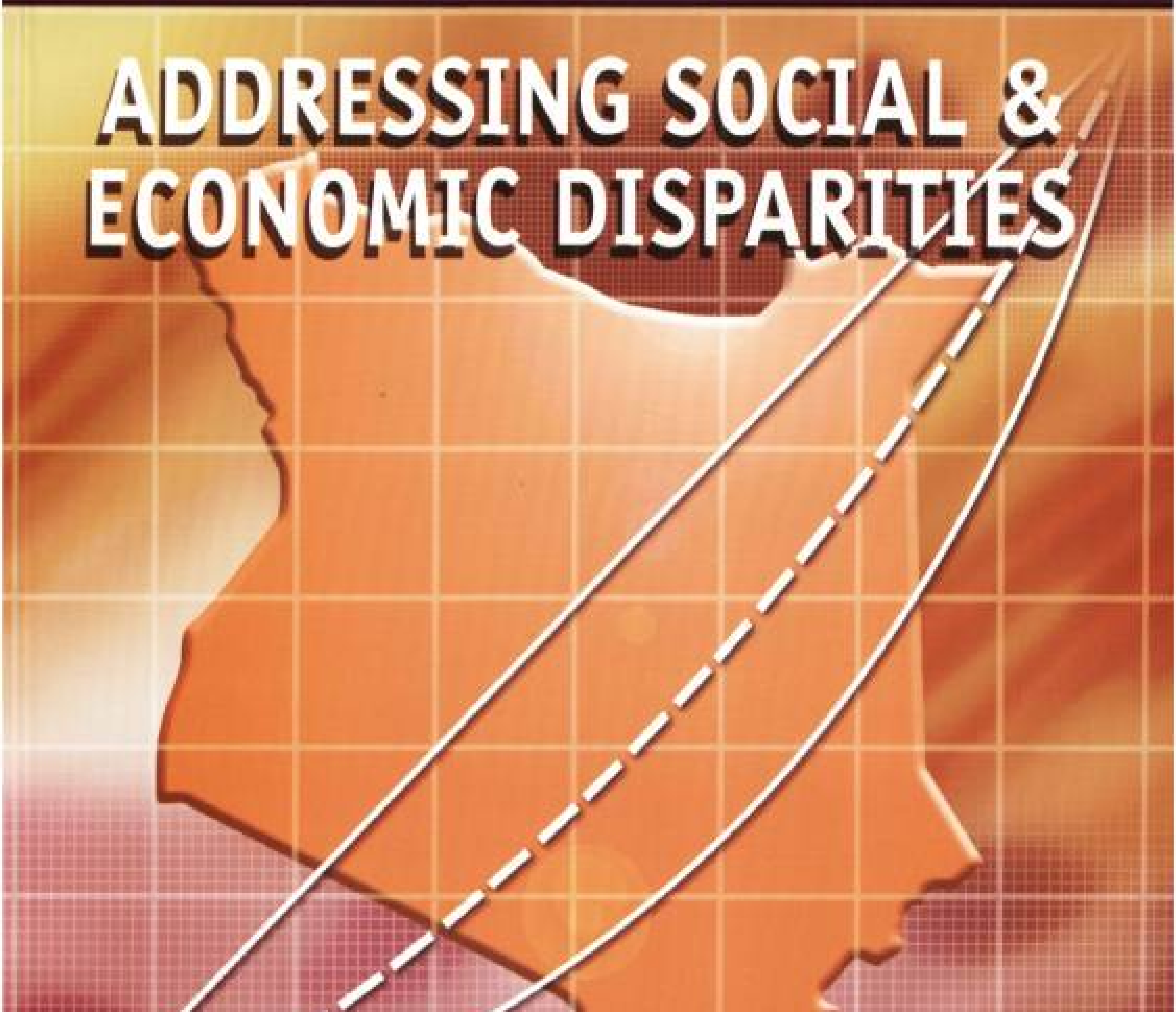
HUMAN DEVELOPMENT REPORT 2001

ADDRESSING SOCIAL & ECONOMIC DISPARITIES



KENYA

Kenya
Human Development Report
2001

Addressing Social and
Economic Disparities for
Human Development

Contents

List of Figures

List of Tables

List of Boxes

List of Abbreviations

AIDS	acquired immunodeficiency syndrome
ALRMP	Arid Land Resources Management Programme
ASAL	arid and semi-arid land
BSS	basic social service
CBO	community-based organisations
CBS	Central Bureau of Statistics
COMESA	Common Market for Eastern and Southern Africa
CSO	civil society organisation
DFRD	Department for Rural Development
EAC	East African Community/Cooperation
ECE	early childhood education
EFA	education for all
GDI	Gender-related Development Index
GDP	gross domestic product
GEM	Gender Empowerment Measure
GER	gross enrolment rate
GFCF	Gross Fixed Capital Formation
GHDR	global human development report
HDI	Human Development Index
HIV	human immunodeficiency virus
HPI	human poverty index
IDS	Institute for Development Studies
IGA	income-generating activity
IGAD	Inter-Governmental Authority on Development
ILO	International Labour Organization
IMR	infant mortality rate
IPRE	Investment for Poverty Reducing Employment
IPRSP	Interim Poverty Reduction Strategy Paper
ISI	import substitution industrialisation
KDHS	Kenya Demographic Health Survey
KISE	Kenya Institute of Special Education
MOH	Ministry of Health
MTEF	Medium-Term Expenditure Framework
NACC	National AIDS Control Council
NGO	non-governmental organisation
NHDR	national human development report
NPEP	National Poverty Eradication Plan
NTAT	National Technical Advisory Team
OP	Office of the President
PC	provincial commissioner
PEC	Poverty Eradication Commission
PPA	participatory poverty assessments
PRSP	Poverty Reduction Strategy Paper
RTPC	Rural Trade and Production Centre
SAP	structural adjustment programme
SDD	social dimensions of development
SMEs	small and micro enterprises
SRDP	Special Rural Development Programme
U5M	under-five mortality
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USA	United States of America
VSO	volunteer service organisation
WHO	World Health Organization
WSSD	World Summit for Social Development
WTO	World Trade Organization

Foreword

It gives us great pleasure to introduce the second *Kenya National Human Development Report 2001*, the first having been produced and launched in] 999 with the theme of "Gender and Human Development". This year's report has the theme, "Addressing Social and Economic Disparities", and focuses on the main determinants and dimensions of social and economic disparities in Kenya, a theme closely linked to the government's current policy commitment to addressing poverty.

More than a hundred countries throughout the world have published national human development reports (NHDRs) as important tools for the promotion of the cause of human development and a people-centred approach to national policy making. *Kenya Human Development Report 1999* was well received by the government, and it provided useful information for policy, planning and programming purposes. Like its predecessor, this report has been prepared through a consultative exercise, involving the collaborative leadership of the office of the Permanent Secretary, Ministry of Finance and Planning and the office of the United Nations Development Programme (UNDP) Resident Representative in Kenya.

The consultative exercise in the preparation of the report involved the technical team from the Institute for Development Studies (IDS) and the National Technical Advisory Team (NTAT) composed of officials from the Ministry of Finance and Planning. The technical team worked closely with the NTAT in accessing the necessary data and information, discussing the progress of the report to ensure its reflection of the national development context and challenges. The consultation with the NTAT was important in mainstreaming the NHDR process within the existing government functions and providing an opportunity for a continuous critical appraisal of the report throughout the process. More importantly, NTAT and UNDP facilitated the national ownership of the NHDR at each stage of the report production. A national dissemination workshop enabled stakeholders and development partners to provide inputs so as to ensure national ownership of the report and its enhanced usefulness as a tool for national policy discussion and dialogue. A major variation, however, is that starting with this second NHDR (2001), the preparation of future reports has now been institutionalised to make it a sustainable exercise. The IDS University of Nairobi was identified as the national centre of excellence for the preparation of the report.

The elimination of poverty and inequality has been a major government objective. In line with this, the report details the different dimensions of human development in Kenya, focusing on the entrenchment of poverty and socio-economic inequalities in the country. It provides a critical analysis of the key aspects of inequalities and the essential features of vulnerability in present-day Kenyan society. We would like to add our continued support to a people-centred approach to development which is essential in order to build on the Kenyan response to the declining indicators of progress in the social sectors and human development.

Kenya Human Development Report 2001 is the outcome of a nationally executed project funded by UNDP, executed by the Ministry of Finance and Planning and implemented by the Institute for Development Studies. This report makes extensive use of the quantitative surveys undertaken by the Central Bureau of Statistics (CBS), the 1999 population census and other socio-economic surveys, including qualitative interviews conducted by the IDS technical team with many actors in government and civil society organisations.

We are confident that *Kenya Human Development Report 2001* will contribute to the national debate and dialogue about disparities in Kenya informing on strategic policy direction and programming decisions.

Paul Andre de la Porte

Resident Representative

UNDP

Acknowledgements

We first of all acknowledge the Institute for Development Studies, University of Nairobi for preparing the report and providing an appropriate academic and research-focused environment necessary for the undertaking of such an important national exercise. A technical team of three focal points at IDS prepared this report under the administration and guidance of the director of the IDS, Prof. Dorothy McCormick. The team consisted of Dr. Rosemary Atieno as the team leader, Dr. Walter Odhiambo and Mr. John Njoka. Their commitment to ensuring the production of a high quality report is highly acknowledged. The international consultant, Dr. Mwangi wa Githinji of Florida Atlantic University provided important technical inputs during the preparation of the report. His contributions are acknowledged.

Prof. Patrick O. Alila, Prof. Dorothy McCormick and Dr. Winnie Mitullah reviewed the draft of the report and provided useful technical insights which helped in shaping the final document. Their contributions are highly appreciated.

We would like to most sincerely acknowledge the United Nations Development Programme (UNDP) for funding the preparation of this report, coordinating the whole exercise and providing valuable comments which went a long way in improving content. Special thanks are due to the Resident Representative, Paul Andre de la Porte, for the strong administrative support throughout the exercise. The Deputy Resident Representative-Programmes, Isaac Chivore; Senior Assistant Resident Representative-Programmes, Elizabeth Oduor-Noah; and Seraphin Njagi, provided critical backstopping services and support throughout the preparation of the report. All of these contributions are gratefully acknowledged.

The preparation of the report was supported by the National Technical Advisory Team under the chairmanship of Mr. Stephen Wainaina. The report also benefited from statistical information prepared by the Central Bureau of Statistics (CBS) under the guidance of the director, Mr. David Obonyo Nalo. The Global NHDR Network also provided insights into the preparation of the report. Their support is acknowledged.

The first draft was discussed at a national dissemination workshop attended by representatives from the government, NGOs, private sector, academia and the donor community. The Kenya Agricultural Research Institute (KARI) and Action Aid Kenya kindly provided their case studies which were used as examples in the report. A number of government officials and NGOs shared useful ideas and insights through interviews with the technical team. Their valuable contributions were very useful in improving the report and are warmly acknowledged.

The final production of this report would not have been successfully completed without the editorial skills of Ms Eva Ndavu who edited and typeset the report for final production. Mr. Hesbon Nyagowa, the senior administrative assistant, IDS, provided important logistical support during the preparation of the report, especially in the final production stages. His dedication is recognised.

Executive Summary

1. Perspectives for Social and Economic Development

The Human Development Approach

The human development reports prepared by the United Nations Development Programme (UNDP) since 1990 review progress on the different facets of human development. The global human development reports (GHDRs) have introduced and extended the concept of human development as an alternative to growth-led approaches to development. The national human development reports (NHDRs) use the human development concepts and methodologies pre-tested through the GHDRs to provide a systematic appraisal of country efforts in relation to human development theory and practice.

Human development involves the process of expanding human capabilities and access to opportunities in social, economic and political arenas and therefore the overall improvement in quality of life. The most basic of these capabilities lead to long healthy lives, knowledge and access to the resources needed for a decent standard of living.

The concept of human development differs from other approaches to development since it takes people as being central to the development process and the main actors in the process of improving their welfare. While the traditional approach to development viewed economic growth as the most important requirement for development, increasing poverty in the midst of growth led to disillusionment with the emphasis on growth and increase in per capita income. This led to the need for a new approach to development. A country's human development status is therefore its ability to take care of its citizens and provide an environment which enables them to access opportunities and resources to enhance their opportunities for living decent lives.

Measuring and Monitoring Human Development

Human development is measured by the human development index (HDI), a composite index encompassing life expectancy, education attainment and standard of living as measured by per capita income. The HDI is estimated using concepts and methodologies developed by the UNDP over time. It measures the average achievement in basic human development in one single index. The HDI value for a country shows how far that country has gone in attaining an average life expectancy of 85 years, access to education for all and a decent standard of life.

Addressing Social and Economic Inequalities

The Human Development Report 2001 for Kenya focuses on the theme, "Addressing Social and Economic Disparities". This is appropriate, given the recent decline in economic performance and the associated increase in poverty, unemployment and the widening social and economic inequalities in the country. The human development situation has declined as reflected in the fall in life expectancy, per capita income, school enrolment and the rise in infant mortality and disease incidence. This conforms to the value of the HDI which shows a positive trend reaching a peak of 0.531 in 1990 but consistently declining to a value of 0.514 in 1999.

Human Development Challenges in Kenya

The declining economic performance, socio-economic disparities and decreasing HDI have resulted in human development challenges for the country which go beyond simply increasing economic growth to addressing social and economic inequalities. This requires providing people with an environment that enables them to access resources and opportunities to enable them to live quality lives. It involves combating poverty and unemployment by increasing access to productive resources and employment opportunities as well as increasing productivity to ensure increased incomes. Human development challenges also include facilitating the participation of the population in the social, economic and political development processes. Other challenges include:

- Expanding human capabilities by improving access to basic education, health, housing, water and sanitation.
- Increasing people's capacity to assert their rights.
- Redefining the value of life in Kenya so as to increase respect for life and self-esteem in society.
- Addressing the different forms of inequalities existing between regions as well as the different segments of the population. This includes addressing inequalities which are gender-related or affecting specific vulnerable groups.
- Addressing the problem of insecurity to enable increased investment and participation by a wider section of the society.
- Facilitating good governance which will ensure effective economic management and the distribution of economic opportunities to all sections of the population.

2. The State of Human Development in Kenya

Recent Trends in Human Development in Kenya

Using the most recent data from the Central Bureau of Statistics

(CBS), this report estimates Kenya's HDI at 0.539. This figure is slightly higher than the GHDR2001 value of 0.514. The discrepancy is explained by the difference in the values of the component indices and the period covered. This report uses the most recently available data on income and life expectancy. Of particular note is the difference in life expectancy. While the GHDR uses an estimate of 51.4 based on WHO estimates, this report uses 54.7, calculated from the population census of 1999.

With an HDI value of 0.514 in the GHDR 2001, Kenya is in the category of medium human development countries such as Ghana (0.542), Egypt (0.635), Cameroon (0.506) and South Africa (0.702). While the magnitude of the HDI in Kenya is certainly important, its decline over the last five years is disturbing. This decline is underpinned by the decline in life expectancy which fell from 59.5 in the 1989 population census to 54.7 in the 1999 census. The insurgency of HIV/AIDS and the increase in poverty are some of the leading factors affecting life expectancy in the country.

The HDI value varies considerably across provinces and districts in Kenya. The province with the highest HDI is Nairobi followed by Central and Rift Valley. These provinces are above the national HDI figure of 0.539. The lowest HDI is in North Eastern followed by Western Province. It is notable that Nairobi, Central and Rift Valley provinces have fairly high HDIs that place them in the middle human development category (0.500-0.800) along with Mexico (0.790), Mauritius (0.765) and Tunisia (0.714). North Eastern, Coast, Nyanza and Western provinces fall in the low human development category and compare with countries such as Togo (0.489), Sudan (0.439), Ethiopia (0.321) and Sierra Leone (0.258). It is notable also that the difference between the highest HDI (0.783 for Nairobi) and the lowest (0.413 for North Eastern) is large, further highlighting the magnitude of the regional disparities in the country.

A number of factors explain the existence of regional disparities in the country. These include differences in economic opportunities leading to concentration of activities in specific areas. The policies pursued by the government over time have tended to be biased towards high potential agricultural areas and, more recently, industry. Other factors include security, socio-cultural traits and disease incidence.

Human Poverty in Kenya

Poverty means the denial of opportunities and choices most basic to human development. These include the choice to lead a long, healthy and creative life and also to enjoy a decent standard of living, freedom, dignity, self-respect and the respect of others. There is a difference between the poverty of choices and opportunities and the poverty of income. The former, which focuses on empowerment and actions to enhance opportunities, is referred to as *human poverty*. Human poverty is measured by the human poverty index (HPI) which captures poverty beyond income and expenditure. In this report, the HPI for Kenya is estimated at 34.5%, meaning that about 35% of Kenya's population can be considered as poor. The GDHR for 2001 puts this figure at 31.1%. The disparity in the values is again attributable to the difference in the data set used in computations. The HPI estimate in this report is based on the most recent data from the Central Bureau of Statistics (CBS) and the 1999 population census.

A major concern is the recent increase in poverty in the country. Kenya's HPI value has steadily risen from 26.1% in 1997 to 34.5% in 2001. This trend is confirmed by results of the welfare monitoring surveys that indicate that the level of income poverty rose from 40.3% in 1994 to 52.3% in 1997.

The HPI shows that the level of deprivation in the country is high. Only 34.0% of the total population is expected to live beyond age 40. This reflects poor living conditions. Only 46% of the total population has access to safe drinking water (which includes piped water in compounds, water from public outdoor taps and boreholes and protected wells). The remaining 54% use rainwater and unsafe water from unprotected wells, lakes, rivers, ponds, vendors and tracks. Scarcity of safe water accentuates poverty directly by limiting people's access to a basic necessity of life and indirectly by limiting access to food and employment through the incidence of disease. Another important dimension of deprivation in the country is the limited access to health care, with 51% of the national population taking more than one hour to reach health services.

There are wide regional disparities in human poverty across the country as indicated by the HPI values estimated at provincial levels. This, however, is not as dramatic as the case of income poverty where the difference between the lowest HPI (Central Province) and the highest (Nyanza Province) is about 30%. Differences in the level of human poverty between regions are indicative of disparities in the dimensions of deprivation: a short life, lack of basic education and lack of access to public and private resources. Central Province has the least human poverty with an HPI value of 30.7% followed by Nairobi with 32.4%. Nyanza, Western and North Eastern provinces have the highest HPI values of well over 40%.

Gender Dimensions of Human Development

Gender relations are important for human development. In Kenya, there are gross inequalities between men and women. The gender-related development index (GDI) and the gender empowerment measure (GEM) are composite indices developed by UNDP to capture gender inequalities in human development. While GDI reveals achievements in basic human development adjusted for gender inequality, GEM shows gender inequality in economic and political opportunities.

The computed GDI value for Kenya in this report is 0.52, which compares quite well with the value in the *Human Development Report 2001* of 0.512. Kenya's GDI has shown marginal increments over the years, implying that the human development of women in the country has gradually improved. Official and unofficial literature as well as practical daily experience, however, still indicate that women in Kenya constitute a disadvantaged social group and are discriminated against in many spheres of society. The GDI values vary widely across provinces in Kenya. The highest GDI value of 0.652 is in Nairobi Province, followed by Central which has a GDI value of 0.593. The least GDT value of 0.41 is in North Eastern Province. This indicates some association between human development as measured by HDI and gender development.

Based on the available data, the GEM for Kenya is estimated at 0.414. This value places the country among others with low gender empowerment. Looking at the components of the GEM, it is very clear that women's participation in politics remains very low: women hold only 4.1% of the parliamentary seats in Kenya.

3. Inequalities in Incomes and Employment

Income Inequalities

The distribution of wealth and income has a strong bearing on poverty and human development. Existing data reveal that incomes in Kenya are heavily skewed in favour of the upper quintile. The bottom 20% of the population get only 2.5% of the total income while the top 20% receive more than 50%. These statistics show that the differences in the basics of life and general well-being between the rich and the poor are very large. Globally, Kenya is among the 30 most unequal societies in the world; and it is among the top ten low-income economies with high concentration of income.

Regionally, there are disparities in income distribution across regions, with Western Province having the highest maldistribution of income. These regional disparities have important implications for poverty reduction. Where inequality is high, as is the case in Western and Eastern provinces, achieving greater equity can have a bigger impact on growth and poverty reduction. In the areas with relatively egalitarian distribution, a strategy emphasising growth is likely to have a better chance.

Rural-Urban Disparities

Rural-urban disparities in economic development are pronounced. This has been the outcome of underlying economic ideological and socio-cultural orientation. The disparities are manifested in the level of wages, unemployment and poverty incidence. While agriculture employs about 70% of the labour force, it accounts for only *9%* of the total private and public sector earnings. Mean monthly incomes from wages and salaries as well as profits and expenditures are higher in urban than rural areas. Considering that the majority of the population resides in the rural areas, this disparity reflects negatively on overall access to basic services such as health and education and general living standards. While a large percentage of the urban population are doing poorly, the rural poor are doing worse.

Gender Disparities

Gender inequalities often manifest themselves in the form of differential access to resources and opportunities. Current estimates indicate that women, especially those in the rural areas, are particularly disadvanlaged with their labour often undervalued and under-utilised. Generally in Kenya, women are more likely to be unemployed than men, while average incomes arc lower for women than males. The result is that more women than men are poor.

There arc serious gender inequalities in employment. In the rural areas, labour force participation for women is much higher than that of men. While women account for only 30% of the total wage employment, they constitute 70%' of the labour force in agriculture. The disparities in access to employment have meant that most women fall within the low-income categories.

Regional Disparities

Uneven progress in economic development has resulted in large regional and sectoral disparities in the country. Over time, priority has been given to the high and medium potential areas to the neglect of the low potential regions which comprise over 70% of the country. As a result of policy bias, areas classified as high potential with abundant natural resources, rainfall and better developed infrastructure continue to dominate national output.

In terms of employment opportunities, it is notable that the distribution of employment in the modern and informal sectors is unevenly distributed among Kenya's eight provinces. Nairobi Province has the greatest share of wage employment, accounting for almost a quarter of the total wage employment in the country between 1990 and 1999. Rift Valley Province absorbs the second largest share, accounting for 18% of the total wage employment; Rift Valley also has the largest population. The province with the lowest formal employment opportunities is North Eastern, accounting for less than 1% of total wage employment; this province has the lowest population in Kenya.

4. Inequalities in Social Development

The social development situation in Kenya is currently characterised by regional, rural-urban, gender and social class inequalities. There arc notable regional inequalities in indicators of human development. Some areas of the country such as North Eastern and parts of Nyanza, Western, Coast and Eastern provinces are poorer and have much lower indicators of mortality, health facilities, safe water, sanitation, communication and transportation. Of particular note is the large gap between North Eastern Province and the rest of the country. Not only is the province marginalised in development investments, it is often excluded from data collection. The neglect of these areas has not only resulted in a lower level of human development, it has also created an environment conducive to negative socio-cultural beliefs and practices such as early marriages, child labour, teenage pregnancies and outmoded initiation rites which further compound the problem of low human development.

Rural-urban inequalities also exist in mortality rates, fertility rates, disease incidence, access to water and sanitation, transport and communication technology, school enrolment and literacy rates. Although some urban and peri-urban populations in slums and squatter settlements are as disadvantaged as, or even worse than the rural population, the latter generally face the brunt of inequality. The reason has been policy bias towards the urban areas. Human development makes it imperative to invest more resources in the rural areas.

Access to social services differs by gender due mainly to socio-cultural factors and lack of a comprehensive policy for redressing gender inequalities and ensuring equal opportunities for both men and women. Both enrolment rates and adult literacy rates are lower for women than men. The only exception is Central and Nyanza provinces where enrolment rates at secondary school are lower for boys than girls. At universities, less than 35% of the student population is women. Gender inequalities are also experienced in access to positions of power and decision making. Women hold very few positions in provincial administration, the cabinet and professional cadres. Issues regarding women's opportunities in mainstream participation are therefore likely to be ignored or taken for granted.

5. Policies and Initiatives to Assuage Social and Economic Inequalities

Since independence, poverty alleviation and the reduction of inequalities have been major government development objectives. The government sought to achieve these objectives through a number of policies and programmes which emphasised rapid economic growth as the principal means of reducing inequalities. This is reflected in various government policies contained in major policy documents, mainly development plans and sessional papers.

After almost three decades of interventions, social and economic inequalities have not only persisted in different dimensions but have increased. It is therefore relevant to analyse the extent to which the different policies and initiatives undertaken by the government have addressed the problem. An important consideration is the nature of the country's economic performance resulting from these policies and whether they have benefited the poor and contributed towards reducing social and economic inequalities. This underscores the need to analyse the performance of the economy in terms of its growth, the sources of such growth and the extent to which the different policies and initiatives undertaken by the government, the private sector and the civil society have addressed the problems of social and economic inequalities.

Economic Performance and Socio-Economic Inequalities in the Country

Apart from the first decade of independence when the country recorded impressive growth rates (reaching a peak of 6.6%), there has been a continuous decline in economic performance. Since the mid-1980s, the economy has experienced dismal performance which continued into the 1990s until the year 2000 when the country recorded a negative growth rate. The declining economic performance has largely accounted for the persistent and increasing levels of poverty over the past decades. This is because it could not ensure an increase in employment generation, nor could it provide the necessary structural and economic transformations to diversify the economy and thus spread the benefits of growth to a wider section of the population.

An important characteristic of the country's performance is that where growth has occurred, it has been concentrated in only a few sectors and a few commodities within these sectors. The general performance of the economy has become vulnerable to fluctuations in these few sectors; thus the extent to which economic performance can contribute to reduction in poverty and inequalities depends on the pro-poor growth in these sectors. Furthermore, although there has been a general decline in economic performance, certain sectors, and especially specific commodities, have experienced positive growth over the same period,

Kenya has not been able to generate the growth necessary to reduce social and economic inequalities in the country. Where growth has occurred, it has been in those sectors with minimum impact on employment generation. The level of absolute poverty has increased to 52%, human poverty stands at 34.5, while inequality in income has worsened. The poor continue to receive less and less of the national income, with the bottom 20% of the population getting 2.5% of the income while the top 20% receive 59%. Regional disparities in terms of incomes and access to resources have increased, with rural areas being marginalised despite a majority of the population deriving their livelihoods there.

Although agriculture is the leading sector in employment and other contributions to the economy, the sector has suffered from poor infrastructure, credit facilities and access to markets. The slow growth of the manufacturing sector led to lack of expansion in wage employment, resulting in the expansion of the informal sector. While the informal sector provides an important source of low skilled jobs that can absorb the poor, the sector has for a long time suffered from lack of coherent policy guidelines and favourable regulatory framework which have inhibited its growth and contribution to the reduction in inequalities.

Addressing social and economic inequalities in the country therefore needs deliberate policies in order to restart economic growth. At the same time, such growth should benefit all sections of the population and be especially geared towards the reduction of poverty and inequalities.

Government Responses to Social and Economic Disparities

Since independence, the government has initiated a number of policies and initiatives aimed at reducing the problems of poverty and inequalities in the country. Whereas the policy measures to achieve these objectives may have changed over time, the objectives remain true today as they were three decades ago.

The five-year development plans and sessional papers have been major documents in articulating government policies in the country. While earl ier development plans reflect strategies formed in the framework of government interventions, the later development plans, formed in an environment of liberalisation and greater private sector participation, have been more macro in their approach. Although there has been consistency in preparing the development plans, one of the major factors limiting their effectiveness has been the lack of implementation. There have" also been policy gaps. Development plans have also so tended to reflect donor preferences and have therefore been used as tools to attract development assistance rather than a reflection of real commitment to solving development problems. Over time, some of the policies slated in these plans have missed the intended targets, thus impeding further growth in the country.

The government has, over time, undertaken specific initiatives in the form of special programmes aimed at addressing poverty and inequality. A careful review of these initiatives, however, shows that they suffered from a number of weaknesses which limited their effectiveness. These included inability to target the beneficiaries, insufficient involvement of stakeholders, failure to reach vulnerable groups and lack of resources for implementation.

Many of the initiatives also did not focus exclusively on poverty and inequality which limited their effectiveness. They were largely disjointed and spread over many programmes and projects competing for limited funds. Lack of coordination among the various actors, in addition to lack of or inadequate participation by the poor and vulnerable groups, also limited their ability to address the problems effectively. The impact of these initiatives was further limited by the government's failure to put in place policies that would ensure equitable distribution of income and wealth, with the result that the majority of the people did not have access to the goods and services generated from them.

Another important factor is that most of these interventions were donor driven and were therefore not integrated in the long-term development goals of the country. The result is lhat they were short-term in nature and suffered from discontinuity and inconsistency. All of these limited the effectiveness of these interventions in addressing social and economic inequalities.

In the recent past, government strategies and priorities on socio-economic development reflected a shift to a strategic focus on poverty. This shift is reflected in policy documents such as the National Poverty Eradication Plan (NPEP) which outlined the scope of poverty and set targets for reduction, the Interim Poverty Reduction Strategy Paper (IPRSP) which incorporated the adoption of the Medium-Term Expenditure Framework (MTEF) as the organising budgetary framework tor the use of resources. The recently concluded Poverty Reduction Strategy Paper (PRSP) is an important initiative by the government to tackle the problem of deepening poverty in the country. The PRSP, however, faces obstacles such as lack of adequate funds and lack of political will to implement policies. There is further need to implement the PRSP proposals in such a way as to ensure that the poor have access to basic social services. This can be achieved through programmes which effectively impact on the poor.

Although initiatives exist within the government to address different forms of inequalities, they suffer from a lack of common objectives and coordination among the implementing ministries. There is need for stronger coordination between the different departments to ensure increased efficiency in service provision and minimum duplication of activities and interventions. There is also the need to build common objectives among the government departments and ministries to ensure that there is cohesion and complementarity in interventions. Most of these initiatives are short-term interventions and responses to crises rather than long-term sustainable development policy. There is need to integrate these initiatives into sustainable development programmes. The effectiveness of these initiatives has further been limited by lack of implementation. Most proposals are also hampered by the procedures used in enacting policies which can facilitate their implementation.

6. Future Policy Challenges

New policy directions are needed to address inequalities in the country which have exacerbated the problems of poverty, unemployment and social deprivation, The high levels of poverty have been reinforced by equally low levels of economic growth and incomes, lack of public accountability and lack of participation by the poor and other vulnerable groups in the development process. The end result has been low and declining human development.

Future policy challenges for human development in the country therefore entail expanding human capabilities and access to opportunities in economic, social and political aspects of life. This will involve:

- A process of economic, social and political empowerment as a means of changing the balance in favour of those who have been kept out of the mainstream of economic and social activity in the country. Economic empowerment will involve macro-economic growth and stability, improved rural income earning opportunities and focus on job creation. Social empowerment will require improved availability and access to health, education and other social amenities. Political empowerment will call for developing and strengthening of institutions through which the poor can participate in development, involving the CBOs, NGOs, as well as other local level organisations.
- Restarting the process of economic growth and focussing on distribution through macroeconomic policies that lead to growth while reducing poverty as

envisaged in the PRSP. Pro-poor budgeting will be important in allocating resources to the poor and marginalised groups.

The participation of different stakeholders in the social, economic and political development process. This will need to be institutionalised for effectiveness. Starting and strengthening of partnerships between different stakeholders will also be important. This will ensure that critical concerns are discussed and reflected in policies. The challenge for the civil society is to be willing to develop capacity to negotiate their positions and accommodate government views.

There is need for a "bottom-up" and "home-grown" development strategy. This would ensure that growth is accompanied by a proportionate flow of increases in national income to the poor who form the majority. In Kenya, since the majority of the poor are based in the rural areas, broad-based rural development is, therefore, essential for the reduction of inequalities, Above all, there is need for new policy focus to address the increasing disparities in the country.

All the key actors in development key roles to play in forging policies for addressing social and economic inequalities, and enhancing human development in the country. The various perspectives should be forged into a common objective and framework.

Chapter 1
Perspectives for Social and Economic Development

1.1 Global and National Human Development Reports

Since 1990, the United Nations Development Programme (UNDP) has supported the preparation of annual global human development reports (GHDRs). These reports have reviewed progress on the different facets of human development. The role of the GHDR has been to introduce and extend ihe concept of *human development* as an alternative to the traditional growth led approaches to development. The first report of 1990 introduced the concept and indicators of human development in addition to the relationship between economic growth and human development. It showed that economic growth does not automatically lead to human development as measured by indicators such as life expectancy, school enrolment, literacy and standard of living. Successive GHDRs have addressed different themes associated with human development, ranging from issues of aid, human rights, governance and gender to new technologies, the theme of the 2001 report.

Nationally, more than a hundred countries have compiled national human development reports (NHDRs) as a means of documenting the human development concept and approach in their local situations. The NHDRs use the human development concepts and methodologies which have been pretested through the GHDRs and pre-existing national and regional reports. They are expected to provide a systematic appraisal of country efforts in relation to human development theory and practice. In sub-Saharan Africa, about thirty countries have prepared NHDRs; regional and sub-regional human development reports have also been produced, including one for Africa in 1995. Kenya prepared its first NHDR in 1999.

Since the late 1980s, there has been declining economic performance associated increases in poverty and unemployment, as well as malaise in governance in Kenya. These have resulted in increases in what were already fairly wide social and economic inequalities and a fall in human development. This is evident from the fall in key components of human development such as life expectancy and income per capita and the rise in indicators such as infant mortality, disease incidence and school dropout rates. Particularly telling has been the impact of the HIV/AIDS pandemic on mortality rates and economic activities. It is in this context that this second NHDR with the theme "Addressing Social and Economic Disparities" has been prepared. It comes two years after the publication of the inaugural report in 1 999 which emphasised gender and poverty. This report critically analyses the key aspects of economic and social inequalities; it also questions whether the policies and programmes are effective enough to address such inequalities and provide direction for policy improvement and reform.

1.2 Human Development as a Concept

Human development has been defined as the process of widening people's choices and raising their level of well being. It involves the expansion of human capabilities and access to opportunities in the social, economic and political arenas. The most basic of these capabilities are to lead long healthy lives, to be knowledgeable, and have access to resources needed for a decent standard of living. It is, therefore, about the overall improvement in the quality of life.

The concept of human development evolved from the realisation that people should be at the centre of development, with all people being involved in the process. It differs from other approaches to development such as the traditional neoclassical and redistribution approaches which focused on economic growth and the distribution of wealth. It also differs from the basic needs approach which viewed people as beneficiaries rather than agents of development. The human development approach takes people as being an integral part of the development process. People arc seen as the main actors in the process of improving their own welfare. The *Human Development Report 1997* defined development as "A process of change that enables people to take charge of their own destinies to realise their full potential. It needs building up in people the confidence, skills, assets, and the freedom necessary to achieve this."

Human development requires expanding the opportunities by which the poor can do more for themselves through economic, social and political empowerment. Economically, this involves helping the poor to gain access to productive resources by addressing inequalities in the distribution of productive assets. It also requires expanding their human capabilities through education, nutrition, health care, water and sanitation as important indicators of human development. Politically, this means using community organisations and giving communities voices to reduce poverty. Related to this is the issue of governance, which has been seen as the key missing link between growth and poverty reduction. Poor economic management and lack of accountability are some of the reasons why targets for reducing social and economic inequalities are never met. Socially, human development requires building on traditional and informal community networks that have supported vulnerable groups.[1] Human development therefore goes beyond economic development per se. It involves creating an environment in which people can develop to their full

UNDP 1998a, p.6.

potential and lead productive and creative lives in accordance with their needs and interests. A country's human development status is therefore its ability to take care of its citizens and provide an environment which enables them to access opportunities and resources to enhance their opportunities for living decent lives.

Human development is measured by the human development index (HDI), a composite index encompassing life expectancy, education attainment and standard of living as measured by per capita income. Over time, the UNDP has developed concepts and methodologies used in estimating the HDL This report draws heav.ily from the methodologies presented in the UNDP *Human Development Report 2000.*

1.3 Human Development and Other Approaches to Development

Traditionally, economic growth has been viewed as an important prerequisite for if not synonymous with economic development. Until the early 1990s, attempts to monitor development focussed more on economic growth (with development being taken to mean rising incomes as measured by GDP) than on the well-being of individuals. For a long time, growth was a major economic goal for policy makers, with increased income being viewed as the best way to improve people's standards of living. This was based on the assumption that the benefits of growth would eventually trickle down to the poor. However, with increasing world poverty and unemployment in the midst of growth, development theorists became disillusioned with the emphasis on economic growth. This led to the need for a new approach to development.

The traditional indicators also have major weaknesses in measuring development. They measure development and progress by monitoring economic output and related data. These, however, do not reflect enhanced quality of life. They ignore the political, social and cultural factors which are important in human development. In addition, they are biased towards goods and services produced for the market, ignoring a large section of the population operating outside the market economy.

Past trends in economic growth and human development show that while economic growth may be a necessary condition, it is not sufficient for human development. Experiences from a number of countries, Kenya included, show that development in its narrow economic sense can bypass significant sections of the society or even work to the disadvantage of others. Although economic growth provides the material requirements for human development, the extent to which this is met depends on how the resources are distributed among the people and the various uses in society. In countries where there is high inequality, the use of per capita income as a measure of development will show high levels of development despite the majority of the people not benefiting from that growth.

One such example is Namibia (one of the world's most unequal societies) where about

The Gini coefficient is a measure of inequality in the distribution of income. Its value ranges from zero to one with zero representing perfect equity and one representing total inequality.

