Livelihoods and Rural Poverty Reduction in Kenya

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H. Ade Freeman, Frank Ellis and Eddie Allison

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ABOUT LADDER

LADDER is a research project funded by the Policy Research Programme of the UK Department for International Development (DFID) that seeks to identify alternative routes by which the rural poor can climb out of poverty. LADDER is working with nearly 40 villages and 1,200 households in Uganda, Tanzania, Malawi and Kenya to discover the blocking and enabling agencies in the institutional environment facing rural people that hinder or help their quest for better standards of living for themselves and their families.

This working paper represents work-in-progress and the reader is advised that it has not been subjected to academic quality control, nor edited for errors of fact or interpretation. The paper forms part of a mosaic of research findings that will contribute towards an overall picture of rural livelihoods and micro-macro links to poverty policies in the case-study countries. The findings and views expressed here are solely the responsibility of the authors and are not attributable to DFID.

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Summary

The paper describes research that links micro level outcomes to macro level strategies with respect to rural poverty reduction in Kenya. It is set against a background in which a new government, elected at the end of 2002, is wrestling with how to break away decisively from previously unfavourable norms in the conduct of public life. The new government has given priority to fresh policy initiatives to enhance economic growth and reduce poverty. The research undertaken in ten villages in Suba and Bomet districts in 2001 and 2002 confirms governance problems as having a broadly debilitating effect on rural livelihoods. A dense thicket of official and unofficial taxation, encapsulated in the phrase 'multiple shaking down', sets the tone for interactions between public servants and citizens in rural areas. Rolling back this pattern of public service behaviour needs to be made a priority in future approaches to poverty reduction in Kenya, for otherwise national goals to improve education, health and the transport infrastructure will reap significantly lower gains than are potentially possible. A note of caution is raised about decentralization as an idealised answer to these kinds of problem, since the resource needs of decentralized institutions can get in the way of substituting blocking and disabling public sector institutional environments by the enabling and encouraging ones that are required for rapid rural poverty reduction in Kenya.

Introduction

This paper sets out to describe research that links micro level outcomes and macro level policy initiatives with respect to poverty reduction in Kenya. As such it forms part of a cross-country set of four papers, the other three of which cover the same ground for Uganda, Tanzania and Malawi.[1] Each of these countries are in very different phases with respect to the sequence of events by which poverty reduction strategy papers (PRSPs) become accepted by the donor community as the basis for debt cancellation under the Highly Indebted Poor Countries (HIPC) initiative. They are also in different stages with respect to one of the policies that tend to be closely associated with PRSPs in donors' minds, which is local government reform, involving political, administrative and fiscal decentralisation to elected district councils or assemblies.

Kenya has so far engaged fairly minimally in the donor-government framework that in other low income countries, including Uganda and Tanzania, has led to endorsement of the PRSP process in the context of qualifying for HIPC debt relief. This is due in part to Kenya having a per capita income that places it just above the ceiling income range of the priority HIPC

[1] ICRISAT, ICRAF Campus, United Nations Avenue, Nairobi, Kenya and Overseas Development Group (ODG), University of East Anglia, Norwich NR4 7TJ, UK. Email addresses: h.a.freeman@cgiar.org, f.ellis@ uea.ac.uk, and e.allison@uea.ac.uk

countries, but is perhaps more relevantly due to frequent past lapses in policy commitments to donors.[2] Kenya does have a PRSP, published in June 2001 (Kenya, 2001), but due to the general stand-off between government and donors with respect to aid flows at that time, it remained in something of a limbo until early 2003. Two strategic documents addressing similar issues to the PRSP were produced during the transition to the new government that took office in January 2003: the manifesto of the incoming National Rainbow Coalition government (NARC, 2002), and a Strategy for Economic Recovery (Kenya, 2003).[3] The stated intention of the Kenya government at the time of writing is to achieve a convergence between these documents in order to avoid multiple policy processes with differing origins and emphases.

The Kenya PRSP specifies twin goals of economic growth and poverty reduction, and then breaks these down into a set of subsidiary objectives, mainly to do with moving public expenditure management into line with poverty reduction priorities, and a set of principles stated as giving a voice to the poor, participation, transparency and equity of access. These principles set the stage for themes that are restated through the document, although in common with many other PRSPs only tenuous links are achieved between the catch phrases that imbue the themes and principles, and the sectoral and sub-sectoral plans and targets that could have originated in almost any position document of the past thirty years. The most interesting insights of the PRSP arise from factors identified during the consultation exercise. These attribute rising poverty especially to poor marketing services; deteriorating livestock services; insecurity including banditry, hijacking, raiding stock, looting, rape and murder; low wages; bad governance; land issues especially with respect to unequal gender rights; and the cost and low quality of health and education services.

As typifies most PRSPs, the challenge lies in making the connection between insights into the circumstances of being poor in Kenya, and the priorities that are established in sectoral plans which are mainly to do with deliverable targets related to large scale expenditures such as education, health and rural roads. While meeting education, health and rural roads targets are laudable enough objectives, they will have lower than expected impacts on poverty reduction in the long term if ordinary and poor individuals are unable to exercise their capabilities due to the kind of institutional blockages and disabling public sector environments that are hinted at by the outcomes of the consultative process.

This paper seeks to go beyond the readily identifiable broad scale measures that tend to dominate poverty reduction discussions within the purview of PRSPs, and to provide a more multi-faceted understanding of the factors that distinguish the rural poor from the rural better off, the micro and local-level economic, social and political constraints they confront, and the cross-sectoral patterns of activity they pursue in constructing viable livelihoods.[4] These local level understandings are then utilized to reflect on the adequacies or otherwise of the dominant lines of thinking that appear in the existing PRSP, and in associated sectoral policies that are laid out within it. The research underlying the paper was guided by the sustainable livelihoods framework with its emphasis on taking an integrated view of people's livelihoods and the factors that hinder or help them to construct routes out of poverty (Carney,1998; Scoones, 1998; Ellis, 2000).

The paper proceeds as follows. The next section summarises features of past political and economic patterns and trends in Kenya that serve as a backdrop to the discussion of rural poverty reduction. This is followed by a brief description of the research method, and a summary of household and village level livelihood characteristics that emerge from

qualitative and quantitative research. The latter exercise focuses on the asset status of rural citizens, the income-generating activities in which they engage, and the institutional environment within which livelihood strategies are adopted and adapted. Finally, the micro level findings in these areas are linked back to the macro level of poverty reduction decision making in Kenya with a view to identifying factors that may tend to be overlooked, and that need to be properly considered and debated if real progress in rural poverty reduction is to be achieved.

Kenya background

As already mentioned in the introduction, Kenya in 2003 stands in a position where political change offers prospects for new directions in the conduct of public life, and in the policies and practices of government that could potentially ensue. In elections held in late December 2002, a coalition of opposition parties described as the National Rainbow Coalition (NARC), decisively defeated the Kenya African National Union (KANU) that had held power without a break since Kenya's independence in 1963.[5] Notwithstanding that many senior NARC politicians had at one time or another held posts in successive governments of the outgoing president, Daniel Arap Moi, many people in public life in Kenya as well as external observers regard the new government as symbolizing a genuine departure from the way power and public office have tended to be exercised over the preceding two or three decades.

