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Kenyans & COVID-19 Financial Diaries Summary March-December 2020

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NAIROBI | February 2021

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Overview & Context

Summary– Entire period (27 March 2020-Early January 2021)

- Many families were **not thriving even when the virus hit**. Struggling with demand contractions still from elections in 2017 & big macro adjustments. Low liquidity for what seemed an acute crisis.
- **Urban impacts happened fastest**, but relief and recovery was also faster in urban areas. Nairobi recovered faster than Mombasa, though more aid coverage in Mombasa. [In general, government effectiveness in Mombasa stronger than all of our other areas.]
- **Informal work** recovered quicker, more in Nairobi than Mombasa (port & tourist dependent). Rural areas used **harvests** to mitigate shock.
- **Digital credit** helped some navigate the crisis, though **informal credit** from shopkeepers and landlords was an even more important lifeline. In general, unprecedented levels of debt for these respondents.
- Drops in **remittances** and shortfalls in **Inua Jamii** hit elderly, especially rural, respondents very hard. Remittances resumed as soon as work resumed, but often at lower levels.
- **Recovery has been very uneven—divergent—**by geography and especially by wealth. Some of best off respondents have even been able to grow further during the recovery and most successfully shielded wealth during the crisis.
- By December, we were observing more **health impacts** of Covid, more fears about spread and deaths, and worries about children contracting the virus when returning to school. In rural areas, many children live with grandparents with co-morbidities & mask use is very inconsistent. Adherence to protocols is constrained by distrust in government reporting.
- By December, **recovery for most had plateaued** at a low level of subsistence, and most expressed feelings of not optimism, but acceptance that this is the “new normal” for the foreseeable future.

Summary–Insights

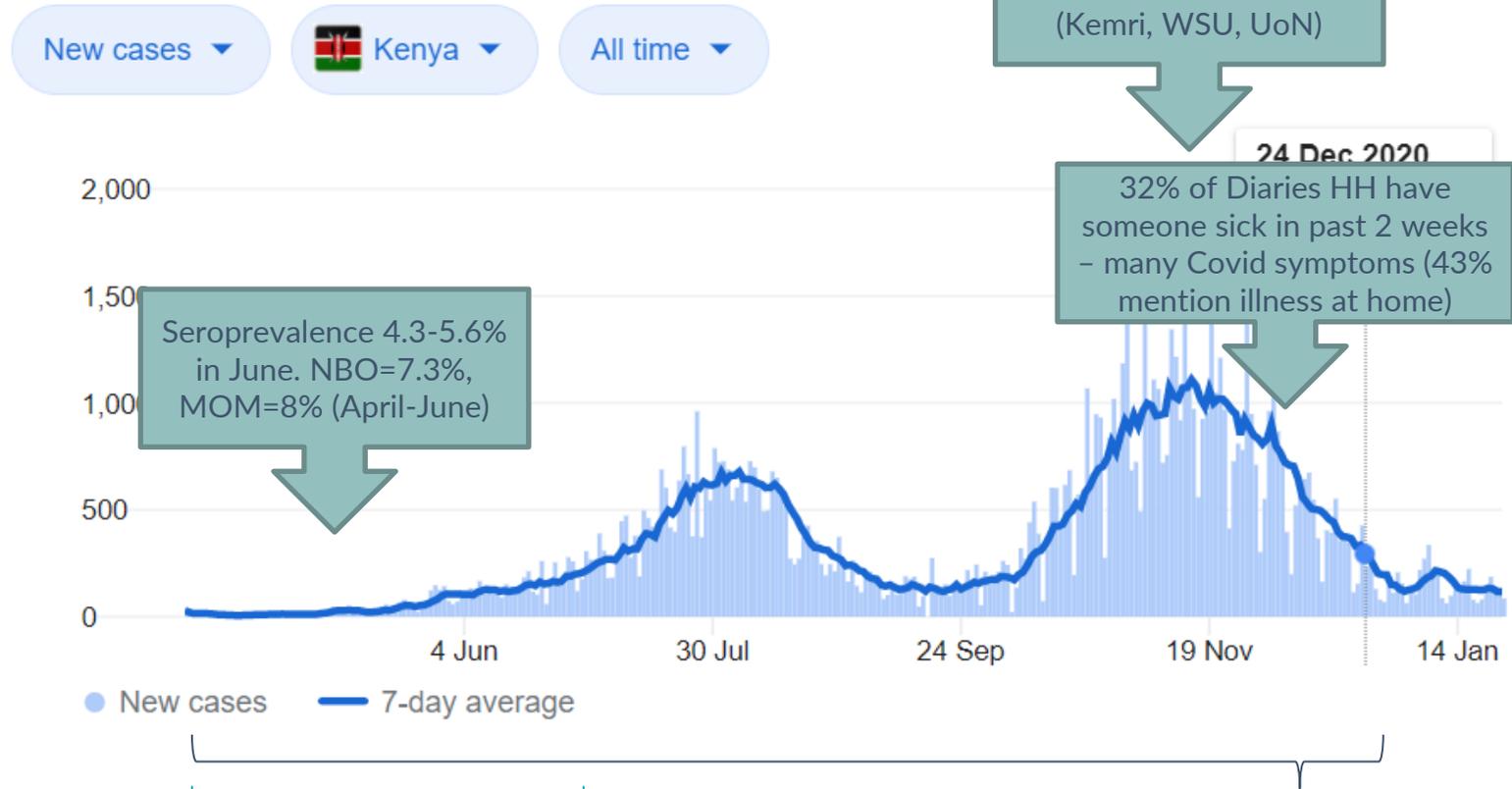
Major drivers of resilience for low income households were informal:

- 1. Diversified, informal income streams** – even if had salary/pension, having foothold in informal sector to keep some inflows alive was key. Those who had, but lost, salaries could not cope using formal savings alone. Needed ability to work informally.
- 2. Social finance** – landlords, shopkeepers, and remitters provided much needed liquidity, able to meet basic needs for food and shelter throughout period. Chamas revived quickly for those who still had incomes.
- 3. Agriculture** – Low investment, low expectation agriculture provided harvests, even with low inputs, which provided critical consumption cushion, especially for rural families. Rural-urban linkages provided a low cost way for some urban workers to retreat & cut costs during worst of times.

Context

- In June, could move between counties, but still subject to 9pm curfew; On Sept 28, allowed the sale of alcohol in restaurants and bars, extended curfew from 9pm to 11pm; curfew rolled back to 10pm through March 2021
- Q2 drop in GDP of 5.7% ([KBC citing KNBS](#)), expect 2021 rebound
- KNBS reported 1.7 million job losses in first 3 mo (KNBS); KEPSA reported 3.1 M job losses in Sept/Oct. Unclear net job/small business income.

Daily change



Unemployment:
1.72 million jobs lost

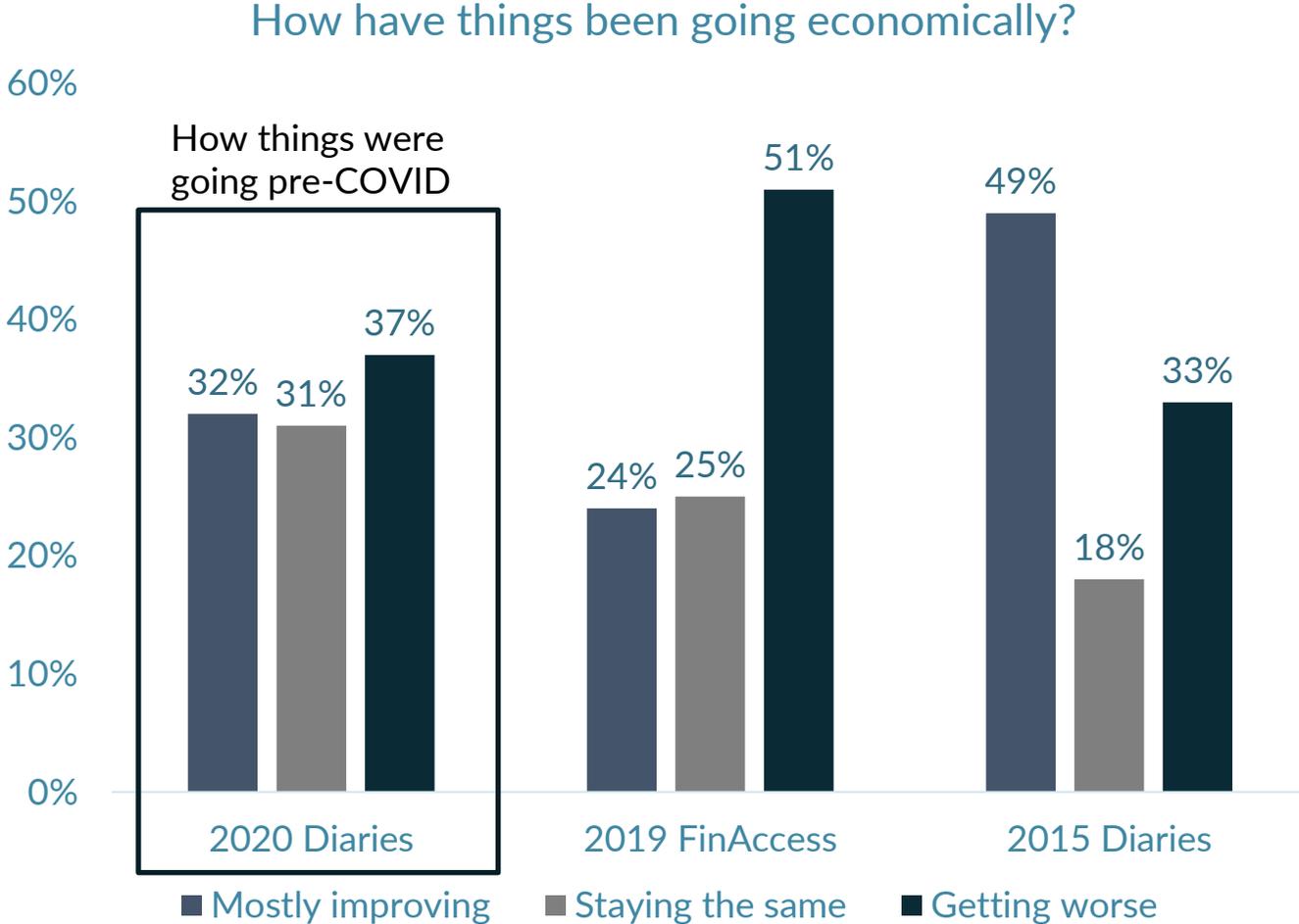
Debt:

- KES 71.26 billion spike in defaults
- NPLs at 14%
- KES 1.63 trillion restructured loans, 54% of book

Source

How were Diaries Families doing before COVID-19?

Many families were not thriving before Covid, struggling through macro changes, health issues, election disruption. *Diaries sample not as badly off as 2019 FinAccess group.*
FinAccess group.



In 2015, we heard about **macro changes** lifting many ships. In 2020, we heard about government policy choices depressing livelihoods.

SGR

Brewing

Regulation

Elections

When SGR cargo section became operational, all business activities in the community were reduced.

She is no longer selling illicit brew. The Police were too hard on them. "They kept asking for bribes, and I could no longer afford to pay them."

I had to close my carpentry workshop as the country came up so many requirements that required money to comply. Since I did not have the money I had to close shop.

He generally cites the economic situation being bad since last general election especially for small business.

