Towards Sustainable Vulnerability Reduction for Kenya’s Ultra-Poor living in Urban Slums

Amina Abdulla
Ian MacAuslan
Lilly Schofield

International Conference:
“Social Protection for Social Justice”
Institute of Development Studies, UK
13–15 April 2011
Towards Sustainable Vulnerability Reduction for Kenya’s Ultra-Poor living in Urban Slums

Amina Abdulla, Ian MacAuslan, Lilly Schofield

Abstract

Urbanisation in Kenya is increasing at a rapid pace. Urban growth rates are estimated 1.2% with the population of Nairobi alone increasing by 1.75 million in less than 20 years, the largest proportion of the increase being in the slums. Dramatic population increases have led to widespread poverty with 70 to 75% of slum dwellers defined as poor compared to 46% of the national population.

Having lost their traditional livelihoods, urban poor came as migrants in search of livelihood opportunities only to find their lack of education and skills, and lack of capital – both financial and social – a barrier to formal and self-employment. 65% have incomplete primary education and only 5% have vocational skills. This, coupled with an average income of less than 500 KSH per week, leaves urban poor with little prospect for employment or financial assistance. They hence resort to living in illegal slum settlements throughout the city, struggling to provide one meal a day for their families.

Social protection programmes can smooth household consumption and can enable people to plan ahead and invest socially and economically. Historically social assistance programmes in urban areas have been short-term schemes through NGOs. Without a long-term urban social assistance protection programme that addresses various sources of vulnerability, households are not in a position to take advantage of livelihood opportunities, perpetuating the cycle of poverty.

Building on its experience providing cash transfers in response to Kenya’s Post Election Violence in 2008, Concern Worldwide, in consultation with Government, introduced the concept of transformative social protection to its work in Kenya. Three key components were identified with the aim of reducing vulnerability among the ultra-poor in Korogocho – one of Nairobi’s poorest slums: a monthly transfer of cash to households for a period of eight months to meet a proportion of household food needs; livelihood development by providing skills and small grants; and a social transformation process to reduce stigma and discrimination within the community and encourage community safety nets for ultra-poor households.

Participants in the programme reported increased meal frequency and diversity, improved their access to essential social services such as health care and schooling for children, repaid debts thus re-establishing social capital, and increased their ability to actively engage in economic activities, especially for those living with HIV and AIDS. For some, the intervention gave them the opportunity to take risks and venture into new economic activities yielding them higher returns. More

1 UN-Habitat, 2008
2 World Bank, 2006
3 KIHBS, 2005/2006
importantly for long term sustainability, participants described an increase in self-confidence, greater space for social action and participation, and a strengthening of social networks – all essential steps towards social transformation.

The paper documents the process undertaken in implementing the intervention and the changes in the lives of recipients as well as highlighting key lessons learned including implementation challenges for use by programme practitioners. The paper will also serve as a tool to spur the Government of Kenya’s vulnerable people’s programme targeting urban slums into action.

INTRODUCTION

A Snapshot of Urbanisation

More than half of the world’s population live in cities and the majority of them reside in cities in developing countries. Urban populations are projected to double in African and Asian cities over the next 30 years. The poor make and will continue to make up a large part of urban growth settling in informal urban slums. As a result, the number of slum dwellers has almost doubled in the last 20 years with over 70% of the urban population living in the slums. This number is projected to double by 2020⁴. This pace of urbanization exceeds the rate at which basic infrastructure and services can be provided with dire consequences for the urban poor.

Slum dwellers depend upon employment in the informal sector characterised by low pay and poor working conditions. Slum settlements are often located on hazardous land prone to the effects of natural disasters including landslides, flooding, and earthquakes. Due to the illegal nature of slum settlements, the urban poor are excluded from governments’ development and service delivery plan limiting the urban poor from accessing schools, health clinics, water and sanitation services. They are made highly dependent on private providers for basic social services who charge exorbitant fees in comparison to public providers.

In Kenya, as in most parts of developing countries, urbanization is increasing at a rapid pace. A UN Habitat (2008) report showed that urban growth rates in Kenya are 1.2% and cites the case of Nairobi whose population in 2008 is estimated to be 3,125,000 up from 1,380,000 in 1990. Kenya’s urban poor currently constitute over 4 million people and this number is set only to increase in the coming years as 50% of the country’s population is expected to reside in urban centres by 2020⁵. Recent surveys have shown that between 70 and 75% of slum dwellers are poor⁶ with limited access to water and sanitation, compared to 46% of the national population as a whole⁷.

Urban slum growth in Kenya parallels the global pattern: poverty is translated into rural urban migration without commensurate provision of basic infrastructure and services. Urban poor seek shelter in informal settlements without secure and legal tenure and devoid of government health, water, education, drainage, sewerage, or garbage collection services. Consequently, informal

⁴ UN-Habitat, 2006
⁵ Oxfam GB, 2009
⁷ KIHBS 2005/06
settlements in Kenya are characterized by poor environmental conditions predisposing inhabitants to poor health outcomes.

Many slum dwelling families exist on the edge of survival and urban slum populations are highly vulnerable to shocks, from price increases, to disease outbreaks, to political unrest, to a more subtle combination of all of these that cause a substantial proportion of these families to tip over the edge.

**Vulnerabilities Affecting Kenya’s Urban Poor**

Vulnerabilities of urban poor differ from those living in the rural areas due to their dependence on a monetised economy, high cost of food and basic services, a range of environmental and health hazards, substandard housing and tenure insecurity, and exposure to crime and violence. Compounding in addition to this they are faced with a number of social problems such as unemployment, school drop-out, illicit brewing leading to drunkenness, sexual exploitation of women and girls, child abuse, and a high prevalence of HIV and AIDS.

Climatic variations globally and in Kenya, manifested by recurrent drought over the past 10 years, have not spared the urban poor. Frequent drought has resulted in price increase for food and non-food commodities whilst wages have remained stagnant. In 2009, prices of basic food items in urban areas escalated maize meal by up to 133%, beans by 96%, vegetables by 55%, and oils and fats by 77%. The rising prices for maize (main staple) signified an increase of $250 per year in household food expenses for the urban poor households. This increase is equal to the total annual household income of a large part of the urban poor population. The poor were forced to spend a huge proportion of their income in meeting basic food needs impacting on all forms of capital - financial, human, social, natural and physical.