It is too early to gauge the effects of the foregoing on economic performance or on trends in rural or urban poverty. The new government has acted quickly on some fronts, notably, introducing free universal primary education within a few days of entering office. However, whether real improvements will occur in the majority of people's quality and standard of living will take several years to emerge. What is certain is that Kenya has a somewhat dire past record with respect to a broad range of economic, social, political and governance indicators, so much so that the incidence of poverty is estimated to have risen sharply in the 1990s, and disillusioned donors had reduced official development assistance by 2000 to the point that it was half the per capita level of neighbouring Uganda and Tanzania.[6]

Kenya has a total population estimated at 30.7 million in 2001, growing at 2.4 per cent per year; and a per capita gross national income of US$340, lower in 2001 than in 1987.[7] Taking the longer term view, economic growth fell from 7 per cent per year in the 1960s to 5 per cent in the 1970s, 4 per cent in the 1980s, and 2.4 per cent in the 1990s. Kenya is a much more industrialised country than its neighbours, with only 20 per cent of GDP originating in agriculture as compared to over 40 per cent in Uganda and Tanzania. On the other hand, 67 per cent of Kenya's population live in rural areas, the same proportion as in Uganda, so it is to be expected, and is indeed the case that the country has a high incidence of rural poverty, estimated as rising from 46 to 53 per cent of the rural population between 1992 and 1997.[8]

It will be apparent from the economic growth figures cited above that immediately post-independence, the Kenya economy performed rather well. At that time, in the 1960s and 1970s, the small-farm sector did particularly well, although its rapid growth was mainly associated with cash crop production in the context of reasonably buoyant world markets, and food crop farming did not fare so well (Francis, 2000).[9] Crop marketing boards either carried over from the colonial period or created post-independence initially seemed to have been effective, and were even held up as exemplary success stories (Lamb & Muller, 1982; Jabara, 1985). Enviable contrasts were made with Tanzania to show that private sector agricultural

development in Kenya was superior to the socialist path followed in Tanzania (Johnston, 1989; Lofchie, 1989).

Of course, not everyone concurred in these up-beat assessments even then, and Kenya like other post-independence African countries received its fair share of political economy analysis that emphasized rural differentiation, class formation, and the ambiguous role of the post-colonial state (e.g. Leys, 1975; Kitching, 1980). In hindsight, some of this critical literature anticipated rather accurately the lack of separation between public office and private accumulation that was later to blight Kenya's development prospects. Early contrasts with Tanzania in terms of supposedly less crowding out of private rural markets by parastatal bodies turned out to be largely illusory, with Kenya proving as reluctant as any other country to dismantle poorly functioning public marketing agencies. The size and spread of the government sector in Kenya is an important contributor to poor economic performance. In December 2001, the public sector accounted for 40 per cent of total wage employment, a substantial proportion of which represents jobs without the resources to undertake any meaningful activities. This has remained up to the early 2000s one of the critical points of dispute between donors and government over the conduct of public policy (World Bank, 2000).

Patterns of post-independence urban enterprise in Kenya gave rise to the concept of the informal sector as a description of non-farm private enterprises that operated outside the measured 'formal' economy, but were thought to contribute disproportionately to the employment and incomes of the poor due to the labour intensity of their production methods (ILO, 1972).[10] Subsequently there was a debate both in Kenya itself and in the wider literature as to whether the informal sector could act as a vehicle for dynamic growth or was merely a low level absorber of unskilled labour (e.g. Livingstone, 1991; Saith, 1992).[11] Since the 1980s, this type of enterprise has been referred to in Kenya as the *jua kali* (lit. 'hot sun') sector, and it is estimated to account for about 12 per cent of GDP (King, 1996). Studies have revealed great variation within the sector with respect to the survival rate of firms and the levels of income they generate (Daniels & Mead, 1998; Daniels, 1999). King (1996) concludes that occasional government forays into policy making for the *jua kali* sector have made scant difference to its size, diversity, growth or income generating characteristics.

Many different propositions about rural growth, migration, gender and the environment have originated from or been tested using Kenya case-study material. Francis (2000) provides a perceptive guide to much of the literature in her chapter sections on Kenya. The flows and ebbs of the remittance economy have been a crucial feature throughout, leading to differing effects on the economic viability and social relations of rural livelihoods in different places and time periods. When urban labour markets were expanding and wages were rising, remittances provided resources that could be used to intensify agriculture and raise farm productivity (Evans & Ngau, 1991; Tiffen *et al*., 1994). However, this may have contributed to increasing inequality in rural areas (e.g. Murton, 1999). Remittance income could also be used to fund education, so that the next generation would have access to better paid non-farm work (Francis & Hoddinott, 1993; Hoddinott, 1994). Economic stagnation and decline in the 1990s meant the shrinking of the remittance economy, and stress placed on social relations in the household as families have had to adapt to returning migrants, diminishing budgets, and poor market opportunities in rural areas (Francis, 1998; 2000).

Both rural and urban Kenya have suffered from a deteriorating climate of public service delivery over the past two decades. In urban Kenya, this is manifested by disintegrating

infrastructure and interruptions in electricity and water supplies. In rural Kenya, it is manifested by poor maintenance of rural feeder roads, high cost and poor delivery of education and health services, uneven provision of agricultural advice, and poor market outreach for farm inputs and outputs. There is also the phenomenon that may be characterised as 'multiple shaking down' whereby ordinary rural Kenyans are prone to being required by those who have some sort of authority over them to pay a variety of spurious fees and fines.[12] Some of these trends may be laid at the door of cuts and charges arising from structural adjustment programmes. Others are symptomatic of the more general governance problem for which Kenya unhappily has become something of a by-word in its recent history.

The findings of rural livelihoods research that follow must be interpreted in the light of these general considerations. Poor governance always favours the better off over the poor, since the better off are more able to navigate round the blockages and disabling contexts that everyone has to deal with while trying to go about making a living. The potential for success in rural poverty reduction in Kenya will depend greatly on the ability of the new government to roll back disabling and discouraging public sector institutional environments. The next few sections seek to capture patterns of rural livelihoods, and to identify the local level constraints and blockages that need to be considered in future macro level decisions about the shape and direction of poverty reduction efforts.

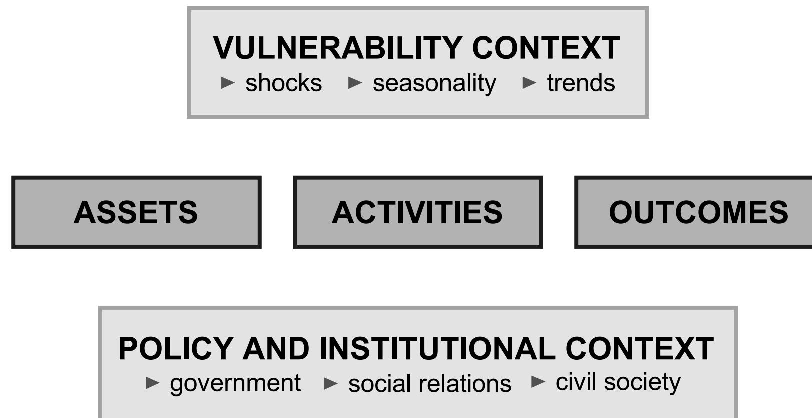
Research approach and methods

The field research methods underlying this paper were developed in consultation with research partners across four different countries, and originated in the approach to rural poverty reduction known as the sustainable livelihoods framework (Scoones, 1998; Bebbington, 1999). This framework places emphasis on achieving an 'all-round' understanding of making a living, comprising not just the conventional categories of employment and incomes, but the asset basis of people's livelihoods, the vulnerability factors they confront, and the public sector institutional environment that either hampers or facilitates the construction of improving livelihood circumstances over time. As articulated by Moser (1998: p.1) the livelihoods approach seeks "to identify what the poor have rather than what they do not have" and "[to] strengthen people's own inventive solutions, rather than substitute for, block or undermine them".

The basic categories of the livelihoods framework are described in several different diagrammatic versions, although these tend to contain similar components and implied relationships between them (Scoones, 1998; Carney, 1999; Ellis, 2000: p.30). A simplified version is represented at Figure 1 below. This has five components that are widely regarded as the building blocks of livelihoods work. At the centre is an economic relationship between livelihood assets, the activities in which individuals or families engage using their assets, and the outcomes that result from these activities in terms of improving or deteriorating welfare and wellbeing of the individual or family. This economic relationship is, though, embedded in social and political relations as implied by the policy and institutional context. It is also more or less prone to deterioration according to risk factors that make up the vulnerability context of people's livelihoods.

