outcome of this approach is meant to be people-oriented, participatory and responsive, multilevel, managed in partnership with private and public sectors, sustainable and dynamic. Therefore it drifts away from traditional definitions and ways of dealing with poverty which were associated and mainly concerned with specific signs of poverty such as low income and did not consider other crucial parts of extreme poverty (Krantz 2001).Attention must be turned to the different element that lead to individuals falling to the poverty trap and

fostering individual capacity to make a living in a financially, environmentally and sustainable way. The brainchild of the aspect of sustainable livelihood approach was Brundtland commission on environment and development. In 1992 the concept of sustainable livelihood was further extended pushing for the accomplishment of sustainable development as broad objective of poverty reduction.

Three important knowledge segments in poverty that support this approach, first the identification of practical priorities for actions that depend on the perspectives and the interests of those individuals. This is because the poor are better informed of their state and they should be engaged in planning actions to be taken in bettering themselves. Second there is an acknowledgement that while economic growth is considered important for poverty eradication there is not a program connection between the two since everything relies upon the capacities for the poor to exploit economic opportunities (Krantz 2001).Thirdly is that poverty is not only an issue of low pay but it also incorporates other measures such as poor health, absence of education and limited access to social services.

Therefore, sustainability can be defined as the ability to maintain a certain rate or level over a long time. This implies that Government funding and commitment determine whether the program will have successful impacts on beneficiaries. Therefore, cash transfer has to be subjected to long-term commitment and development partners have also to provide long-term instrument. This can be done also by providing other programs alongside such as; Kazi Mtaani, OP-CT and PWSD-CT. The danger associated with this approach is that without beneficiaries making rational decisions it

increases dependence. There is also the issue of change in governance after an election where the incoming Government may not be willing to continue with programs of the outgoing Government.

2.2.4 Relevance of the Theory

The three theories acknowledge the importance of poverty reduction. Capability approach, sustainable livelihood and basic need highlights what cash transfers should be able to achieve with the basic need model prioritizing the basic needs and all with an aim of providing the beneficiaries with the capacities to achieve the functioning they value.

2.3 Empirical Literature

Laura B. Rawling and Gloria M. Rubio (2003) conducted an evaluation of the impact of four conditional CT programs namely; Mexico Progressa, Honduras PRAF, Nicaragua RPS and Colombia FA. The first three programs are subjected to randomized control design and the latter applied a quasi-experimental design. Finally, the study used the difference in difference estimator to find the level of impact in the first three programs and propensity score matching method in the Colombia's program.

The findings demonstrated positive effects on the enrollment rate for both boys and girls. For the case of Mexico primary school enrollment revealed an increase in enrollment ranging from 0.74% to 1.07 % for boys and a rise from 0.96% to 1.45 % for girls. Similar results were also recorded in the secondary level with a rise from 3.5% to 5.8 % for boys and 1.9% to 9.3% for girls. A larger increase was witnessed in Nicaragua whereby the average enrollment rates increased by about 22 percentage points. Colombia's FA program had no effect on enrollment rates among the primary

school age population (7-13) but there was increase in enrollment for the secondary level between ages 14-17 by 5.5 percentage points in rural areas and by 14 percentage points in urban areas. The impacts on attendance were found to be mixed with Nicaragua's RPS indicating a greater impact on enrollment rate.

However, this study was conducted in Latin America and the current study focuses on Social Protection in Africa specifically sub-Saharan Africa. The programs above designate mothers as the recipient of the grants according to international evidence that suggest women frequently make optimal decision affecting child welfare but the current study has both mothers and fathers as the recipient of grants including the elderly. Lastly the unit of study in this study is the localities but the unit of study for the current study is the household.

Joan Wangui Wanyama (2018) focused on the influence of cash transfer grant on school retention of child beneficiaries in Eldoret west sub-County. By applying both the descriptive and inferential statistics she found that Pearson correlation showed a moderate positive correlation between provision of scholastic materials due to availability of cash transfer and school retention. Secondly the findings showed there was a moderate positive correlation between provision of food consumption, food security and school transport due to cash transfer and school retention of child beneficiary. Thirdly there was a positive correlation between reenrollment of children as a result of cash transfer and school retention of OVC.

Lastly the Pearson product moment correlation on relationship between cash transfer and school retention was a strong positive correlation. Although the study adds to the existing literature it

cannot be used to generalize the whole country since different counties are faced with different problems that require different solution therefore requiring similar studies to be conducted in the other counties. This study used descriptive method which does not take care of unobserved error but the current study intends to employ the maximum likelihood method.

N. Schady, J. pounce and h. Osterbeek (2008) undertook a study to assess the impact of cash transfer (Bono de Desarallo) on school enrollment in Ecuador with an aim of increasing school attendance. In this program there were no conditions imposed on receiving the transfer therefore rendering it unconditional. They employed randomized experiment and a regression design. In this study 1309 families around the first quintile of poverty index were randomly assigned into treatment and control groups and for the discontinuity design data was collected from 1221 families.

