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Policy Debate on 5 Socio-economic Issues in Kenya: Elections 2017

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List of Abbreviations and Acronyms

ANC	Ante-Natal Care
APBET	Alternative Provision to Basic Education and Training
ASAL	Arid and Semi-Arid Land
CBO	Community Based Organizations
CDE	County Director of Education
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CLTS	Community-Led Total Sanitation
CRC	Convention on the Rights of the Child
ECDE	Early Childhood Development and Education
FBO	Faith Based Organizations
FPE	Free Primary Education
HELB	Higher Education Loans Board
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICT	Information Communication Technology
KCPE	Kenya Certificate of Primary Education
KCSE	Kenya Certificate of Secondary Education
KDHS	Kenya Demographic Household Survey
KHP	Kenya Health Policy
KHSP	Kenya Health Strategic and Investment Plan
KNBS	Kenya National Bureau of Statistics,
KNCHR	Kenya National Commission on Human Rights
MDG	Mellinium Development Goals
MoH	Ministry of Health
MTEF	Medium Term Expenditure Framework
NESP	National Education Sector Plan
NFE	Non-Formal Education
NGOs	Non Governmental Organizations
OD	Open Defecation
ODF	Open Defecation Free
OVC	Orphans and Vulnerable Children
PCR	Pupil Completion Rate
PPI	Producer Price Index
PSTR	Primary to Secondary Transition Rate
PTR	Pupil Teacher Ratio
PWD	Person with Disability
SCDE	Sub-County Director of Education
SDG	Sustainable Development Goal
TSC	Teachers Service Commission
TTC	Teacher Training College
TVET	Technical and Vocational Education and Training
UDHR	Universal Declaration of Human Rights
UHC	Universal Health Coverage
UNESCO	United Nations Educational, Scientific and Cultural Organization
VIP	Ventilated Improved Pit
WASH	Water, Sanitation, and Hygiene
WSRS	Water Sector Reform Secretariat
WSTF	Water Services Trust Fund

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Education policy as an Agenda for Elections 2017

1.0 Introduction

Education and training is vital in promoting social, political and economic development of Kenya. Education is a very important element in combating poverty, empowering women, promoting human rights and democracy, protecting the environment and controlling population growth (Hall and Midgley, 2004). The development of Kenya's human resource is important as human resources constitute the ultimate basis for the wealth of nations through accumulation of capital, exploitation of natural resources, social-economic and political organizations, and contribution to national development. By investing in education and training of its people, Kenya would be able to build an educated and skilled workforce, encourage innovation, and also provide a solid foundation for lasting development. Countries with high literacy rates among women and men tend to have lower levels of fertility, lower maternal and infant mortality, and longer life expectancy. They are also able to adequately address gender equity issues in development.

The right to education in Kenya is provided for under the Bill of Rights in the Constitution. Article 43 (1), of the Constitution, on social and economic rights states that *every person has the right to education*. Key international instruments defining the right to education include: The Universal Declaration of Human Rights(UDHR) , the International Covenant on Economic, Social and Cultural Rights(ICESCR), the United Nations Convention on the Rights of the Child (UNCRC), the United Nations Educational, Scientific and Cultural Organization(UNESCO) Convention Against Discrimination in Education, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Sustainable Development Goals (SDGs), the African Charter on Human and Peoples Rights and the African Charter on the Rights and Welfare of the Child.

The provision of meaningful and satisfactory education and training is fundamental to Kenya's development strategy. The education sector in Kenya comprises of four sub sectors namely: State Department of Basic Education; State Department for Vocational and Technical Training; State Department for University Education; and Teachers Service Commission (TSC). The vision for the sector is "a globally competitive education, training, research and innovation system for sustainable development".

The goal of the National Education Sector Plan (NESP) 2013-2018 is: Quality basic education for Kenya's sustainable development. Sector strategic goals in the Medium Term Expenditure Framework (MTEF) period 2016/17 to 2018/19 include: Provide access to quality education and training at all levels; establish, maintain and manage professional teaching service for all public primary, secondary and tertiary institutions; formulate, review and implement appropriate policies, legal and institutional frameworks for the sector and; and promote innovativeness and popularize research, technology and innovation in industries and learning institutions.

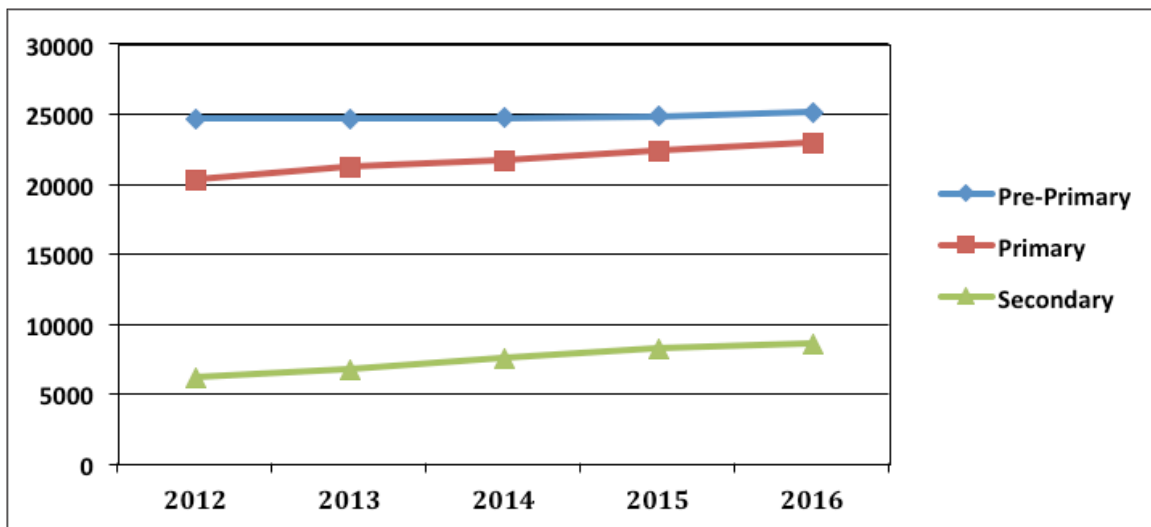
Education sector policies, legal and regulatory reforms aim at achieving the objects of the Constitution with regard to education and training and national priorities as envisaged in the Vision 2030. Some of the policies formulated, and legislation enacted by the Government for the sector include: Basic Education Act 2013; Technical and Vocational Education and Training Act, 2013, Universities Act, 2012; Science, Technology and Innovation Act,

2013; Policy Framework for Science Technology and Innovation; National Education Sector Plan, 2015; Basic Education Regulations, 2015; and Policy Framework for Nomadic Education in Kenya. Any reforms in the sector require more investments to meet stated sector objectives of quality, increased access, equity, inclusivity, relevance and promotion of innovation.

2.0 State of Play

There were a total 8,592 public secondary schools and 22,939 public primary schools in Kenya as at 2016 as shown in figure 1 below. The number of pre-primary schools stood at 25,175 as at 2016. The number of teacher training colleges for pre-primary, primary and secondary (Diploma) as at 2016 was at 26, 28 and 3 respectively.

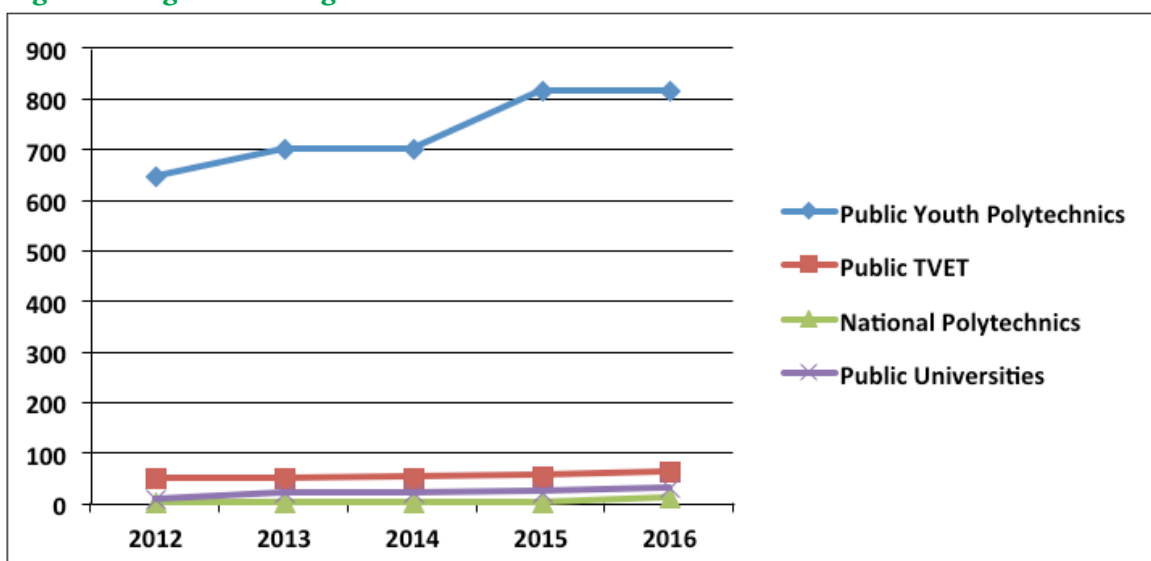
Figure 1: Number of public schools



Source: Economic Survey 2017, KNBS

As in the trend above, the number of learning institutions in the country reduces as we move high up. The number of public youth polytechnics, public TVET, national polytechnics and public universities stood at 816, 62, 11 and 30 respectively as at 2016.

Figure 2: Higher learning institutions

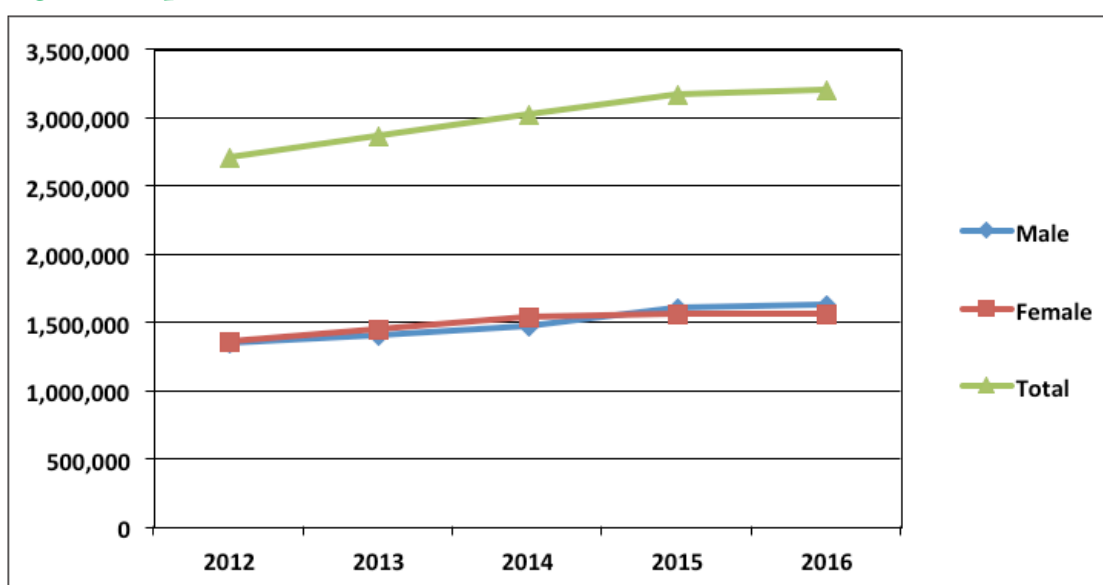


Source: Economic Survey 2017, KNBS

Early childhood years lay the foundation for their socio-emotional development and also determine whether a child will be successful in school. Early childhood is also a critical period for language acquisition as children increase their use of symbols and language. Pre-school in Kenya has not been compulsory leading to variations among schools and in regions. Many children in Kenya from poor households do not go through pre-school and are therefore not reaching their developmental potential. This gap needs to be addressed given that children who have gone through pre-schooling tend to adopt more appropriately in future school.

Early Childhood Development and Education (ECDE) programme in Kenya is a devolved function however the Ministry continues to be responsible for policy. The number of ECDE centers in the country increased from 40,219 in 2014 to 40,775 in 2015. Enrolment in ECDE centers increased by 15.3% from 2,710,830 in 2012 to 3,199,841 in 2016. Enrolment in 2016 for male and female pupils was at 1,634,194 and 1,565,647 respectively as shown in figure one below.

Figure 3: Pupil enrollment in ECDE centers 2012 – 2016



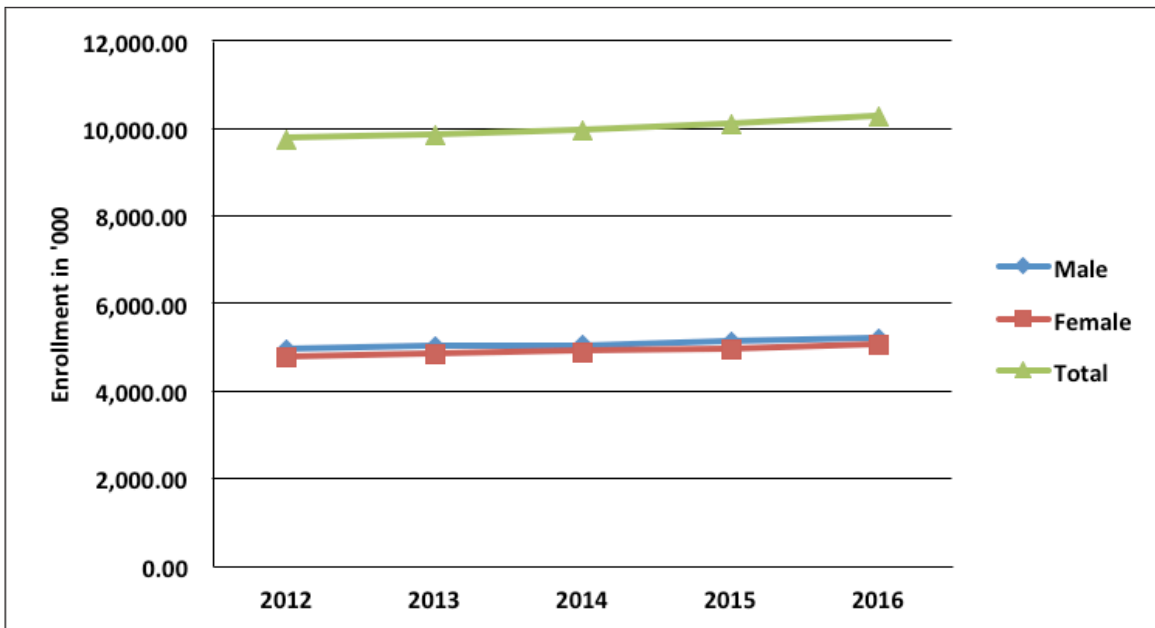
Source: Economic Survey 2017, KNBS

The total number of ECDE teachers as of 2016 was 110,819. Of these, only 97,717 (88.2 %) were trained ECDE teachers and 13,102 (11.8 %) were untrained as of 2016. Out of the total number of ECDE teachers in 2016, 83.8% were female.

Kenya in a bid to provide universal education in 2003 adopted a policy on Free Primary Education (FPE). Enrollment in primary schools increased by 4.98% from 9,757,600 in 2012 to 10,269,400 in 2016. The elimination by government of school fees allowed more children from poor households to attend school. Though the result of FPE is promising, maintaining high quality primary education continues to remain a challenge. Government needs to invest more in the sector as universal education will not be achieved unless all children complete the full course of primary schooling by ensuring that students stay in school and that they receive quality education.

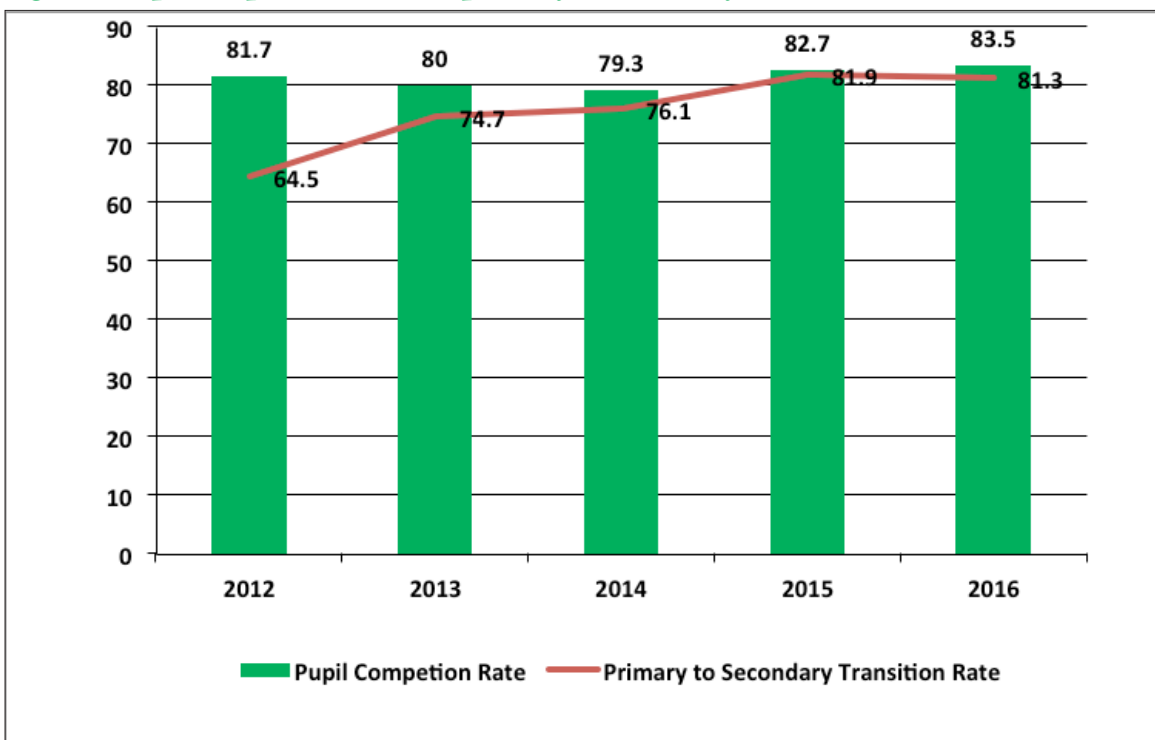
During the same period male pupil enrollment increased by 4.6% from 4,972,700 in 2012 to 5,214,500 in 2016. Female pupil enrollment increased by 5.3% from 4,784,900 in 2012 to 4,054,900 in 2016. The number of primary schools increased from 21,302 in 2013/14 to 21,877 in 2015/16. The Kenya Certificate of Primary Education (KCPE) examination candidatures increased from 880, 486 (443,258 male and 437,228 female) in 2014 to 938,912 (473,259 male and 465,653) in 2016.

Figure 4: Primary school enrollment 2012-2016



Source: Economic Survey 2017, KNBS

Figure 5 Pupil completion rate and primary to secondary transition rate (%)



Source: Economic Survey 2017, KNBS

In expanding education opportunities in hard to reach areas, the number of low cost boarding schools in Arid and Semi Arid Lands (ASAL) increased from 392 in 2012 to 426 in 2016. These schools had an enrolment of 113,524 in 2016. The number of mobile schools as at 2016 was 117 with an enrolment rate of 13,869 in 2015/2016 financial year. Primary special needs education enrolment as at 2015/16 was 105,727. A total of 370,131 children out of the total 5,611,514 children attending schools in 2012 had disabilities.

The total number of teachers in primary schools increased from 288,060 in 2013/2014 to 300,060 in 2015/2016. Registration of teachers increased from 21,326 to 54,743 during the same period, while the Pupil Teacher Ratio (PTR) reduced from 45:1 in 2014 to 42:1. In 2016, the Pupil Teacher Ratio in ECDE was 29:1 compared to 30:1 in 2015. Public primary school pupil teacher ratio was 40:1 in 2016 compared to 41:1 in 2015.

Given the strides made moving towards universal primary education, more investment towards expanding greater access to secondary education is critical. Secondary school education provides the skills and tools to help meet a country's growing demands for highly skilled and educated workers in a globalized world. Public secondary school enrollment increased by 29.6% from 1,914,823 in 2012 to 2,720,563 in 2016. Male student enrolment in 2016 was 1,396,926 while that of female student was 1,323,637. The Kenya Certificate of Secondary Education (KCSE) candidature increased from 483,630 candidates (259,746 male and 223,884 female) in 2014 and further to 525,893 (280,914 male and 244,979 female) in 2015 as shown in table 1 below.

Table 1: Secondary school enrollment (Public and Private Schools 2012 – 2016)

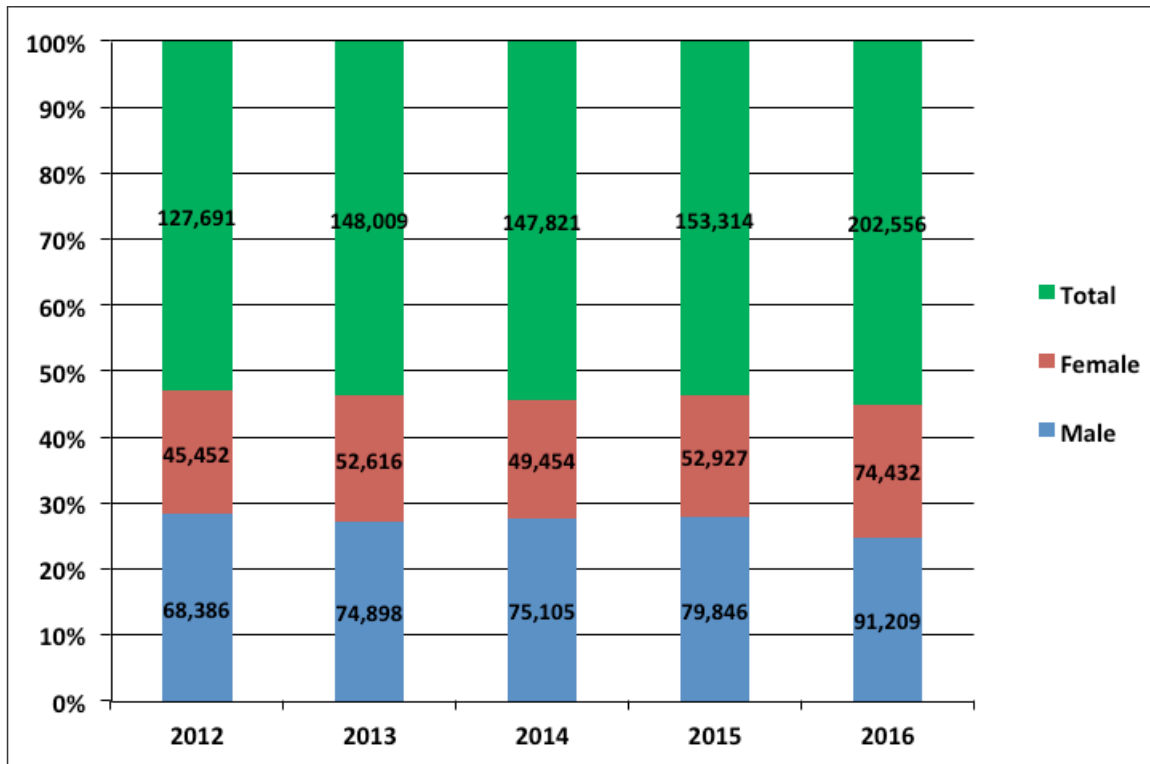
	2012	2013	2014	2015	2016
Male	1,019,031	1,127,697	1,213,266	1,348,448	1,396,926
Female	895,792	976,565	1,118,431	1,210,533	1,323,637
Total	1,914,823	2,104,262	2,331,697	2,558,981	2,720,563

Source: Economic Survey 2017, KNBS

Total enrolment in Public Teacher Training Collages (TTCs) increased from 21,380 (10,400 male and 10,980 female) students in 2014/2015 to 21,431 in 2015/16 out of which 11,437 were female.