The data demands of a livelihoods investigation are potentially awesome. However, a judicious mix of qualitative and quantitative methods can help to reduce these to a manageable level (Kanbur *et al.*, 2001, White, 2002). In particular, qualitative methods are often more insightful for capturing the social and institutional context of people's lives than

Figure 1: Livelihoods Framework



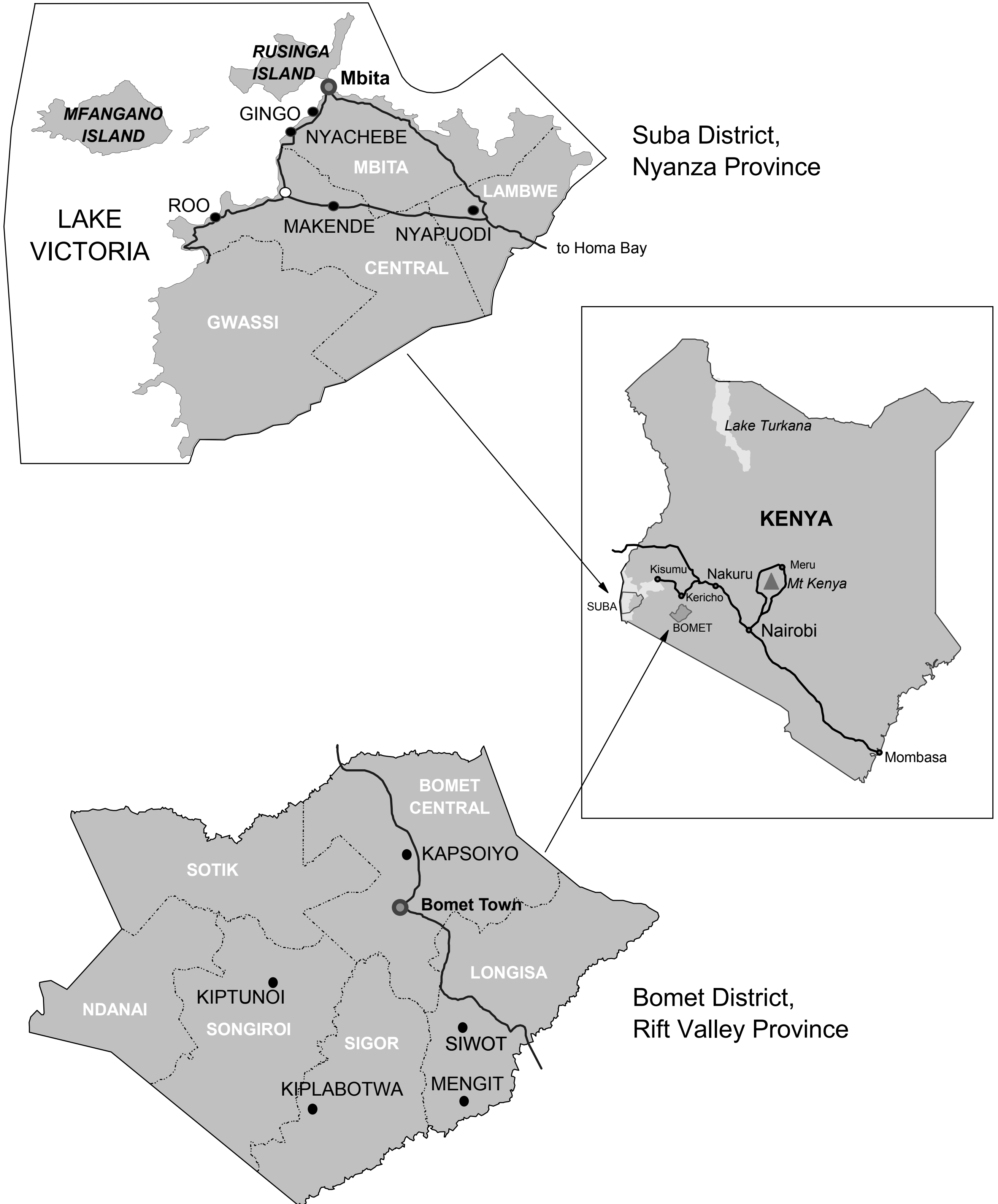
quantitative methods (Booth *et al.*, 1998). In view of these considerations the fieldwork research underlying this paper adopted a division of tasks in which a qualitative component addressed the institutional context of livelihoods and changing livelihood circumstances at community level, while a quantitative component addressed assets, activities, incomes and vulnerability factors at household level.

Research was undertaken in Suba and Bomet districts in Kenya, two districts that contain above average poverty counts with respect to the national poverty profile.[13] The study locations were chosen in order to capture livelihood 'gradients' of varying kinds, as well as to investigate particular poverty policy issues related to fishing communities on Lake Victoria.[14] The key livelihood gradients that determined village selection were intensive vs extensive farming, small vs large farm size, variations in rainfall and other agro-ecological conditions, variations in extent of livestock keeping, proximity to or remoteness from public infrastructure and services, and variations in access to non-farm activities. Five villages were purposively selected in each district, and within each village a stratified random sample of 35 households was taken, by first categorising village populations into three wealth groups utilising participatory wealth ranking procedures (Grandin, 1988).[15]

The purpose of wealth ranking, aside from insights into relative poverty and wealth gained from the exercise itself, was to ensure that household samples represented the full range of livelihood circumstances to be found in villages, rather than being accidentally clustered around the mode of the range. The procedure described was not designed to make inferences about larger populations. Purposive selection from districts, to villages, and to households set out to capture prevalent experiences of making a living in rural Kenya. Statistical analysis conducted on the resulting dataset refers only to sample characteristics, and gains its interest from within-sample comparisons of livelihood indicators across different asset or income groups, not from a claim to represent national patterns.

The location of study districts and villages can be ascertained by reference to the maps provided in Figure 2 below. Suba district is in Nyanza province, and key features are its remoteness, its relatively recent pattern of settlement,[16] its coastline on Lake Victoria, and its

Figure 2: Maps of Suba and Bomet Districts, Kenya
(showing location of study villages)



offshore islands that include Rusinga Island connected to the mainland by a causeway and Mfangano island. Bomet district is in Rift Valley province, and its chief feature is a steep agro-ecological gradient going from an upper elevation high rainfall tea growing zone in the north to a lower elevation semi-arid zone in the south. Altitude varies roughly from 2500m in the north to 1800m in the south. Conditions in the north permit intensive cultivation of perennial cash crops or sequential seasonal crops; while in the south a single reliable rainy season permits just one annual crop of maize or millet or sorghum. In both districts, livestock are an important component of livelihoods in all villages, although more so in Bomet than in Suba, and less so in fishing villages than other villages within Suba.

A list of the study villages and their key natural resource features is provided in Table 1. When taken in conjunction with the maps, certain attributes of village selection for livelihoods fieldwork become apparent. In Suba district an important subsidiary line of enquiry concerned the livelihoods of families that specialise in artisanal fishing or combine fishing with farming. This was partly to investigate the widely held but seldom tested proposition that artisanal fishing folk are 'the poorest of the poor' (Pauly, 1997). The five villages selected in Suba district represent a spatially scattered representation of differing agro-ecological situations, combined with the ability in three of them to examine poverty and policy issues related to fishing as a source of livelihood. In Bomet district, the five villages describe a transect across the district aiming to capture the agro-ecological gradient described in the preceding paragraph.

Table 1: Study Villages in Suba District, Kenya

Location	**Division**	**Village**	**NR Features**
Suba Inland	Lambwe	Nyapuodi	maize, sorghum, beans
	Central	Makende	maize, sorghum, beans
Suba Lake	Central	Roo	fishing & farming
	Central	Gingo	fishing & farming
	Mbita	Nyachebe	fishing & farming
Bomet	Bomet Central	Kapsoya	tea & pyrethrum
	Songiroi	Kiptunoi	maize & livestock
	Sigor	Kiplabotwa	semi-arid maize
	Longisa	Mengit	semi-arid maize/millet
	Longisa	Siwot	hillside mixed crops

For the purposes of the summary analysis of household level data contained in the paragraphs that follow, villages are divided into three groups: the three Suba lakeside villages are grouped as Suba Lake; the two interior villages in Suba are grouped as Suba Inland; and all five Bomet villages are taken together, however, observations will be made where relevant concerning variations between villages that are significant for interpreting rural livelihoods for poverty reduction purposes.

