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SUSTAINING POVERTY ESCAPES IN **RURAL KENYA**

Policy Implications Brief

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Chronic Poverty Advisory Network

Getting to Zero

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KEY MESSAGES

- **'Growth from below'** is needed to sustain most escapes from poverty. The business environment to support agriculture, the rural nonfarm economy and the wider informal sector needs policy attention. Kenya is well placed to achieve this with its high and growing rates of financial inclusion, connectedness through mobile phones, and strenuous efforts to reduce the cost electricity. The informal sector needs to be better understood and recognised in policy.
- To enhance **food security**, public expenditure on smallholder agriculture could usefully be substantially increased. This should include greater investment in irrigation to increase and stabilise production, with support for farmer-initiated investments; in sustainable intensification of farm production, also on very small farms where the farm is primarily a safety net; in greater policing and security for vulnerable farmers and farm produce; and in measures which will increase, directly or indirectly, casual farm wages on which poor smallholders increasingly rely.
- Measures which make **rights to land** more secure for women, especially upon separation, divorce or widowhood, and which land rental markets work better will help land based strategies for escaping poverty sustainably and enhance food security.
- As part of the government's manufacturing thrust, developing **small and medium towns** as sites for manufacturing will enable migration and also links with nearby rural nonfarm and farm enterprises. This will have greater impact on poverty than concentrating industrial investments.
- Equipping the workforce with the **technical and business development skills** needed for migration or the rural nonfarm economy requires a massive investment in and upgrading of technical and vocational institutions, as well as poor people's access to these. Support for apprenticeships, including in the informal sector should be a part of this.
- The **rural nonfarm economy** will thrive if agriculture and small and medium towns thrive, and if electricity connections are affordable and reliable; and poor people will benefit from inclusion in mobile phone and financial services.
- The moves to extend **social protection** to tackle health and other risks that can impoverish can be welcomed.
- Kenya's policy framework for poverty eradication is improving; **implementation** is now the big challenge, especially in the light of the need for a portfolio response to poverty.

1. INTRODUCTION

The absence of poverty data and analysis for Kenya until March 2018 means that interventions for poverty reduction frequently focus on general sectors without a nuanced understanding of drivers of poverty. There is now the National Bureau of Statistics' 2015/6 survey data available revealing that a one percentage point per year reduction in the incidence of poverty since 2005/6, though the numbers of poor people have largely remained constant. This Policy Implications Brief stems from, and is a companion piece to quantitative and qualitative research on poverty dynamics in Kenya reported in a companion paper (Scott et al, 2018) - see Box 1. **The focus of this brief is on what findings may mean for interventions and approaches in Kenya that aim to enable poor households to escape poverty and remain out of it.**

Box 1: Research Findings

The research focuses on the drivers of sustained poverty escapes; or the factors that enable escapes from poverty to last over a period of time. Key findings from the report include those about the resource base households have, their attributes, capacities, economic activities and strategies; and the shocks they experience.

The associated report examines why some households can escape poverty and remain out of it—that is, they experience sustained escapes from poverty—while others escape poverty only to return to living in it again. It investigates various factors that enable households to escape poverty

sustainably and minimize the likelihood of returning to living in poverty again. Key findings focus on the following:

- Farming has in the past provided the major route out of poverty and market-oriented agriculture for staying out of poverty. Supporting sustainable intensification is an important programming implication. However, smallholder agriculture is less effective now, with landholdings reduced over time due to inheritance and/or market transactions, inputs being costly compared to some output prices, climate variability more pronounced, and crop and farm asset theft being common.
- The evidence is also that jobs or self-employment in the rural nonfarm economy, which could also be routes to a sustained escape from poverty, have not yet shaped up to being an adequate complement to farming. Some enabling factors for this to happen have been put in place. As noted by interviewees, the quality of implementation can be highly varied.
- Sustaining escapes from poverty is challenging: shocks to be navigated include ill health, crime leading to loss of assets and income, and climate related extreme events.
- Social capital in various forms has been a critical enabler of sustained escapes. However, excessive reliance on social capital for education and health has also held back sustained escapes: the government's recent focus on reducing the health and education burdens on households will be widely welcomed if it can be implemented.

Section 2 outlines the policy and programming context in Kenya. Section 3 pulls-out particular thematic areas that emerged from the research and discusses the implications for each theme. These themes are: access to land and engagement in agriculture; supporting migration and the rural non-farm economy; skills and not just grades: improving the transition between education and the labour market; and improving the effectiveness of social protection in addressing leading shocks. Since none of these is enough by itself to sustain escapes from poverty over time, cross-sectoral responses will be required. However, this is in a context where policy initiatives are several and well developed, but implementation is challenging. Section 4 discusses this issue.

2. THE POLICY AND PROGRAMMING CONTEXT

Following the election of a new government in 2017 there are now four political priorities ('the big 4'): deliver affordable housing, roll-out universal health coverage(UHC), increase the share of manufacturing in the economy, and improve food security. Of these three are well aligned to the strategies mentioned in this brief: (skills, migration and urbanisation in support of manufacturing employment and related self-employment; food security and agriculturally based livelihoods, and health and other critical insurance).

