Introduction

Poverty remains a pervasive national problem presenting formidable challenge, which call for urgent action. According to Welfare Monitoring Surveys carried out by the Ministry of planning and National Development, 47% of Kenya rural population and 29% of the urban population are living below the poverty line as of 1994. This translates to nearly 13.2 million Kenyans out of an estimated population of 30 million, who cannot afford a decent meal, provide adequate shelter for themselves or educate their children.

The problem of poverty goes beyond income measures. Poverty is multi – dimensional, it includes deprivation in knowledge, in life expectancy and the quality of life. It usually manifests itself in the hunger, malnutrition, illiteracy, lack of shelter and failure to access essential social services such as basic education, health, water and sanitation. While poverty relates to lack of basic materials needs. It also signifies lack of or deficiencies of social, economic and cultural rights which individual, household or community hold as important or vital for their existence survival or well being.

(Source: National Poverty Eradication 1999 – 2015)

Definition of Poverty

A classic definition of poverty is 'the inability to attain a minimal standard of living' measured in terms of basic consumption needs of income required for satisfying them. Poverty is thus characterized by the failure of individuals, households or entire communities to command sufficient resources to satisfy their basic necessities.

(Source: Spatial maps, Targeting & mapping poverty, UNECA)

Kenya – Position

Kenya covers an area of 581,677 km^2. It borders Ethiopia to the north, republic of Tanzania to the south, Somali to the east and north east, Uganda to the west, Sudan to the north west and Indian Ocean to the south east.

(Source: Ageing and Poverty in Kenya, country report of the regional workshop, Tanzania – 29th – 31st October, 2003)

Kenya Urban & Rural Population
One of the most important purposes in studying demographic aspects of households and families is to gain knowledge of factors affecting their dimensions and trends. A society's sex and age structure assumes particular importance for the functioning of the economy, since the two attributes constitutes the main criteria for determining the division of labour, the structure of the population with 62.5 percent being below age 19.

Table 1: Kenya percentage distribution of poverty by sex

Kenya	Non-poor			Poor			% Of total population	
	Total account	Male	Female	Total account	Male	Female	Non-poor	Poor
Total	14,883,471	48.9	51.1	11,540,089	49.8	50.2	56.3	43.7

Head of household
The head of the household is the key decision- maker, i.e.the centre of all decisions made within the household and his authority is acknowledged by other members of the household.

Table 2: Kenya percentage distribution of household heads by poverty and sex

Kenya	Non-poor			Poor		
	Total account	Male	Female	Total account	Male	Female
Total	3,234,957	76.2	23.8	1,814,565	74.2	25.8

(Source: Poverty in Kenya, Ministry of Planning and National Development
July 1998)

Table 3: Demographic data in Kenya

Demographic data	Year	Estimate	Source
Total population (million)	2004	32,420	UN population division data base
Female population aged 15-24 (million)	2004	3,929	UN population division data base
Population aged 15-49 (million)	2004	16,356	UN population division data base

Annual population growth rate (%)	1992-2002	2.3	UN population division data base
% of urban population	2003	38.8	UN population division data base
Average annual growth rate for urban population %	2000-2005	4.42	UN population division data base
Total fertility rate %	2002	4.1	World Health Report, 2004, WHO
Under 5 mortality rate (per1,000 live births)	2000	113	World Health Report, 2004, WHO

Economic Analysis, poverty and Unemployment in Kenya
Kenya's economic growth has declined from an average of 6.6% in the first decade of independence to 2.5% in the period 1990-95. Over the period 1994-1998, the economy grew at the annual average of 3.3% in real terms, significantly below the 7% needed to make an impact on unemployment and poverty. Growth declined to 2.3%, 1.8% and 1.4% in 1997,1998,1999 respectively. The growth rates recorded between 1997and 1999 were below population growth rates, leading to deterioration in income per capita and worsening poverty in the country. The per capita income grew at 2.6% in the fist decade of independence and declined to 2.4% in the 1980s. Between 1990 and 1995, the rate of growth of per capita income was a negative 0.3% a year and reached negative 0.6% and 0.7% in 1998 and 1999 respectively.