Assets and rural livelihoods in Kenya

Reflecting its origins in a food security literature, in particular the endowments and entitlements approach of Amartya Sen (Sen, 1981), the sustainable livelihoods approach places a lot of emphasis on ownership or access to assets that can be put to productive use as the building blocks by which the poor can construct their own routes out of poverty. Assets in this regard comprise land, livestock, human capital (education level and health status), farm implements, savings or access to credit, infrastructure (e.g. road or electricity access), and, possibly, social capital (quality of associative activity and familial networks).[17] What seems to differentiate the poor from the better off in rural society is the ability to trade-up assets in sequence, for example, cash from non-farm income to farm inputs to higher farm income to land or to livestock. Conversely, asset disposals caused, for example, by the medical costs of prolonged ill health, can result in a spiral down into poverty.

Wealth ranking exercises conducted in the ten research villages described here revealed patterns in common across villages and districts in the attributes that are considered by villagers themselves to define relative poverty and wealth. Households that are considered "well-off" are typically defined by owning more than 4 ha land, 10 or more cattle, 10 or more goats, sheep or pigs, 1 or 2 ox ploughs, and a house with brick walls and corrugated roof. Further, they are food secure all year round, hire labour seasonally, are educated up to primary level or higher, and engage in diverse non-farm activities (trading, milling, shop keeping, brick making, lodgings, bars) in addition to farming. In fishing villages, the better-off possess 2-3 fully equipped boats, employ 4-6 fishing labour, engage in fish trading, and own plots on which shacks are built to accommodate hired labour.

A middle category of households are defined by owning less or poorer quality of all these assets. For example, livestock holdings would tend to average around 5 cattle and 5 goats, and amongst fishing families, ownership of one boat with associated gears would be the norm. Towards the lower wealth end of this category, households tend to be net sellers rather than buyers of labour, they are net buyers of food and sometimes seasonally food insecure, and they engage in low return non-farm activities such as collection of firewood, although some family members may have low paid government jobs. Households regarded as poor tend to have less than 0.5 ha land or do not own land at all, own few if any cattle or goats, have houses in poor repair with thatched roofs, are food insecure for much of the year, and depend on selling labour or on safety net supports for survival. Social groups that are typically assigned to the poor category in wealth ranking exercises are the elderly whose families live away from the village, divorced or widowed women, those with chronic health problems, the disabled, and those not possessing land.

These features of asset status between different rural groups in Suba and Bomet districts in Kenya are explored further utilising results from the sample surveys undertaken in ten villages in 2001 and 2002. The distribution of assets across rural households is described in two main ways: by reference to asset holding across income terciles or quartiles, and by reference to interval or count distributions of assets.

Taking land as an asset first, Table 2 shows how mean land ownership changes across different household income levels, divided into quartiles from the lowest income 25 per cent (quartile I) to the highest income 25 per cent of sample households (quartile IV). The general pattern, as expected, is for a steady rise in mean land owned across the income quartiles, i.e.

more land is associated with greater income; however, there are exceptions to this rule, notably the smaller farm size of the top income quartile in Suba fishing villages compared to the other income quartiles there. This is explained by the contribution of fishing to higher incomes in Suba district, such that households specialised more in artisanal fishing than in farming are situated towards the upper end of the income distribution. This feature is examined further in due course, but is an early indicator of a finding prevalent in all case-study countries, including Kenya, that artisanal fishing families are not the poorest of the rural poor, on the contrary they tend to be better off than their purely farming counterparts in rural areas.

Table 2: Mean Land Ownership by Income Quartile, by Location

Sample	Income Quartile				Total
	I	II	III	IV	*n=1120*
Land 0wned (ha)					
Suba Inland (*n=70*)	2.17	1.59	2.93	3.06	2.43
Suba Lake (*n=105*)	1.78	1.89	2.48	1.98	2.04
Bomet (*n=175)*	1.13	1.31	1.71	1.87	1.50
All Villages	*1.41*	*1.79*	*2.02*	*2.17*	*1.85*

Source: Sample survey conducted in Jun-Aug 2001 (Suba) and Oct-Nov 2002 (Bomet)

The distribution of land across sample households is explored further here by reference to interval counts of land ownership (Table 3). Very few households indeed in these sample rural areas described themselves as landless (just 3 households in non-fishing villages in Suba). However, two thirds of all households owned less than 2 ha of land, with this proportion varying according to the intensity of competition for land between locations, being highest for the Bomet villages that also had the lowest proportion of farm sizes above 5 ha, at just 3 per cent. Within Bomet, there are notable differences in mean farm sizes and farm size distributions, corresponding to the agro-ecological gradient that was sampled. Farm sizes are smaller, and more households have holdings under 2 ha, in high potential areas compared to low potential areas.[18]

Table 3: Land Ownership Distribution Across Sample Households

Area Owned	Study Area			
	Suba Inland *n=70*	Suba Lake *n=105*	Bomet *n=175*	Total *n=350*
	%	%	%	%
Less than 0.5 ha.	10.0	18.1	24.0	29.4
Less than 1 ha.	28.6	28.6	50.3	39.4
Less than 2 ha.	58.6	63.8	73.7	67.7
Between 2 & 5 ha	28.5	31.4	23.4	26.9
More than 5 ha	12.9	4.8	2.9	5.4
Total	*100.0*	*100.0*	*100.0*	*100.0*

Source: Sample survey conducted in Jun-Aug 2001 (Suba) and Oct-Nov 2002 (Bomet)

Similar findings occur with respect to livestock holding across different income levels, as shown in Tables 4 and 5. For this purpose, all livestock possessed by households were aggregated into a single measure of cattle equivalent units (CEUs). Again the general case is for livestock ownership to increase steadily across the income quartiles, although there are exceptions to this rule and again the influence of fishing income is seen in the lower importance of livestock for achieving the highest household incomes in Suba fishing villages. Bomet sample villages exhibited generally lower mean livestock holdings than those seen in Suba district, and the lowest income quartile in Bomet possessed notably less livestock than the other income groups there. Another way of looking at unequal livestock holdings is by reference to non-ownership, and it can be seen in Table 5 for the sample as a whole that more than a quarter of households did not own cattle, more than half did not own goats or sheep, and 20 per cent did not own chickens.

Table 4: Mean Livestock Ownership by Income Quartile, by Location

Sample	Income Quartile				Total
	I	II	III	IV	*n=1120*
*Livestock CEUs**					
Suba Inland (*n=70*)	4.68	3.53	9.78	7.70	6.43
Suba Lake (*n=105*)	2.87	4.49	6.99	4.82	4.81
Bomet (*n=175)*	1.60	4.18	4.11	4.84	3.68
All Villages	*2.85*	*4.31*	*5.16*	*5.95*	*4.57*

* Cattle equivalent units (CEUs) are based on mean price ratios between different livestock types, and are cattle=1, donkeys=0.26, goats=0.12, sheep=0.1, pigs=0.07, turkeys=0.03, chickens=0.02

Source: Sample survey conducted in Jun-Aug 2001 (Suba) and Oct-Nov 2002 (Bomet)

Table 5: Proportions of Sample Households Lacking Livestock Assets

Ownership Range	Study Locations			
	Suba Inland *n=70*	Suba Lake *n=105*	Bomet *n=150*	Total *n=350*
No cattle	24.3	40.0	22.9	28.3
No goats	54.3	42.9	57.7	52.6
No chickens	15.7	17.1	22.9	19.7