See UNDP 1998a, p. 43.

Republic of Kenya 1999a.

An example is given in *Human Development Report 2000* where Canada is ranked with the highest HDI. However, the report notes that this conceals some elements of religious marginalisation in one of the provinces in Canada. UNDP 2000a, p. 93.

5% of the population, mainly urban, enjoy high standards of living while the rest live in abject poverty. Namibia has one of the highest Gini-coefficients in the world (0.67%). The richest 5% of the population receive 70% of the GDP, while the poorest 55% receive only 3% of the GDP. Because of the wealth of the small elite, Namibia ranks as a middle-income country. However, because *al~* the high inequality, Namibia's human development level is much lower, making it rank *35* places lower on Ihe HDI than it ranks on average income per person.[3]

In Kenya, high growth rale was experienced only in the first decade of independence. Since then there has been unstable and declining economic growth. However, even during the period when the country experienced rapid growth, the problems of poverty and inequality still persisted and even increased. Presently, poverty is recognised as a major threat to development, with the national absolute poverty level standing at 52%, while inequality has continued to increase. Data from the 1999 integrated labour force survey show that the lowest 20% of the population gels 2.5% of the total income, while the highest 20% of the population gets *59%* of the total income.[4]

The human development approach gained prominence with the publication of the first human development report in 1990 which argued for a more direct approach to improving the human condition, going beyond income and growth. Hence, a society's standard of living should not be judged by the average level of income but by people's capabilities to lead the lives they choose. Since human development is the overriding purpose of economic development, underdevelopment is therefore viewed as lack of capabi lilies rather than lack of income per se.

Despite the all-encompassing nature of the human development approach, some concern has been raised that the HDI as the measure of human development can also conceal other aspects of social, cultural and political inequalities and discrimination. Countries with high HDIs may still experience other aspects of social or political inequality, such as racial or political discrimination which are not captured by the HDI/ The aggregate national HDI also conceals disparities in human development at the regional level or by socio-economic categories. The aggregate index also conceals disparities in the key indicators of human development: access to health, education and decent standard of living. This emphasises the need to generate the HDI at u regional (district) level in order to highlight these inequalities. This is one major contribution of the national human development reports in complementing the global human development reports.

Internationally, a number of initiatives have been undertaken to address the social and economic inequalities affecting human development. Among these have been the international conferences on different development problems which through their resolutions reflect these initiatives. The conferences were a response to the realisation of the fact that although significant progress in many fields important for human development had been made though national and international efforts, the developing countries still faced serious economic difficulties, with people living in absolute poverty having increased over time. Such problems tended to affect more people belonging to specific socio-economic categories. Among these conferences are:

- The World Conference on Human Rights, Vienna, 1993, which recognised that human rights for women and girls are inalienable parts of universal human rights. The conference reaffirmed the commitment by all states to fulfil their obligations to promole the universal respect for and protection of all human rights and fundamental freedoms for all.

- The International Conference on Population and Development, Cairo, 1994, addressed the critical challenges and interrelationships between population and economic growth and sustainable development. Its basis for action was the recognition that despite gains made in indicators like life expectancy and national product, the gaps between the rich and the poor countries and the inequalities within countries have widened. The conference's programme of action recommended sustained economic growth; education, especially for girls; gender equity and equality; infant, child and maternal mortality reduction as well as Ihe provision of universal access to reproductive health services.

- The World Summit for Social Development, Copenhagen, 1995, reiterated that people should be at the centre with development involving all people. It identified poverty eradication as ethical, social, political and economic imperatives of humankind. The world leaders at the conference committed themselves to an ambitious set of social goals and targets which included the eradication of world poverty, enhancement of productive employment, reduction of unemployment and the fostering of social integration. The summit reiterated the importance of the basic principles on which the concept of human development is based, that the goal of development should be to improve the well-being of all people.

- The Fourth World Conference on Women, Beijing, 1995, had a platform for action with the objective of improving the situation of all women with special attention to the most disadvantaged. It established fundamental changes based on the recognition that women face barriers to full equality and advancement. The Beijing platform for action stressed the empowerment of all women which entails the realisation of all human rights and fundamental freedoms of all women.[6]

These international conferences represent important collective efforts to address common development problems. They have highlighted socio-economic problems faced by specific segments of the human population and addressed problems affecting the improvement in some of the indicators of human development, Their programmes of action set out guidelines and targets for the participating countries to address these social problems. However, the

See United Nations 1996, p. 31.

realisation of these targets has been hampered in many countries by lack of resources and supporting social and economic institutions.

1.4 Trends in Economic Growth and Human Development in Kenya

Since independence, one of the major objectives of the government has been to achieve rapid economic growth which would lead to improvement in the standard of living. Development efforts therefore initially focused on accelerating economic growth as a means of realising development. These efforts yielded fruit as the country achieved high economic growth rates of 6.6% per annum during the period 1964-1973. This impressive performance was, however, not sustained in the second decade as the growth rate declined to 5.2% during the 1974-1979 period. There was a further decline to 2.5% during the 1990-1995 period. This deel ine has continued with the economy recording *a* negative growth of -0.3% in the year 2000.[7] In addition to the declining trend in economic growth, the economy has been characterised by persistent and increasing poverty, unemployment and widening income inequalities. This situation has negatively impacted on human development in the country.

The HDI for Kenya for selected years is presented in Figure 1.1,[8] The values show a steady increase from 0.441 in 1975, reaching a peak at 0.531 in 1990. Since 1990, there has been a gradual drop in the HDI, reaching 0.514 in 1999. Although this decline appears marginal, it displays a steady trend which conforms to trends in economic performance and achievements in the basic social indicators in the country over the same period. Within the period between independence and the early 1980s, major gains were made in the areas of health, education and other social amenities. Positive economic growth was also experienced during this period.

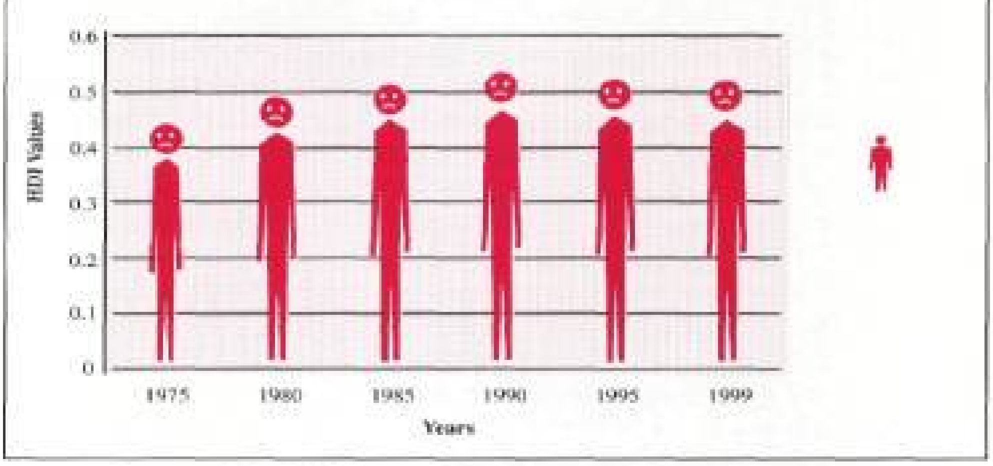
Since the late 1980s, there has been a reversal in these achievements. The gains made in social indicators have also slowed down in the last decade. By the mid-1980s, Kenya had made considerable progress in basic health care services, standards of education and literacy levels. This has been interrupted since 1989 due to a variety of factors.

The structural adjustment programmes introduced in the mid-1980s have meant that a large majority of the population has become unable to afford health and education services due to the introduction of cost sharing. Rapid population increase and economic stagnation have also been responsible. Poor relations with the donor community and an increasing inability to attract investment also led to the poor economic performance witnessed during the 1990s. Another important factor has been lack of good governance manifested in poor economic management where inefficient use of public resources and corruption have undermined the implementation of development policies and projects. There has also been lack of deliberate policies aimed at equitable distribution of resources and employment oppor-

[7] See Republic of Kenya 1999b, p. 23, and various issues of the Economic Survey.

[8] Due to revisions in data and methodology for computing HDI over time, the HDI values are not comparable across editions of the HDR. However, the 2001 report presents comparable HDI trends based on the same methodology. Figure 1.1 is based on these comparable values.

Fig. 1.1: HDI Values for Kenya for Selected Years



Source: Global Human Development Report 2001

(unities. This has resulted in economic stagnation as well as distortions in the distribution of wealth and opportunities with the living conditions of the majority of Kenyans worsening.

Kenya is increasingly becoming unable to sustain or improve the gains made in social indicators such as school enrolments, infant mortality and life expectancy.[9] In health, major indicators show a worsening trend. Infant and under-five mortality as well as maternal mortality have increased in the 1990s. In addition, nutrition indicators like stunting, wasting and under weight among children under five years have also increased during the same period. While life expectancy increased from 50 in 1969 to 60 in 1989, this has since declined to 54 in 1999. The literacy rate, which increased from 47% in 1980 to 75% in 1994, declined to 70% by 1999.

The majority of Kenyans face inadequate access to basic necessities like food, health care, education and shelter. School dropout rates have grown, as have disparities in access to other services due to geographical locations, gender and income inequalities. According to government statistics, the level of absolute poverty has increased from 44% in 1992 to 52% in 1997. The poverty situation has particularly worsened in the urban areas in comparison to the rural areas. Therefore, although poverty is more prevalent in the rural areas, it is increasingly becoming an urban phenomenon. The increasing trend in the level of poverty over lime is confirmed by poverty measures based on different databases in the country,[1"]

The problem of inequality has continued to manifest itself in different dimensions. Poverty and other signs of inequality are concentrated among certain socio-economic groups. Inequality in income distribution is high, with the bottom 20% of the population getting only 2.5% of the total income, while the highest 20% of the population gets 59% of the total income.[11] Other signs of widening inequality include widening gender and regional disparities in terms of poverty levels and access to social services and economic opportunities.

Republic of Kenya 2000a, p. 2.

See Republic of Kenya 2000b, vol. II, p. 4, for different measures of poverty from various databases and studies.

Republic of Kenya 1999a.

An examination of the socio-economic characteristics of poverty in the country shows that the poor can be identified by their region of residence and well-defined socio-economic categories. Poverty and other signs of socio-economic inequalities tend to be highest among the landless, pastoralists in the ASAL districts, subsistence farmers, unskilled casual workers female-headed households and people with disabilities.[12]

The poor spun a broad spectrum of socio-economic groups. However, the concentration pattern of poverty shows that there are specific vulnerable groups most affected by socio-economic disparities in the **country.** But who arc the vulnerable groups? Vulnerable groups have been defined as those with lack of access to sufficient productive resources and who are poorly educated.[11] Although they have different production patterns and poverty characteristics, they have common socio-economic characteristics, A participatory approach **to** the definition of vulnerable groups shows that it should also include those with limited or marginalised opportunities for political participation and those in especially difficult conditions. These groups not only lack sufficient access to productive resources but are viewed as mostly excluded from the mainstream planning process. They are therefore economically, politically and socially marginalised, making them most vulnerable to socio-economic downturns.

Socio-economic disparities manifest themselves mainly in terms of access to productive resources, employment opportunities and access to social services like health, education, water and sanitation, information and political participation. The socio-economic profiles of the vulnerable groups show a clear marginalisation of these groups in terms of access to these opportunities (Box 1.1).

Poverty is created through varied processes. As a result, the groups affected by poverty are not always the same. Short-term and cyclical **factors** tend to create transient poverty which often creates new faces **of** poverty. Striking examples include the poverty of refugees and AIDS orphans arising from civil strife and conflict and the HIV/AIDs pandemic, respeclively. In Kenya, recent times have seen the emergence of new groups of **the** poor and vulnerable. These include street families and beggars, **AIDS** orphans and retrenched people. This trend cal Is for new strategies to address the problem of poverty facing such groups.

1.5 Human Development Challenges in Kenya

Kenya faces a number of human development challenges. These go beyond simply increasing economic growth and include addressing social and economic inequalities by providing an environment that enables all people to access resources and opportunities to enable them to live decent lives. It requires expanding human capabilities and access to opportunities. This means combating the rising problems of poverty as well as unemployment that have persisted and increased since independence. The challenge presented here is that of increasing

[12] Republic of Kenya 1996, 1999b and 2000b.

[13] UNDP 1998a.

Box 1.1: Socio-Economic Characteristics of Vulnerable Groups

Vulnerable Groups in Kenya

In Kenya, the vulnerable groups include the landless, the pastoralists, subsistence farmers, the urban poor, unskilled and semi-skilled casual labourers, households headed by people without formal education, female-headed households, people with disabilities, AIDS orphans, street children and beggars.

Characteristics of Vulnerable Groups

Gender Disparities

- Unequal employment opportunities with a majority of women employed in small-scale agriculture where they provide 75% of the labour force.
- More women household heads employed as unpaid family workers in rural areas than their male counterparts.
- In the urban areas, women household heads are mainly self-employed and unskilled casual employees.
- Lower literacy rates among female-headed households than the male-headed ones.
- There are more male employers, skilled and unskilled regular employees, while urban women are still mainly poor unskilled workers.

Income-earning Opportunities

- The poor household heads (both men and women) are mainly dominated by self-employment and unpaid family workers.
- Most of the vulnerable groups depend on wage income, livestock and crop revenue for their incomes, and spend a high proportion of their income on food.
- They cultivate less land, with yield per acre being low due to differential access to improved inputs and quality of land.
- They depend on natural resources and mostly live in marginal areas.

Education and Literacy Rates

- Households headed by those with no education have higher incidence of poverty compared to those with formal education.
- In general, literacy rates are lower among the poor households than the non-poor ones.
- Other vulnerable groups like the pastoralists show lower literacy rates compared to other groups.
- In the rural areas where poverty is most prevalent, most of the economically active population have no education.

Access to Basic Social Facilities

- Other socio-economic characteristics of the vulnerable groups include limited access to health and education facilities due to the inability to meet costs.
- They lack access to safe water and safe sanitation.
- Demographically, the poor have larger household sizes than the non-poor, with higher fertility rates than their non-poor counterparts.

Source: Republic of Kenya 1996, 1999d, 2000b.

access to productive resources and employment opportunities as well as improving productivity to ensure economic growth and increased incomes. It also needs facilitating the participation of all sectors of the population in the social, economic and political development processes. The challenge also includes addressing the disparities which exist not only between geographical regions but also among various segments of the population. Human development in Kenya also requires improving access to education and health facilities, housing, water and sanitation.

UNDP 2000b.

Gender is an important factor in human development. In most cases, and especially in Africa, gender is important in defining the poverty status. Women constitute the majority of the poor while many female-headed households arc poor. Measures that provide them with increased access to basic social services and productive assets arc a critical factor in the eradication of poverty. However, while gender inequalities result from unequal access by women to resources and opportunities, this lack of access is an indication of a system of norms and institutions which place them at a disadvantage. One of the human development challenges facing the country is therefore addressing disparities which arc gender-related. These include eradicating poverty among women and other vulnerable groups. This can be achieved not only by providing them with access to resources and opportunities but also by changing the underlying institutions which perpetuate these inequalities.

In addition to these challenges, views from a cross section of Kenyans were sought on what is perceived as the main human development challenges facing the country. These perceptions are presented in Box 1.2.

1.6 Governance and Human Development

Governance refers to the existence of political, economic and administrative authority in the management of a country at all levels.[14] It incorporates the complex processes, mechanisms and institutions through which citizens and groups articulate their interests, mediate their differences and exercise their legal rights and obligations. Governance is a key link between growth and the reduction of poverty and inequality. It is important for socio-economic development and addressing social and economic inequalities. Although growth generates income, the poor are less likely to benefit from it if they are not empowered economically, socially and politically. Good governance can therefore be seen as a key link between growth and poverty reduction. Poor economic management and lack of accountability arc some of the reasons why targets for reducing social and economic inequalities are never met.

Human development also requires the state to create a democratic space in which people can articulate their demands and fight for a more equitable distribution of power. This is necessary for adequate investment of resources in human development priorities and the equitable access to productive resources. Good governance facilitates poverty eradication by

Box 1.2: Kenyan Perceptions of Human Development Challenges

- Increasing people's capacity to assert their rights.
- Reducing food shortages resulting from inadequate food policy.
- Reducing the hopelessness resulting from pervasive corruption.
- Increasing the vulnerable groups' capacities to generate their own income and access to employment in order to meet their basic needs.
- Facilitating access to and utilisation of resources, especially for disadvantaged orphaned children.
- Improving access to education to reduce drop-out rates, especially for disadvantaged such as orphaned children.
- Redefining the value of human life and increasing that value to promote respect for life and self-esteem in the society.
- Eliminating the mismatch between education, training and employment to facilitate the efficient utilisation of the available human resources.
- Improving the effective utilisation of the labour force by strengthening the coordination between the institutions involved in training, planning, development and utilisation of human resources.
- Reorienting the employment policy to address the mismatch between training and employment needs and address the needs of the vulnerable groups.
- Addressing the problem of insecurity and its effect in the productive sectors.
- Removing the "inadequacy syndrome" to enable people to mobilise their resources and sustain development projects.
- Improving the coordination among the different development partners to avoid duplication of efforts and maximise utilisation of the available resources.

Source: *Key* informant interviews with a cross-section of Kenyans[15]

providing an enabling environment and a participatory society.[16] Humane governance provides an enabling environment for human development and eradication of human deprivation. The qualities of such governance include ownership, which makes it participatory and in people's interest; equity, which makes it conducive to building a society offering everyone equal access to opportunities; and accountability, which embodies structures that are transparent and accountable.[17]

In Kenya, lack of good governance can be seen as one of the major causes of stagnation in economic performance as well as the persistent and increasing poverty and inequality. Inefficient use of public resources, corruption and failure by the government to involve those affected by poverty in the search for solutions are some of the manifestations of this problem. This has resulted in lack of priority for development projects meant for the poor, lack of deliberate policies aimed at equitable distribution of resources and employment opportunities as well as apathy and lack of participation by the poor

15 The key informant interviews were conducted among senior government officials, NGOs and other development organisations. The government ministries included health, education, culture and social services, labour and Office of the President, Department of Development Coordination. The NGOs included Action Aid, Care Kenya, NGO Council, Plan International, Oxfam and GTZ.

16 UNDP 1997, p. 105.

17 UNDP 2000c, p. 54.

and other vulnerable groups. This has been mainly responsihte for distortions in the distribution of wealth and opportunities as reflected in wide social and economic inequalities. The country's record in governance is therefore an important factor in the state of social, economic and political development.

In the last decade, a number of changes have been initiated aimed at improving governance in the country, These include the introduction of multiparty democracy in 1991, establishment of an independent electoral commission and the formation of the constitution review commission as well as a number of administrative reforms. However, these changes need to be backed by implementation if efforts to enhance human development in the country are to bear fruit.

Human development in the country therefore entails development as an all-encompassing process involving all people. It requires the existence of good governance which will ensure good economic management and the distribution of such growth to the majority of the population.

Chapter 2
The State of Human Development in Kenya

There is growing consensus among economists, sociologists, political scientists and other development practitioners that development is about improving the quality of people's lives and expanding their abilities to shape their own future. It involves a process of expanding human capabilities and access to social, economic and political opportunities.

The new people-centred approach to development recognises that an integral part of successful development is the increase in per capita income via economic growth, but it involves much more. It involves more equitable education and job opportunities, greater gender equality, better health and nutrition, a clean and more sustainable natural environment, a functional and fair judicial system and broader civil and political freedoms. If successful, this new approach to development will not only raise GDP per capita but also living standards as evidenced by standards of health and literacy. It should also reduce poverty while strengthening the environment.

This new understanding of development poses challenges for measuring and monitoring the development process. Clearly, there is need to go beyond GDP per capita as a tool for measuring and monitoring human development. This chapter discusses and utilises recent human development indicators used in the assessment of the level of human development in Kenya.

2.1 Measuring and Monitoring Human Development

The complex and multidimensional nature of human development requires a measure that goes beyond the conventional measure of income per capita, The HDI developed by UNDP in 1990 measures the average achievement in basic human development in one single composite index. It is derived from a simple average of three components: longevity, educational attainment or the level of knowledge and decent standard of living, Longevity is measured by life expectancy at birth, while knowledge is measured by adult literacy rates and combined enrolment rates. Decent standards of living are measured by per capita income. In numerical terms, the index ranges from 0 to 1 where 0 indicates total absence of human development and 1 indicates the highest level of human development (see Appendix 1 ,Technical Note I).

The HDI value for a country shows how far that country has gone in attaining an average life expectancy of 85 years, access to education for all and a decent standard of life. The HDI focuses on areas beyond income and treats income as a proxy for decent standard of living, thus providing a more comprehensive measure of human well-being than just income.

Recent Trends in Human Development in Kenya

Based on the most recent data form the Central Bureau of Statistics (CBS), Kenya's HDI is estimated at 0.539. This figure is slightly higher than the *Human Development Report 2001* value of 0.514. The discrepancy in the HDI value is explained by the difference in the values of the component indices and the period covered. This report uses the most recent data on income und life expectancy that is available. Of particular note is the difference in life expectancy. While the GHDR uses an estimate of 51.4 based on the WHO estimates, this report uses 54.7, which was calculated from the population census of 1999.

With an HIM value of 0.514, Kenya fulls under the category of the medium human development countries where it is classified alongside Ghana (0.542), Egypt (0.635), Cameroon (0.506) and South Africa (0.702). While the magnitude of the HDI in Kenya is certainly important, its decline over the last five years is what is of concern. This decline is underpinned by the decline in life expectancy in the country, which has fallen from 59.5 in the 1989 population census to 54.7 in the 1999 census. The insurgency of HIV/AIDS and the increase in poverty are some of the leading factors that have undermined the gains in life expectancy in the country.

In terms of the components of HDI, it is apparent from Table 2.1 that Kenya's low ranking globally is largely due to its low per capita income, which is only Ksh 16,406 or US$1,022 in purchasing power parity. This is far below the global set maximum of US$40,000. Kenya's life expectancy that is about 54.7 years also falls short of the maximum of 85 years while the literacy rate was only 70.9% compared to a maximum of 100%. These figures indicate that Kenya has a long way to go to attain the high human development levels enjoyed by leading countries such as Norway, Australia and Canada. In the *Human Development Report 2000,* Norway was the leading country in human development with a life expectancy of 78.4 and per capita income of US$28,433.

Regional Disparities in Human Development

HDI varies considerably across provinces and districts in Kenya. As is evident from Table 2.1, certain provinces perform better in terms of human development than others. The province with the highest HDI is Nairobi followed by Central and Rift Valley. These provinces are above the national HDI figure of 0.539. The lowest HDI is in North Eastern followed by Nyanza Province. It is notable that while Nairobi, Central, Eastern and Rift Valley provinces have fairly high HDIs that place them in the middle human development category (0.500-0.800) where countries such as Mexico (0.790), Mauritius

Table 2.1: Human Development Index

Province	Life expectancy (1999)	Adult literacy rate (1999)	Annual income per capita Ksh (1999)	Life expectancy index	Education index	GDP index	HDI value
Kenya	54.7	70.9	16,406	0.495	0.642	0.482	0.539
Nairobi	61.6	82.2	78,644	0.610	0.756	0.983	0.783
Central	63.7	83.9	17,829	0.645	0.829	0.339	0.604
Coast	51.5	62.8	18,840	0.408	0.595	0.363	0.467
Eastern	62.3	66.5	15,131	0.443	0.687	0.268	0.525
Rift Valley	61.9	72.6	15,251	0.558	0.652	0.271	0.510
Nyanza	45.7	70.9	14,169	0.345	0.736	0.239	0.440
Western	52.4	74.6	11,191	0.457	0.753	0.137	0.449
North Eastern	52.4	64.2	17,212	0.457	0.460	0.324	0.413

(0.765) and Tunisia (0.714) are classified, North Eastern, Coast, Nyanza and Western provinces fall in the low human development category and compare with countries such as Togo (0.489), Sudan (0.439), Ethiopia (0,321) and Sierra Leone (0.258). It is notable also that the difference between the highest HDI (0.783 for Nairobi) and the lowest (0.413 for North Eastern) is large, further highlighting regional disparities in the country. Such disparities arc reflected in differences in regional resource bases, infrastructural development and life opportunities.

Examining the components of HDI, it is apparent that its various components vary widely across the regions. Nairobi, which has the highest HDI, has a very high per capita income index, well above the education and life expectancy indices. This is in contrast to all the other regions in which both the education and life expectancy indices are higher than that of income, although they arc lower than those in Nairobi. This implies that measures to enhance growth in income may be an integral part of efforts to promote human development in many parts of Kenya. It should be noted, however, that provision of education and life-prolonging services such as good health care are also crucial in human development in the country.

Regional Rankings in Human Development

Ranking of provinces on the basis of HDI values leads to different results compared to ranking based on conventional indicators such as per capita income. As is shown in Table 2,2, six out of Kenya's eight provinces take different positions when HDI is used for ranking. This is largely because of their varied scores in the other parameters of human development, namely literacy and life expectancy. Notable in this respect is North Eastern which moves from position 4 in the per capita ranking to position 8 when HDI is used. Although the province has a relatively higher per capita income, lower literacy levels and poor access to health reduces its human development achievement. This negative gap implies the need for redirecting resources towards human development in the region rather than improving income. Owing to its relatively lower literacy levels, more emphasis should be placed on access to education.

The other notable case is Coast Province, which moves from position 2 to 4 in the HDI ranking. While this fall underscores the fundamental difference between the maximisation of wealth and the enrichment of human lives, it also brings out an important link between HDI values and rural areas. While Coast Province has a higher per capita ranking due to the larger urban sector, it falls in the HDI ranking due to a poor hinterland characterised by lower enrolment rate, lower life expectancy and limited life opportunities. Although HDI for rural and urban areas were nol computed, it is evident from Table 2.2 that provinces which are predominantly rural have generally lower HDI values.

A listing of the top ten and bottom ten districts in Kenya for which the HDI could be computed is shown in Table 2.3. Understandably, the two major urban centres in Kenya (Nairobi and Mombasa) have higher human development. The high scores in the two districts are largely on account of relatively higher incomes and life expectancies. Tharaka Nilhi also has a high HDI largely because of high incomes presumably from the sale ***of** attract*. Other districts also showing high levels of human development are Nyeri, Kiambu and Embu which lie in the high potential regions. Similarly, most of the low human development regions are marginal, of low agricultural potential or ASALs.The implication here is that for human development to improve in the country there is need to focus attention on the marginal and less productive areas in the country.

Explaining the Regional Disparities in Human Development

Having demonstrated the existence of large regional disparities in human development in Kenya, it is necessary to explain the causes. Disparities in human development in the country can be explained, first, by differences in opportunities, which are themselves a product of various economic forces. These forces have, over the years, led to concentration of economic activity in some areas and not in others. Urban areas in general have attracted a fair amount of economic activities compared to the rural areas owing to better financial and other services, more adequate infrastructure and ready market for investing firms. Regions with a high con-

Table 2.2: Comparison of HDI and Income per capita

Province	HDI		Income per capita		Per capita rank-HDI rank
	Value	Rank	Value (Ksh)	Rank	
Kenya	0.539		16,406		
Nairobi	0.783	1	78,644	1	0
Central	0.595	2	17,829	3	1
Coast	0.459	4	18,840	2	-2
Eastern	0.452	6	15,131	6	0
Rift Valley	0.528	3	15,251	5	2
Nyanza	0.457	5	14,169	7	2
Western	0.445	7	11,191	8	1
North Eastern	0.426	8	17,212	4	-4

Table 2.3: District* Ranking by HDI

Top 10 Districts		Bottom 10 Districts	
District	HDI value	District	HDI value
Nairobi	0.783	Tana River	0.381
Tharaka Nithi	0.662	Homa Bay	0.375
Mombasa	0.648	Migori	0.356
Nyeri	0.621	Wajir	0.346
Kiambu	0.620	Busia	0.345
Embu	0.606	Kwale	0.329
Murang'a	0.605	Samburu	0.256
Nyandarua	0.601	West Pokot	0.241
Nakuru	0.586	Turkana	0.198
Meru	0.580	Marsabit	0.194

* The ranking is based on the original 42 districts covered in the welfare surveys of the Central Bureau of Statistics

centration of urban centres like the Rift Valley and Central provinces have attracled more investments than most other areas. The concentration of economic activity in these areas has direct implications on employment and incomes and therefore human development.

A second reason for the disparities in human development in the country has to do with the nature of policies that have been implemented by the government over the years. These policies have tended to be biased towards high agricultural potential areas and in certain cases specific geographical areas. The result is that there are wide regional differences in access to public resources such as health, education and infrastructure. These arc analysed in detail in the next chapter.

There are at the same time numerous other location-specific factors that can explain disparities in human development. These include ecological conditions which are closely linked to agricultural potential, security, access to land, cultural traits and disease incidence. HIV/ATDS has emerged as a crucial determinant of human development. Coast Province has the highest number of cases followed by Nyanza Province. The lowest infection rates are in North Eastern, Western and Central provinces.

Disparities Among Socio-Economic Groups

Although disaggregated HDIs at the national, provincial and district levels highlights disparities in a country, they also conceal much information. Even within the same province or district there arc differences between urban and rural areas, between sexes and among ethnic groups. The use of disaggregated HDIs for social groups can help in highlighting such disparities. In Kenya, there are groups that arc clearly disadvantaged: street children and beggars, people with disabilities, the elderly, women who head households and unemployed youth. There is, however, lack of data for computing disaggregated HDIs. Estimation of HDIs for the different groups can no doubt provide valuable insights into socio-economic disparities in Kenya.

Box 2.1: The Impact of HIV/AIDS on Human Development

The impact of AIDS in Kenya is monumental. AIDS presents social, psychological, demographic and economic costs to both individuals and the entire population. From a human development perspective, HIV/AIDS is expected to:

- Lead to lower life expectancy and higher infant and maternal mortality rates at both regional and provincial levels;
- Lower per capita incomes by 10% in the next 10 years;
- Lower overall enrolment as children are withdrawn from school to care for their parents or due to lack of fees and other expenses due to parents' inability or absence.

Based on certain assumptions, the HDI for Kenya is expected to fall by almost 6%, from 0.339 to 0.508 by the year 2010. The largest fall is expected in Nyanza (13%), followed by Nairobi (8%) and Coast provinces (7%). North Eastern and Central provinces are expected to experience the least impact. These trends imply that HIV/AIDS will have serious implications.

2.2 Human Development and Poverty

The Concept of Human Poverty

If human development is about enlarging choices, poverty means the denial of opportunities and choices most basic to human development. These include the choice to lead a long, healthy and creative life and also to enjoy a decent standard of living, freedom, dignity, self-respect and ihe respect of others. There is however a difference between the poverty of choices and opportunities and the poverty of income (Box 2.2). The latter, which focuses more on empowerment and actions to enhance opportunities, is referred to as *human poverty*. Recognising the difference between the poverty of choices and opportunities implies that poverty must be addressed on all its dimensions, not income alone.

UNDP 1998b,

The *Human Development Report 1997* introduced the concept of human poverty as separate from the conventional definitions of poverty. This new concept of poverty views the poor as actors against a process of impoverishment and calls for the strengthening of their capabilities. Instead of focussing on poor people's weaknesses, the new concept focuses on their potential strengths and the assets that they need in order to get out of poverty. The concept also recognises the critical effects of gender and other forms of inequality that tend to perpetuate poverty. This understanding also sees poverty not merely as a grave social and economic problem but also as a violation of human rights. Understandably, this wider definition of poverty is more realistic as it "mirrors an integrated understanding of human rights in which civil and political rights are indivisible from social, economic and cultural rights."[8]

Box 2.2: Some Basic Definitions of Poverty in Kenya

Different measures of ***income poverty*** exist in Kenya as described below.

Absolute poverty refers to the inability of person, households or communities to meet certain minimum level of consumption at which the basic needs such as food, education/literacy, shelter, etc. are fulfilled. This is usually defined in monetary terms such as the one-dollar-a-day used internationally. In Kenya, the absolute poor are defined as those members of society who are unable to afford basic minimum needs, comprising both food and non-food items. In 1997, these were valued at Ksh 1,239 per month for rural areas and Ksh 2,648 per month for urban areas.

Food poverty refers to food consumption that is below a normative minimum level and which takes into account nutritional standards that are necessary for healthy growth and maintenance of the human body. The FAO/WHO recommended daily allowance of food energy is 2,250 calories per adult equivalent. In 1997, this was estimated at an expenditure equivalent of Ksh 927 per month per adult.

Hardcore poverty is the inability to satisfy even very minimum food needs. The hardcore poor are those who are unable to afford the minimum recommended food-energy requirements even if they devoted their entire incomes to food. In Kenya, the hardcore poverty line is the same as the food poverty line.

Human poverty refers to the lack of basic human capabilities resulting in illiteracy, malnutrition, abbreviate life span, poor maternal health and illness from preventable diseases. Human poverty is measured as a composite of social and economic indicators.

The Human Poverty Index

In the *Human Development Report 1997*, UNDP developed the human poverty index (HPI) which corresponds dimension-by-dimension with the HDI. HPI is an attempt to capture a broader measure of poverty going beyond money and income. It is used to measure deprivations in basic dimensions of human development and the proportion of the people left out of progress. The HPI includes the adult literacy rate, the percentage of population not expected to reach age 40 and a third dimension labelled *overall economic provisioning* that is a composite of three indicators: the percentage of people without access to safe water, the percentage of people without access to health services and the percentage of children under five years of age who are underweight. The HPI it; computed on the basis of deprivation in longevity, living standards and knowledge (see Appendix 1, Technical Note 2).

HumanPovertyinKenya

Most countries, including Kenya, continue to monitor poverty using surveys of income and expenditure. Since the mid-1970s household surveys have been the most important source of data for analysing poverty and policy making. There are a number of poverty studies that provide estimates of the extent of poverty in the country based on household data sets. Since the 1990s, Welfare Monitoring

Surveys (WMSs) have been used intensively to monitor poverty in the country. So far, three surveys have been carried out in 1992, 1994 and 1997. Although WMS cover all districts and collect pertinent information on non-income factors such as education, health, child nutrition and social amenities, they fail to integrate them in the definition of poverty. They do not cover the entire range of fundamental poverty correlates. The complex and multi-dimensional nature of poverty in the country requires a measure that goes beyond the traditional reliance on surveys based on income and expenditure.

Kenya's HPI and its components by province are shown in Table 2.4. The HPI for Kenya is estimated at 34.5%. This means (hat about 35% of Kenya's population can be considered as poor. The *Human Development Report 2001* puts this at 31.1 %. The disparity in the values is again attributable to the difference in the data set used in the compulation. The HPI estimate in this report is based on the most recent data from the Central Bureau of Statistics (CBS) and the 1999 population census.

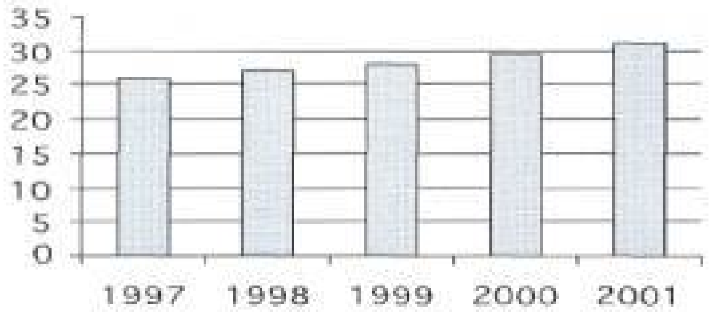
In the *Human Development Report 2001*, Kenya is placed in position 51 above countries such as India (55), Nigeria (59), Zimbabwe (61) and Uganda (69). This indicates that poverty is **a** serious problem not only in Kenya but in other developing countries as well. What is, however, of concern is the increase in poverty in the country in the recent past. Kenya's HPI value has steadily risen from 26.1 % in 1997 to 34.5% in 2001 (Figure 2.1). This trend is confirmed by results of the welfare monitoring surveys that indicate that the level of poverty rose from 40.3% in 1994 to 52.3% in 1997.

Examining the components of the HPI index, it is evident that the level of deprivation in the country is high. Up to 34% of the population is not expected to live beyond age 40. This reflects in purl a fall in life expectancy in the country. Up to 46% of (he population do not have access to safe drinking water (which includes piped water in compounds, water from public outdoor taps, boreholes and protected wells). Scarcity of safe water accentuates poverty directly by limiting people's ac-

Table 2.4: Human Poverty Index

Province	Population not expected to survive beyond age 40 (% of total population)	Adult literacy rate	People without access to:		Under-weight children under age 5	HPI %
			Clean water	Health care		
Kenya	34.0	26.4	46.4	51.0	26.4	34.5
Nairobi	40.0	17.8	34.0	45.0	16.3	32.4
Central	31.0	16.1	46.0	51.0	15.7	30.7
Coast	36.0	37.2	28.4	62.0	27.3	37.5
Eastern	31.0	33.5	46.6	75.2	27.8	39.9
Rift Valley	27.0	27.4	59.0	62.0	27.4	36.8
Nyanza	46.0	29.1	64.0	69.4	29.1	44.3
Western	42.0	25.4	61.6	58.8	25.4	41.1
North Eastern	45.0	35.8	34.2	89.0	35.8	44.8

Figure 2.1: Trends in HPI, 1997–2001



cess to a basic necessity of life and indirectly by limiting access to food and employment and through the incidence of diseases.