Methods

R1-Qual
Check-in

(27 Mar-27
Apr, N=200)

R3-Tracker 2

7 Sept-14 Oct,
N=206



R2-Tracker 1

3 June-9 July,
N=196

R4-Tracker 3

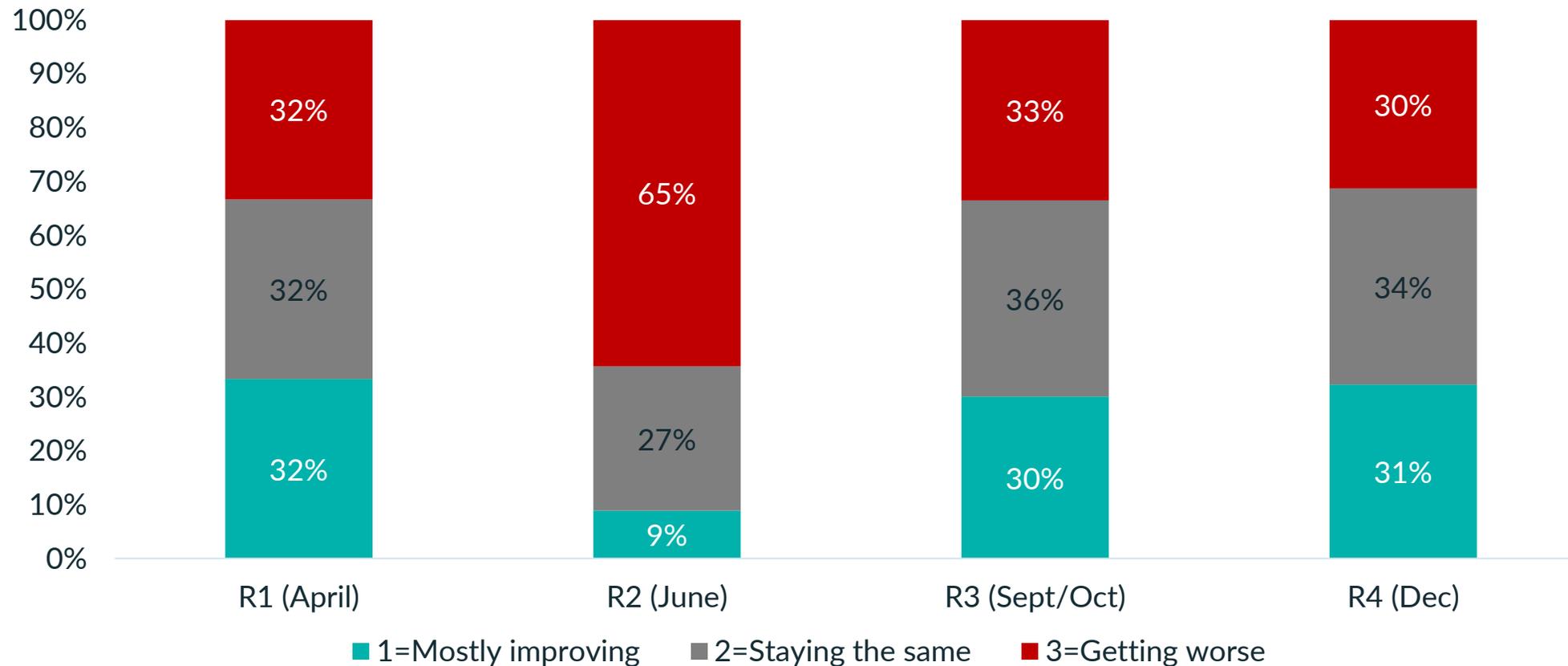
12 Nov*-5 Jan,
N=196

**Started some households early to accommodate a team member's maternity leave.*

Brief December Update

Some recovery since worst of things in June/July, but stalling by December.

