

A study of older people's livelihoods in Tanzania



Acknowledgements

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Acronyms

FGD	Focus Group Discussion
GOURT	Government of the United Republic of Tanzania
MFI	Micro Finance Institution
MOROTEA	Morogoro Retired Teachers Association
NGO	Non Governmental Organisation
OVC	Orphans and Vulnerable Children
PADI	Tanzanian Mission to the Poor and Disabled
SACCOS	Savings and Credit Cooperative Society
SGH	Skipped Generation Households
VICOBA	Village Community Bank

1 Introduction

This country study contributes to a piece of research carried out by HelpAge International and Cordaid which focuses on improved social and income security for older people. The Tanzania field research is one element of a project which seeks to build the evidence base on older persons and livelihoods through research across urban and rural locations in India, Bangladesh, Tanzania and Ethiopia.

1.1 Overall Research Objectives

To provide an analysis and better understanding of the opportunities and barriers faced by older people to income security and identify strengths, weaknesses, opportunities, and challenges as they relate to livelihoods as well as the impact of Older People's Associations with regard to provision of economic support.

1.2 Specific Objectives

The specific objectives for the income security/livelihoods research were to:

- develop an inventory of livelihood strategies of older people
- assess how economically active older people can best be reached through micro finance and other saving/loan schemes and what the impact of these schemes has been on older people and their households
- identify ways in which older people who are less able to be economically active can be supported, taking into consideration key constraints and coping mechanisms
- identify the impact livelihood activities and strategies have on an older person's perception of their well-being, self-worth and dignity
- make recommendations for action/follow-up in supporting relevant livelihood programmes for older people.

1.3 Research Methods

The research methodology was participatory in nature. Both urban and rural coverage was sought to better understand the different factors affecting livelihood coping strategies undertaken by older persons. Older persons' knowledge of and access to different formal and informal savings and loans schemes as well as opportunities to diversify livelihoods opportunities was explored. The research included participation by older persons involved in HelpAge and Cordaid partner initiatives as well as those not involved.

Locations were chosen to provide a geographic spread and included localities in Songea which, over 1,000 km distant from Dar es Salaam by road, were sufficiently geographically distant to ensure that respondents would have received measurably fewer visitors therein reducing potential *research fatigue*. In Morogoro municipality, roughly 300km east of Dar es Salaam, locations included urban and peri-urban sites.

Field visit methodology included use of focus group discussions (FGDs) with older persons. FGDs followed a consistent format and took between one and two hours. All participants were asked demographic questions on: sex, age, marital status, household composition, livelihood, and land/animal ownership. Where applicable, older people were questioned on their understanding of the role, added value and sustainability of the older person specific livelihoods initiatives being carried out by local agencies. FGDs concluded with an opportunity for participants to ask the interviewers and representative NGO staff questions.

The research included a wide range of younger older persons and the oldest old (those aged 80+). Slightly more than half of participants were male (52.5 per cent). Disaggregated aspects

of gender, age, marital status, literacy, and occupation were included in the evaluation and analysis. Specific vulnerabilities of households to economic, social and other shocks were explored in as much detail as possible within the short research time frame. Emergency preparedness was considered through the lens of economic shock preparation.

Meetings and interviews were held across the research areas with representatives of local government, NGOs, MFIs, banks, and credit institutions. Ageing focal points from both the Songea District Council and the Songea Municipal Council accompanied the research to field locations in Songea. Meetings were held with four NGOs, three MFIs, four Government Councils (and/or council members) as well as the CRDB Bank in Songea. These additional meetings and interviews served to triangulate findings emerging from the FGDs as well as allow the researcher to pose specific questions regarding older persons and stakeholder perceptions of older persons' access to livelihoods security. A desk review of relevant documents was undertaken to better understand how prevailing livelihoods and vulnerability frameworks include and consider older persons.

1.4 Research Limitations

The older persons consulted provided a good cross representation of all older Tanzanians. While the sample size was not large enough to be statistically representative, the input and commentary by older participants can be inferred to represent the experience of most older mainland Tanzanians.

The only potential concern with the research findings came with all host partner(s) staff and the hired translator being male. This may have had an impact on responses of women and especially during women's only groups. However, since questions were focused on livelihoods generally, without probing into specific details of debt and/or savings amounts nor focused on exploring potentially private health issues, the lack of female translation was ultimately not anticipated to comprise research findings.

2.0 Findings

2.1 Background

Tanzania is a young country with over half the population under the age of 18. Although government statistics cite low life expectancy rates – age 53 for men, age 56 for women, the number of persons aged 60 years and more is increasing. HelpAge Tanzania data indicates that roughly 5.7 per cent of Tanzania's population of 38 million is over the age of 60. UN figures indicate that this proportion is anticipated to double to roughly 11 per cent by 2050. Furthermore, life expectancy is steadily increasing and has jumped by five years for men and eight year for women in the years between 1999/2000 and 2006/7.