Another important dimension of deprivation in the country is the poor access to health services. Nationally, 51% of the total population has poor access (take over one hour to reach the nearest qualified doctor) to health services. Inability to access health facilities is a basic component of poverty. It should be noted, however, that although physical access to health facilities is important, the poor may have limited access to them because of cost or even the quality of services being offered at the nearest health facility. Another dimension of human deprivation is reflected by the proportion of underweight children under the age of 5 years. Nationally, 26% of children under 5 years are underweight, signifying poor nutritional status. Among children, nutritional status is an indicator of health and well-being. It is a result of complex interaction between many factors, including lack of access to adequate and balanced diets, poor sanitary conditions, inadequate health care and safe water supply.

Regional Disparities in Human Poverty

Like HPI, HPI can also be computed at regional and district levels. Estimates of HPI at provincial level indicate that Central Province has the least amount of human poverty with an HPI value of 30.7% (Table 2.4). This means that about 31% of the population in Centra! Province is affected by human poverty. Nairobi Province has the second least HPI or 32.4%, followed by Rift Valley and Coast provinces. Nyanza, Western and North Eastern provinces have the highest HPI values: well over 40%,

In terms of absolute numbers, Rift Valley leads in human poverty as close to 2.6 million people arc affected. The next in line is Nyanza where an estimated 1.9 million people are poor (Table 2.5). These are high proportions and indicate that human poverty is indeed a serious development challenge in the country,

The HPI values estimated at provincial levels indicate the existence of wide regional disparities in the level of poverty in the country. This, however, is not as dramatic as is the case of income poverty where the difference between the lowest (Central Province) and the highest (Nyanza Province) is about 30%. Differences in the level of human poverty between regions are indicative of disparities in the dimensions of deprivation: a short life, lack of basic education and lack of access to public and private resources.

The causes of poverty in Kenya are documented in a number of policy and research reports. The recently concluded Poverty Reduction Strategy Paper (PRSP) identified a number of causes and correlates of poverty. They include low economic performance, low agricultural productivity, landlessness, insecurity, unemployment and low wages, poor or lack of roads, gender imbalance and bad governance.

Regional ranking in human poverty

Ranking provinces and districts by human poverty incidence leads to different rankings from those based on the level of expenditure/incomes. The two rankings for Kenya's eight provinces are shown in Table 2.6. It is evident from the table that six out of the country's eight provinces change positions in the ranking. For example, while Coast Province ranks sixth using income poverty levels, it moves to the fourth position when the HPI index is used. Eastern, Rift Valley and Westem also fall in the ranking. A change in ranking implies poor non-income attributes of human development such as education, access to health and clean drinking water.

Participatory Approaches to Poverty Assessment

The statistics presented above no doubt provide a picture of the extent of poverty in the country. They do not convey, however, the realities of intense poverty and inequality. In other words, the statistics cannot provide the texture of poverty—the pain of deprivation, the acute tensions, violence and emotions associated with poverty. To describe the realities behind the statistics, the use of Participatory Poverty Assessments (PPAs) have been found necessary. PPAs provide depth and understanding to the notion of poverty by extending the definition to include issues such as vulnerability, physical and social isolation, self-respect, security and powerlessness. Furthermore, PPAs provide a forum for

Table 2.5: The Extent of Human Poverty in Kenya

Province	Human Poverty (%)	Population affected (1999 census)
Nairobi	32.4	694,414
Central	30.7	1,143,316
Coast	37.5	932,724
Eastern	39.9	1,848,079
North Eastern	44.8	431,040
Nyanza	44.3	1,945,742
Rift Valley	36.8	2,571,229
Western	41.1	1,380,456
Kenya	34.5	9,896,879

Table 2.6: Comparison of HPI with Income Poverty

Province	HPI		Income poverty*		Income poverty-HPI rank
	%	Rank	%	Rank	
Kenya	**34.5**		**52.3**		
Nairobi	32.4	2	50.2	3	-1
Central	30.7	1	31.4	1	0
Coast	37.5	4	62.1	6	2
Eastern	39.9	5	58.6	4	-1
Rift Valley	36.8	3	50.1	2	-1
Nyanza	44.3	7	63.1	7	0
Western	41.1	6	58.8	5	-1
North Eastern	44.8	8	–	–	

*Overall poverty, Republic of Kenya 1999e.

the poor to air their views and feelings based on their experiences.

There have been several PPA studies in Kenya. These assessments involve people's own perceptions of poverty and its causes; they have increasingly reported deterioration in people's well-being over time. They show that continuous ill-health and limited access to education and other social amenities plague millions of Kenyans. They also report poverty-related anxiety and stress and the accompanying violence especially on women and children. A major finding in these assessments is that the poor are aware that they are poor, they know the cause of their poverty and would wish to overcome such a state. The poor also know what needs to be done to reduce their poverty (Box 2.3).

2,3 Gender Dimensions of Human Development

It is indisputable that gender relations are important for human development. In Kenya, like in many other countries, there arc gross inequalities between men and women. Such gender inequalities are not just damaging to the interests of women but also to people's livelihood strategies as a whole. The *human Development Report 1997* indicated thai at the aggregate level, there was a link between gender inequality and overall hu-

Box 2.3: What the Poor Say About Poverty

Asked what poverty is, an ex-Mau-Mau freedom fighter said: "Don't ask me what poverty is because you have met me outside my house. Look at my house and count the number of holes [in the wall]. Look at my utensils and the clothes I am wearing. Look at everything and write what you can see. What you see is poverty." In a separate interview, a respondent in Kisumu commented: "We do not believe in getting 2 kilos of maize. What we need is assistance to grow more maize (and other crops) ourselves."

Source: Nyamwaya 1997.

man poverty. Studies in Kenya have reported the following important findings on the gender-poverty relation:[19]

- The incidence of poverty among women in Kenya is higher than that among men. In both rural and urban areas, women suffer more poverty than men.
- The intensity of poverty is more severe for women than men. Results of the Welfare Monitoring Survey III indicate that although female-headed households constituted only *25%* of rural households, the intensity of poverty was higher than those headed by men.
- Lingering legal and cultural discrimination which impedes women's access to property ownership (especially land) and employment opportunities have immensely contributed to women's low status and lack of empowerment.

These important findings indicate the need for integrating gender issues in strategies for poverty alleviation in the country.

Measurement of Gender Inequalities in Development

Can gender inequalities in development be targeted and monitored? Is there a general measure of gender inequality that can be used to inform as well as define policy? The gender-rclatcd development index (GDI) and the gender empowerment measure (GEM) are two composite indices developed by UNDP to capture gender inequalities in human development (see Appendix 1, Technical Notes 3 and 4). While GDI measures achievements in basic human development adjusted for gender inequality, GEM measures gender inequality in economic and political opportunities.

The computed GDI values for Kenya and its provinces arc shown in Table 2.7. The national GDI value of 0.52 compares quite well with the value in the *Human Development Report 2001* of 0.512. Globally, Kenya is ranked in position 112' above African countries such as Cameroon (114), Congo (1 15), Nigeria (123), Uganda (125) and Zambia (127). Kenya's GDI has shown marginal increments over the years, implying that the human development of women in the country has gradually improved. Official and unofficial literature as well as practical daily experience, however, stilt indicate that women in Kenya constitute a disadvantaged social group and are discriminated against in many .spheres ol society.

As is evident from Table 2.7, GDI values vary widely across provinces in Kenya. The highest GDI value of *0.652* is in Nairobi Province, followed by Central, which has a GDI value of 0.593. The least GDI value is in North Eastern Province. This indicates some association between human development as measured by HDI and gender development (compare Figure 2.1 and 2.2).

An area in which women have particularly been disadvantaged is in decision-making. Generally women have been marginalised in the realms of politics and economics. This marginalisation has a lot to do with the traditional African set-up in which women were more

[19] See, for example, Mwabu et al. 2000 and ILO/EAMAT 1999.

Table 2. 7: Gender Development Index

Province	Life expectancy		Adult literacy rates		Real GDP per capita		GDI value
	Male	Female	Male	Female	Male	Female	(%)
Kenya	**54.1**	**55.3**	**77.6**	**70.2**	**1157**	**889**	**0.519**
Nairobi	60.9	62.3	83.6	81.2	4095	2781	0.652
Central	63.0	64.4	86.5	81.8	1030	845	0.593
Coast	50.8	52.2	17.8	55.4	904	649	0.442
Eastern	61.8	62.8	68.8	64.7	710	544	0.515
Rift Valley	51.5	59.5	76.6	69.1	727	532	0.502
Nyanza	43.7	47.7	76.2	66.5	634	539	0.434
Western	51.3	53.5	80.2	69.7	502	425	0.463
North Eastern	53.0	51.8	77.2	51.0	917	479	0.401

involved in decisions within the household than al community level. Although the gender bias is still very strong in Kenya, there are indications that the gender campaign in the country is bearing some fruits. To evaluate current political and economic participation by women, the GEM index was estimated for the country (Table 2.8). GEM is a composite indicator of representation of women in political, administrative, managerial, professional and technical positions as well as women's share in total income.

Based on the available data, the GEM for Kenya is estimated at 0.414. Although Kenya was not ranked globally in the *Human Development Report 2001*, this value would place it among countries with low gender empowerment. Looking at the components of the GEM index, it is very clear that women's participation in politics remains very low. Women hold only 4,1 % of the parliamentary scats in Kenya. This is in sharp contrast to other countries in the region like Tanzania**,** Uganda and Rwanda, where women account for 22%, 17% and 25%, respectively.

Women's participation in politics, though still very low, has increased somewhat in the last few years. In 1992, there were seven women in the national assembly in a parliament of 193, representing only 3.5%. This ratio increased marginally

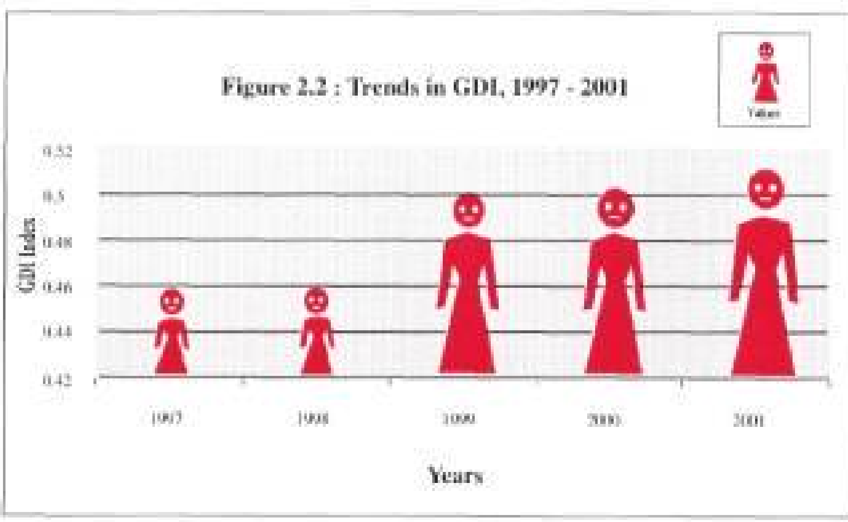


Table 2.8: Gender Empowerment Measure

	Seats in Parliament held by women (as % of total)	Female administrators and managers (as % of total)	Female professional and technical workers	GEM value
Kenya	4.1	14.7	36.2	0.41

to 4.1 % in the year 2000 when there were nine women legislators out of a total of 222.]t should be noted that these ratios are very low considering that women in Kenya constitute *50%* of the population. Women also participate only marginally in public administration and in the private sector.

To be successful, anti-povcrty measures in Kenya must deal with inequalities in gender that works to the disadvantage of women. Given the central position of women in society, it is important that activities to address women's poverty are prioritised. Such activities should be an integral pan of (he national development strategies of the country.

2.4 Comparing Human Development Indicators in Kenya

Figure 2.3 depicts Kenya's main human development indicators. From the figure, it is evident that regions with high human development have relatively low human poverty and vice versa. Central Province with the highest HDI has aL ihe same time a fairly low HPI. On the other hand, North Eastern Province with the lowest HDI has a high HPI. This is understandable given that a state of human development implies the absence of social and economic deprivations that characterise human poverty. The implication of this is that the reduction or elimination of human poverty should be at the forefront in efforts to improve human well-being. Therefore, the government, UN agencies, a wide array of national and international organisations, including NGOs, have put the struggle against poverty at the centre of their strategics and partnerships.

An interesting result of Kenya's main HDIs is the closeness of both the GDI and HDI. In all the regions in Kenya, there is a close correspondence of the HDI and GDJ values, with the former marginally exceeding the latter, except in Western Province. A higher HDI than GDI means that the level of development of women in the country is less than that of men. That largely conforms to popular perception in the country. What goes contrary to this is that the HDI and the GDI values are very close while the popular perception in Kenya is lhal there is a much larger gender gap in the country.

It is surprising that the GDI value in Western Province exceeds the HDI, There is no evidence that indicates that Western Province has been very different from other areas in Kenya in terms of women and development, The larger GDI value for the province could have to do with the data used in the computation of the indices.

2.5 Conclusions

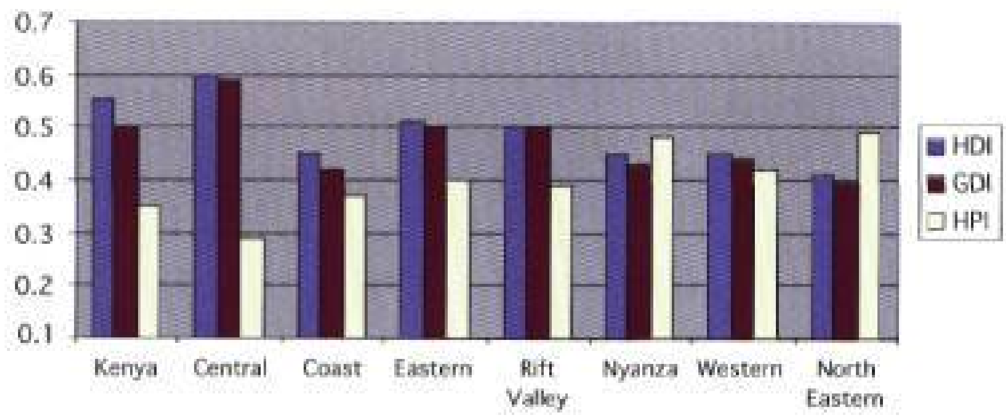
This chapter reviewed Kenya's human development status. Key HDIs show a considerable decline in human development in the country. The HDl, which measures the socio-economic development progress of a nation, declined from 0.53 I in 1990 to 0.514 in 1999. This fall has been associated with the decline of the economy which turned negative after a prolonged decline, the insurgency of HIV/AIDS and poverty. The fall in life expectancy is also a major factor that explains Kenya's poor human development performance.

The deprivation side of the human development balance sheet shows that poverty has increased in the country. The HPI increased implying increased poverty incidence in the country. Access to safe water, sanitation and health services has deteriorated over time which has resulted in a fall in life expectancy. Furthermore, infant mortality has increased, further eroding the gains in human development in the country.

The chapter has also revealed wide regional and gender disparities in the level of human development. The use of disaggregated data at both the provincial and district levels have highlighted the disparities between regions, sexes and rural-urban areas. This calls for policy and action to address gaps and inequalities. Important in this regard will be restructuring of expenditure to regions with low HDl and high HPI.

The chapter has also highlighted the importance of comparing conventional indicators of development against human development indicators. This provides a more accurate reflection of social development in the country and brings out the difference between material wealth and income on the one hand and human development on the other. The next chapter examines some of these disparities in detail.

Figure 2.3: Human Development Indices in Kenya



Chapter 3
Inequalities in Incomes and Employment

3.1 Inequalities, Growth and Human Development

Kenya, like many other developing countries, is characterised by inequalities in human development. Inequality has different meanings in different contexts. In this context, inequality is conceptualised as the disparity in distribution of indicators or attributes of human development. In the economic domain, disparities could be in terms of ownership of resources, in the distribution of wealth and income and in access to economic and social goods and services. These disparities often do not exist in isolation but arc in most cases overlapping and self-reinforcing. Transmitted across generations, they shape the distribution of opportunity and define livelihoods.

Human development and inequality are closely related. This is because inequality can influence economic and social outcomes with implications on human development. Policy makers, researchers and development practitioners are increasingly recognising the close link between inequality and other social and economic phenomena such as growth and poverty. Until recently, the most well established view on the relationship between growth and income distribution was the Kuznets hypotheses, This hypothesis postulated that growth would first lead to an increase and then to a decrease in economic inequality hence the well known inverted U-shape curve. The logic behind this hypothesis was (hat inequality could mobilise savings, which in turn could finance investment leading to growth in the long term.

Recent research results on inequality have shown **a** negative relationship between inequality and growth.-[20]The more unequal the distribution of assets such as land and other income-earning assets, the lower the rates of growth. Recent research has also identified a negative relationship between initial inequity and subsequent growth. Inequality can influence economic outcomes through a number of channels. The first channel is based on political economy considerations. The argument here is that policy decisions, which are in most cases the result of political interactions, seldom result in outcomes that maximise social welfare. By "casting votes" to the decision making process, inequality can lead to the choice of an inefficient tax structure that can act as a disincentive to exert effort to save and invest and thereby hinder growth.[21] The argument is that poor people are

[20] See, for example, Deineger and Squire 1996, pp. 565-591.

[21] See, tor example, Alisena and Rodrik 1994, pp. 465-489.

likely to vote in favour of redistributive taxes Unit reduce investment incentive. If this were the case, then one would expect a reduction in investment incentives.

Proponents of the political economy approach have also emphasised the role of political instability and its effect on investment behaviour. Some literature argues that inequality can lead to socio-political instability, which in turn leads to sub-optimal investment levels.[22] A recent study has also demonstrated a positive association across countries between social conflict and violence on the one hand and income inequality on the other.[23]

Secondly, economic growth prospects can be negatively influenced by inequality through imperfect capital markets. In a situation where markets are imperfect as is the case in most developing countries, people with low incomes and the poor in general find it difficult to acccss capital due to lack of collateral. Access to credit is conditional on ownership of assets and particularly land. This then hinders the poor from coming out of poverty. Put differently, poor people may not have the same chances to realise their full potential because they cannot get loans to start up a business easily or because they cannot afford insurance they would require in undertaking risky but productive ventures. In more unequal economies, only the rich who are in most cases the minority are able to undertake investments in physical or human capital. This results in lower stocks of human and physical capital and consequently lower growth.

Kenya is one of the countries in Africa that displays **a** high level of inequality in income and income-earning opportunities. The inequalities take the form of disparities between rural and urban areas, different geographical regions, men and women and different socio-economic groups in society. This chapter is devoted to the analysis of the nature and extent of economic inequality in Kenya and their implications on human development.

3.2 Inequalities in Income and Employment

As already indicated, economic growth has a bearing on human development. This is because growth provides economic opportunities, incomes and jobs. Income provides the capability to access the basic necessities of life such as food, shelter, health and education. It also provides the purchasing power for participation in the economy. It is for these reasons that income is one of the most important variables in the computation of the HDI. Examining trends in income and employment is thus crucial in understanding human development in Kenya.

A review of the general per formance of the economy shows that Kenya performed dismally in the 1980s and even more so in the 1990s. Compared to the first post-independence decade when the economy recorded an average of 5.3% per annum, the economy's growth slackened considerably to only 2.1% in the 1990s before turning negative in 2000. A decline in growth has serious implications for poverty reduction and human development. It results in lower per capita income. In 1999, the per

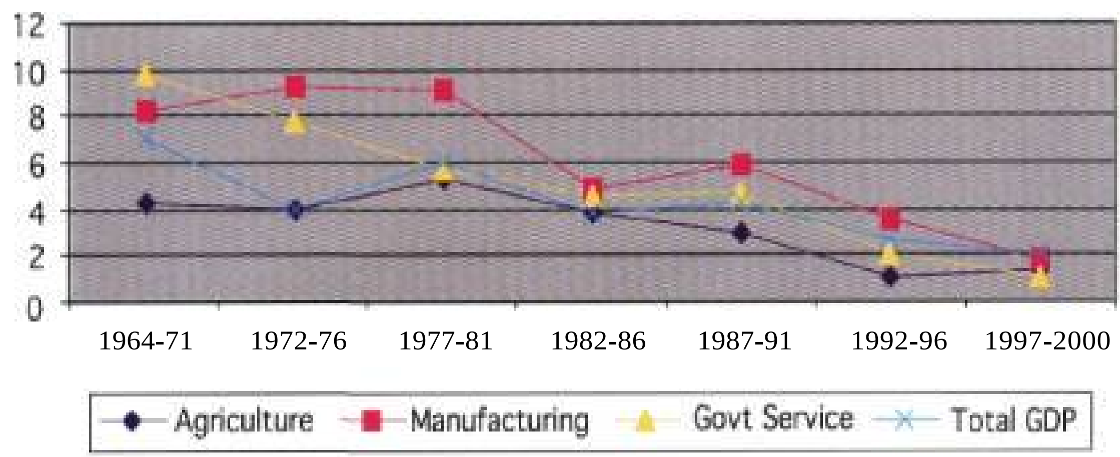
See Alisena and Parroti 1996, pp. 1203-1228.
Fajnzylber et al. 1998.

capita income in Kenya was estimated at US$306 compared to US$360 in 1989. Lower per capita income erodes the capacity of individuals to access basic social and economic goods and services that are essential for a decent life. The fall in the GDP growth rate also means reduced social spending by the government on health, education and related services. All this has been happening at a time when the government was implementing the structural adjustment programmes which led not only to a decrease in social spending but also to actual increased cost in services to private individuals.

Agriculture, which remains the backbone of the economy, slackened dramatically over the years from an average of 4.7% in the first decade to below *2%* in the 1990s (Figure 3.1). In the year 2000, the sector actually contracted by 2.4%. As a sector that engages about 75% of the country's labour force, such a decline implies lower levels of employment, incomes and more importantly, food for a vast majority of rural Kenyans, It is instructive to note that a sizeable proportion of the rural labour force (over 51 *%)* are engaged in small-scale agriculture and that women are the majority in the sector. A decline in agriculture has thus far-reaching implications in terms of employment and income inequality in Kenya.

Although the manufacturing sector recorded an impressive growth during the first decade, it declined considerably thereafter following the oil crisis of 1973. The sector declined further in the 1980s and 1990s, recording a growth rate of only 1%in 1999 and-1.5% in 2000. The poor performance in the 1990s has been attributed to the general slow down of the economy leading to reduced demand, high input prices, a decline in investment portfolios and bottlenecks in infrastructure, including power and water rationing. The sector currently accounts for about 13% of the total GDP. The sector, however, remains highly capital-intensive and generates only limited jobs. According to the *Economic Survey 2001,* the manufacturing sector employed some 217,900 people in 2000 down from 219,600 in the pre-

Figure 3.1: Sectoral Growth Rate, 1964-2000



vious year. Out of this total, women constituted only 17%.

The service sector (including the public sector) accounts for over two-thirds of the modern sector employment and contributes slightly over half of the country's GDP. The key service sub-sectors are finance, government, tourism and private services. Growth in services has mainly been in finance, insurance, trade, restaurants and hotels. Government services, which include education and health, have a direct bearing on the lives of the poor but have declined dramatically. This has been particularly so in the 1990s as a result of the economic restructuring which saw major cut-backs in government spending and public employment.

Economic growth can promote human development which can in turn promote economic growth. Conversely, low economic growth is likely to result in weak human development, further undermining the prospects of economic growth. Evidence provided in this section and the previous chapter shows the coincidence of economic slack and deteriorating human development as shown by the HDI. The link between human development and growth depends on a number of factors, the most important being the effectiveness of public expenditure and the overall distribution of income in society. If income distribution is skewed, many households will not have enough money for food, education and health care. This will in turn slow down human development.

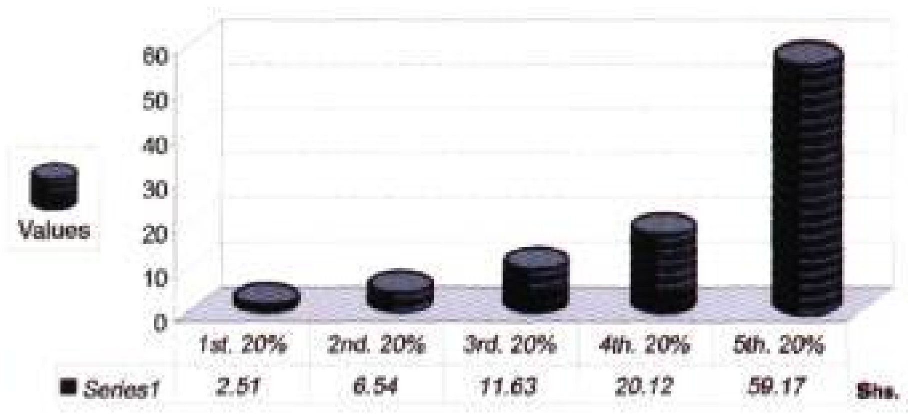
The overall process of growth in Kenya has by no means proceeded in a uniform manner in all parts of the country or among all groups of people. Growth has mainly been concentrated in certain sectors and regions. The result is that certain sections of the population have benefited very little, and inequality has increased.

Income Inequality and Human Development

A factor that is acknowledged to have a strong bearing on poverty and human development is the distribution of wealth and income. Kenya was long recognised as a country with a skewed income distribution pattern. The 1972 ILO study, *Employment, Incomes and Equality—A Strategy for Increasing Productive Employment,* reported an extremely high degree of income inequality in both urban and rural areas of Kenya. The report indicated that the richest 20% of the population received nearly 70% of the total income. Recent data based on the *Integrated Labour Survey 1998/99* by the CBS show the persistence and perhaps the entrenchment of this menace. The data reveal that incomes in Kenya arc heavily skewed in favour of the upper quintile. The bottom 20% get only 2.5% of the total income while the top 20% receive more than 50% (Figure 3.2). These statistics show the difference between the rich and the poor and reveal unequal access to the basics of life and general well-being.

Globally, Kenya is among the 30 most unequal societies in the world and among the top ten low-income economies with a high concentration of income. With the top 10% of the population controlling 35% of the nation's income, Kenya compares unfavourably to other

Figure 3.2: Income distribution by deciles



Source: CBS: Integrated Labour Survey, 1998/1999

The Gini coefficient is a measure of inequality in the distribution of income. Its value ranges from zero to one with zero representing perfect equality and one representing total inequality.

countries in Africa at similar levels of development (Table 3.1). Kenya's Gini coefficient[24] is higher than all the countries in the table except Zimbabwe. These figures indicate that the poor in some countries are better off in sharing the national cake than in others.

Globally, the income gap has been widening between the poor and the rich populations of the world. While (he average living conditions of world populations as measured by the HD1 have shown improvements, inequality in incomes has at the same time increased. Currently, the poorest 20% of the world's people account for only 1.4% of global income. The gap in per capita income between the advanced nations of the world and the developing ones has increased from US$5,700 in 1960 to US$15,000 in 1993. The widening inequality in recent times has been associated with the process of globalisation with its far reaching economic, institutional and socio-cullural implications for the future.

While it is widely acknowledged that there are wide disparities in Kenya's income distribution, there is a considerable information gap as to the specific interplay between this maldistribution and poverty. However, available data, though

Table 3.1: Gini Coefficients of Selected African Countries

	Gini Coefficient	Share in total income	
		Bottom 10%	Top 10%
Uganda	0.392	2.6	31.2
Ghana	0.327	3.6	26.1
Côte d'Ivoire	0.367	3.1	28.8
Tanzania	0.382	2.8	30.1
Kenya	0.445	1.8	34.9
Zimbabwe	0.568	1.8	46.9

Source: World Bank 2001

fragile, tend to suggest a negative association between equity and reduction in poverty. Inequality and poverty data From the Rural Survey of 1981 and tlic welfare surveys of 1992, 1994 and 1997 show that while inequality reduced somewhat over the period in consideration, there was no evidence of a reduction in poverty. On the contrary, income poverty increased from 4K% in 1981 to 52% in 1997. It is instructive to note that over the same period, Kenya's economy performed poorly, with the growth rate declining from 6% in 1981 to 2.4% in 1997. This .shows that the increase in poverty in the country is associated with declining economic performance.

There are at the same time significant differences in the level of income distribution across regions in Kenya. Table 3.2 shows household incomes, Gini coefficients and the incidence of human poverty for Kenya's eight provinces. It is evident from the table that Nairobi and Western provinces have the highest income maldistribution followed by Rift Valley, Eastern and Nyanza provinces. The region with the most egalitarian distribution of income is North Kastern where the Gini coefficient is relatively lower at 0.439.[25] Const and Central provinces also have relatively lower Ginis. Except for North Eastern Province, the general pattern displayed across the regions is one where high inequality is associated with high poverty levels.

The disparities in income distribution between regions has important implications for poverty reduction. Where inequality is high, as is the case in Western and Eastern provinces, achieving greater equity can have a bigger impact on growth and poverty reduction. In the areas with relatively egalitarian distribution, a strategy emphasising growth is likely to have a better chance.

Another important conclusion that emerges from Table 3,2 is that inequality in Kenya manifests itself more in the incidence of poverty than in the level of incomes. Looking at the household incomes by region, it is evident that North Hastern Province has fairly high incomes that compare favourably with many of the regions and yet its level of poverty is much higher. This has implications in policy in that focusing on incomes alone is unlikely to alleviate poverty in the country, A strategy that emphasises income growth and wide provision of basic essential services should be a priority.

From a human development perspective, unequal income distribution is undesirable since the poorer groups arc likely to receive a smaller share of any increase in incomes even if (he rate of growth is the same across all groups in society. Growth may have a better chance of affecting the poor positively in a more equal society. Working towards such a society will require a more just distribution in the income-generating resources, particularly land.

The Role of Asset Distribution

An often-cited cause of poverty in Kenya is the lack of access to or ownership of productive assets, particularly land. In Kenya, where land remains by fur the most important asset for the rural poor, a close relationship

The low Gini coefficient in North Eastern is possibly because the data used for the estimation is predominantly urban, thus omitting rural areas.

Table 3.2: Regional Gini Coefficients, Household Income and Poverty

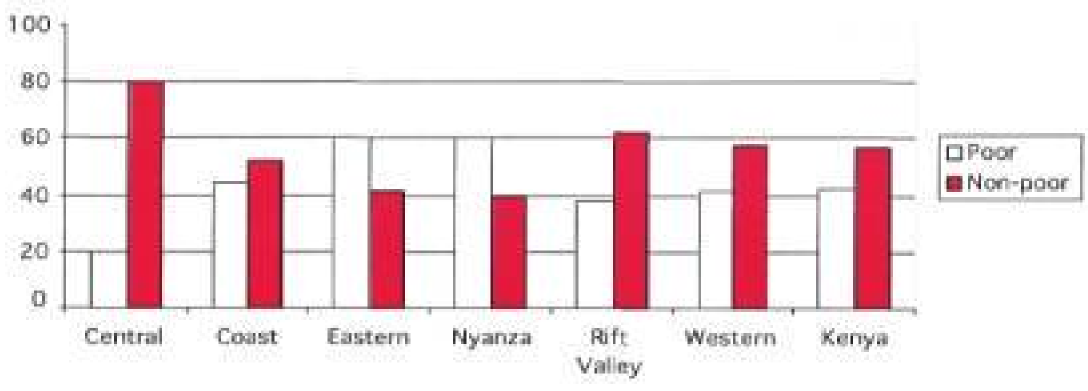
Province	Household income	Gini coefficient	HPI
Nairobi	20,586	0.586	32.4
Western	4,658	0.586	41.4
Rift Valley	6,533	0.575	36.8
Eastern	6,340	0.571	39.9
Nyanza	5,468	0.565	44.3
Central	5,945	0.516	30.7
Coast	7,562	0.511	37.5
North Eastern	10,117	0.439	44.8
Kenya	6,492	0.571	34.5

Source: Republic of Kenya 1999a

between the distribution of income, land ownership and poverty is expected. This is because many communities in the rural areas depend on land for production and livelihood. Access to land by the poor is thus important in poverty alleviation. Data from the Welfare Monitoring Survey 1997, indicate that in the country as a whole the non-poor access (own or operate) more land than the poor. While the poor households control about 43% of the total land, the non-poor ones hold 57% (Figure 3.3).

The skewed distribution of household land against the poor exists in all provinces except Eastern and Nyanza where poor households control more land than the non-poor. When per capita land holding is considered, then only in Nyanza do the poor hold more land than the non-poor. It should be noted, however, that this is not necessarily true for the whole of Nyanza as there are some areas like Kisii where there is very high population density and the poor arc considerably disadvantaged. Nyanza Province has the highest proportion of the poor in Kenya. The finding that the poor have more land than non-poor in Nyanza is surprising and seems to contradict the common

Figure 3.3: Rural Household Land Distribution by Region



Source: Republic of Kenya 2000b, Vol. II notion that the poor generally have less land. In terms of national policy, this means that any land reform strategy to increase the social standing of the poor in the country should be region-specific. In some provinces, such as Central, Rift Valley and Western, land redistribution may be an appropriate approach. In other provinces, particularly Nyanza and Eastern, land redistribution may not achieve much. Instead, a strategy to improve services, including infrastructure and access to agricultural inputs by the poor, may be a better policy option.

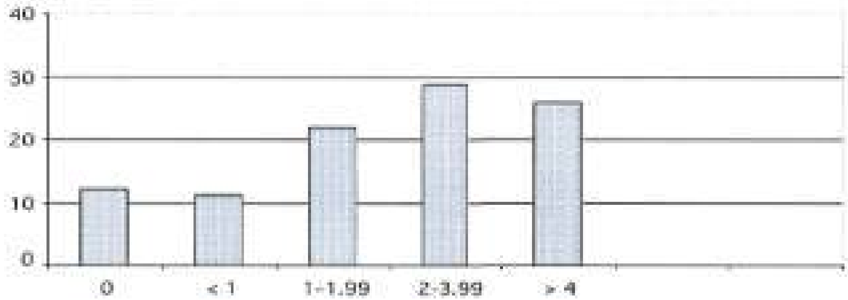
The above findings notwithstanding, it is important to note that the problem of landlessness among the poor is an important one. The WMS of 1997 shows that about 10% of ihe rural population is landless (Figure 3.4). Landlessness adversely affects the ability to provide basic needs: food, clothing and shelter. Although there is evidence of increasing importance of non-farm activities as sources of income and livelihood, access to farmland in rural areas still has important social and economic significance. In fact, in most cases, the poorest of the poor in the rural areas are landless.

Uneven land distribution that works against the poor is a result of a number of factors. These include the inadequate tenure systems which permit land accumulation by salaried employees and powerful people at the expense of the poor. This is made worse by the endemic corruption, malgovernance and land grabbing in the country. The outcome of these is that people who really need land for their survival do not own or have access to it. Instead, the rich and the powerful have through their wealth and political influence acquired land that remains largely under-utilised. As one analyst notes with respect to land ownership in Kenya, it is less true to say that "some people are rich because (hey own large farms", than to say that "some people own large farms because they are rich."[26]

[26] Hazlewood 1974.

The uneven distribution of land is made worse by outdated cultural practices that have denied women control and ownership of land. This has led to low agricultural production, food shortages, underemployment and low or no incomes for a majority of the rural population. The search for redistributive measures based on land and other assets, which ensure incomes for the poor (like making semi-skilled jobs readily available), are crucial in reducing poverty.

Figure 3.4: Distribution of the Poor by Land Holding in Rural Kenya (acres)



Source: Republic of Kenya 2000b, Vol. II

Besides land, the other important assets that would determine income are human and physical capital. Like land, access to these forms of capital also varies widely along wealth distribution. The poor usually do not have the same chances in life because they may not get as good an education as that afforded by richer families. This inhibits them from exploiting their full productive potential. The poor also do not get loans as easily as their richer counterpurls as they cannot raise collateral. The result of all this is gross inequality in income between the rich and the poor.

3.3 Rural-Urban Disparities in Economic Opportunities

There is pronounced rural -urban disparity in economic development in Kenya. This has mainly been the outcome of an underlying economic, ideological and socio-cultural orientation that perceived rural areas as peripheral to urban areas. This perception gave rise to a development model that placed urban areas at the centre of economic growth. It was then assumed that the benefits generated in the urban areas would trickle down to the rural areas. Consequently, there was a policy bias in favour of urban areas with the result that rural areas have been left behind in many spheres of development, Although this has changed a great deal over the years, the relics of the policy bias are still evident to date. Virtually every social and economic indicator shows the extreme inequalities that exist between rural and urban areas in Kenya.

Available data on wages and earnings in the rural sector provide evidence of extreme disparities in economic opportunities. Although agriculture provides employment for an estimated 75% of Kenya's labour force and about 90% of rural incomes, it accounts for only *9%* of the total private and public sector earnings in the country. The mean monthly incomes from wages, salaries and profits are much higher in urban areas than in rural areas. Studies on the rural-urban differences in wages and incomes estimate the ratio of urban to rural wages to be anywhere between 1.5 and 2.3.[27] Consequently, incomes and expenditure arc much lower in rural than in urban areas (Figure 3.5). Considering that the majority of the population resides in the rural areas, this dis

See, for example, Mwangi wa Githinji 2000; Vali 1982.