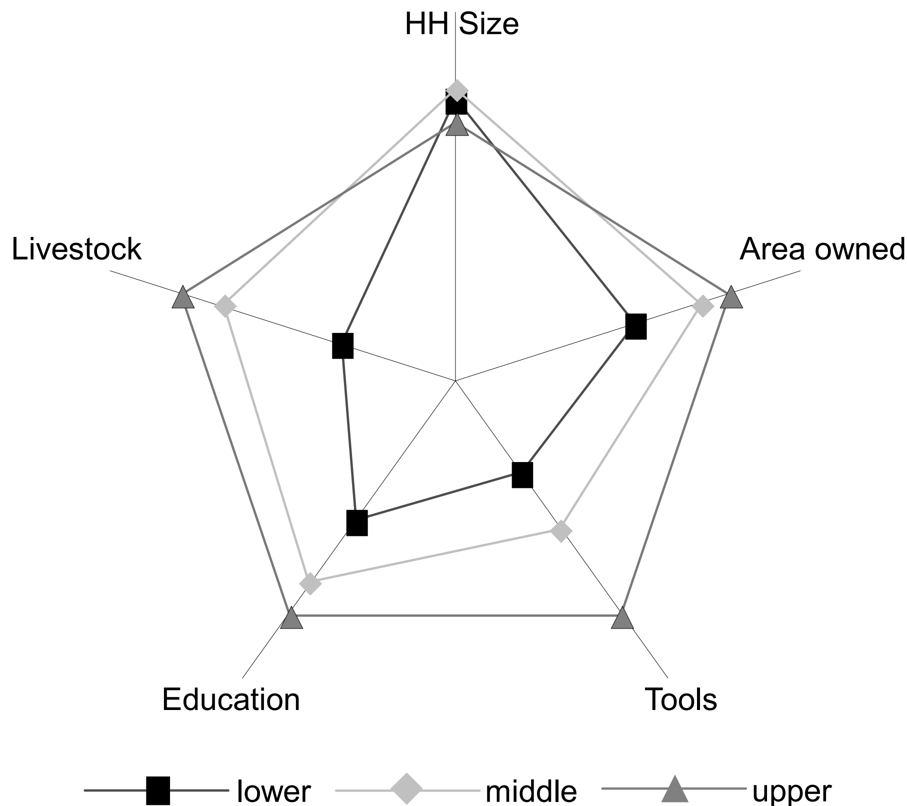
Source: Sample survey conducted in Jun-Aug 2001 (Suba) and Oct-Nov 2002 (Bomet)

In addition to land and livestock, the key assets of rural families in the case-study locations are their own labour (economically active adults in the household), their educational attainment (measured here by years education accomplished), and their ownership of productive implements and tools (measured as the aggregate value owned). Figure 2 displays the comparative level of holdings of these five assets, or asset categories, for the whole sample, divided into per capita income terciles, in the form of a radial graph. The interesting features revealed by this graph are, first, that the top and middle income thirds of households do not differ hugely in their average possession of the five key assets (with the single

exception of tools); and, second, that the lowest income third of households are shown to be relatively deficit in all assets except the number of working adults in the household.

Interestingly this basic pattern recurs across adjacent SSA countries, with minor variations between them (Ellis & Freeman, 2003). The lower one third of the income distribution is invariably both livestock and land poor compared to all other households, but the position with respect to other assets is less clearcut. In most cases, livestock ownership most evidently distinguishes the top third from the middle third of the income distribution, but in the Kenya sample this is not the case, due, as discussed previously, to the influence of Suba fishing households on asset-income relationships. In lakeside villages throughout the region the ownership level of fishing assets (boats and gears) was found to be an additional factor distinguishing the top income one third of households (Allison & Mvula, 2002; Ellis & Bahiigwa, 2003).

Figure 2: Selected Asset Levels by Income Tercile, Whole Sample



Source: Sample survey conducted in Jun-Aug 2001 (Suba) and Oct-Nov 2002 (Bomet)

The multiple roles of livestock in contributing to successful livelihood strategies is illustrated by the Kenya case-studies. High livestock ownership not only denotes high wealth associated with livestock as a store of value, but also implies high income, always placing bigger livestock owners in the upper per capita income ranges. Notably, however, it is not livestock itself that is the major contributor to these higher incomes. As is shown later in this analysis, the income composition of the top income quartile is dominated by non-farm self-

employment income. This provides an example of the interlocking nature of relative livelihood success in rural areas. Livestock is a substitutable asset that can be sold in order to invest in land or small businesses, and *vice versa*, non-farm income can be used to build up herds; the ordering of these sequences depends on the personal and market opportunities that prevail in different time periods.

Rural activities and incomes

This section summarises findings concerning livelihood activity patterns and income levels as discovered in the case-study villages. This is done drawing on qualitative, village level, data as well as quantitative household level data. Some qualitative features have already been mentioned while discussing wealth ranking categories, mainly, the prevalence of non-farm business activities in describing the livelihoods of the well-off, and the reliance of the poor on hiring out their labour to the rich, or, in Suba fishing villages to fishing boat owners. The picture is refined by reference to sample survey data.

Starting with farming and livestock activities, Table 6 shows agricultural land use by sample households across the three sample locations, and for the sample as a whole. Maize dominates crop agriculture across all villages; in total nearly 40 per cent of the sample farm area in the ten villages was sown to maize in either pure or mixed stands. In addition sorghum is a key food grain in Suba district, corresponding to roughly 12 per cent of sown area across all Suba villages. Bomet land use displays a different pattern to Suba, primarily in the significance of grazing or livestock fodder areas, corresponding to 60 per cent of sample farm area in the district. In terms of the land use gradient within Bomet, this proportion ranges between 50 per cent for the high altitude, high rainfall, Kapsoiyo village, to 70 per cent for one of the semi-arid villages, Kiplabotwa, further down the escarpment.[19]

Table 6: Land Use by Sample Households, by Study Location

Land Use	Suba Inland		Suba Lake		Bomet		Total	
	n=70		*n=105*		*n=175*		*n=350*	
	ha	%	ha	%	ha	%	ha	%
Maize/mixtures	90.7	*50.9*	91.6	*41.8*	72.8	*26.5*	255.1	*38.0*
Sorghum	27.5	*15.5*	18.0	*8.2*	0.2	*0.1*	45.7	*6.8*
Millet	2.2	*1.3*	17.5	*8.0*	- -	- -	19.7	*2.9*
Other Crop Mixes	16.9	*9.5*	4.1	*1.9*	24.7	9.0	45.7	*6.8*
Non-Food Crops	3.2	*1.8*	- -	- -	6.5	*2.4*	9.7	*1.4*
Livestock Uses	3.2	*1.8*	- -	- -	165.7	*60.3*	168.9	*25.1*
Rented Out	0.4	0.2	6.7	*3.0*	1.3	0.5	8.4	*1.3*
Unspecified	33.9	*19.0*	81.1	*37.0*	3.4	*1.2*	118.4	*17.6*
Totals	178.1	*100.0*	219.0	*100.0*	274.5	*100.0*	671.6	*100.0*

Source: Sample survey conducted in Jun-Aug 2001 (Suba) and Oct-Nov 2002 (Bomet)
Note: Table describes aggregate land use data summed across sample households

The overall monetisation of the rural economy is a feature pertinent to poverty reduction efforts. If markets are working well, and trade and exchange are flourishing, then this increases the cash in circulation in rural areas and gives individuals broader opportunities to

construct pathways out of poverty. Table 7 provides sample data by study location on the output share of principal crops and livestock consumed by the household rather than sold in the market. The reliance on subsistence consumption, even in an economy as strongly non-agricultural and monetised as Kenya, is quite striking. The mean subsistence share for maize across all locations is 90 per cent, with this reaching nearly 100 per cent in Suba lakeside villages. Other grains, sorghum and millet, are predominantly home consumed, while over 80 per cent of beans on average are likewise retained for home consumption. Amongst livestock products, the mean subsistence share of milk is 75 per cent, and that for chickens, 66 per cent. Goats, on the other hand, are kept mainly for cash sales, so that their home consumption proportion is under 20 per cent of total production.

Table 7: Selected Outputs, Share Consumed by Households, by Study Area (%)

Agricultural Activities	Suba Inland *n=70*	Suba Lake *n=105*	Bomet *n=175*	Total *n=350*
Crops				
Maize	88.2	99.3	86.6	90.0
Sorghum	77.3	99.8	90.0	89.1
Millet	77.1	99.7	100.0	95.1
Beans	71.7	68.8	86.3	81.8
Livestock				
Milk	93.0	86.5	67.5	75.3
Chickens	76.4	89.8	29.6	65.6
Goats	25.5	22.9	10.5	17.5

Source: Sample survey conducted in Jun-Aug 2001 (Suba) and Oct-Nov 2002 (Bomet)

The role of subsistence in rural livelihoods in these study locations is further refined by reference to the overall share of own consumption by value in household income across different income levels.[20] The relevant data is shown in Table 8. In general, reliance on subsistence falls steeply from 47 per cent for the bottom income quartile to 9 per cent for the top quartile. The pattern of this decline varies between study locations. In Suba fishing villages, the major drop occurs between the lowest and the second-lowest income quartiles. This reflects the rising importance of net income from fishing as income rises in these

Table 8: Share of Subsistence Consumption in Total Income by Income Quartiles, by Study Area (%)

Study Areas	Income Quartiles				Total
	I	II	III	IV	*n=350*
Suba Inland	48.2	33.5	20.2	7.6	15.5
Suba Lake	45.3	17.7	11.2	4.7	8.7
Bomet	48.7	39.3	20.6	16.5	22.1
All Villages	47.0	31.3	19.2	8.8	15.1

Source: Sample survey conducted in Jun-Aug 2001 (Suba) and Oct-Nov 2002 (Bomet)

villages, at the same time revealing that artisanal fishing families are not, in fact, the 'poorest of the rural poor'. In Bomet, by contrast, there is a steady fall in reliance on subsistence across the income ranges from 49 per cent for the lowest quartile to 16 per cent for the top quartile.