Recent history is one of policy reforms in the 2000s and strong global growth which led to a period of strong economic growth in Kenya, only interrupted by the 2007 post-election violence and the global food, fuel and financial crisis. The discourse on poverty reduction has been framed by the Economic Recovery and Poverty Reduction Strategies, and Kenya's Vision 2030, which included key policy measures: social protection first gained a foothold in Kenya in 2003 (Wanyama and McCord, 2017), and remains the primary intervention specifically for poor groups today. 2003 also saw the introduction of free government primary education (Universal Primary Education); argued by several key informants to be a game-changer for poverty reduction. 2013 saw the introduction of free primary and maternal healthcare.

Ambitiously Vision 2030 states that: "*The 2030 goal for equity and poverty elimination is to reduce the number of people living in absolute poverty to the tiniest proportion of the total population. Kenya will aim at a society that guarantees equality of opportunity in accessing public services and providing income-generating activities as widely as possible*". This vision is implemented through successive five-year Medium-Term Plans, with the third currently being prepared.

A flagship moment in the country's recent development was the **2010 Constitution of Kenya.** This enshrines several **rights for citizens of Kenya including to basic education and social**

security. The Constitution also paved the way for the **devolution of power to county governments**, about which the 'local knowledgeable persons' in Makueni and the male focus groups were enthusiastic.[1] Important policies from the Constitution include the **Social Protection Policy (2011),** which lays out its objective "to ensure that all Kenyans live in dignity and exploit their human capabilities for their own social and economic development", and the **Arid and Semi-Arid Lands Policy (2012)** that provides for affirmative action to address historical marginalisation.

3. KEY AREAS OF FOCUS FOR PROGRAMMING AND POLICY

ACCESS TO LAND, AGRICULTURE, AND FOOD SECURITY

Problem statement: *Market oriented small-scale agriculture is still an important contributor to sustained escapes from poverty and national food security, but this is significantly less so for the growing numbers of land-constrained, who may produce largely for home consumption. The qualitative research also highlighted frequent incidences of land grabbing, particularly from widows on the death of their husband. Given scarcity of land, farmers making purchases to improve their situation also often have to buy land far from their homestead, increasing the likelihood of theft of crops and equipment – a hazard for both household food security and earning an income from agriculture.*

Agricultural policy implications

The major policy and programming implication is the need to acknowledge the difference between land-constrained and more commercially able farmers. For the latter, farming helps with food security, but not necessarily cash incomes (Wanjala and Muradian, 2013). Farm advisers need to respond to the 'safety-net' function of these family farms, through training on sustainable agricultural intensification practices, such as soil and water conservation measures and intercropping maize with drought-resistant and high-nutrition crops. Lessons from previous interventions include the importance of addressing the particular barriers facing women farmers (Ndiritu et al., 2014), of engaging farmers in technology research and of farmers having regular contact with extension agents to increase the likelihood of adoption (Thuo et al., 2014). The research found that in land-constrained Vihiga County, an initiative focused on farms of less than one acre was able to significantly increase production,[2] though farmers also complained about the rising costs of inputs and many preferred to use manure and their own seed.

For the more commercially able, access to information and markets through ICTs and to well-functioning value chains are important (Ogutu et al., 2014), alongside investment in equipment and inputs (Mathenge et al, 2014). However, there is an urgent need to increase public expenditure on agriculture, which is low by comparison with, for example, Ethiopia, which now has one extension agent for every 472 farmers. The research found farmers' investments in irrigation a powerful contributor to sustained escapes. From the Kenya Integrated National Household Budget Survey we also know that investment in irrigation can bring especially strong returns to smallholders, increasing output by up to three times: Kenya under-invests in irrigation – 2% coverage of farmland, compared to the 6% average for Sub-Saharan Africa and 37% for Asia. There is a new irrigation policy (Box 2), so it's now a matter of implementation. There are also significant gains from [public investment in agricultural research and extension (World Bank, 2018).

Box 2: Irrigation policy

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[1]Specific benefits mentioned included: the opening of a sub-county hospital with adequate drugs & facilities; e.g., functioning maternity, X-ray & mortuary units, with an operating theatre still being set up; free treatment at dispensaries within villages, also a locus for family planning services; a local police station which brings about higher security due to more police in the area; more local employment opportunities for youth (e.g., kazi kwa vijana programme and road construction).

2 This was the One Acre Fund.

There is a new irrigation policy framework (Government of Kenya, 2015) approved by Cabinet in 2017 which establishes a National Irrigation Board and an Irrigation Development Fund to promote and manage higher levels of investment and performance at national and county levels; and there are many technologically and institutionally innovative local schemes with private and charity involvement. So it now appears to be a matter of implementation. It is important to make sure that farmers' initiatives are not ignored in the new framework: small farmers do invest substantially in irrigation, they interact with external agencies in doing so, they innovate, they manage different kinds of land tenure system, and many benefit, though some may also lose out. Policies can influence the ease with which such schemes are developed – taxation of pumps, provision of small dams, investment in roads and markets, regulation of food imports (Woodhouse et al, 2017).