(Source: Poverty Reducing Employment Strategies for Africa –Report for Kenya January – June 2000 – ILO publication)

Kenya Economic Indicators
Kenya's development focus in the short run (2000-2003) and in the long run is to eradicate poverty through increased employment and income generation activities. The strategy in the short run (2000-2003) is to progressively increase the gross domestic product. GDP growth rate to at least 3% a year on a sustainable basis. In the long run however, the economy must grow with these challenges by the year 2020. Despite this vision for the country, the annual GDP growth rate was below 3% for most years in the 1990s.

(Source: Interim Poverty Reduction Paper (IPRP). 2000)

Table 4: Key Economic Ratios and Long-term trends

	1983	1993	2002	2003
GDP (US$ billion)	6.0	5.8	12.2	14.3
Gross domestic investment/% of GDP	20.9	17.6	13.4	12.9
Exports of good and services/% of GDP	25.6	38.9	26.9	24.9
Gross domestic savings/ % of GDP	18.7	22.6	12.2	8.2
Gross national savings/% of GDP	16.5	20.5	15.8	12.8

(Source: World Bank Group, 2003)

Facts about Kenya economy

GDP – real growth rate: 22% (2004 est.)

GDP per capita: purchasing power parity - $1,000 (2004 est.)

GDP – composition by sector:
Agriculture: 19.3%
Industry: 18.5%
Services: 62.4% (2004 est.)

Invest (gross fixed): 14.7% of GDP (2004 est.)

Population below poverty line: 56% (2004 est.)

Households income or consumption by percentage share:
 Lowest 10%: 20%
Highest 10%: 37.2%

Distribution of family income – Gini index: 44.9 (1997)

Inflation rate (consumer prices): 9% (2004 est.)

Labour force participation rate: 33.70% of population (2004 est.)

Labour force - by occupation: agriculture 75% (2003 est.)

 (Source for the above facts: www.exxun.com/kenya)

56% of population is poor – living on an income of less than US $ 1 per day.

(Source: Poverty Alleviation, food and Environment, policy and practice, presentation by Dr. Wilson Nguyo, Egerton university

Education
Education is a basic human development indicator that is very crucial in determining the quality of human life. It is the key to empowering individuals and communities with the awareness and knowledge to make informed decisions about themselves and the world around them. The analysis of poverty and education reveals that most of those having ever attended school pretend to have completed primary level, 93 percent for both the non-poor and the poor. Regarding secondary education the poor are really left behind, as only 14.1 percent of the poor, compared to 27.3 percent of the non-poor, have managed to complete this level. The situation is even more complex, however, as only 21.7 percent of the rural non- poor have managed to finished secondary school compared to 28.4 percent of the urban poor. It can therefore be concluded, that it matters more, with respect to the likelihood of completing of completing secondary school, whether a child is living in a rural or urban area, than whether his/her parents are poor or non-poor. The non-poor, however, had a large proportion reporting to have reached most secondary and university level, 3.7 percent compared to 0.8 percent for the poor. The combined effects, i.e. non-poor do better than the poor, and the urban population do better than the rural, becomes a very important determinant of who makes it to do post secondary and university level.

(Source: Poverty in Kenya, Ministry of Planning and National Development
July 1998)

Literacy Rate
Literacy is ability to read and write. The 1994 Welfare Monitoring Survey defined the adult literacy rate as the percentage of people aged 15 and above who can with understanding/ ability, read and write a short simple statement.