Dependence on markets for sustenance contributes to specific deprivations among the urban poor who are required to buy essential goods that are free or cheaper in rural areas. Urban dwellers may benefit from services such as electricity and health that may not be available in rural areas, but need to pay for these, increasing the pressure to earn (more) money. With no other asset to sell other than semi-skilled labour, the vulnerability of urban poor households to changes in the demand for labour and the price of basic goods is high. Labour is intimately linked to good health. Urban poor have limited access to health care with public services being non-existent, private services too expensive, and casual employment offering no health insurance benefits burdening them further with the high costs of ill health leaving the poor with limited options and resorting to negative coping strategies such as illicit alcohol brewing, crime, sex work, begging and scavenging among others which puts them in even greater health risks.

Whilst the greater social diversity experienced in urban areas is often considered positive, for the poor it has contributed to fragmentation and crime due to the heterogeneity of its populations. Urban poor settlements are composed of rural migrants, refugees and displaced people with different ethnic, linguistic and cultural backgrounds. With social diversity, relationships become more impersonal and sharing and kinship networks less well developed. Social capital is an essential

---

8 Oxfam GB, 2009  
9 KFSSG SRA, 2009  
10 MacAuslan and Schofield, 2011
strategy in accessing and sustaining livelihoods amongst the poor. Its breakdown in urban settings serves as a major setback in the livelihood and coping strategies for the urban poor.

**Efforts to Reduce Urban Poor Vulnerabilities**

Growing urban vulnerability is increasingly becoming a key issue in the poverty reduction agenda globally. In Kenya as in other countries in Africa, government efforts to tackle urban vulnerability have focused on rural areas in the form of poverty reduction programmes. While it was hoped that by reducing poverty in rural areas rural-urban migration would be curbed and in turn reduce poverty levels in the urban areas. This focus has indeed not yielded the desired effects. There has been a continued migration into urban areas in search of employment opportunities, a trend that is anticipated to continue given the increased frequency and intensity of drought as a result of climate change. This is likely to see farmers and pastoralists drop out of their traditional livelihoods and move into big cities and towns in search of employment.

The Government of Kenya (GoK) has initiated a number of social protection (SP) programmes to address poverty in the country. However, most of the programmes have a rural focus and few cover the urban areas. The programmes range from cash transfers to cash for work schemes to subsidised education and health services, as well as agricultural inputs. These programmes are implemented across the various government ministries with a few of them having a national coverage e.g. free primary education and subsidised health services – however quality of the services and equality of access remain huge issues.

A review of GoK SP programmes undertaken by a Government Taskforce on Food Subsidy following the 2008-2009 food security crisis revealed that Arid and Semi-Arid Lands communities account for about 70% of total expenditure on food and income support targeted schemes and that most of the existing programmes are concentrated in four provinces: Coast; North Eastern; Rift Valley; and Eastern. The urban areas have limited coverage by GoK SP programmes with the most common being the free primary education (FPE) programme. Despite FPE’s national coverage, access by children in urban slums is still limited by structural and policy issues. Specifically, the inadequate number of public schools to serve the slum population has led to the mushrooming of private schools registered as non-formal schools within the Ministry of Education and hence not eligible for government support under the free primary education policy.

FPE is but one example of how the urban poor are excluded from the government’s SP programmes. The few programmes that do indeed serve the urban poor are limited in the scope within which they try to address poverty with most of them focusing on relief e.g. the Orphans and Vulnerable Children’s cash transfer, with limited mechanisms set within the programmes for reducing vulnerabilities to stresses and shocks experienced by the poor and lift them out of poverty. This is not to say that families that are benefiting from such programmes have not seen any difference in their lives and economic well-being but rather the transition beyond the immediate relief provided by the intervention is mostly based on individual recipients’ access to other services, information, links to groups and creativity to use the assistance provided to meet other needs.

---

11 GoK, 2009
Given the multi-faceted challenges faced by the urban poor, a range of initiatives need to be undertaken to address the vulnerabilities. For social protection programmes to be effective in addressing poverty in urban areas, the focus needs to shift from purely resource transfer (i.e. cash transfers) to include measures for addressing the high levels of social vulnerability experienced by the urban poor through delivery of essential services and behaviour change towards vulnerable groups\textsuperscript{12}.

**THEORETICAL FRAMEWORK**

This section provides a brief overview of theoretical approaches to social protection before presenting the concept of transformative social protection (see Sabates-Wheeler and Devereux 2008) that underpins the Korogocho cash transfer programme. It argues that transformative social protection is particularly relevant to low-income urban livelihood settings.

*Transformative social protection*

The term social protection came to prominence in development academic and policy circles as part of a response to a narrow focus on ‘safety nets’ as a means of reducing poverty. Safety nets were designed to provide support to those unable to support themselves – by making transfers to older persons, those living with disability or chronic illness, or those who had experienced some shock that was beyond their control (such as a drought, unemployment, or price rises) (World Bank 1990). In practice, these were often introduced by donors. A range of powerful moral and rights-based arguments can be made in support of this type of assistance, but governments, especially when facing resource constraints, do not always respond to them.

Advocates of social protection have sought to emphasise that these programmes – and others – could link social protection to the management of risk and economic growth. Social protection programmes, it was argued, are important not only to keep alive and maintain the well-being of individuals and groups that had suffered shocks, but could also restore their livelihoods and help them to contribute to economic growth and national prosperity. This link was made prominently in the World Bank’s social risk management approaches that were developed towards the end of the 1990s (Holzmann and Jorgensen 1999; World Bank 2000).

Social protection measures can support economic growth in at least six ways. First, measures that help individuals to manage risk allow them to invest in activities that have higher risk but higher returns, raising economic productivity. For example, farmers with access to crop insurance are more likely to invest in agricultural inputs that increase yields, sales and consumption. Second, small transfers or loans to very poor households can enable them to overcome liquidity constraints, invest and generate positive returns. Third, transfers to low income areas or households can generate economic multipliers as individuals spend their transfers in local businesses. Fourth, social protection programmes may create productive assets – as public works programmes. Fifth, measures that help individuals to maintain their health can permit them to participate more actively in the economy. For example, ensuring that individuals living with HIV have adequate nutrition and antiretrovirals (ARVs) can mean that they can work and contribute to economic productivity. Finally,

\textsuperscript{12} Devereux and Sabates-Wheeler, 2004
ensuring that households have sufficient resources to send their children to school means that those children have better chances of being productive members of society.