In the medium-long term, land-constrained households will need to find other routes out of poverty, and rent out their land. In the short term, the numbers of such farmers is very large, and there is not a prospect of creating enough alternative jobs nor the social protection that would be required to enable widespread exits from agriculture. Achieving job-rich structural economic transformation is a major challenge (Page, 2016).

Food security

This leaves many smallholders who will be food insecure – unable to produce enough food for consumption or income with which to buy food from their shrinking plots. They can be caught between escalating food prices and escalating agricultural input prices. These smallholders will rely increasingly on casual agricultural and other wage labour to make ends meet. To ease their food insecurity government can: (i) reduce their cost of living – by paying for secondary education as currently promised and subsidising access to health, agricultural and livestock insurance; (ii) make it more possible to engage in nonfarm opportunities through skills training and the multiplication of nonfarm economic opportunities; (iii) continue to invest in both commercial smallholder and safety net farming to increase productivity and thereby food production, and (iv) tightening wage labour markets to increase wage rates, through a combination of measures to keep children in school for longer, continued strenuous family planning efforts, social protection, and when this becomes possible, implementing minimum wages legislation (Box 4).

Box 3. Minimum wages in Kenya

The 2018 Economic Survey Report (KNBS, 2018) recorded a 7.6 per cent increase in new jobs, some 897,000 jobs were created in 2017 of which 747,000 were in the informal sector. This is part of a long term trend (Owino et al, 2017). The report pointed out an increase in the average minimum wage in the informal sector at Sh8,595 in 2017 up from Sh7,284 in 2016. This compares with national legislated minimum wages of Sh6,896 upwards in 2017 – formal sector minimum wages are set by location and occupation. It is not clear the extent to which minimum wages are actually implemented, or indirectly affect wages in the much larger informal sector, or the casual agricultural wages which the poorest rely on. Nor is it clear whether minimum wages have had effects on existing jobs or job creation. In 2017 there was an 18% rise in formal sector minimum wages. This would be an opportunity for research to investigate the effects, so that policy on minimum wages in future could be based on better evidence. The Economic Survey itself contains very little information or analysis on the informal sector.

Food security can also be enhanced by the following agriculture-related measures.

Improving the functioning of land rental markets

Supporting land rental markets should be a viable route to increase land access for poor households, provided access to markets and support for increasing productivity is available (Jin and Jayne et al. 2013). There is a dearth of analysis about whether renting land is constrained or not in the current situation, and whether landowners feel adequately secure renting out land. The latter will be necessary as the size of land holdings continues to diminish. The absence of renting land in the life

histories and the quantitative data suggests that rental markets are not yet working smoothly. For this clear legislation on different types of tenancy, and access to effective local courts would be needed to enable landowners and renters to feel secure in rental arrangements.

Women's rights to land

Separated, divorced or widowed women may lose access to land when they are no longer married. Land titles in Kenya are often solely held by men. Legal and administrative reform and oversight is required to protect multiple individuals' interests in land holdings and therefore future inheritance claims. Inheritance disputes are commonly arbitrated by local leaders and corruption is a major risk to the assurance of fair hearings. Partnerships with local leaders and close monitoring of decentralised administrative practices are necessary to protect against corrupt and biased practices of inheritance adjudication (CPRC, 2011).

Tackling crop and equipment theft

Reducing theft is another measure which can enhance food security. The FGDs in this research all said that crime had reduced since the 2010 Constitution and the opening of services closer to people; by contrast life history interviewees recorded theft as a major source of impoverishment. It may be that there has been a general reduction in thefts, but that it still figures prominently in stories of impoverishment. Theft of coffee has become an issue of public discussion in Kenya, and the Ministry of Agriculture has recently developed a tracing system to combat it. In general, farm theft is widespread, little researched, and needs to be a stronger aspect of development programming. This is part of an Africa-wide trend (Bunei et al, 2016).

A rare study in Uasin Gishu County in Western Kenya indicated that more than 4 in 5 farmers have experienced theft of both grain and small tools and equipment. Thieves were believed to be poorly educated, younger men and/or seasonal casual agricultural workers, and to be suffering financial pressures and hunger (Bunei et al, 2013).

In the medium-long term, in perceptions of interviewees, jobs and higher wages for under-employed youth is the answer. In the meantime development programmes could deliberately work with underemployed casual agricultural workers to improve their life chances. Agricultural programmes rarely work with workers, something which needs to change. 'Crime can be prevented through reducing a potential thief's motivation by increasing perceived risk, improving guardianship techniques, and by making targets both less accessible and less attractive.' In the perception of farmers in the same Uasin County it is only putting more effort into guarding of property which makes a difference (Bunei et al, 2014).

In the short term, land which is especially vulnerable, such as that which is far from homesteads, needs protection from theft – perhaps farm watch schemes could be promoted by police and farmers' associations. There is little available analysis of what might work to address this common problem.[3]

SUPPORTING MIGRATION AND THE RURAL NON-FARM ECONOMY

Problem statement: *The qualitative research found migration combined with skill development to be the most prevalent strategy for a sustained escape from poverty; and education of children combined with migration of adult children to urban centres the strategy to ensure wellbeing gains are maintained into old age. While remittances increase household expenditure at all levels of the expenditure distribution, the impact has been unambiguously greatest for poorer households (Bang et al., 2016).*

[3] This is a neglected issue which deserves a CPAN policy guide.