Higher education yields significant benefits for young people and society as a whole: better job opportunities and job prospects, improved quality of life, and greater economic growth. There is increased attention on the role of Technical and Vocational Education and Training (TVET) in enhancing Kenya's global competitiveness and creating decent employment. Kenya is at risk of having inadequate number of personnel with requisite skills to support industry. Technical and vocational skills development helps to strengthen the local work force. Having a skilled workforce will create an attractive economic environment for investors. The enactment of the Technical and Vocational Education and Training Act, 2013 streamlined the accreditation and registration of TVET institutions and trainers. Student enrollment in TVET increased by 36.9% from 127,691 in 2012 to 202,556 in 2016 as shown in figure 6 below. Male enrollment during the period increased by 25% from 68,386 in 2012 to 91,209 in 2016 whereas female enrollment increased by 38.9% from 45,452 in 2012 to 74,432 in 2016. Poor perception of TVET by the public, parents and potential trainees remains a challenge as TVET is viewed as last resort career choice leading to little impact from TVET as an important strategy to train skilled manpower.

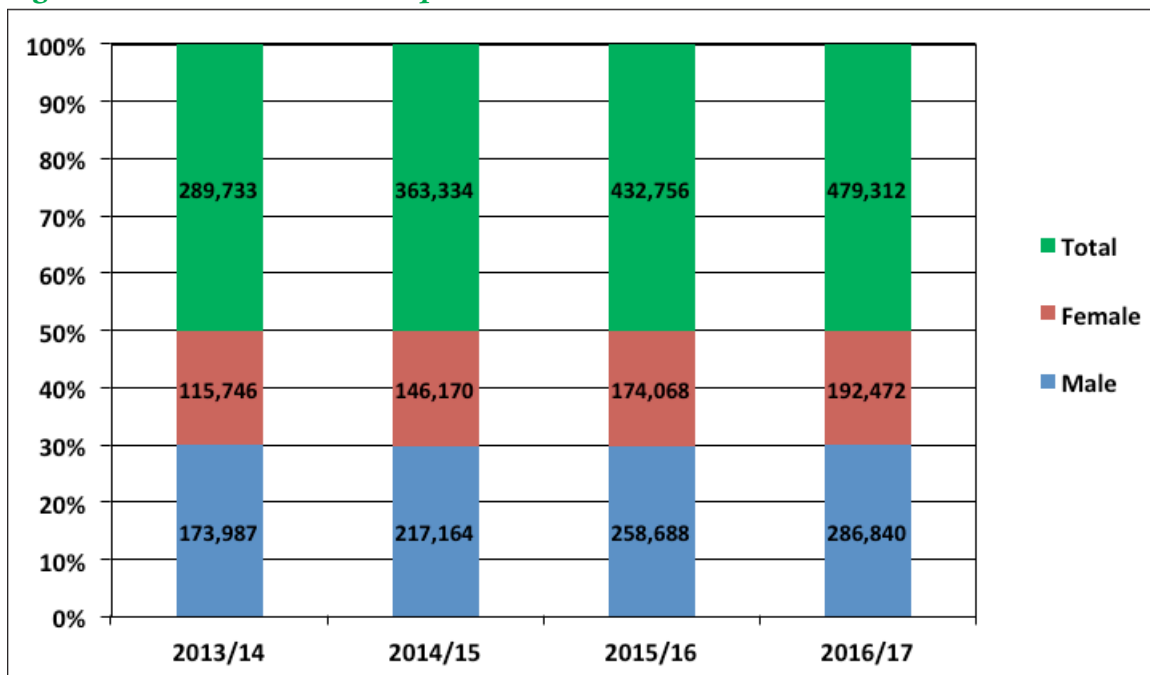
Figure 6: Students enrollment in technical institutions 2012 - 2016



Source: Economic Survey 2017, KNBS

The number of universities both public and private increased from 67 in 2014/15 to 70 in 2015/2016. This expansion has led to an increased in enrolment of students pursuing university education in both public and private universities to 475,750 in 2015/2016 from 421,152 in 2014/2015. The number of students receiving university loans increased from 167,861 in 2014/2015 to 181,933 in 2015/16. Total amount of funds disbursed for undergraduate loans increased from 6.828 Billion in 2014/2015 to KSh 7.223 Billion in 2015/16. Whereas universities are experiencing a surge in their enrolment, overcrowding in lecture halls in some universities is becoming too common.

Figure 7: Student enrollment in public universities 2013 - 2017



Source: Economic Survey 2017, KNBS

The total number of bursary applicants in 2016/17 was 38,801 (KNBS, 2017). Applicants from public university were 22,834 while that of TVET was 15,967. Table 2 and table 4 below provide the number of applicants, beneficiaries and loans awarded for public universities and TVET.

Table 2: Loan Applicants, Beneficiaries and Loans Awarded Public Universities and TVET (Ksh Million)

	Number of Applicants		Number Awarded		Amount Awarded	
	Loan Applicants, Beneficiaries and Loans Awarded Public Universities					
	Male	Female	Male	Female	Male	Female
2014/15	112,495	59,931	109,022	55,847	4,384.5	2,224.2
2015/16	119,225	64,662	115,194	61,514	4,607.8	2,413.7
	Loan Applicants, Beneficiaries and Loans Awarded TVET Institutions					
2014/15	5,051	2,551	5,051	2,251	88.8	48.2
2015/16	9,823	5,507	9,823	5,507	224.9	134.4

Source: Economic Survey 2017, KNBS

Table 4: Bursary Applicants, Beneficiaries and Amount Awarded Public Universities and TVET (Ksh Million)

	Number of Applicants		Number Awarded		Amount Awarded	
	Male	Female	Male	Female	Male	Female
	Applicants, Beneficiaries and Amount Awarded - Public Universities					
2014/15	10,791	4,383	10,653	4,383	64.8	26.3
2015/16	15,171	4,484	10,678	4,484	64.8	26.4
	Applicants, Beneficiaries and Amount Awarded - TVET					
2013/14	2,762	1,234	2,762	1,234	34.8	16.2
2014/15	5,051	2,551	5,051	2,551	41.6	22.7
2015/16	9,823	5,507	9,823	5,507	78.5	46.5

Source: Economic Survey 2017, KNBS

Overall enrolment in adult education has continued to exhibit a declining trend since 2014 with 271,769 adult students enrolled in 2016, reflecting a 11.3 per cent decline from 2015. More female adult learners continued to be registered compared to their male counterparts. The number of adult learners who passed proficiency tests and the private candidates who were registered for KCPE were 21,172 and 7,552, respectively, in 2016. The number of adults who passed proficiency test rose by 4.0 per cent from 20,352 in 2015 to 21,172 in 2016. The number of private candidates who registered for KCPE went up by 1.4 per cent from 7,451 in 2015 to 7,552 in 2016. More female candidates passed the proficiency test compared to male candidates.

Public investment in education is vital in building a highly skilled and educated workforce and in sustaining Kenya's prosperity and progress. Teachers Service Commission remains the largest beneficiary of recurrent expenditure in the Ministry of Education. Tables 5 and 6 below show national government expenditure in the Ministry of Education. The increase is mainly attributable to a new policy put in place on financing of universities based on enrolment by course. This increase covers the expansion of universities, financing of FPE and Free Day Secondary Education as well as the provision of loans and bursaries due to increased enrolment in university education, and vocational and technical training.

Table 5: National Government Expenditure on Social Services, 2012/13 - 2016/17 (Ksh Million)

	2012/13	2013/14	2014/15	2015/16
Recurrent expenditure				
Ministry of Education	233,102.87	237,214.84	261,546.11	280,322.75
Total	312,926.38	285,394.49	313,024.35	342,819.97
Development expenditure				
Ministry of Education	27,019.50	13,997.76	22,618.78	14,608.41
Total	56,162.50	44,806.59	64,218.94	59,032.22
Total expenditure	369,088.89	330,201.07	377,243.29	401,852.19

Source: Economic Survey 2017, KNBS

Table 6: Expenditure for the Ministry of Education I, 2012/13 - 2016/17 (Ksh Million)

	2012/13	2013/14	2014/15	2015/16
Recurrent expenditure				
State Department of Basic Education	54,698.92	42,204.06	51,316.39	57,519.21
Teachers Service Commission	127,632.51	154,778.1	157,209.10	180,970.14
State Department for University Education	48,117.61	27,976.67	51,775.82	39,525.27
State Department for Vocational and Technical Training	2,653.84	2,256.01	1,244.80	2,308.13
Sub total	233,102.87	237,214.84	261,546.11	280,322.75
Development expenditure				
State Department of Basic Education	11,558.01	8,843.94	11,156.42	5,258.23
Teachers Service Commission	-	-	-	100.00
State Department for University Education	8,260.72	3,085.08	9,595.41	5,002.01
State Department for Vocational and Technical Training	7,200.76	2,068.75	1,866.95	4,248.17
Sub total	27,019.50	13,997.76	22,618.78	14,608.41
Grand Total expenditure	260,122.37	251,212.59	284,164.89	294,931.16

Source: Economic Survey 2017, KNBS

3.0 Main Problems

Though Kenya has made strides towards the realization of the national goals and objectives for the sector, there are still variations between set targets and achievements made so far. Challenges in the sector exist in relation to access, equity, quality, adequacy of infrastructure, accountability and, inadequate resources.

3.1 Access and quality education

Though more students than ever before in history are enrolled in schools, however the pipeline of trained teachers, instructional materials, and infrastructure development has not kept pace with the heavy demand. Rising enrollment rates have drastically outpaced an increase in education funding, resulting in shortages of instructional materials and supplies, poorly stocked libraries and overuse of school facilities. Indeed, while more students are in school classrooms, there is a deeper learning crisis at play. Consequently, the quality of education is in a perilous state.

Deficit in terms of teacher deployment has caused a high teacher pupil ratio affecting the quality of learning and performance of the pupils through crowded classrooms and inequity in supply of teachers in some areas especially hard to reach areas. There are regional disparities, with high potential areas enjoying better access compared to ASAL and urban slums. The knock-on effects of overcrowded classrooms and inadequate number of teachers are severe as students may not obtain foundation skills, and adequately learn how to read and write. Teacher shortage is affecting the disadvantaged including girls, the poor, those in rural areas and the disabled the hardest. Despite Government targeted interventions, gender disparities have been observed in education performance indicators at all levels of education and training, with the impact being seriously experienced in ASAL regions, rural areas, urban informal settlements and other low potential areas.

Access and quality of education services in early childhood education are constrained by factors including: insufficient number of trained teachers, inadequate number of pre-primary education centres, limited availability of teaching and learning materials, low morale of teaching staff due to poor remuneration, inadequate nutrition and health support services. The quality of education in early childhood education is only as good as the quality of the teachers. The high number of untrained teachers at this level impacts on the foundation of children going through the system impacting on performance in performance at higher levels of education. There is also lack of a common scheme of service for early childhood education teachers that can be used to harmonize their terms and conditions of work.

Though the government introduced FPE in order to increase access to education, maintaining a high quality primary education continues to remain a challenge. There exists regional and gender disparity at primary level of education. In addition, a significant number of children in Non-Formal Education, Special Needs Education, Orphans and Vulnerable Children (OVC) and those in ASAL areas cannot access quality education. The School Feeding, Health and Nutrition program which targets children in ASALs, pockets of poverty and urban slums is still limited in scope. This is due to weak implementation structures of the programs targeting such children and inadequate funding for the same.

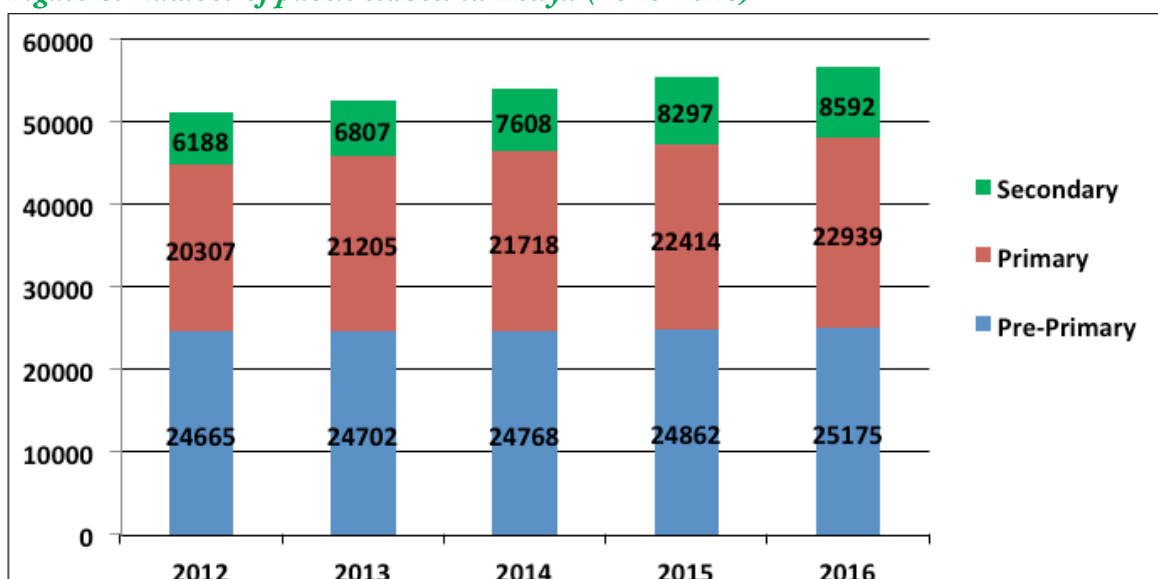
The special needs education which cuts across all levels of education requires costly equipment, well trained teachers and other enabling facilities. Special needs education is constrained with inadequate number of specialized expertise, teachers and other support staff in related fields. Inadequate data for disabilities means inadequate planning for children with disabilities impacting on access to education services.

Whereas technical institutions provide for the development of skills and innovation which is critical for the realization of the Vision 2030. Inadequate participation of industry in the formulation of the University curriculum has resulted in universities training graduates who are deemed not relevant to the labor market. This mismatch between demand and supply of labor has led to unemployment and low productivity.

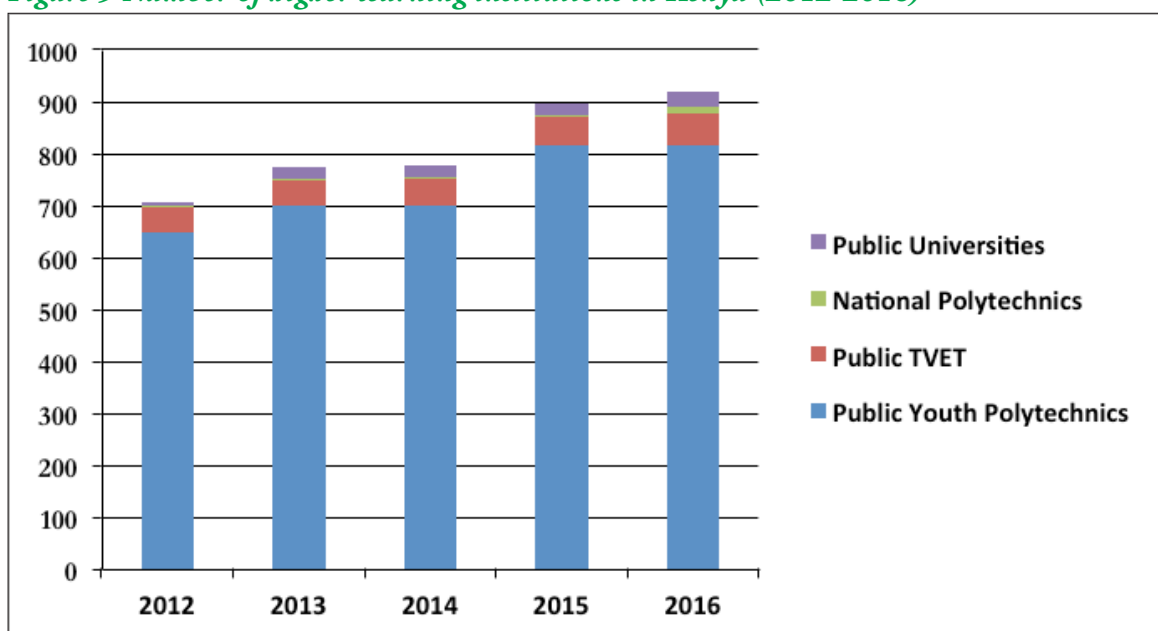
A number of challenges continue to affect Alternative Provision to Basic Education and Training (APBET). These include: Lack of an adequate database to adequately guide and support the program, lack of policy and service standard guidelines, weak management of institutions for proper transparency and accountability, and majority of teachers are untrained. These challenges are of concern given that it is children from poor households that attend these schools. These groups continue to be disadvantaged in terms of access to education.

3.2 Inadequate infrastructure

The expansion of secondary education has not been commensurate with the expansion at primary education posing challenges on access to secondary education. Increasing enrolment requires increased investment and expansion/rehabilitation of physical facilities. Additionally, physical facilities and other amenities at both the primary and secondary level have often been inadequate and dilapidated.

Figure 8: Number of public schools in Kenya (2016-2016)

Source: Economic Survey 2017, KNBS

Figure 9 Number of higher learning institutions in Kenya (2012-2016)

Source: Economic Survey 2017, KNBS

3.3 Efficiency and accountability

Inefficiency and poor governance are still a poor mark of the present education management. Weak monitoring is also a challenge that needs to be addressed. The large number of County and Sub County education offices without a corresponding growth in the number of quality assurance officers has made it difficult for the sub sector to carry out quality assurance activities effectively and ensure accountability in service delivery. Poor monitoring of service delivery and the management of resources sent to schools especially under the FPE programme is likely to result in failing academic standards in the education sector and poor access to learning materials to needy students.

Duplication and lack of transparency in the awarding of bursary funds is a challenge that needs urgent attention. The allocation of funds to the bursaries programs has also been insufficient. This if left unchecked will contribute to increased inequalities in access to education to certain groups including the poor, Persons With Disabilities (PWD) and children in ASAL areas denying this category of Kenya opportunities for growth and development in

the short term and long run. Most of the public spending on education that benefits the poor is delivered through primary education; however, this pro-poor effect is marginal.

Despite the introduction of the Free Day Secondary Education in 2008, some schools have continued to impose levies and other fees making education unnecessarily expensive for poor households. This has resulted in students from poor households dropping out of school due to lack of school fees against the objectives of the Free Day Secondary Education programme.

Most of the Sub-County education officers do not have office space for their conducive working and storage of office documents. Personnel in many county and sub counties are thin and not adequate to effectively supervise and monitor implementation of education programmes. This, impacts negatively on service delivery. Coordination of activities in the field has posed a challenge because of inadequate staffing; there are various activities that require the attention of the County Directors of Education (CDE) and Sub-County Directors of Education (SCDE).

4.0 Proposed Actions

4.1 *Improving access and quality of education*

More attention needs to be devoted to not just increasing the enrollment in primary schools, but ensuring that students stay in school and that they receive quality education. As government focuses on providing greater educational opportunities to school-aged children, the construction of pre-primary school classrooms must be considered. The Government should invest in educational innovations to improve the quality of the education at primary level. Stakeholders including Non-Governmental Organizations (NGOs), Religious Organizations and Community Based Organizations (CBOs) operating at the community level should mobilise and educate citizens on the importance of education and rights regarding access to education and service delivery. This includes sensitizing parents on their roles in ensuring that children attend school.

Secondary education is still largely reserved for a privileged few. However, increase in students entering secondary education in the country is due primarily to a rise in graduates completing primary school. The government in partnership with the private sector should construct more schools and also put in place safeguards to address why adolescents are dropping out of school. The challenge is not just to expand secondary education, but to enhance the quality of education as the quality of education offered in the country is a strong predictor of economic growth rates. Kenya stands to benefit from a better-educated labor market where workers possess the skills and knowledge to compete in a knowledge-based global economy. Significant improvements in the quality of learning will achieve a greater impact for advancing development progress and economic growth. The rise in private schools should be seen as a viable alternative in the provision of education.

The conversion of middle-level training institutions to Universities has led to a demand for more resources to establish new institutions to replace and expand those that have been acquired. The government should establish more technical training institutions to cater for high school graduates who do not meet the requirement to join universities. Allocations should also be set aside for the recruitment of TVET staff. Job creation in the country is largely in the informal economy, which also absorbs those who are unable to find employment in the formal sector with many graduates with a secondary and tertiary education becoming self-employed and launching small- and medium-sized enterprises. The Government and private sector alike must develop workforce development and training programs that recognize that most youth will be self-employed or work for a small enterprise. Technical and vocational training should be made a top priority.

Recruitment of additional teachers to address shortfall is important for improved access and quality services in the sector. Increasing the number of teachers will also cater for increased enrolments. The sector requires continuous

capacity building for the effective implementation of curriculum as well as other emerging issues which will call for additional resources for the sector. Thus more trained teachers and support staffs are required in all learning institutions. Government should also ensure equitable deployment of teachers to schools in all parts of the country.

4.2 Infrastructure and learning environment

The Government should invest in and expand access to secondary education as this will improve transition rates. Ensuring quality education at the secondary level will prepare students for institutions of higher learning and training, and produce graduates with requisite skills for the local labor market. The learning environment including classrooms and other school facilities at all levels have an impact on learning outcomes. The government should also maintain existing school facilities. Overcrowded classrooms especially at primary school level with an insufficient number of desks and benches have negative effects on teaching and the classroom learning environment. Greater private sector participation in the education sector is inevitable for the future expansion of education, particularly at the secondary level. The private sector can participate in the education sector by delivering education services through privately owned schools and higher education institutions.

4.3 Curriculum review

Due to dynamism of the world of work, it is important that the Government continuously reviews the curriculum to make it relevant and able to serve the needs of the society. The current curriculum at primary, secondary, TVET and primary teacher education has largely remained the same contrary to demands of Kenya Vision 2030. As the world becomes more technological, the school curriculums need to evolve to provide the right education and training for jobs in today's workforce. Kenya will reap substantial socio-economic benefits from increased investments in developing strong curriculums for a knowledge-based global economy. There is need for public-private partnerships with companies and investors for infrastructure development projects to build academic facilities.

4.5 Building skilled workforce

Improving education quality at all levels is imperative for the development of Kenya. Though more students than ever before have enrolled in schools, the supply of trained teachers have not kept pace with the ever increasing demand. Increased investment in education will help to successfully meet key education targets and build a skilled workforce. Government should invest in training ECDE teachers to ensure that children receive good foundational education. Strengthening public-private partnerships will assist in complementing public sector funds to finance the public education system.

4.6 Spending on education

Recognition of the strong correlation between education and socio-economic development should be seen in increased public spending on education. A large percentage of allocations to the Ministry of Education go towards recurrent expenditure which understandably will ensure quality provision of education services. Available resources including decentralised funds such as the constituency development Fund can contribute in the construction and even maintenance of schools. Increased investment in education will help to successfully meet key education targets and build a skilled workforce. Investments should be made in areas that will foster innovations and help to build a skilled and educated workforce. Public-private partnerships should be encouraged as this will bolster public education budgets to garner improvements in the overall education system.