Nearly 82 per cent of Tanzania's over 60 population lives rurally where older persons are vulnerable to poverty, food insecurity, restricted access to social services, and limited options for livelihoods security. They are further subject to the double protection bind of both needing care and protection in their older years as well as needing to fulfil the parenting gap as providers of care for children, grandchildren, and ageing spouses in their care. The impact of the HIV pandemic has changed family structures with the loss of middle generations and resulted in over 64 per cent of Tanzania's orphaned children being cared for by grandparents. Older persons throughout Tanzania experience challenges in household security as a result of unreliable sources of income, instability in their livelihoods, lack of diversified livelihoods opportunities, and limited access to social and health services.

Older persons play a key role in contributing to the social and economic fabric of the family. However, their ability to provide consistent support is challenged through exclusion and discrimination. One area where older persons are most vulnerable is in sustainable livelihoods,

including access to formal and informal savings and loans institutions and opportunities to diversify and expand livelihoods. Nearly all (96 per cent) of older people in Tanzania do not have a secure income and have to work throughout old age contributing both directly and indirectly to local and national economies¹.

2.1 Demographic Findings

This predominantly qualitative research captured a snapshot of the opportunities and barriers faced by older persons in ensuring income and social security. Two NGOs, MOROTEA and PADI, hosted FGDs. This provided exposure to different types of NGO community based support programming for older persons. During the Tanzanian research, 20 FGDs were held: five in urban and peri-urban areas of Morogoro location; and 15 in rural Songea. A breakdown of participants is illustrated in table one.

Table One – Tanzania research participants

Totals	Men	% men	Women	% women	Total	Total %
	125	52.5%	113	47.5%	238	
Age of Respondents						
<60	3	1.3%	12	5.0%	15	6%
60-69	42	17.6%	45	18.9%	87	37%
70-79	47	19.7%	37	15.5%	84	35%
80+	33	13.9%	19	8.0%	52	22%

The average size of households containing an older person was 5.9 persons with the vast majority of households hosting at least three generations (95 per cent). Household size in Songea was marginally larger than Morogoro averaging 6 persons against 5.6 persons. Just over 14 per cent of households contained two grandparents and grandchildren/great grandchildren. Skipped generation households with a single grandparent caregiver comprised 10.5 per cent of all households. Twelve of the 238 households contained only one older person (five per cent), with six households having only a single man and six only a single woman. As noted in the 2007 Household Budget Survey: *households are more likely to be poor if they are large, and have a larger number of dependents; if they have a head who is economically inactive; or if they are dependent on the sale of food and cash crops or earning a living from natural products, rather than being a part of the formal sector and receiving a wage, salary or business income*². For older poor persons, all these indicators combine to create a situation of compounded vulnerabilities.

2.1.1 Gender

Gender participation was virtually equal, with 47.5 per cent of participants female and 52.5 per cent male. Participation by women in the FGDs was somewhat more muted in groups that were predominantly Muslim, most notably in Morogoro.

The rate of widowhood for all respondents was 38 per cent. An additional 6 per cent of respondents were either divorced, separated, or had never married. The majority of older

¹ HelpAge International Tanzania, *The rationale and feasibility for a universal pension in Tanzania*, Dar es Salaam, HelpAge International Tanzania, 2010 draft

² United Republic of Tanzania (GOURT), Ministry of Finance and Economic Affairs, National Bureau of Statistics Tanzania, *Household Budget Survey 2007*, Dar es Salaam, GOURT, January 2009, p xiv

women were widows (62 per cent), and the burden of widowhood and its associated factors of increasing vulnerability were felt most keenly by older women. Another nine per cent were divorced, separated, or had never married. In comparison, male widows comprised only 16 per cent of all older men. Similarly, only four per cent were divorced, separated, or unmarried. A third of the 70 female widows participating in FGDs or 23 women were illiterate (as opposed to one male widower of 20 widows). Older illiterate women were doubly marginalised by illiteracy and lack of access to written information.

The primary reason for the increase in female widow status is due to men traditionally marrying women substantially younger than themselves who then outlive them. This is further compounded by women living an average of six years more than men. Thus, a situation exists across both research areas where the vast majority of older men live with wives who were generally younger and more physically able to assist with measurable economic production.

Evidence from FGDs was clear that the burden of care for grandchildren was greatest for female widows. Roughly 10 per cent of all older persons lived in skipped generation households, households where grandparents are sole carers for grandchildren and/or great grandchildren (25 FGD respondents). Of these SGH carers, the majority (88 per cent) were female widows while only eight per cent were male widows. The average number of children under the care of widows was also higher than that of male widowed counterparts at 3.5 grandchildren for older female widows versus 2.5 under the care of male widowers. Responsibilities cited by widows included an increased economic pressure for already struggling single older persons. In Songea, one widow noted that *the greatest burden of old age is to afford education for the grandchildren. We know the importance of school and we must work as hard as possible to ensure that we can afford to send our grandchildren to school.* These findings are reinforced by Government of Tanzania's own data which notes that *households with only children and the elderly are more likely than the average household to be poor, with a poverty rate of 45.4 per cent*³.

