Comparing Panel Data with Life Histories of Poverty Exiting Households in Rural Kenya

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Outline of Presentation

1. Evidence from Prior Quantitative Studies
2. Objective
3. Survey Methodology
4. Preliminary Key Findings
5. Policy Options
Evidence from Prior Studies

Evidence from various quantitative study done attribute the exits from poverty by the rural households as:

- Demographics
  - Age of the households heads
  - Female households with high dependency
  - Education of head
  - Decrease number of dependency
- Stable increase of income and/or assests over time
- Diversified sources of income
- land size increase
- Productivity increase
- Poverty related to where households lives
Objective

- Identifying factors associated with rural households exiting poverty using the quantitative and qualitative approach ($Q^2$)
Survey Methodology

q-squared methodology of combining quantitative and qualitative poverty analysis (follow up of poverty exiting households with qualitative research methods)
Tracking the poverty-exiting households and conduct qualitative interviews to understand their reasons and stories.

Kenyan Rural Poverty Line:
- 1239/month
- 1347/month
- 1490/month
- 1598/month

TAPRA 1997-2007
Poverty Dynamics 1997-2007

Overall Poverty Dynamics of all TAMPA hh (in %)

- Persistent poor: 14.9%
- Never poor: 24.1%
- Poverty exiting: 20.1%
- Poverty descending: 2.9%
- Oscillators: 38%
# Sample Size

<table>
<thead>
<tr>
<th>District</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meru</td>
<td></td>
</tr>
<tr>
<td>Nyeri</td>
<td>18</td>
</tr>
<tr>
<td>Muranga</td>
<td></td>
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<tr>
<td>Kakamega</td>
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<tr>
<td>Bungoma</td>
<td>17</td>
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<tr>
<td>Nakuru</td>
<td></td>
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<tr>
<td>Uasin Gishu</td>
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<tr>
<td>Trans Nzoia</td>
<td>16</td>
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<td>Bomet</td>
<td></td>
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<tr>
<td><strong>Total households</strong></td>
<td><strong>52</strong></td>
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</tbody>
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Work in Progress - Preliminary Results
Key Findings Attributed to Household Exiting Poverty

- High value crops grown by the households—tea, coffee, export crops—better management
- Livestock was important—especially milk production and also ownership of small livestock—household welfare meet day to day needs leverage credit
- Households with small membership, educated members, remitting—value education
- Intergeneration wealth transfer—where the family members of the head of the household had huge tracks of land, were educated, owned assets
- Increased remittance to the households
- The importance of off-farm income to the households
- Shocks either at the household level or community level push households into poverty
  - Death of household members who are income earner
  - Chronic ailments, drain on household due to medical bill
  - Drought
  - Price hikes
  - Post election violence
Policy Option

- Investment in education especially secondary and tertiary education accessible to all
- Support of interlinked credit
- Investment and support to health care – make it accessible to
- Investment in infrastructure (road, electricity, ICT) in the rural area to spur growth and create employment (off-farm income)
Thanks You