5.0 Conclusion

A strong education system is a key driver of economic growth and, effective provision of inclusive education is key in developing a just, secure and inclusive society. The government should recognize factors that breed exclusion in access to education at all levels right from early childhood to higher institutions of learning. Government must invest in educational innovations to improve the quality of the education of primary schools. The Government should construct more schools and also put in place safeguards to address why adolescents are dropping out to school.

Given the need for more infrastructure development, increased investments in TVET will assist the country to employ a skilled workforce to build and maintain new infrastructure projects. While the government is investing in universities, efforts must focus on expanding access and improving the quality of education to meet the needs of today's workforce. Effort should go into preparing Kenya youth for jobs in the highly globalised economy. Deliberate efforts must be taken to correct a serious mismatch between skills of graduates and the demands of local and global workforce. This calls for concerted efforts to correct mismatch between skills of graduates and the demands of a workforce. Further development of the education system in Kenya requires a major investment in all the critical areas including school access, retention and completion, and education quality. Given the extremely high public spending on the education sector, improvement of efficiency is key for the overall sector strategy. Improving efficiency in the sector would benefit all the areas of sector development including expanding enrollment, improving quality, and lowering the unit cost as well as strengthening the management of the system. Improved efficiency in the allocation and utilization of resources is vital to the sustainability of the overall sector development.

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2

Unemployment policy as an Agenda for Elections 2017

Abstract

This paper seeks to analyze unemployment as a socio- economic issue-affecting members of the public in Kenya. The first section provides an introduction to employment as a human right and the policies that set out the specific goals for employment in the country. In addition, it provides the objectives that 3 ruling parties have set out in their party manifestos at the onset of their regimes from the year 2002 to 2017. The second section provides data on the state of play of unemployment in the country and seeks to conclude about the level of employment for persons with disability, women and youth. The third section outlines the challenges that unemployment imposes and the potential effects. The fourth section provides solutions to the outlined challenges and an example of a Cost Benefit Analysis of implementing the solutions. The fifth section concludes the findings of the document and the way forward.

1.0 Introduction

The Universal Declaration of Human Rights that United Nations General Assembly adopted in 1948 states that everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. It continues to state that everyone, without any discrimination, has the right to equal pay for equal work. Furthermore, it states that everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection (United Nations, 1948).

Kenya's Law

Employment in Kenya is governed by the 2012 Employment Act Chapter 226. This is an Act of Parliament to repeal the Employment Act 2007, to declare and define the fundamental rights of employees, to provide basic conditions of employment of employees, to regulate employment of children, and to provide for matters connected with the foregoing (Parliament, 2012). The act defines an employee as a person employed for wages or a salary and includes an apprentice and indentured learner. It further defines a casual employee to be a person the terms of whose engagement provide for his payment at the end of each day and who is not engaged for a longer period than twenty-four hours at a time.

The act states that no employer shall discriminate directly or indirectly, against an employee or prospective employee or harass an employee or prospective employee on grounds of race, colour, sex, language, religion, political or other opinion, nationality, ethnic or social origin, disability, pregnancy, mental status or HIV status, and in respect to recruitment, training, promotion, terms and conditions of employment, termination of employment or other matters arising out of the employment. In addition it clarifies that it is not discrimination to take affirmative action measures consistent with the promotion of equality or the elimination of discrimination in the workplace among other actions.

The above provisions are prescribed in the act in accordance with the rights enshrined in Kenya's Constitution. Other legislations that prescribe general principles of employment in Kenya include the Labour Institutions Act, Labour Relations Act, Occupational Safety and Health Act and Work Injury Benefits Act, Persons with Disability Act 2003 and the National Policy and Action Plan on Human Rights 2014 (Office of the Attorney General and Department of Justice, 2014).

Kenya has a Vision 2030 whose aim is to transform Kenya into a newly industrializing, middle income country providing a high quality life to all its citizens by 2030 in a clean and secure environment. The 3 pillars of this vision are founded on human resource development among other objectives (Vision 2030, 2017). Kenya is also one of the United Nations member states whose resolution is to achieve a set of 17 global goals under the 2030 agenda for sustainable development. Among them is goal 5 on gender equality, goal 8 on decent work and economic growth and goal 10 on reduced inequalities (UN, 2017).

2.0 Employment as an Agenda of Ruling Parties' Manifestos 2002 -2017

National Rainbow Coalition Manifesto 2002 (GoK, 2002)

The following were the coalition party's goals for employment in Kenya for the period 2003 to 2007:-

- Embark on policies geared to economic reconstruction, employment creation and immediate rehabilitation of the collapsed infrastructure
- Create about half a million jobs per annum for the entire term in government (IEA Kenya, 2003)

Party of National Unity Manifesto 2007 (GoK, 2007)

The following were the coalition party's goals for employment in Kenya for the Period 2008 to 2012

- Finance social services and create decent jobs for youth and good income for urban and rural families
- Ensure that women are assured of more than 30 percent representation in all public appointments and elective positions, and that all minorities are fully represented in public appointments
- Create decent jobs - Double the investment in infrastructure to build and maintain world-class networks of roads, railways, airports and seaports, power and communications, water supplies, and low cost housing over the five years. This was to create a globally competitive environment for local and international investments in tourism, manufacturing, communications, financial and social services, as well as to establish value-adding industries in agriculture, livestock production, and fishing in various parts of the country.
- Create employment and business opportunities for millions of young people - Invest in developing the Million Stalls and Sheds Programme by building hawkers' markets, jua kali parks, and small business parks in every city, town and municipality. This was to support and encourage investment and employment in the informal sector with the intention of getting half of them to graduate into formal enterprises.

Jubilee Coalition Manifesto 2013

The following were the coalition party's goals for employment in Kenya for the period 2014 to 2017(Soft Kenya, 2013):

- Ensure that 30% of all appointees to public bodies and parastatals are women
- Actively promote the appointment of young people, disabled and marginalized groups to public positions
- Develop special Industrial Parks and clusters in the counties that will target young people and women who start small businesses and provide access to electricity, water, capital equipment and clean sanitary environments, and improved access roads. This is to boost growth at the county level and help to stem rural-urban migration, itself a significant strain on Kenya's major towns.
- With immediate effect, activate the 30% procurement rule in Government procurement policy. In specific projects like water harvesting and renewable energy, women entrepreneurs will be given priority. We will also review the Women's Enterprise Fund to assist women entrepreneurs seeking large contracts and business
- Target a 7-10 per cent growth rate in the first two years of the Jubilee Coalition Government in order to create 1 million new jobs for our youth
- Create the 1 million new jobs by:
 - Actively growing Kenya's manufacturing sector through tax incentives and grants for overseas companies to establish industrial plants in the country that will supply our own and the wider East African economy.
 - Creating a reliable energy infrastructure by extending the national grid network and promoting renewable energy. This will enable the private sector to plan and invest for growth.
 - Implementing a "Buy Kenya" policy for both Government and parastatals, where Kenyan goods and services are accorded first priority.
 - We will encourage a regime that only looks outside Kenya if goods and services cannot be found locally at a reasonable rate.
 - Introducing a policy where at least 10% of Government procurement is acquired from entities established under the youth enterprise fund.
- Create employment for youth through ICT related jobs in Government and the corporate world supported by education and professional development programmes as well as granting them the necessary work experience
- Encourage mechanization and value addition so that young Kenyans can find employment and investment opportunities in agriculture
- Transfer the function of the development of education infrastructure for primary and secondary schools to county Governments, while the national Government retains responsibility for all regulatory and employment matters.

- Create youth employment opportunities through affirmative action schemes to ensure fair access to jobs in county Governments

Employment of workers is an agenda by economies round the globe. There are international and national standards and policies that govern employment and work towards minimizing the rates of unemployment in countries round the world. Kenya is no exception. There are various legislations set out to determine the standards in which employment of Kenya's labour force is implemented. These standards are guided by national and international legal frameworks which ruling parties refer to as they define their political party agenda for minimizing the unemployment rate.

3.0 State of Play

- Unemployment rate is the percentage of people who would like to be employed but cannot work. It is the fraction of the unemployed as a share of the labour force. It works as an indicator of the state of the labour market in a country.
- Labour force on the other hand is the sum of the people who have reached the legal age for employment who are unemployed but are looking for work and those who are employed.
- Participation rate is the percentage of the population that has reached the working age that are either working or looking for work. It is the percentage of people who have reached a working age and are in the labour force.

Table 1: Total Recorded Employment in Kenya 2007 to 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Modern Establishments: Urban and Rural Areas										
Wage Employees	1,909,800	1,943,900	1,959,000	2,016,200	2,084,100	2,155,800	2,283,100	2,370,200	2,478,000	2,554,300
Self Employed and Unpaid Family Workers	67,500	67,400	67,500	69,800	73,800	76,900	83,800	103,000	123,200	132,500
Sub total	1,977,300	2,011,300	2,026,500	2,086,000	2,157,900	2,232,700	2,366,900	2,473,200	2,601,200	2,686,800
Informal Sector	7,501,600	7,942,500	8,676,600	9,371,100	9,958,300	10,548,400	11,150,100	11,846,000	12,559,600	13,309,700
TOTAL	9,478,900	9,953,800	10,703,100	11,457,100	12,116,200	12,781,100	13,517,000	14,319,200	15,160,800	15,996,500

Source: Adapted from the Economic Survey 2012,2013,2014,2015, 2016, 2017 by Kenya National Bureau of Statistics

Chart 1: Recorded Employment in Formal & Informal Sectors

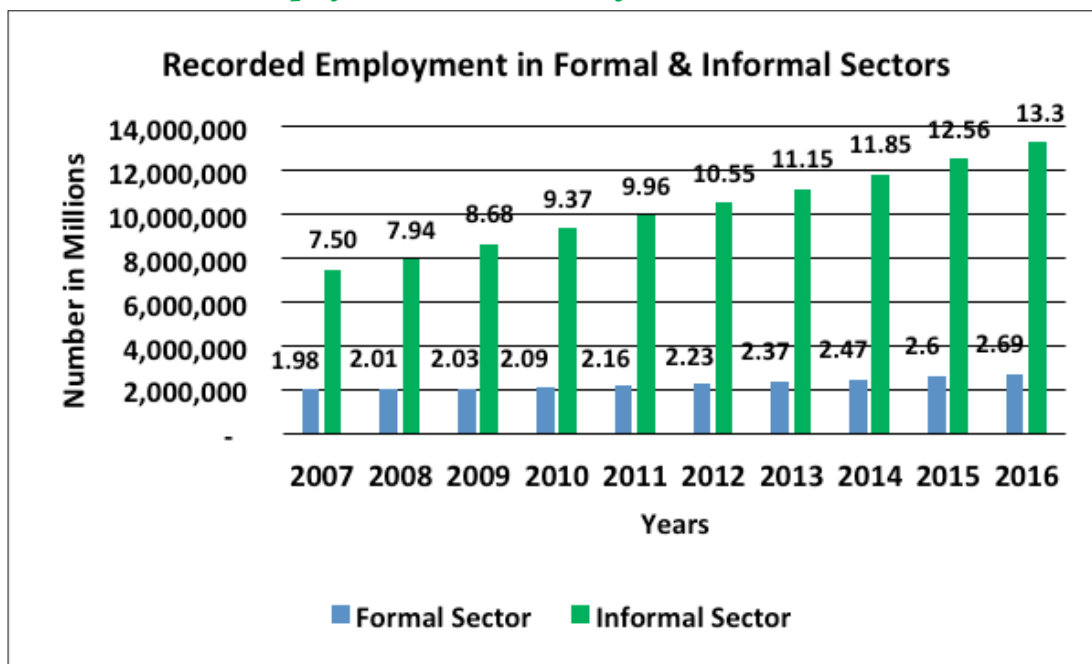
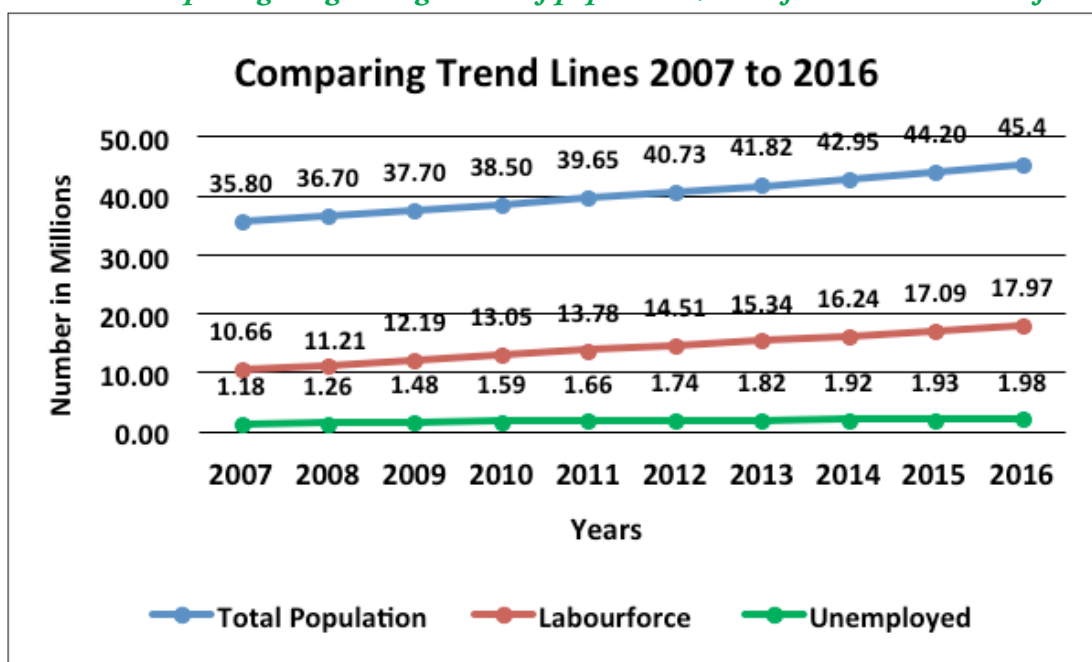


Chart 1 shows that the number of people working in the informal sector has rapidly increased across the period. The number stood at 7.5 million in 2007 grew to 7.94 million in 2008, 8.68 million in 2009, 9.37 million in 2010, 9.96 million in 2011, 10.55 million in 2012, 11.15 million in 2013, 11.85 million in 2014, 12.56 million in 2015 and 13.3 million in 2016. The number of people working in the informal sector has almost doubled from 2007 to 2016. On the other hand, the number of people working in the formal sector has increased by 710,000 people. More people are joining the informal sector as opposed to the formal sector and formal sector employment. 16.8 percent of the work force as at 2016 worked in the formal sector and 83.1 percent worked in the informal sector.

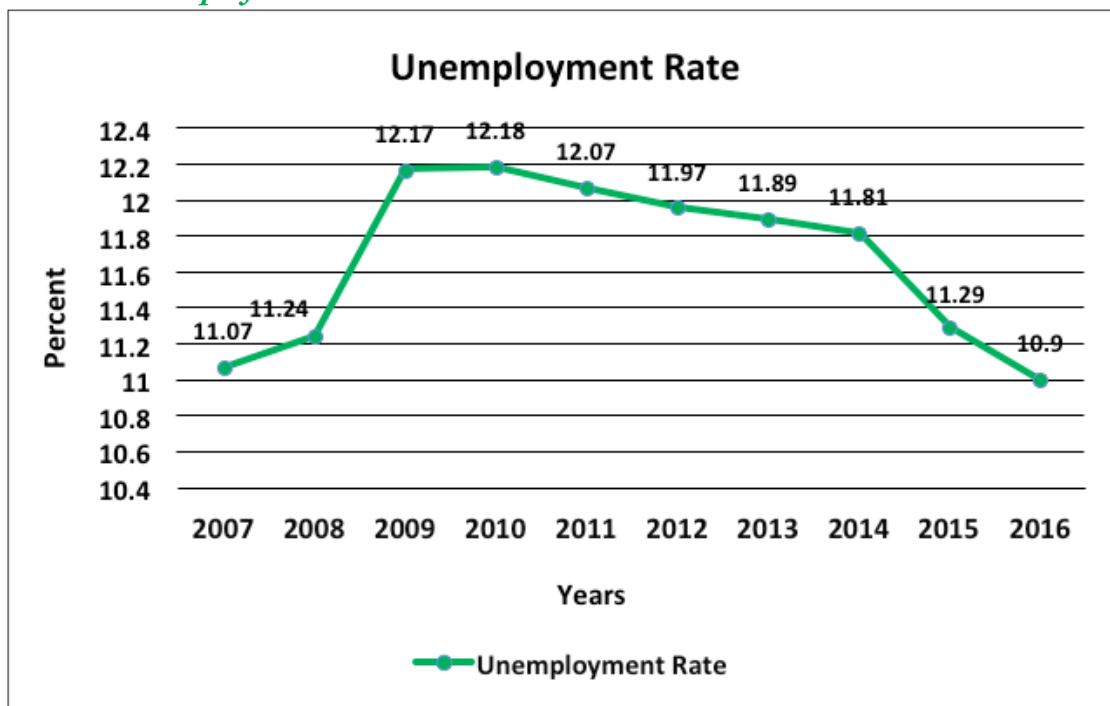
Chart 2: Comparing the growing trends of population, laborforce and number of unemployed people



Kenya’s population has steadily grown during the period under review. The population has grown by 26.8 percent from 2007 to 2016. As the population grows, the labour force continues to grow and according to chart 2 the labour force has grown by 68 percent from 2007 to 2016. The number of unemployed people grows at a fast rate between the period 2007 and 2012 and slows down between the years 2014 and 2016. There is a significant

increase in the number of unemployed people from 2008 to 2009 by 17 percent. Overall, across the period, the number of unemployed people has increased by 67 percent.

Chart 3: Unemployment Rate 2007 – 2016



Source: Adapted from the World Bank Open Data

Table 2: Wage Employment by Sector 2007 – 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Private Sector Employment	1,281,700.00	1,305,900.00	1,346,500.00	1,399,600.00	1,446,600.00	1,493,600.00	1,599,800.00	1,669,400.00	1,759,600.00	1,817,200.00
Public Sector Employment	628,100.00	638,000.00	653,500.00	659,500.00	681,100.00	662,100.00	683,300.00	700,800.00	718,400.00	737,100.00

Source: Adapted from the Economic Survey 2012, 2013, 2014, 2015, 2016, 2017 by Kenya National Bureau of Statistics

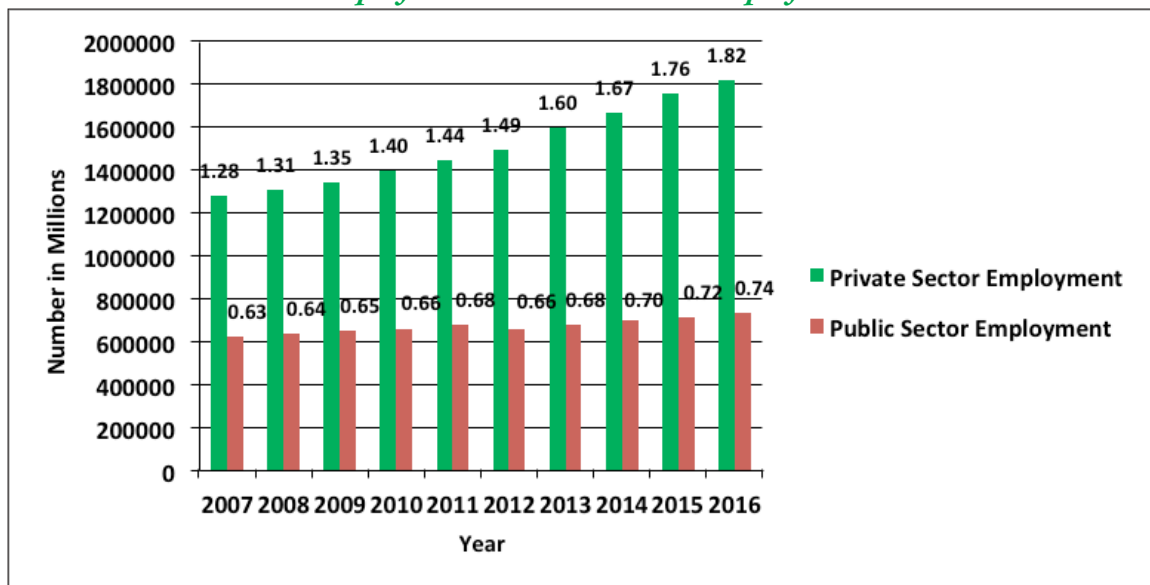
Chart 4: Private Sector Employment vs. Public Sector Employment

Chart 4 illustrates that public sector employment across the period is significantly higher than public sector employment. In 2016, private sector employment is at 71 percent of the total number of people employed in the private and public sectors.

Table 3: Wage Employment by Sex 2010 to 2015

	2010	2011	2012	2013	2014	2015	2016
Male	1,468,100.00	1,478,600.00	1,366,600.00	1,445,500.00	1,503,900.00	1,558,300.00	1,674,800.00
Female	591,000.00	649,100.00	789,000.00	837,600.00	866,300.00	919,700.00	879,600.00
Total	2,059,100.00	2,127,700.00	2,155,600.00	2,283,100.00	2,370,200.00	2,478,000.00	2,554,400.00

Source: Adapted from the Economic Survey 2012,2013,2014,2015, 2016, 2017 by Kenya National Bureau of Statistics

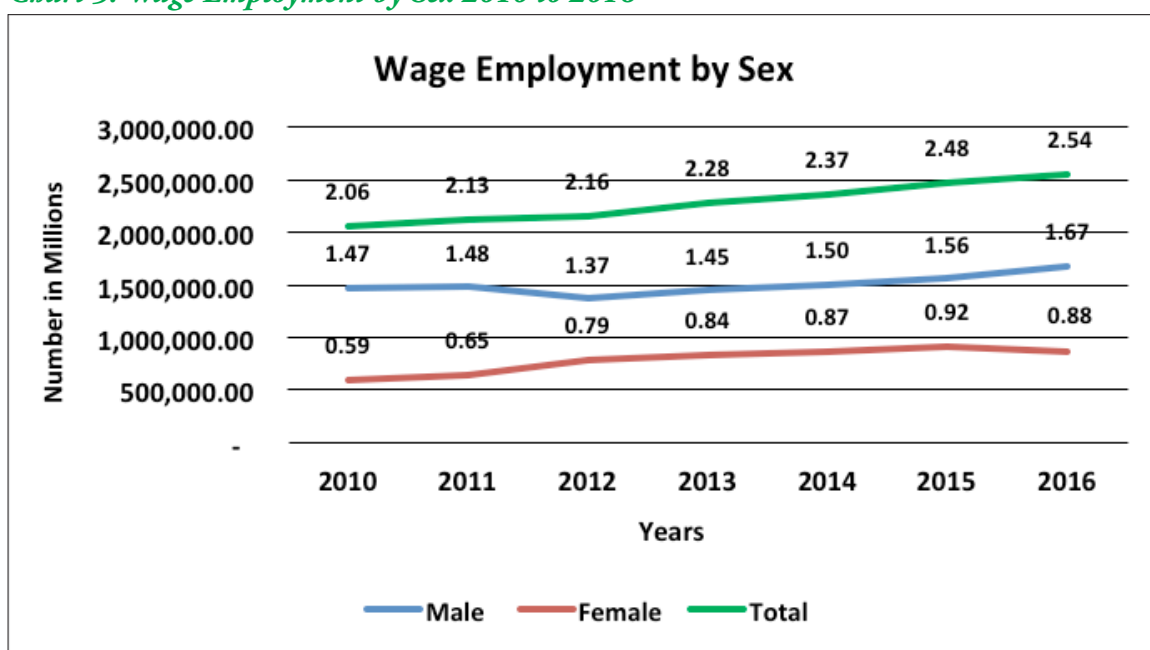
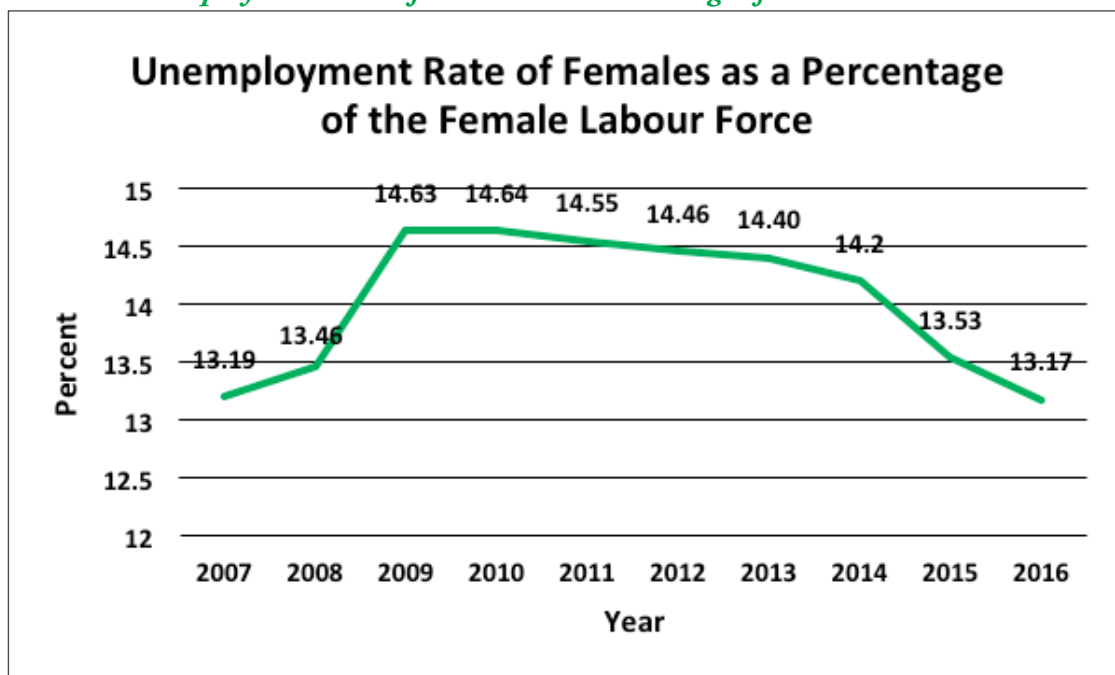
Chart 5: Wage Employment by Sex 2010 to 2016

Chart 5 illustrates the share of female wage employees and male wage employees as a share of the total number of wage employees. The gap between male and female wage employees becomes narrow in the year 2012 simultaneously

with a drop in the number of employees in the year. The gap thereafter from the year 2015 begins to widen. This may be attributed to an increase in the number of female employees joining the informal sector as opposed to formal wage employment.

