



Kenyans grow more discontent with country's economic performance

Afrobarometer Dispatch No. 422 | Paul Kamau

Summary

Kenya's economy has been one of the fastest-growing in Africa. Economic growth averaged 5.7% in 2019, third-highest in sub-Saharan Africa, boosted by a stable macroeconomic environment, positive investor confidence, and a resilient services sector (African Development Bank, 2020).

In spite of this impressive economic performance, nearly half of the country's 50 million residents live below the poverty line (World Bank, 2020), in part due to the economy's heavy reliance on a single sector, agriculture, which accounts for 33% of gross domestic product (GDP), employs about 75% of the Kenyan workforce, and has not been very stable in the recent past.

As the country pursues ambitious development plans, including Vision 2030 and the Big Four Agenda (Republic of Kenya, 2013, 2017) as well as the UN Sustainable Development Goals (United Nations, 2020), how realistic is its path toward inclusive development that "leaves no one behind"? The much-talked-about Big Four Agenda, for example, signals the government's commitment to industrialization in health, housing, agriculture, and manufacturing and aims to enhance food security and transform agriculture from subsistence-oriented and rain-dependent to market-oriented. The agenda also envisions providing universal health-care access and affordable housing for millions of Kenyans.

Based on the most recent Afrobarometer survey in Kenya, inclusive development still faces considerable hurdles. As of late 2019, fewer than half of Kenyans said the country was moving in the right direction, and most described economic conditions as bad, even if a growing minority gave positive assessments of their own living conditions. Young Kenyans were generally a bit more upbeat about the economy than their elders. But regardless of age, large majorities gave the government poor marks for its performance on economic issues.

Afrobarometer survey

Afrobarometer is a pan-African, nonpartisan survey research network that provides reliable data on African experiences and evaluations of democracy, governance, and quality of life. Seven rounds of surveys were completed in up to 38 countries between 1999 and 2018, and Round 8 surveys are currently underway. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice.

The Afrobarometer team in Kenya, based at the Institute for Development Studies, University of Nairobi, interviewed 2,400 adult Kenyans in August-September 2019. A sample of this size yields country-level results with a margin of error of +/-2 percentage points at a 95% confidence level. Previous surveys were conducted in Kenya in 2003, 2005, 2008, 2011, 2014, and 2016.

Key findings

- As of late 2019, fewer than half (44%) of Kenyans said their country was headed in the right direction, a modest decrease from 2016 (48%).
- Two-thirds (65%) of Kenyans described the country's economic situation as "fairly bad" or "very bad," a 10-percentage-point increase from 2016.
- But only 36% expected things to get worse during the next year, while 45% believed they would get better.
- Young people were somewhat more positive than their elders about the state of the economy and its chances for improvement in the near future.
- Four in 10 Kenyans (41%) said their personal living conditions were "fairly" or "very" good, continuing a steady decade-long improvement. The same proportion (42%) described their living conditions as bad.
- But large proportions of the population experienced shortages of basic life necessities during the year preceding the survey, including "many times" or "always" going without a cash income (39%), enough clean water (21%), needed medical care (19%), and enough food (14%).
- Large majorities said the government was performing "fairly badly" or "very badly" on narrowing gaps between rich and poor (79%), creating jobs (78%), keeping prices stable (76%), and other economic issues.

Kenya's economic performance

Kenya's 5.4% economic growth rate in 2019 was remarkable considering the deceleration of world GDP growth to 2.9%, but according to the Kenya National Bureau of Statistics (2020), it reflected a decline compared to steady improvements recorded between 2012 and 2018. (For details on economic indicators for the period 2012-2019, see Table A.1 in the Appendix.) This trend was evident in the agricultural sector, which is the mainstay of the economy, as well as in manufacturing.

Other macroeconomic indicators have remained more or less stable with the exception of public debt, which rose to 58% of GDP in 2019, up from 41% in 2013.

However, the country continues to face key development challenges, including widespread poverty, inequality, climate change, weak private-sector investment, and the vulnerability of the economy to internal and external shocks. The 2018/2019 drought slowed economic growth and reduced food security (African Development Bank, 2020). Nearly 80% of workers are in the informal economy, and 9.3% of the workforce is unemployed (Kenya National Bureau of Statistics, 2020). Given the country's youth bulge, the supply of labour is large, but skills and entrepreneurial activity are limited.