Figure 3.5: Mean monthly household income and expenditure

Source: Welfare Monitoring Survey, 1997

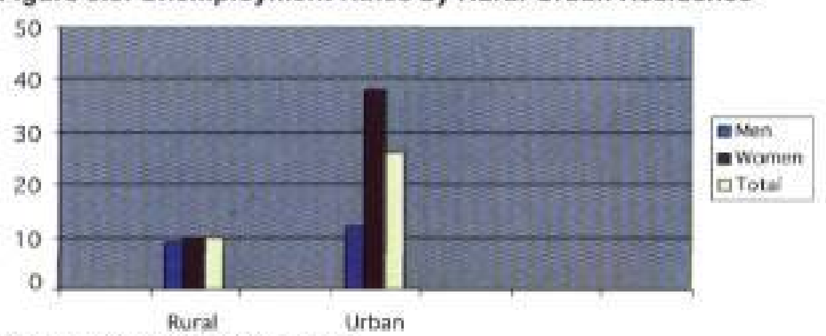
parity reflects badly on the overall access to basic services such as health and education and the general living standards of the population.

Although rural areas have been hardest hit with the downturn in economic growth in the country, especially in the 1990s, urban centres have not been spared either. Available data as well as daily practical experience indicate that poverty has increased much faster in the urban than in the rural areas. The rapid growth of the urban population has resulted in congestion and urban poverty. The majority of the urban populations arc tenants in mainly informal settlements where basic services such as water and sanitation arc inadequate. Access to education and health services is limited partly because of the limited capability **of** the local authorities to provide services. The limited growth of wage employment in most urban centres has also rendered a majority of the urban population jobless. Unemployment rates are thus much higher in urban than in rural areas (Figure 3.6). Unemployment in the urban areas is a source of rising tension and escalating crime and insecurity. Although the informal sector has played an important role in absorbing a significant portion of the labour force, its capacity to absorb extra labour is obviously finite. The sector is thus increasingly operating as a sponge for easing open unemployment by transforming it into underemployment.

Although small and micro enterprises (SMEs), both formal and informal, play an important role in providing employment opportunities in Kenya, there are significant differences between rural and urban enterprises. A recent study[28] found substantial differences in a number of key variables related to these enterprises: the levels of capitalisation and incomes; the seasonal fluctuations in earnings; and the nature and security of tenure of the business premises. In general, urban businesses begin with more than four times the capital of those in the rural areas and have higher returns, realising higher net incomes than rural ones. While the seasonal variations in income arc similar in rural and urban areas, rural enterprises are subject to steeper income drops in their bad months than their urban counterparts. This implies that carving out a living in the informal sector in the urban centres is easier and more rewarding than in the rural areas.

McCormick and Aboudha 2000.

Figure 3.6: Unemployment Rates by Rural-Urban Residence



Source: Republic of Kenya 1999a

Overall, available welfare data show lhat while a large percentage of the urban population is doing poorly, the rural population docs worse. Since the rural population significantly outnumbers the urban poor, broad-based rural development is essential for poverty reduction in the country.

Gender Disparities

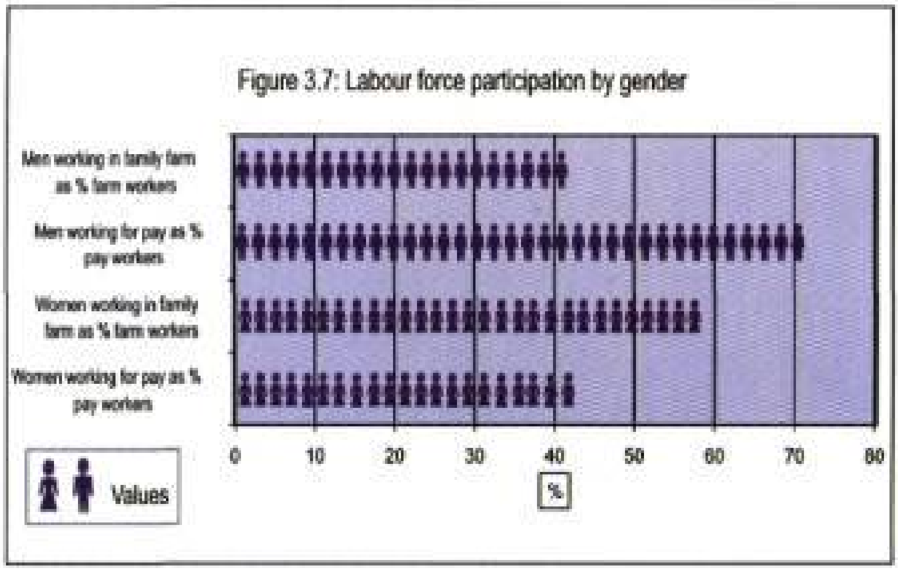
Inequality in access to opportunities between men and women has emerged as an important issue of concern in human development in Kenya. Cultural, social and economic factors in Kenya have combined to place women at a serious disadvantage. Current estimates indicate that women, especially those in the rural areas, are particularly disadvantaged with their labour often under-valued and under-utilised. In Kenya, generally women arc more likely to be unemployed than men (Figure 3.6), and average incomes are lower for women than males. The result is that more women than men arc poor.

Female participation in employment is crucial in poverty alleviation because of the over-representation of women among the poor. Although the participation rate for women in the labour force has increased considerably over the years, there is still serious gender inequality in employment. In the modern wage sector, female employment accounts for only 30% of the total wage employment. In the rural areas, labour force participation for women is much higher than that of men. It is estimated lhat women form a strong 70% of the total labour force in agriculture.

Since women have limited opportunities and access to formal employment, the avenue open to them, apart from agriculture and domestic work, is self-employment through informal sector activities. These include basket weaving, retail trading, food processing, handicraft services and minor industries. The result is that fewer women than men work for pay while more women work on the farm than men (Figure 3.7).

The relationship between income disparity and the gender gap in Kenya provides further evidence of the extreme disparities in human development. Household data from the WMS II of 1997 indicate that for both rural and urban areas, the proportion of female-headed households at higher income levels was lower. In the rural areas, the figure was 22% for men and only 12% for women while it was 21% and 7% in the urban areas, respectively. This implies the prevalence of poverty among female-headed families in the tower quintiles. These figures also point to the fact lhat in the rural areas where incomes are generally low, there are more femalc-hcaded households than in the urban areas, mainly due to male rural-urban migration.

The gender disparity in employment and income-earning opportunities in Kenya has been attributed to a number of factors including occupational segregation in the labour market, social attitudes towards women, inadequate capacities in terms of knowledge and skills, and lack of gender-sensitive policies and programmes. Given the central role of women in human development in Kenya, it is imperative that special attention be paid to the gender disparities. A number of World Bank studies



Source: Population Census Report, 1999

have shown that gender equality leads to faster economic growth and that inequality, especially in education, leads to a lowering of the growth rate.[29]

Youth and Other Social Groups

Youth unemployment in Kenya has also become an issue of great concern especially due to the rapid growth in population and the increasing number of entrants into the labour market. There is evidence from the Welfare Monitoring Survey 1997 and the Census Report 1999 that a growing number of the youth leaving school cannot access gainful employment in agriculture, industry and other key sectors of the economy. The group that is seriously affected is the 15-24 age group which comprises mainly of school dropouts and those who have completed secondary education. Graduates from universities and other tertiary vocational colleges arc also finding it increasingly difficult to secure jobs. Unable to find jobs in the formal sector, most of the youth enter the informal sector where participation data indicate that 90% of those engaged are below 25 years of age; this compares to only 10% in the formal sector.

Another important issue of concern in the country is that of child labour. A recent Child Labour Report 1998/99 shows that labour participation by persons below the age of 15 is not only widespread but is also escalating at an unacceptable rate (Box 3.1). This is despite government concern about child labour as stated in Development Plan 1997-2001 and at the 1995 World Summit for Social Development. Widespread child labour is a threat to the social and economic fabric of the country as it forces children of school-going age to remain out of school. This has negative implications on both short-term and long-term human development.

Regional Disparities

Integration of all regions in a country in the process of economic development is a prereq-

See Klassenn 1999.

Box 3.1: Highlights of the Child Labour Survey 1998/1999

- The total child working population on Kenya is about 1.9 million, constituting 17.4% of children aged 5–17 years.
- Children living in larger households were more likely to be working compared to children living in smaller households. The proportion of working children diminishes with improved household expenditure.
- An estimated 25.6% of the working children labour between 25 and 41 hours in a week, while 38.5% work for more than 14 hours a week. Working hours varied with employment status and industry. The majority of children work as unpaid labour in family farms and businesses.
- In terms of regions, rural areas have a higher proportion (19.7%). Provinces with a high proportion of working children are Western (19.8%), Rift Valley (19.7%), Eastern (19.1%) and Coast (19%). Provinces with lower child labour ratios are North Eastern (9.1%), Nairobi (11.4%) and Nyanza (13.5%).
- Among the main reasons for child labour in the country are the need for assistance in family farms and businesses, augmentation of family income, making children self-reliant and unsuitable education/training environment.

Source: Republic of Kenya 2001b

uisite for achieving equitable human development. Uneven progress in economic development has resulted in deep regional and sectoral disparities in Kenya. Although the disparities can largely be said to be as a result of the normal working of economic forces (where firms concentrate to enjoy economies of scale), government action has promoted it through a historical policy bias established by the colonial administration and retained by the independent government. Overtime, priority has been given to the high and medium potential areas, to the neglect of low potential regions which comprise over 70% of the country. Sessional Paper No. 10 of 1965, which greatly shaped Kenya's post-independence political and economic ideology, stated:

> One of the problems is to decide how much priority we should give in investing in less developed provinces. To make the economy as a whole grow as fast as possible, development money should be invested where il will yield the largest increase in output, This approach will dearly favour the development of areas having abundant natural resources, good land and rainfall, transport and power facilities, and people receptive and active in development.

As a result of policy bias, areas classified as high potential with abundant natural resources, good rainfall and better developed infrastructure continue to dominate national output. These are mainly the high potential districts of the central Rift Valley, the highlands and Nairobi. Medium or low potential regions include the lake basin, western and eastern Kenya, and the ASALs; these account for a disproportionately small amount of the lolal economic activity. Although focus has mainly been in the high potential areas, there is great unexploited potential in the other regions and particularly in the livestock sector that dominates in the ASALs. As noted by the Institute of Economic Affairs,[30] it is regrettable that whereas the livestock population in Kenya is much higher than that of Botswana, a country which heavily relies on livestock exports, Kenya derives much less from the sector.

In terms of employment opportunities, it is notable that the distribution of employment in the modern and informal sectors is unevenly distributed among Kenya's eight provinces. Nairobi Province commands the greatest share of wage employment accounting for almost a quarter of the total wage employment in the country between 1990 and 1999. Rift Valley Province absorbs the second largest share accounting for of the total wage employment. The province has also the highest population compared to all the others, The province with the lowest formal employment opportunities is North Eastern province accounting for less than 1% of the total wage employment. It is notable again that this province has the lowest population in Kenya.

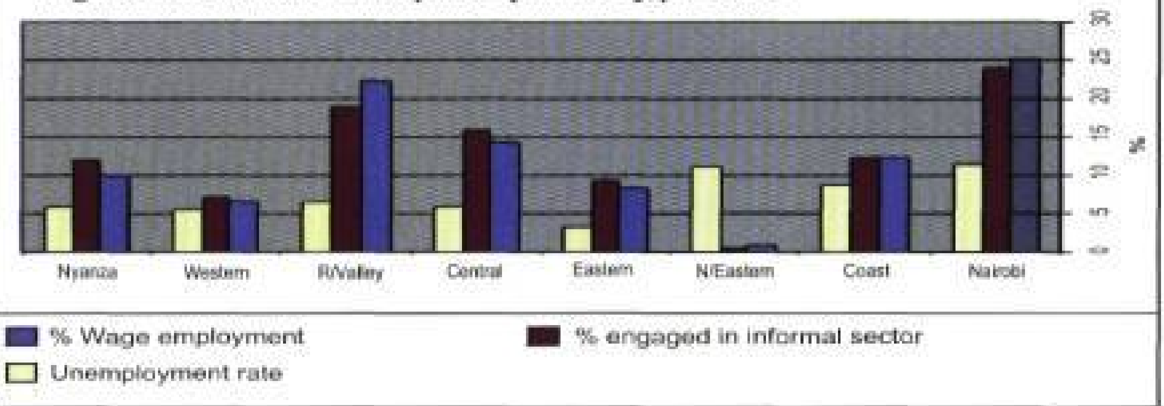
Although the informal sector has emerged as a major source of employment in Kenya, the distribution of the jobs is highly skewed in favour of certain regions (Figure 3.8).[31] Nairobi Province accounts for about 24% of the persons engaged in informal activities in the country followed by Rift Valley Province which has the second largest share of informal sector employment. Again, North Eastern Province had the least share in total informal employment controlling only about 0.5% of the sectors' employment in 1999. Generally, urban areas have a higher proportion of MSEs per capita than rural areas. The high proportion of informal sector employment in Nairobi and Rift Valley is therefore likely to be due to the urban influence.

It is worth noting at this point

[30] IEA2001.

[31] See Republic of Kenya 1999f, 2001c.

Figure 3.8: Labour force participation by province



Source: Source: Republic of Kenya, Population Census, 1999 that although agriculture remains the main economic activity in rural Kenya, it is no longer the main source of income. Studies by the Tegemeo Institute have increasingly shown that off-farm sources including informal activities and formal employment mainly in the public sector are more important than farm income. Opportunities for off-farm income vary from one region to the other depending on geographical location. In the hike region, for example, fishing provides an important source of off-farm income. In parts of Machakos, sand harvesting is important. Activities such as operating a small hotel, hawking, roadside retailing, bicycle repair are available everywhere. Labour markets also offer non-farm opportunities for income generation but these are highly differentiated by considerations such as education, skills, location and gender. Disparities in the availability of employment opportunities both in the formal and informal sector thus play a major role in explaining regional disparities in income.

Disparities in the foregoing economic indicators translate to similar inequalities when it comes to social well-being. It is certain that both economic and social indicators tend to merge in the daily lives of people.

3.4 Conclusions

This chapter has examined disparities in economic opportunities in human development**.** The overall finding is that there exist wide disparities between regions, gender and rural-urban areas. The distribution of income and employment in the country favours the non-poor section of the society which accounts for a disproportionately higher share of the total income. Inequality in incomes has a lot to do with unequal access to productive resources such as land and capital. In general, the non-poor populations have more access to such resources than the poorer ones.

The chapter has also elucidated the pervasive nature of gender inequality in economic opportunities in Kenya, Women have generally unequal opportunities to productive resources. Their participation in the labour market is lower than that of men. Women also face unequal earning prospects in the labour market. Because of their limited education largely due to discrimination, women engage in activities that are low paying and with little job security.

There are also significant regional differences in the country in terms of employment and incomes. The so-called high potential regions in the country have performed much better than the other regions. The policy bias by the government has worked to exacerbate these differences.

Chapter 4
Inequalities in Social Development

4.1 Situating Social Development Inequalities

The main objective of human development is the improvement of people's capabilities, opportunities and choices, whieh goes beyond the economic development aspects of income per capita and employment. The human development perspective thus encompasses aspects of social development focusing on growth of people in terms of skills, knowledge and conditions of well-being which enable them to be productive so as to effectively influence their socio-economic and political environment. There is growing consensus that equipped with such basic capabilities as skills and knowledge, sound health and conducive living conditions, people can expand their opportunities and choices, thereby positively shaping their destiny.

There are rural-urban, regional, social class and gender disparities in social development in Kenya as in all other unequal societies. The problem arises, however, when those inequalities are perpetually increasing instead of reducing, thereby creating worrying and wide gaps between localities and social categories. The result is emergence of disadvantaged vulnerable groups and areas, with the people negatively affected becoming least able to be productive for their own welfare and contribute to nation building. The vulnerable groups have low incomes and poorly remunerated employment, making it difficult for them to access knowledge, health and decent living conditions. Low levels or complete lack of participation in the productive life and decision making processes of the country exacerbate the situation, creating a vicious circle of deprivation and worsening conditions.

This chapter examines the slate of social development in Kenya focusing on the prevailing inequalities highlighted by the key indicators of social development, including health, education and living conditions.

4.2 Crisis in Social Development

Up to the 1980s, there was an improvement in social aspects of development as reflected by indicators such as poverty incidence, infant mortality, underfive mortality, education enrollment, access to safe drinking water and literacy. The situation has deteriorated in recent years (Box 4.1).

Box 4.1: Crisis of Social Development in Kenya (1990–1998/99)

- Poverty incidence increased from 44.8% in 1992 to 45.0% (1994) and 52.3% (1997).[a] The poor are unable to access education, health and decent housing as reported in the PPAs.
- Reduction in life expectancy from 59.5 years in 1989 to 54.7 in 1999[b] which is far below the HDI maximum of 85 years.
- No improvements in Infant Mortality Rate[c] from 66 (1989) to 66.9 (1999).
- Increase in under five mortality[d] from 89 in 1990 to 90 (1996) and 105 in 1998.
- Immunisation for infants (under 1 year old) reduced from 92% in 1990–1994 to 56% in 1995–1996, with DPT decreasing from 84% to 46%, polio from 84% to 43% and measles from 73% to 38%.
- Primary school enrolment declined from 95% in 1989 to 79% in 1995, while secondary school enrolment fell from 30% in 1990 to 27% in 1995 and 22.9% in 1999.
- Access to safe drinking water marginally increased from 46.7% in 1990 to 49% in 1995 and 53.7% in 1998–2000. For the latter, only 34.2% (84.1% of urban and 19.6% of rural areas) use piped water.
- Marginal increase in food security from 1,897 calories per day per adult in 1990 to 1,971 calories (1997). This is below the normative 2,250 calories.

[a] Republic of Kenya 2000a.
[b] Republic of Kenya 2001a.
[c] IMR = deaths of infants aged 0–12 months per 1,000 live births.
[d] U5M = deaths of children aged 1–5 years per 1,000 live births.
Sources: Republic of Kenya 1998, 1999b, 1999d

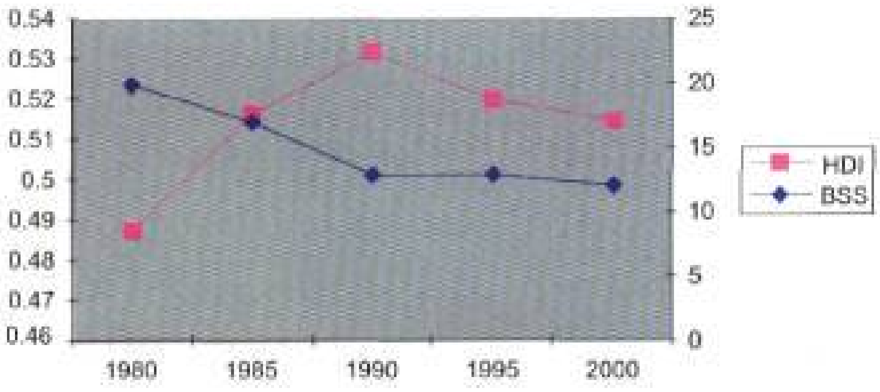
The decline in social development is partly because real expenditure on basic social services (BSSs) as a proportion of total government spending declined from 20% in 1980 to 12.4% in 1997. This low investment was in the core areas of social development and coincided wilh a skimp in the HDI value after 1990 (Figure 4.1). Per capita expenditure on all BSSs was quite low at Ksh 205 (about US$2.6) during the same period, If we factor in what Ksh 205 can buy today following increasing costs of social services, we find significant grounds for the state of social development becoming much worse than it was one or two decades ago.

Over the same period, most of the expenditure (87%) went to basic education, 8% to health and 5% to water and sanitation.[32] The average per capita expenditure for these services was therefore highest for basic education and in contrast negligible for such vital areas as nutritional services, leading to high incidence of malnutrition disorders, especially among children and expectant mothers.

The 1990-2000 decade coincided with low economic growth, the impact of SAPs and the donor aid freeze. The result of SAPs was government cutback on social expenditure and introduction of cost sharing in education and health. Apart from SAPs, progress in social

[32] Republic of Kenya 2000c.

Figure 4.1: HDI vs Government Expenditure on Basic Social Services as a Percentage of Total Spending (1980–1997)



Source: Republic of Kenya 2000c; UNDP 2001a.

development has been hindered by limited integrity in the public sector, widespread corruption,[33] misallocation. and misappropriation of public resources (Box 4.2); and the erosion of public ethics, justice and rule of law." The latter has made it impossible to sanction public sector inefficiencies, corruption and other performance malpractices.

An analysis of the budget suggests that the government does not view the creation of human capabilities for social development as a priority. In the last two decades, administration, economic affairs and defense have received 54% of recurrent expenditure, while health and social security (core sectors in pro-poor budgeting and social development) have received only 12%.

In addition to government real social spending not meeting the targets of the 20/20 Ini

Republic of Kenya 2000a.

Social Watch 1999 These issues touch on governance which is the key to human development and poverty alleviation (UNDP 2000a). Following the opening up of the political space, governance has recently improved albeit with misunderstandings among the stakeholders.

Box 4.2: Corruption and Mismanagement in the Health Sector

In the health sector, recent revelations in the media indicate that there has been massive corruption which contributed to the diversion of public funds and consequent suffering for many Kenyans. The most damning case has been the purchase of 83 ambulances by the NHIF for donating to the Ministry of Health. It is alleged that official tendering procedures were not followed and that two government officials tried to solicit bribes of about Ksh 10 million before giving the purchase order to two motor vehicle dealers. This was happening apparently without the knowledge of the Permanent Secretary, who is the accounting officer in the ministry. It is not clear whether or not the two officials were disciplined, but the then Minister for Health admitted to there being other cases of corruption among senior health ministry officials.

Source: *Daily Nation* 5 March 2001

The 20/20 Initiative is an agreement reached during the World Summit for Social Development at Copenhagen (1995) that governments and other development partners should allocate at least 20% of their expenditure to BSS which promote human capabilities.

native,[35] it is estimated that NGO and donor disbursements to BSS also generally allocated less than 20% of their real expenditure for promoting social development. The result has been limited social development, especially among the vulnerable and poorer groups.

The transfer of the costs of education, health and other social services to the consumers following SAPs has made things worse, yet globalisation has contributed to increased vulnerability and poverty. Although globalisation has enabled people to access goods, services and opportunities from across the world, it has also entrenched inequalities in such poor countries as Kenya. Global capital, political and socio-cultural processes combine with poor governance to increase poverty and vulnerability. The future makes it imperative for the government and its development partners to come up with a concerted approach to cushioning the poor and vulnerable groups from the harmful effects of global processes.

The foregoing crises in social development are best understood if we examine and analyse prevailing inequalities in education/knowledge, health care and living conditions across rural-urban areas, regions, gender and social class categories.

4.3 Education and Human Development

Education plays a key role in human development through its contribution to the enhancement of people's capabilities to effectively improve their well-being and actively participate in nation building. Investing in education leads to overall socio-economic development through higher labour productivity, improved health and nutrition, and enhanced partnerships in the development process.

The government has always stated its commitment to education and allocated 87.2% of its social spending on basic education. Yet combined enrolment rates have fallen from 91.4% in 1991 to 88% at present. The Ministry of Education budget has between 1980 and 1997 allocated 56% to primary education, 17% to secondary education and 16% to university education. These allocations translate into very high per capita expenditure (Ksh 70) at university compared with secondary (Ksh 5) and primary (Ksh 1) levels. In other words, tertiary education is allowed higher expenditure than basic education, yet the latter benefits more people in terms of laying the foundation for life skills and opportunities,

In addition, although Kenya's high expenditure on formal schooling is positive in terms of human development, it nevertheless constrains developments in special education, teacher training and vocational skills development.[36] Furthermore, despite the importance of human resource technology, very few resources are allocated to teacher training (4%) and schools for the handicapped (1%).

The introduction of cost sharing in education following the implementation of SAPs saw the government withdraw financial support for teaching and learning materials. This has forced parents to supplement the financing of education. However, due to increased poverty and inability to pay, parents

36 Most of Kenya's vocational training institutes have stopped operations due mainly to limited support from the government Commitment to vocational training is an imperative for Kenya to boost its human resource development.

have been hard pressed to do so, leading to many cases of drop-outs. NGOs, communities and donor organisations have also been very instrumental in financing education in the country.

Increasing poverty and limited government expenditure on basic school equipment and supplies has led to low completion rates which in turn lower human development. Gender disparities at national level are minimal, but they are significant in some regions. Improved gender parity can be attributed to feminist efforts in support of girls' education. Completion rates have remained low at about 50%. Primary-secondary school transition rates are equally low at about 50%, National secondary school enrolment has also remained low at 22.8%.

Many primary school learners do not pursue higher education because of limited public secondary school capacity.[37] Poverty further incapacitates the efforts of many families to educate their children. This contrasts with the situation between 1960 and the early 1980s, when the government subsidised education in terms of textbooks and equipment, in addition to facilitating a thriving agricultural sector, which assured families of good incomes and a concomitant ability to retain their children in schools. There were also positive community attitudes towards schooling as exemplified by the use of *harambee*[38] to finance education.

Rural-Urban Inequalities in Education

WMS III data indicate education inequalities between rural and urban areas (Table 4.1) which are a challenge to the need for balanced social development. Primary school enrolments are higher in rural than urban areas clue to the phenomena of street children, urban poverty and juvenile delinquency (truancy). Urban parents, especially the non-poor, send their children to rural boarding and private primary schools which are relatively cheaper. Urban secondary school enrolments are substantially higher than the rural ones. This is basically due to relatively higher rural poverty. Given that the rural income bases, e.g., agriculture, pastoralism and tourism, have collapsed in the recent past, rural areas have become poorer and families have problems keeping their children in school.

Higher urban literacy is due mainly to the fact that urban areas have more avenues and facilities for literacy. The traditional urban bias in education and literacy opportunities has led to rural poverty which perpetuates rural-urban migration for people seeking better education opportunities away from their rural homes. Following rural-urban migration, cities and towns further deprive the rural areas of edueated Kenyans, thus skewing the human resources distribution to the detriment of rural human development. Rural poverty also prevents the people from acquiring literacy skills since they are preoccupied with basic survival challenges. Human development efforts require accelerated investments in rural literacy at both school and non-formal schooling so that the people's chances of participating in productive activities could be enhanced.

[37] Each year the majority of primary school leavers are unable to secure places in the public secondary schools due to poverty. The cost of private secondary school education is high for the poor.

[38] *Harambee* means pooling together resources for a common cause. People meet at an agreed place and date to make their contributions in cash or kind. As a landmark of Kenya's self-help movement, *harambee* has since independence, been pivotal in community financing for education. Poverty is nonetheless incapacitating many people, so that they are unable to effectively contribute to *harambees.*

The knowledge advantages of urban areas over the rural ones explain why rural areas are least equipped to participate in development dialogue. Future human development efforts make it imperative to invest in knowledge for rural areas through community education and literacy initiatives. This is justified by the fact that an informed rural public can participate more effectively in productive activities, thus improving human development,

Regional Inequalities in Education

Ministry of Education data indicate that North Eastern Province has the lowest primary and secondary school enrolment (9.8% and 4,8%, respectively), due mainly to poverty, remoteness, insecurity and transhumance (Table 4.2). Coast also has low enrolments due mainly to relatively higher poverty.

Adidt literacy[39] rate is lowest in Coast (62.8%) and North Eastern (64.2%) where the HDI is also lowest. The data for North Eastern are mainly urban, implying that the situation of literacy would be worse were the rural data to be considered. Low literacy is due to child labour in tourism at the coast and remoteness, insecurity and poverty in North Eastern. In addition, many schools in Kenya arc Christian, yet Coast and North Eastern are dominated by Islam and fewer schools. Low literacy in Eastern and Rift Valley is due to the spillover effects of poverty.

Adult literacy is the ability to read and write among those aged 15 years and above in a population. The maximum for theHDI is 100

Gender Inequalities in Education

Table4.3 shows the inequalities in education by sex. Data from WMS III (1997) indicate that men have higher enrolments at all education levels than women irrespective of poverty and region. The lower enrolments of women arc due mainly to relatively higher drop out rates among girls and women because of suchsocio-cultural factors as early and/or forced marriages, child labour, teenage pregnancies and poverty.

One of the explanations for the low literacy among girls is the amount of domestic work they have to do, especially the collection of water and/or firewood. It is known that girls often miss school or lime for homework so as to fetch water and/or firewood. In terms of human development, the time taken to fetch water and/or firewood **at** long distances could be used for productive activities or increasing the women's and girls' capabilities and skills. This situation is worse in poverty-stricken areas in urban slums and such remote rural ureas as North Eastern, Nyanza, Eastern and Coast. These regions also have high prevalence of negative socio-cultural factors (teenage pregnancies, early and/or forced marriages) which inhibit girls' education and female literacy. There is need for enhanced advocacy for improved female education and literacy in these regions.

WMS III data indicate that Central and Nyanza have lower male enrolments than those of females for secondary school. The explanation here is poverty and limited school places. In addition, the male dropout rate at secondary school has been higher due mainly to the lure of the horticultural and fish economies. Further, the proximity of

Table 4.1: Rural-Urban Inequalities in Education

Indicator	Rural	Urban
Primary school enrolment	95.1	89.4
Secondary school enrolment	22.0	30.7
Tertiary level enrolment	1.9	6.6
Adult literacy rate	70.3	83.6

Source: Republic of Kenya 2000b; Ministry of Education, Science and Technology

Table 4.2: Regional Inequalities in Education

Indicator	Nairobi	Central	Coast	RV	Nyanza	NE	West.	East.	Kenya
Enrolment									
Primary school	51.1	106.6	72.3	86.0	93.5	9.8	85.1	89.9	81.9
Secondary school	25.8	31.1	17.0	21.5	31.4	4.8	28.0	13.3	22.8
Tertiary	5.1	4.8	3.2	3.9	4.9	1.3	4.7	4.4	4.3
Literacy rates	82.2	83.9	62.8	72.6	70.9	64.2	74.6	66.5	70.9

Source: Republic of Kenya 2001a; Ministry of Education, Science and Technology

Table 4.3: Gender Disparities in Education

Indicator	Male	Female
Public primary school enrolment	88.1	85.7
University enrolment	3.3	1.1
Access to mass media	33.4	14.8
Adult literacy rate	80.5	74.0

Source: Republic of Kenya 1998; Ministry of Education, Science and Technology

Central to Nairobi influences men to leave schooling and opt for opportunities for making "quick money" instead of schooling.

At the primary school teachers training level, the gender gap is narrower. This could be simply because leaching especially at the primary level has over the years been considered an occupation for both women and men.

Ministry of Education data indicate there are gender disparities in university education, with women making up less than 35% of the student population (Table 4.4). If the rates for only public universities are considered, the percentage for women would be less than 25%, This is due to Ihe continuous dropout of women along the schooling process, especially alter secondary school. Private universities have a higher (52.9%) population of women which is due mainly to the association of these universities with the non-poor urban dwellers among whom education for girls is becoming more positivelyperceived.

Poverty-Related Inequalities in Education

Enrolments and adult literacy rates are higher among the non-poor than among the poor (Table 4.5). The exception is the case of urban primary school enrolment where the poor have higher enrolment rates. This could be explained by the fact that the non-poor send their chi l-dren (o rural boarding and pri-vateschools.

Coast and Rift Valley have very low enrolments, especially at secondary school among the poor, while Coast and Eastern have low secondary school enrolments among the non-poor. The tourist economy has attracted young people, including children, who are lured by opportunities to make money at an early age. Early marriages for girls in Coast, Eastern and Rift Valley provinces explain the low rates.

4.4 Health and Human Development

Health is a basic human right irrespective of one's race, social class, locality and sex. Good health constitutes the total well-being of people and its achievement therefore plays a central role in enhancing human development. A sound health care delivery system, good nutrition status, food security and absence of morbidity and mortality are factors that produce healthy people capable of participating in a country's socio-economic and political development.

Progress is seen in reduction of infant mortality from 119 (1960) to 51 (1992), under five mortality from 202 (1960) to 74 (1992) and crude deaths rates from 17 (1960) to 10 (1992).

Progress in health services delivery was achieved during the first three decades after independence (1960-1992),[40] when the government goals in this sector focused on provision of free health care for all. There were programmes for free health care, especially for infants, children and mothers. Both government and donors supported immunisation, hospital supplies and equipment projects.

The situation has changed in recent years following budgetary constraints due partly to reduced donor support but mainly to poor governance and also the phenomenal rise in the demand for health care services. Between 1992 and 1998, infant mortality increased from 51 to 71. Under five mortality also increased from 74 to 105. Crude death rates increased after 1992.

Table 4.4: University Student Population by Gender (1995/96–2000/2001)

	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001
Male	71.2	68.6	69.5	66.9	65.7	65.3
Female	28.8	31.4	30.5	33.1	34.3	34.7
Total population	44,658	45,392	43,496	47,561	49,393	50,720

Source: Ministry of Education, Science and Technology 2001

Table 4.5: Poverty-related Disparities in Education

Indicator	Poor	Non-poor
Primary school enrolment	93.8	95.2
Secondary school enrolment	15.9	30.8
Tertiary level enrolment	1.8	4.5
Adult literacy rate	73.1	82.7

Source: Republic of Kenya 2000b

Re-cmcrgcncc of malaria, poor agricultural performance which reduced food security and declining income per capita have contributed to increased mortality.

The clamour for pluralist politics around 1992 contributed to a lag in essential service delivery as most public offices were preoccupied with the dynamics of political restructuring at the expense of public service delivery. The emergence of HIV/AIDS and other disasters further complicated health planning and delivery.

State health expenditure has been low amidst increasing demand for health. As a proportion of total government expenditure, the health budget has since 1980 averaged only 8%. Of this, 67% goes to curative health, 13% to rural health and 6% to preventive health. The rest goes to general administration and planning (6%), health training (5%), medical research (1%), medical supplies coordinating unit (1%) and National Hospital Insurance Fund (NHIF, 1 %). Preventive health, health training and medical research are apparently not on Kenya's priority list in terms of government budgeting.

There is also general lack of quality health care due to understaffing, under-stocking medical supplies and poor public health facilities.[41] The key actors in health financing in the country are the central government (through MOH), NGOs, religious missions/bodies, private sector for profit, and local authorities. The MOH is by far the most important player controll ing about 51 % of health facilities in the country. The government finances about 50% of the recurrent health care costs while the rest is accounted for through private arrangements.

Against the poor budgetary prioritisation, the number of qualified doctors in Kenya is decreasing every month. This is due mainly to the departure of doctors, dentists and other specialists to the private sector and other countries, e.g., South Africa and Botswana, where there are better remuneration packages.[42] Even nurses have recently been leaving the country for USA and United Kingdom, Frantic efforts by the Ministry of Labour and Human Resource Development to attract professionals who arc overseas have not yielded significant results. This brain drain is a loss of the country's human resource technology which has cost substantial government resources to produce. Reversing this trend will require Kenya to make more concerted efforts to improve (he remuneration packages and working conditions for its medical staff.

Given present budgetary allocutions, infant and under five mortality are not likely to fall to 23 per 1,000 by 2015 as recommended under the Millennium Declaration in the Global Human Development Report 2001. Meeting these targets will require Kenya to develop clear health investment focusing on health research, preventive care, health infrastructure and motivation of health personnel. Kenya must also redress regional and other inequalities in such key health areas as fertility, mortality, disease incidence, child health, nutrition status and health facilities.These inequalities in health are discussed in the next section.

The Ministry of Health and National Council for Population and Development Kenya Service Provision Assessment Survey (Repubic of Kenya 2001 d) indicates that more than 50% of Kenyan public institutionsare ill-equipped to handle pregnancy-related complications, leading to increased cases of maternal deaths. IMR and U5M increase due to shortages of essential drugs, ambulances, equipment for renal, cancer and life support.

Ibid.

Rural-Urban Inequalities in Health

In keeping with the income and knowledge disparities between rural and urban areas, there are also inequalities in health (Table 4.6). The key indicators of health where inequalities can be noted are mortality and fertility rates, food poverty and access to health care.

There are worrying mortality inequalities between rural and urban areas. Mortality differs considerably, with rural areas having 109 under five mortality and 74 infant mortality, while urban areas have relatively lower rates of 88 (under five mortality) and 55 (infant mortality). These differences are reflected in the HDI, with more urbanised areas having better human development. Unlike rural areas, urban areas have better health services, more access to information and higher literacy, which correlate positively with low infant mortality, under five mortality and high HDI. KDHS data show that infant and child mortality decrease with education, especially after primary school.[4'] The enrolment and literacy figures indicate clear rural-urban differences.

Kenya experienced a lowering of total fertility rate" from 6.7 in 1989 to 5.4 in 1993 and 4.7 in 1998; however, there are worrying rural-urban differences in fertility. Rural areas have a fertility of 5.16 compared to 3.12 in urban areas. High fertility in rural areas puts pressure on education and health care facilities, leading to low human development, Urban areas have lower fertility due to relatively higher education, especially among women,[45] and the easier availability and use of contraceptives. The relatively higher cost of urban living increases the opportunity cost of raising many-children. This predisposes urban dwellers to limit the number of births. In addition, many urban residents on pension stop seeing children as sources of social security.

Mortality, especially among under five children, is higher in rural than urban areas, making high birth rates a way of compensating for the risk of child death. This partially explains the high rural fertility and mortality. In addition, differences in access to water, sanitation and time taken to reach a qualified doctor would indicate why rural people are more prone to mortality and morbidity.