One aspect on loans from neighbours that emerged during the field research was the inability of women to access loans for amounts equivalent to those accessed by men. Older women stated that loans taken from neighbours were usually around Tsh2,000 (US\$1.50) and went as high as Tsh10,000 (US\$7.5). For men, loans could be as high as Tsh20,000 (US\$15).

2.1.2 Literacy

Literacy rates for older persons were high at 81 per cent. This exceeds the national average literacy rate of 72.5 per cent for all Tanzanians. However, Peramiho in Songea where four FGDs were held is an area where the Roman Catholic Mission has been active in community education for over 100 years. Thus many older persons had been educated at the mission as children. In comparison, older persons in Morogoro only cited a 65 per cent literacy rate. Older persons who could only sign their names were not considered literate. However, older persons who used to be able to read before their vision had deteriorated were still considered literate. Throughout the research area, men reported higher literacy rates with 90 per cent of all men citing literacy skills against only 70 per cent of all women.

³United Republic of Tanzania (GOURT), Mkukuta Monitoring System: Research and Analysis Working Group and Ministry of Finance and Economic Affairs, *Poverty and Human Development Report 2009*, Dar es Salaam, GOURT, December 2009, p90

2.2 What do Older Persons do?

Older persons in both Morogoro and Songea are dependent on agriculture with the majority of older persons (94 per cent) and their households engaged in small scale farming. All but five of the Songea respondents owned land (2.6 per cent) while in Morogoro, ten of 48 respondents (21 per cent) either hired land out for agricultural work or did not own or use land at all. This tendency to agriculture as the primary means of subsistence reflects national average of 87 per cent of all rural households owning land for agriculture.

2.2.1 Older Persons contributions to households

As is evident from previous HelpAge research and evaluations, older persons remain economically productive as long as they are physically and mentally able and as long as household requirements demand their contribution. Older persons are key contributors to household security through waged labour, profits from petty trade and small businesses, through the growing of agricultural foodstuffs as well as livestock rearing for direct household consumption and sales.

Older persons especially women support households through domestic activities: cooking, cleaning, washing, firewood collection, water collection and other household chores. Both older men and older women act as primary caregivers for children and grandchildren in their care.

The primary activities noted by older persons were

- Compensated labour – waged labour providing direct cash yield (e.g. hired labour or small business)
 - Sales of agricultural produce
 - Sales of livestock – mostly chickens and goats, then pigs
 - Sales of local brew
 - Small shops (*genge*)
 - In Morogoro – hiring themselves out as waged day labour
- Uncompensated labour – labour which provides direct support to the household (e.g. farming or livestock care) but not cash income
 - Farming – including maize and other cash crops both for household consumption and sales
 - Gardening – vegetables predominantly for household consumption but also for small scale sales
- Complementary labour – labour which frees up other household members to engage in paid or unpaid labour (e.g. domestic labour or care giving)
 - Household chores – cooking, cleaning, maintaining the home
 - Household organisation
 - Water collection
 - Firewood collection
 - Caring for grandchildren – including overseeing their educational needs and responsibilities
 - Mentoring, conflict reduction
 - Teaching culture, religion, rules of behaviour.

Attitudes held by older persons regarding work varied with many respondents expressing exhaustion. Noted by one older man in Morogoro, *we have no choice but are compelled to work*. At the same time, though, respondents – especially men – emphasized that work increased their own self esteem and the respect they received from family and neighbours. As shared by an older man in Morogoro, *it is important to be able to work as it helps give an identity to older persons and ensures our self respect and respect by others in the community*. One older man in Songea observed that working keeps him vibrant and economically self

sufficient: *working makes my body strong, and it allows me to provide for my grandchildren.* Throughout Tanzania, not being able to work is a concern for 75 per cent of older persons⁴.

All older persons stop work, domestic and paid, to households only when chronic illness, loss of physical strength and mobility, and loss of vision become insurmountable. Sofia, age 73 in Songea shared, *we would like to continue working, but our bodies won't allow it.* Although data on loss of visual acuity was not collected for Morogoro, older persons were asked how poor vision affected their ability to read and write in Songea. Forty one per cent of surveyed older persons shared that they have significant loss of vision which makes it challenging for them to read and write.

2.2.2 Care giving and the burden of care

Overwhelmingly, older persons live in intergenerational households (95 per cent), with older people reporting a high level of care giving responsibilities. Compared with Government of Tanzania data which cites *nearly 40 per cent of the elderly respondents reported that they were caring for a grandchild*⁵, nearly all older persons consulted were care givers.