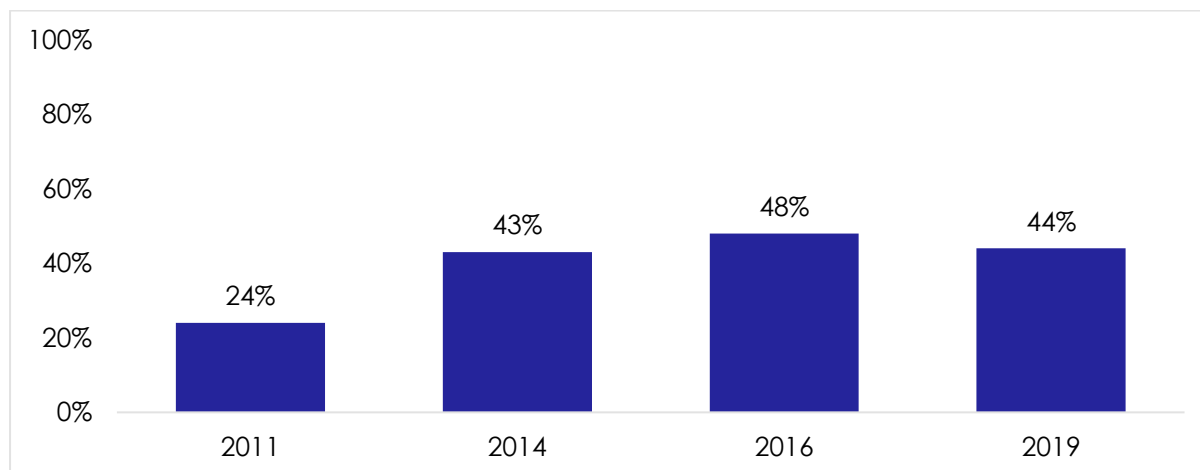
Against this background of "objective" macroeconomic indicators, the Afrobarometer survey provides insights into citizen perceptions and experiences suggesting that on-the-ground realities remain well short of goals for inclusive development.

Citizens' perceptions of Kenya's economic conditions

If Kenya's objective economic indicators are a mixed bundle, so are Kenyans' assessments of the country's overall direction. As of late 2019, a majority (54%) of respondents saw the

country as headed in “the wrong direction,” while 44% said it was going in “the right direction.” The proportion approving of the country’s overall direction declined by 4 percentage points from Afrobarometer’s 2016 survey after doubling during the previous five years (Figure 1).

Figure 1: Country going in the right direction | Kenya | 2011-2019

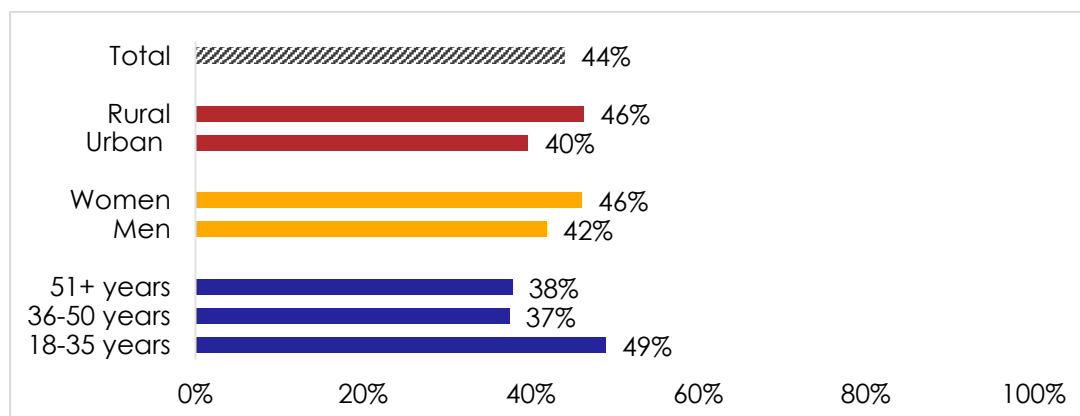


Respondents were asked: *Let's start with your general view about the current direction of our country. Some people might think the country is going in the wrong direction. Others may feel it is going in the right direction. So let me ask you about the overall direction of the country: Would you say that the country is going in the wrong direction or going in the right direction? (% who say "right direction")*

Positive perceptions of the country's direction were more common among young respondents (49% of 18- to 35-year-olds) than among their elders (37%-38%) (Figure 2), a surprise considering the country's high levels of youth unemployment (Kamau, 2017). This finding may reflect the impact of a number of government programs targeting youth, as well as the possibility that as students or dependents, some young people may not feel the pinch of economic challenges as much as their elders.