Chart 6: Unemployment Rate of Females as a Percentage of the Female Labour Force



Source: Adapted from World Bank Open Data 2017

Unemployment rate of females as a percentage of the female labour force sharply increased from 13.46 percent in 2008 to 14.63 percent in 2009. As from 2009, the rate continued to gradually decrease until the year 2014 where it began to rapidly decrease. One can evaluate the policies employed across the period under review under the different regimes directed towards affirmative action to decrease the unemployment rate of women as a percentage of the female labour force.

Persons with Disability

Table 4: Demographics on Persons with Disability

Constitute 10% of the Population at 4.44 million	
Female – 2.24 Million (50.4%)	Male – (2.20 Million (49.6%))
Ages 15 to 54 - 2.21 Million	Ages 55+ - 0.30 Million
PWD Living in Rural Areas - 2.93 Million (66%)	Overall Population Living in Rural Areas - 34.59 Million (78%)
PWD Employed – 1.48 Million	Total Population Employed – 17.92 Million
PWD Receiving a Secondary Education – 0.68 Million 19%	Total Population Receiving a Secondary Education – 22.13 million people 49.9%
PWD Living in Poverty – 2.97 Million (67%)	Total Population Living in Poverty - 23.06 million (52%)

Source: Global Disability Now

Table 4 (on page 29) shows the demographics of persons with disability. Research shows that data on persons with disability is limited and is not as disaggregated as the data on women and employment. In addition, the respective policy documents do not clearly define the inequalities that persons with disability experience in employment. As a result, they fail to adequately address the needs of persons with disability.

According to the data by Global disability now, a higher percentage of the total number for persons with disability, live in the rural areas. It is therefore only natural that 67 percent live in poverty and only 19 percent are receiving a secondary education. This calls for action in terms of data collection and collation to successfully evaluate the needs of persons with disability in employment.

Youth Unemployment

Table 5: Youth Unemployment Rate in Kenya 2007 to 2015

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Youth Unemployment Rate %	21.476	21.979	23.99	24.074	24.049	24.036	24.063	23.857	22.762	22.168

Source: Adapted from the World Bank Open Data

Chart 7: Youth Unemployment Rate in Kenya 2007 to 2015

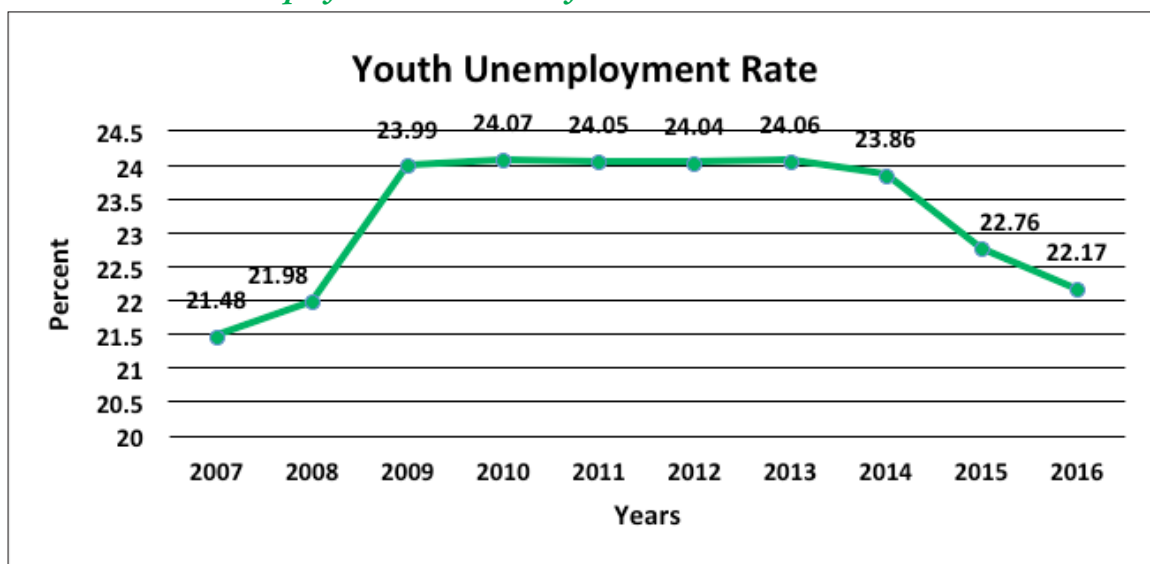


Chart 6 illustrates youth unemployment rate as a percentage of the total youth labour force. It is similar to the female unemployment rate in that it sharply increases from 2008 to 2009, maintains its high levels between 2009 and 2013 and begins to rapidly decrease from the year 2014. This can be attributed to the policies adopted by the ruling party to improve the economic participation of youth. The youth unemployment rate has however not managed to decrease to the level at which it was in 2007 at 21.48 percent. It stands at 22.17 percent in the year 2016.

It is important to note that employment data on youth and persons with disability is not as disaggregated as the overall data and that for women. This presents a gap that exists in finding data that can be used for decision making about persons with disability and about the youth as important segments of the population. In order to successfully address the needs of youth and persons with disability in employment, it is important that their demographics are captured on a yearly basis.

4.0 Types, Causes and Effects of Unemployment

Types of Unemployment

1. *Frictional Unemployment*

This is short term unemployment which results from the process of matching workers with the jobs available. There are certain changes that the labour market may experience including advancing technology, changing consumer taste and preferences that lead to the creation of new products and firms among others. This often results in the creation of new jobs. Members of the workforce are then forced to acquire new skills, pursue further studies, have a change in careers or move from firm to firm or from job to job, or quit their job to take up household duties.

According to T. K. Lim this type of unemployment is considered productive as it encourages the workforce to better match the job.

2. *Structural Unemployment*

This is long term and chronic unemployment which is as a result of lack of skills, language barriers, discrimination in the labour market, economic changes that cause the rise and fall of industries, unions and minimum wage laws among others. This often results in loss of economic output, loss in opportunities for skills development on the job and other psychological and social costs

3. *Cyclical Unemployment*

This unemployment can be defined as the extra unemployment that occurs due to periods of economic recession. It is when the actual rate of employment significantly exceeds the natural rate of unemployment during an economic slump.

Unemployment in Kenya can be considered as largely structural and would call for long term solutions for improved access to decent jobs and job security.

5.0 Causes of Unemployment in Kenya

The Supply of Labour: This is the size of the working age population and the number of people looking to be employed. According to the World Bank, Kenya's population growth rate was at 2.61% in 2015 (Trading Economics, 2015). Kenya has a rapid population growth rate that generates a high labour force. This is reflected in the rapidly growing population of urban areas where people move in search of employment. The challenge of unemployment as a cause of unemployment therefore is a question of distribution of labour and available opportunities for work across the country.

Technological Progress: As firms minimize their level of inputs and maximize their level of outputs, they increasingly pursue automated systems for their processes. These systems over time replace the labour intensive systems. Opportunities for skills development and the successive change in career or jobs are not as readily available as this shift in technology would demand thereby creating unemployment.

Changes in Industrial Models: Due to high costs of conducting business, manufacturers seek to reduce their process costs. As a result they outsource some of their business processes in countries where there are cheaper factors of production, hence a reduction in production inputs locally which include labour. This gives may lead to loss of jobs.

Poor transition of Devolved Services: Devolved education has not resulted in devolved opportunities for employment. This may force a trained labour force to move from the rural areas to the urban areas where competition for jobs is stiff and due to a concentration of trained personnel vis-à-vis the number of jobs available.

Quality of Education: The education system prior to its current changes was known to produce a labour force that is results oriented more than process oriented. This means that students lay more emphasis in their ability to meet examination pass points other than in gaining the skills necessary to develop an expertise. As a result, there is a growing labour force whose skills do not match the requirements necessary to fulfill the employment responsibilities of different jobs.

Poor demand for Diversified Labour: This can be seen in the inequalities that exist in the demand for training across the various fields in tertiary institutions. There are wage inequalities in the labour market across the various fields which lead to a concentration of people in particular fields as opposed to others. In addition, there are wage inequalities across different industries which lead to a concentration of labor in various fields as opposed to others. This in turn has an impact on their ability to take up more people.

Low levels of Innovation: The incentive to be innovative in Kenya is poor. The school curricula do not encourage innovation, the cost of starting up and conducting a business is still high for the average Kenyan and intellectual property rights and the rewards for research and development are not as attractive. Innovation is an opportunity for job creation that has not been tapped into effectively.

Cultural prohibitions: While Kenya's Constitution is against discrimination across board in among other areas, economic participation, there are still socio-cultural prohibitions against women, youth and persons with disability owning assets, acquiring skills and inheritance (Chapman, 2012). In addition, the work environment is such that it does not successfully accommodate the rights of women, persons with disability and youth due to biases against sex, age, gender and physical ability. Furthermore, cultural prohibitions also result in the poor participation of women and persons with disability in training and education opportunities

Global Economic Recession: The performance of economies globally pose a challenge in the reduction of unemployment in countries all around the world.

Irregular Demand for Labour: There are industries like the agricultural and the manufacturing industries whose nature in Kenya is such that they demand for labour seasonally. In addition, the industries are more labour intensive and demand for more casual employment than formal employment. This leads to poor job security and uncertainty in employment those industries.

Capacity Under-Utilisation: According to research by soft Kenya most firms tend to produce below their capacity, thereby not employing as many people as they are capable of. This would be due to lack of sufficient demand of their products or the result of monopoly practices that limit output (SoftKenya, 2017).

Government and Trade Union Interventions: These according to soft Kenya distort the labour market by maintaining minimum wages above the market equilibrium. In addition, the wage structure in Kenya has failed to co-ordinate demand and supply.

6.0 Effects of Unemployment

The following are some of the costs of unemployment. They are divided into *economic, social and psychological costs* (Lim, 2012):-

Economic costs:

- An overall loss of output in a country's economy;
- A fall in incomes that often leads to stretched household income due to lack of participation by women, persons with Disability and youth;
- The skills of a labour force deteriorate as they are not utilized in practice and are not subject to further development;
- Poor revenue collection by government by way of taxes from a population's income;
- An increase in the informal economy over the formal economy thereby leading to inadequate data and poor planning;
- Inability by marginalized groups to invest and make savings resulting in poor standards of living and violation of human rights

Psychological costs:

- A people may lose their self-esteem and a sense of control over one's own life due to inadequate means to meet basic needs;
- Depression and development of a suicidal population due to diminishing sense of self-worth;
- Women, persons with disability and youth may be conditioned to believe that economic participation is not their right which in itself is a violation of human rights

Social Costs:

- Crime is likely to increase as unemployed or underemployed people pursue their basic needs;
- Domestic violence may rise due to inferiority and superiority complex between partners;
- Drug abuse and alcoholism may increase due to hindrances in economic participation that result in idleness and the need to be less conscious of the surrounding problems;
- Deepening tribal lines due to perceptions on distribution of economic resources;
- Violation of human rights of vulnerable and marginalized groups in society
- Reduced investment in the education of women, youth and persons with disability. It continues to be a less viable option in some communities due to the perception that there would not be a return in the investments due to inherent biases in economic participation
- Society forgoes the gains in the participation of women at the household level where an economically empowered woman contributes to the empowerment of her children and in turn, of society
- Lack of incentive by women, youth and persons with disability to participate in political leadership

7.0 Solutions and Recommendations

Public Sector Solutions

- Encourage the growth of industries in the different counties through county revenue allocations and implementing consequences for the misappropriation of public funds. Promote county by county solutions to unemployment. This will lead to growth of counties and shall accommodate devolved education services a lot more efficiently. It shall work towards reducing unequal distribution of labour across the country and promote innovation at the county level
- Subsidizing education and vocational training courses to improve the uptake by members of the public for use in formal employment. There should also be targeted subsidized education for women, youth and persons with disability. This shall entail an analysis of the sectors and the respective industries to highlight opportunities for growth and development to successfully define the demand for skills.
- Reduce the cost of starting up and conducting business by reducing the cost of production inputs including corporate taxes and cost of raw materials. Government should increasingly work towards reducing the cost of energy and petroleum as a production cost. It should also create a conducive environment for innovation where research and development is encouraged.
- Ensure compliance by public and private firms on the employment and labour acts as well as other legislations that address employment inequalities. Government has the role of enforcing rules and regulations and putting in place stringent measures for the control and reduction of corruption in the employment environment.
- Allow for growth of labour unions that are not overregulated or under-regulated to reduce worker exploitation, support progressive labour legislations, increase productivity and promote democracy at the workplace

Private Sector Solutions to Unemployment

- Increased public private partnership projects that enable the government to create more opportunities for employment as it increases its spending on infrastructure and skills development
- Transitioning private firms from the informal economy to the formal economy through heightened accountability and desire for structured systems. This will create a more formal economy that can provide the data that is required for planning and decision making
- Increased demand for decent jobs by the work force which shall transition the economy from informal to formal. This should be met by creation of decent jobs for workers and the enforcement by government of rules and regulations governing employment.
- Private firms should sustainably increase their allocation for training of personnel to allow for skills development on the job
- Define the inequalities that exist in employment against the women, youth and persons with disability and lobby for them to be individually addressed in the employment act and other legislations that exist to address employment inequalities

Sample Cost Benefit Analysis of Policy Alternatives

- **Policy Option** - Subsidize two year demand driven technical training courses for 1 million youth per year for 5 years with assured placement of the trainees in employment
- **Determine whose benefits count** –The country's economy
- **Catalogue Impacts**
 1. **Beneficial Impacts** –Approximately 1 million firms shall benefit from trained personnel; there shall be 1 million more people earning an income and contributing to the GDP; 1 million more youth will cease to depend on someone else's disposable income; 1 million more youth shall contribute to household income; there will be at least 1 million more youth who are less prone to committing crime therefore lower conviction rates; at least 1 million more youth shall be employable

2. Cost Impacts – The cost of training; the opportunity cost of extending subsidies to 1 million youth who could be employed in labour intensive jobs; there shall be frictional unemployment as the 1 million youth undertake the training courses for at least 2 years

- **Quantitative Impacts over the life of the Project**

1. Tuition fees for 1 million youth
2. Salaries for 1 million youth
3. Contribution of 1 million more youth to GDP as consumers and tax payers
4. Opportunity cost of directing money to 1 million youth

- **Monetize all Impacts**

Impact	No. of Units	Cost per Unit (KES)	Total Cost
Costs			
i) Tuition fees for 1 million youth for 2 years	1,000,000	108,000 (36,000 x 6 Semesters)	108,000,000,000
ii) Salaries for 1 million youth for 3 years	1,000,000	1,110,000 (370,000 annual salary for 3 years)	1,110,000,000,000
Total Costs			1,218,000,000,000
Benefits			
iii) Contribution of 1 million more youth to GDP as consumers and tax payers	1,000,000	720,000 (annual contribution to tax and spending of a total of 20,000 per month for 3 years)	720,000,000,000
iv) Value of the output of 1 million youth for 3 years	1,000,000	2,160,000 (valued at 60,000 per month per person)	2,160,000,000,000
Total Benefits			2,880,000,000,000

- **Discount Benefits**

Year	Event	Annual Benefits	Annual Costs	Annual Net Benefits
0				0
1	Tuition fees		54,000,000,000	-54,000,000,000
2	Tuition fees		54,000,000,000	-54,000,000,000
3	Salaries		370,000,000,000	-370,000,000,000
3	Income Tax & Spending	240,000,000,000		240,000,000,000
3	Value of output	720,000,000,000		720,000,000,000
4	Salaries		370,000,000,000	-370,000,000,000
4	Income Tax & Spending	240,000,000,000		240,000,000,000
4	Value of output	720,000,000,000		720,000,000,000

5	Salaries		370,000,000,000	-370,000,000,000
5	Income Tax & Spending	240,000,000,000		240,000,000,000
5	Value of output	720,000,000,000		720,000,000,000
	Present Value	2,880,000,000,000	1,218,000,000,000	1,662,000,000,000

Calculating Net Present Value: We shall use a discount rate of 7%. A discount rate is the interest rate you need to earn on a given amount today to end up with a given amount in the future.

Year	Annual Net Benefits	Discount Rate	NPV
0	0	0	
1	-54,000,000,000	(1+0.07)	- 50,467,289,719.63
2	-54,000,000,000	(1+0.07)²	- 47,165,691,326.75
3	-370,000,000,000	(1+0.07)³	- 302,030,214,449.62
3	240,000,000,000	(1+0.07)³	195,911,490,453.80
3	720,000,000,000	(1+0.07)³	587,734,471,361.41
4	-370,000,000,000	(1+0.07)⁴	- 282,271,228,457.58
4	240,000,000,000	(1+0.07)⁴	183,094,850,891.41
4	720,000,000,000	(1+0.07)⁴	549,284,552,674.22
5	-370,000,000,000	(1+0.07)⁵	- 263,804,886,408.96

Year	Annual Net Benefits	Discount Rate	NPV
5	240,000,000,000	(1+0.07)⁵	171,116,683,076.08
5	720,000,000,000	(1+0.07)⁵	513,350,049,228.24
	1,662,000,000,000		1,254,752,787,322.63

- **Sensitivity Analysis**

Different parameters may vary across the period whether in terms of the discount rate, the terminal values. A policy analyst must therefore always conduct a sensitivity analysis of each parameter to re-compute the net present value to determine whether there would still be benefits to taking up a policy recommendation.

8.0 Recommendations and Conclusion

Recommendation

As a policy analyst conducts a cost benefit analysis on alternative policy recommendations, they must perform the steps taken above and determine which policy options provides the maximum benefit over the life of the project. In addition, they must take into account all the tangible and intangible costs and benefits, monetize their impact in order to get a true value of each project or policy option.

Conclusion

Unemployment in Kenya is a growing phenomenon that attracts the attention of leaders in the public and private sectors. There exists elaborate policies that define and govern employment in Kenya. However, while the legislations discourage discrimination and inequalities in employment, they do not clearly address the challenges that the interest groups face in economic participation, particularly persons with disability face in economic participation. This paper expounded on the various causes of unemployment in Kenya that range from the quality of labour, the demand for labour, the supply of labour and the effectiveness of employment policies. It is clear that the effects of unemployment impose economic, social and psychological costs that require the attention of private sector and public sector actors. These solutions however come at a cost that government may choose to subsidize and that private sector may choose to weigh against the short term and long term benefits.

It is important to consider that the benefits that an economy may accrue in the reduction of unemployment include social benefits that may not currently be tangible. These benefits are however important to take into consideration as they provide a clearer picture as to the long term benefits of the decisions that firms make now to improve the employment environment available to the workforce.

The economic participation of women, youth and persons with disability is pertinent to the growth of a country. It is not only a requirement for growth but is in itself a human right that governments should protect and that private sector institutions should comply with as a matter of principle. The adherence to these principles will not only enforce compliance, it will also provide a radical shift in Kenya's economy as we continue to see a productive population that enjoys the freedom of utilizing its skills, creating wealth and enjoying the returns of the savings and investments of over 85% of its entire population.

The solutions provided for in this paper set out alternatives for both private and public sector. This shows that there is a responsibility for all members of Kenya's public in the reduction of unemployment. It also sets out solutions that touch on different sectors of Kenya's economy including education, manufacturing, agriculture, energy, industrialization and requires that there is cooperation and coordination across sectors. In addition, in successive years, it is pertinent that there is increased partnership and coordination between national and county governments to utilize the centralized resources available to the country while taking into consideration the unique characteristics and potential of each of the 47 counties in Kenya.

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3

Housing Policy as an Agenda for Elections 2017

Executive Summary

This is an issue paper composed from a study to understand the dynamics and trends that inform the determinants of housing demand and supply in Kenya. It finds that Kenya's formal housing policy has a strong supply focus that shortchanges rural dwellers whose main challenge to adequate and good housing is based on demand constraints. The proposal here is that a more efficient market for housing would create better housing conditions, the liberalization of the trade in housing materials is imperative and ought to be complemented with other fiscal policies and the inadequate investment in urban housing make rental housing in urban areas should be achieved through housing vouchers for poor residents as replacement for rental controls.

1.0 The Policy Context

Kenya draws its housing policy from a variety of formal documents in the form of statutes, written policy, international agreements and policies specific to the sector. This variety of housing policies specify the objectives of housing policies and distribute responsibilities among the arms of the state in order to attain the stated goals. Article 43 (1) b of Kenya's constitution provides the every Kenyan has a "...right to accessible and adequate housing and to reasonable standards of sanitation ." Supporting the constitution's call for adequate housing is the Vision 2030 that is Kenya's long-term plan for economic social and political transformation. Specifically, Vision 2030 aims for adequate and decent housing for all Kenyans and justified why housing policy and construction would be an important part of providing employment and meeting the country's goals for development .

