

Readings on Inequality in Kenya

Sectoral Dynamics
and Perspectives



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Society for International Development

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Table of Contents

List of Tables, Figures and Annex	vi
Preface	xi
Profile of Contributors	xv
Abbreviations and Acronyms	xvii
Acknowledgements	xx
1. Introduction and Overview	1
<i>Duncan Okello and M. J. Gitau</i>	
2. Public Spending in Kenya: An Inequality Perspective	11
<i>Jane Kiringai</i>	
3. Design and Performance of Kenya's Tax System: An Inequality Perspective	57
<i>Bernadette Wanjala</i>	
4. Inequality in Kenya's Health Sector	97
<i>Othieno Nyanjom</i>	
5. An Inequality Perspective of Education Structure and Performance in Kenya	157
<i>Gituro Wainaina</i>	
6. Ethnic Chauvinism, Xenophobia and Gender Inequality in Kenya	195
<i>Atsango Chesoni</i>	
7. An Inequality and Welfare Analysis of Kenya's Agricultural Sector	253
<i>Gem Argwings-Kodhek</i>	
8. Land Ownership and Uses in Kenya: Policy Prescriptions from an Inequality Perspective	289
<i>Paul M. Syagga</i>	
9. Governance Institutions and Inequality in Kenya	345
<i>Karuti Kanyinga</i>	
Index	399

List of Tables, Figures and Annexes

List of Tables

Table 3.1: Personal income tax progressivity	66
Table 4.1: Kenya health status indicators, 2003	111
Table 4.2: Kenyan health care financing in the sub-Saharan Africa context	112
Table 4.3: Reported total and per capita cost sharing revenues (Ksh), 2000/01-2002/03	117
Table 4.4: National distribution of health facilities by type and management, 2000-2002	119
Table 4.5: Distribution of public facilities by province and facility type	120
Table 4.6: Distribution of nursing cadre by province, 2001-2002	121
Table 4.7: Provincial distribution of clinical officers, 2001	123
Table 4.8: Distribution of the total Ministry of Health recurrent budget (%), 1999/00 to 2002/03	126
Table 4.9: Percentage shares of recurrent spending by activity	128
Table 4.10: Geographical per capita recurrent budget (1986 KES), 1994/95 -1997/98	129
Table 4.11: Anatomy of health care seeking conduct, 2003	132
Table 5.1: Private rates of return to education in Kenya (%)	161
Table 5.2: Textbook to pupil ratio by subject and class in 2003	164
Table 5.3: Free primary education expenditure (Ksh billion), February 2004	165
Table 5.4: Early childhood development education net enrolment rates and gender parity index by gender and province	169
Table 5.5: Gender parity index at primary school level by province	171
Table 5.6: Primary net enrolment rates (%) by gender and province	172
Table 5.7: Primary school level survival rates (%) to grade 5 by gender and province, 2000-2004	173
Table 5.8: Primary completion rates (%) by gender and province	173
Table 5.9: Primary to secondary transition rates, 1999-2004	174
Table 5.10: Secondary net enrolment rates (%) by gender and province	176
Table 5.11: Secondary school gender parity index, 1999-2004	177
Table 5.12: Secondary completion rates by gender, 1999-2004	177
Table 5.13: Secondary to university transition rates (%)	177
Table 5.14: Student enrolment by gender in TIVET institutions	180
Table 5.15: Enrolment in special needs education institutions by category	181
Table 5.16: Enrolment in special schools/units by type of handicap	182
Table 5.17: Non-formal education enrolments by level of education, 2003	182
Table 5.18: Number of institutions, classrooms and class size, 2003	183
Table 5.19: Kenya Certificate of Secondary Education candidature by gender and province	185

Table 5.20: Unit costs of actual spending per sub-sector, 2003/04	188
Table 5.21: Total Ministry's gross expenditure analysis, 2001-2005 (Ksh million)	188
Table 5.22: Analysis of recurrent budget expenditure by economic classification, 2001/02-2005/06 (Ksh million)	189
Table 6.1: Judicial service establishment by grade and gender	231
Table 6.2: Percentage of people in formal employment in Kenya by gender	247
Table 7.1: Agricultural gross domestic product (GDP)	259
Table 7.2: Contribution of main commodities to agricultural GDP	260
Table 7.3: Recent winners and losers in agricultural GDP growth rates	260
Table 7.4: Highest value crops by zone	261
Table 7.5: Number and proportion of households under the food poverty line by zones	263
Table 7.6: Mean annual household income (Ksh) by source	265
Table 7.7: Share of household income by source (%)	266
Table 7.8: Number of livestock owned	267
Table 7.9: Value (number) of livestock owned	267
Table 7.10: Value of livestock products (Ksh)	268
Table 7.11: Geographical distribution of farms by size (acres)	270
Table 7.12: population density and land availability	271
Table 7.13: Cultivated land per household	271
Table 7.14: Population per cultivated hectare	272
Table 7.15: Maize seed type usage by zone, 1997-2002 (%)	273
Table 7.16: Distance to nearest seller of certified hybrid maize seed	274
Table 7.17: Maize yields by zone	274
Table 7.18: access to financial services	276
Table 7.19: Food balance projections for major calorie sources ('000 tonnes)	278
Table 7.20: Winners and losers from import and export bans	280
Table 8.1: Land composition in Kenya	309
Table 8.2: Distribution of high potential land by district	311
Table 8.3: Land carrying capacity per livestock unit	313
Table 8.4: Distribution of arable land by district	314
Table 8.5: Distribution of land tenure by district	316
Table 8.6: Percentage household and land size (hectares) distribution by province	318
Table 8.7: Distribution of land size (hectares) owned by households by district	319
Table 8.8: Proportion of home ownership by district	321
Table 8.9: Distribution of households by gender (provinces)	323
Table 8.10: Contribution of agriculture to employment	328
Table 8.11: Contribution of agriculture to household income	329
Table 8.12: Incidence of poverty by district	331
Table 8.13: Life expectancies for selected districts	332
Table 9.1: National population share of the main ethnic groups	354
Table 9.2: Pattern of voting in 1992 and 1997 presidential results	358