How are things going for your household economically since we last spoke? (%)



In December round, a number of key trends:

- Spike in illness.
- Plateau in recovery.
- Some kids back to school.
- Many boys circumcised – some after long delays. Big expenditure for many families.
- Year-end chama payouts.
- December demand boost for holiday shopping and travel.
- Inua Jamii underpayment.

In December, easing pressure, but far from thriving.

“We have learned to live with corona.”

- R: Construction work resuming, tea bonuses @ cooperative, chama payouts, modest maize harvest
- U: Construction work scarce, labor plentiful & cheap, transport work resumed

- Already running out of maize;
- Some remittances slow to return;
- Some casual work available;
- Getting by on low cashflows.

- Employed doing fine, some increase in casual work
- Most business revenues still very low, struggling to recover, but some saw holiday uptick

- Expecting harvest Jan/Feb
- Some casual work for weeding available
- Late government salaries (nurse) and Inua Jamii disruptive
- Low demand in small businesses
- Remittance return is mixed

- Recovery stalling out—no EPZ, no godowns, road construction disruption
- Many becoming desperate
- Complain youth doing drugs

“I have never seen such hard times. I am reduced to a useless person. There are no meaningful activities going on. Children are not going to school, and adults are not able to work even though they want to work.” - Mombasa

Changing situation by area	N	Avg Stress			
		Score (1-10)	1=Mostly improving	2=Staying the same	3=Getting worse
Eldoret - urban	3	8.3	33%	0%	67%
Makueni - rural	36	5.9	25%	36%	39%
Mombasa - urban	28	6.0	29%	36%	36%
Nairobi - urban	35	6.6	37%	29%	34%
Vihiga - rural	41	7.1	10%	59%	29%
Mombasa - rural	24	5.4	25%	46%	29%
Eldoret - peri urban	13	6.0	77%	0%	23%
Eldoret - rural	16	4.8	75%	19%	6%

Low N. – slow
recovery in
construction

Hungry season

No big return to
EPZ, godowns, road
construction

Business
slow

Tea bonuses, casual work on farms

Rising health concerns around Covid

- 32% sick enough to need care in last 2 weeks, 43% mentioned household illness in period
- Several mentions of frequent deaths/funerals
- 62% - Covid is a real health threat
- *Why is Covid not seen as real health threat?*
 - Very serious – ‘instant’ death
 - Not serious – any other ‘homa’
 - Fear costs of testing, quarantine, stigma
 - Unsure if in areas (confusion between towns & counties in reporting)
 - Apparent low reported death rates, able to blame proximate deaths on age and co-morbidities (hypertension, diabetes, age)
 - Distrust of government reporting and motives

Covid is salient concern as kids return to school

Unclear if Covid related, but “Marie,” a young woman with Type 1 Diabetes, died.

- When we met Ellen in 2012, one of her biggest struggles was paying for insulin and hospital bills to care for her daughter, Marie, who’s **Type 1 diabetes** was not well controlled. She worked many extra jobs, including bringing Marie to the church where she cleaned, so she would have full supervision.
- Over time, they found an NGO programme that paid for her insulin, and Marie’s health improved. She started living a more normal life.
- In January 2020, Ellen made a huge investment to send Marie to a **technical college in Murang’a**. But by March, Marie was sent home because of COVID. The students were told to buy laptops and continue online, but that was impossible. Ellen had lost her cleaning job through downsizing and had been struggling to get by on just occasional jobs washing clothes for others. She had also tried a soap business that failed. And now all the money she spent on Marie’s fees was lost while Marie was missing out on online classes.
- Ellen was worried about having Marie home and **protecting her from infection**. But she was completely broke and told us she would rush out the door without hesitation to serve any client who called.
- By September, Marie started complaining of headaches and one day **she died** after passing out at home. Ellen was too distraught to talk about the details of what happened on our call. Ellen has really struggled throughout the pandemic and had to come up with another KES 100,000 for Marie’s burial at their rural home. Relatives covered most of the cost.