The Constitution provides an explicit right to accessible and adequate housing together with reasonable standards of sanitation because it correctly assumes that these are connected. While the rights that are protected here are explicit, it is unclear whether the responsibility for ensuring these rights are in the hands of the government in terms of ensuring access and quality. The Economic and social rights chapter of Kenya's constitution has not been subjected to litigation for courts to provide clarity on enforcement. It is worth noting that these rights are subject to progressive realization.

The Fourth Schedule of the constitution of Kenya delineates the responsibilities of the national and county governments. Section 8 is dedicated to the functions and power of county government related to County Planning and Development. Under section 8 (d), the fourth schedule outlines that housing as a one of those functions . Concurrent reading of the Fourth Schedule and the article 43 (1) leads to the conclusion that the responsibility for the realization of this result would lie with counties primarily. This is logical because the counties also bear responsibility for other services that go with housing such as electricity reticulation, land survey and mapping. Thus it is arguable that the constitution intended to place primary responsibility for realization of housing rights to the county governments that are responsible for local governments to begin with. In addition, article 184 of the Constitution of Kenya commands parliament to pass a law on urban areas and cities. This was passed in act of parliament in 2011, came to effect in 2012 and was revised in 2015. In particular, the objectives of the law are :

- (a). Classification of areas as urban areas and cities
- (b). Governance and management of urban areas and cities
- (c). Participation by residents in the governance of urban areas and cities
- (d). Other matters for the attainment of objects provided for in paragraphs (a) to (c)

The Urban areas and Cities Act is silent on the issue of housing but recommends population thresholds that lead to classification of areas as cities and towns. Such classification assumes the existence of resident populations who have rights of policy engagement with the administration of the cities through the boards and the county governments. Rights of petition include general state of urban services that residents would need. In this way this law is silent on housing within urban areas and cities.

In 2008, Kenya formulated and published the Vision 2030, a long-term plan that would guide National Development. Since then, the Vision 2030 became Kenya's official development master plan whose full implementation would culminate in attainment of middle-income status for Kenya's people. The Vision 2030 document identified that Kenya's population in 2008 was predominantly rural based but anticipated that rapid growth in urban areas could lead to a result where 60% of the population was urban based by the 2030. It also identified housing construction as a strategic sector for provision of employment and development of a domestic construction industry. It recognized that the housing sector has large potential for employment in labour intensive tasks that would match Kenya's labour profile.

Preceding the Constitution of Kenya and the Vision 2030 is the National Housing Policy contained in Sessional Paper No. 3 of 2004. Sessional Paper No. 3 established the goals that were reflected in both the Vision 2030 and the constitution by reiterating the need for decent and affordable housing for all Kenyans. It also affirmed the existence of housing policy institutions such as the national Housing Corporation, the Ministry of lands and settlement the implementation of Kenya's Housing Policy culminated in the formation of the Housing Development Fund to be funded through budget allocation and which is managed under the National Housing Corporation (NHC). The national Housing Policy for Kenya identifies low incomes and poverty as the main impediment to access for decent and affordable housing for citizens. It adds that the primary purpose of the policy would be to achieve a state where all Kenyan households live in "decent and affordable housing" whether this is privately or publicly owned. In addition to the acknowledgement of constraints to good housing for families, this document emphasizes the deficit in number of housing units required within urban areas in Kenya.

Kenya is among the 190 countries that is dedicated to attainment of the Sustainable Development Goals (SDGs) aimed at fighting poverty, inequality and impediments to growth and human development. The goal number 11 is aims to "make cities and Human Settlements Inclusive, Safe, Resilient and Sustainable". This goal is informed by the fact that at least 50% of the world's population in 2015 lived in urban settlements and that urbanization is growing in many developing countries. Target 1 of Goal 11 urges governments to "ensure for all adequate, safe and affordable housing and basic services and to upgrade slums."

Reading from the variety of policy documents stated here, it is clear that Kenya's housing policy is connected through emphasis of specific objectives for attaining housing. In summary, these policies acknowledge the inadequacy of decent housing for Kenyan households and the related challenge of accessibility. Thus the primary focus of the policies is to expand availability of housing, ensure that Kenyan households have decent dwelling units. The chosen instruments for these goals are to facilitate greater accessibility and ownership of housing, slum upgrading in urban areas and the development of a housing Development Fund to increase supply of housing in Kenya's urban areas. Vision 2030 also states Kenya's housing sector could be a growth driver in absorption of labour in the quest to meet the national shortage estimated at between 150,000 and 300,000 housing units annually. Thus housing is important both for social purposes but also as a mechanism for industrial growth and employment provision.

A significant finding is that Kenya's formal housing policies together maintain a strong supply focus based on the understanding that there is insufficient housing of good quality at affordable rates in the country. Thus the expectation is to existing housing stock and to facilitate ownership within urban areas of Kenya. This policy focus skews government initiatives towards supporting supply policies while the demand and supply picture in urban and rural areas are very different.

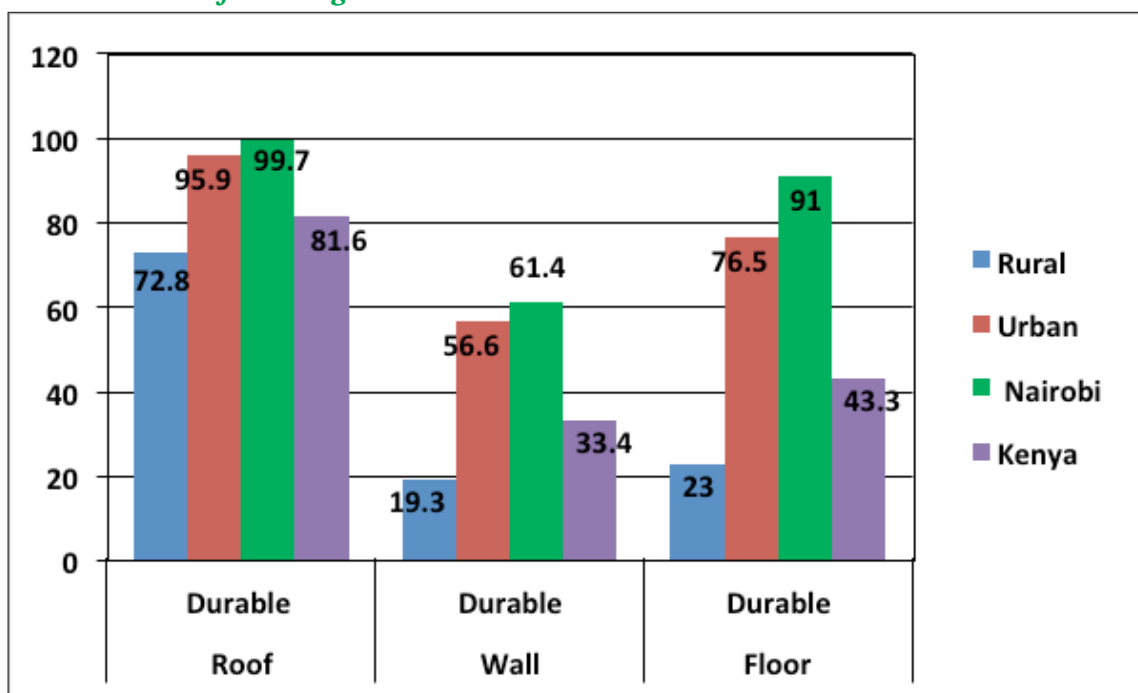
2.0. Situation Analysis and the Challenges

This section of the study is therefore a situation analysis that examines the fact and to relate the findings to the policy focus. Conducting this diagnosis requires a review of the most comprehensive data that is available on the state of housing in Kenya and to determine the conditions of that structure to determine the quality and estimate costs. Bearing in mind that Kenyan citizens live in different formations, the study classified the housing into urban and rural dwellings in order to have sharper focus on the housing characteristics for each level and to draw lessons for the overall country but also for each area.

The data used in this analysis was secondary data published by the Kenya National Bureau of Statistics. In order to find the most comprehensive and comparable information, the data ranges from the Kenya National Population and Housing Census of 2009, the latest edition of the Kenya Demographic and Health Survey (2014) and various issues of both the Statistical Abstract and the Economic Survey issued by the government of Kenya. The analysis involved interpretation of the secondary data to draw conclusions and apply principles of economics to reach conclusions and make recommendations.

Housing demand and supply in Kenya is driven by both the construction costs of the physical structure on the one hand and the cost of the land upon which the dwelling is based. For that reason, it is found that the quality of housing in Kenya correlates highly with the income level of the household owners. This means that income growth is an important factor in meeting the objectives contained in the consolidated policies for housing in Kenya. What this means is that a faster growth in real incomes will act as a major impetus to better and more decent housing for Kenyans. In essence, good housing faces the hard constraint of low incomes and this means that good growth policies is a housing policy too because it ensures increased affordability through effective demand.

The key effect from the differences in earning between urban and rural households is observed in the quality of material used in constructing the essential various features that constitute a housing structure. Chart 1 below summarizes the status of Kenya's housing by the material used to construct the roof, walls and the floor. Notably, 81.6% of Kenyan households in 2009 had dwellings with roofing made from durable materials such as corrugated iron sheets and roofing tiles. Virtually all residents of Nairobi and urban reside in houses with durable roofing material and this is another reflection of the quality of the housing structure.

Chart 1: Share of Housing Constructed with Durable and Non-Durable Material

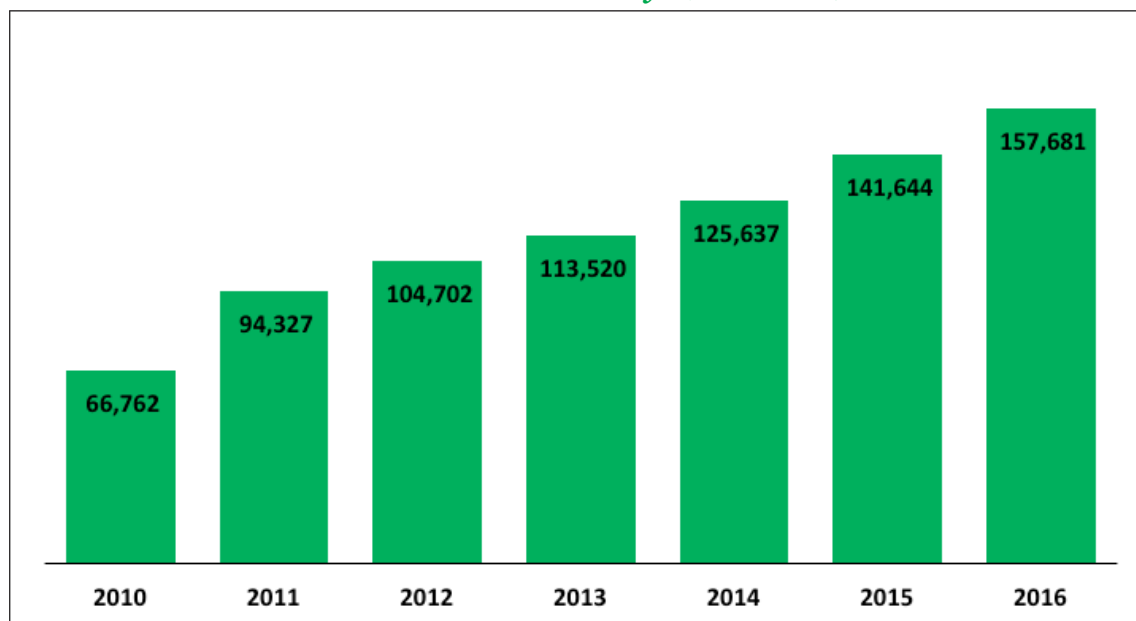
Source: GoK (2009) Kenya Population and Housing Census Report vol.

The most salient point from the chart 1 above is that in every structural feature, the urban households generally have more durable roofs, walls and floors. However, only 33.4% and 43.3% of walling and floors respectively are made from durable materials. The direct inference from this is that there is less use of durable materials for walls and floors given the quantity and cost of materials required to construct them. Again, this is an effect of the cost of construction materials such as bricks, steel and cement that are required to construct floors and solid walls. This is demonstrated by the fact that in addition to income growth that would make housing more affordable, housing policy should focus as well on reducing the domestic cost of cement, steel and other construction material.

Thus the Vision 2030 sought to fill in the housing gap of up to 200,000 housing units annually partly as replacement of old housing stock but mostly to meet the demand for new homes. On the hand, the National Housing Policy suggests that the gap is in the range of 200,000 to 300,000 per annum. According to the World Bank, Kenya had a cumulative deficit of 2 million housing units in 2016 . Due to this massive deficit that is equivalent to another 20% of all houses in the country, there is understandably an upward pressure in the process of houses and this undermines the policy goals of access to affordable and decent housing.

The World Bank also found that in 2012, the cheapest house in the formal market cost Kshs. 1.432 million to construct but no houses were available for lower than Kshs. 4 million . This shows that the lowest cost housing unit in Nairobi in 2012 required 30.2 times the average income to purchase. The reality of this market condition shows that the broad policy goals of affordability and access are not being met because of low incomes.

The Sessional paper No. 3 of 2004 commanded the creation of the National Housing Development Fund contained in the Housing Act of 2015. This Housing Fund represents the government's commitment to public funding for housing construction in Kenya. This fund has an urban bias and is supposed to fund construction of houses. In the 2015/16 financial year, the government reported expenditure of Kshs. 6.0 billion, representing 82.2% utilization of the fund. This total represents new housing units developed together with loans provided to individual borrowers for housing development. This shows that the National Housing Corporation (NHC) is lending money and engaging in construction but the overall contribution to making shelter more widely available is modest.

Chart 2: Trend in Annual Income Growth in Kenya (2010-2016)

Source: Republic of Kenya (2017). *Economic Survey 2017*

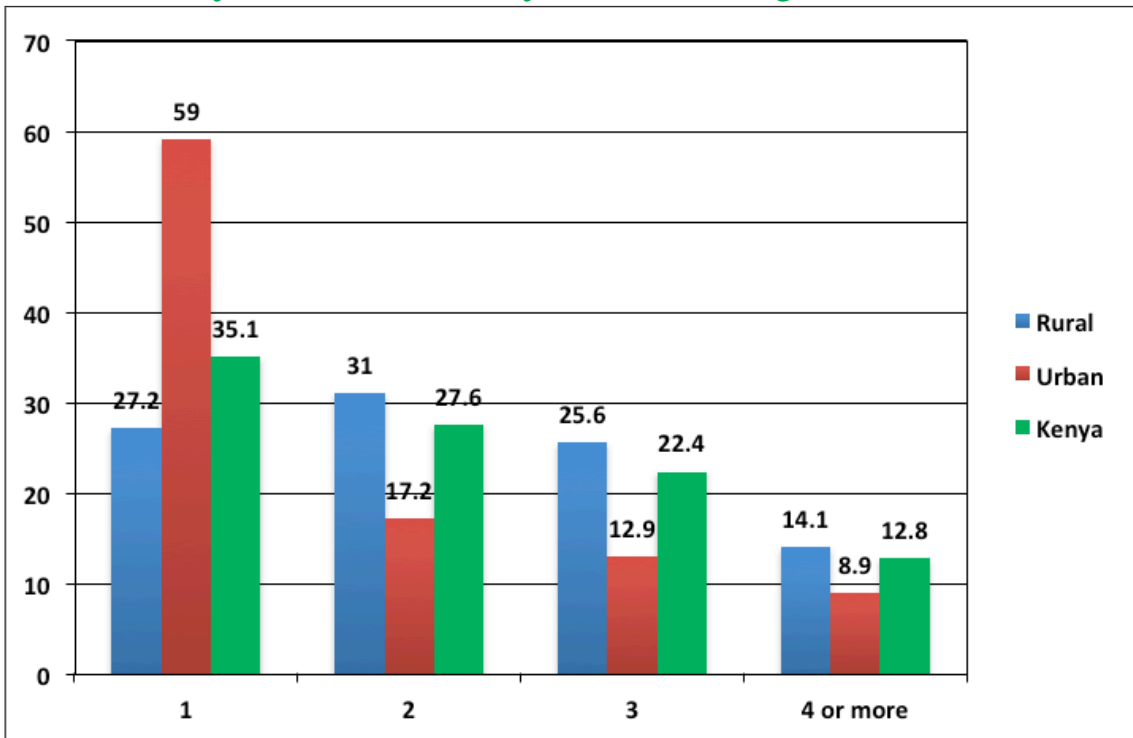
Based on the average income of Ksh. 13,140 per month illustrated by Chart 2, the calculation reveals that it would take 1.5 days of income for a worker to purchase one 50kg bag of cement at 2016 prices. This demonstrates that in addition to low incomes, the costs of durable materials for house construction are high. The reason for this expensive cement and steel products is on account of industrial policy and the protection of cement firms that are partly owned by government. Kenya has a modestly sized steel industry that is also protected from cheaper alternatives primarily from China. Thus the solution to achieving more competitive construction material lies in robust competition for through liberalization of trade in steel. Effective policy needs to bend the cost of curve for housing construction in Kenya.

An industry publication in 2015 provided a lower estimate of construction for a house in Kenya's urban areas at about Kshs. 25,000 per square foot. This cost is among the highest for country's at Kenya's income level and is skewed by costs in Nairobi and Mombasa. In comparative terms, these figures remain among the highest in Africa. A breakdown of these costs reveals that the cost of construction material in Kenya is higher than world average. High quality construction requires use of concrete, steel and high quality roofing and other material and domestic prices for cement and steel are high both in absolute terms but also as a share of Kenyan incomes.

Examining the cost structure of housing in Kenya's urban areas is essential to understand what drives the costs. Apart from the low incomes and high cost of construction material, the cost of land is clearly a driver of high cost of houses constructed in Kenya. The cost of land affects the overall cost of housing because land is indispensable for construction of housing. Thus the ownership structure of land affects the overall cost. Bringing down the cost of land in urban areas is outside the scope of this study but a political economy analysis of urban land ownership is completely ignored in Kenya's land policy.

An examination of the nature of the shelter in rural and urban areas reveals that the Kenyan housing market shows a dual character with the different challenges in urban and rural areas. As illustrated by chart 3 below, 35.1% of all houses in Kenya were single room dwellings. At the same time, the chart shows that 59% of all urban dwellers reside in a single room structure while the corresponding share for rural dwellers is 27.2%. The share of houses reduces correspondingly with 12.8% of Kenyan houses containing at least 4 separate rooms. Thus while urban dwellings have more durable structural features in walls, floors and roofs, rural dwellings have more rooms within their households. What this reveals is that the average household in an urban area is made of more expensive and durable material but is probably smaller in space and has smaller number of rooms and space per resident.

Chart 3: Share of Houses with Number of Rooms in Dwelling



Source: Republic of Kenya (2017). Economic Survey 2017

An interpretation of the data in chart 3 is that Kenyan households in urban and rural areas face different challenges in the quest for adequate and high quality shelter. In essence, urban areas lack space and privacy in spite of living in dwellings with better structural integrity. Rural areas demonstrate the advantage of more rooms within the single dwellings but they have lower quality of the housing structures. Thus rural dwellers are constrained by income and that is demonstrated by the lower quality of the walls and floor of their houses. The primary challenge to housing is affordability that manifests itself in the shortage of housing and therefore a matter of access in urban Kenya. So the quantity deficit is clearly evident in urban areas in terms of the gap between housing needs and the supply while the quality gap is the challenge of rural dwellers.

The implication of this is that the urban problem is a supply problem that requires addition of housing units for rental and purchase. On the other hand, the primary policy challenge in rural Kenya is the quality of the building materials. Therefore, the policy imperative for rural areas is a demand focus in order to enable the purchase better construction material for walls and floors. Overcoming the supply constraints in urban requires efficient and competitive markets in the cost of land, adequate investment in public infrastructure and the reduction regulatory burden of licenses. Given the scarcity of capital and low savings, priority should be to provide incentives for investment in rental properties in storied buildings that use scarce land most efficiently.

Kenya has a large financial services industry but the mortgage industry in Kenya is very small as measured by the total number of mortgages. An efficient financial market architecture would be expected to provide opportunity for market transaction to finance housing as a private good. Housing is expensive and represents large investments that are often financed through mortgages and other lending instruments. Kenya’s mortgage industry comprises only 25,000 individual accounts with an average value of Kshs. 8.3 million , equivalent to 52 years of average annual income. This proves that while the mortgage industry is growing, it is not attuned for making housing affordable and thereby creates a small effect in expanding access to housing.

3.0 Policy Recommendations

Bending the Cost Curve

The major constrain to both the access and affordability of housing has been identified as income because of the costs related to construction materials and the availability of land in urban areas. In addition to the acquisition of the land and the direct construction costs, regulations and permits impose further costs for expansion of housing supply within urban areas. These primary drivers of costs are in turn the products of the kind of markets in which they are traded. The scale of housing construction in Kenya is low as compared to the deficit of houses that exists. Thus an expansion of scale is necessary to reduce the unit cost of housing construction.

The role of government in housing construction to meet the demands of the policy documents that it has published make it imperative to seek a regime of competitive prices for materials used in housing construction. Bending the cost curve is a sensible policy goal that should focus on fiscal and economic policies that affect the cost of construction materials in Kenya. Starting from the fact that average incomes are low and growing at a modest rate, it is essential to increase affordability of decent housing by fiscal policies designed to ensure that materials become more affordable in the first instance.

The cost of housing construction in Kenya is borne by households due to the fact the institutional infrastructure for funding construction of shelter is limited. Development of the mortgage industry is ideal but its formal nature means that it will be available to a select number of households. Given its size today, it is unlikely that both the government's housing development fund and the mortgage industry will provide sufficient facility for covering the housing gap. Government's fiscal policies should consider immediate review of the direct taxation on the cement and construction materials purchased by individuals. As a policy mechanism, "Bending the Cost Curve" for housing construction calls on government to adopt fiscal and economic policies that reduce cost through encouraging competition in the manufacture and sale of construction materials but primarily on steel and cement. More specifically, the taxation of cement and steel products provides substantial revenue to government but reduces the affordability of essential housing by poorer and lower income Kenyans. Thus a general reduction in the Value Added Tax (VAT) in general would increase affordability of better housing by families. Specifically, the rural households would have better dispensation to improve the quality of the flooring and walling materials towards more durable products.

Urban Land Costs

Housing in urban areas employ more durable materials and is constructed on scarce lands, leading to higher population density. As a result, the rental cost of urban houses reflects the price of scarcity of the land as much as the cost of construction of physical structures. As argued above, the bending of the cost curve for construction would generate supply by increasing the amount of housing construction that takes place by making construction cheaper while improving affordability for buyers and renters. Because of ongoing urbanization, the population growth in urban areas will be sustained and with it increased demand for housing. It is in the interest of both the national and county government to make land available for property development for all income levels. County governments have a responsibility to facilitate the development of shelter and they should be required to provide more efficient markets in land within their jurisdictions. Making more land available for construction is important through reduction of limiting regulations on sizes of land but most importantly to encourage growth of vertical developments. This implies that the land taxation regime should be in place to create incentives for dense living spaces as compared to spreading fewer houses on expensive land.

A major failure of the regulation of urban housing is seen in the regular collapse of high-rise buildings in Nairobi and other major cities. They reflect the failure of constructors to adhere to building code and regulations. Findings show that the collapse of these buildings is primarily for inadequate foundation and construction of pillars to

support multiple floors in buildings. This is direct demonstration of inadequate inspection to ensure adherence to the city construction codes but also vicariously suggests that the cost of construction of high-density buildings is high.