(Source: Poverty in Kenya, Ministry of Planning and National Development
July 1998)

Table 5: Education in Kenya

Education	%
Enrolment in primary schools	67.6
Enrolment in secondary schools	23.5
Tertiary Enrolment	4.3
Literacy rates	70.9
Teacher student ratio (primary)	32.9
Teacher student ratio (secondary)	16.5

(Source: The Little Fact Book, The socio-economic and political profiles of Kenya's districts, 2002)

Health
Overall, 8.9 percent of the entire population who reported to have been sick did not visit a Government health facility because it was too costly, while 54.2 percent indicated that they did visit GOK (Government of Kenya) facilities because of non-availability of drugs. Close to 76.2 percent of the population did not visit a private health facility because it was too expensive. Unfortunately due to the small number of cases reported to have been sick it was not possible to break down the data by poor and non-poor. The analysis of delivered places showed that almost 60 percent of non-poor children were delivered in a hospital while 41 percent at home. In comparison, 62.1 percent of the poor children were delivered at home. The immunization status of children by antigen portrayed that, of the total number of children immunized against the nine antigens, 76.9 percent from non-poor families were fully immunized and 23.1 percent partially immunized from poor families. No real difference were found in immunization coverage for the poor and non-poor children.

Fertility
A rapid population growth rate, influenced by the changes in fertility, mortality and migration rates, is generally viewed as one of the main causes for deteriorating standards of living. The 1989 census results showed that Kenya's population growth rate after independence rose from 3.07 percent in 1963 to 3.43 percent in 1997 and 3.42 percent in 1989. the rural women have much more higher fertility rates than urban, average being 6.9 compared 4.4, or two and a half children more per women. Analysis of TFR (Total Fertility Rate) by poverty level indicates that the poor women had significantly higher rates, 6.6 children per poor

women compared to 6.1 children per non-poor women. In rural and urban areas, it is also apparent that the poor women, has very high TFR, 7.0 and 4.8 children per woman compared to the level of poverty, it becomes clear that the most important determinant of fertility rate is residence, not level of poverty. Hence reduction of fertility at the national level could be achieved by targeting the rural women and improving their economic status.

Infant Mortality

The infant Mortality Rate (IMR) has dropped from 119 per 1000 live births in 1960 to 61 in 1995, while the under – five mortality rate declined from 202 per 1,000 live births in 1960 to 90/100 in 1995. the crude death has been on the declined over the same period. While data on maternal mortality is questionable, data available estimates a rate between 365- 498 per 100,000 births.

Table 6: Mortality indicators in Kenya 1960-1995

Indicators	1960	1979	1991	1992	1993	1995
Infant mortality rate Per 1,000 live births	119	104	52	51	60	61
Under-five mortality rate per 1,000 live births	202	112	75	74	90	90
Maternal mortality rate Per 100,000 births	-	-	-	150-300	150-300	365-498
Crude death rate per 1,000 population	17	14	11	10	10	12

(Source: Poverty in Kenya, Ministry of Planning and National Development July 1998)

Table 7: Health in Kenya

Infant mortality rate per 1000	71
Under 5 mortality rate for 1000	105
Fertility rates	4.7
No. Of health institutions	4,235

(Source: The Little Fact Book, The socio-economic and political profiles of Kenya's districts, 2002)

Kenya – Housing

In Kenya's capital city of Nairobi, there are over 100 slum communities that are home to 2 million people. The residents of Nairobi's informal settlements constitute 55 per cent of the city's total population and yet they are crowded onto only 1.5 per cent of the total land area in the city.

The informal settlements in Nairobi and other Kenyan cities like Mombasa and Nakuru are severely overcrowded, insecure and unsanitary. An average of 5 to 6 people stay in a room that has an average size of 3 to 6 square meters. One-room shanties are sandwiched together so that the densities average 250 units per hectare versus 25 units in a middle class area and 10 units in high-income areas. The only walkways are narrow dirt paths that frequently flood and are impassable during the rainy seasons.

(Source: United Nations Centre for Human Settlement (Habitat), Kenya's Urban Tragedy, habitat debate, by Jane Weru, 2000 - Vol.6 No.4)

Employment

Employment is one of the important dimensions of poverty because of its crucial link between people's capabilities and assets and their levels of wellbeing.