The findings of the study showed school enrollment of children in the first quintile went up by 10 percentage point in response to cash transfer while school enrollment of children in families around the second quintile was unchanged. Like most of the studies the study concentrated on school enrollment but did not look at the school retention which the current study seeks to address especially that it's Kenya.

S. Duryea, A. Morrison (2004) undertook an evaluation on the impact of CCT on school performance and child labor using three different methodologies. The first mean values of outcome variables were compared between treatment and control groups. Second a regression analysis was used to estimate reduced form equation with outcome variable of interest as the dependent variable.

Secondly a regression analysis was used in estimating the reduced form equation with the interest variable as the dependent variable. Thirdly a matching methodology was used in which the participants of the program were explicitly matched with an individual in the participating group in order to ensure that outcomes were being compared between individuals who had similar priori propensities. The findings of the study indicated a positive outcome.

In school attendance there was a more likely chance between 2.9 and 8.7 percentage point of attending school than the non-beneficiaries. They found less evidence on whether the program increased the likelihood of a child to pass a grade and in that case only the probit regression analysis found such an impact and therefore beneficiaries were just likely to pass grade as individuals attending school and not participating in the program. Lastly, they found no evidence linking the program to the reduction of child labor.

In Pakistan Durr-E-Nayab and Shujaat Farooq (2012) carried out a study to determine the effectiveness of Cash Transfer Program for household welfare a case of Benzir Income Support program (BISP).The study utilized Pakistan Panel Household Survey(PPHS) data collected by Pakistan Institute of development Economic(PIDE) in (2010).The study used propensity score matching(PSM) method which they found superior over other methods like Logistic regression analysis ,paired observation and double difference methods which was developed by Rosebuum and Rubin(1983) since it dealt with the issue of selection bias.

The welfare impact estimation was based on five household indicators namely: household poverty level, per capita food expenditure, per capital health expenditure, school enrollment of children

aged 5-14 and employment status of women aged 15-64.The results on the impact of BSIP on poverty headcount were found not statistically significant owing to the fact that the BSIP was not designed to reduce poverty per head and that its main objective was to safeguard the poorest of the poor against inflationary shocks. Secondly impact on food and health expenditure was statistically significant implying many households would end up spending more on food and health as compared to household that that had not received the assistance but shared the same socio-economic and demographic characteristic.

Thirdly the impact on school enrollment of women and involvement in the labour market was positive but not statistically significant. These households were found at the threshold level of survival and therefore preferring to spend amount received on basic necessities mainly food rather than investing to better their physical or human capital. Lastly, they found some of the results on the impacts similar to other findings on studies undertaken by other researchers. Nevertheless, this study failed to evaluate the effect of the program on school retention and dropout rates which the current study seeks to address.

In Ethiopia G. Berhane, D. Gallion, J. Hoddinot, et.al (2014) investigated whether Social Protection can work in Africa by estimating the impact of Ethiopia's productive safety net program (PSNP). The analysis of this study was based on longitudinal survey data that was collected at the household and locality level. Three surveys were undertaken as follows; July-August 2006 with most interviewing in July, late May and early July 2008 and June-July 2010.The study employed the propensity score matching method employed by Hirano and Imben (2004).The double

difference estimate of program was obtained by taking the difference in the impact of change of household that receive say 5years of payment and the household that received payments for 1 year which transited into small amounts.

The results of the study showed that PSNP had improved food security by 1.29 months which was statistically significant and equivalent to reducing the length of hungry season by one -third, secondly the five years of participation raised livestock holdings by 0.38 TLU compared to receipt of payment in 1 year. Thirdly the study found no evidence of PSNP crowding out private transfers although in the sample that was typically small and lastly the study suggest that it is possible to implement a large-scale social safety net with measurable impacts in an environment characterized by limited infrastructure and administrative resources which is vital to the study. Nevertheless, the study failed to investigate the impact of PSNP on health and school enrollment which are vital in the community and the benefits could have most probably been indirect.

The study also cites several weaknesses that are associated to the method of choice which include the continuous matching method to calculate difference estimate of impact within and across beneficiary sample since this approach cannot guarantee unbiasedness of their result and lastly the study cannot differentiate between the impact of participation from the impact of levels of transfer. This method took care of attrition rates which is one of the problems in impact evaluation but did not estimate the impact that the program had on school outcomes such as the school attendance, school enrolment and school performance.

2.3.1 Overview of the Literature

The 2030 agenda of sustainable development goals aims to reduce poverty in all dimension. On a national level the Kenya vision 2030 agenda development program seeks to establish a "globally competitive nation" with high quality of life driven by economic development. To achieve this objective most of African countries have most African countries have adopted a Social Protection framework and consequently implemented Cash Transfer Program to address poverty and vulnerability. This include the Ethiopia productive safety net which provides household with food needs, Malawi social cash transfer started to increase human capital development, and address poverty and the Tanzania community-based cash transfer that was started to increase healthcare visits, school attendance and increasing the access of the poor and vulnerable to the basic services. This has been due to the evidence of the impacts of the CCT from Latin America where the idea of cash transfer originated.