Dual Markets

The basic analysis of the status of housing in Kenya has demonstrated that there is a dual market with rural dwellers having the challenge of ensuring effective demand for more durable housing materials while the main challenge in urban areas is to ensure sufficient supply of housing for the lower income population. For both groups, the shared interest in a reduction in the costs of building material is shared but ownership is not imperative for the urban population. The legacy of social housing in Kenya has left many county governments in charge of significant quantities of dilapidated estates and housing property. These estates are situated in very valuable land but the governments have insufficient funds for upgrading of the housing units. These valuable land assets should be used to leverage funding for expansion of high density housing units for the population and allow the land to be utilized with greater efficiency.

Urban Rental Markets

Most urban dwellers depend on the sale of their labour to earn income and have low incomes that does not enable them to construct and own their own homes. For this reason, Kenyan cities should encourage working rental markets for a majority of this population. Based on the number of urban dwellers in Nairobi alone, the county government is unlikely to have sufficient funds to provide the majority of houses for city dwellers. It is sensible for the county governments to construct housing for rental by its direct employees but there is no economically defensible reason to dedicate county government's resources to expand social housing in Kenyan cities. Instead the city governments should encourage efficient use of land available for private construction and to allow for competitive rental properties. They could help in this development by dedicating land for purchase and use for housing provided the infrastructure and amenities such as roads, water and related public services are available.

While the idea of social housing is popular, but would not be the most efficient way to ensure better and improved housing for the poor urban dwellers. Instead of the use of blunt instrument of social housing, the city governments may choose to offer housing vouchers to the poorest workers in order to supplement their rent payment. The future of housing development in Kenya's rapidly growing urban areas is through decent rental property. Rental controls will constrain the development of property suitable for lower income earners who are a critical part of urban labour markets.

Rent control arrangements are also harmful because they may discourage the use of building solutions that rely on new technology to reduce cost. A housing policy that tries to control prices will reduce the need for experimentation with new technology that may be useful for driving down costs over the medium term.

4.0 Conclusion

This study finds that diagnosis of Kenya's housing challenges are well made and accurately stated in the variety of policy instruments. However, the policy prescriptions are supply focused while the housing market in Kenya has a dual character where urban areas experience a shortage of rental places and thus need supply enhancements. Rural Kenya shows the advantage of greater space and cheaper land but with poorer quality of housing due to inadequate income to pay for durable walls and flooring materials. The policy solution call for better growth policies that enhance incomes and affordability, trade liberalization to bend the cost curve for construction materials in addition to making land markets in urban areas work efficiently. Finally, urban housing markets would be more efficient with replacement of rent controls and provision of housing vouchers to poorer households

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4

Health policy as an Agenda for Elections 2017

1.0 Introduction

Health care is an essential human right that is addressed in the constitution of Kenya. The government has the mandate to provide quality healthcare to all citizens without discrimination. Article 43 of the Constitution of Kenya outlines the economic and social rights that every citizen is entitled to. It provides that every person has the right to the highest attainable standard of health including the right to healthcare services. To achieve this mandate the government has an agenda to reform the health sector. This is outlined in the country's economic blueprint, Vision 2030, under the social pillar. In addition, the Millennium Development Goals and the Sustainable Development Goals have been a key driving force to reforming the health sector.

In Kenya, reforming the health Sector has been an issue of concern to many stakeholders – both state and non-state actors. The government has been keen to reform and improve health standards in public hospitals and to regulate commercial private sector and Faith Based Organisations. Under the National Health Sector Strategic Plan (NHSSP – from 1999-2004) and the National Health Sector Strategic Plan II (NHSSP II – from 2005-2010), government hospitals comprises of different levels of hospitals including the primary facilities (i.e. 440 health centers and 1527 dispensaries), 118 district level hospitals, 8 provincial hospitals and 2 referral hospitals¹.

In 2010, the constitution devolved public health sector to the 47 counties. The national government under the ministry of health provides policy support and technical guidance to priority national programmes and is in charge of national referral hospitals. In 2014, the devolved functions came into force focusing on improving quality health care at the local level. However, despite devolution of the health sector, challenges have continued to face health service delivery.

Currently, the government spending on healthcare is approximately 5.2% of GDP which is low compared to the recommended 15% of the total annual budget under the Abuja declaration. In order to improve and enjoy quality service delivery, the government needs to address the challenges identified in this paper, namely: access to healthcare facilities, maternal healthcare, management of health facilities, health sector financing, lifestyle diseases and health sector service delivery. The proposed policy solutions seek to improve the service delivery in the health sector and adopt a rights based approach to health care delivery as stipulated in the Kenya Health Policy (KHP) (2012 - 2030).

¹https://www.rvo.nl/sites/default/files/2016/10/2016_Kenyan_Healthcare_Sector_Report_Compleet.pdf

2.0 State of play

Healthcare is one of the most essential human requirements, and its delivery should be addressed with the requisite sensitivity to prevent loss of life and decrease in human capital². Government has the obligation to provide quality healthcare in a bid to transform the sector for enhanced efficiency and sustainability. The health sector in Kenya operates in the context of several policy and legal frameworks. These include:

- The Constitution of Kenya, 2010
- The Kenya Health Policy (2014-2030)
- Human Resources for Health Norms and Standards Guidelines for the Health Sector 2014
- Devolved Human Resources Manual Policy Guidelines on Human Resources for Health 2015
- The Kenya Health Strategic and Investment Plan, (KHSP 2014-2018)
- Several Acts of Parliament including The Kenya Medical Training College Act, The Penal Code, The Sexual Offences Act.

The Constitution of Kenya provides an overarching legal framework for ensuring a comprehensive and people driven health services delivery. It seeks to ensure that a rights-based approach to health is adopted and applied in the delivery of health services. The Constitution outlines economic and social rights³ and provides that every person has the right to the highest attainable standard of health including the right to healthcare services and that a person shall not be denied emergency medical treatment. It further provides that the State shall provide appropriate social security to persons who are unable to support themselves and their dependents.

The right to healthcare for specific groups such as children and persons living with disabilities is further emphasized by the Constitution. Key factors underpinning the right to health, such as adequate housing, food, clean safe water, social security and education are also guaranteed in the Constitution. Through its social pillar, Kenya's economic blueprint, Vision 2030, advocates for 'attaining the highest possible health standards in a manner responsive to the population needs' to enhance access to quality health services by all Kenyans, especially those in rural and hard to reach areas. To realize the right to health by all Kenyans and operationalize the provisions of the Constitution, the Kenya Health Policy (KHP) (2012 - 2030) was developed. The policy aims to comprehensively adopt a human-rights-based approach to health care delivery by striving to base the policy's design, implementation, monitoring and evaluation on the principles and norms of human rights.

Under Kenya's Constitution, health is now a devolved function. Despite devolution of the health sector, challenges experienced under the previous centralized government continue to plague the Health sector. Kenya has had numerous challenges that have compromised the quality of health care service delivery process in terms of availability, accessibility and affordability. These include lack of proper infrastructure, poor management of healthcare facilities, lack of essential equipment, and shortage of drugs.

Gaps in the current health policy further compound the problems with health services delivery. In particular, while the policy identifies some segments of the Kenyan population as vulnerable or marginalized, it does not demonstrate specific contexts in which a particular vulnerable group might require an accelerated or specialized treatment, nor does it address particular populations of vulnerable groups' specific barriers to health care experienced. The overall objective of the policy is to attain universal coverage of health services as outlined in its policy objectives. In the absence of explicit disaggregation of the Kenya Health Policy to ensure equitable access of vulnerable groups, significant barriers to universal coverage of health services will continue to exist. This paper examines the main issues surrounding the health sector in Kenya and proposes possible solutions by different actors towards addressing these.

²<https://www.linkedin.com/pulse/issues-affecting-healthcare-kenya-sub-saharan-africa-james-kenyanya>

³Article 43 of the Constitution of Kenya

3.0 Key Challenges

i. Access to healthcare facilities

While access to quality health care is a constitutional right under the Kenyan Constitution, millions of Kenyans cannot afford to pay for health services at public or private clinics. Accessibility as defined by the International Covenant on Economic Social and Cultural Rights (ICESCR 2000)⁴ comprises four distinct components, namely; Non-discrimination; Physical accessibility; Economic accessibility (affordability); and Information accessibility. For the most part, the Kenya Health Policy assures a health system that is accessible to all, particularly ascertaining the need to treat vulnerable populations with dignity by focusing attention to their needs. Ensuring accessibility, by virtue of non-discrimination, implies that all people are afforded access to health facilities, goods, and services, and the most vulnerable and marginalized populations receive particular attention and assistance in ensuring their equitable access to such services, in law and in fact, without bias, favor, prejudice, or discrimination.

Despite public health insurance available since 1966, only 20% of Kenyans have access to some sort of medical coverage⁵. With the Kenyan population currently estimated at over 44 million and rising, it means as many as 35 million Kenyans are excluded from quality health care coverage. In addition, a quarter of total spending on health care comes from out-of-pocket expenses.

Affordability of healthcare services is a major issue that has compromised the health of many Kenyans. While many developed countries have established healthcare policies to address cost issues, Kenya, like most countries in Sub-Saharan Africa is yet to establish effective healthcare policies to address cost, insurance policies, and healthcare cover. Affordability is partially influenced by economic status of any given country. Healthcare policies are meant to subvert the existing problem through establishment of stable cost guidelines that would ensure access to healthcare for all. Kenya has not put in place proper guidelines to facilitate affordability of health services to all.

With respect to physical accessibility, the Kenya health policy fails to specify how to establish interventions for people with physical disabilities. India, by contrast, fulfils this mission. The 'National Policy for Persons with Disabilities' of India stipulates that "persons with disabilities are provided with devices, such as prostheses and tricycles, wheel chairs, surgical footwear, and devices for activities of daily living, learning equipment (Braille writing equipment, Dictaphone, Compact Disk player/tape recorder), low vision aids, special mobility aids like canes for blind, hearing aids, educational kits, communication aids, assistive and alerting devices, and devices suitable for persons with mental disabilities⁶.

It is notable that Government funding for the health sector currently accounts for 3 percent of total expenditure, yet 80 percent of the country's population depends on this for their healthcare needs. Private insurance and out-of-pocket payments account for 36 percent of health expenditure, but these benefit only 20 percent of the population. The contribution of organizations such as Amref Health Africa, bilateral partners and other international donors, amounting to 30 percent of overall health expenditure aims to fill the funding gap in the sector.

ii. Maternal healthcare in Kenya

Multiple studies conducted around the world have observed that poorer women tend to receive poorer quality of maternal health care. In Kenya, the wealthiest women are four times as likely to deliver in a health facility and with a skilled birth attendant. Many of the health facilities in Kenya function without basic infrastructure, such as electricity and clean water, and most do not have the capacity to perform cesarean section surgeries. While it is

⁴Article 12 (b) of the CESCR

⁵Improving Healthcare for Kenya's Poor: <http://www.worldbank.org/en/news/feature/2014/10/28/improving-healthcare-for-kenyas-poor>

⁶<https://apj.fas.harvard.edu/kenyas-vision-for-an-equitable-rights-based-health-system-fails-to-address-specific-health-needs-and-barriers-to-accessing-health-care-of-vulnerable-populations/>

clear that many facilities in Kenya and other low-income countries lack essential resources, the evidence examining the quality of clinical processes throughout the continuum of maternity care remains limited.

Kenya has long suffered from high maternal morbidity and mortality rates. The most recent estimates set the maternal mortality rate at 488 deaths per 100,000 live births, well above the Millennium Development Goal (MDG) target of 147 per 100,000 by 2015⁷. For every woman who dies in childbirth in Kenya, it is estimated that another 20-30 women suffer serious injury or disability due to complications during pregnancy or delivery. These high rates have persisted despite improvements in other health indicators over the past decades.

A study from the MHTF-PLOS Collection, “Neglected Populations: Decreasing Inequalities & Improving Measurement in Maternal Health”⁸ assessed the quality of maternal health services in Kenyan facilities and the relationship between quality of care and poverty. According to the study, overall, quality of maternal health care in Kenya was low, especially for adequate antenatal and delivery care. At the county level, only 9% of the Kenyan population had effective Ante-Natal Care (ANC) coverage and only 17% had effective delivery care coverage.

The quality of maternal health care was significantly worse for poorer women. On average, women living in the most impoverished areas of Kenya received one third of basic clinical ANC compared to wealthier women, who received roughly 60% of basic ANC. Similarly, only 8% of impoverished women had access to adequate delivery care compared to 24% of wealthier women.

Inequities in maternal health care quality lead to inequities in maternal and newborn health outcomes, as illustrated by the fact that the poorest counties in Kenya have the highest maternal mortality ratios in the country. Ensuring that women receive high quality services across the continuum of care—regardless of their socioeconomic status—is essential for ending preventable maternal and newborn deaths and reducing inequities.

The problem is driven, at least in part, by lack of access to quality maternal health services, including ante-natal, delivery, and post-natal services⁹. Although health sector infrastructure has grown over the past decade, many women still live at a considerable distance from health facilities, cannot afford to pay fees for maternal services, and or face other barriers to accessing quality care. Access to skilled delivery is a particular challenge. Overall, only 44% of births in Kenya are delivered under the supervision of a skilled birth attendant, well below the target of 90% of deliveries by 2015. Traditional birth attendants continue to assist with 28% of births, relatives and friends with 21%, and in 7% of births, mothers receive no assistance at all¹⁰.

On June 1, 2013, the Government of Kenya took action to address this problem by initiating a policy of free maternity services in all public facilities. Health facilities soon began to feel the effect of this policy. On the day of the announcement, Pumwani Maternity Hospital delivered an unprecedented 100 births. By July, the Director of Public Health and Sanitation estimated a 10% increase in deliveries across the country with increases of 50% in certain counties. In some facilities, these numbers have been higher¹¹.

In spite of its seemingly noble nature, the implementation of the policy on free maternal healthcare has faced numerous challenges. First, increasing the burden on health professionals was not matched with adequate increases in compensation and staffing. According to the report by the KNCHR, nurses argued that it was impossible to effectively supervise over 20 mothers in a ward at once (as most were forced to do since the start of the program).

⁷Kenya’s Other Great Catastrophe: Women and Infants Dying in Childbirth,” *The Guardian*, September 28, 2013, <http://www.theguardian.com/commentisfree/2013/sep/28/kenya-westgate-maternal-infant-mortality>

⁸<http://collections.plos.org/neglected-populations>

⁹Report on Implementing Free Maternal Healthcare in Kenya, Kenya National Commission on Human Rights ,2013

¹⁰Kenya National Bureau of Statistics (KNBS) and ICF Macro, Kenya Demographic and Health Survey, 2008-2009 (Calverton, Maryland: KNBS and ICF Macro, 2010)

¹¹Report on Implementing Free Maternal Healthcare in Kenya, Kenya National Commission on Human Rights ,2013

Most were also forced to work overtime every night, enhancing the already existing morale problems of medical personnel. Underfunding of the policy has also led to shortage of supplies.

Government can implement a few strategies to improve the implementation of the policy. These include improvement of supplies, increasing number of staff involved in implementation, training opportunities for staff to enhance skills and improved supervision from management. Other recommendations include a reduction in number of working hours for involved medical personnel, improving the working environment and provision of incentives.

iii. Management of Health Facilities in Kenya

Health services in Kenya are delivered by a wide range of players including government, Faith Based Organizations (FBOs), Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs), private providers and traditional healers in a variety of settings¹². These include dispensaries, clinics, hospitals, homes and communities. The complexity of health services requires good organisation and management. This entails applying proper management functions including planning, organizing, defining roles, creating processes and incentives, ensuring accountability, and hiring and motivating staff. Effective management also includes setting sound policies and ensuring their implementation and clearly defined performance management systems.

Research indicates that the Sub-Saharan region has the lowest management ratio in the world in terms of health services; only 17% of its total healthcare workers are employed as managers or support workers, compared to 43% in America and 33% globally, (World Bank, 2008)¹³. This skill deficit has drastic ramifications on the improvement of health programmes.

Poor management of the Kenyan healthcare sector causes an annual loss of over KES5bn (USD49.1mn) to the country's economy. Like resources, the challenge of governance in the sector undermines effective, efficient and timely health service delivery. In particular, corruption and inefficiency is fueled by reluctance by both national and county governments to be more transparent and accountable to each other and to the citizen public. During FY 2013/14, National government ministries, departments, commissions etc. could not account for expenditures totaling KES.67 billion. Of these, the Ministry of Health could not account for KES.23 billion. Corruption, whether through embezzlement from health budgets or bribes extorted at the point of service, has enormous negative effects. It reduces the resources available for health, lowers the quality and effectiveness of health care services, decreases the volume and increases the cost of providing health services.

Despite numerous commitments by the government to improve the basic healthcare service for every Kenyan, many still receive sub-standard services or no services at all. High levels of corruption at various levels in the sector especially in the procurement of drugs and medical supplies are now hindering many donors from working with the government or MoH directly. There is need for public health systems to collaborate with non-governmental organisations to refine the management of health resources. Public private partnerships are the paradigm shift that will transform the country's approach and delivery systems for health care training.

iv. Health Sector Financing

One of the major issues affecting the health sector is financing. Since independence, the health system was predominantly funded by tax-funding. The subsequent regimes and stakeholders have introduced and evolved the health care system policy changes (WHO)¹⁴. The economic blueprint 2030 under the social pillar makes provision to 'Develop an Equitable Financing Mechanism in the health sector.' The status of the project has commenced

¹²Health Sector Integrity Study Report, Transparency International, 2011

¹³Good practices in Health Financing; Lessons from Reforms in Low and Middle Income countries by The World Bank- 2008

¹⁴WHO Discussion paper: Health financing reform in Kenya: assessing the social health insurance, 2006.

according to the V2030. Some of the rollouts include social health cover such as National Hospital Insurance Fund whose primary objective is to improve access to healthcare and financial management of hospitals.

The primary source of financing in the health sector in Kenya is the national government which contributes about 30% while the main funder remains normal households at 51% (Ministry of Health)¹⁵. Additionally, donor funding contributes to about 16% of the total share of health financing. The funding is either a grant, donation or in kind. Compared to others sectors such as physical infrastructure and education, development partners have not invested as much in the health sector. Health accessibility for women and People with Disability (PWD) has generally improved in the past two administrative regimes. During the Kibaki regime, there was introduction of PWD Act 2013 which highlighted their plight in terms of physical mobility and employment opportunities. In the Kenyatta regime, the introduction of free maternity health care dubbed '*Linda Mama Boresha Jamii*' in all public hospitals has been one of the greatest milestones for this marginalized lot. The programme has seen maternal mortality drop from 488 to 362 out of 100,000 and Primary healthcare utilization has increased from 69% in the financial year 2013 to 77% in 2016¹⁶.

Prioritizing health financing is a critical and essential element for economic growth and the wellbeing of a society; a healthy society is a productive society. Nanette (2015) argues that, there is a strong correlation between work and health status. Employment increases income at the household level which contributes to 50% of health financing. The employee is more productive at work and resourceful if they are well taken care of and their health status is whole. The effects of an ill planned health system impact on future generations. Undermining the multiple effects of under financing of the health sector affects individuals throughout their lives. There's a need to develop a more accessible health care system available for both the private and public sectors.

v. Lifestyle Diseases and Risk Health Factors

In the last 5 years, the upper and middle class in Kenya have continued to increase. According to the Kenya National Bureau of Statistics, middle –class households are those that spend between Ksh.24, 000 and Ksh.120, 000 per month. As a direct consequence of the growth of the middle class, more corporations that produce international brands have increased in the last 5 years in a bid to tap the lucrative market¹⁷. The majority of such brands are products of unhealthy eating habits which contribute to lifestyle related diseases such as hypertension, diabetes, cardiovascular diseases, increased risk of obesity etc. As a result, they are more prone to economic burden on basic health care services (Omolo 2010).

In 2015, World Health Organization estimated that 61% of all deaths (35 million) and 49% of the global burden disease were as a result of chronic disease¹⁸ associated with certain lifestyles. By 2030, it is estimated that the global burden of chronic disease deaths is expected to increase to 56%, with the greatest increase in Africa. Addressing lifestyle diseases remains a big challenge for the health sector and the government must consider innovative policy options to decrease the national burden on the economy.

vi. Health Sector Service Delivery

Over the last few years, health service delivery in Kenya has been faced with a lot of challenges. These challenges include financing of level five hospitals and communication disconnect between the health care workers and counties. County governments support health as a devolved function citing that health has improved under counties as compared to previously when the sector was entirely managed by national government.

¹⁵Ministry of Public Health 2007

¹⁶<http://www.health.go.ke/govt-launches-expanded-free-maternity-services-program-dubbed-linda-mama/>

¹⁷<https://www.standardmedia.co.ke/article/2000167287/encourage-kenya-s-middle-class-to-invest-and-grow-economy>

¹⁸<https://unchronicle.un.org/article/lifestyle-diseases-economic-burden-health-services> may 8 2017

On the other hand, the national government has on many occasions suggested that the health function was better managed by the national government. On several occasions, health personnel in the counties have been protesting poor and delayed salaries and promotions in some counties. Beginning December 2016, doctors led a nationwide strike for over 100 days, leading to loss of lives of hundreds of Kenyans. These and other controversies around the sector have hampered efficient service delivery. Government must put in place firm measures to prevent similar crisis in future.

4.0 Addressing the Challenges

i. Access to Healthcare Facilities

To address the challenges on access to healthcare facilities in Kenya, government should put in place proper mechanisms for financial protection for the poor and vulnerable. Affordability of healthcare services is a major issue that has compromised the health of many Kenyans. Economic accessibility of health can be assured by making health care as well as services relating to the underlying determinants of health, such as safe and potable drinking water and adequate sanitation facilities, affordable to all, including disadvantaged groups. Further, the country should promote and develop and harmonize policies and legislation that protect the rights of all vulnerable groups and make sure that there is sufficient oversight and regulation in both public and private health facilities.

ii. Maternal Healthcare

In spite of its seemingly noble nature, the implementation of the policy on free maternal healthcare has faced numerous challenges. First, increasing the burden on health professionals was not matched with adequate increases in compensation and staffing. Underfunding of the policy has also led to shortage of supplies. Government can implement a few strategies to improve the implementation of the policy. These include improvement of supplies, increasing number of staff involved in implementation, training opportunities for staff to enhance skills and improved supervision from management. Other recommendations include a reduction in number of working hours for involved medical personnel, improving the working environment and provision of incentives.

iii. Management of Health Facilities

High levels of corruption at various levels in the health sector especially in the procurement of drugs and medical supplies are now hindering many donors from working with the government or MoH directly. In May 2017, the United States Agency for International Development (USAID) issued a notice to suspend funding for activities carried out by a number of Ministry of Health departments, following reports of massive looting of public funds in the sector. There is need for public health systems to collaborate with non-governmental organisations to refine the management of health resources. Proper accountability mechanisms must be put in place to enhance better management of resources in the sector. Strict adherence and enforcement of procurement regulations and policies must be implemented in the sector. Public private partnerships are the paradigm shift that will transform the country's approach and delivery systems for health care training.

iv. Health Sector Financing

According to Aimee R. O. (2013), "there are two overarching themes of recommendations to find more innovative sources of funding and ways of investing these resources to ensure maximum impact." Some of the issues to address on health financing include:

- To develop inclusive planning and implementing health programs. This includes health partners in the decision-making processes, but also vulnerable and marginalized populations.
- Develop an affordable Health Care Act that covers pre-existing chronic illnesses - both the government and

private insurers. The government can provide incentives to private health care providers who cover pre-existing conditions.

- Reduce the cost of prescription drugs to be covered under the National Health Insurance Fund.
- Introduce tax incentives to help people with disabilities access health care services and benefits available to people with disabilities.