It can be inferred from these findings that the rural poor tend to be trapped in a subsistence mode of existence that allows little scope to move out of poverty because lack of cash drastically reduces the range of options open to family members. Households in the lowest income quartile are the most vulnerable to unexpected adverse events whether of a personal nature (accident or illness) or due to larger scale causes (drought or floods), due in part to their excessive reliance on non-monetised production. A vicious circle operates here, since it is partly the riskiness of engaging in market transactions that reinforces subsistence behaviour, and which in turn closes down options that would make livelihoods more robust in the face of shocks.

The composition of household total incomes provides relevant insights into the way that asset differences result in different patterns of income earning across income levels. Overall, in the sample villages, 32 per cent of household incomes arose from agricultural (crop and livestock) activities, while 68 per cent was attributable to non-farm sources (Table 9). If fishing is included as agriculture, these proportions become 46 per cent and 54 per cent respectively, and these are reasonably close to a 50:50 pattern that tends to characterise, in a broad way, contemporary rural livelihoods in the region (Ellis & Freeman, 2003). Within these aggregate categories important subsidiary patterns are revealed by income level. Crop and livestock income falls steeply as a proportion of total household income across the income quartiles, from 65 per cent to 22 per cent. Transfer income (mainly remittances) also falls in an uneven way as income rises. On the other hand, non-farm business income (self-employment) rises steeply from 10 per cent to nearly 40 per cent of total income; and fishing income, even though originating in only three villages within this overview picture, rises from 4 per cent to 18 per cent of income.[21] Figure 3 illustrates how these mean income portfolios change between the lowest and highest income quartile.

Table 9: Income Portfolios by Income Quartile, Whole Sample

- composition of household incomes % -

Income Sources	Income Quartile				
	I	II	III	IV	Total
	n=17	*n=18*	*n=18*	*n=17*	*n=70*
Maize	21.4	6.8	4.9	1.6	3.7
Sorghum	4.3	1.8	1.0	0.9	1.2
Other Crops	6.5	6.9	9.1	6.1	6.8
Milk	20.2	24.0	21.1	9.3	14.0
Livestock	12.4	14.6	9.4	3.6	6.5
Sub-Total Agric	*64.8*	*54.1*	*45.5*	*21.5*	*32.2*
Wages	10.5	7.1	21.6	19.9	18.3
Self-employment	9.5	23.5	16.7	38.5	31.0
Transfers	11.5	6.9	7.3	2.4	4.3
Fish	3.8	8.5	8.9	17.7	14.2
Total	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

Source: Sample survey conducted in Jun-Aug 2001 (Suba) and Oct-Nov 2002 (Bomet)

Figure 3: Income Portfolio Comparisons, Whole Sample

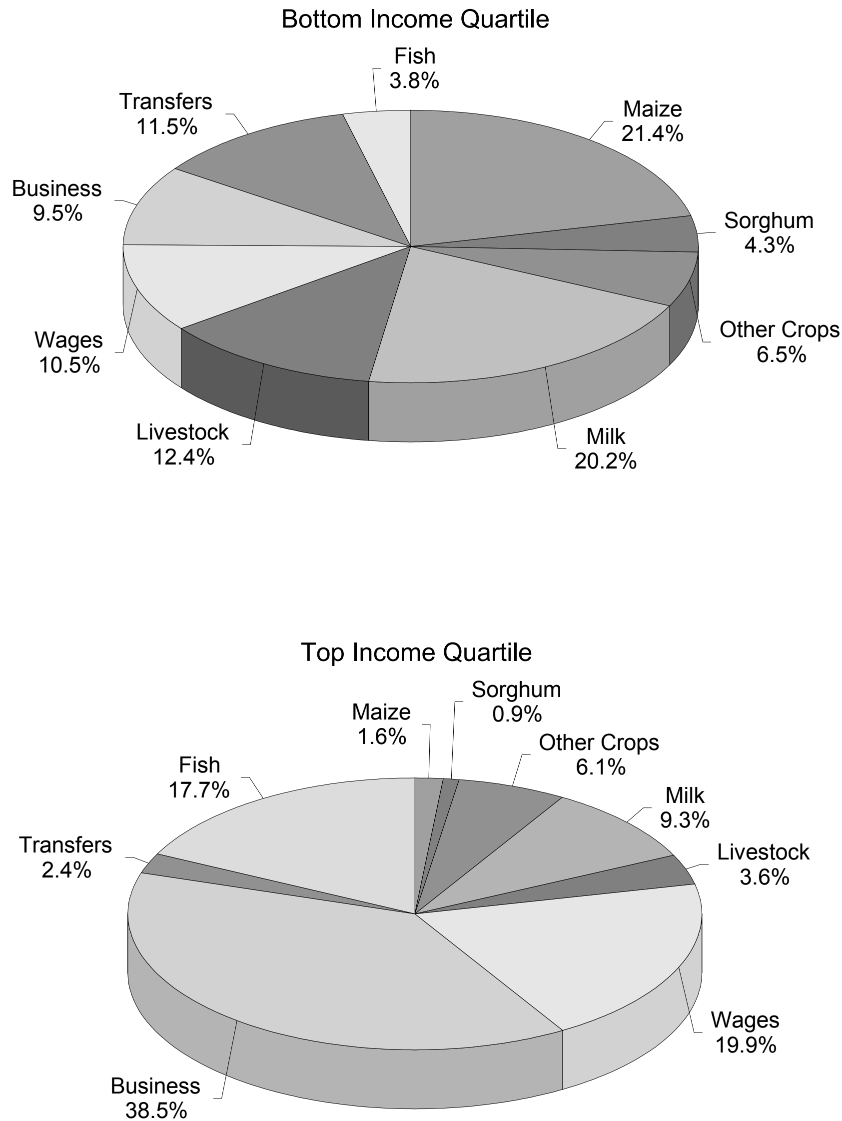


Table 10: Agricultural Output Value per Ha (KShs/ha)

Study Areas	Income Quartiles				Total
	I	II	III	IV	*n=350*
Suba Inland	6,692	11,552	10,961	10,621	10,220
Suba Lake	5,933	9,283	8,288	11,868	8,858
Bomet	18,120	43,576	69,363	104,325	65,122
All Villages	10,668	21,087	28,414	34,153	25,316

Source: Sample survey conducted in Jun-Aug 2001 (Suba) and Oct-Nov 2002 (Bomet)

Becoming less reliant on crop and livestock production is part of the process of climbing out of poverty in Kenya, as well as elsewhere, but this is not the end of the story. A further notable feature is that land productivity tends to rise with increasing income. Table 10 reveals a slightly mixed picture across different locations, although the overall effect is unambiguous. In Bomet, net farm output per hectare for the top income quartile is over five times that for the bottom income quartile. In Suba, the quartile figures do not show such a smooth or steep increase, but nevertheless the net farm output per hectare of the top quartile is nearly double that of the bottom quartile. It must be borne in mind that the picture is complicated for Suba lakeside villages by the exclusion of fish from this indicator. Overall, across all 350 households, net farm output per hectare is three times higher for the top quartile than the bottom quartile.

This finding reinforces the cumulative nature of becoming better off in rural Kenya, a process that has been observed by researchers in other parts of the country (e.g. Evans & Ngau,1991). Non-farm income enables the household to hire labour in order to undertake timely cultivation practices, and helps to fund the purchase of farm cash inputs; conversely, hiring out labour by poor households causes their own farm productivity to stagnate or fall. Livestock ownership plays a reinforcing role in virtuous spirals of accumulation, just as its absence contributes to the inability of poorer households to climb onto the first rung of the 'ladder' leading out of poverty.