While recovery stagnated, most aid stopped.

Inua Jamii (GoK's cash transfer programme) **was underpaid.**

7%

Received any relief/aid, shift from government to NGOs (Red Cross, SHOFCO, Amref)

Inua Jamii:

- Last payments received were in June/July.
- As of late November, most were expecting 12k but received KES 4000.
- In the past, new payments always “caught up” with arrears.
- Instead, in late November, received KES 4000 and no explanations. True for all beneficiaries in our sample (Makueni, Mombasa, Nairobi)
 - “I received 4000 though was expecting 12,000. I have no idea what is happening as no one has given us an explanation as to why we received less money.”
 - “I got 4000 for 2 months. Since they haven’t given us since July we were expecting 12,000. I picked it from the bank.”
- Most respondents expected some kind of corruption, because delays are common, but underpayment is not.
- In addition, the few who were getting COVID relief of 1000/wk stopped in November.

Feb- Few said
got 4k in Feb

Sept – Few
reported
getting 4k in
Sept/Oct
round

April – All got
8k in April

Nov/Dec- All
reported last
payment was
4k, expecting
12k

Were expecting 24k for year—equivalent of 2k/mo.

Inua Jamii underpayment very disruptive for those who really need and depend on the money, especially now, especially in Mombasa with slow recovery.

“Alice” is single mother of three boys. She is HIV positive and handicapped from a leg injury. She’s been trying to sell groundnuts to get by, but sales are thin. She is late on rent and has already cut back meals.

Her middle son went back to Form 4 at end of 2020, but she already owes a debt of KES 23,500. The school has not sent him home, because of a government directive to not send kids home from public schools because of late fees. But he can’t eat lunch at school, because Alice hasn’t paid. His grades have suffered with him eating only once per day at night.

Alice got a very bad illness. “I had fever, flu, and chest pain.” She didn’t think she could afford treatment, so went to the chemist. She negotiated with the chemist to get drugs for KES 310 for KES 100.

Alice says her economic stress is a 10 out of 10. Given how bad things are, the incomplete Inua Jamii payment stung. “I don’t know how things are going to turn out. Inua Jamii is not predictable or reliable to plan around.”

In addition, some challenges and misunderstandings came up over Inua Jamii.

“Problems with cards”

K, an elderly woman in Vihiga began to receive payments a few years ago, but then they stopped. She was told there was a problem with her card. Her daughter tried following up, but hasn't received any feedback.

Intra-household challenges

B registered her father-in-law, and he was selected as a beneficiary. Because of his drinking problem, she manages the money to be sure he spends it on food. (The daughter-in-law is in charge of feeding him.) Over a year ago, someone stole his ATM and ID cards. He has not yet applied for new ones. B doesn't want to help, because she feels they were rude about her managing the money and ungrateful that she took so much time to register him and follow up on the process in the first place.

Confusion on erratic payments

She went to the chief's office in 2017, and told the chief all her issues. In 2018, she was called by the county government, and she got registered. In 2019, she started getting money, but in December, she was told the programme was off. She felt very bad and she thought they will never get any other assistance, only for her to be called in April 2020. Her mother-in-law is blind and was getting KES 4000 quarterly in 2019, but didn't receive anything in 2020. She called the chief and asked why the mother in law didn't get money, and the chief told her he is not the one who decides who gets money and who does not. This money was really helping the family take care of the mother-in-law's medications.

“We were only called once by the chief and given 8000 shillings for the elderly. Since then we have not received any more money.”

Several (esp Mombasa) mentioned frustration over being “forced” by chief, village elders, Nyumba Kumi to sign onto BBI...

These same authorities decide on rationing of Inua Jamii registrations and distributions of aid.



Source: <https://www.aljazeera.com/opinions/2019/11/30/kenyas-bbi-is-the-political-elites-attempt-to-rewrite-history>

...While it became an income source for one political mobilizer in Nairobi

Ella has always earned some extra cash during campaign seasons by mobilizing people to attend rallies. When we called in December, she had been busy collecting signatures in support of BBI.