Women and PWDs

Disability comes in different forms; it is not limited to just physical disability but has physical symptoms¹⁹. In Kenya, PWDs have endured decades of being sidelined either through employment, challenged mobility, proper health care and adequate care providers. About one third of PWDs work on their own family business or do not work, while 16% are employed which favor those in the urban areas as compared to the rural. A collective effort between the private sector and government offered health services should consider tax discounts or incentives to PWDs. The government can also offer subsidized rates to private healthcare providers to provide accessible and affordable services (WHO). In the long-term the government can consider options for reducing or removing payments for primary health care services and reduced costs though the NHIF for people who do not have other means of financing health. A report by World Health Organization shows that affordable health care is a primary reason why PWDs are not able to access health care in low-income countries.

The Sustainable Development Goals require substantial investment and commitment to achieve the goals. For this reason, the United Nations launched the Financial Innovation Platform that will scale up innovative finance solutions to support the SGDs. In response to Devex, Dr. Patricia Mechael, Executive Vice President of the Personal Connected Health Alliance reiterated that government and the private sector should and are providing more effective models of sustainable financing for health care, nontraditional actors such as banks are now getting involved in health in form of innovations fund and social impact bonds. He further noted that some of the early results-based financing are promising. Nonetheless, the challenge remains in measuring performance and outcomes.

v. Lifestyle Diseases and Risk Health Factors

In 2000, the World Health Assembly adopted a resolution on the prevention and control of chronic diseases. The following issues were addressed to the member states:

- To develop national policy frameworks, taking into account healthy public policies as well as fiscal and taxation measures towards healthy and unhealthy goods and services.
- To establish programmes for the prevention and control of chronic diseases; assess and monitor mortality and the proportion of sickness in an area due to chronic diseases; promote effective secondary and tertiary prevention; and develop guidelines for cost-effective screening, diagnosis, and treatment of chronic diseases, with special emphasis in developing countries.

The government should implement a health awareness campaign that involves a collaboration of many sectors, the ministry of health, county governments, private and public hospitals, development partners and the citizens. Lifestyle is generally as personal as it is a government issue. Promoting physical activity is influenced by the environment, sports and recreational facilities, and national policy. In the long-term, the government can promote policies that promote physical activity by designating pedestrian zones where no cars are allowed within the city center. The physical layout and design of roads, sidewalks, safe bike paths, and other transportation infrastructure in order to reduce, prevent and control chronic diseases²⁰.

¹⁹Insurance/Private Disability Coverage. (2001). *Mental and Physical Disability Law Reporter*, 25(6), 1038-1041. Retrieved from <http://www.jstor.org/stable/20785896>

²⁰Local Government Actions to Prevent Childhood Obesity.

These requires coordination among many sectors, such as health, sports, education and culture policy, media and information, transport, urban planning, local governments, and financial and economic planning. Towards this end, the World Health Organization is supporting its member States by providing nationwide evidence-based advocacy on the health, social, and economic benefits of healthy lifestyles.

vi. Health Sector Service Delivery

It's time the government set policies in the health service sector that will be long-term in addressing the long standing disputes between the health practitioners and the government and county government to inform them about the policy frameworks of health as a devolved function. This should include training of doctors, salaries harmonization, clarity between the national government and county governments and understaffing of doctors and nurses.

5.0 Conclusion

In the post 2015 development agenda, the world has committed to universal health coverage (UHC) and achievement of Sustainable Development Goal (SDG) 3 – to ensure healthy lives and promote well-being for all at all ages. This means that everyone everywhere should have access to basic health services irrespective of geographical location or economic status. In addition, the Kenya Government has committed to meeting constitutional requirements on health and implementing the health strategy contained in Vision 2030. To achieve these goals, investment in a strong primary healthcare system is necessary.

Indeed, under financing of the health sector is one of the causes of its many problems. Digital financing is something that should be explored as it plays a significant role to improving quality of care and improving access to health care. During the B20 conference in May 2017 in Berlin, Royal Philips – a Dutch conglomerate launched the 'Future Health Index 2017 to examine how digital health technology could help global health systems to be more effective in delivering high-quality care²¹ .

There is a critical need for Leadership, Management and Governance training for healthcare professionals to improve the quality of leadership within the sector and efficient use of resources. The Government should accelerate discussions and implementation of public-private partnership initiatives for creation of sustainable models for healthcare financing to achieve UHC. This should include using National Health Insurance as well as giving healthcare professionals, private sector players, community groups and investors opportunities to invest in healthcare and reduce reliance on the public sector.

Mechanisms for financial protection for the poor and vulnerable should also be put in place. Economic accessibility (affordability) can be assured by making health care as well as services relating to the underlying determinants of health, such as safe and potable drinking water and adequate sanitation facilities, affordable to all, including disadvantaged groups, such that vulnerable and poorer households are not subjected to disproportionate financial strain when compared to richer households. Lastly, the country should promote and develop and harmonize policies and legislation that protect the rights of all vulnerable groups and make sure that there is sufficient oversight and regulation in both public and private health facilities.

²¹<https://www.devex.com/news/stepping-up-nontraditional-financing-for-health-90354>

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5

Water and Sanitation policy as an Agenda for Elections 2017

1.0 Introduction

Kenya is characterized by low levels of access to water and sanitation, in particular in urban slums and in rural areas, as well as poor service quality in the form of intermittent water supply. Seasonal and regional water scarcity exacerbates the difficulty to improve water supply. The WASH Sector mandate is to provide water, sanitation and environmental services in order to provide effective and sustainable services towards the alleviation of poverty and the raising standards in the country and especially the low income population. Adequate drinking water, sanitation, and hygiene are all essential ingredients to ensure human health. The same is true for proper wastewater management, which is a basic prerequisite for environmental health. Improving upon these services will bring economic gains while also helping to build resilience given increasing climate variability.

On the sanitation front, sanitation budgets remain separately with the Ministry of Health, the Ministry of Environment and Natural Resources, the Ministry of Water and Irrigation, counties, NGOs and the private sector. Lack of clear mechanism for planning, monitoring and coordinating total financing of sanitation function is therefore a major bottleneck to accelerated progress. Research has shown that there are huge economic costs associated with neglecting sanitation, specifically open defecation, and the resulting burden of disease. In economic terms, Kenya loses KES 27 billion annually due to poor sanitation¹. Open defecation itself costs Kenya US\$88 million per year – yet eliminating the practice would require less than 1.2 million latrines to be built and used.

Improved level of access to Water, Sanitation, and Hygiene (WASH) contribute to the well being of individual and the society in general. It is however important to note that out of every 8 patients, 4 suffer from WASH related illnesses nationally, therefore implying the low level of access to water and sanitation in the country. This as a result calls for increased civil society participation and voice in matters water and sanitation. At the same time there is need for civil society to build a case for the need to prioritize investment in water and sanitation in order to realize increased access to improved water and sanitation in the country. In order to realize this fact therefore, it means that various measures have to be instituted to ensure that there are acceptable or high levels of WASH in the country. This should be supported by adequate budgetary allocation to ensure that policies in this regard are implemented to the letter, together with prudent financial management.

In 2010, Kenya adopted a new constitution that enshrines the human right to water and sanitation in Article 43(1). Specifically, it states that every person has the right “to accessible and adequate housing and to reasonable standards of sanitation”, as well as the right “to clean and safe water in adequate quantities. The Constitution recognizes that access to safe and sufficient water is a basic human right. It also assigns responsibility for water supply and sanitation provision to the counties.

¹Economic impacts of poor sanitation in Africa. march 2012, Water and Sanitation Program (WSP) Available online: <http://www.wsp.org/sites/wsp.org/files/publications/WSP-ESI-Kenya-brochure.pdf>

The information contained in this paper is obtained from a desk review of the water act 2016, data from the economic survey, Constitution of Kenya 2010, Kenya national bureau of statistic demographic household Survey, water and sanitation Program citizen report card for water in urban areas, Estimates of Recurrent and Development Expenditure 2012/13 -2015/16 and Controller of Budget Annual Budget Implementation and Review Reports 2012/13 -2014/15. The paper is organized with an executive summary, followed by a background information on the water and sanitation, a state of play of both water and sanitation, main problems and actionable interventions and a conclusion.

2.0 State of play

Institutional Framework

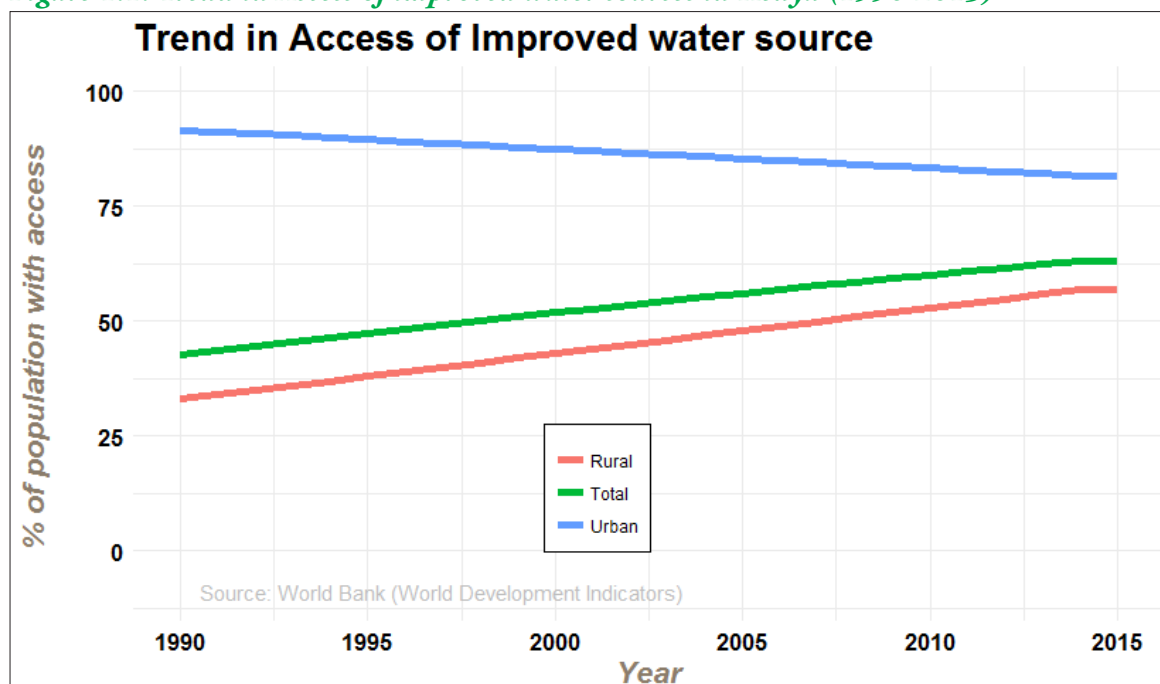
The Constitution of Kenya 2010 recognizes access to safe water and sanitation and hygiene as a basic human right enshrines the human right to water and sanitation (GoK, 2010). Article 43(1d) states that every person has the right to clean and safe water in adequate quantities, on the other hand article 56 states that the State shall put in place affirmative action programmes designed to ensure that minorities and marginalised groups have reasonable access to water, health services and infrastructure. The constitution assigns overall responsibility on water resources management to the national government while assigning the provision of water, sanitation and hygiene services to the county governments. Sanitation is one of the devolved functions and mainly falls within the Ministry of Health. However, because of its broad nature it often overlays into other departments and agencies such as Ministry of Environment and other agencies such as National Environmental Management Authority (NEMA).

Water is a devolved function and falls within the ministry of Water and Irrigation. The objectives of the national government are mainly accelerating the implementation of water sector reforms and Improving the sustainable management of water resources. Water sector in Kenya had significant policy reforms with enactment of the Water Act 2002 which has been amended to Water Act 2016. Water service provision is decentralised to local Water Service Providers (WSPs) which are linked to regional Water Services Boards (WSBs).

A. Water

This section provides analysis of water availability among the residents to establish the trends and hence identify feasible policy interventions.

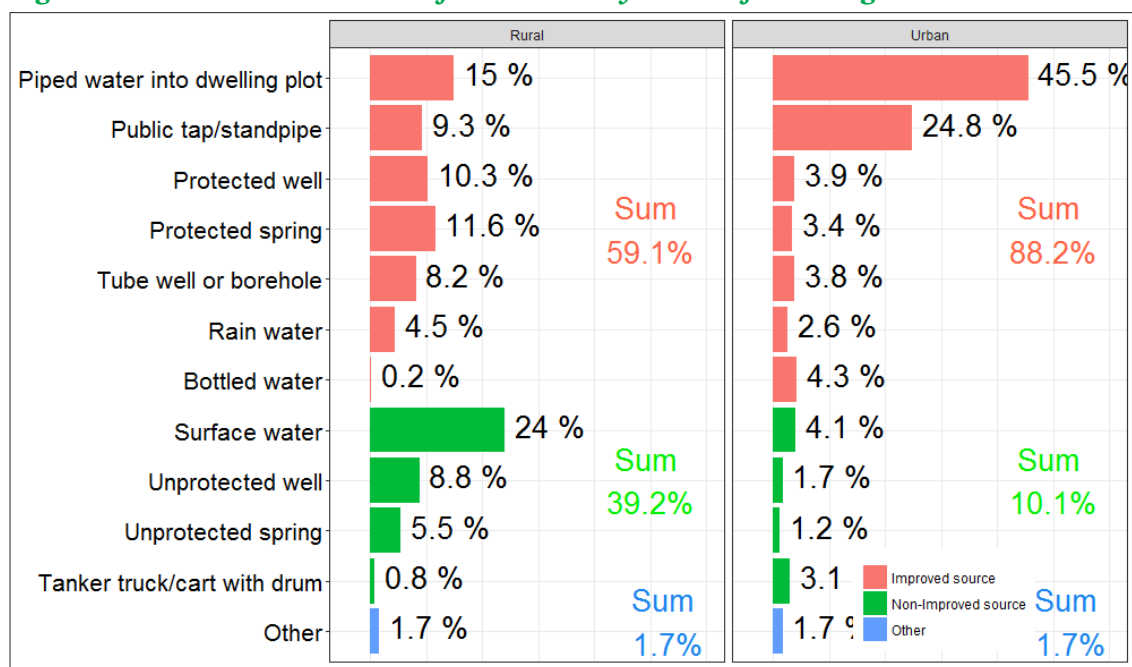
Figure 1.1: Trend in Access of improved water sources in Kenya (1990-2015)



The chart above illustrates national trend in accessibility of improved water sources for rural and urban populace. Improved water source include piped water and protected wells and springs, they exclude such sources as unprotected wells and springs and surface water. The trends in the above chart show that percentage of population accessing improved water is increasing for rural population (33.0% to 56.8% from 1990 to 2015 respectively) but decreasing for urban population, while nationally, it has been increasing (42.8% to 63.2% from 1990 to 2015 respectively). However, the share of urban population accessing improved water is decreasing, it decreased from 91.6% to 81.6% from 1990 to 2015 respectively). The decrease in the share for the urban population implies that provision of water services is relatively lower vis-à-vis the increasing population.

The above chart provided trends for improved water sources. Figure 1.2, provides percentage distribution of households by specific source of drinking water. The chart aims at highlighting differences in terms of different sources of water for rural and urban folk.

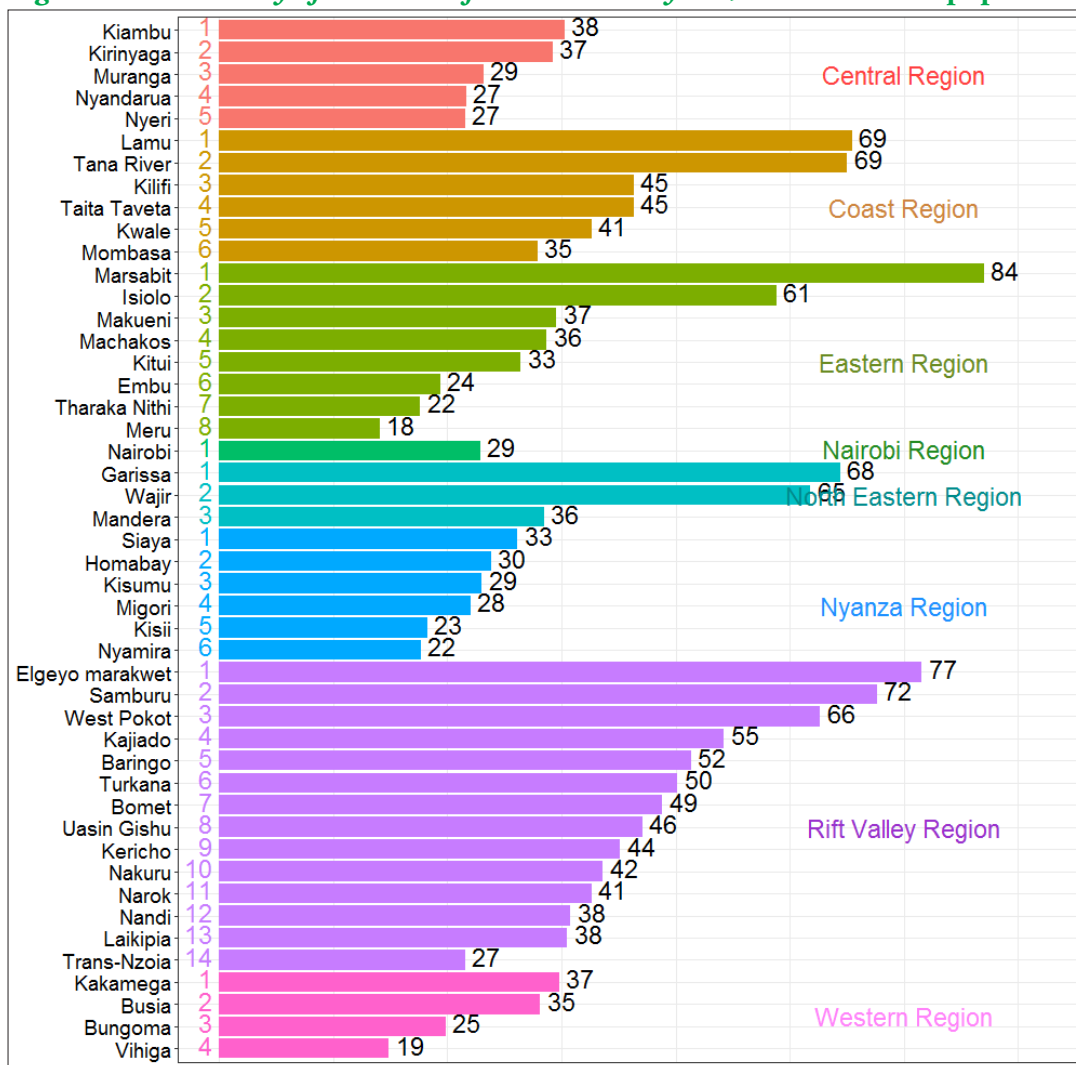
Figure 1.2: Percent distribution of households by source of drinking water



Source: KNBS | Kenya Demographic Household Survey, 2014

According to the 2014 survey by Kenya National Bureau of Statistics, there is a striking difference in terms of accessibility of particular source of water between rural and urban households. For instance, as shown in the chart above, whereas 45.5% of the urban households can access improved water which is piped, the share of rural counterparts who can access the same are only 15% thus revealing huge disparity. A sharp difference is also seen for households accessing surface water; it is 24% for rural and 4.1% for the urban population. This implies more effort ought to be done to increase improved water sources in rural areas.

Figure 1.3: Morbidity of diarrhoea for children <5 years, 2015 Per 1000 population



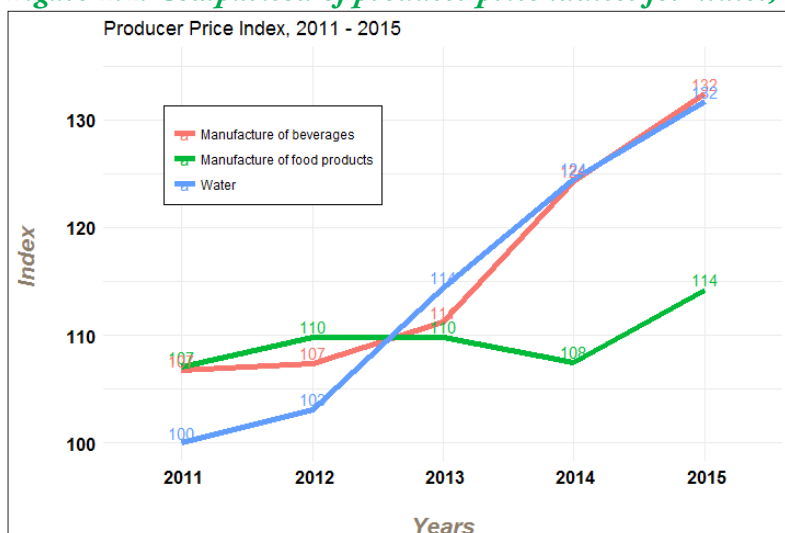
Source: KNBS | Statistical Abstract, 2016

Studies have revealed strong relationship between prevalence of diarrhea and contaminated food and water. Areas with high prevalence give an indication of poor hygiene and inadequacy of clean water. Figure 1.3 above, ranks counties in each region in respect to reported cases of diarrhea per 1000 population in each county, the reported cases are for children under the age of 5 years. It is revealed, *Marsabit, Elgeyo Marakwet, Samburu and Lamu* are among the leading counties with reported cases of diarrhea for children under 5 years.

On the other hand, Meru, Vihiga and Tharaka Nithi are amongst counties with the least reported cases (less than 23 cases per 1000 population). It is worthy to note that diarrhoea cases are high in semi- arid regions, which coincidentally have inadequate improved water sources. Policy interventions hence ought to be targeted to such regions to enhance hygiene.

Having observed in the previous section that diarrhoea is prevalent especially in semi-arid regions, this section examines the affordability aspect by analyzing inflationary pressures of water prices. We ask the question, how do changes in the prices of water compare with basic commodities like food? Affordability of water is key in order to enhance the accessibility of improved water which often is relatively expensive when prices rise sharply it may imply that demand for the commodity is high.

Figure 1.4: Comparison of producer price indices for Water, Beverages and Food Products



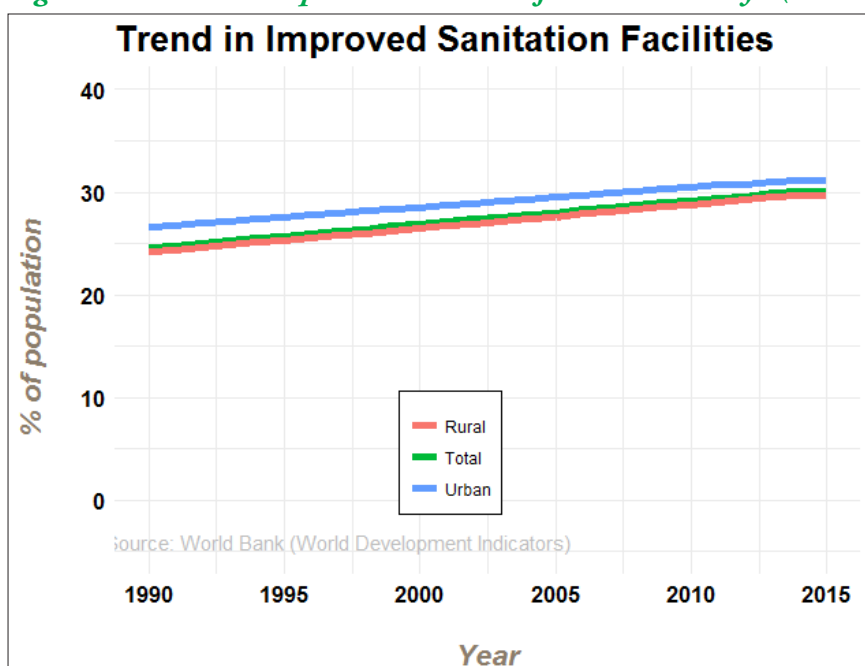
Source: Statistical Abstract, 2016

The chart above illustrates trends in producer price indices for three select commodities; water, food products, and beverages from 2011 to 2015. The above, Producer price index indicates year-to-year changes in the prices of commodities as charged by producers. The base year being with reference to the 2009 base year. The index, as a tool, helps us to measure can evaluate the commodity whose prices is rising rapidly in comparison with the other. The chart shows that the index for water has risen sharply surpassing food products and beverages in June 2012. From 2011 to 2015 prices of food commodities, nationally on average, have increased by 7 points (107 to 114); on the other hand, over the same period, prices of water have increased by 32 points (100 to 132) while beverages have increased by 25 points (107 to 132).

