

**GENDER MAINSTREAMING IN MACROECONOMIC  
POLICIES AND POVERTY REDUCTION STRATEGY IN  
KENYA**

**By**

**Maureen Were and Jane Kiringai  
Kenya Institute for Public Policy Research and Analysis**

**Edited by L. Muthoni Wanyeki and Alpana Patel**

**For**

**The African Women's Development and Communication Network  
(FEMNET)**

**Supported by GTZ**

## ***ACKNOWLEDGEMENT***

*We would like to acknowledge the excellent research assistantship of Phyllis Makau of Ministry of Finance and Planning. We also thank Mary Wandia of FEMNET and Dr. Karingi of KIPPRA for their valuable comments on an earlier draft and Jason Akoyo for data collection. We are grateful to those who through FEMNET pointed out some gaps in the earlier drafts of this report; their comments were insightful and greatly enriched the final report. Any errors and omissions are ours.*

## **ABBREVIATIONS AND ACRONYMS**

|        |   |
|--------|---|
| AGOA   | African Growth and Opportunity Act                      |
| AIDS   | Acquired Immune-Deficiency Syndrome                     |
| ASAL   | Arid and Semi-Arid Lands                                |
| BNF    | Budget Negotiation Framework                            |
| CCGD   | Collaborative Centre for Gender and Development         |
| CIDA   | Canadian International Development Agency               |
| ECA    | Economic Commission for Africa                          |
| EPZ    | Export Processing Zones                                 |
| FEMNET | African Women's Development and Communication Network   |
| FIDA   | The Federation for Women Lawyers                        |
| FSP    | Fiscal Strategy Paper                                   |
| GDP    | Gross Domestic Product                                  |
| GNP    | Gross National Product                                  |
| GOK    | Government of Kenya                                     |
| HIV    | Human Immuno-Deficiency Virus                           |
| IMF    | International Monetary Fund                             |
| IT     | Information Technology                                  |
| KIPPRA | Kenya Institute for Public Policy Research and Analysis |
| KTMM   | KIPPRA-Treasury Macro Model                             |
| MOFP   | Ministry of Finance and Planning                        |
| MTEF   | Medium Term Expenditure Framework                       |
| NASCOP | National AIDS and STD Control Programme                 |
| NGOs   | Non-governmental organizations                          |
| PRSP   | Poverty Reduction Strategy Paper                        |
| SNA    | Systems of National Accounts                            |
| SSA    | Sub-Saharan Africa                                      |
| STD    | Sexually Transmitted Diseases                           |
| UN     | United Nations  |
| UNDP   | United Nations Development Programme                    |
| VAT    | Value Added Tax   |
| WID    | Women in Development                                    |

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## EXECUTIVE SUMMARY

The key challenges facing the Kenyan economy are reversing the economic decline witnessed over the last decade and the rising levels of poverty and income inequality. Consequently, the twin objectives of the Poverty Reduction Strategy Paper (PRSP) are to reduce poverty in half by the year 2015 and achieve high levels of growth in real incomes per capita. However, gender equality has to be a core theme if the poverty reduction strategy is to be successful. Gender-based asset inequality constrain both growth and poverty reduction. Gender mainstreaming at both macro and sectoral levels of policy formulation is essential for sustainable growth and poverty reduction.

Gender is usually defined as the *social* meanings given to the biological sex differences—the basis for basic division of labour within societies. Gender inequality often manifests itself in the form macroeconomic policies are thus not gender-neutral; they have tremendous implications for women’s employment, poverty, social burden and ultimate societal well-being.

However, gender is not a homogenous group, within gender there are different socio-economic groups and macroeconomic policies will have a different impact on each of these groups. It would therefore be naïve to brand any policy as pro or anti-gender without an in-depth analysis. A trade policy that protects domestic industries through tariff barriers might increase employment for low skill urban women while discriminating against agriculture. Such a policy would be pro urban women and anti-rural women.

The macroeconomic policy framework in Kenya is clearly spelt out in both the PRSP and the various Fiscal Strategy Papers (FSP) and has four key elements. First, the need to create a favourable environment for the private sector to deliver higher growth rates necessary for poverty reduction. Second, the need to reduce the high tax burden, from a ratio of 24% to 22% of GDP. Third, the framework envisages a reduction in the share of government expenditure to GDP from the current level of 27% of GDP. Fourth, is the re-alignment of government expenditure towards support for investment. Clearly there is little scope within this framework to incorporate gender issues. Though commendable, the policy framework of low inflation, low levels of expenditure to GDP, privatisation and leaner, more efficient government to

pave the way for a private sector-led growth fails to recognize the importance of the care economy, whose activities also affect the efficiency in the productive sector of the economy. Furthermore, even the private sector led growth envisaged from the framework has so far been elusive.

Since these policies have to be pursued in the medium term, it is necessary to design interventions that would increase women's efficiency and labour productivity. Just as there is much focus on creating an enabling environment for the private sector, there is also need for the government to invest in increasing the productivity of women. Targeted expenditure programs should be designed at reducing the time burden for women, particularly in the care economy, to increase their participation in the productive sector. Such investments would include rural access roads, affordable and appropriate technology among others.

Although gender imbalance is acknowledged in the PRSP document, there is no detailed cognisance of gender dimensions of the proposed policies, or anticipation of gender implications of the outcomes in reference to the different poverty dimensions. This gap might have been occasioned by inadequate exposition of gender issues or lack of a comprehensive disaggregated database to start with, a factor which also constraints the quantitative analysis in this study.

However, it is difficult to build a case for gender mainstreaming without appropriate tools to show expected outcomes as a result of addressing gender inequality. Computable general equilibrium models can provide a framework for quantitative and consistent analysis of economic policies on different groups, the "with and without" counterfactual policy simulations. For a comprehensive analysis of gender issues, such a model would have to be calibrated on a gendered social accounting matrix. This is perhaps the best option for the detailed level of analysis necessary to build a case for gender mainstreaming in policy analysis, this is perhaps the best option.

## 1. INTRODUCTION

High levels of poverty, characterized by a poor record of economic growth and high inequality in income and asset ownership, particularly in sub-Saharan Africa have become major development challenges. Kenya's economic performance has been declining and poverty has increased. The country has not been able to generate the growth necessary to reduce the social and economic inequalities. The key challenges facing the country at the moment are deteriorating economic performance and high levels of poverty, with more than one half (56% by 2000) of the population living below the poverty line. Consequently, the twin objectives of the Poverty Reduction Strategy Paper (PRSP) are poverty reduction and economic growth. These are based on two broad objectives: to reduce poverty levels in half by the year 2015 and to achieve a 'Newly Industrialized Country' status by 2020 (GOK 2001). The PRSP is a short-term strategy that seeks to implement these objectives.

Since the idea of equity is central to the poverty reduction initiatives as indicated in the PRSP, gender equality should also be central to the PRSP. Without women's empowerment and advancement through promotion of gender equality, poverty cannot be reduced (UNDP 1998). Similarly, it is difficult if not impossible to reduce poverty without addressing the gender imbalances reflected in the different dimensions of poverty. This calls for the incorporation of gender in the formulation of policies at the macro and sectoral levels, expenditure allocations as well as monitoring and evaluation.

A favourable and stable macroeconomic environment is essential for economic development. The three main types of policy objectives at the macro level are attainment of price stability, full employment, and foreign sector balance. In pursuing these objectives, policy makers use the traditional policy instruments: fiscal policy, monetary and exchange rate policies. The general assumption is that these policy objectives and the instruments are both gender-neutral. This assumption has widely been contested. Macroeconomic policies have implications at the micro-level. Similarly, activities at the micro and meso levels have implications at the macro level. There are gender implications involved at both the micro and meso levels. For instance, at the meso level, there is a growing understanding of markets as social institutions, encompassing relationships that embody social values. Often, imbalance of power along gender is one form of social differentiation that shapes such relationships/imbances (Elson 1993; Baden 1996). Various macroeconomic problems emanate from gender inequalities at the micro and meso levels (Çagatay 1998).

The gender debate is not something that is entirely new. However, previous efforts have mainly focused on involving women in development in the form of Women in Development (WID) analysis as opposed to gender dimensions. Initial efforts to integrate women in development were primarily with national planning bodies and sectoral departments, particularly education, health and agriculture, which dealt with women in their traditional gender roles (Corner 2002). The gender dimension, rather than treating women in isolation, is a relational concept that also means that men are to be explicitly brought into the analysis. Despite a long history of lobbying by Non-Governmental Organizations (NGOs) and women's organizations, policy makers traditionally see gender as essentially a social issue with little relevance to the macroeconomy (Evers 2001). Consequently, their attempts to incorporate gender perspectives are limited to taking account of women's needs in social sectors such as social welfare and health. However, Gender is an issue for economic policy and not just for social policy (Evers 2001). Trade, investment, competition and macroeconomic policies are not gender-neutral. They have tremendous implications for women's employment, poverty, social burden and ultimate societal well-being.

Elson (2002) appropriately puts the whole concept of engendering the budget and macroeconomic framework into perspective; it is not producing separate budgets for men and women. Engendering the budget involves investigating the policy impact on women and girls as compared to men and boys to establish whether gender gaps are bridged, widened or the status quo maintained by the budget and macroeconomic framework. Clearly, such an analysis can only be done after a country's gender analysis has been undertaken to bring out such gaps and identify the relevant policy actions to bridge the gaps.

With globalisation, gender implications have become not only a concern of individual countries but also the world as a whole. The Commonwealth Secretariat's role in encouraging member countries to mainstream gender concerns into macroeconomic policy dates back to 1989.<sup>1</sup> In 1995, realization of considerable differences in women and men's access to and opportunities to exert power over economic structures, governments worldwide made a commitment to promote women's economic rights including access to employment and control of economic resources (Oyugi 2002). The 1995 Commonwealth Plan of Action on Gender and Development and the 2000-2005 update—*Advancing the Commonwealth Agenda into the New Millennium*—for instance calls for monitoring and analysis of the impacts of



macroeconomic and economic reform policies on women and men, and the development of strategies, mechanisms and corrective measures to address gender imbalances in key areas. To date some significant progress has been made and gender responsive budgets have been developed in over forty countries, including Australia (1984), Canada (1993) and South Africa (1994), among others.

Kenya is signatory to various gender conventions and declarations, including the 1979 Convention on Elimination of all Forms of Discrimination Against Women, the 1980 Copenhagen World Conference that stressed the need for women to participate in the development process as both experts and beneficiaries, and the 1995 Beijing Platform for Actions where affirmative action was identified as an indispensable strategy for gender mainstreaming. So far, there is hardly any assessment that has been done on the implications of gender dimensions and how these relate to the overall objective of development and poverty alleviation in the Kenyan PRSP. The importance of such an assessment, and which forms the basis of this paper, cannot be overemphasized.

The main purpose of this study is to analyse the PRSP and the budget in Kenya from a gender perspective with the aim of evaluating the implications of the policies contained therein on gender dimensions in the country. The study will to the extent possible propose engendered policy alternatives. Specifically, some of the questions the study seeks to address include whether the policies close gender gaps, widen such gaps, whether the policies are neutral, and the extent to which gender issues are incorporated in the poverty reduction initiatives and the general macroeconomic framework.

Section two of the paper reviews stylised facts about gender, while the third section highlights gender profiles in Kenya. Section four undertakes an analysis of the PRSP in order to investigate the likely impact on gender. Section five focuses on the macroeconomic framework and macroeconomic policies. Fiscal policy (taxation and budgetary allocations) is discussed in section six together with options for modelling gender. Section seven highlights some of the main findings and presents concluding remarks.

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<sup>1</sup> With the report of the 1989 Commonwealth Expert Group—Engendering Adjustment for the 1990s’ and the Ottawa Declaration on Women and Structural Adjustment, endorsed by Heads of Government in 1991.

## **2. BACKGROUND-STYLIZED FACTS ON GENDER**

Gender is usually defined as the *social* meanings given to the biological sex differences. It is an ideological and cultural construct. Gender is the basis for basic division of labour within societies—e.g. division between productive and reproductive activities (Çatagay 1998). Gender inequality often manifests itself in the form of differential access to resources and opportunities (UNDP 2001).

A World Bank status report on poverty in sub-Saharan Africa (SSA) indicates that reducing gender-based asset inequality increases growth, efficiency and welfare (Blackden and Bhanu, 1999). Furthermore, the findings also indicate that gender-based asset inequality acts as a constraint to growth and poverty reduction, which are the key objectives of the PRSP in Kenya. Moreover, macroeconomic policies have a gender-differentiated impact and can worsen or improve the living standards of different groups and contribute to narrowing or widening gender gaps in economic and social welfare (Baden 1996; Elson 1996). Similarly, gender inequalities and male bias may adversely affect the outcomes of trade and macroeconomic policies and their ability to translate economic incentives into development (Evers 2001; Palmer 1995).

In fact, research has revealed that men and children and therefore the society at large stand to benefit when women are brought more centrally into policy on economic development. For instance, female education leads to better nutrition, education for children and family welfare (World Bank 2001; World Bank 1995; Geda 2001; Blackden and Bhanu 1999, among others). A better designed macroeconomic policy therefore creates a virtuous circle in which macroeconomic policy itself contributes to the reduction of gender inequality, in turn lessening constraints to successful economic outcomes (Elson 1996). The question is no longer whether gender equality is a goal or development objective in itself, for it has been fully embraced as one, but rather how and through which policies and programmes it can be realized (UNDP 2001; World Bank 2001; Çatagay 1998). Engendering macroeconomic policies is therefore consistent with the overall development policy objectives.

Despite the increasing emphasis on the potential benefits of globalisation, there are concerns over some of its the negative effects, particularly on the weak and vulnerable, the majority of whom are children and women. These effects include rising unemployment, poverty and difficulty of providing social safety nets. It is now well acknowledged that in general women and children suffer disproportionately from elements of poverty, including

intra-household poverty, compared to men (GoK 2002; Geda 2001; UNDP 2001; World Bank 2001). In addition, there has been increasing recognition of the fact that benefits at the macro level do not automatically “trickle down”, particularly in regard to poverty and inequality, including gender inequality. These issues have to be brought explicitly or directly into the policy framework.

## **2.1 Engendering Macroeconomic Policy**

The gender-aware approaches to macroeconomic analysis can be conceptualised under the following three broad areas (Çagatay 1998, World Bank 2001; and Grown 1995);

- Institutional and legal framework;
- The invisible women’s work and the ‘reproductive’ sector or the care economy;
- Engendered economic behaviour.

### ***2.1.1 Institutional and legal framework***

The traditional macroeconomic analysis takes the legal and institutional structure of the economy as given, therefore being gender-blind rather than gender-neutral. It fails to take into account male biases in labour market legislation, property rights and ownership and inheritance laws, yet these restrict and shape the economic activity of women (Çagatay 1998). Though the exact nature of these legal and conventional restrictions varies from one country to another, they are pervasive enough to shape women’s economic activity. Though social institutions may not be intrinsically gendered themselves, they bear and transmit gender biases. Being socially constructed institutions, ‘free markets’ also reflect and reinforce gender inequalities (Grown 1995; Çagatay 1998).

Moreover, due to social customs and norms that assign women the exclusive responsibility for physical and social reproduction, women enter paid work in the labour force in a disadvantaged position, even in the absence of legal restrictions and “pure” discrimination. Employers might for instance be reluctant to hire women for jobs that involve firm-specific knowledge and training for fear that they might leave unexpectedly because of maternal responsibilities or offer lower pay to compensate for higher expected turnover rates. Women therefore tend to crowd in low-pay and low-skill jobs where high turnover does not matter as much or in work that does not clash with their reproductive responsibilities (Çagatay 1998). Indeed, as observed elsewhere in this paper, privatisation goes hand in hand with downsizing and retrenchment where the lower cadre staff, majority of whom are women,

further exit the formal labour market. Furthermore, the weak supply response of small-scale entrepreneurs, particularly women, to price incentives under liberalization may be explained by the failure to tackle institutional constraints in key markets, including financial markets (Baden 1996).

### ***2.1.2 The invisible women's work and the 'reproductive' sector or care economy***

Although many countries have since the 1950s adjusted their income accounts to include subsistence production, the economic sense or justification of including domestic work and voluntary activities in the national income accounts is still questionable. However, the importance of the link between the productive economy and 'reproductive' sector or the 'care' economy<sup>2</sup> became evident with the outcomes of the structural adjustment policies of the 1980s, that have been highly criticized. Studies have established that implementation of structural adjustment programmes and macroeconomic stabilization policies by the International Monetary Fund (IMF) and World Bank in the 1980s in many developing countries had adverse effects on the poor and women. They led to cuts in social services directly related to women's roles as mothers, housekeepers and care providers, therefore intensifying women's reproductive work (Çagatay 1998).

Invisibility of unpaid domestic labour may hide increased inefficiency. The unpaid care economy contributes to the welfare of individuals receiving care and contributes to the activities of both the productive or market economy by supplying human resources (human capital) and maintaining the social framework (social capital) (ECA 2002). If the care economy is overburdened, this has negative implications on the productive economy, and will reduce its productivity and increase the costs because of inadequate maintenance of human resources and the investment in the social framework. The care economy produces family and community-oriented goods and services. Basic subsistence and the care economy is sustained mostly by female human power (including girls), yet they do not have equal access to opportunities for improvement.

By ignoring the care economy, macro-economic policies assume women's time is available in unlimited supply—that is the supply is perfectly elastic. This mistaken view is

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<sup>2</sup> The words 'reproductive', 'care' or 'household' economy are used interchangeable but basically, in this context, they refer to the unpaid work or activities such as domestic work, voluntary community work, care for the sick and elderly etc, as opposed to 'productive activities' which refers to income generating activities, generally linked to the market.

rooted in the conventional macroeconomic theory that treats the care economy as a sector that can supply whatever is required without the need for investment (ECA 2002). Domestic activities are therefore excluded from Gross National Product (GNP) and Gross Domestic Product (GDP) as defined in the UN Systems of National Accounts (SNA). This partly explains the neglect of the sector in budgetary allocations, despite the numerous efforts by NGOs and women's organizations.

A lot of women's work is not accounted for by the national economic statistics since a great deal of women's work does not take place in large market-oriented formal sector establishments. The cost of reproducing and maintaining the labour force in a given society remains invisible as long as the scope of economic activity does not include 'reproductive' labour. Unpaid work needs to be made visible and the economic work redefined to include unpaid reproductive labour (Çagatay, 1998).