While migration can be a critical pathway out of poverty, the costs can also be high, especially from long distance migration. The costs include: farming communities relying on the left behind, often women, or the elderly to farm and run community life – this is both a struggle for the individuals, and may have implications for productivity and food security. Social costs can also be significant – the failure of marriages, the breakup of households, the impoverishment of older people and their households. Sending communities also experience a brain drain. These costs can all be reduced if there are more localised migration opportunities and a healthy rural nonfarm economy. A constraint for a vibrant rural nonfarm economy in Kenya may be the low levels of productivity improvement in much of agriculture and resultant stagnation in agricultural incomes (Binswanger et al, 2016). A more vibrant agricultural economy is typically associated with greater nonfarm investment (Mathenge and Tschirley, 2015).

Maximizing the benefits of remittances

We know that increased access to mobile money has increased long-term consumption in Kenya, especially on school fees and agricultural investments (Kirui et al, 2013). It has reduced the number of households in extreme poverty. Also, mobile money users have been able smooth their consumption due to remittances received in times of economic shocks (Suri and Jack, 2016). There is no easily accessible analysis of whether poor non-migrants' access to mobile phones and mobile money needs improving, or of what are the ways of accomplishing that. The poorest people may be constrained by literacy and skills levels, as well as electricity connections for example, in accessing mobiles.

We know that households who have at least one member who has migrated are able to overcome barriers to use high-cost agricultural innovations–through using remittances received—thus enhancing their incomes and protecting themselves against climate change related shocks. This also works in pastoral areas for the purchase of drought-tolerant livestock (Ng'ang'a et al., 2016). However, if there is a substantial labour constraint in household farms, affordable mechanisation could be introduced as well as other enterprises, to improve labour productivity.

A focus on jobs in small and medium towns

Job creation focused on medium sized cities and small towns is likely to be more accessible to especially the poorer migrants who can travel less far and have less good networks. The World Bank ranks Kenyan small towns and medium-sized cities for ease of setting up a business: it is clear that many towns have made significant efforts to attract investors, and have changed their ranking as a result. Rural development programming in the country could usefully include a focus on improving the functioning of small and medium sized towns: if their markets for goods, services and labour work well, and they are well connected with their rural hinterland, this will be of considerable advantage to the poorest rural Kenyans.

The 'Big 4' priorities include increasing the proportion of GDP accounted for by the manufacturing sector. If this could be done by developing export promotion zones and special industrial parks in small and medium towns with the necessary infrastructure, this could help make the links to the informal economy on which most poor or vulnerable people rely, especially if the selected sectors have backward linkages into the local rural and urban economy. There are likely to be fiscal constraints on the extent to which such dispersed investments are possible.

Developing the rural nonfarm economy

Beyond small towns, the question is how to promote the rural nonfarm economy in such a way that poor people benefit. Rural nonfarm income has been associated with urban growth, but especially through the positive impact of urban growth on education (Binswanger et al, 2016). Education would seem to provide an important ticket to household economic diversification. However, our research found a weak relationship between education and sustained escapes from poverty, suggesting there was a mismatch between the skills of graduates and economic opportunities.

A World Bank global evaluation including Kenya argued that poor people did benefit from measures to enhance the rural nonfarm economy, but needed education, relevant skills training, connectivity (transport, communications, energy), finance, and legal rights to land. Exclusion based on gender, age, or identity could also prevent some poor people from benefiting (World Bank, 2017). Further, the risks are not inconsiderable – this research recorded theft of business assets as a major hazard.

How does Kenya perform on these enabling factors? Technical and Vocational Education and Training (TVET) would seem to have a way to go before it contributes adequately. Rights to land are problematic especially for separated, divorced or widowed women, and to a lesser extent for all women, as joint ownership is limited. Access to mobile phone based communication has increased dramatically, but as noted above, there is scope for greater access for the poor.

Kenya is making rapid progress to its goal of universal access to electricity by 2020, moving from 27% in 2013 to 55% in 2016. However, it has been argued that the cost of connecting can be prohibitive, and that new approaches to financing connections and subsidies for the poor will be necessary (Lee et al, 2016).

Ways to do this include: developing tariff structures which poor people with insecure or variable incomes can cope with, reducing the upfront costs of connections; and subsidising aspects of connections or tariffs (CPAN, 2013). Reducing costs also means reducing risks in the wider power system (Pueyo, 2015).

Financial inclusion has proceeded apace: Kenya leads the world in this, helped by the rapid extension of mobile coverage: 7 in 10 adult Kenyans have financial accounts, driven by the availability of mobile accounts (Financial Inclusion Insights, 2016), and there is increasing use of these accounts for 'advanced services', of which savings is the most common, though significantly less so by the poor and women than the non-poor and men. Most Kenyans live within a kilometre of a mobile money agent. The analysis of life histories features women using merry-go-rounds to invest remittance money and save, and indicate that these more basic financial tools are perhaps more important than, say, credit (Suri and Jack, 2016; CPAN 2015).