With this impressive step been undertaken by African countries there is need for researchers to unearth the impacts of this transfers whether conditional or unconditional using different methodologies to find out whether short term and long-term objectives have been achieved. Short-term effects are easy to determine but it's quite difficult to determine whether long-term objectives have been met (Garcia and Moore, 2012). There has also been an argument on whether the cash transfer increases dependence of the beneficiary and whether cash transfer may crowd out remittances. The size of grants varies across different countries and due to the rise in early pregnancies among school growing children there is the need to assess the cash transfer as an incentive for reducing both early pregnancies and marriages in African countries.

From the empirical literature various studies have investigated impact of cash transfer on various school outcomes such as school enrollment, school performance and school attendance using experimental and quasi-experimental design. Majority of this studies were not in the Kenyan context. Only one study by Joan Wangui Wanyama (2018) estimated the influence of cash transfer on school retention among OVCs. However, this study employed descriptive statistics and was conducted in Eldoret West sub-County. Also the study failed to examine the influence of age on school retention among the OVCs. This study fulfils this gap by using a different methodology of maximum likelihood and also adds age as an independent variable to find its influence on school retention of OVCs.The study is also based in Kwale County where the previous studies did not base their findings.

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter explains the theoretical framework, method of estimation, model specification, description of variables, analytical tools, data collection method, the study period and sample used

3.2 Theoretical Framework

This research adopts the Capability approach model developed by Amartya Sen (1999). The model is based on assumption that beneficiaries can be entrusted with the cash transfer to raise the level of living standards. CT-OVC is an unconditional cash transfer and since it is regular and predictable it can help the respective families get their basic needs such as food, education and healthcare in lean seasons. Utility is happiness obtained from doing a set of things; U= h(f(c(x)), h is a function related to functioning achieved and f is a function that maps consumer bundles to a vector of characteristics.

Figure 1.1: Capability Approach Model
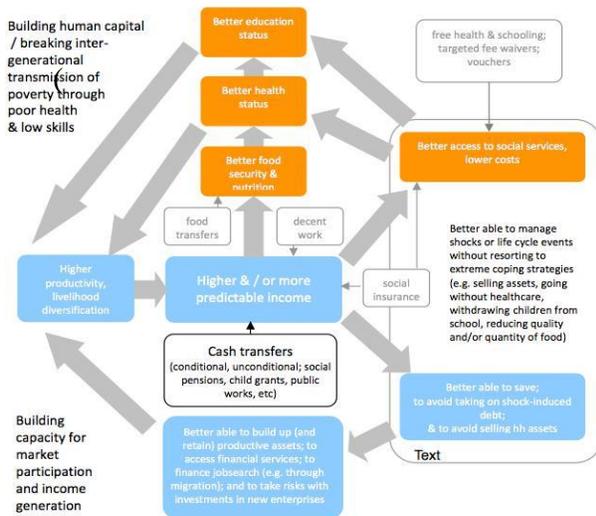
DFID Policy division, 2011).

With better education, health and housing the beneficiaries are able to achieve their functioning such as being a doctor, lawyer and other professional that they would not have achieved less CT-OVC. Therefore CT-OVC builds on human capital helping break intergenerational transmission of poverty promoted by poor health and low level of skills that are attributed to children dropping out of school early mainly due to poverty status in the household. Human development is a process of enlarging peoples' choices and by building human capital CT-OVC enhances the beneficiaries' labour productivity and increases the total output of goods and services in the country. This leads to the beneficiaries receiving a higher or more predictable income in future.

With higher levels of income generated by CT-OVC program beneficiaries are able to invest and save which offers a cushion against shock or life cycle events such as death of the bread winner. This prevents the household from liquidating assets, foregoing healthcare, and withdrawing children from school, decreasing food quantity and quality. The beneficiaries are therefore able to retain their productive asset, get credit from financial institutions and to being risk takers with investments in new enterprises.

Therefore, the framework argues welfare economics should not only major on income but focus on real freedom of recipient and what they achieve through CTPs which include health, education, employment and equality. In addition to this CT-OVC should not be on what the beneficiaries consume or on their incomes but what they are able to achieve

3.3 Empirical Model Specification

School retention was based on capability approach theory developed by Sen (1985). The framework presumes functioning are achieved as a result of capabilities. In the case of this study the functioning is school retention which is achieved as a result of unobservable variable which is influenced by cash transfer through enhancement of capabilities.

$$Q = f(c(x))$$

The aim of the approach is to model life satisfaction as a function of freedom that a person has and leads to subjective well-being

$$SWB = g(Q)$$

Hence; the main aim will be estimation of the probability of school retention of OVCs upon receiving cash transfer.

