Development Co-operation Report 2020

Crisis impacts on rural lives and livelihoods in Kenya

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The economic impacts of the COVID-19 crisis threaten livelihoods in rural areas as containment measures may reduce domestic demand for agricultural produce, narrow export opportunities and disrupt supply chains. This case study explores the implications in Kenya, where the majority of the country's poor live in rural areas, and there is a need for longer term strategies to cushion the most vulnerable from shocks.

- While the Kenyan government put in place short-term economic support programmes, the COVID-19 crisis shows the structural vulnerability of supply chains for agricultural and food products and the need for longer term strategies to build in resilience against future shocks.
- Rural livelihoods and food security have been weakened in Kenya due to the unintended consequences of shutdown policies, including reduced domestic demand for produce, disruption of supply chains and exports, and the absence of seasonal workers for harvesting.
- Public services in rural areas, including medical facilities, could be overwhelmed as a result of lockdowns and job losses, especially if returning migrants from cities bring the virus with them.

While the health impact of COVID-19 in most parts of the world was primarily in urban areas due to dense population, its adverse economic impacts have spread to rural areas. In Kenya, where most poor people live in rural areas, the pandemic and containment measures in cities resulted in a slump in demand for agricultural products and narrowed export opportunities. The global reduction in remittances is also expected to hit rural households hard, while the return of migrants from the city could overwhelm rural public services. The Kenyan government has instituted short-term livelihood support programmes, but long-term investments, such as in well-equipped and well-stocked health facilities, are needed to ensure rural areas are less vulnerable to shocks. Social cash transfers in response to the crisis have played a significant role in reducing the risk of food insecurity and malnutrition in rural households. In addition, structural vulnerabilities revealed in the agriculture and food supply chain must be addressed.

Compounding pressures on incomes are threatening rural livelihoods

According to the 2019 Kenya Population and Housing Census, there are about 19.5 million poor people in Kenya. The majority – 14 million people – live in rural areas (UNDP, 2020[1]), making people in these areas highly vulnerable to economic shocks. Since the outbreak of the COVID-19 pandemic, rural livelihoods have been trying to cope with three compounding pressures:

1. A slump in domestic demand: The agricultural sector contributes 26% of Kenya’s GDP, and 70% of rural Kenyans rely on agriculture for their livelihoods (UNDP, 2020[1]). Agriculture is a crucial sector for employment, income generation and food security – any negative shock is potentially detrimental. The most significant impact on agricultural livelihoods stems from decline in demand when urban restaurants and food markets closed. Perishable products were wasted and rural producers lost income.
2. Export opportunities narrow: Kenya’s flower exports have recorded more than a 50% drop, production is at less than 10% of pre-pandemic levels, and exporters are shipping only 25-30% of their normal capacity of fruits and vegetables (Deloitte, 2020[2]). Restrictions on travel and the movement of goods and people mean less capacity to export produce, while increased vigilance at borders hinders agricultural trade (Wiggins et al., 2020[3]). For example, the closure of the Kenya-Tanzania border had economic ramifications for the border county of Taita-Taveta, as traders complained of a shortage of farm products and a rise in food (Mnyamwezi, 2020[4]).
3. Loss of remittances: In rural areas, seasonal migration and remittances are a key element of income diversification, and globally, over 40% of remittances are sent to rural areas (FAO, 2020[5]). These income streams are at risk due to massive pandemic-related layoffs in host countries (FAO, 2020[5]). Remittance flows to sub-Saharan Africa are projected to decline by 23%, representing a loss of a crucial financing lifeline for many poor rural households (World Bank, 2020[6]).

Worries mounting over food security, agricultural labour and overburdened essential services in rural areas

In addition to falling incomes, the pandemic has further weakened food security in Kenya. Drought in 2019 resulted in reduced maize production and combined with the ongoing plague of desert locusts in East Africa, food stocks are declining. Since the pandemic hit, stocks are dropping further and prices are likely to increase (UNDP, 2020[1]). With 65% of rural household expenditure going to food items (Kenya National Bureau of Statistics, 2018[7]), food security is also highly vulnerable to income shocks. A report on a survey by GeoPoll indicates that 86% of Kenyans are worried about not having enough resources to be able to eat (2020[8]). The absence of seasonal workers for harvesting (FAO, 2020[5]) and reluctance to travel to purchase farming inputs (Nation, 2020[9]) may further impact harvests and could have longer term consequences for yields.

While COVID-19 itself may impact health in urban areas more harshly, an investigation by Kenya CitizenTV found that returning migrants from urban areas may facilitate the transmission of the virus (2020[10]). Access to essential services is more challenging in rural areas, with lower service capacity and without a critical mass of key workers. Vital services are especially vulnerable and at risk of becoming overwhelmed should returnees fall ill and spread the virus (Miriri, 2020[11]). Some rural counties such as Turkana and Samburu have no intensive care unit beds for a COVID-19 outbreak (Kenya Healthcare Foundation, 2020[12]). In addition, in the rural counties of Kisumu, Homa Bay and Siaya, patients including pregnant women have missed out on essential drugs and supplies, including anti-retroviral and anti-malaria medicine and mosquito nets (Mbenywe, 2020[13]).

Rural communities need immediate support and long-term recovery strategies

The government has put in place several short-term support programmes to mitigate livelihood vulnerability in response to the crisis (Were, 2020[14]), and among them are:

- the COVID-19 Emergency Response Fund of KES 2 billion (USD 18.5 million) to support the most vulnerable groups in these uncertain times
- an additional KES 10 billion (USD 93 million) for cash transfers to support the elderly, orphans and other vulnerable groups.

Cash transfers in particular have been shown in previous studies to be beneficial in enabling households to meet their immediate needs while also enhancing livelihoods (FAO, 2017[15]). Over the longer term, however, policy makers must address the underlying issues that make rural communities more vulnerable to economic shocks and the unintended consequences of policies to contain health pandemics (e.g. lockdowns) on rural incomes, food security and public services. The impacts of COVID-19 are a reflection of the absence of policies that would cushion poor and smallholder farmers whose livelihoods depend on agriculture; for example, more deliberate linkages could be made to ensure rural farmers' access to urban markets. Limited transportation and restriction of movement have resulted in less trade of and accessibility to food, which is sending prices higher at the same time that populations find themselves less able to engage in economic activities. Indeed, the pandemic has exposed the structural vulnerability of the agriculture and food supply chain. Post COVID-19, the agriculture sector should support a transition from a labour-intensive supply chain to a more resilient and efficient agriculture system, including smart agriculture and mechanisation.

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