SKILLS AND NOT JUST GRADES: IMPROVING THE TRANSITION BETWEEN EDUCATION AND THE LABOUR MARKET

Problem statement: *Surprisingly, the panel data revealed that educated heads of households often experienced transitory rather than sustained escapes from poverty. This could be because of the weak links between academic education and the job market or business development. The cost of education was also mentioned prominently in virtually every interview. The qualitative research also revealed a culture of investing in academic education with both parents and siblings frequently making sacrifices so that they can pay the costs of children going to primary and secondary school, or higher. Academic education is frequently seen as 'prestigious' while vocational training is seen as 'second-best'. However, particularly in rural areas, there are few opportunities to gain direct returns from investments in academic education, with the main exception of teaching. In contrast, gaining a salaried job in an urban area, particularly in the formal sector, is one of the surest routes to sustained escapes from poverty, and education is an important (though insufficient) asset to access these types of salaried work. As one key informant interviewee commented, "employment opportunities were only available for those with skills. Social connections can also be important, and young people often lack them" (KII, 2017). Overall, formal sector jobs are rare.*

The informal nonfarm work which enables most people to escape poverty sustainably is skilled work in the informal economy, either urban or rural, often with migration for work preceding investment in a home village enterprise. Skills for this sort of work are often acquired on the job – for example, masonry, tailoring, food processing, driving. Identifying where there are skill gaps in the market and providing opportunities for poor children and young adults to acquire these skills is a clear priority emerging from this work.

Free education

There is a broad recognition that educating children provides a long-term route out of poverty, and considerable social capital is mobilised for this purpose. However, poor households can face choices between eating well, investing in farm or nonfarm business, and investing in education. Schemes to see poor children through secondary school and beyond are very much appreciated. Free education (Universal Primary Education (UPE) since 2000, and the promised free secondary education) is an important basis for education to enable upward mobility out of poverty, although preventing declining quality is a major challenge. Free secondary education will reduce dropping out which is due to inability to pay fees; though there are other costs which are also barriers to continuing in education - lunch, school uniforms, transport and boarding costs (Shiundu, 2017). It has been helpful to be able to pay secondary school fees in instalments according to some interviewees; perhaps similar payment systems can apply to other bulky costs like school uniforms. Extending social protection to reduce pressure on consumption from health or other risks will also help free up the social capital to support micro-business development.

Supporting vocational and business skills training

'We need more training in skills. There is a big push in technology, but don't think that is everything. We need people to train in hands on skills, … increase our capacity to develop industries, manufacture our own products, and that will increase jobs' said one key informant. Kenya's 2013 Technical and Vocational Education and Training (TVET) Act provides a foundation for the sector, the TVET Authority is charged with regulation, and the Permanent Working Group brings together 100 or more stakeholders involved in TVET. However, the sector has been beset with challenges (Box 3).

Box 3: Technical and Vocational Education and Training in Kiambu County

TVET is an education sector ridden with challenges which include inadequate funding, lack of modern training equipment, lack of training materials, use of outdated technology, lack of exposure to new methods of training and poor image. Research recommendations have included the provision of adequate finance so that public technical and vocational training institutions, whether these are central government or county responsibilities, to improve their performance, introduce the newest methods and technology for teaching and learning for both students and teachers, introduce performance standards and regularly evaluate the accomplishment of these standards. It is also recommended that the government should come up with way of supervising the implementation process of all its strategies for TVET to ensure effectiveness (Karemu and George, 2014).

Youth polytechnics (formerly 'village polytechnics'), supported by the county governments, have been experiencing declining demand for places, and students have quite negative perceptions, related to the quality of the teaching they experience, and inadequate links between the curriculum and the labour market (Moturi et al, 2015). There is thus a strong investment and reform programme needed here.

A more radical approach is to support the technical and business training which already occurs in the informal sector – on the job and through apprenticeships. Countries like Benin and Burkina Faso, Ghana and Senegal have done much to develop dual systems where apprenticeships also involve some classroom based learning, and private sector operators are involved in the process of curriculum development and education, or where informal firm master trainers are offered training to update their knowledge base.

Adult education for the left-behind

Rural development programming could help compensate for the brain drain – one of thje costs of migration - by supporting adult education with an emphasis on those left behind. Adult education in Kenya is a programme with a long history, but may be open to the criticism that its teachers are

trained to follow secondary school curricula rather than adult and self-directed learning: so there is a strong issue of relevance to be addressed, and professional development is required (Lombo, 2015). There may also be opposition to married women especially returning to education (The Nation, 2017), so community sensitisation may be a necessary accompaniment.