Figure 1.2: Nexus between Independent and Dependent Variables

Independent Variables   **Dependent Variable**
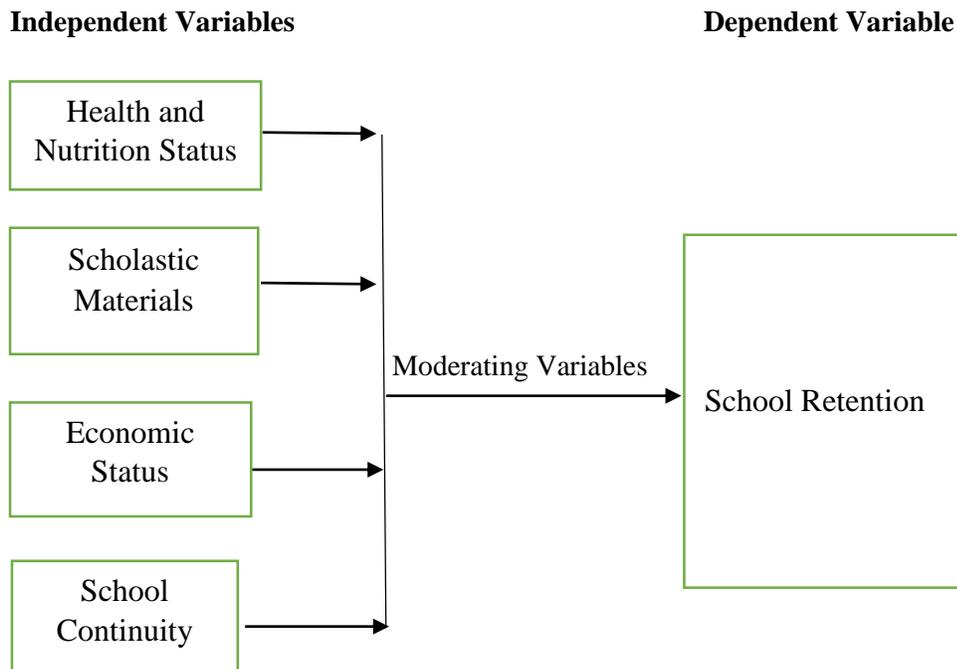
Source: Author's Computation

The research applied binary probit regression analysis which is a maximum likelihood technique. The school retention was dependent on the measure of the unobserved variable reaching a certain point.

Therefore the study took school retention as the outcome determined by the latent variable y_i^* and a linear relationship between the latent variable and explanatory variable is assumed. The latent model was given by

$$Y_i = \begin{cases} 1 \text{ if } y_i^* > 0 \\ 0 \text{ if } y_i^* \leq 0 \end{cases}$$

The derived latent equation model was, $y_i^* = \beta_{0+} \beta_1 X + \varepsilon$ where X_S are the covariates, β_s are partial regression coefficients associated with independent variables and ε is the stochastic error term.

Probability $(y_i = 1) = $ Probability $(y_i^* > 0) = ^{\phi} (\beta_0 + \beta X's)$

Probability $(y_i = 0) = $ Probability $(y_i^* \leq 0) = 1 - \phi (\beta_0 + \beta X's)$

This leads to a probit model given by the equation below

Therefore the general model used for the study is; $Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$

Y_i = school retention

X_1 = Health and Nutrition status

X_2 = Scholastic Materials

X_3 = Economic Status of beneficiary HH (household)

X_4 = School Continuity

X_5 = Age

ε = Stochastic error

The characteristic of variable X_i were then regressed against Y_i to determine the influence of each variable on OVCs likelihood of being retained in school or not.

3.4 Operationalization of Variables

Table 3.1: Definition of variables

Variable	Definition	Measurement	Expected sign
	BINARY DEPENDENT VARIABLE		
School retention	Whether the child beneficiary was retained upon receiving the transfer	1-if child was retained 0, otherwise	

Variable	Definition	Measurement	Expected sign
	INDEPENDENT VARIABLE		
School Continuity	Does school continuity affect the school retention of the OVC	Graduation from one level of study to the next.	+VE/-VE
Scholastic Materials	Whether the School retention depends on scholastic materials	Uniforms, Books and pens	+VE/-VE
Health and Nutrition status	Whether school retention depends on Health and Nutrition status of beneficiary	Number of visits to Health clinics and a balanced diet	+VE
Economic Status	Whether School retention depends on the Economic Status of the household of the beneficiary	Household Assets, Investment and Saving	+VE/-VE
Age	Whether school retention depends on the age of CT-OVC beneficiary	Years	+VE/-VE

3.5 Data and Data Sources

I an attempt to realize the objectives of this study, primary data was collected. The researcher used an interview guide to interview various selected households. An interview guide is a list of questions to be raised in a course of an interview. This is advantageous because it collects a lot of information over a short period of time. Secondly, over 70% of the targeted households were child-headed or with parents who were illiterate. The interviews were conducted by the researcher himself and a research assistant.

However, due to COVID 19 restrictions set out by the GOK, telephone interviews were also conducted. The researcher took notes on the interview and also used a tape recorder to capture the response of the interview. The interview was conducted in English, Kiswahili and where need arose, Duruma and Digo, with the help of a translator.

3.5 Sampling Size

The study utilized the Krejcie and Morgan sample size formula in determining the size of the sample.

$$n = \frac{x2Np(1-p)}{e2(N-1) + x2p(1-p)}$$

In Kwale County there is approximately 6000 OVCs receiving cash transfer and therefore at 95% confidence level with a degree of freedom 1, chi-square is 3.841, p= 0.05 and the population proportion is 50%.the sample size is equal to 361.