Table 9.3: Results of 2002 presidential elections by regions and main candidates/parties	362
Table 9.4: Percent distribution of national population by regions	362
Table 9.5: Ethnic composition of provinces in 1969	363
Table 9.6: Regional disparities in roads development	365
Table 9.7: Regional disparities of people using different sources of water	365
Table 9.8: Primary school enrolment by province	366
Table 9.9: Number of health institutions by province	366
Table 9.10: Ethnic composition of the House of Representatives, 1963	368
Table 9.11: Composition of Senate by ethnicity, 1963	369
Table 9.12: Ethnic composition (% of total seats) of Parliament	371
Table 9.13: Composition of the Cabinet by ethnic groups during the Kenyatta regime (1963-1978)	374
Table 9.14: Assistant Ministers' representations during the Kenyatta regime (1965-1978)	375
Table 9.15: Composition of the Cabinet during the Moi regime	375
Table 9.16: Ethnic composition of the Cabinet during the early period of the Kibaki regime (2003-mid-2004)	377
Table 9.17: Ethnic composition of the Cabinet after reorganization of government in June 2005	378
Table 9.18: Ethnic composition of Assistant Minister positions during the Kibaki regime, 2003-2004	378
Table 9.19: Composition of Assistant Minister positions after reorganization of government in June 2004	379
Table 9.20: Ethno-regional results of the November 2005 referendum on the draft constitution	380
Table 9.21: Ethnic composition of the Cabinet after the November 2005 referendum	380
Table 9.22: Assistant Minister positions after the November 2005 referendum	380
Table 9.23: Ethnic composition of the Bench: Court of Appeal Judges as at October 2003	382
Table 9.24: Ethnic composition of the Bench: High Court judges	383
Table 9.25: Permanent Secretaries during Kenyatta regime, 1963-1978	385
Table 9.26: Permanent Secretaries 1979-2001 by ethnic group	386
Table 9.27: Composition of PS positions during the first year of Kibaki administration (2003-2004)	387
Table 9.28: Composition of PS positions after reorganization of government in June 2004	387
Table 9.29: Composition of PSs positions after the referendum in November 2005	387
Table 9.30: Percentage distribution of PCs by ethnic groups, selected years (1976-2000)	387
Table 9.31: Percentage distribution of DCs by ethnic group	391
Table 9.32: Ethnic composition of key posts in public corporations in 1991	391
Table 9.33: Distribution of key posts in public corporations in 2003	392

List of Figures

Figure 2.1: Shares in total spending, 1994/95-2003/04	26
Figure 2.2: Percentage changes in poverty, 1992-1997	28
Figure 2.3: District allocation budget (per capita)	30
Figure 2.4: Allocation of devolved funds by district (per capita)	31
Figure 2.5: Total district allocation (per capita)	31
Figure 2.6: Average district development spending, 1999/00-2003/04	33
Figure 2.7: Sector shares in total spending (three year averages)	35
Figure 2.8: Share of development expenditure for roads by political base	38
Figure 2.9: Patterns of expenditure on selected major roads for three provinces, 1990-2000	40
Figure 2.10: Trends of actual expenditure on selected major roads for three provinces, 1990-2000	40
Figure 2.11: Patterns of expenditure on selected major roads in three provinces, 1990-2000	41
Figure 2.12: Total spending on major roads per province, 1990-2000	41
Figure 2.13: Total spending on selected districts, 1990-2000	42
Figure 3.1: Multiple of tax threshold to per capita income	69
Figure 3.2: Nominal income tax progressivity	71
Figure 3.3: Corporate tax rates vs personal income tax rates	73
Figure 3.4: Rationalization of VAT rates	77
Figure 3.5: VAT burden 1997 (without exemptions and zero-rating)	79
Figure 3.6: Progressivity of the VAT structure	80
Figure 3.7: VAT burden 1997 (with exemptions and zero-rating)	80
Figure 3.8: Local index of progressivity	81
Figure 3.9: Tax concentration curves	82
Figure 4.1: Model of health determinants	101
Figure 4.2: Provincial distribution of self-reported morbidity, 2003	130
Figure 4.3: Rates of self-reported ill not seeking health care	130
Figure 5.1: Gross enrolment at ECDE by gender and province	168
Figure 5.2: National gross enrolment rate at primary school level	170
Figure 5.3: Gross enrolment rate at primary school level for Western and North Eastern provinces	170
Figure 5.4: Enrolment at primary school level by gender in North Eastern Province	171
Figure 5.5: Gross enrolment rate at secondary school level	175
Figure 5.6: Gross enrolment rates in Central and North Eastern provinces	175