Reasons for full time care giving was due to the absence of adult children and the reasons for absent adult children were threefold:

- The death of adult children, primarily due to HIV/AIDS, left children single or double orphans. As noted by another older woman in Songea, *all my three sons passed away, so I must resume my responsibility and care for the grandchildren.*
- Grandchildren being born out of wedlock and/or before marriage. When a child is born out of wedlock, older persons noted, and the son or daughter comes to marry, the grandchild typically does not go with the affianced adult child but reverts to the care of grandparents.
- An adult child divorcing. As with children born out of wedlock, when the adult child goes to remarry, children from the first marriage will fall into the care of the grandparent. This improves the value of adult children as second spouses. As noted by Leonea (age 62) in Songea, *most parents are now dead. The other problem is that when your son marries, he has two or three children that he might abandon from his first marriage. These children then fall under our care as grandmothers.*

2.2.3 Care giving and the need for care

Where older persons are increasingly responsible for caring for grandchildren, great grandchildren, and orphans, they also need care themselves. Assistance with physical tasks becomes increasingly necessary for older persons who lose strength, mobility and vision with age. Many older persons commented on limitations of assistance that grandchildren can provide. Grandmothers in Songea observed that *while grandchildren do contribute with household chores, they can only make serious contributions if they are over the age of 10 and not in full time education. Most grandchildren are just too young to help.*

Another concern expressed was the unravelling of traditional strong intergenerational support historically evident in the extended family. This was observed most clearly in Songea. Allocoki a 95 year old woman who was accompanied to the FGD by her 36 year old daughter in law shared that *my daughter in law takes care of everything – feeding me, cooking for me, cleaning and doing my washing. She does everything for me.* The other older women in the

⁴United Republic of Tanzania (GOURT), Mkukuta Monitoring System: Research and Analysis Working Group and Communications Technical Working Group, Ministry of Planning and Empowerment, *Views of the People 2007*, Dar es Salaam, GOURT, December 2007, p 45

⁵ GOURT, *Views of the People 2007*, p45

FGD commended the daughter in law and praised her for being so conscientious. However, Theresa, another participant in the same group, observed that *I have only one son who is not strong and fit, and his children don't care about me.*

Older persons agreed that while some children still care for their parents and grandparents, patterns of family support have changed in Tanzania and *when your children grow up, they don't bother with you anymore.* This sentiment was echoed by another woman in Songea, *things have changed since we were children. Helping the older generation is out of fashion now. You cannot depend on your grandchildren as our grandparents depended on us.*

2.2.4 Why do older persons need cash?

Older persons throughout both research areas sought remunerated income in order to meet household needs and close the gaps between expenses and income. Reasons for needing cash were manifold, but respondents highlighted food, education of children and grandchildren along with investment in agricultural, livestock, and small business activities as the three main priorities.

Responses between Morogoro and Songea varied measurably. In Morogoro, older persons prioritised food as the primary household need. Education for dependents and investment in business (including agriculture, livestock and small sales) followed as secondary and tertiary needs. In Songea, respondents did not cite food as a priority need in any of the FGDs. Instead, older persons highlighted cash needs for business investment as their number one priority. This was followed by education for grandchildren and meeting general household maintenance needs.

In Songea, respondents were better able to articulate business needs and the value of investment than their counterparts in Morogoro. As noted by one older woman in Songea, *we invest any spare money into business and then use the profits for food.*

Items for business investments covered a variety of inputs, including:

- Fertiliser and other inputs for agriculture
- Livestock – chickens, goats and pigs
- Materials for sales: Grass for mats, Ingredients for local brew, Charcoal

Even when older persons did not have cash to hand, efforts were evident by Songea's older persons of attempts to maximise business opportunities when they were to arise. Dominica in Songea shared, *if I had money, I would buy pigs and keep them. I'd also hire in labour. I have built a small shelter for pigs, only I do not have any money yet to buy pigs to put in the shelter.*

Other responses outlining reasons for cash needs from both areas included: clothing, shelter, medical needs (particularly for grandchildren), and transportation. In comparison to other African countries, such as Uganda and Zimbabwe⁶, where older persons consistently highlighted the need for medical care, older persons did *not* highlight medical care as a priority. As noted in government data⁷, older persons still do not fully access medical care exemptions at public health facilities (only 10 per cent in 2007), nor are they reporting receiving free treatment at government health facilities (only 18 per cent). Recognising, prioritising, and meeting their own health needs remains a continuing challenge for older persons. As shared by an older person in Songea, *my greatest challenge is affording medical*

⁶ Observed during the author's extended research/support in Northern Uganda 2008 and in Zimbabwe in 2009

⁷ GOURT, *Poverty and Human Development Report 2009*, p 105

care. Even though the consultation is free we have to buy the medication, which we cannot afford. Instead, we just buy panadol and painkillers from the market. A further irony emerging from FGDs was that purchase of medicine to protect livestock from disease was prioritised by one group of respondents in Songea, while medical care for themselves was not.

The most likely reason for the differing priorities between Songea and Morogoro respondents is that older persons in Songea were predominantly participants in PADI programmes. Thus, they would have been exposed to, in some communities, up to seven years of PADI training and education. In Morogoro, few older persons consulted were directly involved in MOROTEA activities. Older persons in Morogoro were only minimally able to articulate a connection between loans and investment. Loans were seen only as a way to pay for immediate needs, such as food, clothes, and school fees rather than to meet long term livelihood requirements.

2.2.5 Where does the extra money come from?

When shortfalls between income and expenditure exist, older persons looked to diverse resources for income. Tanzanian national data found that in 2007, the primary source of support for older persons was family, followed by full time work and remittances. Information on remittances was not given by older persons. However, further exploration of the role of remittances in supporting older person bears greater exploration and analysis.