B. Sanitation

The previous section examined state of play concerning provision of water services, this section provides analysis of state of play concerning sanitation in Kenya. The analysis aims to identify the trends and hence identify feasible policy interventions.

Figure 2.1 Trend in improved sanitation facilities in Kenya (1990-2015)

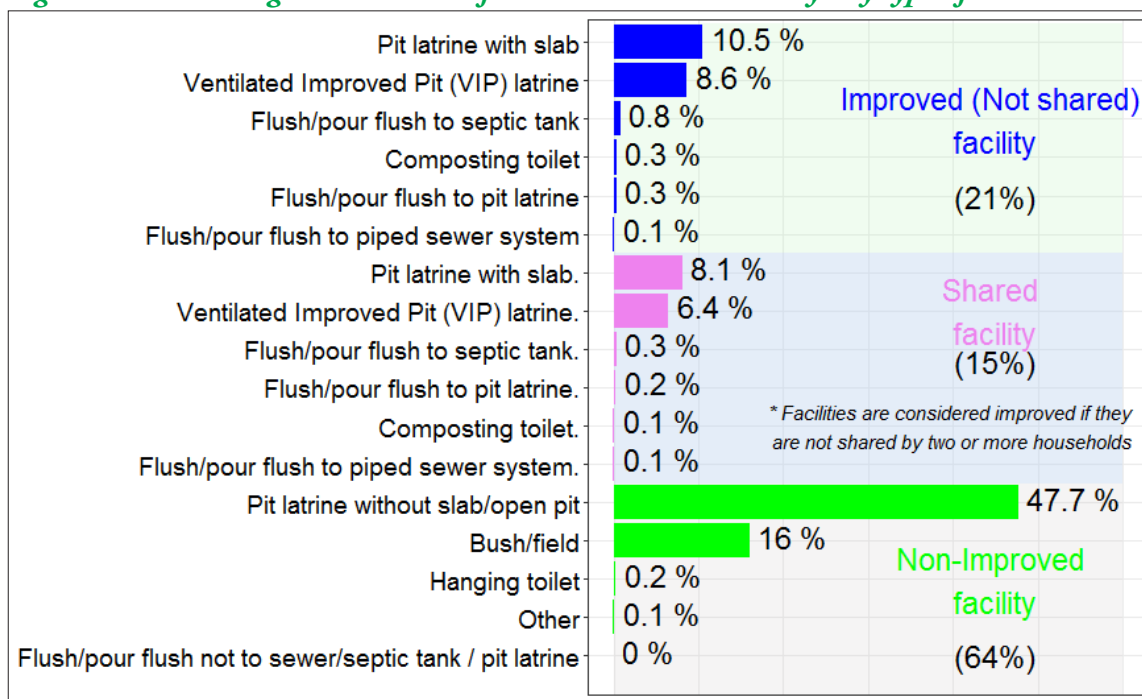


Source: World Bank

The figure on page 62 is a line plot showing percentage of population in Kenya with improved sanitation facilities. Improved sanitation facilities are facilities which improve general hygiene in a manner that reduces contamination with disease causing pathogens, they include such facilities as Ventilated improved pit latrine, flush toilet, connection to a piped sewer system and connection to a septic system. The chart further reveals that generally the share of the population with improved sanitation facilities is low but improving, in 1990 the share was 24.2%, 26.6%, 24.6% for rural, urban and total population respectively, after 25 years, the shares had improved to 29.7%, 31.2%, and 30.1% respectively.

The shares in the above chart reveal that improved sanitation in rural areas is steadily increasing, but remains below sanitation in urban areas. Policy intervention hence ought to be targeted to improve sanitation especially in rural areas.

Figure 2.2: Percentage distribution of households in rural Kenya by type of toilet

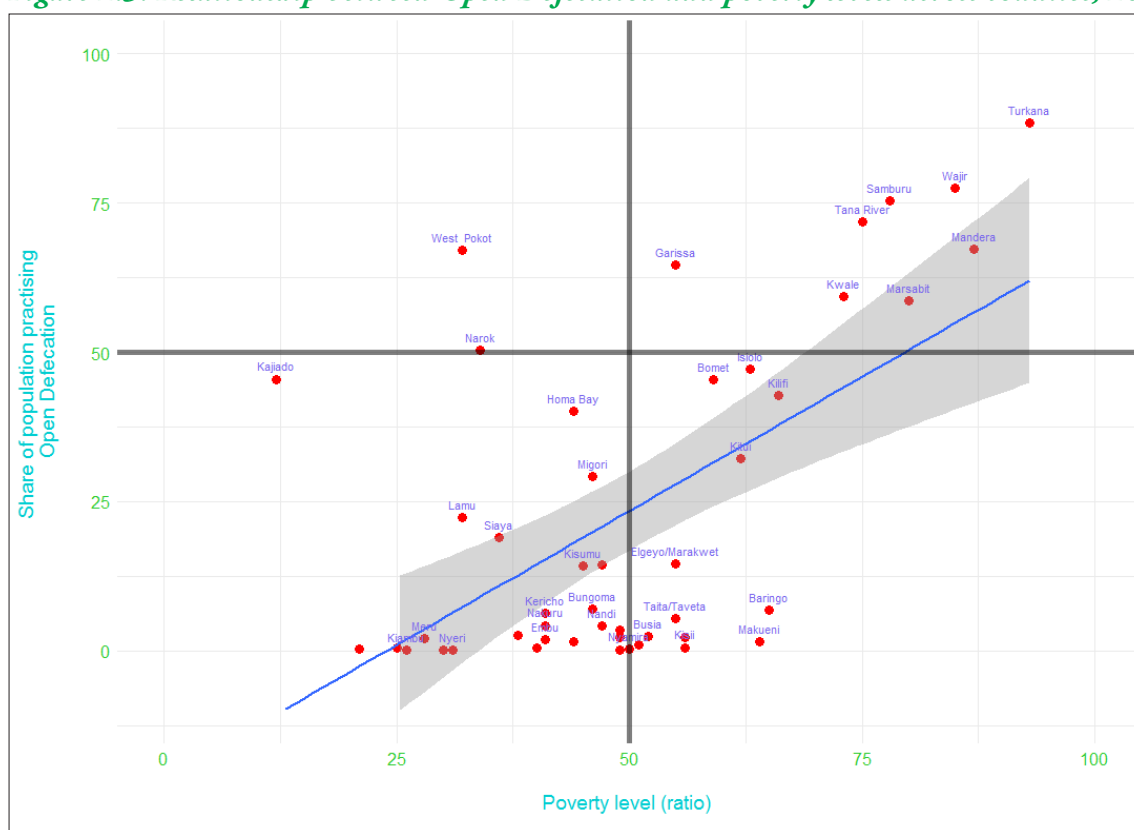


Source: Kenya Demographic Household Survey, 2014

The chart above highlights distribution of sanitation facilities (improved and not-improved) in the rural Kenya according to the 2014 household survey (KNBS, 2014). Sub categories of the facilities are provided to highlight their distribution. It is revealed that improved facilities in rural areas in Kenya are 21%, shared facilities 15% and non-improved facilities contribute 64%. Among the improved facilities, pit latrine with slab has the largest share at 10.5%, VIP latrines contribute 8.6% while flush to piped sewer system is the least at 0.1%. For the non-improved facilities pit latrine without slab is most common among households with a share of 47.7% which implies that about 5 out of 10 households have pit latrines without slabs. On the other hand, defecation in the bushes/ fields is also significant at 16% of the households which translates to approximately 2 households out in every 10.

A strong evidence emerges that rural areas lag behind with regards to improved sanitation facilities. Policy implementers hence ought to make great effort in enhancing provision of sanitation facilities. Counties that are largely rural such as *Elgeyo Marakwet, Samburu and Marsabit* happen to have high reported cases of diarrhea as shown in Figure 1.3.

Figure 2.3: Relationship between Open Defecation and poverty levels across counties, 2015



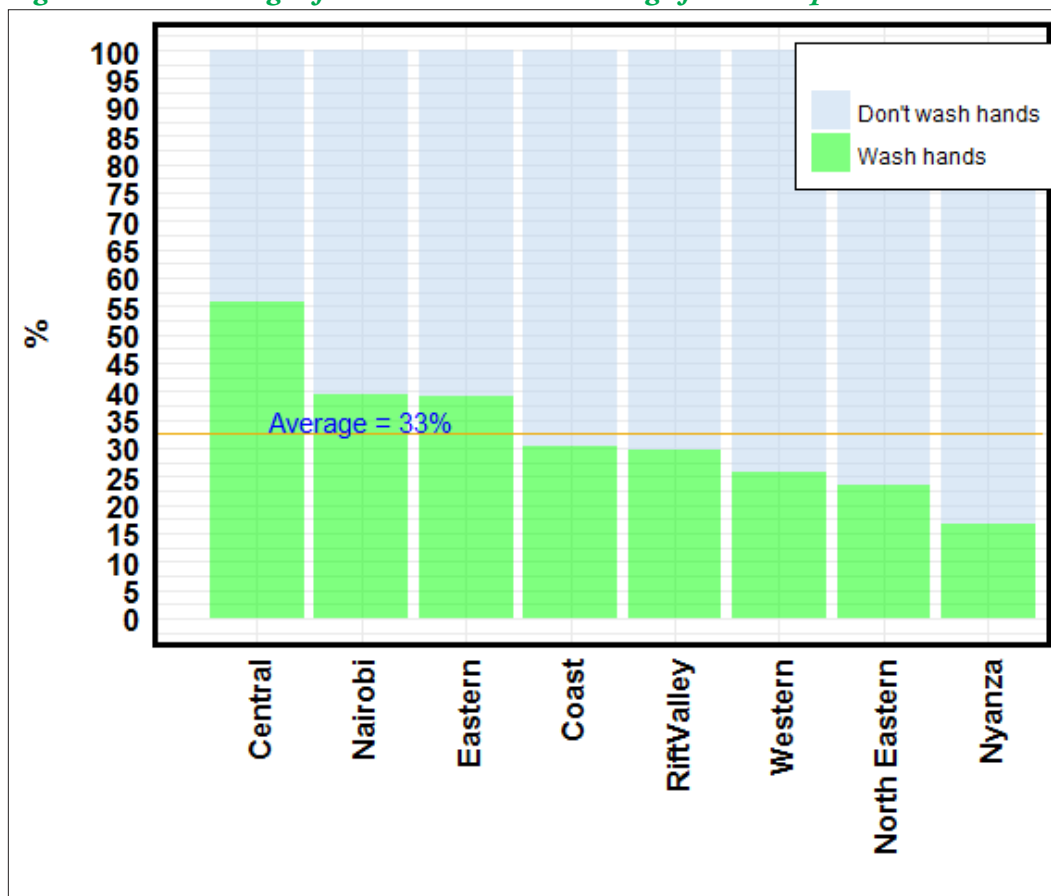
Source: KNBS | *Statistical Abstract, 2016 and Ministry of Health*

One of the indicators of poor sanitation is prevalence of open defecation. Figure 2.2 above is a scatter plot showing relationship between share of population practicing open defecation (OD) in the 47 counties and the share of population leaving below the poverty line in Kenya. The chart aims to examine if there exist a relationship between practice of open defecation and poverty level. The counties are divided into quadrants in order for clustering.

The first quadrant represent counties with both high OD and poverty levels, that is above 50% they include Turkana, Samburu, Mandera, Kwale and Garissa. The second quadrant represent counties that have high levels of OD while relatively less poverty levels; they include West Pokot and Narok. The third quadrant represent counties that have both low OD levels as well as low poverty levels, this quadrant has majority of the counties, they include *Nairobi, Mombasa, Homa bay, Kiambu, Mombasa, Bungoma and Embu*. The fourth quadrant represents counties that have low OD levels but with high levels of poverty, they include *Makueni, Baringo, Elgeyo Marakwet, Kitui and Bomet*.

From the above chart it is observed that majority of the counties fall in the first and third quadrant, i.e. where there is both high ODF and poverty levels and low ODF and low poverty levels respectively. This implies that practice of Open defecation is correlated with poverty level. Policy interventions targeting eradication of open defecation should therefore be intertwined with interventions to reduce poverty.

In the previous chart we examined the relationship between practice of open defecation and poverty levels; this section looks at practice of washing of hands across regions in Kenya. Washing of hands is one of the hygiene measures aimed at reducing contamination with the disease-causing bacteria such as *Escherichia coli (E. coli)* and *salmonella* (NHS, 2017). This analysis aims at identifying which regions is the practice less.

Figure 2.4: Percentage of household where washing of hands is practiced

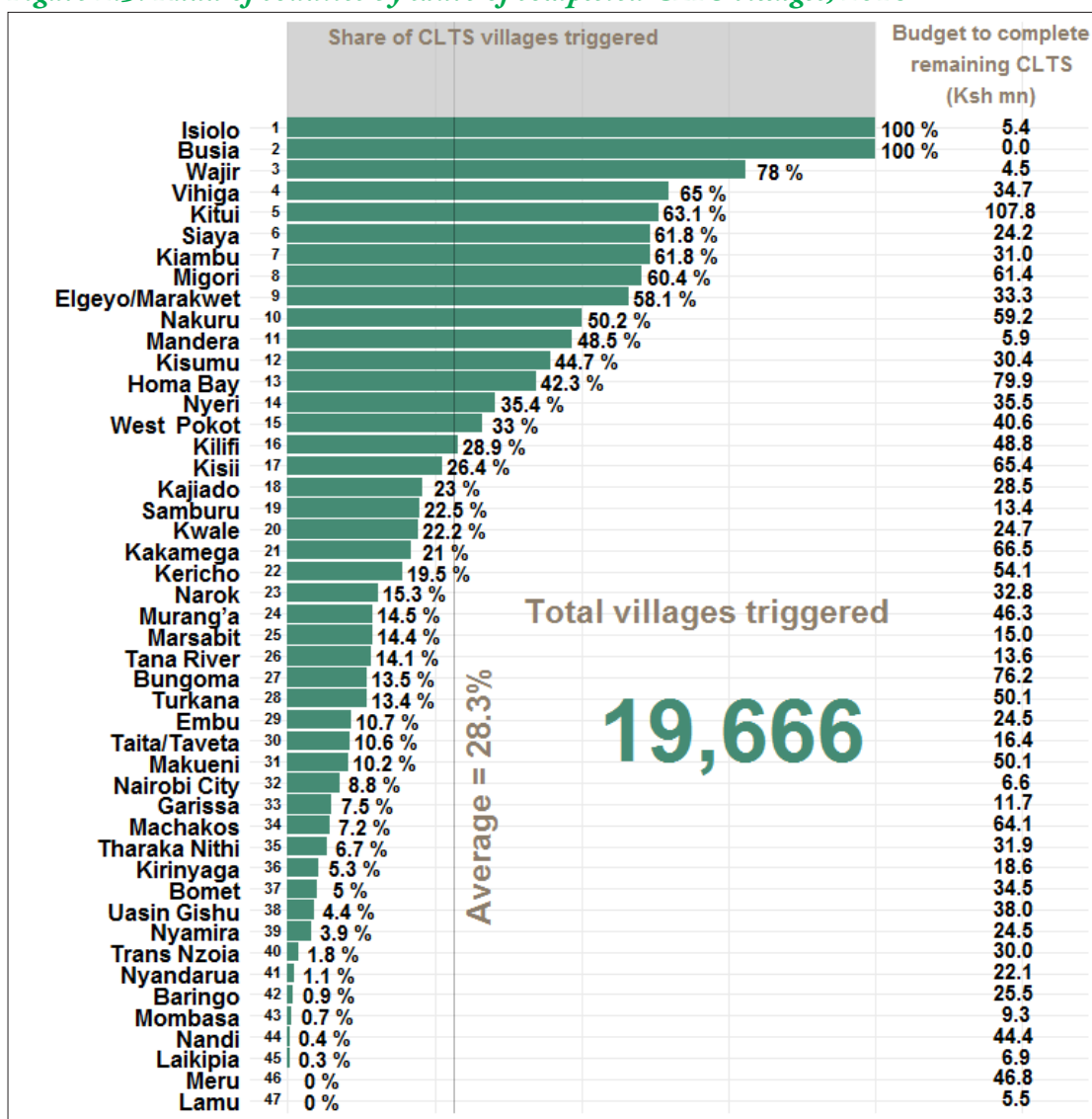
Source: Kenya Demographic Household Survey, 2014

The chart above shows the shares of households where washing of hands is practiced according to 2014 household survey (KNBS, 2014). The chart reveals that the practice of washing of hands is generally low in the country, on average approximately 33%, 3 in every 10 Kenyans practice washing of hands. Regions that are above the national average are Central (55.7%), Nairobi (39.3%) and Eastern (39.1%). Nyanza, North Eastern and Western region are among the regions that have less share of households practicing washing of hands at 16.5%, 23.6% and 25.6% respectively.

In a bid to achieve Open Defecation Free society, Kenya through the ministry of health in collaboration with development partners² initiated the Community-led total sanitation (CLTS) approach in May 2007. This sub section delves into highlighting the progress made by Kenya in implementing the Community-led total sanitation (CLTS) programme (MoH, 2017)

²<http://wash.health.go.ke/clts/loadTargetPartnershipDetails>

Figure 2.5: Rank of counties by share of completed CLTS villages, 2016



Source: UNICEF and Ministry of Health

CLTS is an approach to achieve sustained behavior change of people who participate in a guided process of “triggering”. Triggering refers to the process of initiating CLTS programmes in specific identified communities or villages which are then expected to lead to spontaneous and long-term change of social behaviours, in particular the abandonment of open defecation.

As illustrated in the chart above, by the end of 2016 a total of 19,666 villages had been triggered out of 82,630 villages, representing 23.8%. In Busia and Isiolo counties all the villages have been triggered. In Wajir a total 78% of the villages have been triggered, fourth placed is Vihiga County where 65% of the villages have been triggered. Counties with least number of villages that have been triggered include *Lamu*, *Meru*, *Laikipia* and *Nandi*.

Even though a low share of the number of villages triggered does not necessarily imply that sanitation is poor, it indicates a gap in the community led initiatives in bringing about changes in the social behaviours towards enhancing improved sanitation in the communities. Policy implementers hence should work collaboratively with the stakeholders to support communities by financing the estimated cost required to complete the remaining CLTS.

3.0 Main problems and actionable interventions

3.1 There is a sharp difference for households accessing surface water; it is at 24% for rural and 4.1% for the urban population. This implies more effort ought to be done to increase improved water sources in rural areas so serve even the urban population whose levels of access are still low. The destruction of trees throughout the forest has caused massive soil erosion, which pollutes the water. A typical case is human encroachment on Mau Complex (ResearchGate, 2009) is considered the most important of the five main watershed areas in Kenya because of its economic, social and environmental contribution to the country. This phenomenon exists all over the country and with the addition of animal and human waste into already polluted water; it has made finding clean water more difficult for Kenyan citizens. This condition has caused a number of issues including many diseases and tribal conflicts over the remaining water resources. Additionally, as clean water becomes harder to find, women are forced to walk for many miles each day to find the water needed for the family.

Actionable intervention

Protection of our forest should be a major policy by all forms of government in the country. This will help to restore and reduce water scarcity drainage basin in the country. Another action point is the alignment of the 2002 Water Act with the Constitution of Kenya 2010 and agrees final placement of water services assets. Intensify focus on informal settlements, extending formal infrastructure and cutting out vendors. Another action point should be to raise funds for storage and transmission projects critical to secure water resources to cope with existing.

3.2 Diarrhea cases are high in semi- arid regions, such as *Marsabit, Elgeyo Marakwet, Samburu and Lamu* which coincidentally have inadequate improved water sources.

Actionable intervention

There need of Policy interventions in all the counties despite the availability of water treatment chemicals and tablets in many health facilities and promotion of the same by stakeholders. Open defecation and watering of livestock directly at the source are some of the main sources of water contamination. Water related diseases reported like diarrhea and malaria can be prevented or kept at minimum level if the issue ODF driven by policy led by the county government together with support from the National Government.

3.3 Counties with both high Open Defecation levels, above 50%; *Turkana, Samburu, Mandera, Kwale and Garissa* happen to have high poverty levels above 50% of individuals living below the poverty line.

Actionable intervention

Policy interventions targeting eradication of open defecation should therefore be intertwined with interventions to reduce poverty.

3.4 The practice of washing of hands is generally low in Kenya, on average approximately, 3 in very 10 Kenyans embrace the practice. Regions that are above the national average are Central (55.7%), Nairobi (39.3%) and Eastern (39.1%). Nyanza, North Eastern and Western region are among the regions that have fewer shares of households practicing washing of hands at 16.5%, 23.6% and 25.6% respectively.

Actionable intervention

There is need to enhance sensitization on the practice of washing of hands as one of the hygiene measures aimed at reducing contamination with the disease-causing bacteria such as *Escherichia coli* (*E. coli*) and salmonella.

3.5 There is strong evidence as depicted in Figure 1.3 that rural areas lag behind with regards to improved sanitation facilities.

Actionable intervention

Policy implementers hence ought to make great effort in enhancing provision of sanitation facilities. Counties that are largely rural such as Elgeyo Marakwet, Samburu and Marsabit happen to have high reported cases of diarrhea.

3.6 Community-led total sanitation (CLTS) is one of the novel concepts being practiced in many parts of the world such as Bangladeshi with tremendous success. It aims at enhancing the capacities of the communities/villages to own the initiatives and enhance long-term change of social behaviour with a view to abandon open defecation.

Actionable intervention

This issue of Frontiers of CLTS explores the potential, and some of the recorded learning, on how CLTS, as a community-based, collaborative approach to sanitation behavioral change, can be applied successfully in contexts of fragility and displacement, leading to communities more convinced and prepared to maintain and develop safe sanitation practices. Policy implementers hence should work collaboratively with the stakeholders to support communities by financing the estimated cost required to complete the remaining CLTS villages.

4.0 Conclusion

Demand for water is on the rise, and the task of satisfying the growing needs of the population and various economic sectors is becoming increasingly challenging. One needs to take into account the natural factors that determine the formation and distribution of water resources (uneven territorial distribution, natural seasonal runoff fluctuations, climate change, etc). Furthermore, the impact of the population's effect on water resources, particularly, the growing water withdrawal and contamination, also need to be addressed. Economic activity has reached such a scale that control of the negative economic, social and environmental effects it produces in river basins must be made an international effort.

On the sanitation sector, numerous sanitation and hygiene interventions have been carried out in the past and some common features in these interventions included awareness raising, training on hygiene and external subsidy of sanitation hardware materials. Despite these efforts, access to sanitation still remains below the National target of 100% ODF status. The national average for ODF is at 14%³. For this reason, there is a need for intervention that would focus on improving budgetary allocation towards sanitation and hygiene and ensuring accountability that can lead to appropriation of sanitation and hygiene budgets hence improved access to sanitation and hygiene facilities.

³Government of Kenya (2016), National ODF Kenya 2020 Campaign Framework

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