Figure 5.7: Gross enrolment rate in North Eastern Province	176
Figure 5.8: Enrolment at the universities	178
Figure 5.9: Enrolment by gender in selected science courses at the University of Nairobi	179
Figure 5.10: Enrolment by gender at the University of Nairobi	179
Figure 5.11: Kenya Certificate of Primary Education examination performance by gender	184
Figure 5.12: Kenya Certificate of secondary education candidature by gender and province	184
Figure 5.13: Enrolment by gender, module I and II at the University of Nairobi	186
Figure 7.1: Agricultural GDP growth rates: Selected epochs	259
Figure 7.2: The evolving maize situation: Actual and projected (million tonnes)	278
Figure 8.1: Current land usage in Kenya	309
Figure 8.2: Distribution of high potential land by province	311
Figure 8.3: Distribution of arable land by province	314
Figure 8.4: Distribution of land tenure by province	316
Figure 8.5: Proportion of home ownership by province	321

List of Annexes

Annex 2.1: District names and codes	51
Annex 2.2: Distribution of health facilities	52
Annex 2.3: Archetype budget targets	54
Annex 2.4: Ministry distribution in sectors	54
Annex 2.5: Actual expenditures (allocations) on roads	55
Annex 3.1: Personal relief reforms	94
Annex 3.2: Personal income tax brackets, 1986-2006	95
Annex 4.1: Provincial morbidity reporting rates and causes of outpatient morbidity, 2000-2002	152
Annex 4.2: Percent shares of total health care financing by type and region, 1998	153
Annex 4.3: Revenue components as percent of GDP , 1999/00-2003/04	154
Annex 4.4: Real health recurrent and development budgets, 1992/93 -1998/99	155

Preface

When in 2004 SID produced and launched its premier publication on inequality *Pulling Apart: Facts and Figures on Inequality in Kenya*, the objective was very simple: to draw attention to an issue that we think is (has been) important to the conduct of our politics and policy, and provoke debate in a manner that would deepen our understanding on the dynamics, causes and possible responses. And *Pulling Apart* was not strictly a trail-blazer in this respect, the subject, in its various forms and variations, having been part of public policy and scholarly attention for most of Kenya's history, even if only intermittently.

The resilience of inequality/equity in Kenya's development and political discourse, even in instances where it did/does not openly bear the tag, point to the fact that it is an issue that the nation needs to grapple with in a rather direct, competent and conclusive manner. It also suggests that the fundamentals of our 'social contract' as a nation are heavily contested and, therefore, need further clarification; even if only to articulate what our obligations to each other are and the role of the state in regulating, enforcing or facilitating the realization of these obligations. The country will not arrive at this conclusion through denial and blame, but rather through open and, perhaps, sometimes painful discourse and response that is grounded on rigorous assessment of facts.

Pulling Apart was our tool of choice for advertising the issue—a simple collection and collation of secondary data on various *manifestations* of inequality, presented in a manner that was easily comprehensible. We took the view that it was still too premature to delve into issues of causality, dynamics and other technical aspects of the subject, especially at a time when there was an 'issue recognition' gap, besides doubts being raised on the availability and quality of data, and the absence of very recent corpus of scholarly inquiry into the subject.

The response has been overwhelming and there is no doubt that *Pulling Apart* has achieved its objective of openly making inequality the focus of political, policy and, increasingly, scholarly attention. This is not to say that *Pulling Apart* did not have weaknesses; it did. However, it had a very minimalist interest— to provoke or re-ignite interest in the subject.

The debate that has begun to emerge subsequent to *Pulling Apart* has raised so many balls in the air. Some of the issues that have arisen range from whether inequality matters at all to questions of scope; are we to look at vertical (income) and horizontal (group, regional) inequalities simultaneously; to questions of causality and its directions (the role of institutional and non-institutional factors in creating

opportunities and determining outcomes); measurements (whether Gini coefficient is a good choice and whether we need to focus on assets-based measurements); role of international trade in skewing incomes; the problem of agency; how to sequence response in terms of dealing with vertical and horizontal inequalities; the question of the structural shifts taking place within the dualistic nature of Kenya's economy; the variable-induced dilemmas of interventions; and the challenges of an institutional architecture that corrects rather than deepens the problem and so on *ad infinitum*.

Suffice it to say that these are weighty and relevant issues. They, in a broad and useful way, provide contours that subsequent public debate and scholarly and policy inquiries can move. In this publication, one will be able to discern elements of these debates many of which, however, remain unconcluded.