[43] KDHS data (1998) show that IMR and U5M are 50% higher among those with little or no education compared to those with secondary school education and above.

[44] TFR - the number of children a woman has in her reproductive life, i.e., 15-49 years.

[45] KDHS 1998 indicates that TFR for women with no education was 5.80, while that of those with incomplete primary school education was 5.24. TFR reduces with increased education, e.g., women who have completed primary school and secondary school and above have TFRs of 4.79 and 3.53, respectively.

Table 4.6: Rural-Urban Disparities in Health

Indicator	Rural	Urban
Infant Mortality Rate (IMR)	74	55
Under Five Mortality (U5M)	109	88
Total Fertility Rate (TFR)	5.16	3.12
HIV/AIDS prevalence (%)	12.2	17.5
Food poverty (%)	50.7	38.3
Female headed households (%)	30.5	21.4
Taking 60 minutes + to reach a qualified doctor (%)	63.3	2.3

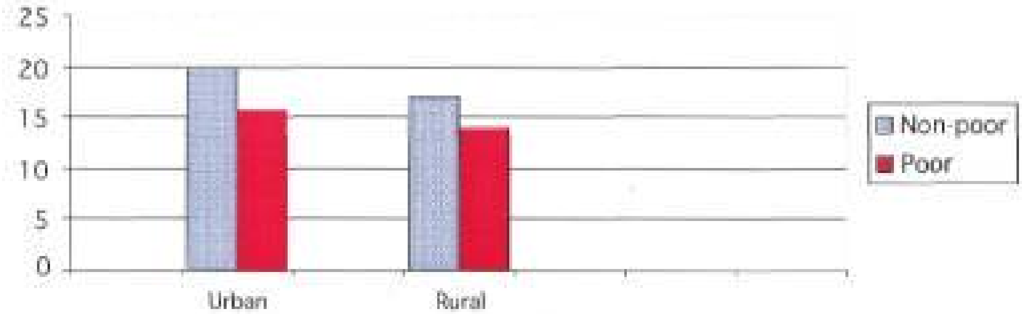
Sources: Republic of Kenya 1998j, 2000b, 2001a

Disease incidence is higher in urban than in rural areas, irrespective of poverty status. The urban illness incidence is 19.9% and 14.9% among the non-poor and poor, respectively (Figure 4.2). This contrasts with the rural rates of 17.3% (non-poor) and 13.4% (poor). Urban populations have high disease incidence, mainly due to the poor environmental conditions and overcrowding, and urban dwellers, especially the non-poor, tend to report illnesses more than rural people, due mainly to better ability to afford health care as well as better health care accessibility.

WMS III data show that food poverty is high nationally (48.7%), but more in rural areas (50.7%) than in the urban (38.3%). This is ironical because rural areas arc agricultural producers, yet they cannot feed themselves. Data from KDHS (1998) indicate that rural children are 40% more likely to have low hcight-for-age (stunting) and 22% more likely to have low weight-for-height (wasting) than their urban counterparts. This is due to food poverty and lower literacy. The latter leads to low nutritional awareness. It is also true that the number of female-headed households and foster children is higher for rural than urban areas, leading to more rural poverty. It is imperative for government to accelerate its support to biotechnology, which assures success for faster-growing, disease-resistant, soil-friendly and high-yielding varieties of food crops to combat food and other forms of poverty, especially in the rural areas.

H1V/A1DS is more prevalent in urban areas, where the prevalence rate is 17.5% among adults, This is due mainly to the lowering of social controls, increase in the incidence of commercial sex amidst rising unemployment and poverty, and increasing congestion in urban areas, which enhances the chances of contact with HIV positive persons. Rural areas are not spared as exemplified by the prevalence rale of 12.2%. Generally, preventive devices have lowered sex-related costs (e.g., pregnancy), leading to higher levels of promiscuity and hence higher chances of HIV infection. Kenya National AIDS Control Programme (KNASCOP) achieved significant results in enhancing HIV/AIDS awareness, but the programmes have been urban biased. Greater investment in rural sensitisation is a must if HIV prevalence is to be reduced.

Figure 4.2: Illness Incidence by Rural and Urban Poverty



Source: Republic of Kenya 2000b

Regional Inequalities in Health

As reflected in the HDI values, there arc clearly defined regional variations in the indicators of health (Table 4.7). North Eastern is the most disadvantaged province considering all selected indicators. While it may be true that the absolute population affected is lower than for other regions, there is generally low health status and social development in the region. Yet vital data on the province are rarely available.

Central Province has the lowest mortality rates with 27 infant mortality and 34 under five mortality, while Nyanza has the highest at 135 infant mortality and 198 under five mortality. Western also has high rates of under five mortality (122.5). The high rates in Nyanza and Western are due mainly to income poverty, food shortage, low women's empowerment and generally poor living conditions. These regions have high fertility due to pronatal beliefs and attitudes regarding the value of children as future assets and useful sources of family labour. The lower death and birth rates in Central are due to relatively higher education status and literacy rates, higher land productivity, which assures children of better nutrition, and women's empowerment (education and decision making), enabling them to make important decisions about child welfare and survival.

There are also fertility differences, with Nairobi having the lowest fertility (2.6) followed by Central (3.7). The two regions also have higher to medium HDI values of 0.783 (Nairobi) and 0.604 (Central). High fertility in the other five regions implies more mouths to feed and provide with good health, yet the people in these areas are quite poor as noted in their HPI values. The result is poor health and low human capability and development. Low fertility in Nairobi is due mainly to its urban status, while the situation in Central is due to relatively higher land accessibility and productivity, and the empowerment of women. The latter enables women to make decisions about their reproductive lives, e.g., limiting the number of biiths. Central also has an urban advantage due to easier access to Nairobi.

The proportion of underweight children is higher in North Eastern, Nyanza, Eastern, Rift Valley and Coast. The differences are due to food poverty, which may also explain the HDI and 1IP1 variations discussed in Chapter 2. Progress in human development in relation to children requires investment in child nutrition and food security so as to promote child life and welfare for the benefit of future national productivity. This underscores (he need for Kenya to revisit its food production policy.

Differentials in health indicators could be partly explained by inequalities in facilities. The number of health facilities in the country increased from 4,145 in 1998 to 4,235 in 1999 and 4,355 in 2000, but this increase is due to more health investments by NGOs and the private sector. Some regions are actually fully supported by the civil society. Rift Valley has the highest number of health institutions (25%). The province has more people (24% of Kenya's population) and urban centres than any other in the country. Similarly, Eastern has 21% of the health institutions and 16% of the population. The facilities arc, however, widely scattered, leading to long distances to reach them. Central has 13% of the facilities, followed by Nairobi (12%). Western and Nyanza each have a low (8%) proportion of health facilities, yet each of them is home to about 15% of the population. Nairobi hosts the main referral hospital (Kenyatta National Hospital) and also the best private hospitals.

Gender Inequalities in Health

Most indicators of health exhibit slight gender inequalities (Table 4.8). Life expectancy ;tnd mortality are useful examples in this regard.

Although women have a higher life expectancy than men, the adult mortality rate is virtually similar for both sexes. While this observation could contrast the traditional demographic view that mortality is male selective, it is interpreted as an indicator that female mortality has increased. This could be explained by the feminisation of poverty but also due to women choosing careers and social, economic and political undertakings which hitherto were the domain of males. The careers in question expose women to life-threatening clangers. In addition, the deterioration of Kenya's health system has left women more vulnerable and exposed to pregnancy-related complications.

In addition, women's health is increasingly being threatened by their reproductive roles and functions which increase their vulnerability to morbidity and mortality, Furthermore, women's reproductive roles as mothers and wives make them the primary health seekers and caregivers, making them more affected in cases of high mor-

Table 4.7: Regional Inequalities in Health

Indicator	Nairobi	Central	Coast	Rift Valley	Nyanza	North Eastern	Western	Eastern	Kenya
Population as at 1999 (000)	2,143	3,724	2,487	6,987	4,392	962	3,359	4,632	28,687
Life expectancy at birth (years)	61.6	63.7	51.5	58.5	45.7	52.4	52.4	62.3	54.7
Infant Mortality Rate (IMR)	41.1	27.3	69.8	50.3	135.3	-	63.9	53.1	71.0
Under Five Mortality (U5M)	66.1	33.5	95.8	67.8	198.8	-	122.5	77.8	105.0
Total Fertility Rate (TFR)	2.6	3.7	5.1	5.3	5.0	-	5.6	4.7	4.7
Female-headed households (%)	19.6	36.4	31.7	27.6	34.5	-	35.4	35.1	31.7
Foster/orphaned children (%)	5.7	9.5	15.2	16.8	19.0	-	24.9	13.4	15.3
Children underweight (%)	16.3	15.7	27.3	27.4	29.1	35.8	25.4	27.8	26.4
Health facilities (% of total)	12.0	13.0	11.0	25.0	8.0	2.0	8.0	21.0	4,355

Source: Republic of Kenya 1998, 2001a, 2001d

Table 4.8: Gender Disparities

Indicators	Male	Female
Life expectancy	54.10	55.30
Adult mortality	4.68	4.65

Sources: Republic 1998, 2001a

bidity. They lose time for skills training, career development and other productive activities that could add up to improved health status. Women also suffer from the increased stress of looking after the sick.

Poverty-Related Inequalities in Health

The foregoing inequalities would not be very complicated if it were not for the impact of poverty. There are poverty-related inequalities in illness incidence and distance to medical care (Table 4.9).

Although successive Economic Surveys (1999,2000 and 2001) indicate increases in the numbers of health personnel being trained in the two medical schools in Nairobi and Moi universities and the medical training centres, access to the nearest doctor is still low for 54.7% of the population. The majority of the poor (54.7%) are more than one hour away from the nearest doctor, with the situation being worse in Eastern (80.8%) and Nyanza (69.1%) where poverty and remoteness are also more rampant. Even in Eastern, which appears to have a disproportionate share of health facilities. 80,8% of the poor and 69.5% of the non-poor arc more than one hour away from a qualified doctor. Low access to the nearest doctor is due to remoteness which discourages doctors from working there. Private health sector investment in those areas is also inhibited by poor infrastructure, especially transport and communication networks. More significantly, the poor are unable to purchase health care due mainly to low incomes. This eventually contributes to low human development.

When taken ill, the poor rely more on the community health centres and pharmacies/chemists, mainly due to their low income. WMS III data indicate that 51.*4%* of ihe non-poor resort to private doctors/dispensaries, private hospitals and pharmacies as opposed to 47.7% of the poor who choose the same actions first.

In the last two decades, the quality of the health facilities in all the provincial, district and sub-district hospitals as well as health centres and dispensaries has been deteriorating due to poor management and maintenance work. The result has been many people seeking health in private sector facilities (clinics and pharmacies/chemists), despite the cost of health care in the private sector being too expensive for poor people. Public health facilities should be improved if lives are to be saved and health for all promoted.

4.5 HIV/AIDS in Kenya

In Sessional Paper No. 4 of 1997 on AIDS in Kenya, HIV/AIDS was declared a national disaster, and the National AIDS Control

Table 4.9: Poverty-related Disparities

Indicators	Poor	Non-poor
Disease incidence	13.7	17.7
Taking 60 minutes + to reach a qualified doctor	54.7	47.3

Council (NACC) was formed as a coordinating body for all HIV/AIDS programmes in the country. HIV/AIDS is fast eroding the heallh benefits gained in the first two decades. The illness is age-selective[46] in that it infects mainly those in the reproductive and productive age categories (15-49 years). It is also more prevalent in urban areas (Figure 4.3), where the prevalence rale is 17.5% among adults.

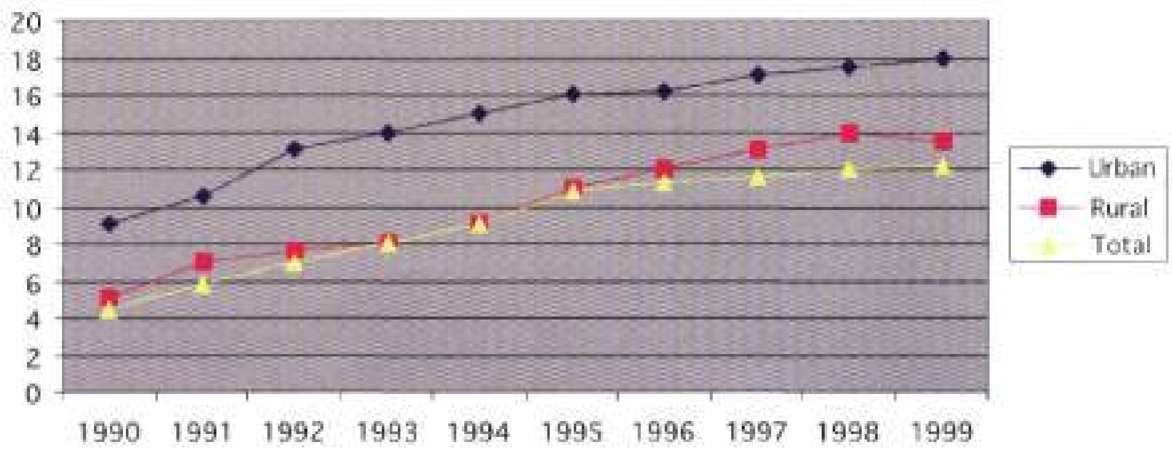
HFV/AIDS is wiping out the energetic and productive part of the Kenyan population. Infected people and care givers lose a lot of time for productivity taking care of those with HIV/AIDS-related illnesses. Patients, caregivers and women lose time which would have been used engaging in meaningful economic activities such as farms, offices and businesses. In addition, the care givers spend a lot of their resources meant for capital formation and investment. Given that women are the primary caregivers, they are more affected than the men. The spiral effects of HIV/AIDS on human development are as follows:

HIV/AIDS = less income - less health and education more poverty and HIV vulnerability

The pandemic is forcing the government to spend a lot of resources on HIV/AIDS patients which could improve quality of life elsewhere. HIV/AIDS is actually compounding the poor status of health, Antiretroviral drugs, which subdue the symptoms of the illness, are not affordable to the majority. This underscores the need to support the NACC strategy which emphasises the need for cost effective, collaborative and integrated approaches (prevention and advocacy for behaviour change) in fighting the pandemic.

In terms of human development, HIV/AIDS increases poverty by creating orphans who have lost parents and hence their source of basic necessities of life. Current estimates put the number of HIV/AIDS orphans at 1 million. This figure is pro-

Figure 4.3: HIV/AIDS Trends in Kenya (1990–1999)



Source: NACC 2000

jected to increase to 1.5 million by the year 2005. Many of these orphans lack the basic necessities of life such as food, shelter and clothing, rendering this group vulnerable. This also indicates that the AIDS problem in the country cannot be extricated from the wider poverty problem.

Unless the pandemic is arrested, it will continue to harm human development by reducing life expectancy at birth, increasing HIV/AIDS deaths, increasing HPT and reducing the GDP and HDL HDI figures already indicate that HIV/AIDS has severely reduced human development in (he country.

4.6 Inequalities in Living Conditions

In human development, people's living conditions constitute a critical factor in their well-being in terms of whether or not they will access proper education, knowledge and health. A nation with the right living conditions as defined in terms of access to water and sanitation, appropriate housing, well developed transport and communication facilities, clean environment and adherence to democratic principles also has high human development. Kenya faces a problem in all these areas, hence low human development. Further, there arc inequalities in access to basic living conditions which translate to inequalities in HDI and HPI. Table 4.10. shows the rural-urban inequalities in selected indicators of living conditions.

Rural areas are disadvantaged when it comes to access to safe water, sanitation and housing. Although the quality of urban water in Kenya is questionable, 74.2% of urban dwellers access safe water as opposed to 45.5% of rural dwellers. Lower living conditions in rural areas are due mainly to low incomes and limited investments in rural water, sanitation and housing systems. It is, however, notable that urban areas have their share of poverty (Box 4.3).

MICS (2000) data indicate that the majority of Kenyans (59.2%), especially in rural areas (62.5%), use traditional pit latrines, while 18.3% have no facilities and therefore use bush or field. The main reason for this situation is poverty and low awareness of the dangers of improper excreta disposal. The latter coincides with the lower rural literacy.

Across the regions, there arc inequalities in living conditions as shown in Table 4.11. Regions with low access to vital services like water and sanitation also have low HDF.

Nyanza has limited access to piped water which could be a

Table 4.10: Rural-Urban Disparities in Living Conditions (% pop.)

Indicator	Rural	Urban
Access to safe water	45.5	74.2
Modern sewer/flush toilet	2.1	43.0
Traditional pit latrine	73.3	42.3
Housing (mud/sand/dung)	76.9	20.0
Housing (cement/brick)	21.2	73.7

Sources: Republic of Kenya 1998, 2000d

Box 4.3: Evidence of Urban Poverty

Urban areas have a considerable share of households with traditional pit latrines and mud/sand/dung houses. These are mainly in the slum and squatter settlements, which are the major urban poverty pockets. Slum settlements represent urban misery and virtually all the dwellers have low incomes, making it difficult for them to access education and health care. Urban poverty is also illustrated by the fact that the proportion of urban dwellers using flush toilets connected to the main sewer lines or septic tanks is quite small. This poverty is also seen in urban water, with most of it being contaminated and of poor quality due to its constant contact with raw sewerage from burst sewer lines. In some urban areas, river water is contaminated by excreta wastes from slum locations, where there is poor sanitation. In other cases, which affect nearly all urban residents, there is laxity or sheer inefficiency in water treatment and management by the local authorities.

Source: Obudho (ed.) 1992

contributing factor to the high mortality and low life expectancy (45.6 years) and HDI (0.440). Even HDI values for Western (0.449), Eastern (0.525) and Rift Valley (0.510) are below the national average (0.539). Access to safe water in these regions is equally low. MICS (2000) data indicate that the most affected districts, i.e. those with less than 30% of (he population with safe drinking water, are Wajir (4.0%), West Pokot (8.8%), Makueni (11.0%), Kitui (13.3%), Migori **(18.6%),** Murang'a (23.7%), Tana River (26.4%) and Narok (29.8%). The better off districts (with over 80% access) are Uasin Gishu (84.1%), Kakamega (80.3%), Mombasa (83.1%). These differences arc also reflected in the HDI, Nairobi, the capital, has 66.0% of its population with access to safe water.[17] This is due to the existence of urban slums which have limited access to services such as water.

Housing quality differs by regions and could explain HDI differences. Housing quality is assessed by the physical features of a unit, including quality of building materials, social and ecological amenities in the neighbourhood, access to services and location of housing, among others. Table 4.11 shows that Nyanza and Western have a high (over 75%) percentage of

[47] The quality of water is not discussed here. Most of the water, especially in urban areas, is of questionable quality due mainly to poor management and corruption which have led to the embezzlement of resources earmarked for the purchase of treatment chemicals. There are also poor water sources: vendors, polluted rivers, dams, roof catchments and boreholes. The latter in some cases are contaminated by wastes from pit latrines and excreta in bushes and fields.

Table 4.11: Regional Inequalities in Living Conditions

Indicator	Nairobi	Central	Coast	Rift V	Nyanza	NE	West.	East.	Kenya
Population as at 1999 (000)	2,143	3,724	2,487	6,987	4,392	962	3,359	4,632	28,687
Access to safe water (%)	66.0	46.8	59.1	46.1	43.3	49.0	66.5	35.7	53.6
Modern sewer/flush toilet (%)	46.0	4.6	13.5	9.3	4.6	–	8.4	4.9	11.8
Traditional pit latrine (%)	29.7	85.3	50.1	62.8	67.4	–	82.2	69.8	65.9
Housing (mud/sand/dung) (%)	16.7	62.1	50.9	67.8	76.0	–	79.2	65.0	63.4
Housing (cement/brick) (%)	74.3	32.0	47.6	28.9	20.9	–	19.9	34.6	33.6

Source: Republic of Kenya 1998, 2001a, 2001d households constructed using mud, sand and dung. While in the past Ihese buildings were viewed as non durable and inappropriate, new knowledge points out that with appropriate technological input, these buildings can effectively serve Ihe needs of given populations, especially the poor.

Other factors relating to housing conditions which affect the poor include overcrowding. Studies[414] have shown that the overcrowding index (the number of rooms divided by the number of occupants) is higher among housing occupied by the poor compared to (he medium income earners. Overcrowding and poor quality housing can be seen us partly to blame for high infant mortality, under five mortality and low life expectancy. In human development terms, children living in overcrowded and inappropriate houses have difficulties acquiring knowledge and good health.

There are poverty-related inequalities in living conditions. A clear example is in the case of access to safe water (Table 4.12).

More non-poor households (23%) depend on piped water during (he wet season than the poor (12.7%). More of the poor (54.8%) depend on unprotected wells, rainwater, rivers, hikes and ponds than the non-poor (46.9%). The non-poor are middle-to-upper class groups with belter education, incomes and occupation which enable them to value and procure clean and safe water as opposed to their counterparts. The latter are to be found in ecologically disadvantaged rural areas and urban shuns. Low quality water is a cause of morbidity *and* mortality among the poor.

Poor water, sanitation and housing definitely aggravate morbidity and mortality. Consumption of contaminated water, living in poor quality housing and the use of improper sanitation or none at all explain the frequent disease epidemics which affect the health of vulnerable groups, especially children living in poor neighbourhoods and slums. It is imperative for the government to increase investment in provision of water and proper sanitation. This could be done by encouraging pro-poor and more private sector investment in Ihis area.[4,J]

4.7 Transport and Communication

Transport and communication arc crucial for human development. Transport is vital in the movement of people and goods. Physical mobility is a basis of accessing useful information, opportunities and other forms of socio-economic and political capital.

Communication technology facilitates exchange of information and messages which expand people's opportunities and choices. The GHDR 2001 emphasises the crucial role of corn-

[''B] Syagga and Ondiege 1995.

[-13] The government allocation to water and sanitation expenditures as a percentage of overall expenditure for water and sanitation decreased from 2.4% and 0.6% in 1980 to 0.6% and .4%, respectively, in 1997.

Table 4.12: Poverty-related Disparities in Access to Water

Indicators	Poor	Non-poor
Piped water	12.7	23.0
Unprotected water sources	54.8	46.9

Sources: Republic of Kenya 2000b

munication and information technology for human development. The Report points out that although there are inequalities in communicalion technology, this is a resource which could be effectively used to reduce poverty and accelerate human development,

The government has made efforts to increase the number and accessibility of transport facilities, but most of the expenditures have been channelled towards recurrent expenditure, while the development budget after 1997/98 went mainly towards trunk roads which is justified by increase in vehicular traffic.[50] Most of this traffic is, however, in urban areas which house less than 20% of the Kenyan population. Unsurprisingly, urban areas and urban-based regions and districts appear to have higher HDI. Low expenditure on rural-based roads could explain the low agricultural productivity and high rural poverty incidence. Furthermore, the development of miscellaneous and secondary roads is crucial for rural productivity and the physical mobility of people from remote areas to markets. Poor road network also hinders productive investments, in addition to making it difficult for people to access health care and education. Non-motorised transport, which would contribute to reducing the problems of the poor, is not properly integrated in Kenya's mobility planning systems.

The number of postal offices, which are the main communication channels for ordinary and rural Kenyans, decreased from 1,061 in 1995 to 914 in 1999. The *Economic Survey 2001* shows increases in private letter boxes (12.2%), public call boxes (6.1%) and card phones (21.1 %), but these tend to favour urban areas and the non-poor. In addition, public call boxes are often vandalised and out of order. Investing in communications in rural areas and among the poor will be important for redressing the rural-urban and social class disparities in information exchange systems.

Kenya has about 67 internet service providers (ISPs) but all are concentrated in urban centres. Although the number of mobile telephone users rose from 2,580 in 1995 to 14,628 in 1999 and to over 400,000 presently, most of the users are urban and peri-urban dwellers. Following the lowering of duty on mobile telephone equipment and accessories, the number of mobile telephone users will increase considerably which implies belter communication. Mobile telephones are likely to replace fixed lines (250,000) which have been associated with inefficiency and ineffectiveness. In spite of these developments, the costs of mobile telephones and other modern information and communication technologies are still far above the purchasing power of the hardcore poor, especially in rural areas. Enhanced communication will have to be sensitive to rural areas and the poor for it to contribute to improve knowledge, health and living conditions.

Republic of Kenya 2000e.

4.8 Environment and Human Development

Environmental issues arc important in human development because of the centrality of natural resources in the enhancement of quality of life. Environment also plays an important role in

Toslensen et al. 1998,

agricultural development upon which over 80% of Kenyans rely for income and survival. In Kenya, environmental management is a key challenge in an attempt to sustain the tourism sector which is a major source of livelihood for many in addition to contributing to overall development. A country with such environmental problems as deforestation, depiction of fish and other marine stocks, pollution and poor conservation of fauna and flora is potentially unable to assure its population of a good quality of life. The environment is also related to life expectancy in terms of its impact on the incidence and spread of air- and water-borne disease.

Figure 4.4 shows that there has been continuous loss of planted forest cover in Kenya. The drop after 1995 is related to the drop in social development expenditure and the HDI. In addition, poverty increased during the same period. Poverty tends to compound the already existing environmental problems of inadequate water, poor sanitation and housing, particularly in the ASALs, and crowded urban neighbourhoods. Given Kenya's policy frameworks, poor people have had lit tle opportunity to conserve the environment and equally little choice not to over-exploit it. Yet forests constitute catchment areas for water which promotes life thereby enhancing health and human development. Problems of water in recent years, including water rationing in Nairobi in 2000, are largely due to destruction of water catchments.

A vicious circle is self-reinforcing us it compounds an already existing problem of resource scarcity (water, fuel wood and soil), thereby accelerating environmental degradation. Poverty limits access to education for empowerment regarding environment, among other issues. Poverty also reduces the possibility of en vironmentally sensitive planning and implementation which continually negatively affects the quality of the environment as well as people's lives.

4.9 Politics and Democratisation

The political process in Kenya is central to human development since it is the basis of the mobilisation of socio-economic and political capital for governance and decision-making. In 1991, a constitutional amendment ushered in pluralism in Kenya, and this has improved the political culture by allowing for a relatively better enjoyment of civil and political rights. People are also able to talk more freely about their needs and priorities as well as demand their socio-economic rights. Both types of rights are central to improving literacy, incomes and life opportunities, thereby enhancing human development.

There has recently been a major step towards significant enlargement of the political space[51] as evidenced by the ongoing constitutional review process, especially the merger of the parliamentary and faiths-led *(Ufungamano)* factions. A constitutional review commission encompassing the two groups is collecting and collating public views on a new constitution. In an apparent move to have a coalition government, members of parliament from an opposition party were recently appointed to cabinet. If well intentioned and institutionalised, this changing political process and power sharing arrangement will further enlarge the political space and increase the possibility of enjoying critical rights for enhancing human development.

The pluralist period has however been characterised by intra- and inter-party suspicions, low levels of civic education and responsibility, especially among the vulnerable people in ASALs, political violence and ethnicisation of political alliances, and electoral mal-practices.

Specifically, what seems to be lacking in Kenya's political space and democratisation process is the integration of the local level structures of participation, such as CBOs, in the overall development process. While communities, especially the poor, are actively engaged in making ends meet, their activities are largely de-linked from structures of participation in planning and development. If problems affecting the poor are to be addressed, this gap must be bridged and finally closed.

There are inequalities in the political process in terms of regions and gender. In the regions, the poverty-stricken areas in the ASALs arc known to have low civic awareness and problems of free and fair elections. Two factors account for this situation. First, poverty, which is more prevalent in the ASALs and urban slums, causes people to sell their votes for a few shillings to enable them to buy food. Second, civic education efforts by both government and NGOs have tended to ignore the remote rural areas mainly because of inaccessibility. The result of this is low political participation, and people from ASALs and other remote regions are hardly able to influence the democratisation process. They also lack awareness to lobby for their rights and entitlements.

Currently, there is a serions male bias in positions of power and decision-making in Kenya. Table 4.13 indicates that the percentage of females in policy positions is dismal as evidenced by 4.1 % (in parliament), ambassadors (6.1%), permanent secretaries (13.3%) and deputy secretaries (15.9%). There is one Provincial Commissioner (PC) based in Eastern Province and a few senior women provincial administrators, but there is not a single woman who is a minister in the current cabinet. The overall position is that of low women's representation, yet they constitute half of the population. This explains the low

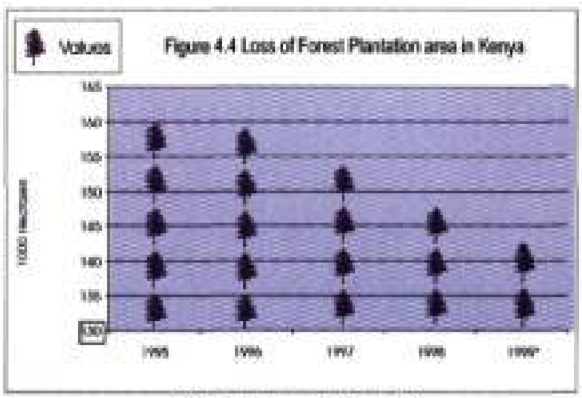


Figure 4.4 Loss of Forest Plantation area in Kenya

Data Source: Economic Survey, 2000

GEM of 0.414. Issues regarding women and their opportunities for participation in mainstream development are in this case likely to be ignored or taken for granted. Furthermore, professional and technical women workers make up only 36.2% of all these levels.

Close observation reveals that even the few women in the positions of power and decision-making arc viewed with suspicion when it comes to their performance. They are often subjected to stereotyping, especially by men and women who have little or no faith in women's ability to hold senior positions. Unsurprisingly, it is not uncommon to hear of senior women being subjected to examination of their dress, mannerisms, social contacts and relations, movements, so as to see if they are "misbehaving". Such attitudes are rooted in institutional mechanisms (values and norms) which are opposed to the social mobility of women. This limits women's capabilities and development. Policies promoting sensitisation and gender dialogue are needed ii' the situation is **to** be reversed.

4.10 Conclusions

Government investment in social development in Kenya has drastically reduced from 20% to 12.4% of the total expenditure between 1980 and 1997, due mainly to SAPs and donor aid freeze, in addition to public sector inefficiency, corruption, erosion of social values, and inability to integrate the poor in development planning and management. Poor governance has made it increasingly difficult for the disadvantaged to engage in development and negotiate for their entitlements. At the same time, it was equally difficult to reprimand errant public servants. The result has been limited access to vital services, especially by vulnerable groups and/or regions. In human development terms, this has translated to limited capabilities for people to effectively participate in nation building.

The results of the declining economic growth have combined with poor policies and prioritisalion and led to limited access to vital assets such as land and employment which gives an opportunity for earning

Table 4.13: Percentage Distribution of Positions of Power and Decision Making by Sex (1992–2000)

Position	1992 Women	1992 Men	1998 Women	1998 Men	2000 Women	2000 Men
Parliamentarians	3.5	96.5	3.6	96.4	4.1	95.9
Ambassadors	3.1	96.9	5.9	94.1	6.1	93.9
Permanent Secretaries	6.1	93.9	6.7	93.3	13.3	86.7
Deputy Secretaries	7.9	92.1	11.8	88.2	15.9	84.1
High Court Judges	8.3	91.7	10.0	90.0	8.7	91.3
Councillors	2.7	97.3	8.1	91.9	8.1	91.9
Provincial Commissioners	0	100	0	100	1.3	98.7
District Commissioners	0	100	1.5	98.1	1.5	98.5

Source: Electoral Commission of Kenya 1998 a livelihood and acquiring basic human capabilities for social development. The cycle is self-reinforcing with poverty leading to poor human capability which increases poverty. Limited access to human capabilities has lowered human development, especially for the vulnerable groups, including women, the poor, rural dwellers and people in hardship regions such as North Eastern Province.

There are economic and social disparities which in human development terms imply the limitation of basic human capabilities and opportunities for disadvantaged regions and vulnerable groups. Such people are unable to realise their potential for effective participation in nation building. The future challenge is for government and development partners (NGOs, CBOs, private sector and VSOs) to come up with pro-poor policies and invest in the poor and programmes which enhance access to BSSs by the rural and urban poor.

In all the areas of capabilities, inequalities exist despite numerous interventions by government departments, NGOs, CBO.s, volunteer service organisations (VSOs) and the private sector. The disturbing issue is that several policies and programmes have been put in place but very minimal changes have been realised. This raises the question of why inequalities persist despite many efforts to address them. The next chapter reviews the policies and programmes that have been pursued and examines some of the reasons for poor performance.

Chapter 5
Policies and Initiatives Against Social and Economic Inequalities

Since independence, the reduction of poverty and inequalities has been a major development objective of the government, The government therefore sought to achieve this objective through a number of policies and programmes which emphasised rapid economic growth. This emphasis on economic growth as the principal means of reducing inequalities and poverty is reflected in various government policies contained in major policy documents from Sessional Paper Number 10 of 1965 which emphasised high and growing per capita incomes to the later development plans which emphasised growth of the private sector.

After almost three decades of interventions, social and economic inequalities still exist in different dimensions as discussed in previous sections of this report. It is therefore relevant at this point to analyse the extent to which the different policies and initiatives undertaken by the government have addressed this problem. An important consideration is the country's economic performance resulting from these policies and whether they have benefited the poor, and contributed towards reducing social and economic inequalities. This chapter analyses the performance of the economy in terms of its growth, the sources of such growth and the extent to which the different policies and initiatives undertaken by the government, the private sector and the civil society have addressed the problems of social and economic inequalities.

5.1 Economic Performance, Government Expenditure and Socio-Economic Inequalities in Kenya

Analysis of Past Performance

There is no disputing the role of economic growth in poverty reduction and hence human development. However, not all growth is good for all sections of the population. "When growth is not pro-poor and is not allocating resources and incomes to the sectors here the poor are concentrated or to the factors of production that the poor possess, it will not reduce poverty or inequality. Such growth will therefore not be translated into substantial increases in the kind of employment that would lift the poor out of poverty. Pro-poor growth requires combining growth with equity.[52]

[52] UNDP 1998a.

The performance of the Kenyan economy since independence displays certain characteristics which are important in addressing the issue of social and economic inequalities in the country. Apart from the first decade of independence when the country recorded impressive growth rates (reaching a peak of 6.6%), there has been a continuous decline in economic performance. Since the mid-1980s, the economy has experienced dismal performance which continued into the 1990s until the year 2000 when the country recorded a negative growth rate. This has meant a continuous decline in the living standards for a majority of Kenyans. The declining economic performance also largely accounts for the persistence and increasing levels of poverty especially in the rural areas over the past decades. The poor economic performance could ensure neither an increase in employment generation, nor structural and economic transformation of the economy necessary for the diversification of the economy which could spread the benefits of growth to a wider section of the population. Hence the problems of inequality and unemployment have not only persisted but have increased.

Although there has been a general decline in the economy, there have been pockets of positive growth in certain sectors. Such growth has been concentrated in only a few sectors and a few commodities within those sectors. Nol only has the general performance of the economy become vulnerable to fluctuations in these sectors, but the extent to which economic performance can contribute to reduction in poverty and inequalities depends on (he pro-poor growth in these sectors.

Performance of the Agricultural Sector

Agriculture is the single most important sector in the Kenyan economy, contributing approximately 25% of the GDP and employing 75% of the national labour force. Over 80% of the country's population live in the rural areas and derive their livelihoods directly or indirectly from agriculture. Most of the vulnerable groups—pastoralists, the landless and subsistence farmers—also depend on agriculture for their main livelihoods. Growth in the sector is therefore expected to have a greater impact on a larger section of the population.

The importance of the sector in the economy is reflected in the relationship between its performance and that of the key indicators, GDP and employment. Figure 5.1 shows trends in the growth rates for agriculture, GDP and employment. The declining trend experienced in (he sector's growth, especially in the 1990s, is reflected in the declines in employment and GDP. Despite its declining performance, agriculture continued to support the livelihoods of over two-thirds of the labour force. This was mainly because the decline in agriculture's performance since the mid-1980s was not matched with any real transformation in the economy which would have ensured that the share of other sectors in GDP and employment increased as agriculture's share declined. Although the decline in agricultural sector was matched by a corresponding increase in the performance of the service sector, it is noteworthy that the service sector draws its contributions from activities in tourism, financial and trade sectors where employment may not be significant.[53] The result was a marked slowdown in the creation of formal sector employment,

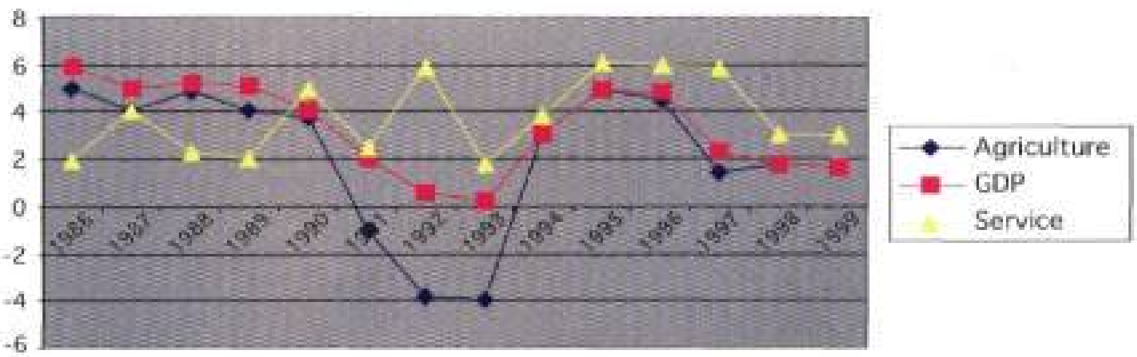
Pro-poor growth, which is necessary for poverty reduction, requires that growth be concentrated not only in the sectors with the highest potential for reaching the majority of the poor but also in commodities whose production is likely to benefit the poor most. Although agriculture is the leading contributor to GDP and employment in the country, the sector's performance has been dominated by a few cash crops concentrated mainly in the high potential areas. This implies that only a small proportion of the population dependent on these commodities has participated in its contribution. Good examples are coffee and ten which together contribute over 45% of wage employment in the sector

Although the sector has experienced a general decline in growth in the recent past, there has been positive growth in specific commodities in the sector. The important point is how growth in such commodities has benefited the poor. The coffee sector has witnessed positive growth in recent years. Coffee production increased between 1997 and 2000 after a decline between 1995 and 1997. This increase has been from both the estates and cooperative sector, hence benefiting both small and large-scale farmers. Horticulture, dominated by large-scale production from a few private companies, has also recently become a major source of growth in the sector, Horticultural exports have increased steadily since the early 1990s.