These arguments, based around a concern for sustained poverty reduction through economic growth, represent powerful cases for providing social protection to vulnerable individuals and groups. They are persuading more and more governments to extend social protection to their populations. In Kenya, the scaling up of the cash transfer for orphans and vulnerable children, and the start of older persons cash transfer, are examples of this expansion.

However, many argue that sustained poverty reduction requires not only economic growth but also social change towards greater equity, autonomy and empowerment. Social protection can also have a role in supporting these changes and in dealing with social risk. Proponents of this idea have coined the term ‘transformative social protection’ to refer to a wider set of policy measures addressing not only economic but also social vulnerability (Sabates-Wheeler and Devereux 2008).

Transformative social protection measures could take various forms, depending on the source of social vulnerability. For example, women are often social marginalised, with negative consequences not only for these women, but also the society around them. Programmes that reduce gender inequality, or that educate men and women about rights and responsibilities, or changes to the legal framework to promote female asset ownership, would all constitute social protection.

Devereux and Sabates-Wheeler (2004: 9) therefore present a conceptual definition of social protection in a transformative sense as:

“all public and private initiatives that provide income or consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the marginalised; with the overall objective of reducing the economic and social vulnerability of poor, vulnerable and marginalised groups.”

For the present purposes, a key point is that these initiatives can have overlapping impacts on consumption, risk, and social status. For example, a carefully designed cash transfer programme can maintain the consumption of low income individuals (it is protective). However, if the programme is sensitive to vulnerability or risk (i.e. if the value transferred is linked to shocks), it can also prevent negative consequences of shocks (it is preventive). Finally, if the programme allows people to invest and generate returns (it is promotive) it could enhance recipients’ confidence, self-esteem, and social status (it is transformative).

These multiple possibilities of social protection are particularly important in low-income urban contexts, which are typically characterised by multiple vulnerabilities. In urban areas, livelihoods and social systems are typically more complex than in rural areas, and this can restrict the effectiveness of poverty reduction programmes targeted towards a particular source of vulnerability. As the transformative approach to social protection emphasises, addressing low consumption need not reduce poverty in a sustainable way if other social and economic vulnerabilities are left unchanged.
Urban livelihoods

Urban vulnerability is important and growing. However, there is little conceptual work specifically on urban livelihoods and poverty, despite evident differences from rural areas. This section provides a brief framework for analysis urban vulnerability and indicates how transformative notions of social protection are relevant to this.

Urban dwellers, like rural dwellers, obtain food and other basic items by purchasing them (trade-based), being paid in kind (own-labour), being given them (inheritance and transfer), growing them (production-based), or stealing them (Sen 1981). Urban dwellers, living in monetised economies, tend to rely more on purchases than rural dwellers, who rely more on their own production.

Households acquire these necessary items through the use of livelihood assets deployed in a range of different strategies. Assets can be categorised into the following (MacAuslan and Schofield 2011: 17):

- “Human capital, mainly the availability and skills of workers in the household. This reflects education levels and health (including nutrition). Human capital levels can change rapidly when households are exposed to disease.

- Social capital: This influences the help households can obtain, both in terms of direct transfers from friends and relatives (inheritance and transfer entitlement), and indirect help through sharing labour or other assets. Typically, although sharing mechanisms exist in urban areas, they tend to be less developed and extensive than in homogenous rural communities. Other forms of social capital, such as knowledge of markets and jobs, may be more important in urban areas where knowledge flows are more complex and where opportunities are less obvious.

- Natural capital, such as land or livestock. This is typically less significant in urban areas, although even in dense settlements such as Korogocho, households own small livestock.

- Physical capital. This could include capital used for businesses (such as sewing machines or trading stalls), which are particularly important components of livelihoods in urban areas. Physical capital can be accumulated from purchases or loans, but is often expensive and lumpy (i.e. it can only be bought in large units, not gradually added). Physical capital is also vulnerable to theft and destruction, as occurred in large scale in the post-election violence. Unlike in many rural areas, most urban dwellers incur large costs in renting their homes.

- Financial capital, including savings. In urban areas, savings can be made in a variety of ways, including bank accounts, M-PESA, and less formal mechanisms such as merry-go-rounds. Saving outside the household is important given the lack of security that characterises many areas.”

Within this framework, several differences between urban and rural areas are important in terms of vulnerability (Wratten 1995). First, urban dwellers are more engaged in commercial exchange than rural counterparts, both for the purchase of goods and services and in earning a livelihood. On the one hand, this reflects one of the benefits of living in urban areas: urban dwellers have access to a range of goods and services not available in the countryside. On the other hand, costs are typically
higher and urban dwellers have to pay for more items than rural dwellers. This exposes urban
dwellers to price and wage risks from which rural dwellers may be cushioned by the availability of
subsistence farming. Second, urban areas are associated with specific health and sanitation risks
that result from rapid population growth and high population density. Third, more rapid social
fragmentation and weaker family norms in urban areas often mean that there are more female-
headed households who have specific gendered vulnerabilities, that there are weaker (though
broader) social networks, and that crime may be more severe. Finally, urban dwellers are exposed
more frequently to negative consequences of government interventions – for instance in renovating
or clearing informal housing.

These vulnerabilities mean that urban dwellers, particularly when faced with shocks and inadequate
social protection, must often use strategies to obtain their basic needs that have negative
consequences (negative coping strategies). For instance, households unable to obtain food from the
market (because of price rises) may need to send children to work, taking them out of school and
restricting their development and future well-being. Alternatively, women unable to provide for
their children may feel compelled to sell sex, with implications for their health, social status and self-
estee.