Table Two – Sources of subsistence for Older Persons⁸

	Male %	Female %	Total %
Children/family around	34	60	45
Full time work	34	20	28
Remittances	20	22	21
Part time work	8	3	7
Pension	7	1	5
FBOs, NGO, CBO and neighbours	1	2	2

Multiple responses allowed.

Self

As noted above, older persons contribute to households through paid, unpaid and domestic support. Some older persons also try to save small sums of cash. However, most poor older Tanzanians agree with respondents in Morogoro who assert that *it is not possible for us to save*. Those unable to access formal savings mechanisms did admit to hoarding small amounts of cash. As reflected by female respondents in Morogoro: *we hide small sums of Tsh2,000-5,000 (US\$1.50-3.75) in our clothes and under our pillows*. These small amounts are insufficient to meet more than the most basic needs of older persons and are clearly insufficient to address unanticipated emergency needs for the household and/or investment opportunities.

Beyond miniscule individual savings, older persons noted that both animal stocks and agricultural produce served as financial resources and during times of need could be sold for ready cash. With regard to livestock assets, more affluent households kept pigs and goats (particularly those partnering with PADI in Songea). The occasional older rural person cited owning a cow. Virtually all older respondents owned chickens. In Morogoro where the keeping of larger livestock was prohibited due to municipality regulations, chickens were seen as having greater economic value: *our chickens are our banks*. In Songea where most older

⁸ GOURT, *Views of the People 2007*, p43

persons lived rurally, both goats and pigs had greater economic importance as an asset easily convertible into cash. Even with diverse animal ownership, as noted in Songea, the *problem with livestock is that you cannot generate cash immediately*. When this is the case, people must turn to the family, friends and neighbours for support.

Family, friends, and neighbours

Family, friends and neighbours provided small loan amounts during emergency situations. Across Tanzania, 88 per cent said that their immediate family members are like or very likely to help; while 38 per cent said that friends and neighbours would help out⁹. Older persons agreed with these findings stating that children and grandchildren are the first line of support. As noted by one older woman in Morogoro, *to be frank, if our children were not helping us, we'd be dead. The problem is that everyone is struggling*. Another older man in Morogoro noted that *nowadays we cannot depend on our children as before*. This was reflected by Focus, age 80 in Songea, who noted that *the children will take care of you but they may only throw Tsh20,000 (US\$15) in your direction from time to time, but it is not enough*. Older persons blamed the lack of consistent family support on changing, and decaying, social support networks. As Joseph in Songea noted, *in the past, we really cared for our parents and grandparents, but now it really has changed and you cannot compare the past with today. Our children and grandchildren cannot take care of themselves let alone us*.

When relatives are not able or willing to assist older persons in immediate cash flow, older persons turn to neighbours. In Songea, older people said that *you could get up to Tsh50,000 (US\$37.50) from a neighbour who trusts you*. In Morogoro, the maximum cited was Tsh20,000 (US\$15). Respondents stated that interest was rarely charged, this was only noted in two communities. For larger loans, neighbours will ask for security (such as a goat) and agree a loan repayment time after which they seize the security should non repayment ensue. Limitations on loan amounts from neighbours depended both on the ready cash held by neighbours as well as the older person's ability to repay the loan within a month or two. Loans were typically repaid from cash sales of agricultural or livestock sales.

Formal Savings and Loans

Tanzanians in general do not avail themselves of banking services. As of 2007, only six per cent of rural households access informal savings; for urban households this is twice as high, but still only a minimal 11 per cent¹⁰. The data reflects a similar situation for those accessing non-bank formal savings with just under 4 per cent of rural households using non bank formal savings and just under twice that in urban areas.

Table Three – Access to formal and informal savings for all mainland Tanzanians

	Dar es Salaam	Other urban areas	Rural Areas	Mainland Tanzania
Savings Account	24.2%	19.1%	5.5%	10.0%
Took loan w/in last year	3.7%	6.2%	1.6%	2.7%
Participate in informal Savings	11.8%	11.2%	6.3%	7.8%
Participate in any non bank formal savings	6.3%	7.9%	3.9%	4.8%

⁹ GOURT, *Household Budget Survey 2007*

¹⁰ GOURT, *Household Budget Survey 2007*, p42

One aim of the research was to determine whether and how older persons were excluded from formal savings/loans institutions. FGDs in both Morogoro and Songea sought to understand what options older persons pursued in terms of accessing both banks, MFIs, and self help groups or savings associations.

Responses by older persons indicate a complex relationship with formal credit institutions and MFIs revealing that older persons do not make use of formal banking services for three main reasons:

- lack of capital for initial investment
- lack of access to regular cash for monthly repayments
- fear of violent and humiliating repossession of household assets due to non payment.

FGD responses surrounding older persons' ability to access formal savings and loans or credit institutions (including banks) were convoluted by older persons' perceptions and understanding about the actual conditions of savings and loans. Most older people were confused about conditions being set by formal institutions for both saving and loans showing that clear, up to date, and correct information was both not accessible for older persons and/or not being accessed by them. This was especially troubling for illiterate older persons who were further marginalised.