IMPROVING THE ROLE OF SOCIAL PROTECTION IN SUPPORTING SUSTAINED ESCAPES AND ACHIEVING FOOD SECURITY

Problem statement: *The research findings revealed that impoverishing shocks are widely experienced, with health shocks the most prevalent and draining of household financial resources; rainfed agriculture being risky and becoming more so with climate change; and crime, especially for female headed and older households, all of which threaten food security and cause impoverishment or temporary rather than sustained escapes from poverty. The Government of Kenya is moving increasingly away from safety-nets, particularly in the form of humanitarian food aid, towards cash transfers (Social Protection Sector Review, 2012). However, while cash transfers can have important impacts, international evidence points to the limitations of what cash on its own can achieve.*

Emerging issues in Kenya for promoting sustained poverty escapes include how cash transfers, combined with other forms of support, can best support households to be productively included in the economy as well as how social protection can provide an effective safety net from adverse shocks, both covariant and idiosyncratic, including health shocks. Of the 60 life histories collected for this research, only one person had enrolled in the government's health insurance scheme, and it had been of significant assistance to the household, contributing to a sustained escape.

The Government of Kenya is committed to the policy objectives of using social protection to; (i) strengthen the ability of households to graduate from social assistance and to become financially self-sufficient; (ii) protect households from adverse shocks (including from sickness and injury); and (iii) promote key investments in human capital and assets for the poor and non-poor to ensure resilience.

The primary cash transfers in Kenya are the;

- Cash Transfer Programme for Orphans and Vulnerable Children (CT-OVC);
- Elderly cash transfer;
- Transfer for people with severe disabilities; and
- Hunger Safety Net Programme (HSNP).

The first two programmes operate nationwide and give Ksh 2000 per month, transferred every two months, while the HSNP operates in the four poorest counties and gives Ksh 2700 per month. The first three programmes have categorical targeting, while the latter uses poverty-targeting. These programmes have reached 765,000 households and 4 million people. An evaluation of the CT-OVC points to significant impacts on beneficiary consumption, school enrolment and health outcomes (Social Protection Sector Review, 2012). The evaluation of HSNP reveals that the programme is enabling beneficiaries to smooth consumption, meet food and basic needs, pay off debts, make modest investments in small livestock and contribute to the costs of schooling children (Otulana et al., 2016). The fourth programme, the new nationwide universal pension scheme (for all Kenyan's over 70 years old) was rolled-out from January 2018 and replaces the previous poverty-targeted pension for the elderly. Given how important ageing emerged during this research as a source of impoverishment this is an important development.

Supporting households to graduate from social assistance

While social assistance, in the form of cash transfers, is playing an important role in supporting household consumption, 'cash +' approaches are required for social assistance to support sustained poverty escapes. The discourse in Kenya is increasingly around how can cash transfers be better used to 'graduate' people with productive potential out of poverty; to develop 'cash+' approaches,

either through a focus on building human development or through promoting livelihoods opportunities. Several pilots are being implemented including linking cash transfers with:

- Health and education messaging – CT-OVC already works with public service messages – promoting positive messages at times of payment and enrolment – including on birth registration and the importance of attending school and preventative health services. Family planning messaging is also suggested as possibly being important for HSNP beneficiaries. It is important also to consider service supply if promoting the use of certain services;
- Social networks: this includes the pilot linking pensions for the elderly with social networks through forming welfare committees;

Key informants also suggested other linkages that would be worth exploring in the future:

- Financial inclusion and financial literacy training – this could include linking beneficiaries with savings groups and credit access, including through using mobile banking, if possible. A key question here is which financial training modules would be most important – with suggestions including record-keeping and increasing understanding of the terms and conditions of credit as well as training on planning for the future[4];
- Livelihoods conditionality – this could include beneficiaries undertaking particular activities that can support disaster risk reduction and environmental restoration, including as outlined in county and community management plans e.g. planting trees in ASAL regions as a condition of programme engagement.
- The jobs agenda – there is a real push by the Government of Kenya to link safety nets with jobs. This could involve linking OVC bursary beneficiaries with training or youth programmes including National Youth Services;
- Regular mentoring – to support people to start income generating activities and to invest in their household for the medium-term;

Protecting households from shocks with social protection

Shock-responsive social assistance: the HSNP, as currently designed, has the objective to tackle chronic poverty. However, there is increasing interest in Kenya on using social assistance, instead of using emergency assistance to respond to what are essentially regular events. The question then becomes how can social assistance be used not just to tackle chronic poverty but also to prevent the vulnerable from falling into poverty in the event of particular shocks.

A shock-responsive element was added to the HSNP three years ago, where in the case of certain early warning triggers for droughts of different severity, payments for the vulnerable non-poor are also made. One shortcoming of the current approach is that there is a lot of confusion locally about who gets support, why and for how long following the trigger. An alternative approach here, as used in Ethiopia's Productive Safety Net Programme, could be to give vulnerable non-poor households predictable payments during the 3-4 month annual hunger gap. Indeed, this approach of providing seasonal cash transfers could be an important addition to other types of development intervention to protect gains during the lean season. A future agenda is to investigate how responses to other shocks, including floods and fires (particularly in urban areas) can be incorporated into programme design. Currently there are discussions around setting aside a contingency fund to enable social assistance better to respond to shocks. The government now also has major initiatives to extend agricultural and livestock insurance, which will be worth watching (Nzau, 2017). Box 5 has some analysis of this.

