

REFLECTIONS ON SOCIAL POLICY AND DEVELOPMENT STRATEGIES IN
KENYA

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This paper expounds my reflections on a few issues regarding social policy and development strategies in Kenya. It gives a clear picture of the development of social policy from independence to today but concentrates on the period when I served as Minister in the Ministry of Planning and National Development. This presentation comes in the wake of a United Nations Educational, Scientific and Cultural Organization sponsored conference that was held in Buenos Aires in which United Nations Research Institute for Social Development in Geneva made several presentations on social policy and equality some of which I was asked to comment on.

We will commence by focusing on the importance of social policy to Kenya and particular areas requiring attention when developing social policy in Kenya: First, the Kenyan society is characterized by a gross inequality among people and among regions. Studies undertaken by the Ministry of Planning and National Development, Society for International Development, data from the Central Bureau of Statistics and the Population and Development Agency on social inequality, demographic and health surveys reveal that there is tremendous inequality in this country. Inequalities in Kenya are manifested in different forms. This inequality is projected through income distribution trends, access to social amenities such as clean drinking water, good housing, clothing, entertainment/ leisure and health. Differences in share of income and social services are observed across regions, gender and even specific segments of the population. For instance, the study by the Society for International Development revealed that the country's top 10% households control 42% of total income while the bottom 10% control less than 1% and that the difference in life expectancy between Central and Nyanza provinces is a staggering 19 years. The study further shows that the doctor-patient ratio is about 1: 20700 in Central but 1: 120,000 in North Eastern. The study also denotes that women in North Eastern Province have no education at all, compared with only about 3% in Central province¹. However, the education sector has been experiencing improvements since

¹ Society for International Development, *Pulling Apart: Facts and Figures on Inequality in Kenya* (Nairobi: SID, 2004) p. vii

independence. Although inequality still looms in this sector, its degree is less than that in other sectors.

Secondly, the Kenyan population structure has a very high proportion of youth and young persons. Overall, the population aged below 20 accounts for 56 per cent of the total. Moreover, this age group is disproportionately represented amongst the poor (58.9 per cent compared to 52.8 per cent of the non-poor).²

The most important productive sectors given our stage of development (agriculture and Small and Medium Enterprises) are predominantly dominated by women. Women farmers contribute substantially to both commercial and subsistence agriculture, including livestock and fishing, as casual labourers and unpaid family workers. They carry the major responsibility for both subsistence agriculture, especially food crop production, and domestic work. Traditionally, women are responsible for almost all livestock activities of dairy husbandry (feeding, milking, milk processing, marketing, etc.) Furthermore, in Kenya just like in many developing countries, a high percentage of small-scale businesses that cater to local needs are controlled or owned by women. Women's enterprises tend to be relatively small, have informal structures, and are also characterized by flexibility, low capital needs, modest educational requirements, high labour intensity and dependence on local materials. In most cases, these enterprises are not registered, maintain no business records and do not have access to credit from formal credit institutions.

The government's development of a social provisioning agenda is very weak. When government is faced with problems, the reaction is always bureaucratic. This is not to belittle bureaucracy but when problems are bureaucratically responded to without giving these bureaucracies

² Ministry of Finance and Planning, Second Report on Poverty in Kenya, Volume II Poverty and Social Indicators, (Nairobi: Government Printers, November 2000) p.5

policies to implement that will change the situation, then they are bureaucratized and not solved.

Fifthly, although institutions for social provisioning have been there since independence, they tend to be riddled with corruption; they are grossly understaffed and ridiculously mismanaged. These institutions, such as the National Hospital Insurance Fund, National Social Security Fund, National Housing Corporation and so on, were established specifically to create resources for supporting social programmes and to develop policies that will do the same. The history of the three aforementioned institutions for example is largely marred by tales of corruption. For instance, although the NSSF Act states that only a certain percentage of money should be invested in land, the NSSF ended up investing over 60 per cent on land resulting into a massive financial loss. At the beginning of the multiparty era, the National Social Security Fund had a staggering 12 billion. At the end of the decade, it was in the red. As its name suggests, it should be a fund for investing savings and for financing social provisioning but it became a fund for speculation and corruption.