Rural residents (46%) were more positive about the country's general direction than urbanites (40%), as were women (46%) compared to men (42%).

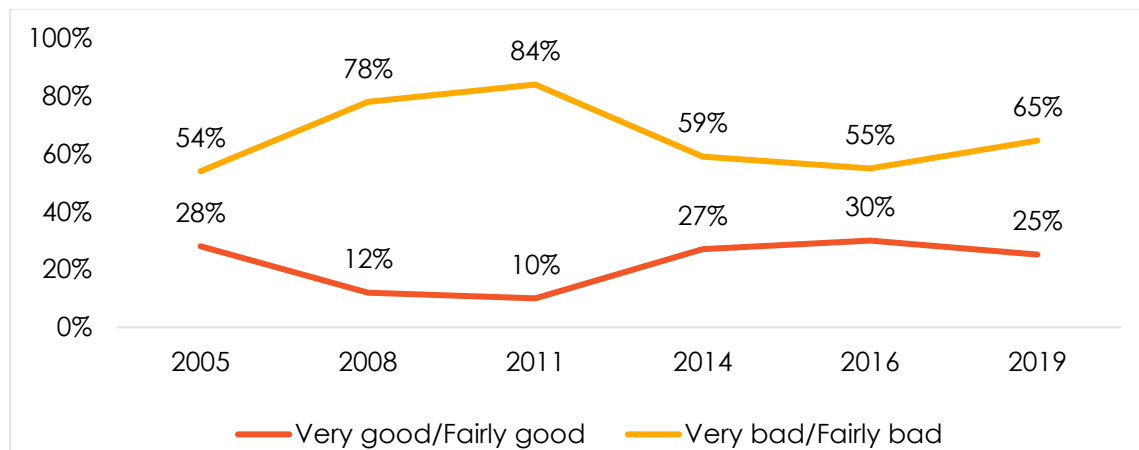
Figure 2: Country going in the right direction | by rural-urban location, gender, and age | Kenya | 2019



Respondents were asked: *Would you say that the country is going in the wrong direction or going in the right direction? (% who say "right direction")*

When asked specifically about the country's economic condition, assessments were even more negative. Two-thirds (65%) of Kenyans described the economic situation as "fairly bad" or "very bad," a 10-percentage-point increase from 2016 that partly wipes out major improvements captured in the 2014 and 2016 surveys (Figure 3). Given the contrast between macroeconomic indicators and citizens' assessments, one might question whether economic gains are reaching the general population.

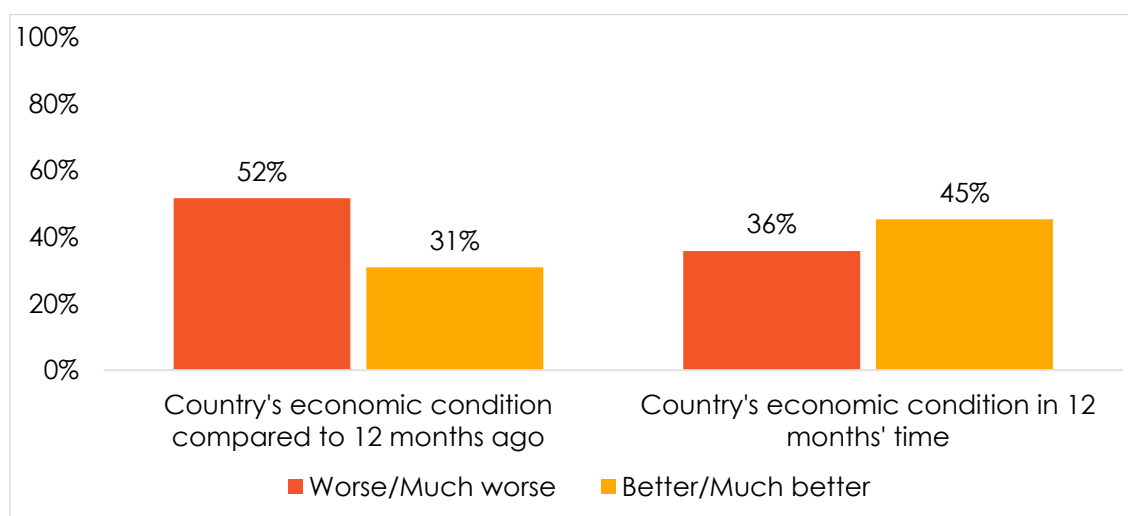
Figure 3: Country's economic condition | Kenya | 2005-2019



Respondents were asked: *In general, how would you describe the present economic condition of this country?*

More than half (52%) of respondents said the country's economic condition had worsened over the previous 12 months. But their outlook for the coming year was somewhat more optimistic: 45% expected things to improve, while 36% said they thought they would get worse (Figure 4).

