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Early Impacts of COVID-19 on Household Incomes and Food Consumption – The Kenyan Case

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Introduction

When the World Health Organization (WHO) declared COVID-19 a pandemic on 11th March 2020, Kenya and many other governments responded with a range of measures aimed at slowing the spread of local infection. Responses included restrictions on mobility, social gatherings and economic activities, and health specific measures to manage infections and mitigate spread. The measures were expected to reduce local spread of the virus but also to negatively affect social and economic activities, and thus the livelihoods of populations (e.g., Zeufack et al. 2020). Governments were confronted with the need to protect both lives and livelihoods but in most cases limited fiscal capacity meant these responses were unable to cushion the economic blow for most people.

This policy brief reports on the impact that COVID-19 had on incomes and food security in Kenya as of July-September of 2020 - four- to six months into the pandemic. Data was collected from a nationally representative sample of 800 households stratified equally between rural and urban areas. Data included changes in income, coping strategies used, food quantity and quality, and assistance received from the government. Data collection was part of a multi-country study across African countries: Kenya, Senegal, Mali, Nigeria, and Zambia (Maredia et al., 2021).

Results show significant decline in reported incomes of households in both rural and urban areas. A majority of rural and urban households also consumed less food and reduced the quality of their diets. These findings confirm that containment measures for the Covid-19 pandemic have had significant negative economic impacts on households in both rural and urban areas.

Key Facts

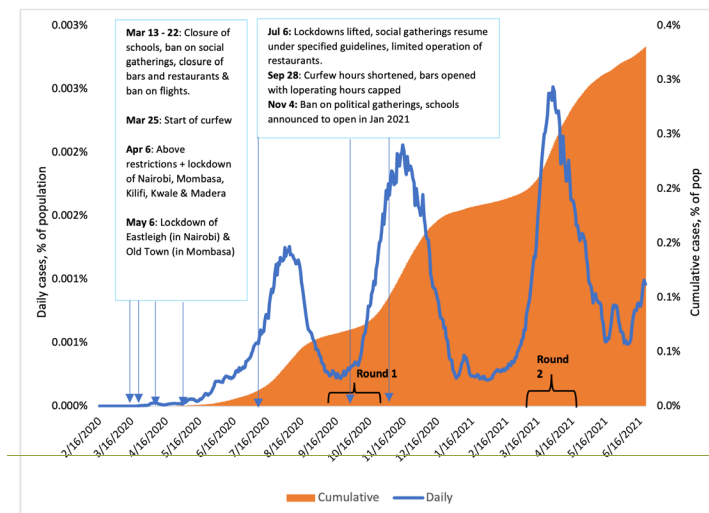
- Rural and urban areas experienced similar, significant declines in reported incomes of households following the onset of the COVID-19 pandemic.
- Majority of households in both areas also experienced reduction in the amount of food they consumed and in the quality of their diet.
- There is need to expand social safety net programs to support affected households in both rural and urban areas.
- It is important to prioritize mass vaccination of the population.



Government Response

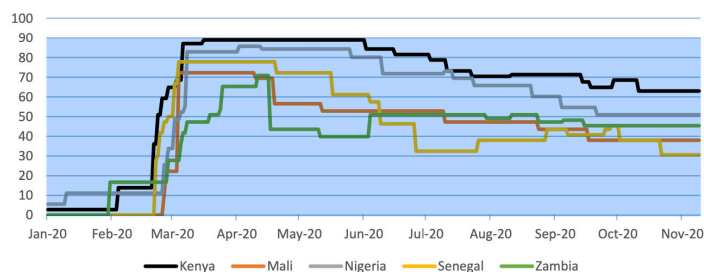
Policy measures responding to the pandemic started March 13th, with the closure of schools, a ban on social gatherings, the closure of bars and restaurants, and a ban on air travel. (Figure 1). Through June 2020, Kenya's policy responses were consistently the most strict among the five countries surveyed (Figure 2 and Maredia, et. al., 2021).