It may be important to mention that the question of whether inequality matters at all and, therefore, deserves any attention is one that needs to be wrestled with. The popular conception of the 'equity-sceptics' is that we should preoccupy ourselves with growth and that equity is redistributive and necessarily injurious to the growth objective. This is a misnomer. Equity and growth are not two sides of the same coin. As the World Bank's *World Development Report (WDR)* of 2006 on "Equity and Development" observes, there is a link between equity and development, especially to the extent that institutions and policies enable members of society to have similar chances to become socially active, politically influential and economically productive. Market failures in productive instruments or factors such as credit or land or human capital mean that resources do not necessarily flow to areas with the highest return. Thus, talented children's access to education may be determined by class, not merit. The 2006 WDR further notes that "...high levels of economic and political inequality tend to lead to economic institutions and social arrangements that systematically favour the interests of the more influential. Such inequitable institutions can generate economic costs. When property and personal markets rights are selectively enforced, when budget allocations benefit mainly the politically influential, and when distribution of public services favours the wealthy, both middle and poorer groups end up with unexploited talents. Society, as a whole, is then likely to be more inefficient and to miss out on opportunities for innovation and investment" (WDR, 2006: 2).

Indeed, within the Kenyan context, the horizontal manifestations of inequality should invite our attention to the role of the state institutions and policies in creating or nurturing inequalities. Institutions do matter in arbitrating conflicts, allocating resources, and exacting punishment whether fairly or not. The tone of discourses on horizontal inequalities has assumed nearly 'historical injustice' ring to it and, in Kenya, it is not difficult to see why. In a country where for a long time economic and political power was/has been heavily centralized, where the state appropriated for itself the role of being the agency for development, and where politics is highly ethnicized, the hypothesis of unequal treatment has been so easy to build. We need

to confirm or disconfirm this hypothesis as part of our reaching the conclusion alluded to above.

Crafting an appropriate response to inequality is a big challenge and it is of vital importance that this endeavour be prefaced with an in-depth and accurate understanding of its dynamics. This volume makes its modest contribution in that regard.

Readings on Inequality in Kenya provides a discussion of first instance on a few sector dynamics of inequality and in so doing signals us to the other existing knowledge gaps that also need filling. The sectors and the depth of treatment of the issues are by no means exhaustive. However, it poses questions and raises issues that should attract further inquiry and scholarship. Let ideas contend; let the debate go on.

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* The views and opinions expressed in these chapters by the contributors are their own. Those views should not in any way be associated with, or deemed to be positions related to, their organizations of affiliation.

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Abbreviations and Acronyms

AIDS	Acquired Immune Deficiency Syndrome
AIE	Authority to Incur Expenditure
ASALs	Arid and Semi Arid Lands
BSP	Budget Strategy Paper
Cap	Chapter
CBS	Central Bureau of Statistics
CDF	Constituencies Development Fund
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CET	Common External Tariff
CFS	Consolidated Fund Services
CIT	Corporate Income Tax
COMESA	Common Market of Eastern and Central Africa
COVAW	Coalition on Violence Against Women
CSO	Civil Society Organisation
DAB	District Allocation Budget
DC	District Commissioner
DDC	District Development Committee
DEBs	District Education Boards
DEC	District Executive Committees
DFRD	District Focus for Rural Development
DHMBs	District Health Management Boards
DHMTs	District Health Management Teams
DP	Democratic Party (Kenya)
DWF	Dahlgren/Whitehead Framework
EAC	East African Community
ECDE	Early Childhood Development and Education
EFA	Education For All
ERS	Economic Recovery Strategy
FORD	Forum for the Restoration of Democracy
FORD-K	Forum for the Restoration of Democracy-Kenya
FPE	Free Primary Education
FPESP	Free Primary Education Support Project
FSP	Fiscal Strategy Paper
GAD	Gender Approach to Development
GDP	Gross Domestic Product
GEMA	Gikuyu Embu Meru Association
GER	Gross Enrolment Rate

GMR	Guaranteed Minimum Return
GPI	Gross Parity Index
GPT	Graduated Personal Tax
HIV	Human Immunodeficiency Virus
HMIS	Health Management Information Systems
IBEAC	Imperial British East Africa Company
IEA	Institute of Economic Affairs
IMR	Infant Mortality Rate
IP-ERS	Investment Programme for Economic Recovery Strategy
IPPG	Inter Parties Parliamentary Group (Kenya)
KADU	Kenya African Democratic Union
KANU	Kenya African National Union
KCC	Kenya Cooperative Creameries
KDHS	Kenya Demographic and Health Survey
KEPH	Kenya Essential Package for Health
KEPI	Kenya Expanded Programme on Immunization
KEPHIS	Kenya Plant Health Inspectorate Service
KESSP	Kenya Education Sector Support Programme
KHPF	Kenya Health Policy Framework
KIHBS	Kenya Integrated Household Budget Survey
KIPPRRA	Kenya Institute for Public Policy Research and Analysis
KMC	Kenya Meat Commission
KNH	Kenyatta National Hospital
KNHA	Kenya National Health Accounts
KPCU	Kenya Planters Cooperative Union
KPU	Kenya Peoples Union
KRA	Kenya Revenue Authority
KTDA	Kenya Tea Development Authority (now Agency)
KWFT	Kenya Women's Finance Trust
LATF	Local Authority Transfer Fund
LDP	Liberal Democratic Party
MDGs	Millennium Development Goals
MTEF	Medium Term Expenditure Framework
MTRH	Moi Teaching and Referral Hospital
NAK	National Alliance Kenya
NARC	National Rainbow Coalition
NARC-K	National Rainbow Coalition-Kenya
NCPB	National Cereals and Produce Board
NCPD	National Council for Population and Development
NDP	National Development Party
NER	Net Enrolment Rate
NFE	Non-Formal Education
NHIF	National Hospital Insurance Fund