She said she's really been suffering with this campaign. Kikuyus and 'learned' people have been frustrated and pushing back asking her if she has even read the document. "BBI document ya kusoma iko wapi kwanza." She felt insulted and abused.

Of course she hasn't read the document, she said. "What's the point. Whether people like it or not, it will pass, and "As long as niko na pesa, kazi na chakula sijali." (*As long as I have money, work, and food, I don't care.*)

What's worse, the politician who recruited her promised to pay her KES 2000 didn't come through. She only got KES 1000 from the chief after taking the signatures back. When she asked for the extra money, she was told the work was for "volunteers."



Source: <https://www.bbi.go.ke/>

Synthesis – Trends

Four Seasons of COVID

FULL ALERT (Mar/Apr)

- Abrupt pause on economic activity
- Staying at home
- Washing hands
- Bracing for short shock



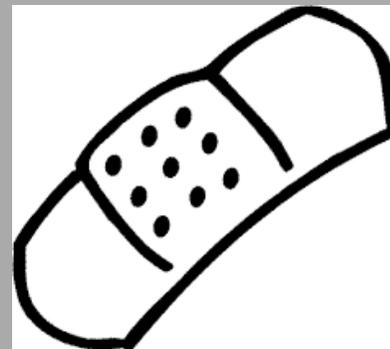
CRISIS (June)

- Loss of business, employment, remittances
- Hunger
- Extreme stress
- Attempts at distress asset sales



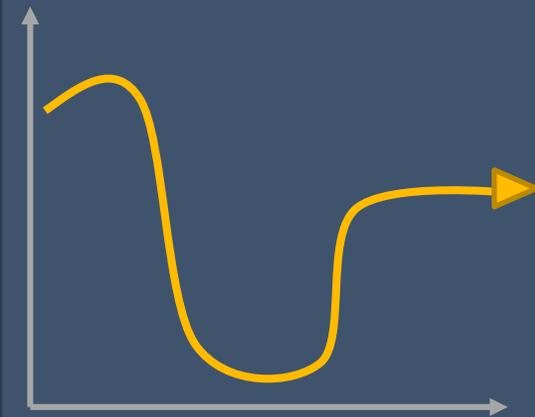
MODEST RECOVERY (Sept/Oct)

- Resumption of employment, remittances
- Harvests in Western
- Divergence in recovery with some thriving & others falling farther behind



NEW NORMAL (Dec)

- Plateau recovery, @ low levels for most
- Continued divergence
- Uncertainty of health threat, surge in illness



Four Seasons of COVID: Impacts



FULL ALERT (Mar/Apr)

- Sharp **drops in income**
- Urban anxieties, some **rural migration**, students home
- New burdens for **women** in rural areas, also some new relief
- Drop in **remittances**
- Freeze in **shop credit**
- Investments in **handwashing**, soap, sanitizer, masks
- Improvements in **security**



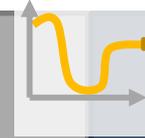
CRISIS (June)

- Loss of business, employment, remittances, some informal business at very low levels
- **Hunger**, extreme **stress**
- Distress **asset sales**
- **Social networks** exhausted
- **Some aid**, mostly to urban areas
- Increased **theft**
- Low **capital**
- Relaxing of **distancing**
- Debt stress, growing fear of **eviction**



MODEST RECOVERY (Sept/Oct)

- Declining stress
- **Divergence** with some investing & others backsliding
- Strain on **relationships**
- Assistance declining
- Rural ->urban **migration** resumes
- Some return to **normal income earner** dominance
- Some girls showing **pregnancies**



NEW NORMAL (Dec)