These factors help to explain the disparity in earnings not only between agriculture and other sectors, but also between the rural and urban areas. While agriculture provides over 80% of rural employment, it accounts for only *9%* of the total public and private sector earning in the country. The result of this pattern of growth has been the marginalisation of groups and regions in the process of development, with the incidence of poverty being highest in the ru-

53 See ILO/EAMAT 1999, p.1.

Figure 5.1: Growth Rates in Agriculture, GDP and Employment



ral areas where agriculture is the dominant activity.

Given the importance of agriculture in the economy, its development is necessary for the real isation of a pro-poor growth in the country. This requires incentives to farmers in the form of improved access to markets, inputs and credit facilities as well as increasing agriculture's productivity and competitiveness both domestically and internationally. For a broad-based rural development, there should be increase in public investments in rural infrastructure like roads which are both necessary for and complementary to private investment in agriculture and rural areas.[54] The agricultural sector in Kenya has suffered from lack of such incentives, with poor rural infrastructure being a major constraint to increased investment in the sector.

Investments in basic health services and education in the rural areas is also important in fostering pro-poor growth by enhancing the human capabilities of the rural population, especially the rural poor. In Kenya, there exist wide disparities in access to basic health and education facilities, with the rural areas being highly disadvanlaged. All these limit the sector's potential, especially the small-scale sector in facilitating the pattern of growth that can eliminate poverty and inequality. The result has been inequality between agriculture and non-agricultural sectors, as well as between regions with different agricultural potentials.

Performance of the Manufacturing Sector

In the manufacturing sector, growth has resulted largely from the strategy of import substitution industrialisation (1SI) strategy with capital intensive production technology and limited employment potential. This strategy, however, failed to create adequate dynamism in the sector. The sector's growth declined from 8.5% in the 1960s and early 1970s, to only 4% in the subsequent periods. This limited the sector's ability to generate employment needed to absorb the increasing labour force. By the mid-1980s, the scope for ISI had been exhausted due to limited expansion in the domestic demand. In addition, the manufacturing sector developed limited linkages with the domestic economy mainly due to its reliance on imported inputs and the capital-intensive bias of its production. The policy of IS1 therefore resulted in a structure of growth which favoured urban manufacturing with no potential to generate substantial formal employment and broad-based development. Furthermore, the protectionist policies associated with ISI gave rise to inefficiencies which made Kenyan industrial products non-competitive. This resulted in significant slowdown in the sector's growth as the scope for ISI diminished.

Since the 1990s, the sector has experienced declining performance both in terms of employment and GDP. This has mainly been due to economic mismanagement, political uncertainty, world recession and weather conditions affecting agro-based industries. There has also been a decline in the industrial financing since the late 1990s due to high interest rates, low investor confidence, poor infrastructure and the general

54 An example is given of China where pro-poor growth based on agriculture-led development was achieved through equitable land redistribution, price incentives to farmers and heavy investments in rural infrastructure as well as basic education. See UNDP 2001b, p. 3.

poor economic performance. The slow growth of the manufacturing sector among other wage-earning sectors has been largely responsible for the lack of expansion in wage employment. Indeed, while agricultural sector's share in GDP has been declining, the manufacturing sector's expansion has been very marginal. Since the 1980s, the manufacturing sector's share in GDP only increased from 12% to 13% in the 1990s. This has largely contributed to the slowdown in the growth of formal wage employment and consequently rising unemployment and under-employment. Over time this has led to a significant increase in informal sector employ ment.

The informal sector, specifically the small and micro-enterprises (SMEs), has become an important source of livelihood through its capacity to generate employment and incomes. Indeed, while wage employment in the formal sector has showed a continuous decline, employment in the informal sector has steadily increased over time. The share of wage employment in the formal sector in total employment declined from 90% in 1972 to 37% in 1996, while that of the informal sector increased from 10% to 63% over the same period,[55] This increased to 70% in 2000.[56] This trend underscores the increasing importance of the informal sector in absorbing a large proportion of the unemployed labour force and as a source of livelihood to an increasing majority of the population. However, the sector has suffered from luck of commitment from the government. The increasing importance of the informal sector as a source of employment can be seen as a reflection of the worsening performance of the formal .sector and its failure to generate employment.

Government Expenditure

For growth to benefit the poor and reduce inequality, resource allocation should favour those sectors where the poor work (such as agriculture), the areas in which they live (mainly rural and other under-developed regions) and the factors of production that they possess (such as labour). This also requires policy measures that complement reforms in the macroeconomic framework. Such policy should address the distributional consequences of macroeconomic policy. Budgetary allocations and expenditure are important indicators in government priorities and commitment to pro-poor growth. A reallocation of public expenditure to benefit the poor is an important indicator of a pro-poor policy shift. Deliberate influence of government policies on expenditures is Therefore necessary for pro-poor growth and human development."

Public expenditure as reflected in the budgetary allocation to the different .sectors is an important indicator of the extent to which government policy is pro-poor. In this section, government expenditure is examined in terms of allocations to the real sectors as well as the social sectors. In Kenya, despite agriculture being a lending sector in the economy, it has not received the proportionate share in government expenditure and investment. Figure 5.2 shows agriculture's share in GDP, government expenditure and gross

"• See ILO/EAMAT 1999, p. 15.

™ *Economic Survey 2001,*

c/ Lustig 1999.

fixed capital formation (GFCF). Both expenditure and investment have remained below 10%. This contrasts with the sector's contribution to employment and GDP.

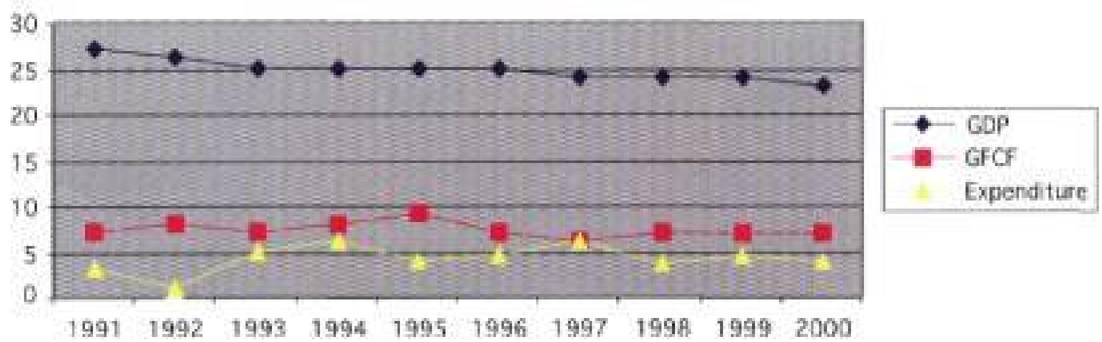
The agricultural sector and the rural areas in general arc characterised by disproportionately lower availability of social and economic infrastructure as already discussed in the previous chapters. With the large size of the population, depending on (he sector and the rural economy in general, this limits the realisation of its potential in reducing social and economic inequalities.

Another way to assess the role of government expenditure in addressing inequalities is through its expenditure in basic social services, like health and education. Until the 1980s, Kenya had made significant progress in the provision of education and health. This has since reversed, with the decline in government expenditure being one of the major factors. This is mainly a. result of ihe cost sharing introduced in the sectors as a result of the wider economic reforms undertaken since the mid-1980s. The government expenditure on health and education shows a general decline from the 1990s, with the share of recurrent expenditure being significantly higher than the development expenditure in both sectors.[58] This has had implications of access to these services by the poor and vulnerable members of the population.

In education, the policy of cost sharing between the government, parents and the communities, which has been in place since the late 1980s, has meant a decline in government financing of education and hence access especially for the poor. While the bulk of government subsidies arc in the form of teachers' salaries, the policy still has implications for poor students who cannot afford to pay for books and equipment, thus leading to poor quality education for the poor. In the health sector, the gap between the demand and supply of health services continues to widen. The decline in expenditure has affected the ability of the public health sector to provide health care services. Overall, an analysis of the budget suggests that the government does not view the development of human capabilities as a priority. In the last two decades, for example, administration, economic affairs and defence have received *54%*

[58] See Republic of Kenya 2001c.

Figure 5.2: Agriculture's Share in GDP, GFCF and Total Expenditure (1991–2000)



Republic of Kenya 2000c.

of recurrent expenditure while health and social security, which are core sectors in pro-poor budgeting, have received only

The foregoing analysis shows that Kenya has not been able to generate economic growth necessary to reduce social and economic inequalities in the country. Where growth has occurred, it has been in those sectors with minimum impact on employment generation and poverty reduction, hence the persistence of social and economic inequalities in the country. The level of absolute poverty has increased to 52%, human poverty stands at 34.5, while inequality in income has worsened. The share of the poor in national income has therefore decreased, with the bottom 20% of the population getting 2.5% of the income while the top 20% get 59%. Regional disparities in terms of incomes and access to resources have increased, with rural areas increasingly being marginalised despite a majority of the population deriving their livelihoods there. While the informal sector provides an important source of low skilled jobs that can absorb the poor, the sector has for a long lime suffered from lack of coherent policy guidelines and favourable regulatory framework which have inhibited its growth and contribution to the reduction in disparities.

Addressing social and economic inequalities in the country therefore needs deliberate policies not only to restart economic growth, but also to ensure that such growth benefits all sections of the population and is especially geared towards the reduction of poverty and inequalities,

5.2 Government Responses to Social and Economic Inequalities

The government emphasis on economic growth as a major principal means for reducing poverty and inequalities, and realising improved livelihoods is reflected in various government policy documents, mainly development plans and sessional papers. Sessional Paper Number 10 of 1965 on African Socialism and its Application to Planning in Kenya underscored the need to achieve high and growing per capita incomes equitably distributed among the population and to raise the standards of living. Subsequent policy documents emphasised different ways of achieving this goal. Whereas the policy measures to achieve these objectives have changed over time, the objectives remain true today as they were three decades ago. This section discusses the different policies and programmes that have been used to respond to the problems of social and economic inequalities.

Development Plans and Sessional Papers

The five-year development plans and sessional papers have been major documents in articulating government policy in the country since independence. The first two development plans focussed on rapid growth as a means of alleviating poverty and reducing unemployment. The 1970/74 Development Plan emphasised more labour-intensive production technology and the promotion of small-scale rural industries. The 1974/78 Developmcnt Plan focused on greater equity and employment generation; persistent unemployment and income disparities were to be eliminated by shifting investment away from capital-intensive projects towards labour-intensive ones, especially in agriculture. Due to the inability to achieve the projected growth during the 1974/78 plan period, the government adopted a growth with redistribution strategy which was outlined in Sessional Paper Number 4 of 1975 on Economic Prospects and Policies. This paper sought to shift the economy from capital-intensive urban infrastructure projects to labour-intensive agricultural production and basic rural infrastructure like rural access roads and water supply projects.

The 1979/83 Development Plan emphasised the provision of basic needs like food, education, health care, water and housing. Recognising the need for a comprehensive set of measures to tackle the problem of poverty and deficiency in basic needs, the plan placed emphasis on employment expansion and productivity enhancement as a means of increasing incomes of the poor. The plan also proposed interventions in the land market due to the growing problem of the landless poor. The plan further advocated for the introduction of economic reforms in the country, mainly at the instigation of the donor community, especially the Bretton Woods Institutions.

During the 1984/88 and 1989/93 Development Plan periods, the government took measures to liberalise the economy, emphasising the removal of structural and administrative constraints and the promotion of rural development employment creation and agricultural expansion. Sessional Paper Number 1 of 1986 on Economic Management for Renewed Growth articulated the specific measures for the structural adjustment programmes which called for a drastic review of the economic policy framework. These involved increased reliance on market forces, a reduction in the role of government in economic affairs and the creation of an enabling environment for the private sector.

The Policy Framework Paper of 1996 stilted the necessity of shifting government budgetary resources to core functions like the provision of broad-based basic education and health services and provision of economic infrastructure, with priority being given to those which reach a large number of the population, especially the poor.

The current development plan of 1997/2001 shifts emphasis to private sector investment with the aim of transforming Kenya from a predominantly agricultural economy to a newly industrialised country by the year 2020. With the theme of Rapid Industrialisation for Sustainable Development, the plan outlines the government's long-term development strategy of sustainable development with a strong industrial base. The goal of industrialisation by the year 2020 is also emphasised by Sessional Paper Number 2 of 1997 on Industrial Transformation to the Year 2020.

The development plans present government policies in addressing social and economic inequalities over time. While earlier development plans reflect strategies formed in the framework of government intervention, the later development plans, formed in an environment of liberalisation and greater private sector participation, have tended to be more macro in their approach. However, while Ihe policy measures Stipulated in the development plans and their associated paradigms have shifted over time, the development objectives have remained unchanged. Although the government has been consistent in preparing development plans, one of the major factors limiting their effectiveness has been the lack of implementation of their policies. Plan implementations have mainly suffered from policy gaps between broad national frameworks and routine sector actions and projects. Development plans have also tended to reflect donor preferences and have therefore been used us tools to attract development assistance rather than reflect real commitment to solving development problems. Over time, some of the policies stated in these plans have also missed the intended targets, thus impeding any further growth.

Special Programmes Against Poverty and Inequality

In addition to the policies and strategics spelt out in the various government policy documents, the government undertook special programmes aimed at reducing unemployment, poverty and other social inequalities. These are discussed below:

- Through the Land Resettlement and Reform Programme, the government transferred land to indigenous Kenyans using special schemes. Although the schemes were able to integrate those Kenyans who benefited into the mainstream development process, less than 5% of the population were included. Poverty and inequality thus persisted.

The Special Rural Development Programme (SRDP) initiated in 1969 had the objectives of increasing agricultural, commercial and industrial production in the rural areas; and reducing unemployment in the SRDP areas through public works and wage employment in local enterprises. Investments were made in the supply of inputs, construction of livestock marketing facilities, promotion of cash crops and provision of credit. The programme did not, however, achieve its objectives, mainly because it was centrally designed and implemented in a top-down manner.

The Rural Works Programme was initiated in 1974 to create additional rural employment by directing government finances to labour-intensive projects. The programme was designed to create jobs specifically for the rural poor while providing economically useful assets and stimulating local development efforts. The programme covered a wide field, including agricultural support projects, conservation and social infrastructure projects. Its success was mainly due to its labour-intensive nature.

The Rural Access Roads Programme was started in 1974 and aimed at using labour-intensive methods for constructing rural access roads between farming hinterlands and major market centres. It was designed to create employment in the rural areas and contribute to decentralised district level planning. It also aimed at ensuring that labour was not diverted from agriculture. The programme was successful in creating labour-intensive methods.

- The Rural Trade and Production Centres (RTPCs) were launched during the 1979/83 plan period as means of creating a balance between rural and urban areas. The programme sought to establish strong trade linkages between urban and rural sectors and spur development in selected growth centres. The programme suffered from vested interests which undermined the selection criteria, while administrative delays marred its implementation.
- The District Focus for Rural Development Strategy launched in 1983 had the objective of allocating resources on a more geographically equitable basis. The aim of the approach was to create a devolved, integrated and efficient administration at the district level and within reach of the rural citizens, However, the poor and the vulnerable who were the target beneficiaries were largely excluded from project design and implementation, limiting .success in the achievement of objectives.

These programmes reflect the government's efforts in addressing the problems of inequality. However, as early as the 1970s it became clear that the problems of poverty, inequality and unemployment were on the increase. Disparities in income and asset ownership as well as access to resources and opportunities therefore not only persisted but continued to increase.

A careful review shows that these initiatives suffered from a number of weaknesses which limited their effectiveness in achieving their goals. These included inability to target the beneficiaries, insufficient attention to involving the stakeholders, and implementation problems related to lack of resources. Failure to target and reach the vulnerable groups was also a major weakness of these initiatives,

Other weaknesses of these efforts stem from the fact that many of the initiatives did not focus exclusively on poverty and inequality. They were largely disjointed and spread over many programmes and projects competing for limited funds. Lack of coordination among the various actors, in addition to lack of, or inadequate participation by the poor and the vulnerable groups themselves also limited their ability to address the problems effectively. The impact of these initiatives was further limited by the government's failure to put in place policies that would ensure equitable distribution of income and wealth, with the result that the majority of the people did not get access to the goods and services generated from them.

Another important factor is that most of these interventions were donor driven, and were therefore not integrated into the long-term development goals of the country. The result is that they were short-term in nature and suffered from discontinuity and inconsistency. All these limited the effectiveness of these interventions in addressing social and economic inequalities. It is therefore important to assess whether the current policy initiatives are adequate to address theses problems.

The Structural Adjustment Programmes and the Social Dimensions of Development

By the mid-1980s, the country was experiencing stagnation in economic performance. This was reflected in the severe slowdown in the growth of GDP since the mid-1970s largely attributed to the country's poor economic management, and inappropriate macro economic policies. The government adopted the structural adjustment programmes (SAPs) in the context of wide ranging reforms during this period under the aegis of the World Bank and the IMF. The main elements of the reform process involved the liberalisation of trade, privatisation of public enterprises and reforms in the civil service. The reforms also involved the reduction in government expenditure which had far-reaching implications in access to some of the basic social services, like education and health, especially for the poor and the vulnerable groups,

In an effort to address the negative effects of SAPs on the vulnerable groups, the Social Dimensions of Development (SDD) Programme was initiated to address economic and social problems experienced by the low-income and vulnerable groups due to the implementation of SAPs. II embraced a combination of social action programmes, policies and poverty monitoring programmes.

Although the SDD initiatives could make important contributions to poverty reduction and address other inequalities when fully implemented, the design lacked a framework for long-term planning and policy and did not therefore provide a long-term solution to the problems of unemployment and poverty. In addition, the SDD did not become fully operational. Lack of adequate funds and appropriate inter-ministerial coordination mechanisms also impeded its full implementation. Furthermore, the existing sector priorities within which the SDD projects were conceived and implemented were not consistent with the national goals for poverty reduction and employment. Hence, many of the projects turned out to be non-targeted sectoral undertakings with minimal benefits for the poor and vulnerable groups.

Current Initiatives on Social and Economic Inequalities

In the recent past, government strategies and priorities on socio-economic development reflect a shift to a strategic focus on poverty. This is reflected in a number of policy documents which form (he framework for this shift to a strategic focus on poverty. These include the Eighth National Development Plan (1997/2001) which set the goals and objectives of the five-year cycle, the National Poverty Eradication Plan

(NPEP) which outlined the scope of poverty and set targets for its reduction, and the Interim Poverty Reduction Strategies Paper (IPRSP) which incorporated the adoption of the Medium-Term Expenditure Framework (MTEF) as the organising budgetary framework for the use of resources. The recently concluded Poverty Reduction Strategies Paper (PRSP) is an important iniliative by the government to tackle the problem of deepening poverty in the country.

The National Poverty Eradication Plan (NPEP)

The NPEP has the objectives of reducing the incidence of poverty in both rural and urban areas by 50% by the year 2015, and strengthening the capabilities of the poor and vulnerable groups to earn income. It also aims to narrow gender and geographical disparities and create a healthy, better educated and more productive population. The NPHP has been prepared in line with the goals and commitments of the World Summit for Social Development (WSSD) of 1995. The plan focuses on the four WSSD themes of poverty eradication, reduction of unemployment, social integration of the disadvantaged people, and the creation of an enabling economic, political and cultural environment.[60]

The plan is tn be implemented mainly by the Poverty Eradication Commission (PEC) formed in 1999 in collaboration with government ministries, community-based organisations, private sector, non governmental organisations, bilateral and multilateral donors. The functions of the PEC arc to monitor, co-ordinate and oversee the poverty reduction efforts by various stakeholders in the country. It is to define the enabling policy options required for the implementation of the NPEP, develop strategic sectoral policies and assist the respective sector ministries to implement their own poverty reduction targets.

Poor people and their communities are at the core of poverty eradication. The NPEP emphasises the empowerment of poor people and their communities to better manage their available resources for collective advancement. This is an important strategy in raising human capabilities and hence human development.

Poverty Reduction Strategies- Paper (PRSP)

The Poverty Reduction Strategies Paper (PRSP) is the document articulating Kenya's commitment and approach to fighting poverty. The rationale for the PRSP was that the war against poverty cannot be won without the participation of (he poor themselves. As a signatory to the resolutions of the WSSD, Kenya is committed to the eradication oi poverty as a cornerstone to human development. Initial consultations showed that national priority must be to reduce poverty and improve the well-being and standard of living of all Kenyans. This entails:

- Reducing the number of absolute poor and those living below the poverty line.
- Satisfying the basic needs of food, clean water, clothing, shelter, health services, edu-

[60] Republic of Kenya 1999b.

cation, social welfare and security.

- Breaking the self-perpetualing vicious cycle of poverty through sustainable high quality economic growth which benefits ail levels of society, especially the poorest.

The main principles of the PRSP include:

- Linking policy, planning and budgeting which ensures that implementation takes into account resource availability and constraints us well us expected outcomes.
- Harmonisation of the financing framework facilitated by the PRSP and MTEF budget.
- Quality expenditure leading to efficiency gains central to the PRSP and MTEF process.
- Equitable distribution of national resources and development initiatives by allocating resources to the priorities identified by the people,
- Giving a voice to the people. The PRSP strengthens and gives credibility to poverty reduction efforts by empowering communities to identify their basic needs and rights.

The PRSP has the twin objectives of poverty reduction and economic growth. Economic policies and strategics to be implemented under the PRSP outline a three-year macro-economic framework aimed at promoling robust economic growth and poverty reduction. It is expected to provide the basis for resource allocation and shifting of public expenditure towards priority sectors and provision of basic social services that demonstrably benefit the poor.

In its objectives, the PRSP complements other efforts to eradicate poverty. It is, for example, central to the long-term vision outlined in the NPEP which proposes a 15-year time horizon to fight poverty. The PRSP seeks to implement the NPEP in a scries of three-year rolling plans, while putting budgetary allocation aspects to the implementation process. The medium-term and long-term solutions call for focussing growth in the sectors that can easily propel economic growth, as well as reforming the public finance structure as a key long-term strategy.

The PRSP revealed not only the depth and entrenchment of poverty, but also its different dimensions. The PRSP provides an opportunity for a pro-poor growth strategy through its participatory nature, and it directs budgetary allocations to the priority sectors identified during the consultative process, By advocating for a focus on the sectors that can easily propel growth, the PRSP if successfully implemented provides an opportunity for a majority of the population to participate in the process of growth and therefore benefit from it.

Given the role of the PRSP as a blue-print for poverty reduction, an important point to be considered is the level of emphasis it places on the productive sectors like agriculture and rural development. In national consultations, agriculture and rural development were given first priority in the PRSP process. Agriculture, small-scale industries and off-farm rural activities have the highest potential benefits to the poor in the country. The PRSP emphasis on agriculture and rural development is therefore appropriate. This will need to be backed by reallocation of resources to these sectors where the poor are concentrated. However, for this to be realised, the PRSP should be able to explicitly influence general economic and social policies, and the allocation of public resources through the budgetary process.

The PRSP lacks adequate funds and the political will to implement the policies. It needs to be implemented in such a way as to ensure the access of the poor to basic social services. It should be used to target the most effective programmes with the largest impact on the poor.

An important consideration for the PRSP is how to balance its twin objectives of growth and poverty reduction. This should address not just the increase in incomes but how much the incomes of the poor will increase. For growth to contribute to poverty reduction, the PRSP needs to be accompanied by decisive public actions which remove social constraints on the poor and give them a political voice to enable them to participate economically. There is therefore the need for pro-poor policies, accompanied by favourable social and political contexts, to facilitate the development of basic human capabilities among the poor.

The PRSP is a learning process and is likely to suffer from some mistakes. For its implementation, there is need for input from the poor themselves in addition to a responsible and accountable government. It also needs to build on existing national institutions and processes against poverty, hence the need for greater coordination between the different implementing agencies.

Other Government Initiatives in Addressing Inequalities

A number of initiatives by the different government ministries are in place to directly or indirectly address the social and economic inequalities in the country. These focus on gender and other forms of inequalities in employment and access to income-earning opportunities by disadvantaged groups who include women, youth, the disabled, the aged, the retrenched and retired workers (Box 5.1).

Arid and semi-arid lands (ASALs) fall among the poorest and most vulnerable. Despite their being well endowed with livestock resources, the realisation of their full potential is limited by lack of reliable marketing outlets for livestock and livestock products, and poor infrastructure, among other things. Improving access to markets for their products provides one of the important avenues for reducing their vulnerability to droughts and poverty.

An intervention lo address the needs of the vulnerable populations in the ASALs is the Arid Land Resource Management Project (ALRMP) aimed at addressing the development constraints in ASALs by integrating the population into the country's mainstream economy (Box 5.2).

An important observation from these initiatives is that although they exist within the government to address different forms of inequalities, they appear to suffer from a lack of common objectives and coordination among the implementing ministries. There is, therefore,

Box 5.1: Addressing Inequalities with Government Interventions

- Providing access to freely chosen employment is an important means of addressing inequalities in access to income-earning opportunities. Through this policy, the National Employment Bureau in the Ministry of Labour gives priority to disadvantaged groups who are given training in skills expected to make them productive members of the society. Other areas of focus include the expansion of technical schools and institutions offering technical training for girls, affirmative action in education and employment for girls, and advocacy for the review of labour laws which limit women's access to certain forms of employment. An example is the factory law which restricts women from working night shifts. This limits women's employment opportunities.
- Unemployment of youth is a major social problem in the country. The National Employment Bureau is addressing this problem through a joint initiative with the Rotary Club aimed at registering and placing university graduates in employment. The project is intended to help youth through career guidance and counselling, and advising the Ministry of Education on the training needs in the employment market. It is also intended to strengthen the link between education, training and employment.
- Addressing the unemployment problem through the creation of a unit to export Kenyan labour with special expertise needed in other countries is yet another initiative by the National Employment Bureau. Under this initiative, there is the programme of returning labour with critical skills which are in short supply in the country. This is part of a wider programme, Migration for Development in Africa. However, labour export is a drain on the country's human resource base and a long-term recommendation is the provision of competitive remuneration packages for local professionals in order to reverse the trend.
- HIV/AIDS has become not only a health problem, but also a social and economic problem. There are therefore initiatives to address the needs of people with HIV/AIDS by sensitising the employers on the needs of the victims of HIV/AIDS. This involves advising the Federation of Kenya Employers on the code of conduct on HIV/AIDS at the workplace, providing HIV/AIDS education at the workplace for both employees and employers and sensitising employees on HIV/AIDS.
- Due to the high incidence of poverty and the rising cost of education, access to education has become increasingly difficult for a large section of the population. The Ministry of Education has come up with initiatives to address such inequalities by focussing on disadvantaged groups. These initiatives include the provision of bursary schemes to help poor children access secondary and university education, provision of textbooks for disadvantaged children at the primary level, the girl child programme in regions where the education of girls has been viewed as a problem, the establishment of boarding schools for pastoralist communities and school feeding programmes in primary schools.
- The disaster emergency response coordination by the Department of Relief Coordination is another initiative aimed at responding mainly to natural calamities like droughts and floods. An important aspect of this initiative is the delivery system which is meant to ensure that the most vulnerable members of the communities benefit. Relief is done through a community-based delivery system to ensure participation by the most vulnerable groups. Under this system, relief committees have been formed at the grassroots level to target the most vulnerable members such as women. These constitute 50% of the committee members. In addition to the provision of food supplies, there are complementary programmes to provide water, health and nutrition. Other initiatives focus on agriculture and livestock development as well as resolving of conflicts.

Source: Key informant interviews in government ministries need for stronger coordination between the different departments to ensure increased efficiency in service provision and minimum duplication of activities and interventions by the different departments. There is also the need to build common objectives among the government departments and ministries to ensure that there is cohesion and complementarity regarding their interventions. Most of these initiatives also aim at short-term interventions and responses to crises rather than long-term sustainable development policy. This limits their effectiveness and impact on socio-economic disparities. There is therefore need to integrate these initiatives into sustainable development programmes. The effectiveness of these initiatives has further been limited by the procedures for enacting policies which result in lack of implementation.

5.3 The Role of the Civil Society

Civil society organisations have an important role to play in coinbilling poverty and the reduction of social and economic inequalities. Such organisations include NGOs, trade unions, human rights groups, cooperatives, women's groups, religious groups and consumer groups,

Box 5.2: Reducing Vulnerability to Drought: The Case of the Arid Lands Resource Management Project

The main objective of the ALRMP was to reduce chronic poverty and enhance food security in the ASALs by enhancing resilience to drought, increasing incomes through linkages with the rest of the economy and addressing basic needs at he community through small-scale, community-identified and managed micro projects. Project impact was to be seen through different indicators which were to be achieved through specific strategies.

The ***poverty reduction strategy*** aimed at galvanising broad-based economic growth through improved management of livestock and labour. This would increase the incomes of the population through:

- Reduced mortality rates of livestock resources especially during periods of drought.
- Increased volume of sales due to improvements in herd growth rates to ensure larger surpluses for the markets.
- Increased farm gate prices due to improvement in quality of livestock and reduction in transportation and other transaction costs.
- The development of off-farm IGAs would help to increase the standard of living, reduce the dependence on ASAL natural resources and help stabilise income in drought years.

The ***drought management strategy*** helps reduce livestock losses, especially during droughts, through improved market linkages, animal health and farm gate prices. Improvements in the quality of livestock units and the reduction in transportation and other trading costs would directly translate into improved farm gate prices. This would improve incomes of ASAL populations which would have a multiplier effect through increased trade with the rest of the economy, thus reducing the population's vulnerability to drought-related income fluctuations and eventually the poverty level.

An ***environmental impact*** component aims to contain the deterioration of the fragile ecosystem and reduce the incidence of desertification. This would be realised by strengthening the ability of the people to plan and implement appropriate development initiatives, control access to critical grazing zones and encourage rehabilitation of pastures.

Source: Draft Report on Investment-led Poverty Reducing Employment presented at the national workshop 7–8 February 2000 among others. These organisations have major contributions lo make in pioneering new approaches to development and creating livelihoods and economic opportunities for the poor. Civil society organisations have also played important political and social roles in supporting the poor and marginalised throAugh upholding human rights and promoting transparency and accountability in public decision making.'[1] Holding the government accountable is also one of the functions of the civil society organisations ranging from community self-help groups to trade unions and political parties. This will ensure accountability in the use of public resources.

Civil society organisations have contributed to empowering the poor which is an important step in eradicating poverty. The poor need more organisational capacity and the power to influence the direction of their lives, and emphasis needs to be put on building this capacity. Civil society organisations can also be strong advocates for the interests of the poor. It is therefore in the interest of the poor for the government and civil society organisations to forge strategic alliances for poverty reduction.

Civil society organisations, like religious bodies, charitable organisations, NGOs, interest groups and professional associations are important actors in poverty eradication in the country. They support the poor and disadvantaged, monitor and facilitate the flow of information and mould public opinion on issues of common inlerest. Most of them are also involved in the community mobilisation, preparation of community action plans and building of self-reliance among the poor.[62]

A number of civil society organisations in Kenya, particularly NGOs, are involved in development initiatives addressing socio-economic problems in society. One intervention is increasing the people's capabilities through the provision of social services like water, education and health care. An important aspect of improving people's capabilities is involving communities in project management or services. This strengthens ownership and participation from beneficiaries.

Another intervention focuses on sustainable livelihoods to provide not only basic services like education and health, but also the right to humanitarian assistance and the right lo be heard. In this context, humanitarian assistance is combined with initiatives in peace making and conflict reduction, as well as providing an environment for people to be able to identify their needs and participate in problem solving.

Intervention at the policy level is mainly through research, documentation, dissemination and participation in policy dialogue. Such interventions involve influencing government policy decisions or negotiations with international organisations to protect the interests of vulnerable groups.

Most NGO initiatives tend to have geographical or sectoral focus and direct their interventions to specific sections of the population. They also lend to focus their activities on marginalised groups and specific socio-economic problems. Despite the fact that NGO initiatives are targeted at specific socio-economic problems, they are mostly short-term in nature

UNDP 1998b, pp. 59-60.
See Republic of Kenya 1999g.

and have limited geographical coverage. This limits their long-term impacts. NGO initiatives also suffer from lack of coordination among the different players, leading to both duplication of efforts, and conflicting objectives. In most cases, there is lack of coordination between NGOs and government departments operating in the same fields. This needs to be improved to increase the potential of their benefits.

5-4 Conclusions

This chapter has reviewed Kenya's economic performance and analysed the policies and programmes initiated to address social and economic inequalities in the country over time! The analysis shows that Kenya has not been able to generate economic growth necessary to reduce social and economic inequalities in the country. Where growth has occurred, it has been in those sectors with minimum impact on employment generation and poverty reduction. The slow economic growth, lack of economic diversification and declining agriculture continuing to support an increasing proportion of the population have led to the lack of expansion in wage employment, rising unemployment and consequent wide inequalities between the rural and urban areas, as well as between agriculture and non-agricultural sectors.

Past government efforts to address social and economic inequalities have suffered from a number of shortcomings. While initiatives exist by the different government departments aimed at addressing socio economic disparities in the country, they suffer from lack of coordination and common objectives among the implementing departments. It is also apparent that there is little coordination between government initiatives and those of the civil society organisations. This needs to be addressed to harness all development efforts and maximise their benefits.

There is need for a bottom-up strategy if growth is to be accompanied by a proportionate flow of increases in national income to the poor who form the majority. In Kenya, since the majority of the poor are based in the rural areas, broad-based rural development is therefore essential for reduction of inequalities.

There is also need for partnerships between the different players in development. This will ensure that critical concerns are discussed and reflected in policies. The challenge for the civil society in this respect is to be willing to develop capacity to negotiate their positions and accommodate government views.

Chapter 6
Future Policy Challenges

6.1 Shortfalls in Human Development

Human development involves the process of expanding human capabilities and access to opportunities in social, economic and political arenas, and therefore the overall improvement in the quality of life. The most basic of these capabilities are to lead long healthy lives, to be knowledgeable and to have access to the resources needed for a decent standard of living. Human development requires expanding opportunities for people to be able to do more for themselves economically, socially and politically.

Kenya has experienced declining economic performance especially since the 1980s. The gains made in the provision of social services, such as health care, access to education and literacy levels, have also considerably decreased. This trend has resulted in a drop in the human development situation in the country as reflected in the main indicators: life expectancy, per capita incomes and literacy. In addition, absolute poverty has increased, human poverty stands at 34.5% and the level of income inequality has increased.

6.2 Human Development Challenges

Since independence, the government has identified the main development challenges facing the country as the alleviation of poverty, employment creation and the reduction of unequal access to land as a major productive resource. Subsequent policy documents identified development challenges as the provision of basic needs like food education, health care, water, sanitation and housing. To address these challenges, the government put in place a number of policy measures. While the policy measures to achieve these objectives and their associated paradigms may have changed over time, the objectives and hence the development challenges have remained the same.

The trends in the country's human development underline the fact that the country faces a number of human development challenges which go beyond simply increasing economic growth to addressing the existing social and economic inequalities. These include:

- Providing an enabling environment to facilitate (he participation of all sections of the population in the produclion process through access to productive resources and opportunities.

- Expanding human capabilities by improving access to basic education, health, housing, water and sanitation.
- Increasing access to employment opportunities for the rapidly expanding labour force.
- Increasing people's capacity to assert their rights.
- Redefining the value of life in Kenya in order to increase respect for life and self-esteem in society.
- Addressing the different forms of inequalities existing between regions as well us the different segments of the population. This includes addressing inequalities which are gender-related, and other forms of inequalities affecting specific vulnerable groups.
- Addressing the problem of insecurity to enable increased investment and participation by a wider section of the society.

6.3 New Policy Directions

New policy directions are needed so as to redress inequalities In Kenya. Inequalities have contributed immensely to unacceptable levels of poverty, unemployment and general social deprivation. Poverty has placed great stress on families in general and women, children and youth in particular. These high levels of poverty have been reinforced by equally low levels of economic growth and incomes, lack of public accountability and participation by all, especially the poor. The end result has been low human development.

Because of the human development challenges in the country, there is need to refocus policy on human development. From a human development perspective, focus should be on expanding human capabilities and access to opportunities in ail spheres of life. This would entail:

- Economic, social and political empowerment as a means of changing the balance in favour of those who have been kept out of mainstream economic and social activity.
- Re-starting growth and focusing on distributional aspects through pro-poor growth strategics. Directing resources to the poor and vulnerable groups through pro-poor budgeting will form an important aspect of this strategy.