Urban vulnerability implies a significant role for a range of social protection mechanisms. Some of
these mechanisms could be resource transfers, which as noted above could have protective,
preventive, promotive and also transformative impacts. For example, cash transfers to low-income
households, particularly if linked to prices or wages, could protect recipients against the
consequences of low consumption (such as malnutrition), prevent recipients from suffering from
shocks, promote their livelihoods and improve their self-esteem. However, these would leave many
sources of vulnerability unaddressed – such as exposure to disasters, disease, social fragmentation,
crime, or government oppressiveness. Other types of social protection would be required to ensure
that these vulnerabilities are addressed – programmes which support livelihoods, build confidence,
foster equality and collective action and establish accountability.

This conceptual approach underpins the design of the Korogocho initiative and the rest of this paper.

THE KOROGOCHO INITIATIVE

The Korogocho initiative was a social protection mechanism implemented in response to a major
shock. A food security crisis experienced in Kenya during the period 2008 to 2009 as a result of a
prolonged drought was exacerbated by the effects of the Kenya’s 2008 post-election violence and
the global escalation of food prices. By April 2009, the Kenya Food Security Steering Group
estimated in their Short Rains Assessment (2009) approximately 4.1 million urban dwellers to be
food insecure and to have difficulties in predictably meeting their basic food needs. This information
was supported by a food security assessment undertaken by Concern and Oxfam in the slums of
Nairobi which indicated high numbers of malnourished children under five and an increase in
families adopting negative coping strategies such as

---

Heyer and Crosskey, 2008
• Income supplementation through engaging in high risk livelihoods (sex work, crime, brewing/selling illegal brews) and child labour. According to observations from focus groups discussions, rates of prostitution increased to around 30%, whilst rates of scavenging among children increased to around 30%.
• Reduced expenditures on non-food items (water, soap, and toilets)
• Increased rates of school drop outs with up to 30% of children taken out of school
• Increase reliance on gifts and credit
• Split households i.e. sending some members of the households, usually the wife and children, or children who are not in school, back to the rural areas to stay with relatives

The food security assessment by Concern and Oxfam recommended an immediate response to protect slum dwellers’ ability to meet basic food needs linked to a longer term ‘promotive’ recovery and development programme. The longer term objective was to enhance food and income security given the high levels of poverty in the urban slums. A taskforce on Food Subsidy (comprising key government ministries, Concern, Oxfam and WFP) was set up by the Government of Kenya under the leadership of the Office of the Prime Minister in response to the assessments and mounting advocacy to begin addressing urban poverty. Its aim was to design a longer term programme that would address food security in the slums and reduce vulnerability of the urban poor. The programme was designed to have three phases:

• Relief phase: involved mostly cash transfers to meet immediate household food needs (protective)
• Recovery phase: involved cash for work schemes to provide incomes and transfer skills to recipients (promotive)
• Longer-term development phase: involved skills building, business grants, access to financial services (promotive and transformative)

Concern’s intervention in Korogocho slum uses the transformative social protection framework as its main strategic approach. This framework introduces an element of social equity through participatory processes that aim at identify the various vulnerable groups and the type of vulnerabilities they are exposed to with the objective of putting in place community measures for addressing them.

Concern’s programme aims to reduce the incidence of extreme poverty through support to vulnerable households in urban slums by increasing their livelihoods options. The programme has three components:

**Cash transfers:** targeted monthly cash transfers were provided as a mechanism relieve to vulnerable households from various economic shocks. Cash transfers were complimented by referrals to basic services exposing vulnerable households to package of services aimed at addressing the full scope of their vulnerabilities and reduce their poverty.

**Livelihood development and security** aims to build the skills of poor and vulnerable households in different sectors for which a market assessment showed there were employment opportunities in the slum and its environs, enabling them to join the labour market or be self-employed. Through this component, providing vulnerable households with access to financial capital to set-up or expand their businesses is a critical aspect. Because most of poor households do not qualify for microfinance
facilities, Concern is providing small grants for set up or expansion and thereafter mentoring and facilitating households through savings and group membership, to meet the requirements for accessing commercial micro-finance facilities.

Social transformation aims at helping vulnerable households and communities develop and strengthen their social capital through the formation of support groups that will provide peer support, mentorship and guidance and improve levels of self-confidence. While these are critical social support functions for the success of the livelihood component, they also serve as platforms for urban poor to raise their collective voice to remind duty bearers of their multitude of unfulfilled obligations. This component of the programme seeks to address issues of social inequity, exclusion and upholding of human rights for vulnerable groups including ethnic minorities living in the informal settlements of Nairobi and Kisumu.

Implementation started in November 2009 with funding from SIDA and Concern with the Government of Kenya committing to provide additional funding to expand implementation in Nairobi, Kisumu and Mombasa. By attempting to garner commitment from the Government of Kenya, the initiative, though initially designed to address a food security emergency, was implemented at a time when the food security crisis was subsiding. The Government’s lack of a unified commitment resulted in major design alterations and delays in the implementation of the programme.

This paper is based on the lessons learned during the initial 12 months of implementation. Key findings, lessons learned, and conclusions are drawn from the evaluation of the cash transfer component of the programme undertaken in October 2010 and information obtained through monitoring and focus group discussions around the livelihoods and social transformation components of the programme that are currently on-going.

IMPLEMENTATION

Targeting and Registration of Recipients

The targeting process was designed in a consultative manner, with the involvement of the village leadership in Korogocho and Concern’s local partners. The process aimed to allow local stakeholders to have a key role but also helped to retain checks to ensure that the recipients would be the most vulnerable in Korogocho. A range of poverty and vulnerability criteria were discussed with the local stakeholders and the following were agreed as reflecting the most significant sources of vulnerability in the urban context of Korogocho:

- Incomes under $0.6/day
- Not benefitting from other programmes

And one or more of:

- Child-headed household not benefitting from cash transfer programme or other support
- PLWHA or terminal illness
- Elderly persons (55+) taking care of OVCs

---

14 MacAuslan and Schofield 2011
• Single mothers taking care of OVCs
• Households taking care of OVC on ARV

The targeting was done in nine villages that form Korogocho slum: Korogocho A, Korogocho B, Gitathuru, Highridge, Grogon A, Grogon B, Ngomongo, Kisumu Ndogo and Nyayo. Targeting teams were formed in each village, composed of a village elder, a social worker, a community health worker, and a village representative. These targeting teams were meant to travel together, visiting each house in a village to identify households who met the above criteria. Households who met these criteria filled out a form containing questions on the criteria, and basic demographic information.