3.6 Sampling Technique

The study used simple random sampling method. This was in order to provide an equal chance of selection because the households had similar characteristics and avoid biasness. The data was collected from 361 selected household from the four sub-counties of Kwale County. Three groups of individual were interviewed; the beneficiary or caregiver, the Children's Officer and the School teacher.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION and INTERPRETATION

4.1 Introduction

This chapter mainly discusses the finding of key variables, their analysis and interpretation. The study employed SPSS and Stata software package for analysis.

4.2 Response Rate

Response rate is the percentage of the sample members who are eligible to participate in the survey from whom a complete and usable data is collected (Frederick J. kviz 1977)

The study recorded 93.6% response rate which was acceptable (Nulty 2008). Out of the 361 sampled households, 338 interviews were conducted, and this was better than average response rate of 70%.

4.3 Cash Transfer on Health and Nutrition of OVCs

Table 4.1: Interviewees response on health and nutrition

			HEALTHANDNUTRITION		Total
			mw/w/s	mb/b	
SCHOOL RETENTION	Ntr	Count	5	35	40
		Expected Count	2.0	38.0	40.0
	Rt	Count	12	286	298
		Expected Count	15.0	283.0	298.0
Total		Count	17	321	338
		Expected Count	17.0	321.0	338.0

Source: Authors computation

The study sought to determine the extent to which cash transfer influenced the health and nutrition of the OVCs in Kwale County. This study showed that majority of the respondent's health and nutrition status was much better or better than before receiving the cash transfer (94.97%). Only 5.03% of the sample held a different a view of the status been much worse or worse or same. It was noted that in case there was a delay in payment the households were able to acquire loans from self-help groups, friends and financial institutions. This helped them cope with emergencies and unforeseen circumstances. Despite the households not being able to have a balanced diet daily, the moment they received cash transfer they afforded one.

The study also noted that food consumption patterns did not change much. This was attributable to the number of households' dependents, means of livelihood, price inflation of items and covid19 pandemic. This implies that through availability of cash transfer household improved their overall health and nutrition status.

4.4 CT-OVC Household Ratings on the Economic Status

Table 4.1: Interviewees response on economic status

			ECONOMIC STATUS		Total
			mw/w/s	mb/b	
SCHOOL RETENTION	ntr	Count	27	13	40
		Expected Count	25.4	14.6	40.0
	Rt	Count	188	110	298
		Expected Count	189.6	108.4	298.0
Total		Count	215	123	338
		Expected Count	215.0	123.0	338.0

Source: Authors computation

The study also sought to ascertain the effect of cash transfer on economic status of CT-OVC household. 36.39% respondents rated their economic status to be better or much better while 63.61% respondents of the sample the status was much worse, worse or same. Most of those that their economic status was better/much better made small investment such as buying of chicken, goats, self-help groups etc. The study also noted that most of those that perceive the economic status to be worse attributed it to the COVID-19 pandemic, changing value of money and priorities such as health nutrition and scholastic materials. This implies that cash transfer did not have an overall significant effect on economic status and therefore tended to be the same. Worse or much worse.

4.5 Cash Transfer on Scholastic Materials

The study also sought out to find the effect of CT-OVC on the provision of scholastic materials and how these affect the overall retention of beneficiaries in school. The findings are presented in the table below

Table 4.2: Interviewees response on scholastic material

			SCHOLASTIC MATERIALS		Total
			mw/w/s	mb/b	
SCHOOL RETENTION	Ntr	Count	11	29	40
		Expected Count	1.4	38.6	40.0
	Rt	Count	1	297	298
		Expected Count	10.6	287.4	298.0
Total		Count	12	326	338
		Expected Count	12.0	326.0	338.0

Source: Authors computation

Majority of the respondents (96.45%) of the respondents rated their ability to acquire scholastic materials such as buying shoes, writing books, pens and school uniforms through availability of cash transfer as much better/better while (3.55%) rated their ability to acquire scholastic materials as much worse, worse and same. This implies that through availability of cash transfer the ability to acquire scholastic materials had significantly improved.

4.6 Cash Transfer on School Continuity

The study also examined the effect of cash transfer on school continuity. Most of the respondents (93.49%) of the respondents rated school continuity to be much better/better while (6.51%) considered the rate to be much worse, worse and same.

Table 4.3: Interviewees response on scholastic material

			SCHOOL CONTINUITY		Total
			mw/w/s	mb/b	
SCHOOL RETENTION	ntr	Count	7	33	40
		Expected Count	2.6	37.4	40.0
	rt	Count	15	283	298
		Expected Count	19.4	278.6	298.0
Total		Count	22	316	338
		Expected Count	22.0	316.0	338.0

Source: Authors computation

This implies that through availability of cash transfer there has been improvement in school continuity

4.7 Diagnostic Pre-Estimation Test

The correlation analysis test was carried out by this research with an aim of acquiring reliable and valid estimates. This study tested for correlation analysis among study variables by examining the correlation coefficient. If the coefficient is 0 then this shows absence of correlation, 1 represent perfect positive correlation and -1 represent perfect negative correlation.