Empowerment

Empowerment includes a wide range of efforts to enhance the power of individuals, groups and organisations in society. Policies and actions intended to empower are aimed at improving the participation of Kenyans, especially (hose previously disadvantaged, in government and business, Three forms of empowerment arc necessary: economic, social and political.

Economicempowerment throughmacro-economic growthandstability

There is no doubt that growth is crucial for poverty reduction and human development. This is because growth creates economic opportunities, incomes and jobs. Recent economic performance in Kenya has been very dismal, and poverty in the country has increased. The challenge for Kenya therefore is to ensure the implementation of macro economic policies, both fiscal and monetary, that lead to growth while reducing poverty as envisaged in the PRSP. The major vehicles for this should be:

- The promotion of labour-intensive private sector-led growth by facilitating the expansion and job creation capabilities of the private sector.
- Properly implemented fiscal policies with clear growth and pro-poor effects. Taxation should in no way increase inequality and poverty but should decrease them on the margin.
- Reforming the public finance structure. This will ensure macro-economic stability and equitable economic growth,
- Environmental conservation programmes that arc labour-intensive, e.g., terracing, irrigation and afforestation.

Empowermentthrough improvedruralearnings

Over 80% of Kenya's population live in the rural areas and depend largely on agriculture, fishing, forestry and the exploitation of natural resources. Out of these, an estimated 52% (about 14 million people) are poor and live below the poverty line. A major characteristic in rural areas is the lack of employment and very low incomes. Given that so many people reside in these areas, efforts are required to improve incomes and employment. Various measures are needed to strengthen rural agriculture by addressing constraints in the sector. These include poor land use policies, limited quality of farm inputs, poor access to improved technologies, poor infrastructure, inadequate markets and market information, limited access to credit and high cost of borrowing, declining soil fertility and the effects of acceding to the WTO, COMRSA, RAC and 1GAD agreements.

Measures are also needed to improve non-farm income-earning activities such as fishing, forestry and small-scale businesses. This can be done by improving rural transport infrastructure; promoting innovative and efficient rural finance and credit supply system for farm and non-farm activities; promoting investor-friendly environments through proper policies, institutions and legal framework; improvement of communication networks in rural areas; and rural electrification.

Economicempowermentby job creation

Economic empowerment must lead to access to income-earning opportunities for poverty alleviation and human development. There is need for direct government intervention to initiate, promote and consolidate job creation programmes in the country. This should be done by financing programmes and building capacity through training. One such programme in the country is the ILO/UNDP Jobs for Africa Programme (Box 6.1).

The government has been reducing its work force, improving the productivity of enterprises and privatising state as-

Box 6.1: Jobs for Africa Programme

At the World Summit for Social Development in Copenhagen in 1995, world leaders composed of heads of state and government made ten commitments to poverty reduction in developing countries. One of the commitments specifically called for the promotion of the goal of full employment and to place the creation of employment and reduction of poverty at the centre of strategies and policies.

The ILO was mandated to lead a UN inter-agency task force. Based on this mandate the ILO created the Jobs for Africa Poverty Reducing Strategies for Sub-Saharan Africa (JFA-PRESSA) programme. Ten African countries were selected for implementation. The objectives were to conduct Investment for Poverty Reduction Employment (IPRE) studies and develop a country action programme that consists of projects and programmes aimed at employment creation and poverty reduction.

Kenya has so far met these two objectives. The IPRE study was completed in August 2000. The Country Action Programme for Kenya is also ready. A total of 70 project proposals in different sectors of the economy have been approved with a budget of US$31 million. The challenge is to raise this money. The government can play an important role here by first fully recognising the importance of such a programme and participating directly through financing and capacity building.

Source: ILO 2000

sets. These measures are part of a broader strategy of structural reform by the government expected to provide opportunities for economic empowerment. The dilemma that these measures present to the government is that they inevitably result in lay-offs and unemployment. If the government continues with privatisation and retrenchment, the result should not inevitably lead to unemployment but rather job creation. The challenge for government is to rethink its public reform strategy. The government of South Africa has opted for a public-private sector partnership rather than outright privatisation (Box 6.2).

Hollowing the opening up of the political space and the PRSP process, there is a clamour for attracting expertise from the private sector as a way of enforcing a culture of efficiency in Kenya's public sector. The Office of the President has been instrumental in contracting private sector expertise for public service. The challenge in this approach is to ensure that the experts are able to fit within public service operations in terms of being able to work with existing professionals. In addition, it will be important to raise the morale of existing experts so as not to create divisions within departments and offices.

The Ministry of Labour and Human Resource Development has also been developing an inventory of skills in Kenya so as to determine deficits or surpluses. For one or two decades, the Ministry has endeavoured to "import" professionals with skills that are scarce in Kenya (e.g., those of doctors and radiologists) as well as "export" excess skills (e.g. arts teachers and nurses). The aim is to treat skills as a commodity so as to

Box 6.2: Public-Private Partnership in South Africa

As in Kenya, privatisation in South Africa has generated a lot of debate and controversy. The major concern is that outright privatisation leads to unemployment contrary to a social pact to which the South African government is committed. As a result, the government opted for a partnership with the private sector. This partnership involves working with the private sector through contracts of various forms:

- Service contracts
- Management contracts
- Lease contracts and concessions.

The public-private sector partnership approach is seen in South Africa as a strategy to democratise the economy. The strategy is designed to ensure that the role of the government remains one of policy making, systems development, monitoring and evaluation while the private sector is expected to focus on delivery.

Source: Republic of South Africa 2000

rationalise and enhance national productivity. The challenge for human development will be to avoid brain drain and also import those skills that will not push able Kenyans out of the productive labour sector. In addition, it will be important for government to plan on using skilled Kenyans who are living and working overseas. One way of doing this is to take advantage of the fast-growing information technology so as to stimulate exchange of ideas with these experts. A human development perspective makes it imperative for Kenya to see these experts as friends of rhe country and not absconders.

Social empowerment

There are various definitions and perspectives on what social empowerment is. However, there is agreement that the two main components of social empowerment are education and health. With a legacy of social inequalities in access to health and education in Kenya, it is imperative that the government together with all other actors in the sectors map out strategies to ensure that these essential social services are available to all and particularly to those previously ignored. Social empowerment makes it imperative for Kenya to redress issues of health and education as core areas of human development.

Despite some positive outcomes as a result of the government commitment and initiatives in the health sector in Kenya, poor health still prevails in the country. There also exist regional, gender and qualitative disparities in access to health services. Poor access to health services in the country have been attributed to financial constraints, skewed expenditure in favour of salaries, inefficiency and corruption, poverty, low staff morale, inconsistent and poor implementation of policies, new health challenges such as HIV/AIDS and increased demand due to population growth. In view of the prevailing circumstances, the challenge for policy is to increase access to strategies which:

- Enhance the availability of drugs and other medical supplies in the country, especially in the rural areas;

- Target the poor and the vulnerable groups directly;
- Step up the fight against HIV/AIDS;
- Encourage and promote private and NGO sector participation in health care provision;
- Ensure quality and affordable health services to all segments of the population,

Education is crucial in enhancing the quality of individual life and that of the country. Since independence, the government has put a lot of emphasis on education as evidenced in more than ten reviews by special commissions and working parties, the latest being the Koech Commission of 2000. The sector takes about 8% of the country's GDP. Despite these efforts, education in Kenya still faces difficulties. The system faces inefficiencies and ineffectiveness, declining enrolment rates, high dropout rates especially among women and declining quality. Besides, the sector is characterised by stark regional and gender inequality.

The implication for policy is that there is need to develop and implement strategies to accelerate access, enrolment and completion. It is imperative for Kenya to focus on basic literacy and primary education, especially in the rural areas. Such a strategy needs to be responsive to gender and regional disparities. More importantly, education should be at the core of poverty reduction.

Politicalempowerment

Political empowerment calls for power sharing between central government, local authorities, NGOs, CBOs and the people. Over the years, power in Kenya has been over-concentrated in the executive, not allowing for participation by all especially the poor. Women and other vulnerable groups have particularly been disadvantaged as they have not had representation. This calls for development of both administrative and social capabilities by decentralising both decision making power and the resources for implementing those decisions. An important element of political empowerment is the need to improve governance.

Human development depends quite a lot on the effective functioning of bureaucracies, regulatory frameworks, civil liberties, and transparent and accountable institutions. The outcome of state policies and laws and the interests of the elite in society often bias incentives and public expenditure towards less socially productive assets. This erodes the benefits that would go to society and reduces the impact on welfare. In Kenya, lack of transparency and accountability in (he management of resources and funds has been cited as a main cause of poverty. Thus, investing in (he capacity for better governance should be a top priority for better economic performance and human development.

Involving all stakeholders—the private sector, NGOs, Civil society and the government—in implementing commonly shared development agenda may be necessary in forming an NGO-government partnership. An example of how this could be done through government-civil society collaboration is presented in Box 6.3. Some of the actions that could be institutionalised in this respect include empowering people through voice, participation and greater civil and political liberties and institulionalisation of participation by all groups.

Pro-Poor Growth: Focusing on the Distributional Aspects of Growth

While growth is imperative tor poverty reduction and human development, it is not always beneficial for all sections of society. For growth to be pro-poor, it needs to be rapid enough to improve the absolute conditions of the poor while improving their relative position,

This is possible either at the beginning of the growth process through an equitable distribution of human capital, land and other productive assets or by decreasing inequality during growth. The analysis in Chapter 5 of this report indicates that Kenya's growth has not in many ways been pro-poor. There is no doubt that growth needs to be re-started and in a pro-poor manner if it has to meaningful to all Kenyans.

Two important questions arise out of this: Is redistribution an option in pro-poor growth strategy in Kenya? What would it take to make Kenya's growth pro-poor? As regards the first question, it is to be noted that land ownership

Box 6.3: Civil Society-Government Partnership: The Food Rights Campaign

The food rights campaign kicked off in earnest in 1999 with a particular focus on the third Ministerial Conference of the World Trade Organization (WTO), in Seattle, USA toward the end of the year, 1999. The food rights campaign had a specific focus on the Agreement on Agriculture and the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), both due for review in Seattle. The objective of the campaign was to ensure that the review would take into account the existing imbalances and asymmetries within the agreements and ensure a pro-poor outcome.

Action Aid Kenya, an international NGO, recognised the strategic need to engage with the government with a view to addressing the key concerns in the agreement. With Action Aid leading the process, several round table consultations took place between the NGO, government and others. Fortunately for Action Aid, the government and other NGOs shared most of the concerns and a Kenya position paper was worked out. Several workshops bringing together different stakeholders were organised to strengthen Kenya's position.

The interactions with the government had the following key results:

- Action Aid together with other NGOs contributed towards raising the profile of food security as a salient feature of international trade.
- An enabling partnership was developed between civil society and government which provided input to the official government position paper to the Seattle conference.
- Action Aid Kenya was admitted as a member of the official delegation to the Seattle Ministerial Conference

This dialogue opened tremendous scope and opportunity for civil society to work with government in a way that ensures that critical concerns are discussed and hopefully addressed. It also opens challenges for both the government and civil society. For, one civil society must be willing to accommodate the views of government and to develop a capacity to negotiate their position to build a shared understanding.

Source: Action Aid Kenya 2000

and control in Kenya has over the years been so ethnicised and politicised that an equitable access can only be attained through radical reform. The "Asian tigers" are noteworthy for having instituted radical reforms in land ownership. It is quite unlikely that such reforms can take place in Kenya unless they are based on the market. This is because land ownership in the country involves emotions and provides important ways through which political influence is practised. The feasibility and relevance of land reform in Kenya varies from one area to another. In a situation whereby redistribution of land is not feasible for political reasons or too costly, creation of new assets would be a more promising avenue for improving the welfare of the poor. This would apply to both the rural and the urban poor. In Singapore, pension funds have been used as a way of redistributing assets to the poor. There is need in Kenya to search such innovative means of overall asset redistribution. A possible option in land assets would be to impose taxation for all under-utilised land. If well enforced, this would stimulate maximum use of hitherto unused land.

As regards the second question, a number of options exist to ensure the distributive aspects of growth in Kenya. These include:

- Ensuring that the poor and vulnerable groups in society can access education, technology and health services as well as land, credit, skills, training and job opportunities in the open market;
- Putting into place effective regulatory frameworks and anti-corruption mechanisms to ensure that resources reach the poor;
- Reforming, restructuring and revamping the economy to include mechanisms for mitigating the costs of the crises which are in most cases borne disproportionately by the poor;
- Adjusting macro-economic policies and especially fiscal policies to make growth pro-poor.

Directing Resources to the Poor and Vulnerable Groups

Past government initiatives to combat poverty and inequality in the country have had little impact mainly because they have not focused directly on the poor and vulnerable groups. To be successful in combating poverty, there is need to deliberately direct resources to the poor. A number of options can be pursued in this regard.

Pro-poorbudgeting

Budgets can be used to generate pro-poor effects by prioritising expenditure and tax incidence in the pro-poor direction. This would entail tilting reduction in tax burden to the poor and the other vulnerable groups. It would also mean mobilising rural savings via post office savings banks. This requires the sensitisation of rural people on the importance of savings. Directing resources to the sectors where the poor are employed—agriculture, rural off-farm enterprises, urban micro enterprises etc. For this to be effective, it is crucial to do a geographical mapping of the country in terms of the extent of poverty and human development.

Rehabilitationofpoor regions

Poverty in some areas in Kenya is due largely to factors that are region-specific. Insecurity has been identified as a principle cause of poverty in some areas where hijackings, banditry and stock theft are prevalent. In such areas, it is necessary that the government restore peace as a first step in rehabilitating the populations concerned.

Special attention to marginalised areas

The ASALs of Kenya have been left out of the mainstream socio-economic development. Addressing the specific problems in the ASALs is important for human development in the region. First, it is necessary to improve the overall economy of the ASALs fay improving livestock production through better provision of water supply. There is also need to produce drought-resistant crops such as cotton wherever possible. Promotion of land rights, protection of the environment and security are also crucial. Targeting ASALs for increased social provisioning (particularly health and education) is crucial for human development.

6.4 Role of Key Actors

In redressing socio-economic inequalities, all key actors (government, NGOs, CBOs, UN, family, private sector and individual citizens) have a role to play in the foregoing policy directions for enhancing human development. The future will require learning from one another and respecting all the different perspectives so us to come up with common objectives and a concerted framework on equity.

In human development terms, government will have to recognise and sustain strong links with civil society and the private sector. More specifically, the government will have to enhance its trust worthiness among the other development actors in addition to coming up with ways of tapping financial resources from the private sector. This will in future depend a lot on the outcome of the regulatory frameworks for addressing economic mismanagement and crimes. It will also be prudent for government to continually learn from NGOs and other development partners regarding the process and usefulness of an effective participatory approach. This is due to the fact that NGOs and CBOs have relatively more aggressive orientations to grass-roots-based synergies which have been tested and found to work.

The process started under the PRSP and NACC strategies emphasised stakeholder consultations at the local and grassroots levels. The consultations constituted a critical and hitherto unprecedented participatory mechanism in the fight against poverty. The challenge emanating from the PRSP and NACC processes is whether similar consultations will be extended to the implementation, monitoring and evaluation phases of PRSP.

Given that participation is a civil and political right of every person,[63] the government will in future have to strengthen and institutionalise consultative partnerships with all development actors because socio-economic inequalities touch the domains of all parties. It is, how-

UNDP 2000a.

Box 6.4: The Kenya Agricultural Research Institute Partnerships

Kenya Agricultural Research Institute (KARI) is one of the key institutions in the National Agricultural Research System of Kenya and has the mandate of conducting crop, livestock and other agricultural research. The Institute has had remarkable partnerships with the farming community, extension service providers, other developmental groups and local universities.

Technology development with farmers

Before the mid-1990s, scientists at KARI used to determine the research agenda, conduct research and pass on the results to the farmers through extension. Some of the products of this approach were not appropriate and consequently the adoption was very low. To align technology with farmers' needs and interests, KARI changed the approach to a participatory research methodology. Farmers participated in the process of identification of research problems, setting of priorities, implementation of on-farm research and evaluation of results. Under this programme, on-farm trials are either as farmer-managed (facilitated by researcher) or managed by researchers and farmers on farmers' fields.

This relationship has grown in popularity with KARI scientists. The farmers have increasingly gained confidence as they are treated as equal partners. There has been a two-way learning process by both the farmer and the research scientist. The scientist appreciates the farmer's capability and involvement in many farm activities. The farmer also gains confidence and becomes empowered through participation in on-farm trials. The scientists are observing enhanced technology adoption through this partnership.

Agricultural Technology and Information Response Initiative

Launched in June 2000, the Agricultural Technology and Information Response Initiative (ATIRI) is a KARI initiative with the main objective of catalysing the process of dissemination through empowering farmers to demand for agricultural production technologies and information. It also seeks to enhance partnerships with ministries, NGOs and the private sector for efficient provision of services to the farming community and tests new approaches of rapid scaling up of technologies. This initiative is a recognition that technology dissemination in this country has mainly been through a supply model and not farmer-driven. The initiative uses farmer technology demand as an entry point into many technologies developed in the Institute and other research bodies in the region. Thereafter CBOs are encouraged to set up revolving financial schemes which enable them to access other technologies.

Partnership with universities

Universities are important research and development partners in the *agricultural knowledge triangle* which embraces teaching, research and extension. The KARI mission is to conduct research on agriculture and develop and disseminate technology. The Universities' missions are to provide higher education, conduct research and disseminate knowledge to communities through outreach programmes.

Source: KARI 2001

ever, notable that participation is defined differently by the various development actors. There is thus a need to operationalise the concept of participation so as to make it more useful in the pro-poor poverty eradication approaches for redressing inequalities. A radical approach to participation will be needed so as to redress socio-economic inequalities.[64]

Another challenge is to strengthen popular local fora for pro-poor people's participation (Box 6.4). CBOs and other local institutions will require a lot of strengthening for them to enhance their negotiating competencies and capabilities. In this

Radical development analysis looks at participation *par excelfence* in terms of a process through which development targets the poor and decides when, how and in what ways they will benefit from their resource.

way, CBOs will manage to come out of the dependency that has traditionally been entrenched by the "hand-out" approaches by both government and NGOs. Useful tools in this capacity enhancement for CBOs will be community resources and mass media. Capacity building strategies for CBOs should be sensitive to inequalities in education, skills and other parlicipation capabilities between the poor, non-poor, rural, urban, regional and class categories.

6.5 Future Role of Human Development Report

Muring the process of preparing this HDR, it clearly emerged that the HDR process is still unknown by many government departments, NGOs, CBOs, universities and the common citizens. Few people have copies of the HDR and even fewer people use it. Human development is in fact confused with human resource development. The reason has been that, unlike this second Kenya HDR which aims at the institutionalisation of the process, the first HDR did not attract popular participation. In addition, many organisations and individual citizens associate the HDR process with external forces, mainly donors and bilateral and multilateral agencies.

The challenge for the future of the HDR is to make it more encompassing and participatory right from the conception of the theme on to data collection, data analysis and validation, report presentation and dissemination to the wider public. The HDR will have to be indigenised and localised in terms of the Kenya Government and development partners who should lake the lead in the overall HDR process,

Since the HDR is meant to assess progress in human development, an important role will be to stimulate national development dialogue and debate on critical human growth and welfare issues. In addition, the HDR has Ihe potential of sensitising development partners on the sectors, social groups and regions requiring urgent attention as well as the impacts emanating from past interventions.

Appendix 1 Tables

Human Development Index

District/ Province	Life Expectancy (1999)	Life Expectancy Index	Adult Literacy Rate (2000)	Adult Literacy Index	Primary School Enrol (1999)	Secondary School Enrol (1999)	Tertiary Enrol Rate (1999)
NAIROBI	**61.6**	**0.610**	**82.2**	**0.822**	**51.1**	**25.8**	**5.1**
CENTRAL	**63.7**	**0.645**	**83.9**	**0.839**	**106.6**	**31.1**	**4.8**
Kiambu	63.2	0.637	85.4	0.854	94.3	37.6	4.4
Kirinyanga	6.53	0.642	79.1	0.791	111.6	31.9	3.5
Murang'a	64.3	0.655	82.6	0.826	112.7	41.6	5.9
Nyandarua	65.1	0.668	82.6	0.826	112.8	31.1	5.2
Nyeri	63.4	0.640	84.4	0.844	114.8	37.7	5.1
COAST	**51.5**	**0.442**	**62.8**	**0.628**	**72.3**	**17.0**	**3.2**
Kilifi	51.0	0.433	50.3	0.503	72.5	14.8	2.9
Kwale	49.5	0.408	38.9	0.389	73.3	14.4	2.5
Lamu	54.8	9.497	73.2	0.732	89.0	14.7	2.6
Mombasa	52.8	0.463	88.9	0.889	57.3	13.9	3.7
Taita-Taveta	52.8	0.462	80.8	0.808	113.9	37.9	4.8
Tana River	47.6	9.377	42.9	0.429	45.1	12.4	2.1
EASTERN	**62.3**	**0.622**	**66.5**	**0.665**	**89.9**	**13.3**	**4.4**
Embu	64.5	0.658	80.6	0.806	96.0	33.5	4.1
Isiolo	51.6	0.443	79.6	0.796	57.8	10.8	4.0
Kitui	67.7	0.712	69.9	0.699	94.4	20.8	5.3
Machakos	68.1	0.718	63.9	0.639	87.1	31.0	5.1
Marsabit	55.2	0.503	17.4	0.174	60.6	3.7	0.0
Meru	68.6	0.727	70.0	0.700	93.9	22.0	3.5
Makueni	67.2	0.703	51.8	0.518	109.4	28.6	4.4
Tharaka-Nithi	62.3	0.622	66.5	0.665	80.3	11.2	4.4
NORTH EASTERN	**52.4**	**0.457**	**64.2**	**0.642**	**9.8**	**4.8**	**1.3**
Garissa	52.7	0.462	62.5	0.625	13.5	4.5	1.2
Mandera	52.7	0.462	67.2	0.672	25.9	5.0	1.6
Wajir	50.6	0.427	59.4	0.594	5.1	5.1	1.1
NYANZA	45.7	0.345	70.9	0.709	93.5	31.4	4.9
Kisii	52.1	0.452	67.7	0.677	94.1	35.7	4.6
Kisumu	38.1	0.218	83.8	0.838	118.1	36.2	5.5
Siaya	45.0	0.333	69.7	0.697	77.0	31.4	5.0
Homa Bay	46.5	0.358	69.4	0.694	95.0	15.8	2.6
Migori	45.7	0.345	70.8	0.708	93.8	14.0	0.0
Nyamira	45.7	0.345	64.1	0.641	104.6	35.8	4.9
RIFT VALLEY	**58.5**	**0.558**	**72.6**	**0.726**	**86.0**	**21.5**	**3.9**
Kajiado	60.2	0.587	48.6	0.486	58.5	11.1	2.4
Kericho	60.6	0.593	77.6	0.776	89.2	23.2	4.7
Laikipia	60.7	0.595	83.7	0.837	94.3	24.9	4.6
Nakuru	57.4	0.540	82.2	0.822	94.3	24.7	3.9
Nandi	56.7	0.528	80.8	0.808	107.9	22.3	4.8
Narok	57.0	0.533	48.7	0.487	62.4	11.6	3.3
Bomet	57.0	0.533	71.1	0.711	121.7	17.6	14.1
Baringo	55.8	0.513	80.2	0.802	101.4	25.2	4.8
Egeyo-Marakwet	61.0	0.600	76.8	0.768	92.6	42.0	4.0
Samburu	54.7	0.495	21.9	0.219	50.6	9.1	2.2
Trans-Nzoia	61.4	0.607	68.4	0.684	61.1	16.6	4.4
Turkana	42.3	0.288	28.4	0.284	68.4	10.8	1.5
Uasin Gishu	59.3	0.572	82.5	0.825	114.4	20.2	3.5
West Pokot	44.0	0.317	42.3	0.423	55.9	11.9	3.7
WESTERN	**52.4**	**0.457**	**74.6**	**0.746**	**85.1**	**28.0**	**4.7**
Bungoma	55.3	0.505	75.7	0.757	70.4	29.5	5.2
Busia	46.3	0.355	64.3	0.643	81.2	19.6	4.4
Kakamega	56.2	0.520	76.3	0.763	95.1	29.6	4.5
KENYA	**54.7**	**0.495**	**70.9**	**0.709**	**81.9**	**22.8**	**4.3**

Human Development Index

District/ Province	Overall Enrol Rate	Overall Enrol Index	Education Attainment Income	Annual per capita IPPP$	GDP per capita	GDP Index	HDI Value
NAIROBI	**62.5**	**0.625**	**0.756**	**78,644**	**3245**	**0.983**	**0.783**
CENTRAL	**80.8**	**0.808**	**0.829**	**17,829**	**736**	**0.339**	**0.604**
Kiambu	69.0	0.690	0.799	21,739	897	0.425	0.620
Kirinyanga	75.7	0.757	0.780	15,449	638	0.277	0.566
Murang'a	93.8	0.938	0.863	16,238	670	0.298	0.606
Nyandarua	92.7	0.927	0.860	15,395	635	0.275	0.601
Nyeri	85.4	0.854	0.847	19,455	803	0.377	0.621
COAST	**53.0**	**0.530**	**0.595**	**18,840**	**777**	**0.363**	**0.467**
Kilifi	57.5	0.575	0.527	13,538	559	0.219	0.393
Kwale	57.8	0.578	0.452	10,962	452	0.128	0.329
Lamu	65.1	0.651	0.705	15,818	653	0.287	0.496
Mombasa	32.6	0.326	0.701	49,254	2032	0.780	0.648
Taita-Taveta	89.7	0.897	0.838	13,018	537	0.202	0.501
Tana River	37.0	0.370	0.409	18,684	771	0.359	0.382
EASTERN	**73.1**	**0.731**	**0.687**	**15,131**	**624**	**0.268**	**0.525**
Embu	73.3	0.733	0.782	19,552	807	0.379	0.606
Isiolo	46.4	0.464	0.685	22,420	925	0.438	0.522
Kitui	80.2	0.802	0.733	10,827	447	0.122	0.522
Machakos	73.7	0,737	0.672	16,501	681	0.305	0.565
Marsabit	27.2	0.272	0.207	6,113	252	-0.126	0.195
Meru	68.7	0.687	0.696	16,998	701	0.318	0.580
Makueni	76.0	0.760	0.599	11,637	480	0.154	0.465
Tharaka-Nithi	68.7	0.687	0.672	40,263	1661	0.693	0.662
NORTH EASTERN	**9.5**	**0.095**	**0.460**	**29,677**	**710**	**0.324**	**0.413**
Garissa	11.2	0.112	0.454	35,999	861	0.407	0.441
Mandera	22.4	0.224	0.523	27,960	669	0.297	0.427
Wajir	5.4	0.054	0.414	22,174	530	0.197	0.346
NYANZA	**79.0**	**0.790**	**0.736**	**14,169**	**585**	**0.239**	**0.440**
Kisii	75.5	0,755	0.703	14,103	582	0.237	0.464
Kisumu	86.3	0.863	0.846	20,767	857	0.405	0.490
Siaya	74.3	0.743	0.712	10,874	449	0.124	0.390
Homa Bay	72.3	0.723	0.704	9,457	390	0.064	0.375
Migori	60.7	0.607	0.674	9,202	380	0.052	0.357
Nyamira	76.8	0.768	0.683	12,340	509	0.179	0.402
RIFT VALLEY	**65.2**	**0.652**	**0.701**	**15,251**	**629**	**0.271**	**0.510**
Kajiado	43.8	0.438	0.470	18,161	749	0.347	0.468
Kericho	70.2	0.702	0.751	16,494	681	0.305	0.550
Laikipia	74.4	0.744	0.806	13,121	541	0.206	0.536
Nakuru	69.9	0.699	0.781	22,383	924	0.438	0.586
Nandi	82.8	0.828	0.815	12,548	518	0.186	0.510
Narok	53.0	0.530	0.501	17,209	710	0.324	0.453
Bomet	82.2	0.822	0.748	18,663	770	0.359	0.547
Baringo	37.3	0.373	0.659	18,379	758	0.352	0.508
Egeyo-Marakwet	49.8	0.498	0.678	11,885	490	0.163	0.480
Samburu	50.0	0.500	0.313	7,451	307	-0.040	0.256
Trans-Nzoia	71.0	0.710	0.693	9,281	383	0.055	0.452
Turkana	46.8	0.468	0.345	7,459	308	-0.040	0.198
Uasin Gishu	71.0	0.710	0.787	19,173	791	0.370	0.576
West Pokot	46.8	0.468	0.438	7,624	315	-0.030	0.241
WESTERN	**76.7**	**0.767**	**0.753**	**11,191**	**462**	**0.137**	**0.449**
Bungoma	78.8	0.788	0.767	10,134	418	0.094	0.455
Busia	68.2	0.682	0.656	8,649	357	0.025	0.345
Kakamega	80.7	0.807	0.778	13,891	573	0.230	0.509
KENYA	**50.7**	**0.507**	**0.642**	**16,406**	**1022**	**0.482**	**0.539**

Gender-related Development Index

District/ Province	Life Expectancy 1999		Life Expectancy Index		Adult Education		Adult Literacy Index		Overall Enrol Rate 1999	
	M	F	M	F	M	F	M	F	M	F
NAIROBI	**60.9**	**62.3**	**0.640**	**0.580**	**83.6**	**81.2**	**0.836**	**0.812**	**67**	**58**
CENTRAL	**63.0**	**64.4**	**0.675**	**0.615**	**86.5**	**81.8**	**0.865**	**0.818**	**61**	**62**
Kiambu	62.1	63.2	0.660	0.595	87.7	83.6	0.877	53	53	
Kirinyanga	62.6	64.5	0.668	0.617	83.7	75.0	0.837	0.750	57	60
Murang'a	63.6	0.685	0.623	85.8	79.9	0.858	0.799	67	72	
Nyandarua	65.4	64.8	0.715	0.622	89.5	87.7	0.895	0.877	67	69
Nyeri	63.2	63.6	0.678	0.602	85.7	83.4	0.857	0.834	64	66
COAST	**50.8**	**52.2**	**0.472**	**0.412**	**71.8**	**55.4**	**0.718**	**0.554**	**45**	**35**
Kilifi	49.5	52.6	0.450	0.418	66.7	38.0	0.667	0.380	49	35
Kwale	49.1	49.8	0.443	0.372	45.6	33.4	0.456	0.334	50	35
Lamu	55.1	54.4	0.543	0.448	76.2	70.5	0.762	0.705	49	47
Mombasa	51.7	58.8	0.487	0.522	95.1	83.4	0.951	0.834	27	26
Taita-Taveta	52.9	52.6	0.507	0.418	88.1	76.4	0.881	0.764	31	23
Tana River	48.0	47.3	0.425	0.330	46.1	40.1	0.461	0.401	47	34
EASTERN	**61.8**	**62.8**	**0.655**	**0.588**	**68.8**	**64.7**	**0.688**	**0.647**	**54**	**54**
Embu	64.7	64.4	-.703	0.615	81.1	80.1	0.811	0.801	56	55
Isiolo	51.5	51.6	0.483	0.402	95.5	68.8	0.955	0.688	38	30
Kitui	68.8	67.7	0.772	0.670	74.3	66.3	0.743	0.663	60	56
Makueni	69.2	69.1	0.778	0.693	57.3	47.2	0.573	0.472	79	73
Machakos	67.2	69.0	0.745	0.692	61.0	65.9	0.610	0.659	54	55
Marsabit	54.9	55.5	0.540	0.467	23.4	12.7	0.234	0.127	27	18
Meru	68.4	68.7	0.765	.0.687	71.8	68.4	0.718	0.684	52	53
NORTH EASTERN	**53.0**	**51.8**	**0.508**	**0.405**	**77.2**	**51.0**	**0.772**	**0.510**	**14**	**4**
Garissa	53.7	51.6	0.520	0.402	76.3	43.9	0.763	0.439	11	5
Mandera	53.9	51.4	0.523	0.398	79.3	57.9	0.793	0.579	21	10
Wajir	52.0	49.2	0.492	0.362	73.3	47.1	0.733	0.471	14	2
NYANZA	**43.7**	**47.7**	**0.353**	**0.337**	**76.2**	**66.5**	**0.762**	**0.665**	**60**	**55**
Homa Bay	46.9	51.1	0.407	0.393	77.1	63.2	0.771	0.632	83	60
Kisii	50.1	54.0	0.460	0.442	73.6	62.7	0.736	0.627	59	55
Kisumu	36.7	39.5	0.237	0.200		79.4		0.794	68	64
Siaya	43.2	46.7	0.345	0.320	75.3	65.6	0.753	0.656	53	50
RIFT VALLEY	**57.5**	**59.5**	**0.583**	**0.533**	**76.6**	**69.1**	**0.766**	**0.691**	**51**	**46**
Baringo	55.6	55.9	0.552	0.473	83.3	77.6	0.833	0.776	62	59
Kajiado	58.9	61.5	0.607	0.567	52.6	45.1	0.526	0.451	36	29
Kericho	59.1	62.2	0.610	0.578	82.6	72.4	0.826	0.724	59	45
Laikipia	60.2	61.3	0.628	0.563	89.3	80.6	0.893	0.806	56	54
Nakuru	56.4	58.4	0.565	0.515	84.2	80.6	0.842	0.806	54	51
Nandi	53.3	58.1	0.513	0.510	82.8	78.9	0.828	0.789	62	61
Narok	55.2	58.8	0.545	0.522	50.1	47.7	0.501	0.477	41	35
Samburu	52.8	56.6	0.505	0.485	28.3	15.3	0.283	0.153	34	19
Trans-Nzoia	60.6	62.2	0.635	0.578	74.5	78.9	0.745	0.789	37	37
Turkana	41.7	42.9	0.320	0.257	41.5	47.7	0.415	0.477	41	32
Uasin Gishu	65.2	67.3	0.702	0.638	84.6	80.4	0.846	0.804	54	55
West Pokot	43.7	44.4	0.353	0.282	49.7	35.5	0.497	0.355	36	31
WESTERN	**51.3**	**53.5**	**0.480**	**0.433**	**80.2**	**69.7**	**0.802**	**0.697**	**56**	**54**
Bungoma	54.4	56.1	0.532	0.477	78.9	72.6	0.789	0.726	54	49
Busia	46.3	46.3	0.397	0.313	69.9	59.3	0.699	0.593	51	50
Kakamega	55.0	57.4	0.542	0.498	83.9	70.0	0.838	0.700	77	61
Vihiga	55.4	57.7	0.548	0.503	86.6	73.9	0.866	0.739	56	54
KENYA	**54.1**	**55.3**	**0.527**	**0.463**	**77.6**	**70.2**	**0.776**	**0.702**	**51**	**45**