A random selection of 10% of identified households was then revisited and vetted by the teams. In order to provide an additional check and balance, verification teams were assigned different villages to the ones they were assigned during the initial identification. Around 10% of revisited households did not meet the criteria for enrolment and were then removed from the beneficiary list and replaced with households that met the criteria.

Households who remained on the list were then enrolled onto the project though the verification of eligibility was still undertaken at this stage with households being asked eligibility questions as a result of which some households were removed. A total of 1,958 households were enrolled onto the project in Korogocho. Enrolled households were provided with more detailed information about the programme.

**Payments**

Payments to recipients were delivered through use of the mobile money transfer system, MPESA, provided by Safaricom telecom network. Enrolled households were issued with simcards (even if they already possessed phones) through which they received their benefits. Although previous lessons stressed the importance of indexing transfer amounts to household size, Concern, in an effort to conform to Government standards, provided a fixed transfer of $20 to enrolled recipients each month directly to the simcard via M-PESA for eight months. The transfers came on the same day of each month enabling households to anticipate and plan for the payment. Transfers continued for a period of eight months for the majority of enrolled households.

After the 8 months was completed, Concern continued to provide the monthly payments to about 300 households who continued to be unable to meet minimum food requirements and required continued protection. These 300 households included households whose head was either bedridden or elderly with no other member in employment (formal or informal) or earning an income from any other source. Concern continued the payments in the hope that the Government would take on these caseloads in its vulnerable people’s programme.

Whilst cash support was provided to vulnerable households in order to protect consumption and reduce their engagement in negative coping strategies, their vulnerability is not only a function of limited income, as the transformative approach to social protection makes clear. Households have become vulnerable for a myriad of reasons including chronic illness, limited or no skills or education, adoption of erosive livelihood strategies, and poor protective practices. To increase the benefits of a cash transfer, vulnerable households require a package of assistance to begin to address
vulnerability and hence begin to move out of poverty. Many services already exist; Concern identified existing services through its networks of Community Health Workers (CHWs) and social workers and facilitated vulnerable households’ access to these services provided by other organizations and institutions in their area. During the course of implementation, recipients were referred to organizations and facilities that offer health, nutrition, education services, and HIV home based care and support. In total, 40 most vulnerable households had access to referral services.

Livelihood Development and Security

Given the chronic nature of poverty in urban areas, it was important to link cash transfers to long term promotive livelihood development and support interventions. In order to achieve this linkage and help recipients identify and access livelihood and employment opportunities, a labour and market assessment was undertaken in Korogocho to identify skills gaps in accessing formal and informal employment opportunities, identify viable business opportunities, and identify barriers to sustainable livelihoods.

Some of the barriers to sustainable livelihoods identified included lack of or weak social capital limiting access to credit, limited access to credit services due to the interest rates and payment modalities, lack of national identification documents, and city council levies and by-laws that make business ventures found in the slums unprofitable. This information is currently being used in two ways: 1) to design a skills building package for the vulnerable households; 2) to support the development of business plans for recipients involved in small-scale businesses enabling them to access grants through Concern’s initiative or loans from microfinance institutions.

Social Transformation

Concern applied the technique of Community Conversation\(^\text{15}\) (CC) to initiate dialogue on vulnerability, rights and social equity amongst community members. The first phase of the technique involved a thorough assessment by the community members of the environment. This included mapping community groups, community sensitization, developing strong linkages with service providers, and galvanising communities to appreciate their own capacity to change their situation. In this phase Concern skilfully enabled participation of all segments of the society and secured the inclusion of men, women, boys and girls. This phase was followed by the formation of CC groups in every village to dialogue around vulnerabilities within their community and come up with concrete actions to address them; a process that is currently on-going in all the 9 villages of Korogocho.

KEY FINDINGS AND LESSONS

The findings and lessons are derived mainly from the cash transfer component of the initiative and draw heavily on the evaluation results. The impact of the initiative in Korogocho differed widely by household demographic, socio-economic status, and livelihood pattern as these are very diverse in

\(^{15}\) Community Conversations refer to a methodology, developed by Salvation Army (Zambia) and Enda Tiers Monde/Sante (Senegal), for facilitating a series of dialogue with communities around social or even health related issues with the aim of developing concrete social plans for addressing issues emerging out of the conversation.
the slum areas. Though the findings are varied across the different households, they are promising if taken to scale.

**Food consumption and dietary diversity**

Receipt of the transfers increased food consumption, indicating that the transfers clearly had a protective effect for recipients. This was confirmed in both qualitative and quantitative research, with the average meal frequency improving from 1.61 to 2.53 over a period of 11 months.\(^{16}\) Recipients’ scores on the Household Food Insecurity and Access scale fell. These results were most striking for small households.

Food security is not only about the quantity of staple food purchased, but also about the quality of the diet, including the variety of foods consumed. Dietary diversity amongst recipients in Korogocho improved as a result of the initiative. The Household Dietary Diversity (HDD) score increased from 3.4 at the baseline to 7.1 ten months later. While households broadened the number of food items they consumed, they did not necessarily diversify the food groups consumed. The majority of households reported varying food items within a food group, having rice instead of maize, or different vegetables. In others, however, there were clearly additions made to diets (adding fish, meat and beans in particular), and many households increased the frequency of consumption of less consumed food groups\(^{17}\).

The evaluation indicated that though recipients consumed different food items and some additional food groups during the transfer (and some afterwards depending on their income)\(^{18}\), there seems to be a higher value placed on “high status foods and variety” i.e. foods perceived to be consumed by the well to do in society e.g. margarine, drinking chocolate etc.\(^{19}\) rather than nutritional value. The relative low diversity across food groups coupled with the increase in consumption of high status foods indicates a clear gap in nutrition education amongst the recipients hence indicating a clear need for nutrition education to form an integral part of any cash transfer intervention for the intervention to be successful in improving the recipients’ nutritional status.

**Economic**

Injection of cash in an economy can have inflationary effects especially in instances where the markets are not functioning well. Cash was selected as the instrument of transfer precisely because market were well functioning in Korogocho. The evaluation assessed inflationary effects and found them to be insignificant. Though food prices had increased in the period prior to the start of the intervention, prices remained fairly stable during the period of the cash transfer\(^{20}\). This stability was the result of market factors, and was mirrored in other parts of the country. It occurred despite the injection of cash into the slums.