Many older persons expressed interest in accessing formal savings and loans opportunities, but were stymied due to a lack of investment. As one older man in Songea noted, *we have the desire, but we are still looking for the capital*. In both Songea and Morogoro, older men observed that they have bank accounts, *but it is empty because there is no money for a deposit*. Leonard age 80 in Songea concurred, *I have an account with the bank, but there is nothing in it*.

Because the majority of older persons engage in subsistence agriculture, regular monthly sources of cash income were challenging to come by, especially during growing seasons. As noted in Morogoro, *the bank wants to know what our job is so that they know we can repay, but as farmers it is impossible for us to prove this*. This further distanced older persons from using banks as a potential source of savings and loans opportunities.

Fear of violent reprisal for non-payment was universally expressed across both research areas. As noted by one older woman in Songea, *the possibility of having our goods repossessed for non payment scares us*. As most respondents depended primarily on agricultural for their livelihoods, the seasonality of crop growing reduced the ability of older farmers to be able to make regular monthly payments. This increases fear of repossession. As Halima, age 64, from Morogoro noted, *I am afraid to go the bank. How can I approach the bank when I cannot repay a loan? Others agreed, we are afraid to approach them because some days we go without a meal, so how can we possibly repay. We are afraid of being imprisoned if we cannot repay*.

It was also evident that the high rates of interest, relatively high monthly service charges, and the high amounts required for loans (by banks in particular) further exclude older persons from using formal institutions. Most banks offer loans that are higher in value than those needed by older persons to meet basic livelihoods needs. A meeting with the Cooperative Rural Development Bank Manager in Songea found that the bank's most basic monthly account demands a start up payment of Tsh20,000 (US\$15). Monthly service charges are then levied at Tsh400/month (US\$0.30). While these are reasonable amounts for adults working in formal employment, for rural poor older persons they are insurmountable requirements. Furthermore, if older persons are only saving Tsh1,000 per month (US\$0.75), to lose 40 per cent of that immediately to services charges negates any benefit of having a savings account. Finally, discussions with the manager of the CRDB Bank further clarified that most banks are only

interested in lending amounts over Tsh1,000,000 (US\$750) and preferably ten times that. Otherwise the administrative costs negate the benefit of giving the loan for the bank. Older persons stated that this Tsh1,000,000 (US\$750) amount is well over 10 times what they would consider taking out as a loan. Thus, in virtually all cases, banks are neither an appropriate nor useful lending option for older persons.

Finally, the research sought to determine whether banks were guilty of discrimination based on age. This question was put to all older persons, and the response was near universal. Noted by one older man in Morogoro, *the banks do not discriminate by age, but by the conditions of repayment and economic ability of the person taking the loan*. This response was reflected by an older man in Songea, *it is not possible for banks to loan to people like us. We cannot pay back, and we do not have collateral. Even young people without collateral cannot access the banks*.

A more appropriate but still somewhat inaccessible financial service for older persons is the National Savings and Credit Cooperative Society (SACCOS). Conditions for membership into SACCOS remain outside the ability of the poorest older persons, but SACCOS does provide a viable and useful resource for persons not living in extreme poverty.

Interviews with SACCOS members revealed that membership included a deposit of up to Tsh200,000 (USD\$150). Membership in SACCOS, depending on the specific SACCOS branch regulations, can be either individual or group. Group membership can entail membership deposits as low as Tsh10,000 (US\$7.50) per group member. Typically SACCOS members must save for up to a year before they can take a loan. Once the initial time frame has been met, SACCOS members can take out loans for up to two or three times their total savings depending on the individual SACCOS branch and whether the borrower is part of a group or an individual.

The advantage of the SACCOS system as noted by older persons was the low interest rate. However, the lack of clear information on interest rates emerged when non SACCOS members cited high interest rates as the primary reason for non-membership. One woman in Songea stated that she is not a SACCOS member because of the very high interest rate. When asked what she understood the rate to be, she vehemently asserted that it was 50 per cent. When corrected by a SACCOS member that the rate was only 2 per cent, she did not believe her. These responses highlight the need for more accurate information on formal savings and loans schemes for older persons. As with banks, SACCOS savers noted that there is a *challenge in getting the initial investment*. SACCOS members across the research areas commented that membership had been paid for through both agricultural sales and livestock sales.

Additional reservations expressed by FGD participants regarding SACCOS was previous experiences of poorly run SACCOS branches. In Songea, one man noted, *my wife was a member of another SACCOS society which had been using the membership money poorly, so I was anxious and distrustful*. Another Songea respondent stated that in his location SACCOS demands bribe payments for membership. Finally, many respondents in Songea when asked why they were not active in SACCOS shared that they *cannot be in two groups at one time due to limited resources*, and they prefer to engage with NGOs who are carrying out savings and lending activities.

Civil Society Organisations

A third option for older persons attempting to improve economic security through savings and loans activities is via NGO and MFI initiatives. However, these types of savings and loans initiatives were minimally evident during field research.