Figure 4: Country's economic conditions 12 months ago and 12 months ahead | Kenya | 2019

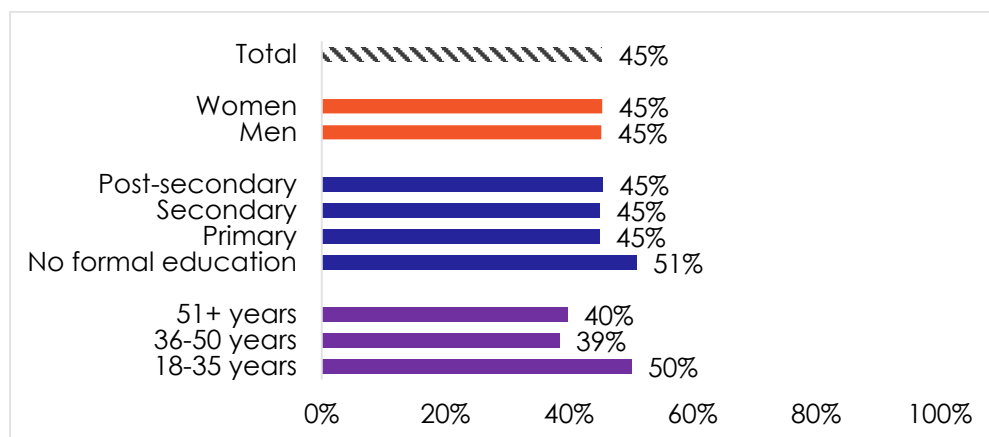


Respondents were asked:

*Looking back, how do you rate economic conditions in this country compared to 12 months ago?
 Looking ahead, do you expect economic conditions in this country to be better or worse in 12 months' time?*

Youth (50%) and citizens with no formal education (51%) were more optimistic about economic conditions in the near future than their elders (39%-40%) and more educated respondents (45%) (Figure 5).

Figure 5: Country's economic condition better in 12 months' time | by gender, education, and age | Kenya | 2019



Respondents were asked: Looking ahead, do you expect economic conditions in this country to be better or worse in 12 months' time? (% who say "better" or "much better")

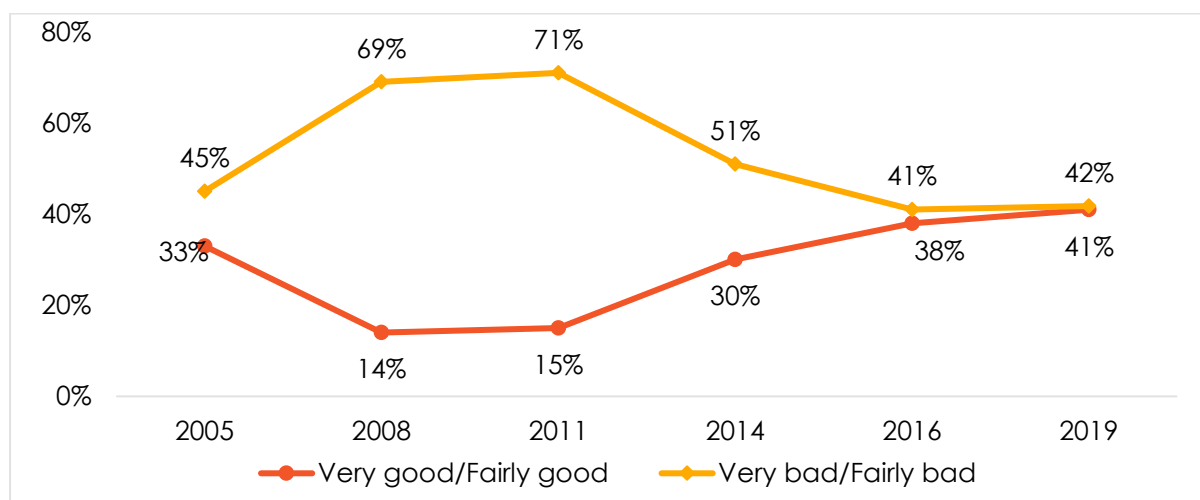
Personal living conditions

While most Kenyans said the national economy was in bad shape, they were evenly divided in their assessments of their personal living conditions: 42% described them as "fairly" or "very" bad, and 41% said they were fairly/very good (Figure 6). Positive ratings of their personal living conditions have increased steadily over the past decade (from just 14% in 2008).