NHSSP	National Health Sector Strategic Plan
NPK	National Party of Kenya
NSHIF	National Social Health Insurance Fund
O&M	Operations & Maintenance
ODM-K	Orange Democratic Movement-Kenya
OOP	Out of Pocket
OP	Office of the President
OPV	Open Pollinated Varieties
OVPMP&ND	Office of the Vice President and Minister for Planning & National Development
PC	Provincial Commissioner
P&PH	Preventive & Promotive Health
PCR	Primary Completion Rate
PEM	Public Expenditure Management
PER	Public Expenditure Review
PFP	Policy Framework Paper
PHC	Primary Health Care
PIN	Personal Identification Number
PIP	Public Investment Programme
PLI	Public Law Institute
PM	Prime Minister
PMG	Paymaster General
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
PTR	Pupil Teacher Ratio
RHS	Rural Health Services
RMLF	Road Maintenance Levy Fund
SACCO	Savings and Credit Cooperative
SAP	Structural Adjustment Programme
SID	Society for International Development
SMCs	School Management Committees
SRM	Self Reported Morbidity
SSA	Sub-Saharan Africa
SWAP	Sector Wide Approach
TIVET	Technical, Industrial Vocational and Entrepreneurship Training
TMP	Tax Modernization Programme
VAT	Value Added Tax
WHO	World Health Organization
WIDER	World Institute for Development Economics Research
WMS	Welfare Monitoring Survey
WTO	World Trade Organization

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1

Introduction and Overview

Duncan Okello and M. J. Gitau

The publication and launch of SID's *Pulling Apart: Facts and Figures on Inequality in Kenya* in October 2004 generated considerable debate and interest on the causes, dynamics and socio-economic impact of various forms of inequalities. Since then, it became clear that, whereas the public hunger for more debate remained huge, there was no corresponding supply of information and knowledge to help guide and sustain the debate. This publication, *Readings on Inequality in Kenya: Sectoral Dynamics and Perspectives*, attempts to respond to this shortage. It attempts to, firstly, deepen and widen the debate that was initiated by *Pulling Apart* and, secondly, discuss inequalities at sector level by clearly providing sectoral perspectives and insights.

The issue of inequality remains a key challenge in Kenya. A clear and accurate understanding of its causes, nature, effects and manifestation is necessary if policy is to respond in an effective and proper manner. Equally important is the need to have a clear understanding of the theoretical or conceptual foundation on which to ground this debate while at the same time teasing out possible policy options. Thus, debates on methodology, dynamics, and practical responses is inevitable.

Discourses on equality and equity have their conceptual home in philosophy.¹ The equality of human beings and their right to equal respect and dignity was a key tenet of political and moral philosophy. Early classical writers in the Western world emphasized the notion that human beings deserved equal treatment in order to safeguard their dignity and respect as inherently equal beings, morally speaking. This was, for instance, aimed at breaking the feudal system where peasants were regarded as subordinate or less equal to aristocrats and the ruling elite. Revolutions and major shifts in political thought were indeed underpinned by the desire to enshrine equity as a central value in social and political organization.

These early notions of human equality were embraced by latter day philosophers and writers. Contemporary discussions on equality can be traced back to John Rawls's

¹ The distinction between equality and equity is important to make, as this is not just a matter of semantics. Equality suggests perfect parity in distribution of welfare among individuals in society regardless of the contribution made or distinct differences among people. That in considering the distribution of things, everyone is entitled to exactly the same share as his or her neighbour. Equity, on the other hand, as a relative concept, calls for variation in the distribution of welfare on the basis of a given criteria. Equity connotes a sense of fairness and social justice in the distribution of things in society, be it social goods, income, rights and representation.

A Theory of Justice, published in 1971. Rawls's contribution, collectively termed as 'distributive justice', held that, first, individuals ought to have equal rights and liberties, which are commensurate with maximum rights offered to any one member of society. Second, operating under what he called the 'difference principle', he maintained that inequalities could be permitted only when they benefitted members of the society including the least well-off, and that processes that give rise to such inequalities should be open to all members of that society.²

Rawlsian philosophy inspired other contributions on the subject. In the 1980s, Ronald Dworkin emphasized the need for equality of resources while also providing for various mechanisms that could be used to improve the Rawlsian system to only permit inequalities based on efforts and not environments or inherited circumstances that would give one a head start in life. John Roemer in the 1990s came up with various compensatory mechanisms also aimed at improving the Rawlsian distributive justice system and to allow for differences based only on, say, one's ambition and an initial stake in society's welfare. Collectively, they did not rule out inequalities, but specified conditions under which inequality must be deemed just and unjust, thus providing room for public policy to correct them.

Perhaps the most important contribution to date, and which has had a major impact on both theory and policy, is Amartya Sen's 'capabilities approach'. In his *Inequality Reexamined*, published in 1992, Sen qualified the long held notion of "all men are born free and equal" by noting that, while human beings should consider themselves equal, they are inherently different (in a sense, unequal) and that because of human diversity, policy should not attempt to equalize human beings, but support them to pursue to the maximum the life pursuits they have chosen for themselves.³ Thus, it is not enough to provide equal opportunity, but that it is essential to focus on the abilities of individuals. To this end, equality of opportunities must by necessity be accompanied by concerns for the abilities and freedoms that individuals have at their disposal. The capabilities approach, as it came to be known, has become a central focus for development theory and practice by emphasizing the need to focus on all facets of human welfare as integral parts of development.