The neglect of this crucial sector is echoed in the post-liberalization policy reforms, which focuses on increasing efficiency in the private sector with over-emphasis on private sector-led growth. Public agencies are perceived as inefficient and have to be privatized/commercialized to the extent that they do not operate at the same level of efficiency as the private sector. This notion arises from the ignorance or oblivion of the service needs of the care economy. The neglect of the care economy adversely affects women's productivity, the development and maintenance of social capital.

### ***2.1.3 Engendered economic behaviour***

Gender relations play a crucial role in the division of labour, distribution of work, income, wealth and production (techniques) with important macroeconomic implications (Çagatay 1998). Based on the so-called 'good-mother' thesis, evidence from a diverse group of countries shows gender differences in the savings and consumption expenditure patterns. Women tend to spend more on children and household needs, while men's expenditures tend to be skewed towards leisure commodities (e.g. alcohol, tobacco, gambling) and goods that are status symbols (Çagatay 1998). Expenditure on women therefore enhances capabilities that are directly productive. Gender inequalities in the distribution of income and wealth coupled with male biases in the legal and institutional structure of the economy are likely to have a significant impact on the functioning and outcomes of the macro-economy (Çagatay 1998).

Çagatay (1998) further argues that structural adjustment programmes and free market policies could lead to ‘forced savings’ in a bid to extract sufficient aggregate savings to close the savings gap at the macroeconomic level. This depends largely on the reproductive economy’s ability to increase the magnitude and intensity of unpaid work. However, as Çagatay points out, the reproductive economy unlimitedly compensates for the drop in the access to market goods and services in the provision of basic necessities of life. Sooner or later, demand for higher money wages intensify, and past a certain threshold of stress, social disintegration begins to set in as the social fabric begins to tear apart. If the pressure becomes too acute that the government is forced to take measures to restore money incomes of the dispossessed, the outcome might be a stagflationary spiral, defeating the very purpose of neo-liberal contractionary policies in establishing price stability. Çagatay argues further that even if the increased burden on the reproductive sector succeeds in extracting ‘forced savings’; this will be at the expense of depleting human resources over time.

There is diverse evidence that shows that gender biases and inequalities in the labour market, access to credit, and in the distribution of wealth and income and decision-making affects the effectiveness and productive use of resources (Çagatay 1998). See Box 1 for illustrative examples:

**Box 1: Impact of gender on economic growth:**

- Tzannatos (1991) has shown that total output could be increased considerably by eliminating gender discrimination in occupational patterns and pay.
- Hill and King (1995) show that gender gaps in education have an adverse effect on growth.
- Evidence suggests that gender inequality, especially in SSA, in control of resources in agriculture constrains output responses that the structural adjustment and market policies are meant to induce (Palmer 1991; Gladwin 1991).
- In low-income economies, where women shoulder the time/work burden, an export boom can possibly cause nutritional deprivation for children and women (Darity 1995).
- Giving women farmers the same level of agricultural inputs and education as men farmers could increase their yields by more than 20% (Saito and purling 1992).

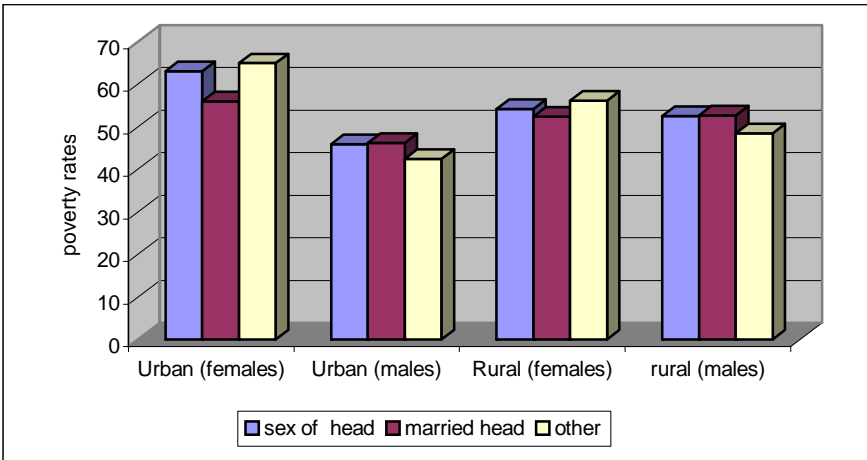
### 3. GENDER PROFILES AND THE SOCIO-ECONOMIC INDICATORS IN KENYA

This section highlights gender profiles in Kenya. The profiles are grouped according to core dimensions of poverty. We observe that generally the availability of gender-disaggregated data is limited. Nonetheless, selected socio-economic indicators by gender (where possible) and province are given in Annex 1 in the appendix. These include population, education, health, poverty, welfare and other socio-economic indicators.

According to the results of the 1999 population census, women in Kenya constitute a slightly higher proportion of the total population (50.1%) in comparison to men (49.9%). This trend is similar across the country except in Nairobi, Coast and Northern Eastern provinces probably due to more male urbanization compared to females.

Despite numerous policies since independence, poverty still remains widespread in Kenya, afflicting proportionately more women than men (Kimalu et al., 2002). The national poverty rate estimated at 52.3% in 1997 had increased to 56.8% by 2000 with wide regional disparities (Mwabu et al., 2002). The most affected provinces are Nyanza and North Eastern while the least affected province is Central (Annex 1). According to the *1997 Welfare Monitoring Survey*, female heads constitute a higher proportion of the poor both in the rural (54.1% vis-à-vis 52.5% for male heads) and urban areas (63.0% vis-à-vis 45.9%). In general, the prevalence of poverty among female-headed households is relatively higher than male-headed, being slightly more severe for female-headed households whose husbands are away as illustrated in Chart 1.

**Chart 1: Poverty by type of household**



Note: 'other' for female refers to household who is female and married but husband away for over 3 months. 'Other' for male –single, divorced/widowed.

*Source: GOK 2000b*

Although the causes and outcomes of poverty are gender-specific and diverse, the traditional conceptualisation of poverty tends to concentrate more on income poverty as a measure; therefore ignoring other dimensions that exhibit immense gender disparities. It has been acknowledged that poverty is multidimensional, encompassing not only low incomes and consumption but also low achievement in education, health, nutrition, asset acquisition and ownership, as well as other forms of human development. There are notably four types of poverty as identified in the poverty discourse (see *World Development Report 2000/2001*).

- Opportunity—lack of opportunity typified by lack of access to labour markets, employment opportunities and lack of access to productive resources.
- Capability—lack of access to public services such as education and health.
- Security—vulnerability to economic risk.
- Empowerment—powerlessness and being without voice at household and community level.

This section, briefly describes the gender profiles in Kenya in relation to the four dimensions of poverty—opportunity, capability, security and empowerment.

### **3.1 Opportunity**

The *Human Development Report for Kenya 2001* indicates that women in Kenya women are more likely to be unemployed than men and even when they are employed, they earn less than men on average. Women are mainly found in the rural and informal sectors of the economy and other low-income occupations such as basket weaving and dress making.

Lack of opportunity is typified by lack of access to labour markets, employment opportunities and lack of access to productive resources. In the formal labour market in Kenya, women constitute only 29% of total labour force (Chart 2). Furthermore, approximately 70% of these women are in the lower income bracket of Kshs 8, 000 to Kshs 25,000 (US \$103-321) per month. Only 20% of the women—or 6% of the total—earn above Kshs 25,000. The majority of women employed in the modern sector (about 58%) work in the service industry. Further analysis also shows that even in the service industry, especially in the public sector, it is 'men heavy' at the top, whereas women occupy the lower cadres. Therefore, when public sector reforms are implemented to reduce the size of government, more women are retrenched. Female civil servant employees currently constitute only 24%,



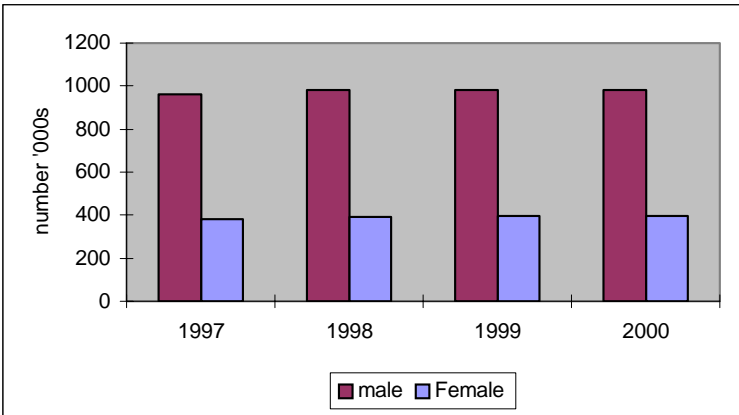
compared to 76% men (see Table 1). According to Manda (2002), women employment in Kenya is still characterized by low productivity, low pay and long hours of work. This is partly due to disproportionate high amount of time spent on unpaid work and inadequate access to economic opportunities.

**Table 1: Civil servants distribution by gender and Job Group as of December 2002**

| JOB GROUP    | MALE (%)  | FEMALE (%) |
|--------------|-----------|------------|
| A            | 70        | 30         |
| B            | 65        | 35         |
| C            | 67        | 33         |
| D            | 67        | 33         |
| E            | 77        | 23         |
| F            | 89        | 11         |
| G            | 76        | 24         |
| H            | 62        | 38         |
| J            | 63        | 37         |
| K            | 73        | 27         |
| L            | 82        | 18         |
| M            | 82        | 18         |
| N            | 80        | 20         |
| P            | 83        | 17         |
| Q            | 81        | 19         |
| R            | 85        | 15         |
| S            | 90        | 10         |
| T            | 94        | 6          |
| U            | 70        | 30         |
| <b>Total</b> | <b>76</b> | <b>24</b>  |

Note: Excludes teachers  
 Source: Ministry of Finance and Planning

**Chart 2: Distribution of wage employment by sex<sup>3</sup>**



Source: Statistical Abstract 2001

<sup>3</sup> Excluding casual employees, unpaid family workers and unpaid directors

The data above confirm that only a small number of women are engaged in the formal sector and the majority are mainly engaged in the informal sectors of the economy that are not likely to be captured in the country's SNA. Blackden and Bhanu (1999), estimate that 60% of female activities in Kenya are not captured in the SNA. The formal sector is more male-dominated, while the informal sector is more female-intensive. Unpublished studies show that more women are involved in food processing and clothing industries as well as in agro-processing, weaving, embroidery and food preparation and street hawking at the bottom levels. In the informal sector, the male dominate metalwork, carpentry, etc. Although exact data is not available, women form the majority of employees in export processing zones (EPZ), especially in garment production (Manda 2002). However, as Manda points out, jobs in the EPZ are not as good as those in the formal or public sector. For example, the labour law does not impose the minimum wage on EPZ. Thus, lax labour laws, lack of government supervision and exemption from labour regulations/unionisation make jobs in the EPZ less secure than formal sector jobs and lead to poor working conditions (Manda 2002). Poor pay, working over time without commensurate compensation and cases of sexual harassment have also been cited. Although, the potential for this sector to provide more opportunities for more women as a way of escaping from poverty can be explored, better incentives and working conditions have to be taken into consideration.

Unemployment is also higher for women than for men. Estimates for the late 1990s show that the overall urban unemployment was about 25 percent, with female unemployment being 38 percent (Manda 2002). The available data shows that female participation in rural areas has been higher than that of men except in 1998/99 (Table 2). The female urban participation rate is still lower in comparison to male, although this has been rising over time.

**Table 2: Participation and unemployment rates for rural and urban areas (%)**

|                            | Urban male |      | Urban female |      | Rural male |      | Rural female |      |
|----------------------------|------------|------|--------------|------|------------|------|--------------|------|
| <b>Participation rates</b> | 1977/79    | 83.9 | 1977/79      | 38.8 | 1977/79    | 83.4 | 1977/79      | 86.9 |
|                            | 1986       | 82.2 | 1986         | 55.8 | 1988/89    | 87.2 | 1988/89      | 91.0 |
|                            | 1998/99    | 92.6 | 1998/99      | 88.7 | 1998/99    | 74.8 | 1998/99      | 51.9 |
| <b>Unemployment rates</b>  | 1977/79    | -    | 1977/79      | -    | 1977/79    | -    | 1977/79      | -    |
|                            | 1986       | 11.6 | 1986         | 24.1 | 1988/89    | 0.4  | 1988/89      | 0.1  |
|                            | 1998/99    | 12.5 | 1998/99      | 38.1 | 1998/99    | 8.3  | 1998/99      | 10.4 |

*Source: Manda 2002, (as adopted from various sources)*

Additionally, women being ‘time poor’ also exacerbate their lack of opportunity. This is another dimension that is uniquely experienced by women. The dual roles in the ‘care’ or ‘reproductive economy’, which is female-intensive, and the participation in the formal labour markets puts a strain on women's time. According to the *Urban Household Budget Survey 1993/94*, the majority of unpaid family workers (11.8%) and those employed in other unrecognisable activities (25.8%) were females, compared to 0.3% and 14.3% males respectively. Studies indicate that women in Kenya work 50% more than men. When agricultural and non-agricultural tasks are put together, women work for 12.9 hours compared to 8.2 hours for men, yet they earn less than men because most hours are not paid for (Saito et al., 1994). The range of activities women have to perform on and off the farm is very broad. Past studies have shown that in some rural areas of Kenya, water collection consume up to 40% of a woman’s day, averaging from 3 to 5.25 hours daily (World Bank, 1993)<sup>4</sup>. Based on several sub-Saharan countries, Saito et al. (1994) indicated that the output per hectare from male managed plots was 8% higher than those managed by women. However, if both were given the same volume and quality of inputs as men, then women’s output would increase by about 22%. Indeed, the results indicated that in Kenya, a 10% increase in the family female labour input increases output by 2.4% compared to 1.5% for male family labour. The elasticity of male family labour ranks fourth after female family labour, capital, and fertilizer. Women's output is constrained by lack of access to inputs. According to Saito et al. (1992), female-headed households own less than half the farming equipment than male-headed households. Another study by Quisumbing (1996) as quoted by the World Bank (2001), indicates that in Kenya, increasing the education and input levels for female farmers to those of male farmers could yield by as much as 22% more output. This further reinforces the fact that gender inequality limits economic growth.

### **3.2 Empowerment**

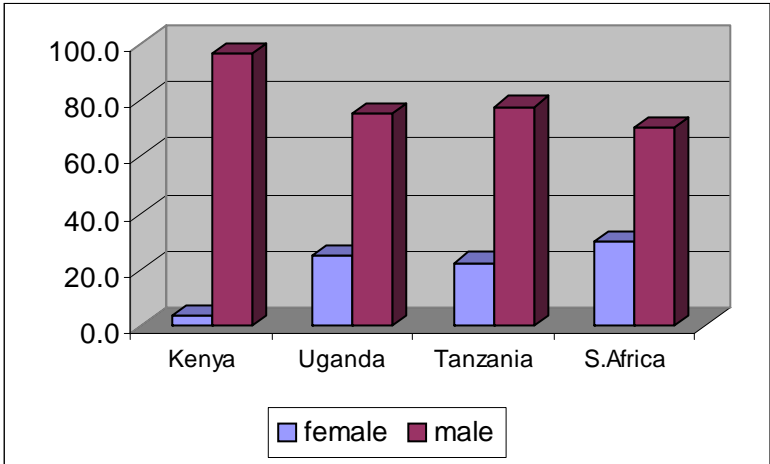
The *Human Development Report for Kenya 2001* identifies politics and economics as two key areas where women have particularly been disadvantaged. The report estimates the Gender Empowerment Measure (GEM)—the measure for political and economic empowerment—for Kenya at 0.414. The country is ranked together with countries with low

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<sup>4</sup> This may not be the exact year of the report.

gender empowerment. Women hold only 3.6% of the parliamentary seats<sup>5</sup> which compares very poorly with her East African neighbouring countries—Uganda with 24.7% and Tanzania with 22.3%—and countries like South Africa which have gained supremacy in terms of gender equity (Chart 3). The Gender Development Index (GDI) is 0.52, with wide disparities across the country (see Annex 1). From a regional comparison, the most disadvantaged region is North Eastern Province with the lowest GDI of 0.401, followed by Nyanza with 0.434. Nairobi has the highest index of 0.652.

**Chart 3: Distribution of parliamentary seats by sex (% of total), 2002**

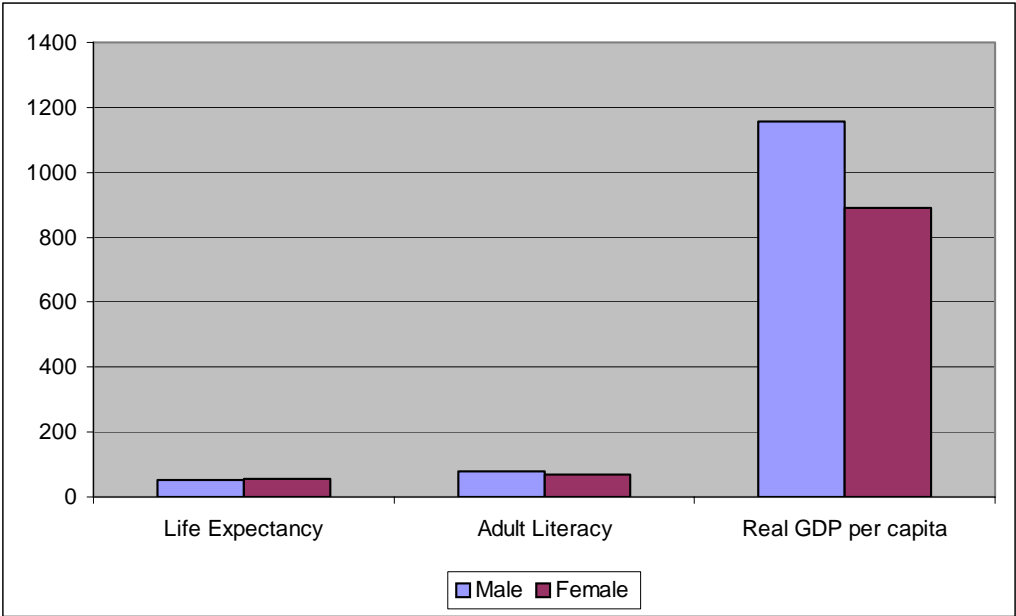


*Source: Women’s Bureau*

Using three socio economic indicators in Kenya—life expectancy, adult literacy and real GDP per capita—it is only in life expectancy where women have a better indicator than men—55.3 against 54.1 years (UNDP 2002). However, there are also wide regional disparities in life expectancy. While Nairobi and Central Provinces have higher life expectancy levels of over 60 years (for both men and women, Nyanza has the lowest estimates for both female (47.7) and male (43.7) followed by North-Eastern (Annex 1). In North Eastern, this can be attributed to the hardships in the area that include insecurity, food poverty and gender discrimination. The highest differential is in incomes as measured by GDP per capita where nationally women earn 33% less than men on average (Chart 4).

