

Poverty & Equity Brief

Africa Eastern & Southern

Kenya

October 2020

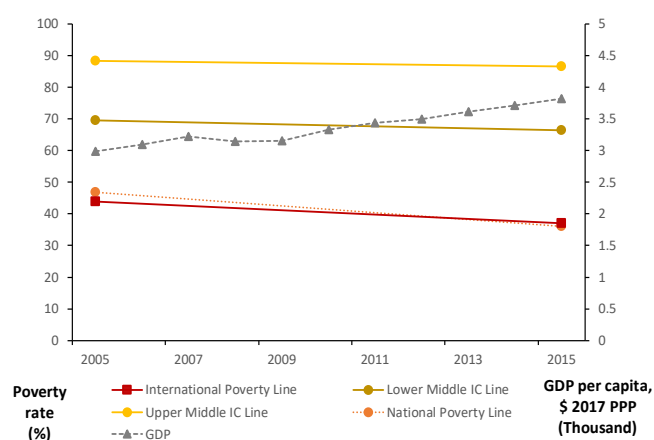
The proportion of the population living below the national poverty line fell from 46.8 percent in 2005/06 to 36.1 percent in 2015/16. Most of the poverty decline is attributable to progress in rural areas, where poverty declined from around 50 percent in 2005/06 to 38.8 percent ten years later. This contrasts with stagnant poverty incidence in urban areas, particularly outside Nairobi. With growing population and urbanization, the absolute number of people living below the poverty line increased in urban and north-northeastern counties (NEDI), from 2.3 to 3.8 million and from 2.4 to 3.2 million respectively, whereas it decreased in rural and non-NEDI counties. Of concern is the fact that the wellbeing of the population in the NEDI counties lags considerably behind the rest of Kenya. Moreover, these areas have seen little progress between 2005/06 and 2015/16, remain prone to food insecurity, and present very low levels of educational attainment, access to improved sanitation, and to a lesser extent, access to improved water. Another important message is that, as Kenya urbanizes, cities are not providing enough economic opportunities for urban households to improve their income levels and obtain adequate standards of living. The COVID-19 pandemic has impacted livelihoods, with over one-quarter of wage employees from January 2020 being laid off in March, while remaining workers in the industry and services sectors face reduced working hours and pay. However, despite a drop in the growth rate caused by the global COVID-19 pandemic, the international poverty headcount rate is expected to continue its decline, but at a reduced pace resulting in a poverty level of 33.8 percent in 2020 and 33.2 percent in 2021.

The annualized consumption growth for the bottom 40 percent has been a satisfactory 2.86 percent per year between 2005/06 and 2015/16, a pattern that is more pronounced in rural areas. Consistent with this pro-poor pattern of economic growth, inequality declined, as confirmed by several inequality measures. Nevertheless, most of the reduction in poverty is attributable to economic growth and this suggests that, going forward there is ample scope for accelerating poverty reduction through more efforts to reduce inequality.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	17.1	36.1	2015
International Poverty Line 92.4 in Kenya shilling (2015) or US\$1.90 (2011 PPP) per day per capita	17.8	37.1	2015
Lower Middle Income Class Poverty Line 155.7 in Kenya shilling (2015) or US\$3.20 (2011 PPP) per day per capita	31.8	66.5	2015
Upper Middle Income Class Poverty Line 267.5 in Kenya shilling (2015) or US\$5.50 (2011 PPP) per day per capita	41.5	86.6	2015
Multidimensional Poverty Measure		50.1	2015
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		40.8	2015
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		2.81	2010-2015
Annualized Income or Consumption Growth per capita from Household Survey		N/A	N/A
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		N/A	N/A

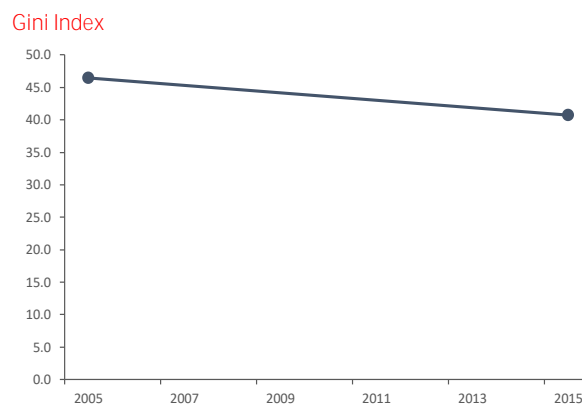
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 2020, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2005-2015



Source: World Bank using IHBS/SSAPOV/GMD

INEQUALITY TRENDS, 2005-2015



Source: World Bank using IHBS/SSAPOV/GMD

KEY INDICATORS

Distribution among groups: 2015	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: 2015 (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	83	17	18	82	Monetary poverty (Consumption) Daily consumption less than US\$1.90 per person 37.1
Rural population	52	48	52	48	
Males	63	37	39	61	Education At least one school-aged child is not enrolled in school 6.1 No adult has completed primary education 22.5
Females	62	38	40	60	
0 to 14 years old	54	46	49	51	
15 to 64 years old	70	30	33	67	Access to basic infrastructure No access to limited-standard drinking water 32.2 No access to limited-standard sanitation 69.0 No access to electricity 56.9
65 and older	66	34	37	63	
Without education (16+)	46	54	57	43	
Primary education (16+)	61	39	42	58	
Secondary education (16+)	79	21	23	77	
Tertiary/post-secondary education (16+)	95	5	6	94	

Source: World Bank using IHBS/SSAPOV/GMD

Source: World Bank using IHBS/SSAPOV/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

Since 1990, data collection in Kenya has been infrequent and ad hoc. Only four surveys had been conducted since then, and the resulting poverty measures were often not strictly comparable. With the World Bank's support, a new survey was implemented in 2015/16 providing data for the most recent poverty estimates. The resulting poverty measures are comparable with the previous survey conducted in 2005/6. In addition, a new continuous household survey using Computer-Assisted Personal Interviews (CAPI) was successfully initiated in 2019, with the objective of producing annually updated poverty measures for 2019 onwards.

The official poverty statistics for 2015/16, produced by the Kenyan National Bureau of Statistics (KNBS), use national poverty lines. The overall rural and urban poverty lines are, respectively, 3,252 and 5,995 Kenya shillings (Kshs) per month per person (in adult equivalent terms) and include minimum provisions for both food and non-food expenditures. The food poverty lines without provisions for non-food expenditures correspond to the average expenditure needed in 2015/16 to attain the minimum recommended daily intake of 2,250 kilocalories.

HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.