Figure 1: Distribution of policy measures by daily and total cumulative COVID cases.



Source: John Hopkins University (<https://ourworldindata.org/coronavirus/country/kenya>)

Figure 2: Stringency Index



Source: Oxford Covid-19 Government Response Tracker

Note: Description of the index calculation is available at: <https://github.com/OxCGRT/covid-policy-tracker/blob/master/documentation/codebook.md#containment-and-closure-policies>.

To moderate the effect of the pandemic and the associated containment measures on economic welfare of the population, the government implemented social protection interventions and fiscal, monetary and financial policies. Overall, 39% of respondents report receiving some kind of assistance they associated with COVID relief. Thus, a substantial share of households in Kenya do seem to have been helped by social assistance during the pandemic, but we do not know the size of this assistance.

What we found

Household income: By July 2020 both urban and rural households had experienced a drop in income sources and income levels compared to pre-covid in March of 2020. Reported average per capita per day income in March 2020 was KSH 104. This was more than one and a quarter times higher than in July. While both areas saw a decline in income, average incomes in urban areas remained higher than in rural areas.

In rural areas, comparing pre-covid income sources in March 2020 to those in July 2020, we observe a drop in the percentages for most sources, with non-farm wage labour registering the largest drop of four percentage points, followed by trade involving farm/food product, professional work, and on-farm wage labour. On the other hand, the share of households that received income from farming increased by one percentage point.

For urban households, income from most income sources declined between March and July, except non-farm wage labour and food processing. Sources suffering the largest drop were farming, remittance and other sources, food service, trade involving farm/food products, and non-food non-professional trade.

Food consumption: We asked respondents about changes in their households' food consumption, comparing the past month prior to the survey to the same month the previous year. A majority of households consumed less food in the past month compared to the same time the previous year, with a higher percentage in urban areas (50%) than rural areas (44%). A similar observation is made regarding diet quality, where 57% of households in urban areas and 54% in rural areas reported that their family's diet quality worsened in the past month compared to same time the previous year. Approximately 57% of households (53% urban and 59% rural) reported that they skipped more meals in the past month compared to the same time last year.

Conclusion

Government's campaigns and containment policies against COVID-19 have contributed to widespread awareness about the pandemic. However, these measures have had large and widespread negative impacts on rural and urban households' livelihoods. Although lockdowns were imposed in only a few towns, including Nairobi

and Mombasa which are the largest cities and markets, their social and economic integration with other parts of the country, including rural areas, meant that effects were felt far and wide.

The lesser reduction in food consumed and dietary quality among rural households is as expected because most rural households produce part of their own food. However, the evidence that around half of households in rural areas experienced reduced diet quality and quantity implies that such households depend on markets for a significant share of their food needs. So, the measures that restrict rural households' participation in wage and business activities can be expected to have a direct effect on their food and nutrition security just as they would for urban households.

This is the only study in Kenya that we are aware of that has assessed the impacts of COVID at a representative scale and distinguishes between rural and urban impacts. Nationally, our findings are consistent with other studies in Kenya, which found that unemployment increased and access to off-farm work declined, wages dipped for workers in both formal and informal sectors and food and nutrition security deteriorated for majority of the households (World Bank, 2021; Olwande et al., 2021).

Our findings suggest that there is a need to consider widening support to both rural and urban households through expanded social safety net programs. Though we found that a meaningful share of the population received some kind of assistance related to the pandemic, Kenya lacks fiscal resources to offer adequate economic support to all households and businesses. Partnering with multi-lateral organizations to finance well-designed social protection programs would be an important approach to consider. Such programs should ensure appropriate

supervision and accountability to reduce misuse of funds. Other measures that can be helpful include lowering bills on utilities such as electricity, water, and cooking fuel.

Finally, the repeated waves of infection that Kenya has seen, with each peak worse than the previous one, shows clearly that mass vaccination of the population must be urgently prioritized to facilitate faster resumption of people's normal participation in economic activities.

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