Combining social protection instruments to protect against health shocks: health shocks emerged in this research as an important driver of transitory escapes. The Government has prioritised Universal Health Care (UHC) and aims to achieve this by 2022. A key instrument to achieve UHC is the

[4] The link between social protection and financial inclusion is discussed in CPAN, 2015

National Hospital Insurance Fund (NHIF). Coverage can be easily arranged only for those in formal paid employment, and only civil servants receive cover as a matter of course. Since 2013 the government has made attempts to extend coverage to the majority of the population not in formal employment, including through a subsidy programme, but enrolment by informal economy workers is voluntary and take-up by this group remains low. During the qualitative fieldwork for this study statements such as 'I am not interested' were common, reflecting awareness of the scheme but a range of barriers to enrolment including the expense, time and effort required. There was also scepticism that even as a member that you would be able to get optimal healthcare[5]. A priority could therefore be to investigate further the range of specific barriers informal economy workers face in enrolling on the NHIF and implement measures to overcome these.

An alternative approach, as currently implemented under the universal pension scheme, is automatically to enrol social assistance beneficiaries onto the NHIF and for the government directly to pay the premiums for these groups. However, for the NHIF to be an effective tool to protect households against health shocks, both ensuring the financial health of the scheme[6] and investing sufficiently in health services to deliver for an increased number of people is essential. Lessons could be learned from low income countries which have expanded health insurance to cover most of the population, including Rwanda, where ill health as a source of impoverishment and temporary escapes from poverty has been all but eliminated as a result of the improvements made to the health service, and the compulsory nature of the health insurance scheme, and the subsidies paid for the poorest people (Box 4).

Box 4: Rwanda's Health Insurance: achieving resilience at a lower level of assets and income

In Rwanda stories of downward mobility experienced as a result of ill health are uncommon. This is not the case everywhere else this research has been carried out. Ordinarily health shocks – illness or accident – which are in fact regular parts of a person's life - could lead to selling assets to finance medical attention, followed by periods of unemployment and or caring for the ill – both which reduce time for making a living. There is some asset selling for those who are uninsured, but it was much rarer compared to other studies. Emmanuel for instance survived a bad motorcycle crash which could have left him permanently disabled – instead he was healed and though he complains of medical costs the family prospered after he was healed rather than become impoverished. The health insurance programme was the most appreciated of all Rwanda's anti-poverty efforts (Da Corta et al, 2018).

Box 5: Index Based Crop and Livestock Insurance

Index-based weather insurance is now being rolled out in the Kenya National Agricultural Insurance Programme, with a focus on maize, wheat and livestock insurance, with plans to reach 33 farming counties by 2020. The objectives are to tackle the low investment-low productivity trap and reduce expenditure on disaster relief. The main challenge to the several insurance pilots which have taken place prior to this national scheme, and which the national scheme will have to address, is uptake. According to surveys, uptake has been low because of lack of knowledge, but also unfavourable pricing of insurance; untrustworthiness or mistrust of insurance; and disinterest/inaction. Farmers grow multiple crops with different maturity periods, including vegetables and many inter-crop, whereas the scope of insurance is for specific crops only; risk are diverse (including post-harvest), and rainfall deficit is not always the major risk; they have their own risk mitigation strategies and are liquidity constrained so innovative ways of collecting premiums are needed. Intensive

[5] Holmes and Scott (2016) provide an overview of the main barriers facing informal workers, and particularly women, in enrolling onto social insurance schemes. Holmes, R. and Scott, L. (2016) Extending social insurance to informal workers: A gender analysis. London: ODI.

[6] The NHIF's high administration costs also need to be reduced. Currently, approximately 40% of its expenditure goes on administration in comparison to the 3%-4% norm for national health systems and there are repeated allegations that corruption is rife.

marketing/awareness raising will have to confront the negative experiences some farmers have already had with agricultural insurance. Savings groups could be a useful basis for group based insurance. (AKI, Consumer Options, 2016).

Index Based Livestock Insurance (IBLI) does little for pastoralists with a low beginning herd size (e.g. 5 TLU). IBLI cannot prevent those households from falling into destitution given how far they are beneath the critical herd growth threshold (about 15 TLU). We find that household initial herd size – i.e. ex ante wealth – along with insurance premium loadings are the key determinants of IBLI impacts, more so than household risk preferences or basis risk exposure. IBLI works least well for the poorest, whose meagre endowments effectively condemn them to herd collapse given prevailing herd dynamics. IBLI is most valuable for the vulnerable non-poor, for whom IBLI can stem collapses onto a trajectory of herd decumulation following predictable shocks. In order to make IBLI work as an economic development tool, promotion of IBLI might need to be complemented by promotion of asset accumulation programmes. This could include targeted asset transfer programmes to move the poor first toward the critical herd size threshold (Chantarat et al. 2017).

4. TOWARDS A PORTFOLIO RESPONSE

This research reveals that there is no 'silver bullet' for promoting sustained poverty escapes but building resilience is key. This requires investing in comprehensive and integrated programs and policies that complement government services. This however, poses challenges for implementation, particularly for identifying entry-points for interventions and risks programmes falling into the trap of 'trying to do everything'. Strategies need to recognise this complexity, and develop both appropriate programmatic focus, as well as the necessary links with other programmes or broader policy implementation. The government is at least clear on its priorities 'the big 4', but not particularly on the links between these and other areas of government policy.