Institutions and rural poverty reduction

The term institutions is used here to describe customs, rules, regulations, laws, public agencies, and the way these habitually, and from precedence, go about doing what they do. The qualitative research conducted at micro level in villages approached the understanding of institutions from several different perspectives, including asking people in group discussions to distinguish agencies that had real impacts on their lives, from those that did not; identifying strengths and weaknesses of institutions; ranking institutions according to how helpful or unhelpful they were in regard to gaining a living; and listing official and unofficial taxes, levies and licenses that individuals were subjected to as they went about making a living. The key insights gained from this exercise across ten villages, are summarised here as follows:

(i) Rural Kenyans characterise government agencies and office holders of all kinds as the least helpful institutions. These include local government administration (County Councils), district commissioners, officials of the agricultural, forestry and fisheries departments, councillors, MPs, and sometimes even chiefs and village elders (although opinions on the latter two groups were more mixed). Villagers have clear notions of public service and about their rights as citizens, and they express indignation at perceived delivery failures and at the frequency with which bribes must be paid in order to secure services that should legally be free. In this respect, the research confirmed findings about corruption and governance that were widely aired in the consultations that preceded the preparation of the 2001 PRSP.

(ii) Rural Kenyans are subject to many different types of taxes, both legal ones that are administered by district level revenue authorities or the local offices of government departments, and illegal ones that are levied under various guises by individuals or groups that hold positions that enable them to exercise that sort of leverage. Table 11 gives a provisional sense of this taxation regime, compiled from information

volunteered in village discussions and by key informants. This compilation does not represent a complete summary of taxes or tax rate variations mentioned by villagers, nor does it capture the impotence felt by ordinary rural citizens over the arbitrary and capricious working of the tax system in practice. The tax question is an important one for rural poverty reduction in Kenya and is considered in a little more detail below.

(iii) Community groups are popular institutions in Kenya villages. Womens' groups were mentioned favourably in the majority of case-study villages, with occasional sniping by men about the amount of women's time that they took up. Several types of rotating savings groups were mentioned, based on regular contributions or "membership fees" by participants, and rotating access to the funds thus created. These included burial groups in several villages. Also prevalent in the case-study villages were youth groups, although these invoked more varied reactions in group discussions, from enthusiasm to disapproval.

(iv) Villages generally seem to have beneficial experiences with direct assistance that they receive from donors and NGOs; indeed often major differences have been made to people's lives by provision of piped water, wells, agricultural extension advice, input supplies, food-for-work schemes, credit provision, and formation of village groups with specified objectives, by organisations such as CARE Kenya, World Vision, Finaid and IFAD. In general, in group discussions, these were amongst the more highly rated institutions, unless they had raised expectations that had not subsequently been fulfilled.

(v) Churches play an important role in Kenya villages, and were often listed as the most important or most helpful institutions in village discussion groups. Most villages had more than one denomination of church that different families belonged to, and some villages had mission stations that carried out a wide variety of development activities. Churches or missions also often provided services that the public sector failed to do satisfactorily, for example in relation to schools, preventive medicine and health clinics. In addition, such institutions sometimes provided direct support to the poor, by organising alms, or in other ways mobilising resources to assist those in desperate need.

Amongst the foregoing, taxation requires special mention, not just because it was universally regarded as one of the most important barriers to achieving a satisfactory living in the case-study villages, but also due to its haphazard and cumulative incidence, its close association with poor governance, and the absence of any identifiable links between taxes levied and services delivered in return. The link between taxation and public service delivery is a cornerstone of the relationship between government and governed in working democratic societies (Moore, 1998). Rural Kenyans were entirely aware of the absence of this link in relation to their own taxation, and in some villages articulated this with admirable clarity.

Economists have recognised certain basic principles of good taxation practice, going back to Adam Smith (*The Wealth of Nations* first published in 1776). These principles or "canons" include non-distortion of relative prices; simplicity so that both citizens and tax collectors have a clear understanding of the tax instrument and level being applied; low cost of collection relative to the amount of tax collected; and fairness in the incidence of the tax on different social groups, because perceptions about 'fairness' are an important ingredient of

Table 11: Examples of Formal and Informal Taxes and Levies in Rural Kenya

Category of Tax	Amount to Pay KShs	Comment or Description
Business & Related Licenses		○ *paid to County Council*
• kiosk or shop	70 per week	
	400 per week	- Suba district
	800 per week	- Bomet district
• clothes trading	100 per bale	
• land transactions	1,200	- non refundable application fee;
	1,000	- survey fee
• *jua kali* set-up fee	2,100	- license fee charged to start-ups
Crop Taxes		○ *paid to County Council*
• maize or beans per *debe*	20	- normally paid on entry to the market with the commodity to be sold
• maize or millet per sack	60-90	
• vegetables per sack	80 (fresh)	
• cassava per sack	80 (fresh)	
• market levies on crops	20 per day	- receipts say 10/- but payment is usually 20/-
Livestock Taxes		○ *paid to County Council*
• license to trade	20,000	- paid from Suba to Central Nyanza
• market charges per cow	50	
• movement permit cow	50	- collected and retained by livestock officer
• market levy per goat	30	
• sales tax per cow	10-100	
• sales tax per goat	10-35	- normally paid on entry to the market with the commodity to be sold
• sales tax per hen	20	
Fish Taxes (Suba District)		○ *paid to Fisheries Department*
Formal		
• fishing boat license	1000	- fisherman's license
• private mark for boats	300	
• certificate of registration	100	
• fisheries marketing license	350	- marketing license & health certificate
• market tax per day	20	- daily charge for small-scale selling
• fish selling cess per sack	40	- dried *omena*
• confiscation fee	2,800	- to release boats confiscated on the grounds of not being lakeworthy
Informal		
• fuel for fisheries officers	200	- unofficial payment to officers
• bribes to get health certs	400	- Health Dept officials
Informal dues		○ *paid to chiefs and government officials*
• public holiday contributions, cash (to chiefs)	150 per hh 30-50 person	- payable to chiefs or government officers - wide variety of payment types and methods recorded
• also paid in kind	goats or hens	
• "entertainment" of DOs or DCs	280 per hh	- lack of compliance can involve forceful confiscation of household items or livestock that are later sold through auction
• procurement of ID forms and vetting	300 (bribe)	

Source: Village reports for 5 villages in Suba district and 5 villages in Bomet district

the acceptability of the taxation to the population, and their resulting preparedness to pay rather than dodge taxes. It is doubtful that the typical tax regime found in rural Kenya, as illustrated in Table 11, complies with many of these precepts.[22] Flat rate commodity taxes, such as those on food crops and livestock, are variable in level and distort relative prices; the tax regime is complex and represents itself as a dense thicket of distinct payments; the cost of collection is likely to be high relative to the amount of tax that actually finds its way into government or local council coffers; and many of the taxes listed in Table 11 are regressive in nature, hitting the incomes of the rural poor more than the incomes of the better-off or the rich. Added to this, the rich and well-connected tend to be able to avoid taxes that other citizens have to pay, all the more so when these are illegal or unofficial taxes that they are better able to resist paying.

Taxation constitutes one component of what appears from qualitative research findings as a fundamentally disabling public sector institutional environment in rural Kenya. This is shown by the low ranking, disparagement, and distrust with which public officialdom of all kinds are held by people in villages. These are factors that are seldom given much attention in strategic documents related to poverty reduction, even though they are often mentioned in participatory poverty assessments and related similar consultative exercises. In the Kenya case where democratic decentralization is still in its planning stages, it is pertinent to recognise that such factors do not just disappear with the advent of decentralised local government, and, indeed, without due attention some of them can even inadvertently be made worse.