Table 4.4: Correlation Matrix

```
            | schola~s health~n econom~s school~n    age school~y
------------+------------------------------------------------------
scholastic~s|  1.0000
healthnutr~n|  0.1753   1.0000
economicst~s|  0.0787   0.0897   1.0000
schoolrete~n|  0.4742   0.1252   0.0296   1.0000
         age| -0.0243  -0.0610   0.0040  -0.1398   1.0000
schoolcont~y|  0.1438   0.3234   0.0999   0.1632  -0.1134   1.0000
```

4.7 Econometric Estimation

Table 4.5: Probit Regression results for effect of independent variables on school retention.

```
Probit regression                              Number of obs   =        338
                                               LR chi2(5)      =      53.00
                                               Prob > chi2     =     0.0000
Log likelihood = -96.402831                    Pseudo R2       =     0.2156
```

schoolretention	Coef.	Std. Err.	z	P>|z|	[95% Conf. Interval]	
scholasticmaterials	2.760038	.5637467	4.90	0.000	1.655115	3.864961
healthnutrition	.1008223	.4520915	0.22	0.824	-.7852608	.9869055
economicstatus	-.0484171	.208647	-0.23	0.816	-.4573577	.3605235
age	-.1007253	.0412633	-2.44	0.015	-.1815999	-.0198506
schoolcontinuity	.4944585	.348243	1.42	0.156	-.1880853	1.177002
_cons	-.7233137	.8512341	-0.85	0.395	-2.391702	.9450744

The P-value and R-squared are 0.000 and 0.2156 respectively. This indicates the joint significance of independent variables in explaining school retention and 21.56% of the change in school retention is explained by the independent variable. The results of the model show that an increase in scholastic materials is likely to increase school retention. An increase in health and nutrition status is likely to increase school retention. An increase in economic status is likely to decrease school retention. An increase in age of the OVC is likely to decrease school retention. An increase in school continuity is likely to increase school retention among the OVCs.

The probability of school retention depends on the marginal effects computed from the various independent variables which show the probability of school retention.

Table 4.6: Average marginal regression effects of independent variables on school retention.

```
Marginal effects after probit
      y  = Pr(schoolretention) (predict)
         =  .90369916
```

variable	dy/dx	Std. Err.	z	P>|z|	[95% C.I.]		X
schola~s*	.8323265	.08912	9.34	0.000	.657645	1.00701	.964497
health~n*	.0182454	.08659	0.21	0.833	-.15146	.18795	.949704
econom~s*	-.0083373	.03625	-0.23	0.818	-.079395	.06272	.363905
age	-.0171956	.00684	-2.51	0.012	-.030609	-.003782	11.6775
school~y*	.109352	.0947	1.15	0.248	-.076247	.294951	.934911

(*) dy/dx is for discrete change of dummy variable from 0 to 1

Based on the marginal effects of the model for the significant variables the findings revealed show that having scholastic materials is more likely to increase probability of school retention by 83.2% all factors held constant. A unit increase in the age of the OVC child is likely decrease probability of school retention all factors held constant by 1.72%

These marginal effects measure the changes in probability of school retention with a unit change in a given independent variable holding other variables constant at their means. Scholastic materials and age variables have significant marginal effects on school retention at 5% level of significance. Scholastic materials increases the probability of school retention by 83.2%.This is attributable to the fact that OVCs with learning materials such as pens, school uniforms and books are more motivated to being in school than those without. This corresponds with the study done by Joan Wangui Wanyama (2018), who found a positive significant relationship between scholastic materials and school retention.

According to the results, a unit change in age of the OVCs decreases the likelihood of school retention by 1.72%. However, Joan Wangui Wanyama did not examine age. Economic status, health and nutrition and school continuity had a positive but insignificant effect on school retention.

4.8 CT-OVC Overall Effect on School Retention in Kwale County

Scholastic materials acquired as a result of cash transfer (p=0.000) was highly significant. This implies that cash transfer had a positive impact on school retention. By purchasing scholastic materials for OVCs they were motivated to be in schools. The study also noted most of beneficiaries were able to pay for school trips and transport for those who did not reside near schools. The teachers also lauded these changes and this only adds to the positive impact of CT-OVC on school retention.

Secondly, the health and nutrition status also improved although not significant. With OVCs being healthy due to medical attention and having balanced diet a result of cash transfer then the OVCs were hardly not be Sent home due to illness. The teachers also added they were able to carry packed lunch which contributed to school retention.

Thirdly, for most of the respondent the economic status did not change as a result of cash transfer since much of the cash transfer was spent on scholastic materials and health. Also, the maintenance of investment assets such as poultry was expensive due to the much care needed for returns to be realized. Most of the households from the sampled population that recorded a much better or better economic status had one OVC or few dependents.

The study also noted that those OVCs that were young the economic status of their household was much better since they did not have to spend much of the cash transfer on scholastic material as their counterparts. This led to a nexus between age and school retention which found to be an inverse relationship.

Lastly, since the beneficiary age increased with school continuity then it also displayed an inverse relationship with school retention although school continuity improved as a result of cash transfer.

CHAPTER 5: SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary of key findings conclusion and recommendations. The conclusion and recommendations drawn are geared towards addressing objective of the study which was to assess the effect of CT-OVC on school retention in Kwale County.