<sup>5</sup> This is as by September 2002

**Chart 4: Gender disaggregated selected socio-economic indicators for Kenya**



*Source: Kenya Human Development Report 2001*

**3.3 Capability**

**3.3.1: Education**

Capability refers to access to public services such as education and health. Gertler and Alderman (1989), as cited in Dollar and Gatti (1999), observe that globally there are household failures that contribute to gender gaps and that there are three reasons why parents might invest more in boys than girls. The first is that the return to girls schooling may be lower. That being the case, investing in boys is an efficient outcome. Second, the returns maybe the same but boys take care of parents during their old age while girls move to other families. Returns to girls’ education therefore accrue to other families. Third, it might be that educating boys is a preferred parental option and is not a market failure per se.

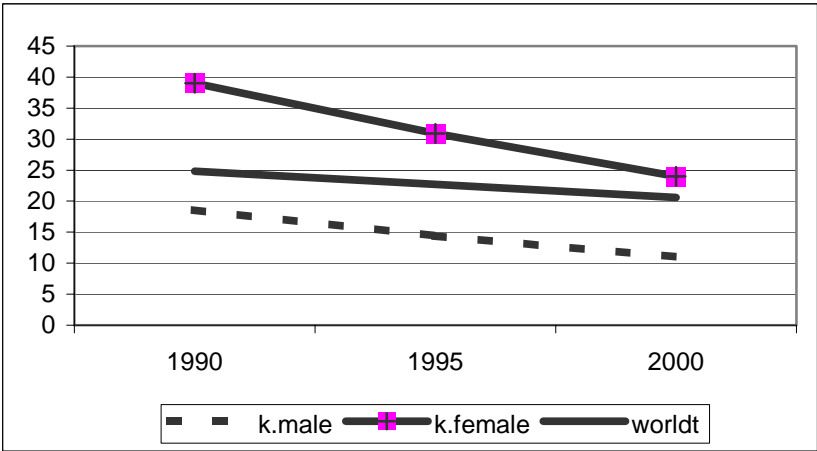
However, social preferences notwithstanding, the findings in Dollar and Gatti (1999) indicate that low investment in women's education is not an efficient economic choice, gender inequality in education is bad for economic growth. From a growth perspective, the market failure would have to be addressed through public investment in girls' education. Further the findings indicate that an increase in 1% point in the share of adult women with secondary education increases per capita income growth by 0.3% point. Indeed empirical studies show that for sub-Saharan Africa, a 10% increase in female literacy reduced child mortality by

about 10%. Under-investment in girl’s education cannot therefore be an efficient social outcome and a pro-growth macroeconomic policy should be tailored to reduce such a gap.

The literacy rates in Kenya are presented in chart 5. The chart indicates that though a lot has been achieved in reducing the gap between male and female illiteracy, the female illiteracy rate in Kenya is still higher than the world average. Female illiteracy stood at 24%, more than twice that of male counterparts, which stood at 11% in the year 2000. In terms of enrolment, gender disparities still persist, especially at higher levels of education. For instance the ratio of university enrolment for male to female is 3 to 1. Boys have significantly higher transition rates than girls possibly due to factors such as teenage pregnancy, early marriages and household preference for males in allocating resources to education (Kimalu, et al., 2001). There are wide regional disparities in enrolment. For instance, in 1999, while the national primary school enrolment was 86.9 percent, Garissa, Mandera and Wajir districts had rates of 22.2%, 27.98% and 26.8% respectively (Kimalu, et al., 2001).

School drop out still remains a major challenge to the education system in Kenya. Findings from the *Kenya Participatory Impact Monitoring* (GoK 2002a) indicate that the most cited cause of children dropping out of school in the six districts surveyed is the cost of education. This is not surprising, given the widespread poverty in rural areas. Almost all the communities indicated that in times of economic hardships, the girl-child is the first to be withdrawn from school. It was hinted that none of the communities visited could identify that the poor had benefited from bursaries in accessing primary education. The impact of bursaries is therefore limited and the system is not transparent.

**Chart 5: Gender differences in illiteracy rates**

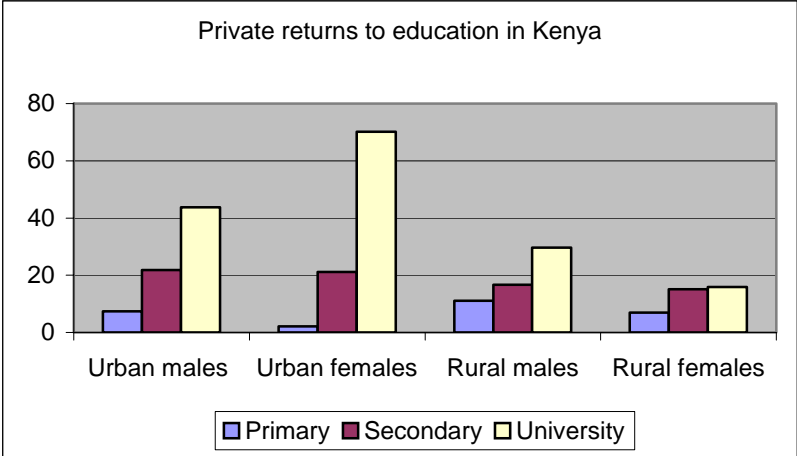


Source: *Statistical Bulletin various issues*

Chart 6 below shows that private returns to secondary education is the same for both male and female in the urban areas but the return to women's university education is much higher than their male counterparts in the urban areas. The scenario is different in the rural setting where the returns to male education are higher than that of their female counterparts at all levels of education. From the chart it is clear that the lowest private returns to education is for the urban woman with primary level of education.

The lower returns in the rural areas can intuitively be linked to insecure tenure rights where women can cultivate the land but they do not own it and have limited access to inputs such as credit and fertilizers. Results from a study by Manda et al. (2002) shows that in general, increase in female education benefits both men and women but men benefit more from it than women themselves. The importance of female education cannot, therefore be overemphasized.

**Chart 6: Gender disaggregated private returns to education**



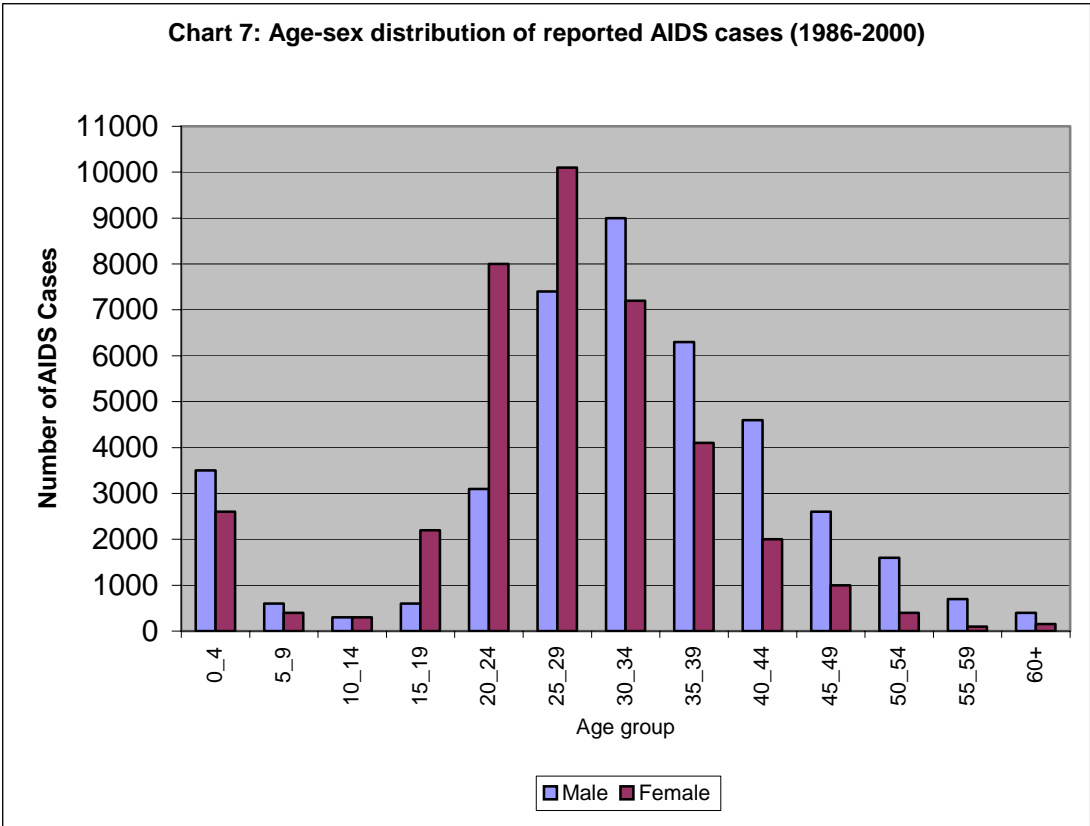
Source Kimalu et al.2000

**3.3.2. Health**

Healthcare is a critical determinant of labour productivity and has serious implications especially women who also double as healthcare providers of the last resort. Unfortunately, health-related data is hardly disaggregated by gender, therefore constraining gender-based analysis. Most health facilities don't keep gender disaggregated morbidity data (GoK 2000a). A combination of high levels of poverty and cost sharing in the provision of healthcare means that majority of Kenyans have no access to medicare, thus shifting the burden of care to women who take over from hospitals and other healthcare providers. Therefore, while cost sharing in the healthcare sector may have succeeded in reducing the cost to the government,

the burden has simply been passed over to women. A combination of high levels of poverty and the HIV/AIDS pandemic exerts an immeasurable toll on women in two ways. First, women have to take time off from other productive work to take care of the sick. Secondly, this increases their vulnerability to the scourge through their reproductive function. The increasing number of HIV/AIDS cases and the resultant number of widows and orphans has increased women’s workload and their financial responsibilities significantly (USAID 2000).

The prevalence of AIDS cases has been found to peak at around ages 25-29 for females and 30-34 for males. Chart 7 shows that there were more females between age 15-29 infected with HIV/AIDS compared to men. However, there were more men than women with HIV/AIDS at age 30 and above for the period 1986-2000. Since women begin child bearing at an early age, especially as evidenced by the rampant teenage pregnancies, it has implications on their biological roles, for example mother-to-child virus transmission, HIV orphan children, etc. Table 3 shows that the percentage of pregnant women testing positive at urban sentinel surveillance sites is relatively higher for Busia, Kisumu, Meru and Thika districts.



Source:



**Table 3: Percentage of pregnant women testing positive at urban sentinel surveillance sites**

| Urban Site | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 00 |
|------------|----|----|----|----|----|----|----|----|----|----|----|
| Busia      | 17 | 10 | 30 | 22 | 23 | 22 | 28 | 29 | 30 | 34 | 22 |
| Garissa    | 5  | -  | 5  | 4  | 15 | 6  | 5  | 8  | 6  | 6  | -  |
| Kajiado    | -  | -  | -  | -  | -  | 6  | 7  | 10 | 8  | -  | -  |
| Kakamega   | 5  | 13 | 15 | 9  | 14 | 12 | 10 | 10 | 16 | 12 | 12 |
| Kisii      | 2  | 4  | 0  | 3  | 9  | 4  | 16 | 16 | 15 | 12 | 16 |
| Kisumu     | 19 | 19 | 20 | 20 | 30 | 25 | 27 | 33 | 29 | 27 | 35 |
| Kitale     | 3  | 6  | 21 | 8  | 11 | 10 | 12 | 13 | 10 | 18 | 17 |
| Kitui      | 1  | 5  | 2  | 8  | 20 | 4  | 4  | 6  | 10 | 9  | 14 |
| Meru       | 3  | -  | -  | 2  | 11 | 9  | 16 | 14 | 23 | 30 | 35 |
| Mombasa    | 10 | 17 | 11 | 17 | 11 | 16 | 12 | 17 | 16 | -  | 12 |
| Nakuru     | 10 | 13 | 13 | 23 | -  | 27 | 11 | 25 | 25 | 27 | 11 |
| Nyeri      | 3  | 4  | 9  | 3  | 6  | -  | 9  | 7  | 17 | -  | 14 |
| Thika      | 3  | 10 | 3  | 28 | 40 | -  | 13 | 19 | 33 | 18 | 21 |

*Source: NASCOP, 2001*

Women's burden in terms of healthcare is worsened by the fact that primary and preventive health care are grossly under-funded, leading to poor health services at the community level (GoK 2000). Due to their vulnerability, women and children are the major beneficiaries of such services and are therefore the most affected by lack of proper healthcare services. Thus, child and maternal mortality rates are still relatively high, with wide regional variations. Estimates of maternal mortality rates range between 200-600 per 100,000 live births. This is likely to be an underestimate given that the majority of women, especially in the rural areas deliver at home. The proportion of government expenditure on primary and preventive healthcare is much smaller (28%) in relation to curative care. This is in spite of the fact that the major killer diseases are preventable. Table 4 shows that the leading causes of mortality and hospitalisation are malaria and respiratory infections. The former affects females more than men. Moreover, given that most people, and particularly women facing financial and time constraints are unable to seek healthcare in established health facilities, the data is likely to be highly underestimated.

In addition, there are gender-specific health problems that need to be taken in consideration, for example abortion, child delivery and maternity related problems, infertility and menopausal problems. Adolescent health is a key concern in Kenya as teenage pregnancies, abortions, sexually transmitted diseases including AIDS are common health issues pertinent to the youth. For instance, a case study by Were (2000) in Busia district showed that about 33% of antenatal mothers who visit public health facilities are teenagers. Women are also victims of assault, although table 4 only indicates data for men. This is not

surprising since most cases are not reported. Nonetheless, data available from other sources indicate that approximately 5918 cases of assault were reported in 1999 (see GoK 2000).

Although government health facilities are cheaper, they often lack equipment, drugs and other medical essentials. In places like Mandera, people have to travel as far as 70 kilometres to get medical attention, since the nearest centres are not stocked with drugs or equipment (GoK 2002a). The worst is in regard to provision of maternity healthcare, for example inaccessibility, inadequate or mal-functioning equipment, congestion and lack of privacy (GoK 2002). In some places, women prefer to deliver at home despite the dangers involved. Were (2000) found that over 55% of adolescent mothers delivered at home.

**Table 4: Leading causes of hospitalisation and death by gender, 1999**

|  | Hospitalisation |        | Causes of death |        |
|--|-----------------|--------|-----------------|--------|
|  | MALE            | FEMALE | MALE            | FEMALE |
| Malaria                                      | 33,819          | 35,103 | 2,837           | 2,482  |
| Child Delivery                               | -               | 22,731 |                 |        |
| Abortion                                     | -               | 14,255 |                 |        |
| Pneumonia (all)                              | 16,649          | 13,107 | 2,541           | 2,277  |
| Injuries                                     | 15,591          | 5,299  | 863             | -      |
| Diarrhea and Gastroenteritis                 | 11,036          | 10,326 | 1,428           | 1,081  |
| Anaemia (all)                                | 8,411           | 10,256 | 1,127           | 1,244  |
| Tuberculosis (all)                           | 5,005           | 4,274  | 1,243           | 943    |
| Dehydration (Volume Depletion)               | 3,973           | 3,179  | 671             | 547    |
| HIV/AIDS                                     | 3,027           | 3,935  | 1,236           | 1,551  |
| Transport Accidents                          | 3,939           | -      |                 |        |
| Assault                                      | 3,145           | -      |                 |        |
| Disorders short gestation & low birth weight | -               | -      | -               | 337    |
| Meningitis                                   | -               | -      | 569             | 521    |
| Malnutrition                                 | -               | -      | 389             |        |
| Heart failure                                | -               | -      | -               | 496    |
| All others                                   | 68,708          | 84,071 | 8,120           | 7,080  |

*Source: Health Management Information Systems*

### 3.4 Security

Security refers to vulnerability of economic risk. Women are more vulnerable than men in many dimensions, for example poor health, and adverse shocks. Lack of or inadequate access to opportunities and low levels of asset ownership increases women's vulnerability to adverse shocks partly due to the inability to reduce risk or cope with the situation, a factor that perpetuates poverty. From Chart 6 and the foregoing analysis, the returns to women's education are lowest in the rural areas yet rural urban migration has left women as the key managers in the rural areas. Indeed, studies indicate that 61% of the rural women depend on

agriculture, compared to 24% of men. Rural agriculture is mainly labour intensive and characterized by low marginal productivity of labour.

Though women have the potential to be more efficient, they lack the complementary inputs (education, capital, appropriate technology, laws and institutions and access to health facilities) that would increase their productivity. Furthermore, women have insecure tenancy rights; they cultivate the land that they do not own and in the event of divorce or the death of spouse women become extremely vulnerable. The inaccessibility to a land title limits women's access to credit in the formal markets. This leaves them trapped in a vicious circle of poverty. Indeed all the forms of poverty in the preceding sections combine together to increase women's vulnerability and economic risk. Additionally, females are also the most physically vulnerable to the aftermath of insecurity as manifested through cases of rape and other forms of harassment. Lack of economic security and empowerment could also perpetuate physical abuse/assault. Table 5 indicates that cases of rape and assault have been on the rise in Kenya.

**Table 5: Reported cases of violence against women**

| Type                   | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|------------------------|------|------|------|------|------|------|
| Rape including attempt | 589  | 650  | 712  | 743  | 775  | 849  |
| Assault/Battering      | 4580 | 4889 | 5229 | 5488 | 5866 | 5918 |

From the profiles highlighted above, we observe gender gaps that can be attributed to market, household and government failures. The gaps cut across all dimensions of poverty where women are worse off than their male counterparts. The failures need to be addressed through government intervention both at macro and sectoral level. Research has shown that poor supply response is partly because women respond less to market opportunities. To understand the picture, the interdependence between market and household economies, particularly as revealed through time poverty is important. Indeed, there are trade-offs and externalities between economic and household or care economy that could be of grave consequences to economic development.