The institutions that were established by the government for social provisioning were faced especially in the 90's decade with gross mismanagement, corruption and poor staffing thus were largely inefficient. Institutions created as monitors of social provisioning such as the Poverty Eradication Commission in the Ministry of National Planning were underfinanced and understaffed as well.

Government approach to social policy has since independence been based on broad public policies to be implemented by government. For instance in Sessional Paper number 10 of 1986, the broad statement was that 'social policy should be based on mutual social responsibility.' Mutual social responsibility was virtually interpreted to mean Harambee which at the beginning was useful to the ends of building schools and so on. Sessional Paper number 1 of 1986 aimed at concretizing social policy by creating major institutions for social provisioning. This is where

the likes of the National Social Security Fund, National Health Insurance Fund and the National Housing Cooperation found their *raison d'être*. The main concern of the Economic Recovery Strategy for Wealth and Employment Creation tried to go beyond broad statements. It aimed at creating certain programmes to support social provisioning.

The government established a development strategy, the Economic Recovery Strategy (ERS), which included specific targets for government policy. The strategic objectives of ERS are the restoration of economic growth, employment creation and social development. Summarily, the ERS comprises a four-fold strategy to meet these objectives over the medium term:

- Restoring economic growth within the context of a sustainable macroeconomic framework;
- Strengthening the institutions of governance;
- Restoring and expanding infrastructure;
- Investing in the human capital of the poor.³

Policies of the ERS have had a major impact on social provisioning in Kenya. First the ERS was concerned about the better use of domestic resources for social provisioning by improving governance, restructuring these institutions and making them more effective. This amounted to transforming the NSSF, better running of the NHIF, introduction of comprehensive health insurance scheme. These were meant to retool the existing institutions for social provisioning and to make them more responsive to the social agenda.

Rather than talk about poverty alleviation or pro-poor policies both of which are very paternalistic, the ERS focuses on eradicating poverty and creating wealth. The second concern of the ERS therefore is wealth creation, which is done through improving governance and empowering the productive sectors. For instance if the government were to intervene in dairy production by creating the necessary infrastructure (financial and physical), then dairy farming

³ The Economic Recovery Strategy for Wealth and Employment Creation 2003-2007, Government of Kenya, June 2003

could be improved since markets will be easily accessible, more employment opportunities would be created thus more wealth creation.

The third concern of the ERS is job creation. As earlier noted, our society is characterized by a largely young population where unemployment is great. If this group has to access social amenities, it must have access to income. This they can do only if they are employed. The ERS envisaged a major initiative in public works. Besides, if the government revived stalled projects, encouraged small and medium enterprises and made credit facilities available to the small and medium enterprises, then jobs would be created. Other than keeping interest low, financial institutions have not emerged in sufficient numbers to make affordable credit available to small and medium enterprises. The phenomenon observed over the past three years in economic improvement is a 'jobless growth'. This growth is as a result of the revival of collapsed enterprises accompanied by improved capacity utilization that has led to reinstatement of formerly dismissed personnel.

The way forward for Kenya today can be summed up in the following recommendations. The society should invest in the rural economy which comprises not only agriculture but also myriad activities in the rural urban centers. The major objective of the Constituency Development Fund is to decentralize development programmes by transferring public funds to the rural economy for the improvement of infrastructure such as access roads, social amenities such as health centers, improve agricultural production and value addition thus generate jobs.

There is also a great need for knowledge infusion in the rural economy. For example the government cannot provide all extension workers to the rural areas. Universities should therefore take this challenge. Maseno University took over the veterinary farm in Maseno which had been abandoned by the government for over twenty years. It turned it into two major concerns; agricultural and livestock improvement. The university has planted maize on several acres of land using hybrid seed and fertilizer as an example to the society in terms of food

security. The University should also get students in Agriculture to act as extension workers by carrying out experiments in the rural areas with peasant farmers. If they do this in conjunction with farmers' training centers, then there will be a more knowledge based extension work in the rural areas than what the government can provide.

Constituency Development Fund at the moment should be used for infrastructural development and after a maintenance mechanism has been put in place, the fund can be moved to the productive sector such as agriculture. This fund in Kisumu Rural Constituency, for example, has been used to erect health facilities following the World Health Organization provision that no person should live more than two kilometers away from a health facility. The closest health facilities are dispensaries. The next concern is to provide sitting and writing places for all the standard one and two pupils in all primary schools in the constituency.