The breakdown of the total population by socio-economic groups shows that 6 out of the 10 Kenyans belong to one of the three agricultural classes (subsistence, pastoralist and commercial farmers) a quarter are 'modern' sector workers – either private or public – and the remaining fifteen percent have a rather precarious existence somewhere in between.

Active population

According to the International Labour organisation (ILO), the active population is defined as those who take part in the production of goods and services in specific age range. It may be surprising that a whole 5 percent of the poor – about 230,000 active people depend on the public sector and implies that to be employed in the civil service or parastatal does not automatically guarantee a minimum standard of living, anymore. More than 10 percent of the economically active poor are private sector workers. In other words having a regular job in the 'modern' sector of the economy still does not allow near half a million employees and their active dependents to escape poverty.

Table 8: Percentage of the total population defined as active

	Frequency	Activity
Labour force 10+ yrs	11850009	45.0
Labour force 15+ yrs	11511270	43.6
Labour force 15-64 yrs	10791516	40.9
Total population	26392384	100

The household members of the labour force of 15 yrs+, older than 65 years count for more than 6 percent of the labour force, which is significant part and should not be neglected. 85 percent of them are found in the agricultural sector and they are quite evenly distributed the poor and non-poor.

Table 9: Activity rate of the population 15 years and above by sex and poverty level

	Non-poor					
	Male		**Female**		**Total**	
Active	3145839	85.0	3577948	88.4	672387	86.8
Inactive	554874	15.0	471070	11.6	1025944	13.2
Total	3700713	100.0	4049018	100.0	774731	100.0

	Poor					
	Male		**Female**		**Total**	
Active	2195969	80.4	2591514	87.1	4787483	83.9
Inactive	536261	19.6	384265	12.9	920526	16.1
Total	2732230	100.0	2975779	100.0	5708009	100.0

No significant differences between the female poor and non-poor, yet for the male population, the activity rate for the non-poor is 85 percent compared to 80 percent for the poor.

(Source: Poverty in Kenya, Ministry of Planning and National Development July 1998)

Employment and Poverty

The overall of GDP has declined remarkably since independence, as are both gross domestic investments and savings especially in the 1980's. this has a major impact on employment and poverty.

Table 10: sources of employment and employment growth (in million)

Sector	1991	1994	2001	Increase
Small scale agriculture	5.31	5.92	7.00	1.08
Large scale agriculture	0.42	0.47	0.55	0.08
Rural informal	0.35	0.62	0.98	0.36
Rural formal	0.23	0.41	0.55	0.13
Urban formal	0.74	0.81	1.08	0.27
Urban informal	0.70	1.16	1.83	0.66
Total employed	7.77	9.40	12.0	1.61
Total labour force	10.1	11.5	13.7	2.23
Unemployed (%)	23.4	18.5	12.8	-

(Source: Poverty Reducing Employment Strategies, A country Action Programme for Kenya, November 2002)

Kenya sector, industry - - service and agriculture

Table 11: projected growth rates (%) for GDP and sector shares (%) 1997-2001

Sector	Projected growth rate 1997-2001	Sector share 1996	Projected sector share 2000
Agriculture	4.4	27.9	26.0
Industry	7.86	16.5	18.0
Services, private	6.0	38.6	38.8
Public services	6.2	17.0	17.2
GDP	5.9	100.0	100.0

(Source: Kenya, 8th National development plan 1997-2001)

Agriculture
Kenya has area of approximately 57 million hectares of which only 19 percent is categorised as medium to high potential land. Another 9 percent is arable but subject to periodic droughts, while a further 12 percent is suitable only for extensive livestock production. The remaining 60 percent is arid land. The medium to high potential land cover about 8.6 million hectares, of which approximately 2.8 are used for crop production, a further 2.4 million hectors for milk, and the remaining 3.4 million hectares for extensive and for national parks and forest services. The agricultural sector is dominated by the smallhoder sub-sector comprising of approximately 2.8 million small scale farm families who hold over 60 percent of the total arable land estimated to be 19 percent of the total national land area. Over 98 percent of the land holdings within this sub-sector are of 12.5 hectares and below.