The failures can only be addressed if the differences between the needs of men and women are fully recognized in poverty diagnostics and appropriate interventions for public priority actions are designed. Again an appropriate diagnosis can only be made if appropriate questions are asked at the data collection stage. Indeed Bamberger et al., (2001) observe that

if the right questions are not asked, even research cannot provide the right answers. Another observation is that generally men tend to undervalue the multiple tasks undertaken by their wives and would therefore not rank highly any projects that would save on women's time, and increase their productivity.

We acknowledge here that the profiles highlighted may not be adequate to answer all the questions relating to gender gaps that need to be addressed through the macroeconomic framework and the budget. A more detailed exposition on the gender profiles can only be achieved through a comprehensive country gender review.

## **4. INTEGRATING GENDER IN THE PRSP**

### **4.1 Conceptual Framework**

For a sound grounding of gender issues in the PRSP, the PRSP source book outlines the following basic steps:

#### *Develop a gender database*

First the undertaking should start with a strategy for developing/improving a gender database across all the four dimensions of poverty: empowerment, capability, security and opportunity. A useful starting point in this area is to collect data from existing studies and prepare to undertake surveys where gender relevant data can be collected to fill identified gaps. One of the constraints in designing gender interventions has been lack of gender-disaggregated data for most countries in sub-Saharan Africa, including Kenya. This is the stage where appropriate questions should be asked and if necessary ensure that women can talk freely without fear and intimidation. This could be done through focus groups that are not dominated by men.

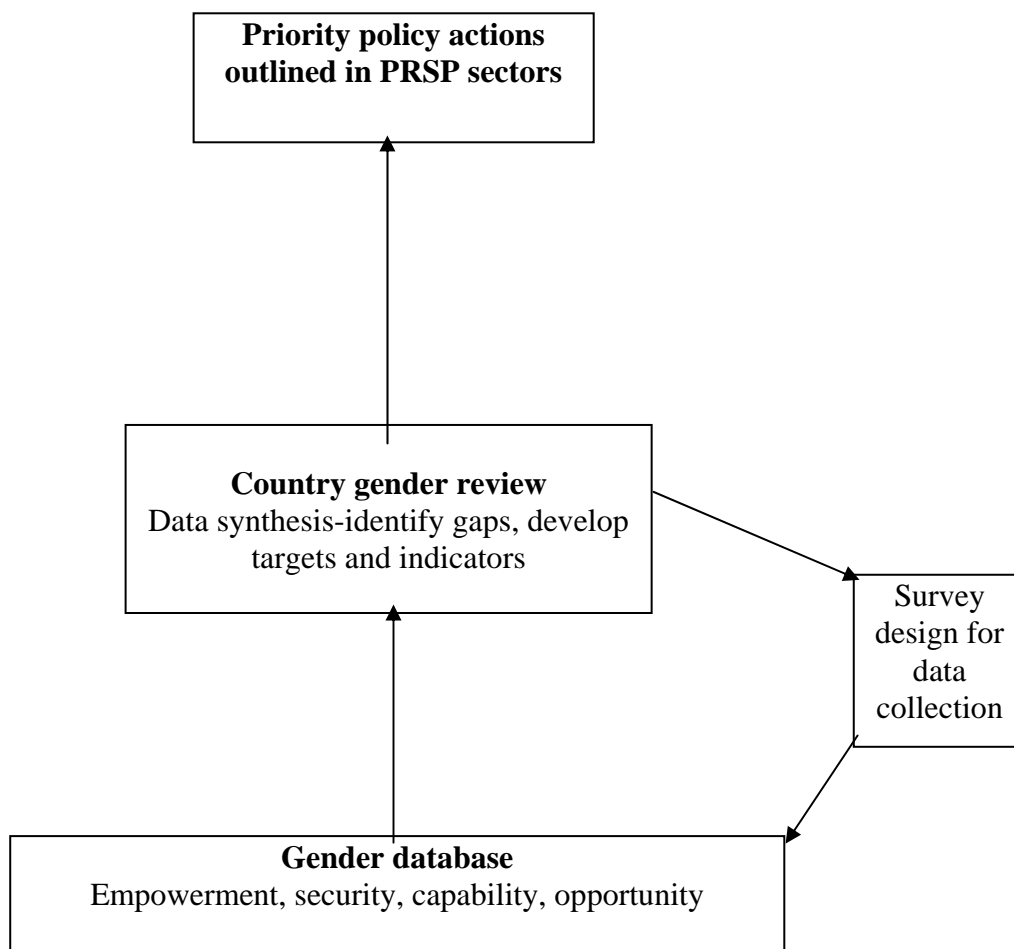
#### *Undertake a country gender review*

The second step is to undertake a country gender review. Such a review entails a synthesis of the collected data to identify gaps between men and women across socio-economic indicators, taking cognisance of the economic roles for men and women and the interdependence between households, the care economy, and markets. This would lead to a broader and more comprehensive understanding of gender dimensions in poverty. This would also be an appropriate stage to develop the relevant indicators that can be monitored for gender empowerment.

#### *Design appropriate policy actions*

The next step after the gaps have been identified is to design appropriate public policy priority actions by the various sectors of the PRSP. Based on the indicators, gender becomes one of the criteria for prioritising the choices. This process should be inclusive in terms of gender composition and participation and could involve reprioritization of indicators (Blackden 2001). These should result in effective poverty reduction outcomes. Figure 1 gives a summary of the key steps.

### **Figure 1: A Framework for Mainstreaming Gender in the PRSP**



#### **4.2 Gender Analysis of the PRSP Sectors**

Gender is a critical concept in the analysis and eradication of poverty and therefore all the core dimensions of poverty in relation to gender as discussed in the preceding section should be taken into consideration in poverty reduction initiatives. This is crucial because constraints, opportunities, incentives and needs differ by gender. In this context, the PRSP should have outlined strategies and actions that help address the gender disparities under the four poverty dimensions.

From the foregoing analysis, it is also clear that poor women are worse off than their male counterparts in all dimensions of poverty. It is evident that interventions have to be designed that would increase labour productivity. For the formal labour markets, this can be achieved through better access to education and health.

For the informal and agricultural sectors priority actions would include actions that save on the time women take to access markets, draw water, firewood and other fuel saving devices, to increase efficiency. There is need for policy interventions that help reduce

women's time burden. For instance, it has become women's responsibility, with the assistance of children, particularly girls to collect water and it is also considered as part of culture (GoK 2002a). In limited circumstances where men are involved, they do it for money, mainly as water vendors (GoK 2002a).

Although gender imbalance is acknowledged in the PRSP document, there is no detailed cognisance of gender dimensions of the proposed policies, or anticipation of gender implications of the outcomes in reference to the different poverty dimensions which indicate that women are relatively more disadvantaged than men in virtually all dimensions of poverty. This could be partly due to inadequate gender review of the socio-economic and political situation. The inadequate exposition of gender issues could also have been occasioned by lack of a comprehensive disaggregated database to start with. However, women's high vulnerability to poverty in relation to men is acknowledged and some of the factors that exacerbate it, as brought out through the PRSP consultations are highlighted. Gender imbalance is cited as one of the major factors in propagating poverty. As indicated in the PRSP "men dominate the access and control of household resources/assets and decision making pattern while women control only minor resources and assets such as chicken, furniture and utensils" (GoK 2001: 23). Other factors identified include:

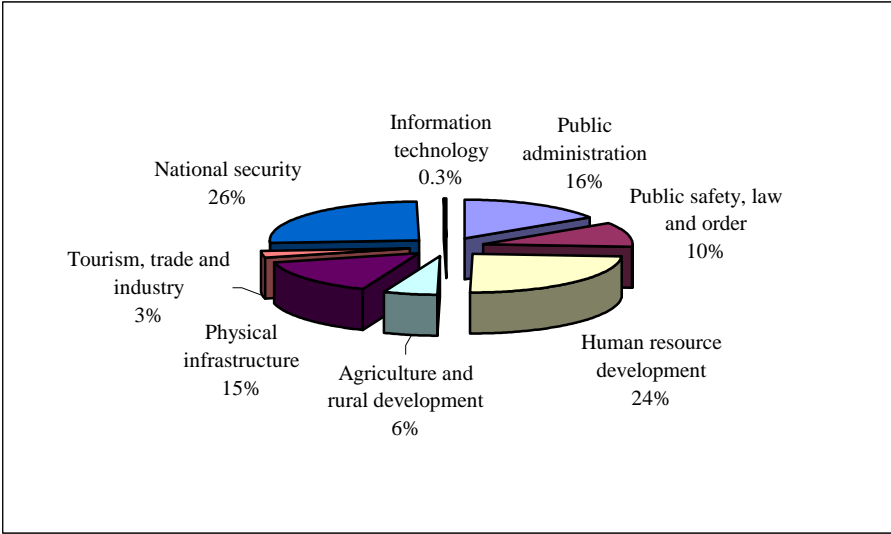
- Concentration of women in unpaid subsistence farming—69% of the active female population compared to 43% of men.
- A great proportion of time spent in search for water and fuel, especially in arid and semi-arid areas, hence increased time poverty. But it is important to mention here that these activities may also be associated with increased insecurity from wild animals, sexual abuse, etc.
- Limited intermediate means of transport.
- Gender disparities in access to education, gender biased laws and cultural practices, access to credit and limited role played by women in decision-making process.

The recognition of the importance of implementation, monitoring and evaluation in the Kenyan PRSP is commendable but it does not entail a gender sensitive approach, which is crucial and useful in the entire process.

The eight sectors as given in the PSRP in order of priority are agriculture and rural development; human resource development; physical infrastructure; trade, tourism and

industry; public safety, law and order; national security, public administration, and information technology. The sectoral budgetary allocations for 2002/2003 as determined within the macro ceiling are summarized in Chart 8. National security has the highest allocation, followed by human resource, public administration, infrastructure; public safety, law and order in that order. Although agriculture and rural development is identified as the first priority in poverty reduction, it ranks sixth in resource allocation.

**Chart 8: Sectoral allocations-2002/2003**



We briefly review the PSRP sectors in relation to core dimensions of poverty. Most of the issues involved in the eight sectors cut across the four dimensions of poverty. However, for the purposes of this analysis, we re-classify the sectors according to the different dimensions of poverty.

**4.2.1 Opportunity and the PRSP sectors**

As indicated elsewhere opportunity is typified by lack of access to labour markets, employment opportunities and productive resources. The sectors in the PRSP that would bridge this gap include agriculture and rural development, infrastructure and trade and tourism sectors. The human resource development sector is also instrumental in facilitating access to opportunities, especially in the long run.

The agriculture sector is very instrumental in facilitating women’s access to opportunities, particularly in rural areas where the majority have low levels of education. Almost 80% of the Kenyan population lives in the rural areas where agriculture is the



mainstay activity. Statistics indicate that on average, over 60% of rural dwellers are women. It has also been established that a total of 80% jobs are generated from agriculture related activities. Therefore, it is not surprising that agriculture was the top-most ranked sector nationwide through the PRSP consultations. The PRSP acknowledges some of the gaps in the sector—low agricultural productivity, low incomes, limited employment opportunities, poor social and economic infrastructure. But all of these have an impact on women’s livelihoods and therefore their vulnerability to poverty. However, although women dominate the agricultural sector, the control of resources in the sector is predominantly by men. Notably the ownership of land and other physical assets has culturally been a male issue in most African societies. Unfortunately, in the PRSP, men and women are treated as a homogeneous group and therefore their fundamental differences are ignored. The idea of female labour intensity and male domination in land asset and land ownership in the sector is therefore grossly ignored.

To increase opportunities for women, issues of low productivity and low inputs needed to be addressed. Although some of the key priority areas identified in the PRSP have direct implications on time poverty and the care economy— rural water, livestock development, food security, lands and settlements, environmental management, forestry and fisheries—the gender impacts are ignored. For instance, it is assumed that a general strategy in improvement of extension services would automatically reach women farmers. Past studies however indicate that the extension workers reached fewer women and also few attended field days and demonstrations—women receive only 7% of agricultural extension information (Curry et al., 1999). To increase the farmers’ adoption of improved agricultural technologies, policy and training services need to be tailored more accurately to meet individual clients’ specific needs.

In rural areas, particularly in the Arid and Semi-Arid Lands (ASAL), people have to trek for long distances to fetch water. Engaging in agricultural activities is therefore termed as a secondary activity considering that water is very essential for this sector. However, policies that improve access to clean water can help reduce women’s time burden both in terms of time spent to fetch the water and time spent on caring for the sick and seeking medical care due to infections from contaminated water. The government assumes that by sinking more boreholes and developing more water schemes in the rural areas women and men benefit equally. However, this may not necessarily be the case because in some communities, women will only fetch water after men have watered their cows, particularly in the arid areas where

livestock farming is a priority and is male-dominated. One has to take cognisance of who owns land, property and women's limited access to resources. Table 6 shows budgetary allocations to agriculture as a sector in the PRSP. Rural water development has the lowest allocation under recurrent expenditure but ranks second under development allocations within the sector.

Just as in the past initiatives, more importance is given to cash crops compared to traditional crops. Most men control the cash crops since there is instant income and further development of this sub sector, at the expense of the traditional food crops, means that the women remain disadvantaged. The PRSP lacks a clear direction and does not state how the land ownership issue can be addressed so that even women could have access to credit. Although crop development has the highest allocation in the agricultural sector, this is likely to be biased towards cash crops (Table 6).

The government also channels most financial resources for support of cash crop farming through the Cooperative Bank of Kenya but not for subsistence crops in which most women are engaged in. This has implications on achieving food security, which is also highlighted as a priority, although allocations are not very significant. It is argued that the private sector should take the lead in promoting food security through international grain trade. However, one cannot ignore the role of women in food chain-farming, processing, etc. and the deep-rooted inequitable gender relations in asset ownership and decision-making. Lack of appropriate small-scale technology for processing and storage, especially by women has been found to be a major handicap (USAID 2000). Just to quote the late President Nyerere "Women in Africa toil all their lives on land that they do not own to produce what they do not control and at the end of the marriage through divorce or death they can be sent away empty handed".

**Table 6: Analysis of budgetary allocations to PRSP priorities in the agriculture sector (in Kshs million)\***

| Function                        | Recurrent Allocations | % of sector share | Development Allocations | % of sector share | Total Allocations |
|---------------------------------|-----------------------|-------------------|-------------------------|-------------------|-------------------|
| <b>Crop development</b>         | 1,800.8               | 41.5              | 1,496.8                 | 41.2              | 3,297.6           |
| <b>Rural water</b>              | 71.1                  | 1.6               | 717.4                   | 19.7              | 788.5             |
| <b>Livestock development</b>    | 475.2                 | 10.9              | 431.4                   | 11.9              | 906.6             |
| <b>Food security</b>            | 270.3                 | 6.2               | 251.7                   | 6.9               | 522.0             |
| <b>Lands and settlement</b>     | 480.3                 | 11.2              | 59.9                    | 1.7               | 540.2             |
| <b>Environmental management</b> | 404.8                 | 9.3               | 533.0                   | 14.7              | 937.8             |
| <b>Forestry</b>                 | 551.1                 | 12.7              | 52.4                    | 1.4               | 603.5             |
| <b>Fisheries</b>                | 288.8                 | 6.7               | 89.3                    | 2.5               | 378.1             |

Note: the amounts refer to allocations for the agricultural sector and not for ministry of agriculture  
Source: *The printed Estimates of Expenditure 2002/2003*

The other sector that could enhance opportunities for women is the trade and tourism sector. This sector contributes about 25.8% of the GDP and improves the quality of life for those directly involved. In the EPZ, which is capitalizing on the African and Growth Opportunity Act (AGOA) for example, a higher proportion of employees are women. However, as earlier noted, poor pay and long working hours still remain issues of concern. Similar sentiments have been echoed in flower farms under the horticulture industry. Better working conditions are important since women mainly occupy the low cadres entailing labour-intensive activities. With globalisation and rapid technological revolution, women could be marginalized further if they are not equipped with modern technological skills. While trade liberalization has been coined as the cornerstone for growth, the strategy is not clear on ways of addressing the low skills and the adverse impacts on the care economy. Increasing women's potentials in regional and world markets should be explored.

#### **4.2.2 Capability: the role of human resource development and infrastructure sectors**

In the PRSP, increasing capabilities is closely linked to the human resource development sector and infrastructure sector. The human resource development sector was ranked as the second priority after agriculture. For any country to develop it has to have a strong human resource base; that is a highly educated and healthy population. Policies and expenditure options undertaken in this sector have direct implications on creating capabilities

and opportunities for the majority of women. Investing in education and health is widely recognized as a key component for a country's development.

Kenya already invests heavily in this sector with the sector absorbing a large share of the total budget. The human resource sector received the second largest allocation after national security. However, it has been noted that a substantive component of expenditure in the sector is mainly consumed on salaries and wages, therefore leaving little for priority areas. For instance, approximately 33% of recurrent expenditure was consumed on education but of this expenditure, 83% was spent on wages and salaries in 2002/2003 (Table 7).

**Table 7: Analysis of budgetary allocations to PRSP priorities in the Ministry of Education (in Ksh million)**

| Priority                    | Recurrent Allocations | % Share | Development Allocations | % Share | Total Allocations |
|-----------------------------|-----------------------|---------|-------------------------|---------|-------------------|
| <b>Salaries and Wages</b>   | 45,465.1              | 83.1    | 0.0                     | 0.0     | 45,465.1          |
| <b>Primary (non wage)</b>   | 881.7                 | 1.6     | 1,820.3                 | 56.6    | 2,702.0           |
| <b>Secondary (non-wage)</b> | 710.8                 | 1.3     | 52.2                    | 1.6     | 763.0             |
| <b>University</b>           | 6,535.0               | 12.0    | 950.4                   | 29.5    | 7,485.4           |
| <b>Others</b>               | 1,086.5               | 2.0     | 395.2                   | 12.3    | 1,481.7           |

*Source: The printed Estimates of Expenditure 2002/2003*

The major constraint in the sector has been lack of access to basic social services related to health and education. Despite the major share that education absorbs from the government budget, Kenya has witnessed a decline in school enrolment and a high dropout of students from schools in the past two decades. This has been attributed to the high cost of education. In most cases, when the cost of education goes up at the household level, there is tendency for families, while making choices on whom to drop out of school, to choose the girl-child (GoK 2002). Therefore, being male increases the probability of attending school and by extension also increases chances of employment. The spiral effect perpetuates gender discrimination with a multiplier effect as it will mean the lesser the educated the women are, the lower the chances of getting any gainful employment. Although some progress has been made, especially in regard to primary school enrolment, gender disparities still persist.