Young people and citizens with post-secondary education were more likely to describe their living conditions as good than older and less educated respondents.

The gap between appraisals of the economy and personal living conditions may reflect citizens' resilience in developing coping mechanisms, e.g. through the informal sector, even when the national economy is doing badly.

Figure 6: Personal living conditions | Kenya | 2005-2019



Respondents were asked: In general, how would you describe your own present living conditions?

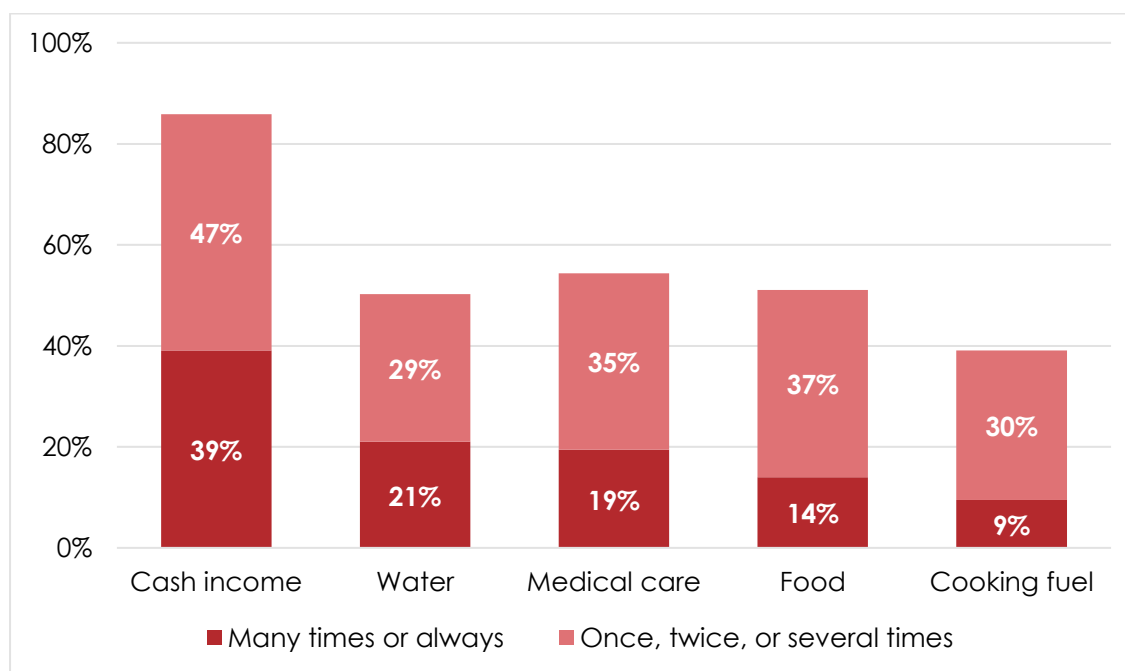
Economic security

While assessments of personal living conditions were improving, large proportions of the population reported going without basic life necessities, experiencing what Afrobarometer calls “lived poverty” (Figure 7). Almost nine out of 10 Kenyans (86%) said they went without a cash income at least once during the year preceding the survey, including four in 10 (39%) who said this happened “many times” or “always.”

Fully half experienced shortages of needed medical care (54%), food (51%), and clean water (50%), including sizable proportions (19%, 14%, and 21%, respectively) for whom these deprivations were frequent. And about four in 10 (39%) went without enough cooking fuel at least once during the year.

These findings suggest the challenges ahead to reach the country's development objectives, such as the Big Four Agenda targets for improving food security and ensuring universal health care.

Figure 7: Going without basic necessities | Kenya | 2019



Respondents were asked: Over the past year, how often, if ever, have you or anyone in your family gone without: Enough food to eat? Enough clean water for home use? Medicines or medical treatment? Enough fuel to cook your food? A cash income?