5.2 Key Findings

5.2.1 Factors That Hinder School Retention of OVCs

From the study findings most of the respondents lacked a reliable source of income which is critical to proper health and nutrition status and acquiring of scholastic materials which enhance school retention. But with the availability of cash transfer it acted as an alternative source of income.

Secondly, a large number of dependents are from polygamous marriages. This reduces the effect of the meagre resources' households own to cater for better health and nutrition status and acquire of scholastic materials. The study established that this was the main reason that hindered most OVC household from improving their economic status and it either worsened or remained the same because of other immediate needs.

Thirdly, it was also evident that lack of proper health and nutrition was a barrier to school retention since most were not in school until the availability of cash transfer. The study further shows age was also a factor and since the cash transfer amount did not differ with different age group of the OVCs as the school continuity increased more scholastic material and other basic needs increased. This would force some of the OVCs not to be retained in school as compared to the young OVCs. Therefore, there was a negative relationship between age and school retention.

5.2.2 Challenges faced by beneficiaries of CT-OVC and strategies adopted to deal with them.

It was noted that although positive impacts on school retention has been established, the CT-OVC has been coupled by various challenges.

Firstly, delay in the disbursement of funds by the ministry; cash transfer payment may delay up to four months considering payment is supposed to be made every two months. The strategy adopted to deal with this is lump sum payment whereby instead of receiving 2000 they receive 4000/8000 depending on the number of months. Secondly, long distance between the banks and the residence area of the beneficiary; parents/guardians pay a huge amount of transport to access banks in the major towns such as Kwale. The solution that has been adopted by the bank to deal with this problem is the use of mobile bank agents who are sent to the nearby public facilities in different locations.

To add to that, lack of consideration of the number of OVCs in one household; regardless of the number of orphans or vulnerable children in a single household, all household receive an equal disbursement in a bid to ensure as many households as possible are involved. Therefore, for the household with more than one orphan/vulnerable child the impact realized is negligible.

Dishonesty and lack of trust among the family members of household; Children service officer cited this this challenge whereby caregivers do not channel funds to activities that directly benefit the orphan/vulnerable child. The strategy developed to deal with the problem is that children service officer encourages members of community to work with administrative officers especially chiefs and village elders for change of caregivers with the help of children service department.

Furthermore, failure of biometric machines during payment was noted; this has been a major challenge in locations that are in deep interior where availability of network is a problem. Another challenge noted was lack of social amenities; this greatly affected the OVC beneficiary whereby in some locations there are no social halls, public toilets and also shop/hotels/hospitals are far from payments points. Therefore, in case of adverse weather condition or health emergency the parents/guardians are greatly affected. The County Government of Kwale has hugely chipped by building social halls in some location which has improved payment services.

Many respondents cited lack of a proper mobilization chain of communication between the children service department and the OVC beneficiaries. The solution adopted by children service officer is the engagement of voluntary service officer and village chairman in the Nyumba Kumi initiative to help spread any information from the office.

5.2.3 The influence of the CT on the OVC's continuity from one level of education to next
93.49% of the respondents rated the school continuity to be much better or better due to the availability of cash transfer. The main reasons behind the increased continuity was the enhanced ability to purchase scholastic materials and improved health and nutrition status among CT-OVC beneficiaries. According to both teachers and guardians; this increased the morale of children to be in school and with better health they are cited to have been more active than before. Therefore, it translated to them being engaged in school activities which provided hope for a better future.

Teachers said most of them were able to transit from one class to the other since they did not miss on most of learning activities. OVCs were also motivated to do extra reading at home. From the

finding of the study it is crystal clear that school continuity has been enhanced through the availability of cash transfer.

5.4 Conclusion

From the study it was revealed that if cash transfer for orphans and vulnerable children is made regular and predictable it indeed increases school retention among OVCs. CT-OVC has emerged to be effective in addressing poor health and nutrition status, acquisition of scholastic materials and enhancing school continuity. Although the economic status of most OVCs households did not change, CT-OVC is a game changer in eliminating the vicious cycle of poverty among OVCs through long-term investment in education.

Besides school retention, CT-OVC program has also helped reduce social problems such as reduction of OVCs stigmatization, reducing child labor and early marriages in Kwale County. The program has also provided an opportunity for the Government by the people for the people creating a platform where Government officers closely interact with the citizens.

Therefore, the Government can use the CT-OVC program to achieve the economic, social and political pillar anchored in the vision 2030.

5.5 Policy Implications

The study noted that despite the positive effects of cash transfer on school retention the Government should put into consideration the age of CT-OVC beneficiary and number of OVCs in a single household, so as to realize a larger impact in school retention among the OVCs. The older OVCs cash transfer amount should be increased.

There was also few improvements in the economic status and Government should consider adding in kind transfer to the program, increase the cash transfer amount, or provide economic

empowerment funds and bursaries and scholarship. This will aid in improving school retention at the same time improving the economic status. Finally, CT-OVC beneficiaries can be trained on long-term investment and saving. This will help beneficiaries understand the importance of education and lead to increased school retention among OVCs.