Provision of grants to secondary schools in poor areas as identified in the PRSP may not be adequate to guarantee women's access to higher education given that the majority of the poor do not necessarily benefit. Currently, the government is moving towards the goal of

universal primary education, but a review of the PRSP does not quite indicate how this objective will be achieved. Donor agencies and NGOs have been handy in filling the gaps but the effort is limited and sometimes uncoordinated.

**Table 8: Analysis of budgetary allocations to PRSP priorities in the Ministry of Health (in Kshs million)**

| <b>Priority</b>                                       | <b>Recurrent Allocations</b> | <b>% Share</b> | <b>Development Allocations</b> | <b>% Share</b> | <b>Total Allocations</b> |
|---|------------------------------|----------------|--------------------------------|----------------|--------------------------|
| <b>Salaries and wages</b>                             | 7,688.1                      | 56.3           | 0                              | 0              | 7,688.1                  |
| <b>Rural healthcare</b>                               | 936.4                        | 6.9            | 1,964.5                        | 42.1           | 2,900.9                  |
| <b>Preventive and promotive healthcare (non-wage)</b> | 294.0                        | 2.1            | 749.5                          | 16.1           | 1,043.5                  |
| <b>Curative healthcare (non-wage)</b>                 | 1,170.2                      | 8.6            | 864.5                          | 18.6           | 2,034.7                  |
| <b>Health training and research</b>                   | 1,040.3                      | 7.6            | 214.2                          | 4.6            | 1,254.5                  |
| <b>Others (non-wage)</b>                              | 2,523.5                      | 18.5           | 869.0                          | 18.6           | 3,392.5                  |

*Source: The printed Estimates of Expenditure 2002/2003*

In regard to health, the budget expenditure is heavily biased in favour of curative services as opposed to preventive and community healthcare. The PRSP acknowledges the fact that the HIV/AIDS scourge has washed away gains made in the past four decades in the health services.

The main strategy in human resource development has been to enhance equity, quality accessibility and affordability of healthcare through better targeting of resources to the poor. This was to be achieved through the re-alignment of the budget and shift of resources from curative to promotive healthcare, but the expenditures are still skewed in favour of the former (Table 8). Preventive and promotive healthcare would give maximum benefits to the majority of the poor.

The childhood and maternal mortality rates have increased while life expectancy has decreased considerably. The HIV/AIDS scourge and poverty are likely to worsen the picture. Due to the hard budget constraints, the government is not able to give adequate budgetary provisions for this sector and this. In addition, coupled with the cost sharing policy, makes healthcare services unreachable by most of the poor who mainly constitute women. Again, the gender differences in health needs and access to healthcare services are ignored. It is worth noting here that women bare the blunt when health services are curtailed, given their

biological role in child bearing and increased vulnerability, especially in regard to maternal healthcare. Since most women are underpaid, they are likely to be the ones who will be seeking health services from government hospitals.

The impact of HIV/AIDS, particularly on women due to their high vulnerability and the resultant escalating levels of AIDS orphans is underestimated. These are issues that cannot be ignored especially with the rampant problems of street children and street mothers. Other areas for intervention include poor shelter and housing, labour and social security. Low productivity among the female, both in urban and rural areas, is of concern and need to be given priority under this option in order to increase women’s opportunities.

Provision of infrastructure is critical to economic development of a country. The roads network in the rural agricultural areas is very important for communication and transportation. Better infrastructure is a gateway to increasing socio-economic and political opportunities for women by improving the efficiency of the care economy through efficient use of time, access to markets for goods and services, and access to healthcare. Unfortunately, more emphasis appears to be placed on major or prominent means of transport: air, marine and railway. Therefore, gender issues as far as basic infrastructure is concerned seem to have been overshadowed. The allocations depict a similar pattern (see Table 9).

**Table 9: Budgetary allocations to PRSP priorities in Ministries of Roads and Public Works and Ministry of Energy (in Kshs million)**

| <b>Priority</b>                         | <b>Total Allocations</b> | <b>% Share</b> |
|---|--------------------------|----------------|
| <b>Minor roads programme</b>            | 35.7                     | 0.3            |
| <b>Major roads</b>                      | 1,612.5                  | 15.4           |
| <b>Road maintenance</b>                 | 3,554.3                  | 33.9           |
| <b>Agricultural produce roads</b>       | 303.0                    | 2.9            |
| <b>Rural electrification</b>            | 1,870.0                  | 17.8           |
| <b>Renewable and alternative energy</b> | 16.0                     | 0.1            |
| <b>Hydro and geo-thermal energy</b>     | 3,106.5                  | 29.6           |

*Source: The printed Estimates of Expenditure 2002/2003*

Men and women may not utilize the infrastructure at the same level. In most cases, men access it better. In most areas, especially the rural areas, the mode of transport is by use of bicycles, carts or donkeys, which are mainly owned by men. Women who engage in small-scale agricultural production need to take their produce to the market. This can only be

possible with a good road network, especially in the rural areas. There is therefore need to maintain existing roads, and to build and rehabilitate the rural access roads in order to achieve a positive impact on women.

The PRSP also needed to prioritise energy-saving techniques and affordable sources of fuel for better impact on gender especially on the time poverty and efficiency of the care economy. As indicated earlier, females spend part of their time looking for firewood as a source of energy especially in the rural areas. Further, provision of rural electrification is one sure way of opening up the rural areas for small-scale industries and this would mean more employment opportunities for women. Provision of social amenities is also critical in enhancing better health.

#### ***4.2.3 Security and the PRSP sectors***

It is the responsibility of the government to maintain law and order and security to its citizens. The PRSP recognizes the prevalence of crime, violence against children and women, and the lack of proper facilities for women and children in police stations.

Through the sectors dealing with public safety, law and order, women's security through legal access could be facilitated. The PRSP notes that legal services are not easily accessible to most Kenyans, especially the poor. The larger percentage of the people living below the poverty line is made up of women who cannot afford the legal fees required to seek justice through the courts. Rape cases are rampant despite the fact that they are dehumanising and stigmatising to the female folk.

Internal and external security is an important factor in economic growth and sustainable development. Both men and women derive these benefits equally but lack of one or both of them affects women more than men. A look at the number of displaced persons when there are land clashes in the country indicates that women and children suffer more. Although the national security sector has the highest allocation, it is not clear how women could benefit from such allocations.

#### ***4.2.4 Promoting empowerment***

As indicated earlier, most indicators show low empowerment status for women. All the sectors can in one way or another improve women's economic empowerment. On the political front, Kenya has very few women representation in parliament. It is expected, as indicated in the PRSP, that relevant bills will be tabled (including affirmative action, family

protection and equality bills) to implement the recommendation of the Effie Owuor Report on Legislation Pertaining to Women's Standing vis-à-vis the law.

Knowledge is power and empowerment means having a good information base. The information technology sector has a potential role in empowering women, yet very little in the PRSP addresses the impact of IT on gender. It has been estimated that there are 25,000 registered women's organizations in Kenya, which continue to play a critical role in improving the status of women (USAID 2000). Technology would be able to improve the skills of women to strategically position themselves in the global environment. Women for example do most handcraft and embroidery work. However, there is a strong move to market the products through the Internet, which most women do not understand or have limited access to. Improving women's access to technology also requires access to education opportunities.

In general, the sectoral priorities as reflected in the PSRP grossly ignore gender relations despite the fact that some of the gender imbalances are acknowledged in the document. Therefore, there is a weak linkage between the sectors and how sectoral policies address the gender disparities in relation to the core dimensions of poverty—capability, opportunity, empowerment and security.



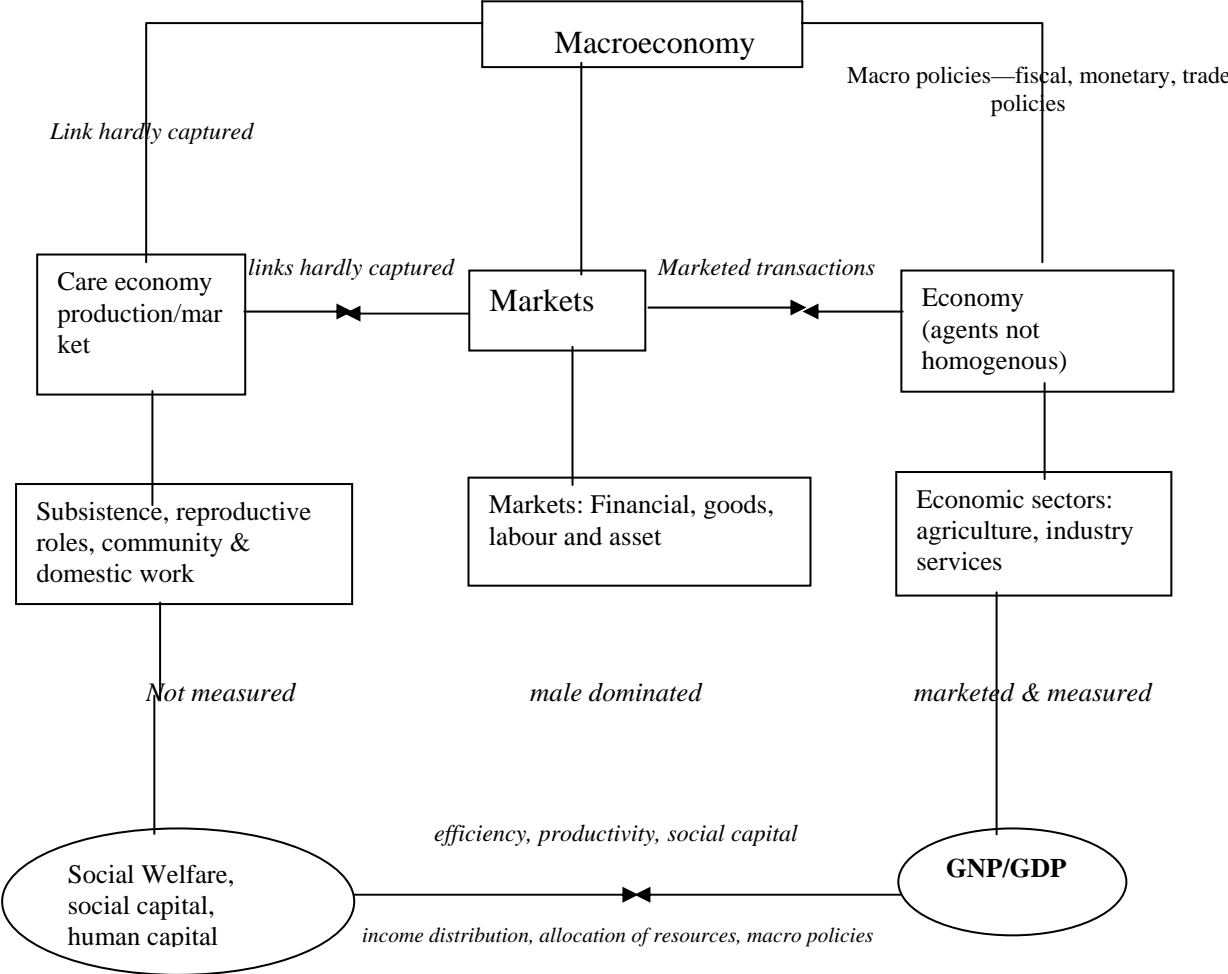
## **5. INTEGRATING GENDER IN THE MACROECONOMIC FRAMEWORK**

### **5.1 Conceptual Framework and General Assessment**

Figure 2 gives an overview of the conceptual framework for integrating gender in the macroeconomy. The linkages between the care economy and the market or productive economy are hardly captured or analysed. In most cases, the work in the care economy tends to be taken for granted. In reality, this sector provides social capital to the productive economy and its activities or level of investment in the sector has implications on the productivity and the efficiency of the rest of the economy. Similarly, the nature of policies (monetary, trade and fiscal) undertaken and the allocation of resources have implications on the efficiency of the care economy and the quality of human capital produced. The diagram illustrates the fact the typical macroeconomic framework tends to be gender-blind with an over-emphasis on a market economy.

The level of analysis envisaged in the framework can only be undertaken in a computable General Equilibrium Model, CGE, calibrated on a gendered Social Accounting Matrix, SAM. A SAM is snapshot of an economy, which provides a comprehensive and consistent record of interrelationships of an economy at the level of production activities, factors of production, institutions--households, government and enterprises-- and the rest of the world. A gendered SAM would disaggregate labour into male and female--by skill level-- and households into male and female headed. CGE models are further discussed in section six.

**Figure 2: Conceptual framework for mainstreaming gender in the macroeconomy**



Gender discourse identifies two main types of gender bias in the macroeconomic policy framework and reforms currently being implemented in several developing countries, see for instance Elson (2002). These are privatisation bias and deflationary bias. Privatisation bias is reflected in the reform programs that have advocated for privatisation, and for some public enterprises, commercialisation. Privatisation policy and over-emphasis on private sector is predicated on market efficiency - based on value for money for the productive sector - and therefore overlooks the care economy. The third type of bias, the male breadwinner bias, is more micro in nature and will not be examined in detail in this section.

Indeed as observed in Elson (2002), reforms have resulted in a cutback in household transfers from government, which was a key form of support for the non-monetized care economy. Deflationary bias refers to the macroeconomic stabilization policy with seven key elements - low inflation, low public debt, cutback in public expenditure to maintain low levels

as a proportion of GDP, low levels of taxation, low budget deficits, low priority to full employment, and high priority for public investment. The elements highlighted above have been standard in most reform packages for developing countries like Kenya.

The macro framework sets the outline within which all other sectors operate. The monetary policy determines the level of prices in the economy—domestic price level, interest rates and the exchange rate—prices are the market signals that determine the incentive structure in the economy. Trade and commercial policies (tariff levels and other protective barriers) determine the production structure—what countries produce, export and import. Fiscal policy decisions relate to desired revenue targets, expenditure, the budget deficit and the extent to which governments borrow or pay debt. Further, macroeconomic decisions constrain the room for manoeuvre in changing budgets in a more gender-equitable direction. Each of these policies therefore has implications on gender; we discuss each policy and take up fiscal policy in more detail in section six.

### ***5.1.1 Trade/ commercial policy***

The impact of trade policy can be traced through its impact on different social economic groups classified by their sources of income. Trade and commercial policy takes the form of tariffs and quotas on one hand and the multi/bilateral trade arrangements between countries on the other.

Commercial policy has a dual role in Kenya, it is a source of revenue for the government and it also used to protect the domestic manufacturing sector. The tax policy role is discussed under taxation issues and this section focuses on commercial policy—tariffs to protect domestic industries and trade agreements. A tariff put in place to protect the manufacturing sector implicitly taxes the agricultural sector, for instance a 10% tax on manufactured imports is equivalent to a 10% tax on the agricultural sector. In essence, a tariff increases the domestic price of manufactures. This makes it more attractive to invest in the manufacturing sector and takes away resources from other sectors. In the Kenyan context resources like credit would be available for the manufacturing sector where returns are high and unavailable for the agricultural sector. Commercial policy will be gender biased if it discriminates against the sectors where the majority of women work, in this case agriculture, and it will be pro-gender if it creates incentives that attract resources to sectors that employ or are sources of livelihood for women. To quantify the impact of commercial policy entails the

computation of nominal protection coefficients and effective protection coefficients combined with household sources of income.

The other channel for trade policy is through bilateral or multi-lateral trade arrangements, which inadvertently create "winners" and "losers". The African Growth and Opportunity Act, AGOA, initiative for instance will create incentives that will attract resources to the textile sector away from other sectors. Those in the textiles sector--garment making and cotton production for instance, will be winners under this initiative. The textile sector is low skill industry, where urban low skilled women get employment; this group is likely to benefit from such a policy. However, as indicated elsewhere in this document, the wages are low and working conditions in these industries can be dreary. The losers under such an initiative would be those who have to contend with higher food prices as cotton production crowds out food production.

The Common Market for Eastern and Southern Africa, COMESA, and the East African Community, EAC, regional integration initiatives will promote the sectors where Kenya has a competitive edge, drawing away resources from all other sectors. The competitiveness of Kenyan agricultural sector appears to have been eroded in the post liberalization era, and the poor economic performance of Kenya has been attributed to the poor performance in this sector, the worst witnessed in the year 2000, with a growth of – 2.4%. Unless measures are taken to reverse this trend, it is unlikely that this sector would be a ‘winner’ in a regional integration arrangement and the implications for the women in the sector needs no further elaboration.

Clearly, even at a gendered level the impact of trade policy can be quite mixed, effecting rural and urban women in different ways, the actual outcome can only be estimated within a general equilibrium framework.

### **5.1.2 Exchange rate policy**

The exchange rate is a price, and like any other price, it determines demand and supply in this case of imports and exports. It is important in this case to distinguish between the nominal and the real exchange rate<sup>6</sup>; this discussion refers to the real exchange rate. When the exchange rate is overvalued, exports become expensive, less competitive in the world market and imports become relatively cheaper. When the exchange rate is undervalued, the

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<sup>6</sup> The nominal exchange rate is the shilling equivalent of foreign currency while the real exchange rate is the foreign price (foreign cpi) multiplied by the nominal exchange rate divided by the domestic price (cpi)

price of imports increases and exports become competitive in the world market. The beneficiaries of an overvalued exchange rate are the consumers of luxurious imported commodities, while exporters benefit from an undervalued exchange. The exchange rate as a price therefore determines the incentives and production structure for international trade. When the price is misaligned, it encourages investment in non-traded goods such as real estate, where opportunities for employment are minimal. Some analysts argue that a construction boom is an indicator of an overvalued exchange rate. The impact of the exchange rate policy on gender depends on the sectors where women eke out a living. If a high proportion of women are in the agricultural export sector, an overvalued exchange rate will be gender biased while an undervalued one will be pro-gender. For those in the low skill labour category (garment making for instance), an exchange rate that does not promote production and by extension employment, can only introduce a gender bias. Rural women and low skill urban women are unlikely to benefit from a construction boom, a sector that is almost exclusively a male labour domain.

### ***5.1.3 Budget deficit and domestic debt***

The Structural Adjustments Programmes (SAPS) can be traced to unsustainable budget deficits and high debt levels. These had to be 'fixed' through cut back in public spending and the introduction of cost sharing; privatisation of public enterprises and higher rates of taxation. In addition to cut back in public spending, the high debt servicing costs further crowd out other productive expenditures from the budget. Though these stabilization measures are desirable and can be growth promoting in the long-run, in the short-run they increase the vulnerability of some socio-economic groups, especially women. Indeed, if other economic fundamentals are not in place, even the growth envisaged through stabilization can be elusive.