Economic issues and government performance

Among the most important problems that Kenyans want their government to address, unemployment ranked third in 2019, behind health and corruption, while infrastructure/roads and management of the economy came in sixth and seventh (Table 1).

The list of Kenyans' priorities for government action has remained fairly constant across time, though rankings have changed. Health, for example, has gained in importance (from 21% of respondents in 2011 to 36%), and corruption has risen dramatically, doubling from 17% to 34%. The proportions citing management of the economy, food shortage, and poverty, on the other hand, have fallen since 2011.

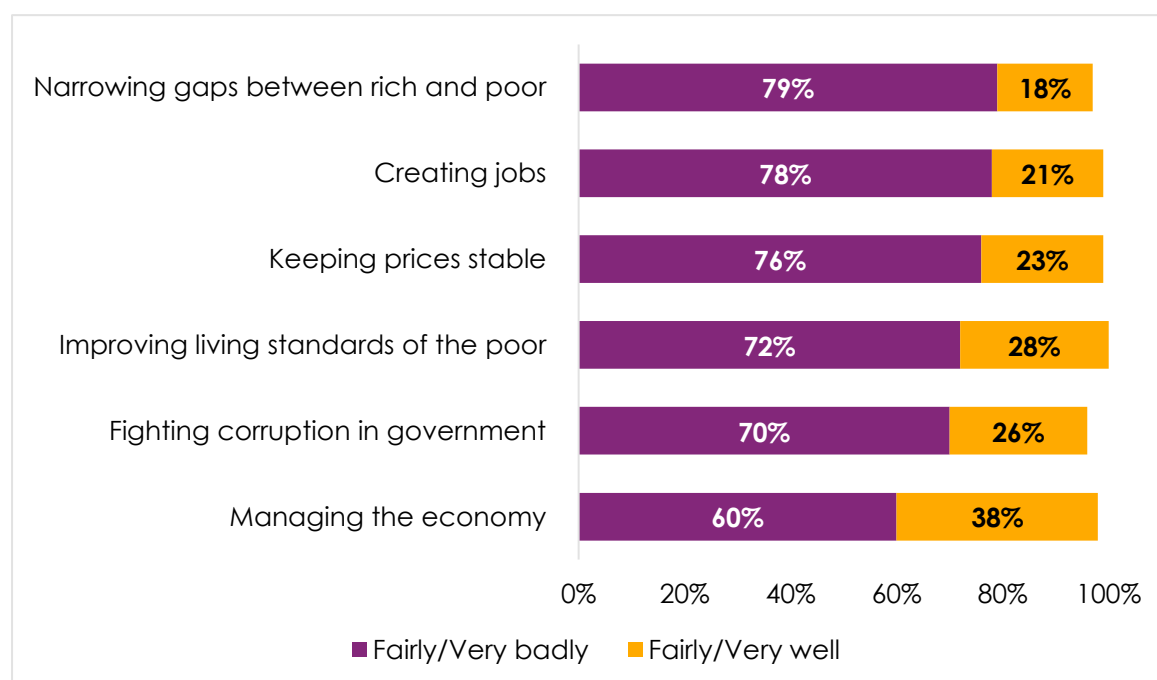
Table 1: Most important problems that government should address | Kenya
| 2011-2019

	2011	2014	2016	2019
Health	21%	22%	26%	36%
Corruption	17%	15%	34%	34%
Unemployment	29%	31%	27%	29%
Education	21%	25%	20%	25%
Water supply	16%	20%	26%	22%
Infrastructure/Roads	19%	23%	16%	21%
Management of the economy	33%	20%	23%	20%
Food shortage/Famine	30%	20%	17%	20%
Crime and security	16%	40%	25%	19%
Poverty/Destitution	17%	15%	14%	10%

Respondents were asked: *In your opinion, what are the most important problems facing this country that government should address? (Note: Respondents could give up to three responses. The table shows the % of respondents who cited each problem among their three responses.)*

When asked how well they think the government has handled key economic issues, Kenyans were highly critical. More than three-fourths said the government was performing “fairly badly” or “very badly” on narrowing gaps between rich and poor (79%), creating jobs (78%), and keeping prices stable (76%), and large majorities gave the same verdict regarding improving living standards of the poor (72%), fighting corruption in government (70%), and managing the economy (60%) (Figure 8).