What do we learn from the foregoing, and what principles can we observe, especially for policy oriented discourses? First, it is important that we emphasize equality of opportunity and not equal outcomes, with equal opportunity being a situation where, at least theoretically, no individual has more rights and liberties than others. However, while we value equality as an intrinsic value in society, it is important to recognize that we cannot all have the same patterns of lives sometimes simply because of the individual choices we make.

² The Rawlsian distributive justice system differs from classical utilitarianism in that the former does not justify inequalities in the case where the net loss to one member of society outweighs the potential gains of another member as a result of policy, that is, where there is a net potential gain. To Rawls, such a policy would be unjust, while to a utilitarian, such a policy that infringes one member of society but has a net welfare gain is just and desirable.

³ Amartya Sen (1992) *Inequality Reexamined*, New York: Oxford University Press.

Second, inequalities can be produced by the just workings of human beings in the normal pursuit and utilization of their skills and faculties.⁴ When public policy recognizes and supports this, equity is safeguarded as differences arise from the basis of a level playing field. From this stand point alone, inequalities produced by equal opportunities can in fact be instrumental for growth and development as they provide incentives for better performance and utilize people's freedoms which, as Sen later outlined, is the essence of development.⁵

Third, people's outcomes are not just affected by equal opportunity, but by the very workings of the State and the Market—the primary institutions that shape outcomes in a modern social or liberal society. Two individuals may have similar chances or opportunities open to them, but if one has better access to State institutions and power, or is starting from a better-off position, then equal opportunity in that context may very well produce disproportionately unequal outcomes. These would be unjust inequalities and constitute the sort of differences that are a result of a distorted market or captured State. These are the inequalities we highlighted in *Pulling Apart* and are the subject of the various sector perspectives produced in this compendium.

Fourth, and this applies more to the case of Kenya, past injustices have produced gross inequalities, and to some extent, State power is still being used to perpetuate differences in the sharing of political and economic welfare. In his theory of distributive justice, Rawls identified the need for members of society to depart from the so-called original position where the distribution of social and primary goods was equal, the basis upon which people would have a fair chance at life prospects. Gross inequalities in incomes, access to State institutions, power and their resultant impact in the operation of the market economy have produced a situation where even with equal opportunity, we still have differences arising in various dimensions of well-being. This will require some form of corrective measure, perhaps along the lines of the mechanisms that were outlined by the later additions to Rawlsian distributive justice system. Sen acknowledges this point by noting that public policy should concern itself not just in providing equal opportunities or freedoms to utilize one's capabilities, but also in correcting inequalities.⁶

⁴ It should be noted that the second principle (difference principle referred to above) holds that an inequality is allowed only if there is reason to believe that the practice (or policy) with the inequality, or resulting in it, will work for the advantage of every party engaged in it. Here, it is important to stress that every party must gain from the inequality (see Rawls J., 1958) 'Justice as fairness', *The Philosophical Review*, Vol. 67, No. 2: 164-194.

⁵ Sen, A., (1999) *Development as Freedom*, New York: Anchor Books.

⁶ "If... human diversities of particular types—rather than differences in decisions—are an important factor behind unequal achievement or freedom, then the incentive argument [that inequalities can trigger productivity and competition], in its straightforward form, may not directly apply. For example, to the extent that gender or age is responsible for inequality in capabilities, the policy response may take the form of providing special help to members of the more deprived gender or age categories" (Sen, 1992:142)

Therefore, in devising policy options to address equity, the country, as it did in the 1960s in the Sessional Paper No. 10 of 1965 on *African Socialism and its Application to Planning in Kenya*, will need to clearly define, articulate and adopt a philosophy that should inform our development theory and strategy. This philosophy should remain conscious of the county's historical experience, but at the same time be grounded in current reality on how to reduce poverty, foster wealth creation and improve living standards. This effort may require a fundamental reorganization of our current political and economic structures as a necessary condition for providing a sufficient basis on which long-term equitable development can take place.

As the chapters in this volume demonstrate, dealing with inequalities will require a holistic, but strategic approach, calling for a major revision of the structure of governance, values and principles that underlie our civic and public leadership. In Chapter 2, Jane Kiringai's treatment of disparities in public spending notes that inequalities in the fiscal space occurs at different levels. That the nature of the public spending, operation of the credit markets, regional distribution of recurrent expenditures and public employment are all ways in which distortions in public spending can perpetuate inequalities. The author notes that manipulation of budget institutions and processes provide another channel in which budget outcomes can lead to unequal outcomes. That, for instance, when budget deficits are financed in a manner that favours those with high disposable incomes and capital, this effectively amounts to a redistributive transfer from the budget (in terms of future interest payments) to the wealthy who are able to plug budget deficits by lending at high rates.