Between 1960 and 1970, the agricultural sector recorded a growth rate of 4.7 percent per annum. This was faster than the 3.9 percent growth rate of population recorded during the period. Between 1970 and 1982, the rate of growth of the sector declined to 2.7 percent annum, resulting in a 1.2 percent annual rate of decline in per capita production. Between 1980 and 1988, the average rate of agricultural growth was about 3.8 percent per annum. The sector's value – added grew at the rate of 4.2 percent per annum during the period 1985 to 1989. During the 1980's, the rate of growth of agricultural production has been extremely variable due to the unfavorable world word economic environment, which was exacerbated by the gulf war in 1990, coupled with adverse whether patterns. Periodic drought during the period, especially in 1984/85 combined with a decline in world coffee and tea prices brought growth of production almost to a halt.

(Source: Poverty in Kenya, Ministry of Planning and National Development
July 1998)

Income
The analysis of households by source income shows that both poor and non-poor households depended mainly on wage earnings for the largest part of their income and on average the non-poor earned about twice the amount of the poor. The second important source of income, for both the poor and non-poor was derived from livestock while the least important source of income turns out to be income from crop sales. Regionally, the composition of income changes when one looks at urban and rural differences. While the most important source of income is still wages, for both the rural and urban population, the second most important source

of income for the urban population turns out to be other non-agricultural income. This finding holds both for the poor and non-poor.

(Source: Poverty in Kenya, Ministry of Planning and National Development July 1998)

Differences in income
The 10% richest households in Kenya control more than 42% of incomes, whiles the poorest 10% control 0.76% of income. This means that while the top Kenyan earns about 56 shillings, the bottom earns 1 shilling.

Table 12: Household expenditure and income distribution by deciles, 1999

Deciles	Income			Expenditure		
	Value Kshs (Mn)	Share%	Cumulative %	Value Kshs (Mn)	Share %	Cumulative %
Lowest	387,996	0.76	0.76	579,622	0.82	0.86
Highest	21,775,814	42.72	100	30,235,252	44.65	100

(Source: Pulling a part, Facts and figures on inequality in Kenya, 2004)

Table 13: Income and unemployment by province

Province	Wage employment as % of population		Informal sector employment rate as % of population	
Nyanza	3.9	5	10.4	4
Western	3.3	6	8.0	6
Rift Valley	5.4	4	10.1	5
Central	9.6	2	23.8	2
Eastern	3.0	7	7.6	7
North Eastern	1.6	8	1.9	8
Coast	5.6	3	12.3	3
Nairobi	19.7	1	41.8	1

(Source: The Little Fact Book, The socio-economic and political profiles of Kenya's districts, 2002)

Water and Sanitation
River and pipe water the main water source used by both non-poor and poor households. Close to 90 percent of urban non-poor households utilize piped water as compared to 20 percent of the rural non-poor, compared to 13 percent of the rural poor and 88.2 percent of the rural non-poor. Caution should however be exercised when drawing certain conclusion based on this finding. This is because piped water source takes many forms including private tap water in the house, tap water distributed by water vendors and public tap water that is bought from a central located some distance from the household. Otherwise, overall the percentage of poor households with access to unsafe water is significantly higher than for the non-poor. The analysis also tends to indicate that lack of access to safe water is entirely a rural problem. In other words whether the household has access to safe water or not depends almost entirely on whether the household lives in rural or urban area and not on poverty status.

(Source: Poverty in Kenya, Ministry of Planning and National Development July 1998)

Table 14: Housing, water and sanitation in Kenya

(%) With access to safe water	53.6
(%) With traditional pit latrine	65.9
(%) With mud/sand/dung housing	63.4
(%) With cement/ brick	33.6

(Source: The Little Fact Book, The socio-economic and political profiles of Kenya's districts, 2002)