5.6 Suggestions for Future Research

The literature on the effect of CT-OVC program on health and nutrition, economic status and school retention of the beneficiaries and their families is limited. In addition, the effect of CT-OVC program on health and nutrition, economic status and school retention of the beneficiaries have not been documented. Future research can be done on other Cash Transfer Programs e.g. OP-CT, HSNP and PWSD.-CT and the impact it has on health and nutrition, economic status and school retention of the beneficiaries and their families.

Finally, an important element to future research relates to the monthly stipend that the beneficiary receives. Many studies accept the implicit assumption of supposed impact of the CT-OVC program on health and nutrition, economic status and school retention of the beneficiaries and their families. Future researchers should seek to determine whether this amount is viable to support the health, economic and education needs of beneficiaries.

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APPENDICES

Appendix 1: Questionnaire

I.   CONSENT AND RESPONDENT INFORMATION

Hallo. My name is David Maregwa Muriithi. I am a Masters of Economic student at the University of Nairobi and am here conducting interviews with the recipient of Cash Transfer for Orphans and Vulnerable children. I will use this information for my study which is on the impact of CT-OVC on school retention among the orphans and vulnerable children in Kwale County. Your participation in the interview is voluntary and highly appreciated. if you do choose to participate you are also free to end the interview at any time.

The interview will take approximately twenty minutes of your time. All the information you provide is confidential. You will not be named and no one will be able to trace the answers you give to any questions back to you. We are speaking to many households throughout the country and the information is always treated in aggregate and not individual basis

Do you have any questions?

May we proceed?

- o Yes

- o No

II.   INTERVIEWEE INFORMATION

(By respondent I mean the person been interviewed)

1. Whats your name? …………………………………………………………………

2. Whats your Gender?

o Male

o Female

3. What is your Sub-County of residence? ……………………………………………

If interviewee is;

    a. Beneficiary /Caregiver; Skip to Section A

    b. Teacher: Skip to Section B

    c. Children Service Officer: Skip to Section C

A. BENEFICIARY

1. BENEFICIARY INFORMATION

    1) What is your relationship to the beneficiary?

o Immediate family member   o Caregiver

o Extended family member   o Other : ……………………

o Friend

2. BENEFITS OF THE CASH TRANSFER FOR ORPHANS AND VULNERABLE CHILDREN

a. How would you rate your household food consumption since receiving cash transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

o Much Worse   o Better

o Worse   o Much Better

o Same

b. How would you rate your household ownership of household assets, households ability to start/participate in income generating activities since receiving the cash transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

- o Much Worse
- o Worse
- o Same

- o Better
- o Much Better

c. How would you rate households food consumption since receiving the cash transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

- o Much Worse
- o Worse
- o Same

- o Better
- o Much Better

d. How would you rate your health status since receiving the cash transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

- o Much Worse
- o Worse
- o Same

- o Better
- o Much Better

e. How would you rate your children school retention (dropping out/not dropping out) since receiving the cash transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

- o Much Worse

- o Worse

o Same   o Much Better

o Better

f. What Challenges do you face a beneficiary/ caregiver of the Cash Transfer Program and how do you cope with these challenges?

TEACHERS SECTION

a. How would you rate the general health and nutrition of the OVCS since receiving the Cash Transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

o Much Worse   o Better

o Worse   o Much Better

o Same

b. How would you rate the ability of the OVCS to either acquire, increase or replace scholastic materials since receiving the Cash Transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

o Much Worse   o Better

o Worse   o Much Better

o Same

c. How would you rate continuity from one level to another since receiving the Cash Transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

o Much Worse   o Better

o Worse   o Much Better

o Same

d. How would you rate OVCS school retention (dropping out/not dropping out) since receiving the cash transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

o   Much Worse

o   Worse

o   Same

o   Better

o   Much Better

e. What Challenges do you face a teacher of an OVC in the Cash Transfer Program and how do you cope with these challenges?

B. CHILDERN SERVICES OFFICER

a. How would you rate the general health and nutrition of the OVCS since receiving the Cash Transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

o   Much Worse

o   Worse

o   Same

o   Better

o   Much Better

b. How would you rate the ability of the OVCS to either acquire, increase or replace scholastic materials since receiving the Cash Transfer? Would you say that it is Much Worse, Worse, Same, Better or Much Better?

o   Much Worse

o   Worse

o   Same

o   Better

o   Much Better

c.   How would you rate continuity from one level to another since receiving the Cash Transfer? Would you say its much that is much worse, worse, same, Better or much better?

o   Much Worse   o   Better

o   Worse   o   Much Better

o   Same

d.   How would you rate OVCS school retention (dropping out/not dropping out) since receiving the cash transfer? Would you say that it is much worse, worse, same or much better?

o   Much Worse   o   Better

o   Worse   o   Much Better

o   Same

f.   What Challenges do you face as an Officer of the Cash Transfer Program and how do you cope with these challenges?

e.   **OUTCOME OF THE VISIT**

o   Interviewer thanks the respondent.

o   Record the name and contact of the interviewee for any follow ups