The first model, as reflected by BRAC work in Morogoro, involved either loans to women's groups or specific small business loans. In both cases, older persons were specifically excluded on the basis of age. Membership in BRAC activities was only open to those aged 20-50. Secondly, interest rates cited by BRAC staff ranged from 11-22 per cent depending on repayment time frame. These high rates served to further exclude those living at subsistence levels regardless of age.

The second model VICOBA, village community bank, followed a traditional micro finance system and was based directly on the Grameen bank model. The Songea VICOBA offered savings programmes specifically for older persons which were interest free, involved loan amounts of between Tsh20,000–25,000 (US\$15-19) and savings amounts of Tsh500-1,000 (US\$ 0.38-0.75) per week. While the VICOBA model provided opportunities to engage in small scale savings and loans, VICOBA did not appear to support fully sustainable livelihoods for older persons. When asked whether they wouldn't prefer to take out one loan of Tsh100,000 (US\$75) per year instead of four small Tsh25,000 (US\$19) loans, older persons responded *what would we spend it on? It is better to borrow small amounts and repay those*. It may indeed be that VICOBA is involved in working with older persons to ensure livelihoods security, but this was not evident from the research. Further investigation into the pros and cons of the VICOBA system by operational partners focusing on older persons' issues would be encouraged.

The final model, implemented by the HelpAge and Cordaid partner PADI in Songea, offered a lending scheme targeted directly at older persons and members of their households. PADI initiatives focused on two activities: a goat revolving fund; and a cash revolving fund. Households involved in PADI schemes had to firstly contain a person over the age of 60. Additional criteria included a high number of dependents within the household and the ability of the participant to repay.

The main aspect of the PADI goat scheme was the provision of four goats to the identified household under the agreement that the first kid produced would be *revolved* into another household with an older person. With the revolving fund, loans of up to Tsh75,000 (US\$56) were given to selected beneficiary households with the following requirements:

- The loan to be repaid within 12 months
- The first three months of the 12 to be considered a *grace period*
- Each month to include a savings payment of no less than Tsh1,000 (US\$0.75)
 - to encourage savings
 - as security should the loan be defaulted upon
- Flexibility in repayment should household emergencies arise during the repayment period
- Low interest rates, cited as between 2-15 per cent.

Respondents concurred that the PADI scheme fulfils an economic need for older person which is not being filled by banks, SACCOS, other MFIs, or through community mechanisms, that of low interest, flexible loans. Two aspects of the PADI loans were cited as being of greatest importance by older programme participants: the grace period; and the system of giving loans first and carrying out savings activities after the loan has been dispersed. This was particularly important to older persons who had expressed frustration with and exclusion from other schemes, such as SACCOS, which demand savings first.

Older persons noted that the PADI programme has allowed for asset accumulation and diversification, *before the programme, we did not have meat to eat or even manure for our farms. Now we have improved both our lives and our farms*. Older persons also shared that the PADI loans have enabled them to cover additional cash needs that were otherwise

challenging to meet especially for agriculturalists. *The programme has enabled us to respond to both expected costs (such as school expenses) and the unanticipated (such as medical costs) by allowing us to diversify and accumulate.* An additional advantage of the PADI system was noted by Sitawaa age 85 in Songea, *I used to farm and became sick and was unable to farm. When PADI came, I was able to start doing small sales which was useful to me because it did not involve heavy physical labour.* Sitawaa further noted that she would not have been able to access other loan sources due to her illness. The flexibility of PADI and its focus on older persons enabled her to be included where physical incapacity and poverty would otherwise have excluded her.

Older persons participating in the PADI programme also spoke about the value of PADI training in budgeting, prioritising expenditure and investment. Mohammed Ali age 80 from Songea shared his story of taking a PADI loan: *I borrowed Tsh35, 000 (US\$26) for my banana business. At the time of the loan, I was required by the school to pay Tsh60,000 (US\$45) in fees for the grandchildren. If I had only paid the fees, I would have had nothing left from the loan. But I apportioned it out and used half for my business, some for fees and some for food. I was then able to use profits from my business to pay the remaining school fees.*

Participants in the goat revolving programming stated that the advantages of having goats was not limited to asset accumulation, *the manure is of great benefit. It is even better than the purchased fertiliser for the gardens. When you have animals, you are respected!* Respondents further noted that manure can be sold as an income generating activity earning them roughly Tsh2,000 (US\$1.50) for a 50 kg bag of goat manure. Finally, accumulation of goats was seen as increasing older person's financial security and increasing the likelihood of neighbours and family being willing to lend them money.

When asked to compare the PADI revolving fund programmes with the savings and loan programme offered by SACCOS responses were universal citing PADI's low interest rates, savings system, and flexibility as reasons why they prefer PADI. Istory, age 62, observed *although the amount we are being loaned is small, the interest is little and so the value of the loan is greater, also we do not have to pay administrative costs.* Amaria, 64 year old widow, agreed stating that *PADI is better than SACCOS because when you repay the money you are also able to have savings at the end of it; we now have enough and are not hungry any more.* Ambrose, age 70, noted that *with PADI there is no fear of repossession or intimidation and harassment if you miss a loan.* Finally, Anna shared that *the grace period is a very important element of the loan as opposed to SACCOS where you must start repaying that very month.* In Songea, there was some evidence that participation in the PADI initiative acted as a stepping stone to enable them to access SACCOS savings and loans opportunities. However, the vast majority of respondents rejected SACCOS, preferring PADI for the reasons noted.