Reviews of cash transfers indicate that the injection of cash can have a promotive impact, boosting trade by increasing purchases from local traders and leading to some of the money being invested in

---

\(^{16}\) MacAuslan and Schofield, 2011  
\(^{17}\) MacAuslan and Schofield, 2011  
\(^{18}\) MacAuslan and Schofield, 2011  
\(^{19}\) Recipients, Gitathuru village  
\(^{20}\) MacAuslan and Schofield, 2011
petty trade\textsuperscript{21}. Though quantitative data is not available, recipients in the Korogocho initiative reported increasing their purchase of goods with the majority spending over 60\% of the transfer value on the purchase of food and non-food items from local traders. Purchase quantities varied from small purchases to bulk purchasing\textsuperscript{22}.

Productivity in the slums is synonymous with labour. The provision of cash increased food intake which in turn enhanced the productivity of recipients, a second promotive effect. Receiving cash led to an increase in food consumption for almost all recipients, as noted above. With labour being the main asset for the urban poor, the availability of food meant that they could engage in productive work and earn an income out of it\textsuperscript{23}. This was particularly evident for those living with HIV who were on Anti Retroviral Treatment (ART) who could not maintain treatment compliance without adequate access to food.

**Investment and Savings**

In many cash transfer interventions, particularly in dynamic economic environments, the likelihood of part of the transfer being invested in productive assets – and having a third type of promotive effect – is high. Most recipients will need to balance current food consumption against future income and livelihood security\textsuperscript{24}. The majority (75\%) of recipients reported investing some portion of the money they received in a business. Of those who invested some of the transfer, 90.5\% reported positive returns, a crucial element for sustainable impact\textsuperscript{25}. The value of the investment and the return on investment however varied across households depending on the household size and the number of income earners in the household. Larger households i.e. households with a high dependency ratio, were less able to spend on business as they had higher food and education spending needs whilst the transfer was not commensurate to the these households minimum basic food requirements as the value was fixed and not indexed to household size.

It was generally easier for households to expand their existing business than to change businesses as was the case for some recipients who had small businesses that were doing poorly that they could not meet their basic needs from the business. For example, it was easier for a recipient who sold vegetables to ‘boost’ her business by adding more stock than it was for a recipient who washed clothes to start a vegetable business. This was for two reasons: first, there are fixed costs in starting a business (such as buying a stall or obtaining a patch) that can bar entry for low income households. Second, households already in business tended to have more disposable income to add to their business.

Recipients nonetheless perceived a clear hierarchy in livelihoods, and they all sought to move up this hierarchy with the transfer even if it meant making some sacrifices at the household level on expenditure patterns\textsuperscript{26}. At the bottom were undesirable activities such as prostitution, theft, begging, and (slightly better) draining toilets or scavenging. At the top were salaried jobs, but near

\textsuperscript{21} Creti and Jaspars, 2006
\textsuperscript{22} Recipients, Korogocho A village
\textsuperscript{23} Recipients, Gitathuru village
\textsuperscript{24} Creti and Jaspars, 2006
\textsuperscript{25} MacAuslan and Schofield, 2011
\textsuperscript{26} Recipients, Korogocho A village
them were jobs selling items with a long shelf-life and high profit margin, such as cereals. Recipients gave higher preference to trading jobs than to manual casual labour such as washing clothes or cleaning houses. This is because they provided greater independence, demanded less hard manual work, and were perceived to be more profitable. This explains why more than 70% of recipients opted for business development support in the livelihood security phase of the initiative.

Savings is a form of social security regardless of whether it is done through a formal or informal institution as it contributes to households’ ability to cope with future needs and shocks. From the evaluation, half of the recipients interviewed reported to have saved some amount of money while receiving the transfer. This is because they had a regular income, often for the first time. Of those who saved money most saved less than $6.5.

These savings were almost exclusively in the form of merry-go-rounds which are informal savings groups whose members make regular contributions, receive a one-off pay out in turn, and may have access to interest free loans. This form of saving is not accumulative – members do not make net gains in cash terms. Instead, they gain security for their money, and impose self-discipline since they cannot spend the money until their turn. There is also a sense in which contributing to a shared resource could have positive social implications – a potentially transformative consequence. However, only 24% of respondents had been able to save money after the transfer stopped; an important lesson on the need for such support to be provided over a longer period of time rather than the 8 months, and for a livelihood development and support component to be implemented concurrently with the cash transfer, which was the case for this initiative for it to have a lasting and more sustainable impact.

Self-confidence and Social Independence

The steady income in a household during the period of the transfer gave households not only the confidence to engage in other activities but also to participate in community activities in their villages and voice their concerns on issues of importance. This second sort of transformative effect is attributed to both the cash transfer component and the community dialogue from the social transformation component. Recipients reported to have gained some sense of self by abandoning some of the negative coping strategies they resorted to before receiving the transfer. This was more so for women who reported to have traded sex for money and didn’t have to do that following the receipt of the transfer and having invested part of the transfer into petty trade.

Recipients reported to have gained a sense of self-worth and a sense of ability to change their lives through the community dialogue process. The information provided during the dialogue sessions gave them ideas on how to make use of available opportunities in their communities, as a household, with the little resources available to them either through the transfer or other incomes.
The community dialogue process also gave recipients the confidence to question certain decisions being undertaken by the community leadership reflecting an increase in awareness of their entitlements and of the appropriate channels for accessing information related to services or initiatives implemented by either the GoK or NGOs in the area. This has according to recipients prompted more consultation and collaboration between community members and the leadership in matters related to development and well-being of community members. Community members have become more aware of their strength in numbers and their rights as community members and felt that they were being listened to by their leadership as a result of this awareness.

**Differential impact**

Though the intervention did have an impact on the lives of the recipients by bringing positive changes at the household level from food consumption to self-confidence and social independence, the extent of these changes and for how long the changes were sustained varied between households. This analysis refers mainly to the impact or changes associated with the cash transfers rather than those associated with the social transformation process implemented through community dialogue.