The thin distribution of public resources tends to reduce the impact of novel budget initiatives aimed at equalizing expenditures. In assessing whether budgets are allocated on the basis of district poverty levels, the author finds that areas that seem to have high per capita expenditure allocations are those with low populations. High spending in poor areas, therefore, may be a demographic phenomenon. Many of the poor districts in the sample used still suffer from low expenditure outlays. The Chapter notes, however, that recent reforms on direct targeting, decentralization and prioritization have the potential of making national budgets and public spending more equitable.

In Chapter 3, Bernadette Wanjala investigates how equity is reflected in different types of taxation, namely, income, excise, corporate and value added taxes. While equity is an important principle in tax design (at least theoretically) the author notes that tax reforms and design in Kenya are motivated by a number of goals such as revenue collection and macroeconomic stabilization. This was more so in the early years of tax reforms in Kenya that started with the tax modernization programme initiated in the mid-1980s.

There are various instruments that have been used in an attempt to make the income tax system more equitable. These include use of the high minimum taxable income levels that excludes low-income earners from the brackets, use of reliefs and

exemptions that are in-built in the tax system, etc. While using data from the Welfare Monitoring Survey of 1997, the paper attempts to demonstrate the regressivity (or lack thereof) of various taxes in Kenya. In assessing the tax burden of total household expenditure quintiles (without netting off expenditures that are exempt or zero rated) the study finds that VAT can be a regressive tax because the taxable expenditure is highest for poorer households that also spend a large share of income on basic consumption. When exempt and zero rated expenditures are netted off, VAT appears to be progressive as many commodities that are consumed by the poor are not subject to tax.

The Chapter concludes that income and consumption-based taxes have been progressive, because of various instruments that have exempted lower income households or made their burden less punitive. The Chapter, however, notes that groups on which these taxes are levied are a relatively small proportion of the economy and urges that reforms and policies should now be aimed at capturing the shadow and the informal economy where a lot of value is being added and profits earned. This would ensure both vertical and horizontal equity.

Chapter 4 focuses on health inequalities where Othieno Nyanjom investigates inequalities in health status, delivery and financing. He uses the Dahlgren and Whitehead model, which assesses health status in the context of a number of factors that impact on general well-being. The paper notes that individual (biological) factors, the social environment and the overall socio-economic and political context of a person will influence their health status. To this end, there exists a relation between non-health outcomes (including resources spent on non-health factors) and a person's societal context. Thus, in assessing health outcomes, one must distinguish between failure of a given health policy measure, and failure of other policy initiatives that have a bearing on health status, such as water and education.

The author, however, notes that distribution of health facilities and personnel is a major cause of the health inequalities we observe at the national level. In suggesting possible policy options, the author notes that focusing on continued reforms in the health sector, and raising household income levels, should be a key plank, as higher incomes would widen people's options. He demonstrates that areas that have comparatively higher disease burden or higher morbidity rates are not necessarily the ones that receive higher public health spending. He singles out the need for political will in order to avoid failure in implementation, which is cited as a key constraint in many African countries. This must be accompanied by boosting technocratic and bureaucratic capacities.

In his examination of the education sector, Gituro Wainana in Chapter 5 reveals the disparities that persist at various education levels. The Chapter finds that disparities in the education system exist both on the basis of gender and geographical regions. Girls in the arid areas lag behind both in terms of access as well as performance. This is evidenced, for instance, in the low presence of girls in science-based courses at selected universities and in the poor performance of girls in

examinations. In the author's view, education reforms should focus on four key issues: access, quality, equity and relevance.

The core of Atsango Chesoni's discussion of gender inequalities in Chapter 6 is its analysis of the nexus between xenophobia, ethnic chauvinism and gender inequality. Noting that cultural biases and practices have for a long time perceived girls and women as the "other", this, the author points out, is a key issue in institutionalized gender discrimination that we observe. The interplay between historical (and in a political sense, colonial) discrimination of women and girls, and the cultural and political biases that accompany this exclusion, are the lenses through which the paper analyzes gender inequalities in Kenya.

While noting that gender is a concept that is socially and culturally constructed, she notes that women suffer from insubordination because of the way in which society perceives them in the homestead, family and society at large. The Chapter does recognize that major gains, at least in policy at the international level, have taken place. Gender discourses have at least come to focus on power relations between men and women in development, politics and leadership. This has led to the gender mainstreaming approach that is now employed in analyzing and advocating women's place in society. The progress towards the indivisibility and universality of rights has also ensured that women's rights and gender issues are now at the centre of debate on development theory and practice. The author points out to the intersectionality of various facets of gender inequalities; that disparities in power and position are very much linked to differences in socio-economic outcomes that women face.

In chapter 7, Gem Argwings-Kodhek traces inequities in the agricultural sector to the pre-independence laws and institutions set up at the time to promote colonial agriculture and restrict African participation. At independence, the institutions, laws and tools that were used to support a tiny colonial farming community was not changed much. The new African elite merely replaced the European farming community and duality and inequities in the sector remained. The management and operation of institutions in the sector came to define the practice and outcomes in the sector. The institutions still guaranteed better prices, jobs, economic rents, and support for a tiny farming community. Many of these institutions were used as tools for patronage by the ruling elite, while farm inputs and prices for small-scale farmers became very uncompetitive.

The sector's structure can be seen on the basis of value added by various activities. Four agricultural activities (dairy, tea, beef cattle and maize farming) account for about 51 percent of agricultural value added; some 13 commodities and activities are worth over Ksh 5 billion annually. If the structures in these sub-sectors are distorted, then it means welfare is not equitably distributed.