High budget deficits financed domestically (through treasury bills and treasury bonds) crowd out other borrowers from the domestic credit market. In an economy like Kenya, where the saving levels are low, credit supply is limited and the government takes the largest share. Government debt guarantees a sure return to the investor, a rural woman with no collateral or her low (un)skilled urban counterpart can certainly not compete with the government for credit in such a market. For those who might be lucky to have some form of collateral they will probably be regarded as too risky, since they operate (invest) in the low return sectors of the economy, compared to the safe return offered by the government.

Interest rate is a price in the credit market and is essentially a monetary policy tool and like other prices when demand is high the prices increase and vice versa. Government borrowing in the domestic market pushes up the demand for credit and the interest rates increase commensurately. In Kenya, the high rates can partly be attributed to the government's heavy involvement in the sector. Furthermore, the lending rate increases with the 'perceived' risk by the lender. It is unlikely that the returns in the Kenyan informal and the agricultural sectors can service loans at market interest rates. As long as women are at the bottom end of the scale in credit rating, high budget deficits will widen the gender gap in the credit market. This is a policy that does not create any winners among the gender groups.

#### **5.1.4 Privatisation**

Privatisation has been pursued in Kenya since the onset of economic reforms in the early 1990s. The policy is an offshoot of high deficit and inefficiency in the running of the enterprises. The concept is based on market efficiency and value for money. The emphasis is on market economy but in the process, overlooks those who operate outside the formal markets and can alienate them further from these markets. Also, they tend to ignore the complexities of power structures and gender relations, especially in regard to access, control and ownership of productive resources. This is certainly the case for women. As stated in section three of this paper, some of the gender gaps can be attributed to market failures and therefore over-emphasis on market perfection and privatisation can widen gender gaps. Export promotion drives for instance, focus on high foreign exchange earnings from some export sectors like horticulture and manufacturing in EPZ, but overlook the hardships that women have to endure in these labour-intensive sectors.

## **5.2 Kenyan Macroeconomic Framework**

The macroeconomic policy framework in Kenya is clearly spelt out in both the PRSP and the various Fiscal Strategy Papers (FSP). Though the numbers differ marginally, the policy direction has remained the same in the medium term. The main policy objectives are highlighted in Box 2.

Firstly, the macroeconomic framework recognizes the need to create a favourable environment for the private sector to deliver higher growth rates necessary for poverty reduction. This is to be achieved through a reduction of the domestic borrowing that crowds out the private sector. This will require balancing of the budget deficit and running a budget surplus in the future.

## **Box 2: Kenya's Macroeconomic Policy Framework**

The macroeconomic framework has two main objectives

- To maintain macroeconomic stability and an environment which will attract foreign and domestic investment
- To improve public sector performance by concentrating public resources on activities that contribute to poverty reducing economic growth

These are to be achieved through:

- a) Allowing the share of aggregate expenditure to decline in the medium term and beyond-- through termination of projects and staff downsizing
- b) Reduce the tax burden on tax payers to 22% of GDP
- c) Achieve a sustainable level of domestic debt by running a current budget surplus
- d) Ensure expenditure is properly targeted at National Development Objectives and achieved in an efficient manner
- e) Ensure adherence to sound monetary policy to achieve a low domestic price level

Other policies:

- Privatisation of public enterprises continues to be a central policy objective - the proceeds to be used to retire domestic debt
- Expenditure on goods and services is expected to remain constant in real terms-- improvement in the level of services will therefore be a result of increased productivity and efficiency.

*Source: Fiscal Strategy Paper: 2002/03-2004/2005*

Secondly, the framework recognizes the high tax burden, as Kenya is one of the highly taxed economies, and the policy framework projects a reduction of tax to GDP ratio to about 22% by the end of the PRSP period. This will include zero-rating of essential goods, especially those consumed by the poor. The private sector bias is evident in this policy, ignoring the essence of improved service provision and efficiency in the care economy.

Thirdly, the framework envisages a reduction in the share of government expenditure to GDP. Currently, the government absorbs about 27% of GDP. This high level of expenditure is deemed unsustainable when compared to the revenue share in GDP of 22 to 23%. Therefore, the ratio of government expenditure to GDP will have to come down as revenue ratio to GDP stabilizes at 22%.

Fourthly, is the re-alignment of government expenditure towards support to investment. The hard budget constraint requires efficiency gains through concentration of available resources to those core areas of government that have an immediate impact on the

economy. This will imply no further growth in the wage bill in the public sector and that more resources will go to development versus recurrent expenditures.

The summary of the Kenyan macroeconomic framework is reminiscent of deflationary bias, low levels of government spending, low inflation, low level of taxation, etc. Though clearly stipulated these targets are rarely adhered to. On the monetary side, the Central Bank's policy of maintaining the inflation target below 5% has been maintained even when the economy has been in a prolonged recession. Though high levels of inflation are not desirable, the policy can be pursued at the expense of employment creation. When the economy is in a recession and companies and the government have to downsize, as observed elsewhere in this paper, it is women who, being mainly in the low cadres, get retrenched first. Furthermore, when the axe also falls on the male 'breadwinner' women become the safety net of the last resort, as they have to provide for basic needs such as food, clothing and healthcare.

The deflationary bias is also evident from the fiscal policies outlined. Whereas most arguments are in favour of a prioritised cutback in government, the trend in Kenya is that budget cutbacks in critical areas such as health and agriculture are the ones that are often easily adjusted. The overall reduction of government expenditure at a time when poverty is endemic spells doom for those in the care economy whose services cannot depend on the efficiency gains from cutbacks in government expenditure. When expenditure on healthcare is reduced, women have to allocate more time away from the productive sector to take care of the sick, not to mention their own health that gets into a more precarious position when reproductive health services decline.

In the human development sector, a cutback in funding for education is likely to leave more girls out of school, reversing the positive gains of the post independence era. Indeed as observed in Kimalu et al (2001) the gains made in the first two decades after independence appear to have been eroded since 1989, with enrolment rate dropping from 105.4% in 1989 to as low as 86.9% in 1999. The analysis indicates that though the enrolment rate has been declining for both boys and girls, the level for girls is well below that of boys. With these indicators it is unlikely that the deflationary bias policy is likely to narrow the gender gaps.

The combination of low taxation and low budget deficits focuses on the retirement of domestic debt as a means of creating an enabling environment for the private sector. While desirable on several grounds, the policy is not gender neutral but rather increases the gender gaps observed elsewhere in this paper. The over-emphasis on a market economy obscures the



hidden inefficiencies, particularly in the care economy. The policies transfer the burden of the care economy from the government to women. If gender gaps have to be narrowed, some of the policies outlined in the fiscal strategy need to be redesigned to take into account the needs of the care economy where the creation and maintenance of the social capital, which complements the private sector, takes place.

All the macro targets and priorities have gender implications. For instance, delivery of higher economic growth by the private sector is also determined by provision of social capital by the care economy. Reduction in the share of government expenditures could improve the status of women more if targeted at social spending for example in maternal and childcare. Reduction and/ re-alignment of public expenditure also has implications on women's time poverty or burden, depending on the programs that are funded or cut back from public spending.

In the next sub-section, we examine two key components of macroeconomic policies, expenditure and taxation, which constitute the fiscal policy that forms the basis of national budgets.

## 6 GENDER AND FISCAL POLICY

### 6.1 Overview of the Budgetary Process in Kenya

The budget is a government's statement of expected revenues and planned expenditure in a given year. Like many other countries in Africa, Kenya has adopted the Medium-Term Expenditure Framework (MTEF), which is based on a three-year financial rolling plan in which the first year is the annual budget. The national budget consists of the recurrent budget, which caters for recurring expenses, and the development budget, which caters for capital-related expenditures and donor-funded projects.

The budgetary process is a centralized system with limited public participation. In terms of gender, it is male-dominated with limited capacity to comprehend and incorporate gender, especially at the middle and higher levels of decision-making. There have been some efforts on mainstreaming gender in the budget by NGOs and donor agencies, but the impact is still limited.<sup>7</sup> Consequently, gender issues raised at the grassroots level hardly sail to the final stage of the budget. Moreover, whenever the sectoral budgets have to be downsized in relation to the ceilings, past activities and commitments are given priority over new proposals, therefore allowing limited flexibility to incorporate pro-gender expenditures.

The budget process can be summarized into four stages as follows:

- *Macro target setting/estimation of overall resource envelope*

This includes setting all the macro targets, that is overall economic growth, desired inflation rate, money supply, interest rates, levels of borrowing both domestic and external, and other macro-aggregates, including levels of expenditure. Under the MTEF process setting of ceilings is done under the Macro Working Group with the help of the KIPPRA-Treasury Macro Model, after which the fiscal strategy paper, which has all these targets is formulated. The macro framework sets the ceilings for recurrent and development expenditures. Cognisance of gender gaps and impacts at this level is usually limited, if any.

- *Review of sectoral priorities*

The MTEF adopts a two-tier approach to budgeting: a top down macro process and a bottom up sectoral level aggregation. To communicate the macro targets, which include the overall government policy, the Treasury issues a circular with guidelines. Basically budget

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<sup>7</sup> These include Collaborative Centre for Gender and Development (CCGD), Canadian International Development Agency (CIDA) and Federal of Women Lawyers (FIDA).

guidelines will state the policy of the government for the year both at the macro level and at the sectoral level. These guidelines help ministries in preparing their budgets. They are accompanied by sectoral expenditure ceilings for the eight sectors that were adopted in the PRSP.

This stage commences as soon as the initial circular with guidelines is issued. All the eight sectors review their priorities and ensure they are in tandem with the national priorities as set out in various government documents. The expenditure composition of sectors depends on the on-going activities and projects. The ministries/spending agencies are therefore expected to review their activities and classify them under the sectors and participate in both review and prioritisation of activities. Ideally, at this stage, part of the prioritisation should be based on gender impacts but this is hardly the case. The output from the sectoral reviews is expected to be used in the development of sectoral resource envelopes. The sector reports give the cost of all activities, a prioritised list of activities, and a three-year financial plan.

- *Development of sectoral resource envelopes and sector resource bidding*

The first step is normally to establish the macro level expenditure that can be permitted given the macro framework. In order to set the ceilings for different sectors, the macro levels have to be observed. The second step then is to establish the policy priorities as given at the sectoral reviews. These policies are expected to have been costed and prioritised at sector level. An example would be a policy to increase access to basic education under the human resource development sector. The cost would relate to activities such as provision of textbooks, school feeding programme, bursaries, buildings and provision of teachers.

The third step is to identify existing and past commitments or rather policies that are still in implementation including the establishment of their requirements. The fourth step is to add up the costs of all the policy priorities both new and existing ones and therefore establish the expenditure requirements for the year(s).

The fifth step is the matching of the needs as established in the fourth step and the overall expenditure limit as given by the macro framework. A decade ago, the expenditure needs would have determined the deficit level and therefore the level of borrowing. However, in the recent years the deficit and the borrowing levels are parameters that are determined at policy level and are therefore part of the targets that are set by the macro framework. At this stage therefore, if the expenditure needs are higher than the macro level expenditures, they are scaled down to the required level starting with the elimination of the lowest priority. It is

however important to note here that due to the high level of past commitments that form the first charge in the allocation of resources, most priorities especially those that are new, do not get adequate funding despite their envisaged benefits to the society.

The sixth step is what is known as sectoral resource bidding. At this stage, the ministries are expected to get their share from the sectoral resource envelope through a system of negotiations where trade offs are made between different activities. In other words a further prioritisation is made due to the scarce resources. The ministries therefore would bid for resources from different sectors and amalgamate them to form the Ministerial ceiling for the preparation of the budget.

- *Financial programming*

Once the ministries have consolidated the resources sourced from different sectors, which forms the expenditure limits for them, they then go ahead and prepare the itemized budget both for recurrent and development expenditures. Again, given the limited capacity and flexibility, gender issues are unlikely to be noticed. The ministers submit a three-year financial plan to the Ministry of Finance and Planning for review. The Ministry only counterchecks whether the itemized budget conforms to the sectoral priorities and then finalizes prints and submits the budget to parliament for approval.

It is important to note here that expenditure preparations and the revenue estimation process occur concurrently. In brief, the Ministry of Finance normally sends out a circular requesting for tax proposals. The Ministry of Finance will normally expect other people to also submit their proposals other than the public sector. Budget hearings are held with various stakeholders and their views are taken into consideration while preparing the tax proposals for the year, which are laid before parliament together with expenditure policy for approvals. Again, women's participation in the process is limited.

## **6.2 Taxation and Gender**

Kenya's tax base, like in other developing countries, is characterized by a large informal sector that is difficult to tax due to measurement and definition problems. Even if this were possible, it would impose huge administrative costs for the revenue collecting agents. This leaves the economy with a narrow highly taxed formal sector for direct taxes and high rates for indirect taxes (mainly VAT, excise duties and import duties).

Tax incidence analysis is the assessment of change in purchasing power of different groups following the imposition of a tax. A tax can either be regressive, progressive or

neutral. A progressive tax, taxes the rich more than the poor. A tax is regressive if the poor pay a larger portion of the tax relative to overall expenditure than wealthier households, while a neutral tax treats the rich and the poor equally. Indirect taxes are mainly the concern of poverty and incidence analysis because they fall on those who purchase the commodity. In Kenya, this category of taxes includes VAT and excise taxes. Each of these sources of revenue has implications for the PRSP. We look at the poverty, and to the extent possible gender, implications for the PRSP and for each of these taxes.

### ***Direct taxes***

The major source of revenue in Kenya is direct, or income taxes. Direct taxes are a good source of revenue and if well designed can be progressive (taxing those who have higher incomes at a higher rate). The income tax system in Kenya exempts the poor from paying taxes. Those earning below Kshs 10,000 are exempted from tax and it is designed to be fairly progressive by widening the tax brackets. Income tax therefore is not a key concern for the poor.

### ***Value Added Tax***

VAT is hailed as a good source of revenue especially when the system has minimal exemptions and zero rating. However, if designed without these two features, VAT can be a highly regressive tax. The tax burden would fall more on the poor than on the rich. For this reason, the Kenyan VAT system has exempted/zero-rated most goods that fall under the basic needs category. The trade-off is foregone revenue for financing government programs. The agricultural sector, where the majority of poor women eke out a living, is also VAT exempt.

A VAT system with no zero-rates and exemptions would tax low-income households more than wealthier households and would therefore be highly regressive. However, analysts argue that for administrative reasons the VAT regressivity should be addressed through targeted expenditure programs for low income, single parents and the elderly.

### ***Excise tax***

The third source of revenue is excise taxes and the main excisable commodities are beer, cigarettes and petroleum products. Excise taxes are designed to tax negative externalities and have a high potential for revenue generation. However, recent analysis indicates that revenues from these sources have been declining. Furthermore, the high taxes

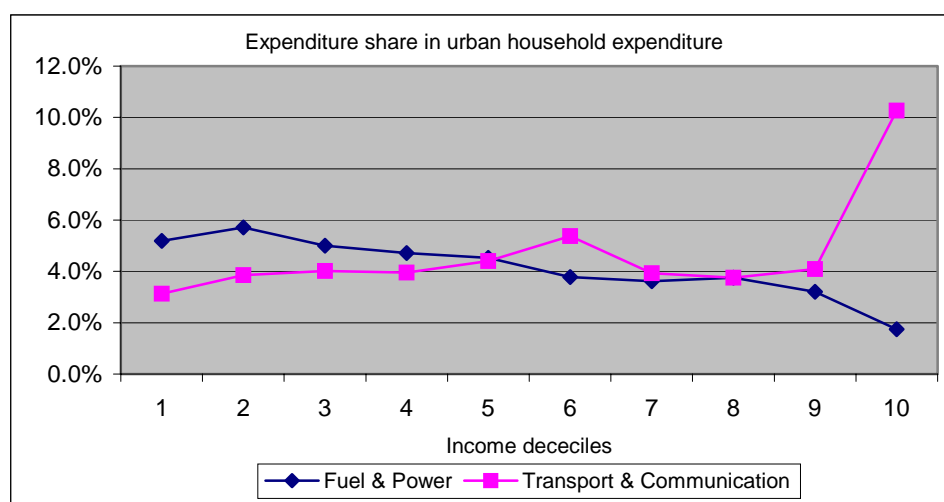
levied for beer and cigarettes have excluded the poor from the formal markets and have often resorted to more dangerous informal substitutes. This analysis will however not focus on the taxation of beer and cigarettes, which are not basic goods, but rather on the petroleum products as sources of fuel and public transport for the poor, which also affect women directly. The analysis will further narrow down to taxes on petroleum products—diesel and kerosene—for two reasons: the tax treatment of diesel impacts on public transport for the poor and the tax treatment of kerosene has implications on lighting and cooking for the poor urban women who are the providers of the last resort.

High taxes on petroleum products are passed on to consumers of public transport, mainly the poor. However, a specific proportion can be earmarked for poverty programs. Kerosene, the main source of fuel for the urban poor falls in this category.

The impact of oil taxation on household incomes depends on the share of oil products in the consumption basket. Among the lower income group, products like kerosene are used for cooking and lighting, while expenditure on gasoline takes a larger share in the basket of middle and high-income groups. Diesel on the other hand is mainly used in public service vehicles. Any tax aimed at income distribution would tax the product used by the rich at a higher rate and perhaps subsidize the consumption of those used by the poor. In Kenya, the tax on diesel and kerosene is currently about 60% and 25% respectively.

Chart 9 shows the expenditure on fuel and power as a proportion of total expenditure by income deciles. Fuel and power constitute a higher portion of the expenditure for the low-income groups than for the high-income groups. Kerosene is the main source of cooking fuel for urban households—64% of urban households use kerosene for cooking and only 7% use gas (Table 10 below). A tax structure with income distribution rationale would tax the products used by the high-income group at a higher rate.