*Diagram 1: Impact Pathways for Households*

Adopted from MacAuslan and Schofield, 2011

Whilst all households enrolled into the initiative were more or less at the same level during the recruitment, the size of the household, the number of income earners as well as the physical or health condition of the head of the household determined how much these households were able to do with the transfers and for how long the changes were sustained. Clearly, larger households have

---

34 Recipients, Ngomongo village  
35 Recipients, Gitathuru
more mouths to feed and were spending most if not all of their transfers to meet the households’ basic food and non-food needs leaving very little if any for investment or savings. This fact is a reflection of the fixed amount of the transfer ($20) irrespective of the household size.

The fixing of the transfer amount as opposed to indexing it to the size of the household was based on the decision of the GoK to streamline the amounts of transfers in all its social protection cash transfer interventions including this particular one; a decision that clearly put the different households at different levels with regard to the sustainability of the impact. As shown in the figure above, the well-being of the different types of households was more or less at the same level as reported during the baseline. All households reported marked improvement in well-being during the period of the transfer but there was a sharp decline in the well-being of the larger households after the end of the transfer with most of them reporting returning to the same level they were at before the transfer. This is explained by the fact that larger households spent the transfers solely on food and other household needs. Conversely, smaller size households or households that were poor but had a number of income earners (hence considered a bit better off) were able to save or invest a substantial amount of the transfer and demonstrated a more sustained impact after the transfer period ended. The sustainability of the transfer for all types of households could have been achieved by indexing the transfer to household size.

Targeting

While the initiative demonstrated that a community based targeting system is feasible within an urban slum context, some adjustments are necessary to increase objectivity and minimize targeting errors. The targeting system implemented by Concern developed criteria for inclusion jointly with a wide range of stakeholders and selection of recipients was carried out by teams comprised of different stakeholders that moved door to door. This was a significant improvement on commonly used community based targeting approaches that simply communicate the criteria and leave the drawing up of the recipient list to village elders. The approach used by Concern helped to balance special interests and pressures that there might be within the teams and reduced the opportunity for manipulated by village elders.

A challenge Concern faced with the targeting system employed was that it depended heavily on the observations and the relatively subjective understanding the teams had of the criteria. While some criteria could be objectively determined during the household visit, a significant number required the interpretation and opinion of the team. Furthermore, there was no system for determining the relative importance of each category of vulnerability and this depended solely on the teams’ understanding of what was most important. Though the evaluation concluded that inclusion errors were minimal, introducing a scoring system to increase the objectivity in selection would minimise these errors even further.

The targeting approach used resulted in selected households falling into three distinct categories: 1) households who met the targeting criteria and had large families; 2) households who met the targeting criteria but had small families and; 3) households who did not meet the targeting criteria though could be considered poor in some aspects. These three categories of households provide an explanation for the difference in sustainable impact depicted in diagram 1 above. This is clearly an area that needs improvement by instituting measures for objectively scoring the different elements of vulnerability as outlined in the targeting criteria.
Payment System

The use of the electronic money transfer through M-PESA proved very efficient and effective. The secrecy provided by the system made it very popular amongst recipients. Only they would know when they money was received reducing the security risk to the beneficiary. This was all done without a heavy investment in the technology. The only thing that needed to be provided was a sim-card (at a cost of $1 each) because all recipients could access a phone either through relatives, neighbours or the Safaricom M-Pesa agents. Mobile money worked in this context due to the good connectivity of mobile telephone networks in urban areas and the huge presence of the service provider agents from whom recipients could easily access funds. There were transfer and withdrawal fees amounting to 3.6% of the transfer value for every transfer made which was covered by Concern hence no financial costs were passed onto the recipients through this mode of payment.

The processing of the transfers was done directly by Concern through a system designed by Safaricom. As all transactions were done electronically, the human resource requirements to were minimal and there were no security or fiscal management risks to the organization or its staff.

The technical support provided by the service provider Safaricom either directly or through its network of agents was critical to the success of the payment system. Safaricom ensured the efficiency of the system and user/recipient satisfaction. The support provided ranged from educating the recipients on how to make transactions through the system (withdrawals, deposits, check for balances, transfers), security features within the system (passwords and how to change them), and customer care service.

Mobile money was deemed to be an appropriate system of payment given the urban context and the level of infrastructure that was already in place for those recipients who met the qualification for registration into the M-Pesa system. In order to register, recipients were required to have a national identification. This posed one of the biggest challenges faced by the initiative. While Concern collaborated with the local administration to facilitate the acquisition of national identification for 5% of the recipients who did not have one, 5% identified recipients were ineligible for national ID for a variety of reasons. Those ineligible for national IDs included children, refugees, or those people from border areas who could not prove Kenyan birth right. As such, they were unable to qualify for support.

The option of appointing a nominee who would be registered onto the payment system on behalf of the beneficiary was deemed inappropriate by the recipients themselves as they felt they could not trust someone else given the poverty levels in the slum. Concern’s previous experience with the nominee system in the slum context had not been successful with the vast majority of nominees reportedly stealing or demanding a certain proportion of the transfer from the beneficiary. To discourage such occurrences, the nominee system was not adopted under this initiative but other mechanisms appropriate for such households e.g. vouchers or smartcards could be looked into in the future.

---

36 Recipients, Gitathuru village
Conclusion

The evaluation clearly showed that the initiative did indeed have a positive impact on the lives of recipients and should be built upon by future programmes. There have been marked improvements in the lives of the recipients ranging from increased food consumption, improved economic productivity, investment and savings, and a sense of self-worth and social independence.

Both the immediate impact and the sustainability of changes after the transfer came to an end varied between the different types of households. Families with low income and high dependency ratio were more likely to descent into their initial state of low food consumption, poor dietary diversity and use of negative coping strategies. A fixed monthly cash transfer for eight months is insufficient to create sustainable change for this category of household. One of three things would need to occur for these households to enjoy sustainable change: 1) the cash transfer needs to be indexed to family size; 2) the cash transfer needs to be coupled with a longer term livelihood development programme; 3) the fixed transfer needs to be of a longer duration. A combination of these is likely to provide the greatest sustainability. In addition to this, however, would be interventions to deal with remaining sources of vulnerability common in the urban context.