Within the PADI programme, there is scope for expansion and inclusion of more older persons. However, the biggest challenge will be having sufficient seed money within the groups to enable effective lending thereby increasing the amount in the revolving fund to enable more loans.

Destitute Older Persons

Even with all three types of savings and loans options, there remains a gap in support for older persons who can no longer contribute economically to their households, who are without family support, and/or have the burden of care heaped upon them. In Songea, older persons stated that, without family, *there is nothing to be done, and no one to help us ... we will die alone with no support.* Older persons agreed that without family support, death comes quickly *because we cannot afford food and services.* And as most brutally summarised by an older woman in Songea, *even the neighbours do not help. No one without children or grandchildren*

will be helped, we will only notice that that person has died because of the smell coming from the house.

Government Pensions

As of 2010, Tanzania does not have a universal old age pension. However, some older persons who had been in government services received a monthly pension. These older pension recipients shared that receiving a pension was not sufficient in itself for achieving a sustainable livelihood, and the amounts were too low to cover more than minimal household needs. This reinforces the conclusion that provision of pensions for older persons is only one aspect of ensuring sustainable livelihoods, the other being the implementation of appropriate, replicable and diversified livelihoods schemes for older persons.

3 Conclusions

The majority of conclusions from the research are in keeping with earlier HelpAge findings with regard to challenges associated with ageing and the roles, responsibilities, and contributions that older persons have. However, there is one new finding that the research clearly and without contest reflects: older persons are not excluded from formal credit, savings and loans providers as a result of their age. Rather exclusion is based on the lack of economic resources necessary for entry into the various programmes as well as maintenance of a regular financial relationship.

The conclusions of the research are as follows:

- Older persons are active in paid, unpaid and domestic activities which support household security. It is only the compound effects of ageing and physical deterioration that draw older people out of the working arena.
- Older persons seek to ensure livelihoods security through asset accumulation, asset diversification, and the support of family and community. Unless supported by civil society, poor older Tanzanians do not engage in regular saving activities. Friends, neighbours and the community provide emergency assistance when required, and when they are able. Contributions are typically limited to no more than Tsh20,000 (US\$15). However, contributions by relatives, friends, neighbours and the community do not provide a regular, dependable and consistent economic safety net for older persons.
- Cash needs focus on food, education needs for grandchildren, and on agricultural and business investments.
- Older persons have virtually no access to savings and loans opportunities. Older persons are unable to access formal credit due to untenable conditions for membership and repayment. With the exception of small emergency assistance from friends, family and neighbours and uncommon and *ad hoc* community group support, informal savings programmes are virtually non-existent. Older persons have limited opportunities to engage in secure and regular saving.
- High loan amount minimums, strict and inflexible repayment conditions, and high interest rates keep older persons from pursuing savings and loans activities from both formal and informal savings and loans providers. For both formal and informal savings and loans providers, exclusion from participation is based not on gender or age discrimination, but on the financial capacity and credit worthiness of the older person.

- Inconsistent information on savings and loan conditions further discourages poor older persons from exploring and making use of potential benefits of formal and informal savings and loans providers. Lack of access to information is compounded by illiteracy, especially for old women. Decisions regarding the use of formal and informal savings and loans providers are based on fear and rumour as opposed to accurate and up to date information.
- Suitable savings and loans options exist for older persons through MFI initiatives, such as VICOBA and NGO programmes such as the PADI revolving fund project. However, these services are limited by geographic coverage. It is not that viable, inclusive, and replicable models of savings and loans programmes do not exist for older persons, but that they are few in number and cover only a small percentage of older Tanzanians.
- The burden of securing a sustainable livelihood is felt most keenly by widowed women whose economic resources are doubly stretched through care giving.
- Existing schemes do not adequately support the needs of destitute older persons.

A final challenge noted throughout the desk research was that much data, including GOURT publications, disaggregates data for older persons in a manner inconsistent to international publications. Younger older persons (those aged 60-69) are partially included within the age group of 45-65 while persons above age 65+ are lumped together. This has the advantage of recognising that people continue to be active beyond age 60. However, it makes it impossible to compare data with other non GOURT publications, including HelpAge and UN research data, which measures older age as starting from age 60.

4 Recommendations

While this research was not intended to evaluate HelpAge or Cordaid programmes, the research identified four main areas where HelpAge and partners might consider increasing programmatic focus in order to improve older persons' ability to have secure livelihoods in older age. These were:

- Increased focus on older women, widows and soon to be widows (older women with high numbers of dependents including children, OVC, and older physically and mentally less robust husbands)
- Expansion of geographic and numeric coverage of revolving fund and goat fund programming
- Entrepreneurial training for older persons to include information on MFIs, savings and credit societies, and banks
- Increase advocacy with district and municipal councils to expand the model of having an active ageing focal point sitting within district and regional government.

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