Using panel household data collected in 1998, 1999, 2000 and 2004, the paper observes that there are major variations in poverty and inequality across regions or

agro-ecological zones. However, the Chapter points out an important issue: that variation in incomes is much more severe within a particular region, as opposed to across regions. That the poor across administrative regions share the same characteristics and that it would be important to focus on them regardless of their region of origin. This means that policy will need to be targeted in such a manner that it does not group people in one region as homogenous entity. Interestingly, the paper notes that the share of off-farm income among the poor rises from about 40 percent among both poor and non-poor households to about 60 percent among the very poor in less well-off regions of coastal, eastern and western highlands. This begs the question as to whether the fate of the rural poor lies in more agricultural development or whether agriculture can be linked with other sectors that have more potential for raising rural incomes.

Paul Syagga's Chapter 8 deals with an important feature in Kenya's inequality and political debate: land inequalities. Land disparities are studied from an economic perspective, a notable departure from previous studies on land which tend to predominantly look at land from its legal and political dimensions.

The Chapter notes that land distribution is quite disproportionate, even when based on various considerations such as land potential, tenure system, arability and carrying capacity. The study finds that, while districts in Western and Nyanza provinces have higher proportions of land classified as 'high potential', even relative to districts in Central Province, they still suffer from high poverty rates. This is because the productivity of land does not just require high rainfall—the basis on which potential is measured—but it requires other supporting factors like reliability of that rain, good soils, infrastructure and access to markets. The study, therefore, observes that land may not be an instrumental factor in determining development levels of a region. In the absence of these complementary factors, land redistribution will not solve the problem of rural poverty. The study suggests that policy—and Kenyans at large—need to decide whether land should be treated as a social good (to which everyone is entitled to a small piece) or be viewed as an economic good that is instrumental to growth and development and which, therefore, should only be held by those who can add value to it in an efficient and productive manner.

Finally, in Chapter 9 Karuti Kanyinga surveys the link between governance and inequalities, tracing the evolution of the Kenyan state and its institutions, and assesses how post-independence politics gave rise to inequities. The ethnic composition of Cabinets is assessed over different regimes and political epochs. The author notes that the need to take care of regional interests, and the number of the large ethnic groups, has informed political governance in Kenya and greatly informed the logic and character of forming governments. The study observes that even though power has been concentrated in a few regions, there is no single group that is large enough to dominate other large groups. However, this has meant that smaller groups have ended up being marginalized. He draws us to the need for reforms in the political, constitutional and even electoral processes in order to reverse ethnic

petitions and perpetuation, which continue to undermine building of a truly Kenyan nation-state.

On the overall, these studies bring out key issues and questions from sectoral perspectives. While they are all presented differently, they nevertheless share some common themes and approaches. Nyanjom's point on the multidimensional nature of good health status (the fact that good health depends on other non-health aspects) bears resemblance with Chesoni's intersectionality of gender inequality (the fact that gender differentials are inter-linked with issues of civil and political rights of women, and so on). This is also related to Kiringai's assertion that public expenditure disparities cannot be discussed in isolation and that public financing very much depends on the infrastructural development of an area. Both the education and the agriculture chapters locate the origin of the structures and policies that govern the sector to the colonial period, and these remained generally the same after independence. Colonial heritage is deployed even more strongly in the chapter on land inequalities.

The issue of good quality data should bring us to some of the limitations in this volume. While the government has made good attempts at collecting and analyzing it, we still continue to lack recent data on major dimensions of household dynamics. The studies have therefore relied on secondary data, available at the time of publication. These include the 1997 Welfare Monitoring Survey and the 1999 population census data. What is needed now are more recent datasets, with data disaggregated to the smallest unit of analysis, and on the basis of gender as well.

While the studies have made good attempts in obtaining recent data from line ministries and other administrative sources, future work should aim at using new and fresh data, such as from the anticipated Kenya Integrated Household Budget Survey. Suffice to mention that given the historical nature of this subject, deeper inquiries into this issue will also benefit immensely from historical data. Constructing such data is a difficult but necessary task. One such data is on public expenditure reviews since independence, disaggregated on the basis of ministries, sectors and districts.

Because of its interdisciplinary nature, this volume has not found it easy to achieve unanimity or singularity of methodology or approach. Thus, to preserve disciplinary analytical and methodological tools, the investigation of inequalities in each sector was left to the discretion of the individual contributors. There is, however, a predominant tendency among the contributors in this volume to use the group (e.g., defined in terms of gender, geographical origin or tribe) as the unit of analysis. We have taken the greatest care to minimize errors, especially given the size and magnitude of this contribution.

What does the future portend? SID shall continue to work towards pioneering and opening up frontiers for development research, dialogue and work with different actors for policy and social change. This task shall need different contributions and

efforts as the subject at hand is certainly larger than a single institution. There is certainly more work to be done, such as research on intergenerational transmission of inequality and the whole question about social mobility in Kenya. We, therefore, look forward to vigorous debates on the issues presented in these chapters and more importantly, to a discussion that can lead to a proper conceptual and theoretical understanding of inequalities in Kenya, and to a clearly thoughtout policy response to this key development question.