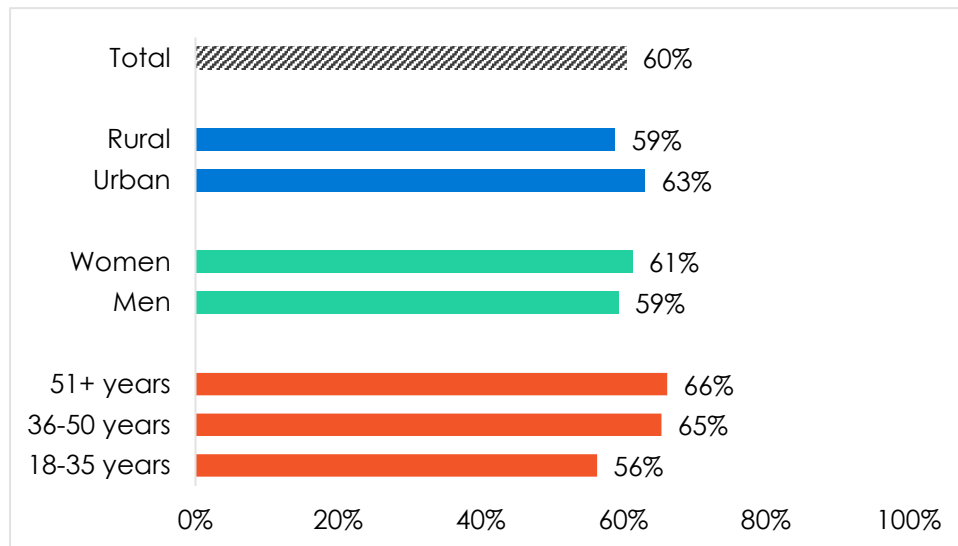
Figure 8: Government performance on economic issues | Kenya | 2019



Respondents were asked: *How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say?*

Young respondents (56%) and rural residents (59%) were somewhat less critical of the government's economic management, but majorities still disapproved (Figure 9).

Figure 9: Negative assessments of government economic management | Kenya | 2019

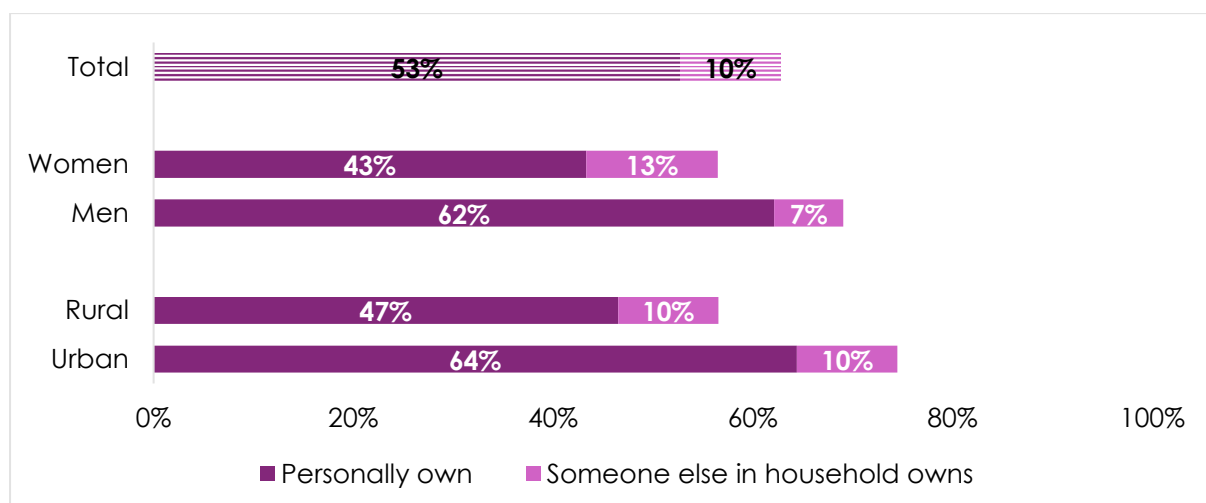


Respondents were asked: How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say: Management of the economy? (% who said "fairly badly" or "very badly")

Financial access

Kenya is a leader in financial deepening, or increasing the provision of financial services (Central Bank of Kenya, 2020). In 2019, slightly more than half (53%) of Kenyan adults indicated they personally own a bank account. In addition, one in 10 (10%) said that while they don't own a bank account, someone else in their household does (Figure 10). Men (62%) and urban residents (64%) were significantly more likely to have bank accounts than women (43%) and rural dwellers (47%).