**Chart 9: Fuel and transport in urban household expenditure**



Source: Urban Household budget Survey, 1993/94

**Table 10: Main sources of cooking fuel in the urban centres in %**

|                  | Paraffin  | Charcoal  | Others    | Total      |
|------------------|-----------|-----------|-----------|------------|
| Thika            | 89        | 4         | 7         | 100        |
| Nairobi          | 79        | 5         | 16        | 100        |
| Nakuru           | 73        | 22        | 5         | 100        |
| Mombasa          | 67        | 19        | 14        | 100        |
| Machakos         | 42        | 41        | 17        | 100        |
| Others           | 40        | 38        | 22        | 100        |
| Kakamega         | 33        | 42        | 25        | 100        |
| Eldoret          | 32        | 64        | 4         | 100        |
| Kisumu           | 29        | 49        | 22        | 100        |
| Meru             | 23        | 56        | 21        | 100        |
| Nyeri            | 18        | 57        | 25        | 100        |
| <b>All Urban</b> | <b>64</b> | <b>19</b> | <b>17</b> | <b>100</b> |

Source: Urban household budget survey, 1993/94

Kerosene as a source of fuel and lighting in the households directly affects the livelihood of poor women and for those living on less than a dollar a day. A 25% tax, at shillings 5.75 per litre on an essential commodity is quite high. Furthermore, recent empirical analysis (*Kiringai et al forthcoming*) indicates that the demand for kerosene is price-responsive; there is a cut back in consumption as price increases. For poor women, such a cutback can take two forms: resort to more unattractive forms of fuel like charcoal that takes a longer time or cutback in the hours of lighting.

Analysts argue that the main rationale behind kerosene taxation is the danger of adulteration with other petroleum products. Indeed this has happened in Kenya and was the main reason for raising kerosene taxation in the 2002/03 annual budget. This is a case where a tax administration problem translates into welfare loss for the poor, especially women. However, if the tax is completely unavoidable due to administrative difficulties, revenues from kerosene can be specifically targeted to gender sensitive priority programs to ease the tax and time burden for women, for instance by research and development of inexpensive fuel-efficient stoves that would reduce women's time poverty.

### **6.3 Expenditure Analysis**

In section 5.4 we have dealt with the resource side of the budget, that is the tax/revenue collection. In this section we shall review the expenditure side of the budget.

Clear priorities for enhancing gender equality have not been identified, knowledge is not necessarily widely shared, and programs and projects addressing gender issues are being carried out in an uncoordinated manner. However, a critical analysis of the 2002/2003 budget indicates that there are programs and projects that have some gender ramifications, as detailed in Annex 2 in the appendix.

Gender is a cross cutting issue and lack of disaggregation of data and information by gender makes analysis complex. There has been no deliberate and conscious effort in mainstreaming gender in the budget to the extent that would make all ministries feel obliged to take aboard the responsibility of disaggregating and addressing gender gaps identified in sector consultations and the PRSP process. Nonetheless, our analysis of the budget is based on the following approaches:

#### ***6.3.1 Line item level and economic function approach***

Budgets are itemized (that is from item 000 to 999), and the item level depicts the accounts of payments (for example item 000 stands for payments of basic salaries and so on). In addition these items can be classified into economic function: personnel emoluments, operating expenses, capital spending and transfers to other organizations. Key gender outcomes under this approach are summarized in Table 11 below.



**Table 11: Analysis of the budget by line item approach**

| Item / programme description                                  | Details/reflection in budget estimates   |
|---|--|
| Personnel expenditures (Items 000–099)                        | <p>These expenditures are those related to basic salary, house allowance, medical allowance, medical ex-gratia foreign allowance, training expenditure and other allowances related to personnel. The government offers employment without discrimination and is based on qualification. The civil service together account for about 500,000 of the total population employed in the country. Teachers account for about 45% of the workforce, the uniformed police account for about 25% and the civil service account for about 30%. The way in which these personnel expenditures are administered can either promote gender equality or bring discrimination.</p> <p>An analysis of the civil service composition in terms of gender indicates that about 43% are women mainly occupying the lower cadres (particularly nursing, clerical and secretary levels). It therefore means that when it comes to decision-making in the public sector women are not adequately represented. Although the wage bill appears high at the national level, women are lowly paid given their low job groups. It is worth noting that little attention is paid to gender implications in the way the budget is prepared for personnel expenditures.</p> <p>This category of expenditures includes expenditures on <i>ex-gratia</i>. Medical <i>ex-gratia</i> is a reimbursement for inpatient expenditure incurred in a hospital other than government hospitals for any other illness other than maternity expenses. Maternity expenditures are on the rise and with the little medical allowance given to civil servants, there is need to analyse such policies.</p> <p><b>Pro-gender items</b></p> <ul style="list-style-type: none"> <li>• <i>Maternity leave</i>: In the civil service women are eligible to 60 working days paid maternity leave. This is a positive measure and could perhaps be one of those outputs in the care economy that can be priced by the salary that a woman gets while on maternity leave taking care of a baby.</li> <li>• <i>House allowance for married women</i>. In earlier years prior to mid 90's married women in the civil service were not eligible for house allowance. This was in a way taxing marriage and encouraged incorrect disclosure of marital status. This has since been reversed and men and women are treated equally in payment of house allowance.</li> <li>• <i>Spouse allowance for foreign service</i>. Recently, the government introduced a spouse allowance applicable to both men and women. Although statistics are not available, it is obvious that the cost to government has been absorbed within regular budgetary provisions and this also increases the purchasing power of the family.</li> </ul> |
| Operating expenses (Items 100–199 and 230-299)                | <p>This covers expenditures on transport, purchase of drugs, stationery, etc and maintenance expenses that cater for servicing and maintaining existing capital assets such as equipment and buildings. There is very little under this classification that specifically caters for gender. However, there are expenditures such as female expenses for inmates both for prisons and for approved schools. In essence, this means that there is recognition at prisons that men and women have different requirements and there is need to disaggregate their needs. Other expenditures cut across several ministries and disaggregated data is not available, for example, to be able to know how many subordinate staff are women and how they benefit from the expenditures.</p>  |
| Capital and equipment expenditure (Items 200–230 and 400–499) | <p>This relates to purchase of items from private businesses (such analysis requires disaggregated data on who owns the businesses that government procures services and goods from). However, from a general point of view it is a known fact that most contractors that are engaged by the government are men and they mostly also own most companies that do business with the government.</p>  |
| Transfers and grants to other organizations                   | <p>Transfers are expenditures passed on to other organizations, for example subsidies. There are such expenditures both in the recurrent and development budgets that are direct transfers to women or women's organizations. These include grants to women's commission in the Ministry of Home affairs, expenses on international women's week, gender mainstreaming and empowerment of women, gender policy development, grants to community development projects and others. Despite the wide participation of women in the PRSP</p>   |

|  |  |
|--|--|
|  | these items of expenditure did not get major resource allocations except the item on community development project, which doubled. |
|--|--|

### **6.3.2 Functional or program/activity approach**

Under this approach, budgets are presented according to broad functions e.g. curative healthcare, nutrition, policing, which in the Kenyan case is presented at sub-vote level. Unlike at item level at broad category there is very little disaggregation of data into gender perspectives.

Under health services, budgets include expenditures on nutrition services—supplement feeding and other items that support the services on nutrition. It is basically women who will benefit from such services, as they are the ones who take care of children. It is noted that the non-wage provision under this head have remained more or less the same even after identification as a core item of expenditure for poverty reduction.

Until recently, family planning and maternal healthcare services were being offered in government hospitals for free. This policy has since been reversed and this is evident from the sudden reduction of the budget provisions under this head by almost half. It is not clear whether there are gender considerations when applying expenditure cutbacks on such crucial items of expenditure.

Under the Ministry of Education, there are funds for girls' education at the primary level. This by itself is recognition that the girl-child has specific needs when it comes to education as compared to boys. It should be noted that in the other categories, for example provision of legal services, water, and roads at program level there are no specific provisions designated for women.

### **6.3.3 Impact or output level approach**

Under the impact or outcome approach or indirect targeting, there are expenditures that benefit women through their impact on the economy. The extent to which a country achieves its social and economic objectives depends not only on the amount of paid work its people do but also on the amount of unpaid work its people do, for example in caring for their family members, and on the amount of free time people have for leisure and for civic activities. A key dimension of a budget's impact on gender equality is the impact on the amount of unpaid care work that has to be done. It is therefore important to look at this in the context of what happens to those expenditures that lessen the amount of time women spend

on unpaid work. However, this requires a comprehensive analysis that is beyond the scope of this study.

That notwithstanding, expenditures on rural health services, rural access roads and energy have direct implications on women's time poverty and activities in the care economy. For instance, more resources to rural health services could reduce the number of hours women spend in taking care of the sick. Since the inception of the MTEF, the non-wage recurrent expenditures have increased. However, due to overall expenditure cutback for capital spending there are no new health centres provided for in the budget.

Most women in the rural areas do not have access to transport at the same level as men. As concerns the current budget, rural access roads have been relegated to the provision under road maintenance levy. It is estimated that about 40% of that levy goes to rural access roads. Due to the shortfall at the overall macro level and the need to keep the budget deficit at a manageable level, no significant allocation has been made towards rural access roads.

As long as the government does not support the development of alternative sources of energy as well as increase the coverage of the rural electrification program, women's productivity and efficiency is likely to remain sub-optimal. The budget allocation for rural electrification did not show an increase after the PRSP consultation; an indication that the resource constraint at the macro level did not allow any major shifts of resources to pro-poor areas of operation.

Under vocational training, women can acquire or upgrade their skills in order to increase productivity. The informal sector is a major source of employment for women and tends to promote gender more than the formal sector because it provides for jobs such as food processing, clothing and textiles. However very little cognisance is given when allocating resources. The current budget gives some small provision under the *Jua kali* program. This program was mainly funded by donors and was meant for entrepreneur training. The country suffers from shortage of critical skills in financial material and project management among others, all which account for the low productivity within the informal sector. Although there are a number of vocational/technical training institutes, most women have not embraced training especially on craft areas such as mechanical training. No efforts are found in the budget to promote gender training in such skills.

In mainstreaming gender in the PRSP process, the government formed a gender thematic group that was expected to prioritise gender concerns for inclusion in the PRSP as

well as in the budget. Although the word gender features in the chapters of the PRSP, major priorities for women that were identified at district levels seems to have been omitted. Further, the budget is built on a pedestal of understanding that all priorities as reflected in the budget resource allocation affect both men and women on equal terms. The resource constraint at the macro level also did not allow much room for shift of resources from existing programs and priorities.

The following measures need to be taken up for gender mainstreaming in the budget:

- Include gender issues in the budget call circular;
- Capacity building in the ministries for gender analysis;
- Develop criteria for screening new policies and programs in order to establish how; far they affect gender balance;
- Establish disaggregated gender data for financial planning.

#### **6.4 Integrating Gender in Economic Models**

Formal modelling can be very instrumental in stating out arguments with theoretical and practical precision and lessening the difficulty of communication with policy makers, for example by demonstrating the potential effectiveness of gender-aware policies to the policy makers and by simulating the effects of macroeconomic policies by gender. The KIPPRA-Treasury Macro Model (KTMM) is a macro model that provides forecasts of macro aggregates besides policy analysis by way of simulations. Unfortunately, KTMM (Box 3 in the annexes for a synopsis of KTMM) is highly aggregated and does not incorporate sectoral issues under which gender perspectives would be addressed. This calls for gender-aware macro modelling.

The data used to build the model is aggregate and based on SNA which, as observed in section 2, is not gender disaggregated and excludes the care economy. Therefore, as the model stands, it is not possible to include gender-based simulations although the model is a powerful tool for economic policy analysis. In the absence of any empirical analysis, it is difficult to link public spending or policy actions to specific economic and social targets. This is certainly the case for gender-specific targeting.

However, with gender-disaggregated data, sectoral models can be expanded to include gender-based micro simulations. The Budget Negotiation Framework (BNF), currently under development at KIPPRA is a good example (Box 4).

Gender-based model simulations are possible at the sector level where the data used are based on household budget surveys that can be gender-disaggregated. The sector models can then interface with the macroeconomic models for budget and policy negotiation. Agriculture, health and education, for instance, are some of the key sectors where gender simulations can be incorporated to build a case for gender mainstreaming at both macro and sector level.

### ***Computable General Equilibrium Models***

The weakness notwithstanding, CGE models can provide a framework for making consistent static and medium term dynamic impact assessment of economic policies on different groups. For a comprehensive analysis of gender issues, such a model would have to be calibrated on gendered SAM. This has been done in Bangladesh, distinguishing male and female labour in value added and then breaking down the productive sector into ten agricultural sectors, nineteen manufacturing sectors and twelve socio-economic groups. The model thus calibrated has provided a powerful tool for gender and poverty analysis for the country.

The use of CGE models in developing countries has however been limited by lack of appropriate skills to develop and synthesis the results for policy makers. In some developing countries such models have been developed by expatriates but are rendered useless when the expatriates leave. Indeed to quantify policy impact on gender, a CGE approach is perhaps the superior tool. It would provide a comprehensive framework for counterfactual policy analysis to give the policy maker insight to the possible "with and without" policy outcomes or even the impact of external or internal shocks on different socio-economic/gender groups.

Kenya has neither a current Input-Out table nor SAM and this constraints quantitative policy analysis. The development of these two tools is essential for quantitative social policy analysis of the magnitude necessary for successful gender mainstreaming in economic policy.

## **7. POLICY IMPLICATIONS AND CONCLUDING REMARKS**

This study is fairly descriptive and no attempt has been made to quantify the impact of past policy on gender, a weakness we attribute to the constraints highlighted above. Nevertheless, the analysis undertaken in this study clearly indicates that there are gender gaps in virtually all the core dimensions of poverty—opportunities, capabilities, empowerment and security. It is also clear that poor women are worse off than their male counterparts in virtually all dimensions of poverty. This is worsened by widespread regional disparities. Although the PRSP acknowledges some of the gaps, the PRSP sectors do not adequately identify key priority areas and policies that could help reduce the gaps. In most cases, women and men are treated homogeneously, without taking into consideration the gender-specific impacts.

From the foregoing, one of the emerging issues is that interventions have to be designed that would increase women's efficiency and labour productivity. It is clear that women need labour and energy saving technologies as well as appropriate production technologies in agriculture. Just as there is much focus on creating an enabling environment for the private sector, there is need for the government to invest in increasing the productivity of women. Policies and expenditure programs should also focus on reducing the time burden for women, particularly in the care economy. Such investments would include rural access roads, provision of basic utilities (e.g. clean water, sanitation), extension services, and research in affordable and appropriate technology such as time and energy-saving 'jikos', among others. For the formal labour markets, this can be achieved through better access to education and health backed with gender sensitive labour laws. In the short-run, training opportunities in relevant skills to keep pace with technological advances should be exploited. Women are central to the creation of social capital, which complements the productivity of the productive sector. The PRSP is a rich source of the programs that would make a difference in women's lives.

In taxation, exemption of basic services has been achieved but this is not enough. There is need to earmark revenue from some sources such as kerosene taxation to be re-invested in areas that increase female productivity and therefore increase women's participation in the productive sectors of the economy. This kind of targeting would help alleviate the deflationary bias that transfers responsibility from the government to women.

For successful gender mainstreaming, there is need for citizen participation in the macroeconomic policies and formulation of macroeconomic framework that hitherto has been perceived as a black box whose formulation has been limited to only a few civil servants. However, effective participation from citizens would need to be backed with information and training on the impact of various macroeconomic policies. Similarly, the majority of Kenyans including women are not aware of the importance of national budgets and the budgetary process and therefore the preparation of the budget is mainly limited to a clique of people whose composition is male-dominated. There is need to build capacity within government on gender-based budgets and empower women's participation in the budgetary process.

The current macroeconomic policy stance of low inflation, low levels of expenditure to GDP, privatisation and leaner, more efficient government to pave way for a private sector-led growth are commendable. However, the policy framework fails to recognize the importance of the care economy, whose activities also affect the efficiency in the productive sector of the economy. The policies are not gender neutral but rather tend to perpetuate gender gaps in an economy where the majority live below the poverty line. There is clearly a need to modify the standard macroeconomic models, which are based on efficient markets, which do not exist in reality, particularly in less developed economies. It is also evident that there are intra-gender differences, women are not a homogenous group and while one policy might benefit one group, it can increase the gaps in another

However, it is difficult to build a case for gender mainstreaming without appropriate tools to show expected outcomes as a result of addressing gender inequality. Such models can then interface with the macroeconomic models for budget and policy negotiation. In this regard, computable general equilibrium models are perhaps the most appropriate tools. Through the use of such models it is possible to quantify the impact of certain policies on gender and to undertake counterfactual analysis.

Gender mainstreaming has been a daunting task partly due to paucity of gender-disaggregated data. Kenya needs to pursue a policy for gender mainstreaming by

- Building a comprehensive gender database from the existing studies,
- Identify gaps and conduct appropriate surveys to fill the data gaps and then use the data to undertake a country gender analysis whose findings can then be incorporated in sectoral models for policy simulations.

To effectively quantify policy impacts on gender we propose the construction of a general equilibrium model calibrated in a gendered social accounting matrix. The basic steps would entail:

- Mapping gender across the socio-economic groups in Kenya, it is necessary to have a clear picture of the productive activities women are engaged in.
- From an institutional perspective households would need to be classified into male and female headed, this information can be extracted from household budget surveys
- Disaggregate labour value added into male and female labour and by level of skill. Such information can be extracted from labour force and labour enumeration survey
- Construction of an Input-output table to capture the production structure of the economy.
- The construction of a gendered SAM.

With a gendered SAM in place it is possible to tap the skills now available in the economy to build the appropriate models that are necessary for the kind of analysis urgently needed for building a strong case for gender mainstreaming in economic policy. However, we would like to issue a health warning, the process is skill and data intensive but once in place the versatility and usefulness of these tools, not just in gender but also in social policy analysis, cannot be overemphasized.



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## ANNEXES

### Annex I: KIPPRA-Treasury Macro Model

#### Box 3: The KIPPRA-Treasury Macro Model

The KIPPRA-Treasury Macro Model (KTMM) is a macroeconomic model of the Kenyan economy, which provides medium-term projections of major macroeconomic variables in a consistent framework. More importantly, KTMM, like other macro models is vital for conducting policy analysis by way of policy simulation.

KTMM is built along the fairly familiar aggregate demand-aggregate supply (AD-AS) framework. The real side of the economy in the model contains four types of agents: domestic production (private firms, parastatals and public service sector), households, government and the rest of the world. The model contains three types of markets: labour, product and financial markets. Total demand equals the sum of investment, consumption, government expenditure and exports. Total demand minus imports equals Gross Domestic Product (GDP) at market prices. Basic prices are determined endogenously in the model: the price of goods and services, nominal and real wage, nominal and real exchange rate, and domestic nominal interest rate. Wages and prices are determined in the labour market and product markets respectively. The exchange rate and interest rates are determined in the financial market. It is assumed that the exchange rate is floating so that the money supply is available as an exogenous policy instrument. The interest rate moves to clear the money market while the exchange rate clears the market for foreign assets.