IMPLEMENTATION, IMPLEMENTATION, IMPLEMENTATION

At a workshop held to discuss these research results, a big emphasis was placed on implementation – Kenya is good at developing policies, even policies which acknowledge poverty as an issue and include strategies to address exclusion. The issue was felt to be implementation of such policies, which often leaves much to be desired. Kenya's 2017 National Report on the Implementation of the SDGs mentions 'inadequate disaggregated data, high stakeholder expectations and inadequate funding for SDGs, as the principal constraints (Government of Kenya, 2017). This is partly a question of the governance reforms put in place by the 2010 constitution, especially devolution to county governments. And partly a question of putting in place the processes which enable successful implementation in the context of devolution. Problems in doing the latter include: the issue of achieving quality in service provision, which is partly a result of mismatches between resources actually available and rising demand (a planning issue); also a result of the focus on limited metrics to measure success, such as the input rather than outcome measures used in education (Chege et al, 2015). Corruption has also been a feature of attempts to improve the access of poor people to services, as in education where bursaries have often gone to the undeserving (Ibid). Anti-corruption measures have been in place for at least two decades, but its persistence relates to the weak powers available to anti-corruption bodies, and the lack of political will to tackle the issue.

Devolution is a long and challenging reform process. The transfer of functions has been fraught with difficulties, for example, in health, where human resource management and essential medicines and medical supplies were transferred to Kilifi County (for example) without adequate preparation of the county's capacity (Tsofa et al, 2017). More broadly, the devolved health sector faces 'monumental challenges ranging from capacity gaps, human resource deficiency, lack of critical legal and institutional infrastructure, rampant corruption and a conflictual relationship with the national government. The net effect of these challenges is the stagnation of healthcare and even a reversal of some gains according to health indicators' (Kimathi, 2017).

The key informants for this research identified some additional issues required for good quality programme implementation (Box 6). The latter two should at least in theory be easier to achieve in ad decentralised system.

Box 6: Elements of 'good programming' for sustained poverty escapes, according to key informants

Having an exit strategy from the outset: Key informants suggested that some integrated programmes, particularly those implemented through non-government actors, have been less successful than envisaged as they didn't have a clear exit strategy. For instance, if the exit strategy envisages passing responsibility over to county governments then it is important to involve these governments from programme inception.

Participation and capacity building: Additionally, it is important to engage and mobilise all key stakeholders, including beneficiaries, from the outset. This can improve programme design, implementation and acceptance. Participation can also be a means to build the capacity of people throughout the life span of the project. It can also be important to engage both adult men and women in the household. It was believed that 'people can move out of poverty faster if they are involved in day to day governance and legislation'.

Promote empowerment rather than generate dependency: Key informants note that it is important that programmes are designed to support capacities, rather than to generate dependency. Under the BOMA project, for instance, beneficiaries are only eligible to benefit once from a capital transfer. Others highlight the need to focus on changing people's mindsets, or to empower beneficiaries and give them information they need to demand certain services or support from the government.

INTEGRATED PROGRAMMING FOR SUSTAINED POVERTY ESCAPES

The rationale behind integrated programmes is that the poorest households require intensive support to support them to overcome the complex barriers that trap them into poverty. Not everything needs to be integrated – for example, a functioning health insurance scheme can be a standalone service, which supports the outcomes which can be achieved through livelihoods focused programmes.

WFP's Cash for Assets layers support to beneficiaries including access to credit, commercial markets, insurance schemes, connections to markets and the private sector as well as public procurement processes (Bankable Frontier Associates, 2014). This often takes the form of providing information and training rather than cash support. These forms of support vary according to livelihood zone and household capacities.

The BOMA project (n.d.) operating in the ASALs meanwhile, as well as layering initial support in the form of seed capital, business and life-skills training, a savings program, and two years of mentoring, also sequences support through facilitating market linkages (including for milk and yoghurt) and access to technical training for beneficiaries following their initial two years of programme involvement.

Linkages and referrals

Integrated programmes are not always viable, given their implementation complexity. An alternative approach is to develop a linkage and referral system whereby beneficiaries of one programme are linked to another. This requires a supportive policy environment (for instance that beneficiaries are allowed to 'double-dip' in terms of engaging in more than one programme), as well as appropriate tools. In Kenya, for instance, the single registry that brings together beneficiaries of the four main social protection programmes, as well as selected non-government programmes is an important development. For instance, WFP acknowledges that not all beneficiaries of its Cash for Assets

programme will be able to 'graduate' and rather estimates that a proportion (around 10%) of beneficiaries will need to be linked with longer-term cash transfers.

Some coordination and joint-planning is necessary if interventions are to support the outcomes of each other. This will likely require a coordination body, such as NDMA for the ASALs. Alternatively, the county governments can play a central role in coordination and planning in the context of devolution. For instance, the BOMA project reports that women are now seeking family planning services more frequently. Ensuring that project activities take place in areas where these services are available and vice versa can increase impacts.

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