The Impact of Social Protection on the Welfare of Vulnerable Communities in East Africa: A Case Study from Kenya

Kabubo-Mariara, J; Kiriti-Nganga, TW

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Abstract

The study was conducted to investigate the role of social protection on the welfare of vulnerable groups in Kenya. The study examined the various types of shocks and risks experienced by vulnerable groups and the strategies employed to address different types of shocks. The study further investigated the impact of social protection on enterprise development and asset accumulation by women and on children’s schooling outcomes. A sample consisting of 968 households from Thika District and Starehe and Kibera Districts in Nairobi was interviewed between October and December 2011. Descriptive analyses, probit models, and ordered probit models were used to achieve the objectives of the study. The results show that the main shocks affecting households were: economic shocks - high prices for goods and inputs, low prices of farm produce, unemployment, and business failures; life cycle shocks - death of family member or household head or cash earner; and natural shocks - drought. The main coping strategies adopted in response to shocks were formal and informal social protection, consumption adjustment, putting in more hours of work, and establishing/operating a business. The results further suggest that social protection in the form of the Orphans and Vulnerable Children Cash Transfer and the Old Persons’ Cash Transfer programmes reduced the probability of experiencing natural and economic shocks by the households. Cash transfers and informal social protection also played a significant role both in enterprise development and the promotion of enterprises that were owned or operated by women. Cash transfers favored asset accumulation by women and enhanced children’s school enrollment and attendance. The other factors that influenced household and individual welfare outcomes were urban residence and the gender, level of education, and age of the household head. Overall, the results show that cash transfers impact on standards of living and provide poor and vulnerable households with basic needs (food, health, and education). The results of the study point to a number of policy issues. First, there is need to raise the amounts given in cash transfers and to expand coverage among the vulnerable groups. Second, complementary interventions and strategies should be enhanced to further protect the poor and vulnerable segments of the society from shocks and vulnerability. Third, there is need to sensitize people on the importance of participating in informal social protection arrangements in order to escape poverty. Fourth, Community-Based Organizations and Non-Governmental Organizations should mobilize the poor and vulnerable in rural areas to fight poverty and vulnerability. Fifth, graduation and exit strategies should be designed and implemented to reduce dependency on cash transfers. Finally, there is need to pursue complementary policies for fighting poverty and vulnerability including asset accumulation, enhanced education, and rural development strategies.