Community based targeting in an urban slum, while extremely difficult, is feasible. The payment system through M-Pesa was a resounding success with fraud being non-existent, and recipients valuing the secrecy and subsequent security it provided. This system can and should be replicated in future cash transfers within an urban context and where connectivity and agent presence is good.

Future programmes need to make a number of considerations for the intervention to have longer term impact in reducing vulnerability amongst the urban poor. Considerations to be made include:

1) Longer term cash transfer to households with high dependency ratios (e.g. large families, few earners) and low incomes intended as a regular safety net mechanisms for poor and vulnerable households who would often engage in negative coping strategies. This would ensure that individuals’ productivity, education and health is maintained, reducing future burdens on the government and on these households. This programme would need regular retargeting reflecting the dynamic nature of households’ circumstances. This long-term cash transfer should however be government-led and part of a wider government social protection system.

Longer term cash transfers could also be considered for households headed by much older or bedridden persons, however, an assessment as to the other kinds of social support beyond cash needed to adequately address vulnerability. At the very least these households will need further support through social care or social work. In these cases, social workers could assist recipients to spend the cash, but should be carefully monitored with receipt checking.

Nutritional education must form an important part of such an initiative to help recipients translate their greater incomes to improved diets. Nutrition education should be provided

---

37 MacAuslan and Schofield, 2011
38 MacAuslan and Schofield, 2011
from the start of the initiative and recipients monitored and supported to ascertain whether information provided is utilised in realising better health and nutrition.

In order to provide comprehensive social protection, it is equally important to link the initiative to other services such as education, health, and HIV support services given the vulnerability of these households and the need to access a varied range of services to address them.

2) Include a livelihoods development component comprised of a mix of cash and loans, complemented with business training. This transfer could build on existing microfinance initiatives, and should be targeted at poor households but should be kept separate from the cash transfer with the proviso that households could be eligible for both given the age, physical and health condition of the members of the household. For households that are eligible for both, this component should be implemented in tandem with the cash transfers.

3) The transfer amount should be indexed to household size and should be reviewed annually to adjust for inflation. This will have more lasting impact and ensure equity as households would have equal access to basic food and non-food needs.

4) The targeting system should include an objective process/mechanism such as scoring or weighting of the various categories included in the targeting criteria. It should also be done on a house-to-house basis, and should be an open process i.e. even when the initial target number has been reached there should still be the possibility of re-targeting at a later time within the year given the frequent changes in the well-being of the populations living in the slums.

5) A community conversation process is very useful in a social protection intervention in order to address issues of inequality and marginalization within a community. In the Korogocho initiative, though this was undertaken after the enrolment of the recipients had been undertaken and transfers were on-going, the results of the conversations have been very promising. Future interventions should therefore consider having the community conversations as the foundation particularly in complex environments such as the urban slums as it has the potential of strengthening the targeting process and creating sustainable change as a result of change in attitudes and perception towards and amongst the poor.

**IMPLICATIONS FOR SCALE-UP**

Concern’s interest in engaging in the Korogocho Initiative was two-fold: 1) to respond to a food security emergency; and 2) to demonstrate to government both the appropriateness and the scalability of cash transfers to urban slum populations as one component of a social protection intervention. Lessons from the Korogocho Initiative have provided the evidence that it is indeed possible to transfer cash safely and securely to urban slum recipients who in turn responsibly utilise those funds to improve their food security situation. Taking into account the considerations and design adjustments discussed above, it is equally possible to take this intervention to scale.

The scale up of such an initiative however has to be government led as it is the government’s ultimate obligation for ensuring that the poor, the vulnerable, the weak and the marginalized
amongst its people are taken care of and their most basic needs are met. This will in the future reap more benefits for the government in terms of economic productivity and growth. Viewed through a transformative social protection lens, a number of issues still need to be addressed for the government to be able to successfully scale up such an initiative. These include:

**Legal and policy frameworks** need to be in place in order to provide the framework within which such initiatives are implemented. The current draft policy on social protection needs to be approved as a matter of priority in order for the government to have a framework within which it brings together its various social protection interventions and looks at providing a comprehensive package of social protection assistance and support to the poor and vulnerable. The absence of a policy framework has been a great impediment in coordination and collaboration across ministries that are implementing social protection interventions. Its absence has also allowed cabinet to veto government funding for social protection initiatives.

The framework will also outline the structures and human resources that need to be in place for government implementation.

**Streamlining of social protection interventions** is a critical area particularly regarding criteria for targeting by the various government programmes. There needs to be agreements amongst government ministries on criteria for vulnerability and the processes for identifying and enrolment into such programmes. Whilst these need to be streamlined and the same processes adopted across ministries, caution should be taken in ensuring that the processes are not too bureaucratic increasing the risks of corruption and patronage hence locking out the poor from benefit.

**Communication** is an important and critical element of any intervention. The government, in order to scale-up, will need to invest heavily on communication for there to be a common understanding and awareness within government itself and amongst the general public on what social protection is, the responsibility of the government for ensuring that mechanism and instruments are in place to ensure that the poor and vulnerable have access to it and the economic benefits that the system would bring to the country in general once in place.

The government should also have in place a communication strategy targeted specifically to its existing and potential recipients for them to be aware of what the intervention is about, who the target groups are, how one can be enrolled onto the programme and what their entitlements are. This is important in curbing corruption at the community level where the interventions will be implemented and has been the greatest challenge with other government social protection interventions where the process of enrolment and entitlements remains mysterious to communities.

**Resourcing:** While the government is already allocating resources to social protection interventions through its ministries, it is estimated at less than 1% of GDP\(^39\). For social protection interventions to reach the poor and have an impact in reducing poverty and on future economic growth, the government needs to consider how to increase its budgetary allocation and enable national coverage of the on-going programmes. Importantly, it will allow for the provision of a comprehensive package of assistance – true social protection.

---

\(^{39}\) Drawn from a concept note developed by the World Bank-‘Social Protection Sector Review, Kenya, 2011’
References


Grellety, B., (2008), ‘Rapid Socio-Economic Assessment in Mathare Slum,’ MSF-France


Oxfam GB, (2009), ‘Urban Poverty and Vulnerability in Kenya: Background analysis for the Preparation of an Oxfam GB Urban Programme focused on Nairobi’