Synthesis and policy inferences

This paper set out to make the links between a micro level understanding of the circumstances and prospects of the rural poor in two districts in rural Kenya, and macro level strategic approaches to poverty reduction including the PRSP and the Strategy for Economic Recovery, as well as stated government intentions to put into effect democratic decentralisation in Kenya at some point in the future. At the micro level, the sustainable livelihoods framework is utilised to gain a more accurate picture of the asset and activity patterns that characterise the poor in particular, and the institutional context that either blocks or enables rural citizens in their pursuit of more secure livelihoods over time. At the macro level, the question is posed whether strategic policy documents formulate the poverty reduction problem in a way that addresses the real barriers that rural citizens confront in their efforts to construct pathways out of poverty.

The picture that emerges from the micro level research is that poorer groups in rural Kenya depend principally on food crop agriculture and seasonal wage income for their livelihoods; while the better off combine food crop agriculture with rising livestock holdings and widespread engagement in non-farm self-employment activities. A rural development strategy paper that was finalised in Kenya shortly prior to the 2003 change of government placed considerable emphasis on raising productivity in agriculture as the primary rural development goal (Kenya, 2002). The evidence summarised in this paper suggests that rural poverty reduction required a broader starting point than this, and is more to do with encouraging and facilitating diversity and mobility than promoting one sector in particular.

The micro level research also reveals a local level public sector institutional environment that is blocking and disabling rather than facilitating of people’s own endeavours to construct pathways out of poverty. The most concrete manifestation of this is the dense thicket of fees,

dues, levies, taxes, permits and licenses that confront rural Kenyans whenever they engage in market transactions beyond the village, or begin to create non-farm businesses. It is apparent that official taxes have grown in a haphazard way, with no consideration of their distorting effects on prices, and little regard to their cumulative impact. Beyond this, informal taxes are even more accidental in their incidence, and serve to raise rather than lower the array of risks that people have to deal with, thence making livelihoods more rather than less vulnerable. Finally, the tax relationship between government and governed tends to set the tone for broader interactions, and leads to more generalised behaviours in which rural populations are treated as subjects rather than citizens (Fjeldstad, 2001).

At the level of the family or household, rising incomes are a cumulative process, that require an ability to build assets and diversify across farm and non-farm activities. In this process, cash generation is critical, since it confers the capability to invest either in improved farm practices or in non-farm assets, or some combination of both, according to the options that arise to reduce risk and increase income generation. Multiple commodity and enterprise taxes levied at village level suppress cash generation at the very point where it can make the most difference to the livelihoods of the poor. More than this, their uneven, haphazard and often dishonest application adds to risk and thus further inhibits the multiplication of economic activities in rural areas.

In the light of the micro evidence, therefore, the creation of a facilitating environment that encourages rather than blocks the flourishing of diverse monetised rural activities in Kenya needs to be prioritized in rural poverty reduction thinking. This means considering carefully the relationship between future intended modalities of decentralisation, including fiscal decentralisation, and the poverty reduction process, whatever form that eventually takes. Kenya is uniquely placed to learn from divergences between the ideal goals and the practical effects of decentralization as they have been occurring in adjacent countries. It is also in a position to build into its future strategic policy processes a commitment to identify, evaluate, and seek to diminish those factors in the institutional and fiscal environment that are hostile and discouraging to trade, investment, risk taking and enterprise in rural areas. Critically, the point must be emphasised that building schools and improving roads in rural areas will not by themselves result in rapid poverty reduction if the public sector institutional environment remains deeply discouraging to dynamic and diversifying rural livelihoods

Notes

[1] All these papers have been, or are due to be published, in the journal *World Development*. See Ellis & Bahiigwa (2003); Ellis & Mdoe (2003); Ellis, Kutengule & Nyasulu (2003). In addition, a comparative overview paper covering all four countries is under consideration at the *Journal of Development Studies* (Ellis & Freeman, 2003). These publications arise from a research programme entitled LADDER, standing for Livelihoods and Diversification Directions Explored by Research, an acronym devised to evoke the notion of "climbing out of poverty". The programme was funded by the Policy Research Programme of the UK Department for International Development (DFID); however, the findings and views expressed here are solely the responsibility of the authors and are not attributable to DFID. Earlier versions of these papers, as well as other project outputs, can be found at the project website: www.odg.uea.ac.uk/ladder

[2] The World Bank's last *Country Assistance Strategy* (CAS) for Kenya advises "a very limited lending strategy" and states that "Kenya is currently in the low case scenario" (World Bank, 2000)

[3] Both these documents place strong emphasis on growth and employment generation as an approach to poverty reduction in Kenya.

[4] The diversity of rural livelihoods in low income countries means that previous assumptions about the preeminent role of agriculture in poverty reduction needs to be revised. See, for example, Bryceson (1996); Bryceson & Jamal (1997); Ellis (1998; 2000).

[5] Until January 2003, Kenya had only two heads of state in its post-independence history: Jomo Kenyatta who ruled from 1963 until his death in 1978 (15 years), and Daniel Arap Moi who ruled from 1978 to 2002 (25 years). During most of this period Kenya was de facto or de jure a one-party state, and ten years after the introduction of multi-party democracy in 1992, KANU absorbed the then main opposition party (National Development Party) in 2002.

[6] In 2000 aid per capita on Kenya was US$17.0 as compared to US$36.9 in Uganda and US$31.0 in Tanzania (World Bank, 2002)

[7] The data cited is from the Kenya Data Profile available on the World Bank website: www.worldbank.org/afr/ke

[8] The rural poverty estimates cited are contained in the PRSP published in 2001 (Kenya, 2001). It may not be possible to make a strict comparison of different poverty estimates derived from different rounds of the Welfare Monitoring Surveys in Kenya. Each of the three series are different with respect to the timing of survey administration, the content of the questionnaires, and the quality of data gathered.

[9] Francis (2000: Ch.1) also provides a useful account of land resettlement in post-independence Kenya. In addition see relevant chapters in Heyer *et al.* (1976) and Killick (1981)

[10] King (1996: p.7) attributes the origin of the term informal sector to a conference paper presented by Keith Hart at Sussex University in September 1971, entitled 'Informal income opportunities and the structure of urban employment in Ghana'. Nevertheless, its widespread use in development studies took off from the ILO Kenya report.

[11] Livingstone characterises the informal sector as a 'sponge' economy, meaning that it has a surprisingly adaptable capacity to absorb labour, but it does so at bare minimum levels of productivity and earnings.

[12] The phrase 'multiple shaking down' was suggested to one of the authors by a senior member of the new Kenya government, at the time of a conference on rural livelihoods and poverty reduction organised by ICRISAT, Nairobi, in January 2003

[13] Suba district (as part of the previous larger Homa Bay district) was classified in the 1997 Welfare Monitoring Survey (WMS III) as the poorest district in Kenya with 77 per cent of the population below the absolute poverty line. Bomet had 63 per cent of its population below the poverty line.

[14] Lake fisheries represent the fourth largest export sub-sector in Kenya, and are thought to provide either direct or indirect employment for half a million people.

[15] With a list of households in each wealth group, 10 households were randomly chosen from each of the well-off and middle categories, and 15 households from the poor category, thus the sample has a slight bias towards the lower end of the wealth range, although this effect is negligible compared to variations between villages in the proportions assigned to different wealth categories.

[16] Much of Suba district was settled in the first decade after independence, with some areas comprising designated resettlement schemes.

[17] Most versions of the sustainable livelihoods framework contain social capital as one of five principal categories of assets (the other four being natural, human, physical and financial capital). Social capital enjoyed a short-lived authenticity as a development studies construct in the late-1990s, however, it has been shown to be ambiguous and flawed, and is invoked much less readily now.

[18] The range is between a mean farm size of just over 1 ha in Siwot and Kapsoiyo villages and 2 ha in Mengit village.

[19] The proportions of land stated as under grazing in the Bomet sample villages are likely to have been over-estimated for seasonal reasons, since the field research was undertaken in the non-cropping season.

[20] For this purpose, subsistence consumption of crops and livestock products are valued at the average farmgate prices cited in the completed household survey forms.

[21] In the three fishing villages themselves, fishing income remains more or less the same proportion of incomes across the income ranges; however, factors to do with varying absolute levels of total income in different places and sub-categories cause this result to occur in the aggregate picture.

[22] Kenya is not by any means unique in this respect, see for example Fjeldstad (2001), as well as the Uganda and Tanzania examples given in Ellis & Bahiigwa (2003) and Ellis & Mdoe (2003).

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