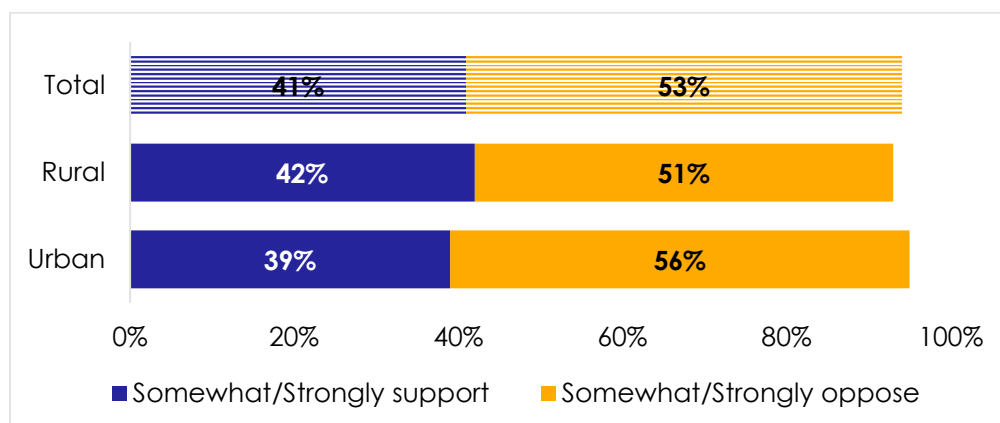
Figure 10: Own a bank account | Kenya | 2019



Respondents were asked: Which of these things do you or anyone in your household own: A bank account?

Another important economic issue that the Afrobarometer survey investigated in Kenya concerns a proposed income-tax increase to support construction of housing units to address the country's housing shortage, in line with the Big Four Agenda. A majority (53%) of survey respondents said they "somewhat" or "strongly" oppose this tax increase, while 41% indicated support (Figure 11). Opposition was somewhat stronger in cities (56%) than in rural areas (51%), probably because taxed employment – on which the tax is based – is more common in urban areas.

Figure 11: Increase tax to build more housing? | Kenya | 2019



Respondents were asked: The government recently decided to make people in paid employment pay additional tax on their incomes in order to build more housing units to address the housing problem in the country. Do you support this decision or oppose it?

Conclusion

After improving between 2011 and 2016, Kenyans' assessments of the country's economic performance have worsened. As of late 2019, two-thirds of citizens described economic conditions as bad, and fewer than half said the country was heading in the right direction. Insufficient food and clean water, a lack of medical care, and a lack of a cash income were constraints to well-being for a substantial number of Kenyans. And most Kenyans gave the government poor marks on economic management. Even so, optimists outnumbered pessimists with regard to economic conditions in the near future, especially among young Kenyans.

Do your own analysis of Afrobarometer data – on any question, for any country and survey round. It's easy and free at www.afrobarometer.org/online-data-analysis.

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Appendix

Table A.1: Economic growth indicators | Kenya | 2012-2019

	2012	2013	2014	2015	2016	2018	2019
GDP growth (%)	4.5	5.9	5.4	5.7	5.8	6.3	5.4
Population (million)	40.7	41.8	43.0	44.2	45.4	56.5	47.6
GDP per capita (Kshs '000)	104.8	113.2	125.6	141.6	157.7	191.8	204.8
Agriculture (% growth)	14.8	20.3	14.5	12.2	17.7	20.1	14.1
Manufacturing (% growth)	-1.49	10.9	7.1	6.7	5.5	6.8	5.7
Wholesale/retail (% growth)	11.1	11.0	9.8	7.9	4.9	8.3	9.4
Transport/communication (% growth)	2.8	4.2	7.3	9.3	12.7	16.6	17.2

Source: Kenya National Bureau of Statistics (2014, 2017, 2020)

Paul Kamau is a senior research fellow at the Institute for Development Studies (IDS), University of Nairobi, Kenya. Email: pkamau@uonbi.ac.ke.

Afrobarometer, a nonprofit corporation with headquarters in Ghana, is a pan-African, non-partisan research network. Regional coordination of national partners in about 35 countries is provided by the Ghana Center for Democratic Development (CDD-Ghana), the Institute for Justice and Reconciliation (IJR) in South Africa, and the Institute for Development Studies (IDS) at the University of Nairobi in Kenya. Michigan State University (MSU) and the University of Cape Town (UCT) provide technical support to the network.

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