Gender-related Development Index

	Enrolment Index		Education Index		Equality Distributed Expectancy Index	Equality Distributed Attainment Index	Equality Distributed Income Index	GDI
	M	F	M	F				
NAIROBI	**0.669**	**0.584**	**0.780**	**0.736**	**0.611**	**0.759**	**0.586**	**0.652**
CENTRAL	**0.606**	**0.619**	**0.779**	**0.752**	**0.643**	**0.765**	**0.372**	**0.593**
Kiambu	0.534	0.528	0.763	0.733	0.626	0.748	0.363	0.579
Kirinyanga	0.575	0.599	0.750	0.670	0.641	0.724	0.308	0.558
Murang'a	0.672	0.717	0.796	0.771	0.651	0.783	0.316	0.583
Nyandarua	0.670	0.689	0.820	0.814	0.664	0.817	0.308	0.596
Nyeri	0.644	0.657	0.786	0.775	0.637	0.780	0.347	0.588
COAST	**0.447**	**0.353**	**0.628**	**0.487**	**0.440**	**0.549**	**0.338**	**0.588**
Kilifi	0.494	0.351	0.609	0.370	0.433	0.455	0.285	0.391
Kwale	0.503	0.349	0.472	0.339	0.403	0.393	0.249	0.348
Lamu	0.493	0.474	0.672	0.628	0.493	0.650	0.298	0.480
Mombasa	0.272	0.725	0.641	0.502	0.684	0.495	0.560	
Taita-Taveta	0.309	0.230	0.690	0.586	0.456	0.634	0.277	0.457
Tana River	0.469	0.340	0.464	0.381	0.372	0.418	0.278	0.356
EASTERN	**0.545**	**0.536**	**0.640**	**0.610**	**0.619**	**0.624**	**0.303**	**0.515**
Embu	0.563	0.548	0.728	0.717	0.655	0.722	0.346	0.575
Isiolo	0.378	0.298	0.763	0.558	v439	0.646	0.361	0.482
Kitui	0.600	0.558	0.695	0.628	0.714	0.658	0.249	0.540
Makueni	0.788	0.732	0.645	0.559	0.732	0.597	0.257	0.529
Machakos	0.535	0.547	0.585	0.622	0.717	0.603	0.315	0.545
Marsabit	0.272	0.175	0.247	0.143	0.501	0.181		
Meru	0.521	0.525	0.652	0.631	0.723	0.641	0.323	0.563
NORTH EASTERN	**0.143**	**0.037**	**0.562**	**0.352**	**0.454**	**0.439**	**0.309**	**0.401**
Garissa	0.108	0.052	0.545	0.310	0.456	0.401	0.325	0.394
Mandera	0.207	0.100	0.598	0.419	0.455	0.497	0.301	0.418
Wajir	0.135	0.021	0.534	0.321	0.421	0.408	0.268	0.366
NYANZA	**0.604**	**0.552**	**0.709**	**0.627**	**0.344**	**0.664**	**0.294**	**0.434**
Homa Bay	0.830	0.604	0.791	0.623	0.400	0.692	0.223	0.438
Kisii	0.588	0.547	0.687	0.600	0.450	0.639		
Kisumu	0.679	0.639	0.226	0.742	0.217	0.350	0.416	0.327
Siaya	0.534	0.499	0.680	0.604	0.331	0.637	0.250	0.406
RIFT VALLEY	**0.513**	**0.462**	**0.682**	**0.615**	**0.557**	**0.646**	**0.303**	**0.502**
Baringo	0.618	0.587	0.761	0.713	0.509	0.736		
Kajiado	0.363	0.287	0.471	0.396	0.586	0.431	0.330	0.449
Kericho	0.594	0.451	0.749	0.633	0.594	0.687	0.319	0.533
Laikipia	0.561	0.540	0.782	0.717	0.594	0.749	0.369	0.570
Nakuru	0.542	0.512	0.742	0.708	0.539	0.725	0.368	0.544
Nandi	0.622	0.609	0.759	0.729	0.512	0.744	0.268	0.508
Narok	0.412	0.346	0.471	0.433	0.533	0.452	0.321	0.435
Samburu	0.339	0.187	0.302	0.164	0.494	0.211	0.315	0.340
Trans-Nzoia	0.366	0.368	0.619	0.649	0.605	0.633	0.218	0.486
Turkana	0.414	0.318	0.415	0.424	0.285	0.419	0.210	0.305
Uasin Gishu	0.542	0.549	0.745	0.719	0.669	0.732	0.337	0.579
West Pokot	0.364	0.315	0.453	0.432	0.313	0.438	0.183	0.295
WESTERN	**0.565**	**0.536**	**0.723**	**0.643**	**0.455**	**0.379**	**0.254**	**0.463**
Bungoma	0.539	0.494	0.706	0.649	0.502	0.675	0.237	0.471
Busia	0.514	0.495	0.637	0.560	0.348	0.594	0.212	0.385
Kakamega	0.767	0.605	0.814	0.668	0.518	0.731	0.305	0.518
Vihiga	0.565	0.536	0.766	0.671	0.523	0.712	0.305	0.513
KENYA	**0.508**	**0.451**	**0.687**	**0.618**	**0.493**	**0.650**	**0.385**	**0.509**

Human Poverty Index

District/ Province	% of people not expected to live beyond 40	Adult illiteracy (%) (2000)	People without access to:		Underweight Children below 5 years (%)	HPI
			Safe drinking water	Health		
NAIROBI	**40**	**17.8**	**34**	**45.0**	**16.3**	**32.4**
CENTRAL	**31**	**16.1**	**46**	**51.0**	**15.7**	**30.7**
Kiambu	29	14.6	32	34.1	14.8	25.0
Kirinyaga	30	20.9	65.8	31.4	25.9	32.7
Murang'a	29	17.4	76.3	40.6	17.5	34.2
Nyandarua	33	11.5	54.7	47.9	12.6	31.5
Nyeri	31	15.6	37.4	62.5	20.5	32.0
COAST	**36**	**37.2**	**28.4**	**62.0**	**27.3**	**37.5**
Kilifi	50	49.7	35.5	64.8	37.7	48.5
Kwale	31	61.1	34.8	45.1	12.7	45.7
Lamu	36	26.8	37.6	93.8	16.7	39.6
Mombasa	49	11.1	16.9	49.0	22.6	36.5
Taita-Taveta	36	19.2	46.9	77.4	29.5	39.7
Tana River	23	57.1	73.6	76.6	48.1	54.6
EASTERN	**31**	**33.5**	**46.65**	**75.2**	**27.8**	**39.9**
Embu	33	19.4	57.1	45.0	21.2	33.5
Isiolo	39	20.4	55.0	85.0	23.7	42.5
Kitui	23	30.1	86.7	86.5	28.3	48.5
Machakos	29	36.1	62.2	80.9	27.0	43.9
Marsabit	24	33.5	47.0	75.1	34.9	40.2
Meru	31	30.0	42.0	51.6	40.0	34.2
NORTH EASTERN	**45**	**35.8**	**34.15**	**89.0**	**30.0**	**44.8**
Garissa	45	37.5	21.0	89.0	41.4	44.9
Mandera	45	32.8	64.0	89.0	28.2	48.7
Wajir	42	40.6	96.0	89.0	29.4	55.3
NYANZA	**46**	**29.1**	**63.96**	**69.4**	**22.1**	**44.3**
Kisii	36	32.3	42.9	52.0	27.4	36.7
Kisumu	61	16.2	37.2	65.3	13.1	45.9
Siaya	55	30.3	59.0	64.0	22.2	46.6
RIFT VALLEY	**27**	**27.4**	**59.0**	**62.0**	**22.6**	**36.8**
Baringo	27	19.8	58.0	55.0	24.3	34.5
Kajiado	27	51.4	32.9	68.8	3.2	44.1
Kericho	33	22.4	64.8	45.1	19.4	34.9
Laikipia	35	16.3	48.2	84.0	13.7	37.8
Nakuru	36	17.8	42.4	52.0	15.5	32.3
Nandi	33	19.2	52.5	60.8	19.4	35.1
Narok	36	51.3	64.0	71.0	19.4	47.3
Samburu	50	72.4	32.6	75.0	46.2	59.6
Trans-Nzoia	27	31.6	44.8	54.1	15.1	32.8
Turkana	17	55.3	59.0	75.0	34.2	46.9
Uasin Gishu	40	19.6	26.3	72.7	18.6	35.3
West Pokot	15	64.5	91.2	66.4	38.2	59.9
WESTERN	**42**	**25.4**	**61.6**	**56.8**	**26.4**	**41.1**
Bungoma	55	24.5	25.7	55.9	26.9	42.4
Busia	58	35.7	38.6	61.1	35.6	47.9
Kakamega	40	23.7	38.2	71.9	18.7	37.4
KENYA	**34**	**26.4**	**46.4**	**51.0**	**22.5**	**34.5**

Appendix 2: Technical Notes

Technical Note 1: The Human Development Index

The Human Development Index (HDI) was calculated as an average of four indices:
Life expectancy index
Adult literacy index
Combined gross enrolment index
Adjusted real GDP per capita (PPP$) index

A: Life Expectancy Index (LEI)

LEI was calculated using life expectancy at birth and the minimum and maximum values set. The UNDP formula provided in the HDR 2001 was used.
LEI = (Life expectancy at birth – minimum value)/(Maximum value – minimum value)
The set maximum and minimum values are 85 years and 25 years, respectively
For Kenya:
LEI = (54.7 – 25)/(85 – 25) = 0.495

B: Adult Literacy Index (ALI)

ALI was calculated using adult literacy rate and the set minimum and maximum values specified with the following formula:
ALI = (Adult literacy rate – minimum value)/(Maximum value – minimum value)
The set maximum value is 100 and the minimum value is 0.
For Kenya:
ALI = (70.9 – 0)/(100 – 0) = 0.709

C: Combined Gross Enrolment Index

This was calculated from enrolment ratios for primary, secondary and tertiary education. Enrolment ratios were obtained by dividing the number of people enrolled in each education category by the number of people within the required age group. The required age group for primary education is 6–12 years, for secondary, 13–17 years and for tertiary, 18–22 years.
The combined gross enrolment ratio (CGER) was calculated as a ratio of overall enrolment in primary, secondary and tertiary education.
The CGEI is calculated as follows:
CGEI = (CGER – minimum value)/(Maximum value – minimum value)
Where the maximum value is 100 and the minimum value is 0.
For Kenya:
CGER = Total enrolment/Total population =
6,659,329/13,140,044 = 50.7
CGEI = (50.7 – 0)/(100 – 0) = 0.507

D: Adjusted Real GDP per capita (PPP$) Index (APPPI)

This was calculated by using the following UNDP formula:
APPPI[Log (real GDP per capita) – Log (Minimum value)]/[(Log (Discounted maximum value) – (minimum value)]
Where:
Minimum value is $100 and maximum value is $40,000.
Discounted maximum= US$ 6,154 (PPP)
Real GDP = GDP in 1982 prices
Real GDP per capita = Real GDP/ Population
GDP = Gross domestic product
For Kenya:
APPPI = [Log (1,022) – log(100)]/ [log (6,154) – log (100)] = 0.482

The Human Development Index (HDI)

The HDI was calculated as an average of LEI, Educational Attainment
Index (EAI) and APPPI.
HDI = (LEI + EAI + APPPI)/3
Where:
EAI = [(2*ALI) + CGEI]/3
For Kenya:
HDI = (0.495 + 0.642 + 0.482)/3 = 0.539
Where EAI = (2*0.709+ 0.507)/3 = 0.642

Technical Note 2: The Human Poverty Index

This was computed with the following variables;
Percentage of people not expected to survive to age 40 (PNS)
Percentage of adults who are illiterate (PAI)
Percentage of people without access to safe water (PSW)
Percentage of people without access to health services (PHS)
Percentage of severely and moderately underweight children under 5 years (PUC)

Percentage of people not expected to survive to age 40

This is a calculated ratio of the number of people 0–10 years old in 1959 to the number of people 40–50 years old in 1999. The number of people not expected to survive to age 40 has been estimated by subtracting the number of people 0–4 years old in 1959 from the number of people 40–44 years old in 1996. The number of people 40–44 years old has been obtained from the 1999 census. The number of people 0–4 years old in 1959 has been estimated using a compound growth rates.

PSW, PHS and PUC were averaged to obtain one variable, LS, representing living standards:

LS = (PSW + PHS + PUC)/3

Human Poverty Index-1

HPI-1 = $[(1/3\ (PNS^3 + PAI^3 + LS^3)]^{1/3} = 34.5$

For Kenya:

PNS = 34%

PAI = 26.4%

PSW = 46.4

PHS = 51%

PUC = 22.5%

LS = (46.4+51+22.5)/3 = 39.9

HPI= $[(1/3\ (34^3 + 26.4^3 + 39.9^3)]^{1/3}$ = 34.5

Technical Note 3: The Gender-Related Development Index

In calculating the GDI, the same variables as discussed in HDI above are used for women's data.

A: Equally Distributed Life Expectancy Index (EDLEI)

In computing the gender-related LEI, we used different maximums and minimums for men and women as specified in the UNDP report.

The maximum and minimum values for women are 87.5 and 27.5, respectively, and those for men are 82.5 and 22.5, respectively.

Using the UNDP formula, the EDLEI is calculated as follows:

EDLEI =1/[(Female population share/Female LEI) + (Male population share/Male LEI)]

B. Equally Distributed Educational Attainment Index (EDEAI)

This is computed using the UNDP formula:

EDEAI = 1/[(Female population share/Female EAI) + (Male population share/male EAI)]

C: Equally Distributed Income Index (EDII)

This was calculated as follows:

EDII = 1 [(Female population share/Adjusted income for women) + (Male population share/Adjusted income for males)]

Where:

Adjusted income for women = [Log (GDP per capita for women) – Log (minimum GDP per capita)]/[Log (GDP per capita maximum) – Log (GDP per capita minimum)

Adjusted income for men = [Log (GDP per capita for men) – Log (minimum GDP per capita)] /[Log (GDP per capita maximum) – Log (GDP per capita minimum)

GDP per capita for women = Women's share of the wage bill* Total GDP/ Number of women

GDP per capita for men = [Total GDP – (Women's share of the wage bill* Total GDP)]/Number of men

Women's share of the wage bill = [(Rf* Ef/ {(Rf*Ef + Em)}]

Where:

Rf = Ratio of women's income to men's income

Ef = Women's share of the economically active population

Em = Men's share of the economically active population

For Kenya:

Population

Total = 28, 684, 607

Women = 14,481,018

Men = 14,203, 589

Percentage share of population

Women = 50.4

Men = 49.5

The Equally Distributed Life Expectancy Index

Life Expectancy at Birth

Women = 54.1

Men = 55.3

Life Expectancy Index

Women = (54.1 – 27.5)/60= 0.463

Men = (55.3 –22.5)/60= 0.526

EDLEI = $[(50.4*0.463^{-1}) + (49.5*0.526^{-1})]^{-1}$ = 0.492

The Equally Distributed Education Attainment Index (EDEAI)

Adult Literacy Rate

Women = 70.2

Men = 77.6

Adult Literacy Index

Women = (70.2-0)/100 = 0.702

Men = (77.6-0)/100 = 0.776

Combined Gross Enrolment Ratio (Percent)

Women = 45.1

Men = 50.8

Combined Gross Enrolment Index

Women = 0.451

Men = 0.508

Education Attainment Index

2/3(adult literacy index) + 1/3 (combined enrolment rate)

Women 2/3(0.702) + 1/3(0.451) = 0.618

Men 2/3(0.776) + 1/3(0.508) = 0.696

EDEAI = $(50.4*0.618^{-1}) + (49.5*0.696^{-1})$ = 0.650

The Equally Distributed Income Index (EDII)

Percentage share of the economically active population

Women = 0.405

Men = 0.456

Ratio of women's non-agricultural wage to men's non-agricultural wage (w_f/w_m) = 0.88

GDP per capita: $1,022 (PPP US$)

Total GDP = $1,022*28,684,607 = 29,315,668,354

Share of women (S_f) = (0.88*0.405)/(0.88*0.405) + 0.456 = 0.438

Women total GDP = 0.438*29,315,668,354 = 12,868,653,704

Men total GDP = 29,315,668,354 - 12,868,653,704 = 16,447,014,650

Per capita women GDP = 12,868,653,704/14,481,018 = 888.65

Per capita men GDP = 16,447,014,650/14,203,589 = 1157.94

Adjusted income for women = Log [(888.65) – log (100)]/[(Log 40,000 - Log (100)] = 0.364

Adjusted income for men = Log [(1157.94) – Log (100)]/[Log 40,000 - Log (100)] = 0.408

EDII = $[(0.504*0.364^{-1}) + (0.495*0.408^{-1})]^{-1}$ = 0.385

The Gender-related Index

GDI = 1/3 (0.492 + 0.650 + 0.385) = 0.509

Technical Note 4: The Gender Empowerment Measure

This involved four indices:
Index of parliamentary representation by women
Index of administrative and managerial positions by women
Index of professional and technical positions by women
Index of men's and women's incomes

A: Index of Parliamentary Representation (IPR)

This was calculated as follows:
IPR = [Sf/Pf + (Sm/Pm) it/ 50
Where:
Sf = Women's share of population
Sm = Men's share of population
Pf = Percentage share of parliamentary representation by women
Pm = Percentage share of parliamentary representation by men

B: Index of Administrative and Managerial Positions (IAMP)

IAMP = [(Sf/Af) + (Sm/Am) it/50
Where:
Af = Women's percentage share of administrative and managerial positions
Am = Men's percentage share of administrative and managerial positions

C: Index of Professional and Technical Positions (IPTP)

IPTP = [Sf/Tf + (Sm/Tm)] it/50
Where:
Tf = Women's percentage share of professional and technical positions
Tm = Men's percentage share of professional and technical positions
The combined Index for administrative and managerial, and professional and technical positions (CIAPP)
This was calculated as the average of B and C above.
CIAPP = (IAMP + IPTP)/2

D: Equally Distributed Income Index (EDII)

This was calculated the same way as 3C above.
GEM
GEM was computed as follows:
GEM = (IAMP + CIAPP + IPR)/3

Appendix 3: Data Sources

This report has utilised data from sources of different quality. It is thus important to explain how the information was collected, its quality and the underlying concepts used in collecting the data. Such a review helps the user and reader to better understand and interpret the data.

Data for the HDR were mainly generated from three sources: administrative records, population and housing censuses, and sample surveys. Some of this information was in published form while most was unpublished. While the published information was largely in its finalised form, most of the unpublished data were raw in the sense that they were undergoing further analysis in preparation for publication. Such raw data are likely to change, albeit slightly, after further validation and are therefore provisional.

These data sources are reviewed below with a view to judging quality and limitation of usage, especially in making spatial and temporal comparisons.

Administrative Records

Administrative records mainly generated school enrolment data from the Ministry of Education for the HDR. The main weakness is incompleteness in primary and secondary school data, where only enrolment data on public schools is complete. The enrolment data for private schools is either incomplete or totally missing. The shifting of data collection responsibility from the Ministry to the Teachers Service Commission is the main cause of this weakness; the latter has failed to effectively collect data from private schools. Aggregated data on tertiary training were available from the Ministry of Education. Data from household surveys were also used.

Sample Surveys

Most of the HDR data arc derived from sample surveys conducted by CBS. The main surveys generating the data are the 1994 Welfare Monitoring Survey (WMSII), the 1997 WMSIII, the 1998 Kenya Demographic and Health Survey (KDHS), the 1998/99 Integrated Labour Force Survey and the 2000 Multiple Indicators Cluster Survey (M1CS)

The main limitation in the data is the aggregation level. The survey results are reasonable at national and provincial levels of aggregation. However, the precision of the estimates declines when we attempt to disaggregate the results to district level. This is mainly because sample size is reduced as we move from the province to focus on the district as the domain of study. This becomes more acute where there are high none responses.

The other limitation is omission of the rural areas of North Eastern Province and three other ASAL districts of Masarbit, Turkana, Samburu and Isiolo. The surveys cover only the urban clusters in these districts. Of the above listed surveys, only (WMSII) covered the rural components of such areas by use of special sampling methods for such "floating populations". Therefore, results from these districts should be indicated as representing the urban, i.e., North Eastern (urban). The urban results become more unreliable as we go down to the districts and individual towns. For example, only one cluster was covered in Isiolo town during the 2000 MICS. All seven responding households had taped water. So generalising this observation to the district or the whole town is very misleading. To overcome this problem, figures from these regions were adjusted by a computed ratio of urban to rural for the respective provinces.

Population and Housing Censuses

Data from the censuses are more reliable since they emanate from complete coverage. In particular, they arc the only sources of benchmark data for estimating and projecting demographic indicators such as life expectancy at birth, mortality and fertility.

The main constraint faced in trying to use the 1999 population and housing census data was that the data were still undergoing further cleaning. Therefore, the main demographic indicators could not be obtained from this source, for they are contained in the analytical volumes which are yet to be compiled. Only the basic results on population counts in volumes I and the housing stock in II were fully utilised.

Annual Publications

Use was made of published data contained in the two annual publications of *Statistical Abstract* and *Economic Survey*. The figures are reliable but limited to national aggregates. The other caution is that the current year figures are always provisional and hence subject to change in the subsequent editions.

Comparability and Trends

Constructing a trend using data from different surveys can be problematic, especially when there were differences in survey methodology in terms of coverage**,** data collection methods and questionnaire content, Also, spatial comparability of the results is limited if data were from different sources.

Concepts

This section attempts to explain the main concepts and unfamiliar terms in-built in the data contained in the HDR.

Household

House is the unit of enumeration that is used in all household-based sample surveys and population censuses. It is defined as a person or a group of persons residing in the same compound, answerable to the same head and pooling and sharing resources for common provisions such as food and house rent.

Workandemployment

The concept of work covers all persons undertaking economic activities for pay, profit or family gain. The term *employment* refers to performance of work. Employed persons include paid employees, self-employed (working employers and own account workers), unpaid family workers and apprentices. Employed persons so defined may work any of the non-overlapping sectors of the economy, i.e., modern sector, informal sector or small-scale agriculture and pastoratist sectors.

Unemployedand unemploymentrote

Unemployed persons generally include those who reported during the reference survey period that they were without work, were both available for work and seeking work. The unemployment rate is the percentage of unemployed to the total labour force, where labour force is the sum of employed and unemployed.

Householdincome

Household income covers *all receipts that accrued to the household or its individual members.* It is the sum of primary income (consisting of income from paid and self employment); property income (consisting of imputed rents of owner-occupied dwellings, interest received and paid, dividends received, and net rents and royalties received for the use of buildings, land, copyrights and patents); current transfers (consisting of social security benefits, pensions and life insurance annuity benefits, alimony etc.); and other benefits received by all ihe members of (he household.

Householdexpenditure.

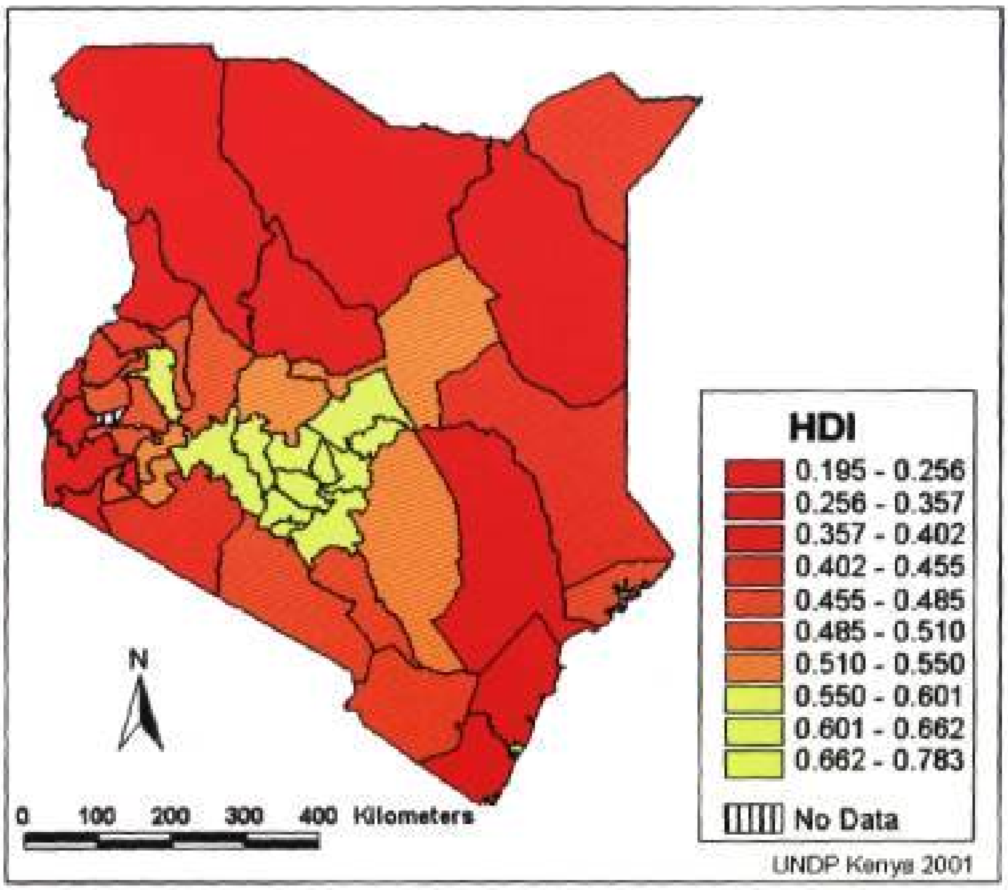
Household expenditures may be split into consumption and non-consumption expenditure. The household expenditure data contained in the HDR report refer to consumption expenditure which includes only goods and services that are acquired or purchased for household use. Consumption expenditures are further split to cash purchases and imputed expenditures. The latter include value of goods and services produced and consumed by the household during the reference period such as consumption from own business stocks or from own agricultural production, imputed rent value of owner-occupied housing and grows rental value of free employer-provided housing occupied by the household. The former covers actual expenses met by the household in paying for consumption goods and services.

District and Town Codes Used in the Report

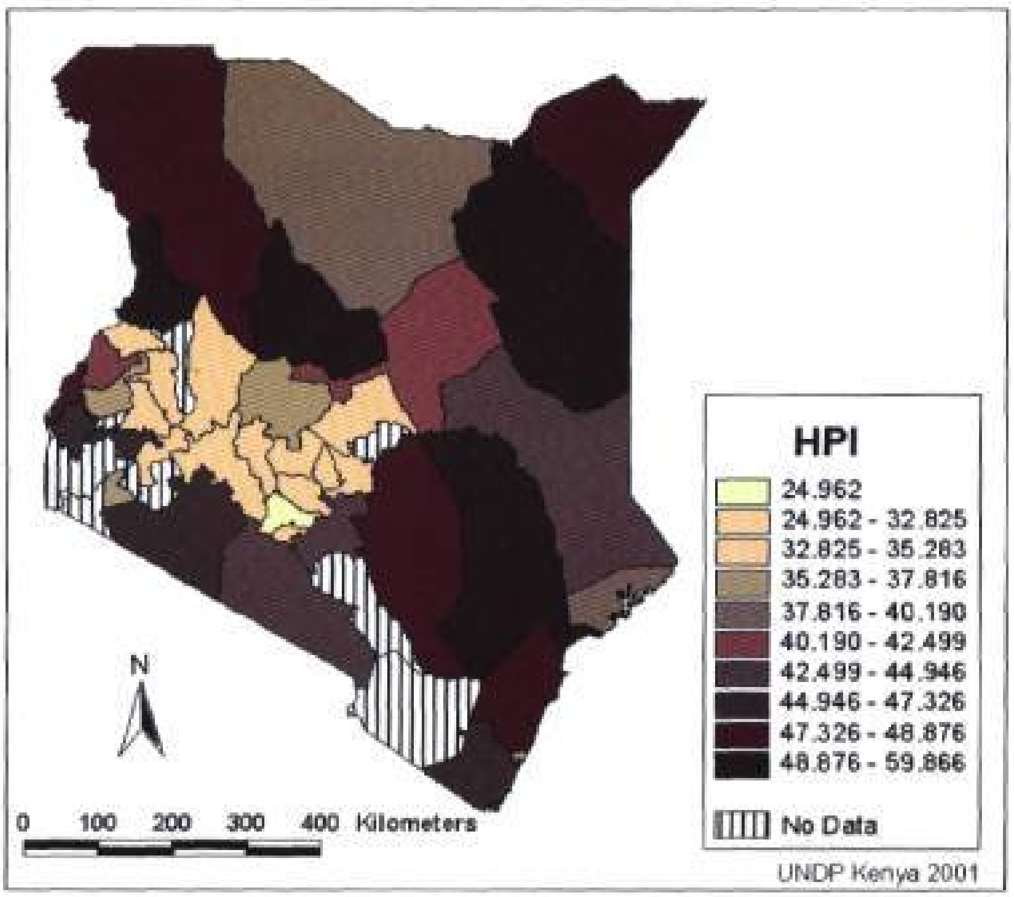
District codes	Urban stratum (Towns covered)		
11	Nairobi	01	Nairobi
21	Kiambu	01	Thika
02	Kiambu		
03	Ruiru		
22	Kirinyanga	01	Kerugoya
23	Muranga	01	Muranga
24	Nyandarua	01	Nyahururu
25	Nyeri	01	Nyeri
02	Karatina		
31	Kilifi	01	Kilifi
02	Malindi		
32	Kwale	01	Kwale
33	Lamu	01	Lamu
34	Mombasa	01	Mombasa
35	Taita	01	Voi
02	Wundanyi		
36	Tana River	01	Hola
41	Embu	01	Embu
*42	Isiolo	01	Isiolo
43	Kitui	01	Kitui
44	Machakos	01	Machakos
02	Athi River		
46	Meru	01	Meru
47	Makueni	01	Wote
48	Tharaka-Nithi	01	Chuka
*51	Garissa	01	Garissa
*52	Mandera	01	Mandera
*53	Wajir	01	Wajir
61	Kisii	01	Kisii
62	Kisumu	01	Kisumu
02	Muhoroni		
63	Siaya	01	Siaya
64	Homa Bay	01	Homa Bay
65	Migori	01	Migori
66	Nyamira	01	Nyamira
71	Kajiado	01	Kajiado
02	Ngong		
03	Ongata-Rongai		
72	Kericho	01	Kericho
73	Laikipia	01	Nanyuki
74	Nakuru	01	Nakuru
02	Gilgil		
03	Naivasha		
04	Elburgon		
05	Njoro		
06	Molo		
75	Narok	01	Narok
76	Trans Nzoia	01	Kitale
77	Uasin Gishu	01	Eldoret
78	Bomet	01	Bomet
81	Baringo	01	Eldama-Ravine
02	Kabarnet		
82	Elgeyo Marakwet	01	Iten
83	Nandi	01	Kapsabet
86	West Pokot	01	Kapenguria/Makutano
91	Bungoma	01	Bungoma
02	Webuye		
92	Busia	01	Busia
93	Kakamega	01	Kakamega
02	Mumias		
*94	Vihiga	01	Vihiga

Appendix 4: GIS Maps

HUMAN DEVELOPMENT INDEX



HUMAN POVERTY INDEX



Bibliography

Action Aid Kenya (2000), A Synopsis of Action Aid Kenya's Partnership with the Government in the Build-up to ihc Third Ministerial Conference of the World Trade Organization in 1999. Nairobi: Action Aid Kenya.

Alisena, A. and D. Rodrik (1994). "Distributive Politics and Economic Growth," The Quarterly Journal of Economics 109: 465-489.

Alisena, A. and R. Parroti (1996), "Income Distribution, Political Instability and Investment," European Economic Review 40(6): 1203-122M.

Deineger, K. and L, Squire (1996), "A New Data Set Measuring Income Inequality," World Dank Economic Review 10: 565-591.

Fajnzylbcr, P., D. Lcderman and N. Loazya (1998), "Determinants of Crime Rates in Latin America and the World," World Bank and Latin America and the Caribbean Series Paper. Washington, DC: World Hank.

Hazlewood, A. (1974), "Income Distribution and Poverty," in Killick, T. (ed.) Papers on the Kenyan Economy. Nairobi: Heinemann.

IEA (2001), "Economic Imperatives in the Context of Political Transition," The Point no. 43. Institute of Economic Affairs.

1LO(2000), Investment for Poverty Reducing Employment Study Report. Geneva: International Labour Organization Jobs for Africa Poverty-Reducing Strategies for sub-Saharan Africa (ILO/JFA-PRESSA).

ILO/KAMAT (1999), Kenya: Meeting the Employment Challenges of the 21st Century. Geneva: ILO.

KARI(2001), Partnerships: Kenya Agricultural Research Institute's Experience. Nairobi: KARI.

Klassenn, S. (1999), "Docs Inequality Reduce Growth and Development?"

Lustig, N. (1999), "Crises and the Poor: Socially Responsible Macroeconomics."Presidential address to the Fourth Annual Meeting of the Latin America and Caribbean Economic Association, Santiago, Chile.

McCormick, D. and C. Aboudha (2000), Differences Between Rural and Urban Enterprises, IDS staff seminar paper, University of Nairobi, Institute for Development Studies, May.

M inistry of Education, Science and Technology (2001), Education for All in Kenya: A Handbook for 2000 and Beyond. Nairobi: Government Printers.

Ministry of Health and National Council for Population and Development (2001) Kenya Service Provision Assessment Survey

Mwabu, G. et al. (2000), Poverty in Kenya: Profiles and Determinants. Nairobi: Department of Economics, University of Nairobi and Ministry of Finance and Planning. Mimeo.

Mwangi wa Gethinji (2000), "Income Distribution and Dualism: The Case of Kenya," Review of Development Economics 4(3).

NACC (2000), Kenya National HIV/AIDS Strategic Plan 2000-2005. Nairobi: Office of the President, National AIDS Control Council.

Nyamwaya, D. (ed.) (1997), Coping Without Coping: What Poor People Say About Poverty in Kenya. Nairobi: AMREF/ HRSSD, Ministry of Finance and Planning.

Obudho, R. A. (ed.) (1992), "Urbanisation and Planning the City of Nairobi," African Urban Quarterly 7(1,2).

Republic of Kenya (1996), Welfare Monitoring Survey 1994, Basic Report. Nairobi: Central Bureau of Statistics.

Republic of Kenya (1998), Kenya Demographic and Health Survey. Nairobi: Government Printers.

Republic of Kenya (1999a), Integrated Labour Force Survey 1998/99. Nairobi: Central Bureau of Statistics,

Republic of Kenya (1999b), National Poverty Eradication Plan. Nairobi: Government Printers.

Republic of Kenya (1999c), Economic Survey. Nairobi: Central Bureau of Statistics.

Republic of Kenya (I999d), Kenya Human Development Report 1999. Nairobi: Ministry of Finance and Economic Planning, Central Bureau of Statistics, IRIS.

Republic of Kenya (1999c), Welfare Monitoring Survey 1997. Nairobi: Central Bureau of Statistics.

Republic of Kenya (19990, The National Micro and Small Entcrprises Baseline Survey. Nairobi: Central Bureau of Statistics and International Centre for Economic Growth.

Republic of Kenya (1999g), Sessional Paper Number 3 of 1999 on National Poverty Eradication 1999-20IS. Nairobi: Government Printer.

Republic of Kenya (2000a), The Interim Poverty Reduction Strategy Paper 2000-2003, Preliminary Draft. Nairobi: Central Bureau of Statistics.

Republic of Kenya (2000b), Second Report on Poverty in Kenya, Vol. 1 and II, Nairobi; Ministry of Finance, Genital Bureau of Stalistics.

Republic of Kenya (2000c), Government Expenditures on Basic Social Services. Nairobi: Office of the President/UNDP/UNICKR

Republic of Kenya (2000d), Multiple Indicator Cluster Survey. Nairobi: Central Bureau of Statistics.

Republic of Kenya (2000e), Economic Survey. Nairobi: Central Bureau of Statistics.

Republic of Kenya (2001a), 1999 Census Provisional Results. Nairobi: Central Bureau of Statistics.

Republic of Kenya (2001b), Child Labour Report 1998/99. Nairobi: Central Bureau of Statistics.

Republic of Kenya (2001c), Economic Survey. Nairobi: Central Bureau of Statistics.

Republic of Kenya, (2001d), Kenya Service Provision Assessment Survey. Nairobi: Ministry of Health and National Council for Population and Development.

Republic *of* South Africa (2000), South Africa Human Development Report. Pretoria:

Syagga, P.M. and P. O. Ondiege (1995), Development of Informal Housing and Settlement Cooperative Society Ltd: An Evaluation of Private Community Development Project. Nairobi: USAID/LEDSO/HSA.

Tostensen, A. et al. (1998), Kenya's Hobbled Democracy Revisited: The 1997 General Elections in Retrospect and Prospect. Oslo: Norwegian Institute for Human Rights.

UNDP (1997), Human Development Report 1997. New York: United Nations Development Programmne/Oxford University Press.

UNDP (1998a), Progress Against Human Poverty in Africa. New York: United Nations Development Programme/Oxford University Press.

UNDP (1998b), Poverty Report I998. New York: United Nations Development Programme/Oxford University Press.

UNDP (2000a), Human Development Report 2000. New York: United Nations Development Programme/Oxford University Press.

UNDP (2000b), Assessment of Gender Mainstreaming in sub-Saharan Africa. New York: United Nations Development Programme,

UNDP (2000c), Poverty Report 2000. New York: United Nations Development Programme.

UNDP(2000d). Social Watch, New York: United Nations Development Programme.

UNDP (2001a), Human Development Report 2001. New York: United Nations Development Programme/0sford University Press.

UNDP (2001 b). Economic Policies and Poverty Reduction: Macroeconomics, Restructuring and Redistribution. New York: United Nations Development Programme/Oxford University Press.

United Nations (1996), Platform for Action and the Beijing Declaration: Fourth World Conference on Women, Beijing, China, 4-15 September 1995. New York: UN Department of Public Information.

Vali, J. (1982), Rural-Urban Gap and Income Distribution. Addis Ababa: ILO.

World Bank (2001), World Development Report 2000/2001: Washington, DC: World Bank.

World Bank (2000), Can Africa Claim the 21st Century? Washington, DC: World Bank.

Human Development involves expanding human capabilities and access to economic, social and political opportunities. In Kenya, as in many other places, the distribution of such opportunities is far from equal. Kenya's second Human Development Report 2001 probes these inequalities under the theme *Addressing Social and Economic Disparities*. It critically analyses the key aspects of social and economic inequalities as they affect human development in Kenya. This theme is closely linked to the government's current policy on addressing the increasing poverty in the country. It is also appropriate given the decline in economic performance and the associated increases in poverty, unemployment and the widening social economic inequalities in the country. This has led to a decline in the human development situation, reflected in the fall in life expectancy, per capita income, and school enrolment rate and rise in infant mortality and disease incidence.

The Kenya Human Development Report 2001 estimates the country's Human Development Index (HDI) at 0.539, which puts Kenya in the category of the middle human development countries. However, within the country, the HDI varies considerably across different regions. Nairobi province has the highest HDI value, almost double that for North Eastern, which has the lowest HDI. While Nairobi and other regions have HDI values, which put them in the middle human development category, North Eastern and other regions have HDI values which put them under the low human development category. This reflects the entrenchment of socio-economic disparities across regions.

The disparities call for development strategies to ensure that growth is accompanied by proportionate flow of increases in national income and resources to the poor. Since the poor in Kenya are concentrated in the rural areas, broad-based rural development policies are essential for the reduction of socio-economic inequalities. There is also need for policies to ensure equality in the distribution of resources and opportunities across regions and the different categories of the vulnerable groups. All the key actors in development have a role to play in forging policies for addressing inequalities and therefore enhancing human development.

United Nations Development Programme, Kenya
Gigiri, P.O. Box 021 - 30218 Nairobi