The model is demand-driven in the short run, with multiplier effects through consumption and investment. It is assumed that the price system ensures that there is excess capacity so that any demand is actually met. This is justified by the liberalised nature of the Kenyan economy. The main feedback mechanisms in the real economy works through wage-price spiral, interest rate and real exchange rate. For example, suppose there is a demand increase, the increased demand will lead to high capacity utilization of capital and low unemployment rates, which results in wage and price increases. Assuming a non-accommodating monetary policy, the higher inflation leads to higher interest rates and a real appreciation, therefore causing a reduction of investment and exports. The drop in exports and investment reduces demand, until equilibrium is restored. The model therefore has a tendency to return to equilibrium in the medium term and in the long run (Huizinga et al., 2001 and, Were and Karingai 2002).

The Government of Kenya has so far used the KTMM model outputs as inputs in preparing the Fiscal Strategy Paper (FSP) as part of the Medium-Term Expenditure Framework (MTEF) process. Indeed, the FSP forms a key input in the preparation of the country's annual budget (Kiringai and West 2002).

## **Annex II: Budget Negotiation Framework**

### **Box 4: BNF—An opportunity for Modelling Gender**

The budget negotiation framework (BNF) is a research-based negotiation tool for determining intra-sectoral resource allocations. The objective of the BNF is to develop tools that can help the budget negotiation process for health and education sectors. The BNF seeks to link public spending with specific economic and social targets for health and education. However, the tool can also be developed for other sectors.

Some of the questions that the BNF would answer include for instance,

- What will a 10% increase in educational spending mean in terms of better educational performance?
- What is the more efficient in achieving a certain target—increasing expenditure on books or increasing the teachers pay?
- Should education get a greater share than health?
- Within the health sector should preventive health get a larger share than curative health?

The list is by no means exhaustive. The framework then provides an interface between the macroeconomic model and the sector models. With an appropriate gender database, research would provide some answers on the impact of gender targeted policy actions. This would provide a possibility of integrating gender dimensions in sector models for agriculture, health and education. Though this does not cover all sectors, integrating gender in agriculture, health and education sector modelling would address most of the gender gaps in capability, opportunity and economic empowerment and security. This would provide a medium term agenda for gender research and mainstreaming in macroeconomic and sector policy mainstreaming.

### Annex III: Socio-economic indicators by gender and province

| Socio-economic indicators                         | NBI    | Coast   | Central | R.V     | Eastern | N.E    | Nyanza  | Western | Kenya    |
|---|--------|---------|---------|---------|---------|--------|---------|---------|----------|
| <b>Demography</b>                                 |        |         |         |         |         |        |         |         |          |
| Population (1999)-millions                        | 2.14   | 3.72    | 2.49    | 6.66    | 4.63    | 0.96   | 4.39    | 3.36    | 28.6     |
| <i>female: % of total</i>                         | 46.2   | 49.6    | 50.9    | 50      | 51.5    | 47.1   | 52      | 52      | 49.9     |
| <i>male: % of total</i>                           | 53.8   | 50.4    | 49.1    | 50      | 48.5    | 52.9   | 48      | 48      | 50.1     |
| life expectancy:                                  | 61.6   | 51.2    | 63.7    | 58.5    | 62.3    | 52.4   | 45.7    | 52.4    | 54.7     |
| <i>Female</i>                                     | 62.3   | 52.2    | 64.4    | 59.5    | 62.8    | 51.8   | 47.7    | 53.5    | 55.3     |
| <i>Male</i>                                       | 60.9   | 50.8    | 63      | 57.5    | 61.8    | 53     | 43.7    | 51.3    | 54.1     |
| <b>Poverty</b>                                    |        |         |         |         |         |        |         |         |          |
| head count poverty indices (2000)                 | 52.56  | 69.88   | 35.32   | 56.36   | 65.9    | 73.06  | 70.95   | 66.11   | 56.78    |
| head count poverty indices (1997)                 | 50.24  | 62.1    | 31.39   | 50.1    | 58.56   | 65.48  | 63.05   | 58.75   | 52.32    |
| population classified as poor                     | 477024 | 1048553 | 1126150 | 2519617 | 2509938 | 322764 | 1892520 | 1643524 | 11540090 |
| <i>female (%)</i>                                 | 48.3   |         | 51.1    | 49.6    | 49.1    | 49.1   | 50.9    | 50.6    | 50.2     |
| <i>male (%)</i>                                   | 51.7   |         | 48.9    | 50.4    | 50.9    | 50.9   | 49.1    | 49.4    | 49.8     |
| Distribution of the poor by household head (1994) |        |         |         |         |         |        |         |         |          |
| <i>female</i>                                     | 24.2   | 24.7    | 19.5    | 21.9    | 23.4    | 18.9   | 32.3    | 34      | 25.8     |
| <i>male</i>                                       | 75.8   | 75.3    | 80.5    | 78.1    | 76.6    | 81.1   | 67.7    | 66      | 74.2     |

| <b>Socio-economic indicators cnt'd</b> | <b>NBI</b> | <b>Coast</b> | <b>Central</b> | <b>R.V</b> | <b>Eastern</b> | <b>N.E</b> | <b>Nyanza</b> | <b>Western</b> | <b>Kenya</b> |
|--|------------|--------------|----------------|------------|----------------|------------|---------------|----------------|--------------|
| <b>education</b>                       |            |              |                |            |                |            |               |                |              |
| education enrolment in primary         |            |              |                |            |                |            |               |                |              |
| <i>female</i>                          | 42.3       | 44.8         | 85.5           | 66.1       | 64.8           | 10.1       | 78.2          | 74.2           | 85.7         |
| <i>male</i>                            |            |              |                |            |                |            |               |                | 88.1         |
| enrolment in secondary                 |            |              |                |            |                |            |               |                |              |
| <i>female</i>                          | 9.4        | 13.8         | 38.7           | 17.8       | 19.3           | 2.9        | 18.1          | 23.7           |              |
| <i>male</i>                            |            |              |                |            |                |            |               |                |              |
| tertiary enrolment(university)         |            |              |                |            |                |            |               |                |              |
| <i>female</i>                          |            |              |                |            |                |            |               |                | 1.1          |
| <i>male</i>                            |            |              |                |            |                |            |               |                | 3.3          |
| Adult literacy                         |            |              |                |            |                |            |               |                |              |
| <i>female</i>                          | 81.2       | 55.4         | 81.8           | 69.1       | 64.7           | 51         | 66.5          | 69.7           | 70.2         |
| <i>male</i>                            | 83.6       | 17.8         | 86.5           | 76.6       | 68.8           | 77.2       | 76.2          | 80.2           | 77.6         |
| Real GDP per capita                    |            |              |                |            |                |            |               |                |              |
| <i>female</i>                          | 2781       | 649          | 845            | 532        | 544            | 479        | 539           | 425            | 889          |
| <i>male</i>                            | 4095       | 904          | 1030           | 727        | 710            | 917        | 634           | 502            | 1157         |
| <i>Human development Index</i>         | 0.783      | 0.459        | 0.595          | 0.528      | 0.452          | 0.426      | 0.457         | 0.445          | 0.539        |
| <i>Human Poverty index %</i>           | 32.4       | 37.5         | 30.7           | 36.8       | 39.9           | 44.8       | 44.3          | 41.1           | 34.5         |
| <i>Gender development Index</i>        | 0.65       | 0.44         | 0.59           | 0.5        | 0.52           | 0.40       | 0.43          | 0.46           | 0.52         |
| Female-headed households %             | 19.6       | 31.7         | 36.4           | 27.6       | 35.1           |            | 34.5          | 35.4           | 31.7         |



| Socio-economic indicators cnt'd     | NBI  | Coast | Central | R.V  | Eastern | N.E  | Nyanza | Western | Kenya |
|-------------------------------------|------|-------|---------|------|---------|------|--------|---------|-------|
| <b>Health</b>                       |      |       |         |      |         |      |        |         |       |
| children underweight %              | 16.3 | 27.3  | 15.7    | 27.4 | 27.8    | 35.8 | 29.1   | 25.4    | 26.4  |
| Foster/orphaned children %          | 5.7  | 15.2  | 9.5     | 16.8 | 13.4    |      | 19     | 24.9    | 15.3  |
| under 5 mortality                   | 66.1 | 95.8  | 33.5    | 67.8 | 77.8    |      | 198.8  | 122.5   | 105   |
| health facilities (% of total)      | 12   | 11    | 13      | 25   | 21      | 2    | 8      | 8       | 4355  |
| Number of beds (general beds), 1999 | 4966 | 2777  | 4292    | 8281 | 4223    | 1099 | 8134   | 3876    | 37745 |
| Maternity beds                      | 1099 | 626   | 1166    | 1672 | 1168    | 266  | 1756   | 965     | 8718  |
| AIDS Prevalence (%)                 | 16   | 10    | 13      | 11   | 16      | 3    | 22     | 12      | 13.5  |
| <b>Social amenities</b>             |      |       |         |      |         |      |        |         |       |
| % pop with access to safe water     | 66   | 59.1  | 46.8    | 46.1 | 35.6    | 49   | 43.3   | 66.5    | 53.6  |
| of which Women                      |      | 29.3  | 23.8    | 23   | 18.3    | 23.1 | 22.5   | 34.6    |       |
| % with traditional pit Latrine      | 29.7 | 50.1  | 85.3    | 62.8 | 69.8    | 0    | 82.2   | 69.8    | 65.9  |
| of which Women                      |      | 24.8  | 43.4    | 31.4 | 35.9    | 0    | 42.8   | 36.3    |       |
| % with mud/sand/dung housing        | 16.7 | 50.9  | 62.1    | 67.8 | 65      | 0    | 78     | 65      | 63.4  |
| of which Women                      |      | 25.2  | 31.6    | 33.8 | 33.5    | 0    | 41.3   | 33.8    |       |
| % with cement /brick                | 74.3 | 47.6  | 32      | 28.9 | 34.6    | 0    | 19.9   | 19.7    | 33.6  |
| of which Women                      |      | 23.6  | 16.2    | 14.4 | 17.8    | 0    | 10.4   | 18      |       |

Sources: UNDP 2002, Mwabu et al (2002), GoK 2000a, GoK 2000b, Statistical Abstracts, IEA 2002

**Annex IV: Analysis of the recurrent budget 2002/2003 for gender-related expenditure**

| <b>DIRECT EXPENDITURES</b> |  |                                    |               |                 |                   |
|----------------------------|--|------------------------------------|---------------|-----------------|-------------------|
| Ministry                   | sub-vote-Head  | Details                            | Amounts       | % of total vote | Total vote alloc. |
|                            | <b>OFFICE OF THE PRESIDENT</b>                       |                                    |               |                 |                   |
| 01                         | 010-249  | (SDD) Poverty Eradication Unit     | 36,263,484    | 0.18            | 20,332,638,021    |
|                            | <b>MINISTRY OF HOME AFFAIRS, HERITAGE AND SPORTS</b> |                                    |               |                 |                   |
| 05                         | 056-117-197  | Female inmates Expenses            | 800,000       | 0.02            | 4,473,108,962     |
| 05                         | 056-911  | Women Bureau                       | 5,377,277     |                 |                   |
|                            | <b>MINISTRY OF HEALTH</b>                            |                                    |               |                 |                   |
| 11                         | 112-328  | Family Planning Maternal and Child | 91,790,848    | 0.67            | 13,652,524,304    |
|                            | <b>INDIRECT EXPENDITURES</b>                         |                                    |               |                 |                   |
| Ministry                   | Subvote-Head   | Details                            | Amounts       |                 | Total vote alloc. |
|                            | <b>OFFICE OF THE PRESIDENT</b>                       |                                    |               |                 |                   |
| 01                         | 010-275  | Relief and Rehabilitation          | 814,550,035   | 4.01            | 20,332,638,021    |
| 01                         | 010-564  | National food Security             | 1,003,001,762 |                 |                   |
|                            | <b>MINISTRY OF HOME AFFAIRS HERITAGE AND SPORTS</b>  |                                    |               |                 |                   |
| 05                         | 054-122,123,124,125,148                              | Children Services                  | 244,593,708   | 5.47            | 4,473,108,962     |
| 05                         | 056-900  | Headquarters Admin. Services       | 27,251,109    | 0.61            |                   |
|                            | 056-901  | Provincial Admin. Services         | 22,023,197    | 0.49            |                   |
|                            | 056-903  | Community based services           | 9,347,090     | 0.21            |                   |
|                            | 056-904  | Social welfare                     | 3,750,320     | 0.08            |                   |
|                            | 056-906  | Vocational rehabilitation          | 26,106,108    | 0.58            |                   |
|                            | 059-929&930  | Nyayo &Moi Stadiums                | 51,773,312    | 1.16            |                   |
|                            | <b>MINISTRY OF FINANCE AND PLANNING</b>              |                                    |               |                 |                   |

|   |         |   |               |      |               |
|---|---------|---|---------------|------|---------------|
| 07  | 077-207 | Rural planning                                    | 25,762,200    | 0.34 | 7,575,738,750 |
|   | 07-222  | District development services                     | 74,210,310    | 0.98 |               |
|   | 07-216  | Fertility survey                                  | 1,415,080     | 0.02 |               |
| <b>MINISTRY OF AGRICULTURE AND RURAL PLANNING</b> |         |   |               |      |               |
| 10  | 101-266 | Livestock improvement stations                    | 21,458,994    | 0.31 | 6,976,435,390 |
|   | 101-324 | Animal production farms                           | 11,259,356    | 0.16 |               |
|   | 102-425 | National poultry development services             | 12,803,344    | 0.18 |               |
|   | 102-532 | Fisheries   | 44,820,700    | 0.64 |               |
|   | 102-534 | Fisheries stations                                | 144,316,840   | 2.07 |               |
|   | 102-537 | Fisheries, research and hatchery stations         | 16,173,248    | 0.23 |               |
|   | 102-996 | Bura irrigation scheme                            | 30,234,846    | 0.43 |               |
|   | 103-232 | District livestock production services            | 133,420,354   | 1.91 |               |
|   | 103-265 | District animal production services               | 89,605,963    | 1.28 |               |
|   | 103-408 | Rural dairy services                              | 27,236,656    | 0.39 |               |
|   | 103-477 | District livestock education & extension services | 58,058,548    | 0.83 |               |
|   | 103-639 | District Agricultural extension services          | 1,261,480,038 | 18.1 |               |
|   | 103-661 | District Horticultural Crop prod. Services        | 59,425,928    | 0.85 |               |
|   | 106-290 | Artificial insemination services                  | 42,437,346    | 0.61 |               |
|   | 106-426 | Tick control programme                            | 28,159,665    | 0.40 |               |
|   | 106-432 | District veterinary services                      | 222,357,278   | 3.19 |               |
|   | 106-447 | Tsetse control services                           | 41,806,113    | 0.60 |               |
|   | 106-448 | Disease and pest control services                 | 267,910,776   | 3.84 |               |

|    |  |  |               |       |                |
|----|--|--|---------------|-------|----------------|
|    |  |  |               |       |                |
|    | <b>MINISTRY OF HEALTH</b>                            |  |               |       |                |
| 11 | 111-296  | Primary health care                          | 5,396,059     | 0.04  | 13,652,524,304 |
|    | 112-327  | Nutrition                                    | 7,991,296     | 0.06  |                |
|    | 112-509  | control of malaria                           | 6,366,181     | 0.05  |                |
|    | 113-335  | Rural health centres and dispensaries        | 4,216,223,119 | 30.9  |                |
|    |  |  |               |       |                |
|    | <b>MINISTRY OF ROADS AND PUBLIC WORKS</b>            |  |               |       |                |
| 13 | 130-382  | District administrative services             | 313,007,712   | 2.95  | 10,596,743,724 |
|    |  |  |               |       |                |
|    | <b>MINISTRY OF LABOUR</b>                            |  |               |       |                |
| 15 | 154-632  | Jua kali development division                | 37,219,204    | 2.75  | 1,355,809,700  |
|    | 155-687  | Kenya Textile training institute             | 13,042,471    | 0.96  |                |
|    | 156-815  | District Adult Educational Services          | 313,316,623   | 23.11 |                |
|    |  |  |               |       |                |
|    | <b>MINISTRY OF TRADE AND INDUSTRY</b>                |  |               |       |                |
| 16 | 165-737  | Export promotion council                     | 82,244,860    | 3.58  | 2,298,534,915  |
|    | 165-796  | Export processing zones Authority            | 239,625,245   | 10.4  |                |
|    | 168-790  | Small scale industries - field services      | 33,549,165    | 1.46  |                |
|    |  |  |               |       |                |
|    | <b>MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES</b> |  |               |       |                |
| 21 | 211-678  | Catchments and natural forest conservation   | 87,589,550    | 2.49  | 3,516,238,355  |
|    | 211-679  | Rural <b>afforestation</b> extension schemes | 217,977,350   | 6.20  |                |
|    | 215-887  | District water services                      | 764,767,996   | 21.7  |                |
|    | 217-890  | Water resources - surface water              | 81,658,772    | 2.32  |                |
|    | 217-893  | Ground water Resources                       | 56,647,578    | 1.61  |                |
|    | 217-894  | Other municipalities water suppliers         | 113,960,301   | 3.24  |                |

|    |  |   |             |      |                |
|----|--|---|-------------|------|----------------|
|    |  |   |             |      |                |
|    | <b>MINISTRY OF ENERGY</b>                            |   |             |      |                |
| 30 | 300-430  | Wood fuel resources development           | 25,932,041  | 15   | 174,976,398    |
|    |  |   |             |      |                |
|    | <b>MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY</b> |   |             |      |                |
| 31 | 311-844  | Primary schools                           | 86,616,880  | 0.16 | 54,709,058,129 |
|    | 311-846  | School milk and feeding programme         | 148,655,438 | 0.27 |                |
|    | 312-848  | Primary schools                           | 39,342,000  | 0.07 |                |
|    |  |   |             |      |                |
|    | <b>MINISTRY OF LANDS AND SETTLEMENT</b>              |   |             |      |                |
| 36 | 362-040  | District land adjudication and settlement | 218,584,907 | 17.0 | 1,282,336,133  |
|    | 363-099  | District survey offices                   | 119,252,416 | 9.30 |                |
|    | 367-378  | District physical planning offices        | 59,117,877  | 4.61 |                |