- **Slow holiday season**, some holiday boost urban areas
- Some kids back to **school**
- **Health concerns** over Covid, return to school
- **Inua Jamii** underpayment
- Rebound in Eldoret, **sluggish recovery** other rural areas, urban plateau
- **Stuck** and low income levels

Four Seasons of COVID: Coping Mechanisms



FULL ALERT (Mar/Apr)

- Draw down liquid savings
- Draw down food stores
- Halt savings contributions & unnecessary expenditures



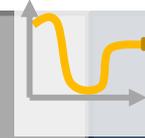
CRISIS (June)

- Continue to work in any sector where that is viable (increasing reliance of families on women's informal incomes), adapt where necessary
- Retreat from urban areas to rural family homes
- Sell household assets in distress (ie. furniture, phones)
- Plant vegetables
- Stop loan payments
- Delay rent payments



MODEST RECOVERY (Sept/Oct)

- Continue to work wherever there is work to be done (growing opportunities)
- Harvest grains
- Borrow from friends, family, neighbors, mostly in kind
- Take goods on credit at the shop
- Borrow from the chama
- Remittances resume



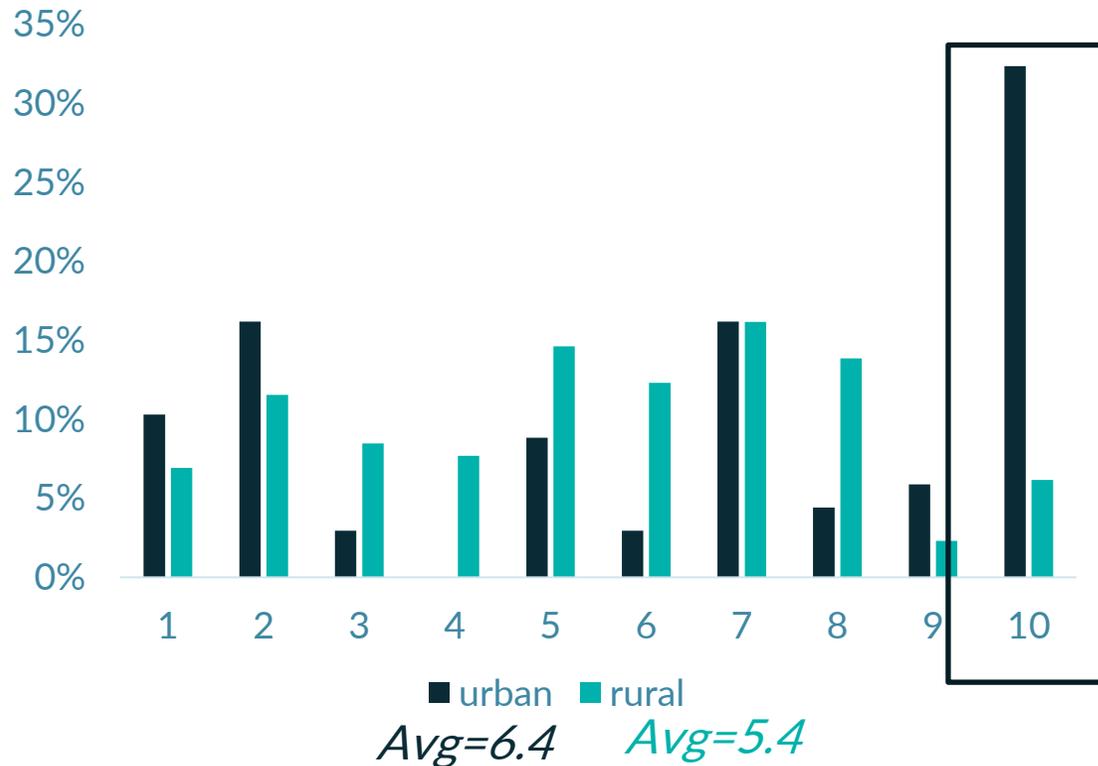
NEW NORMAL (Dec)

(Very similar to Sept/Oct)

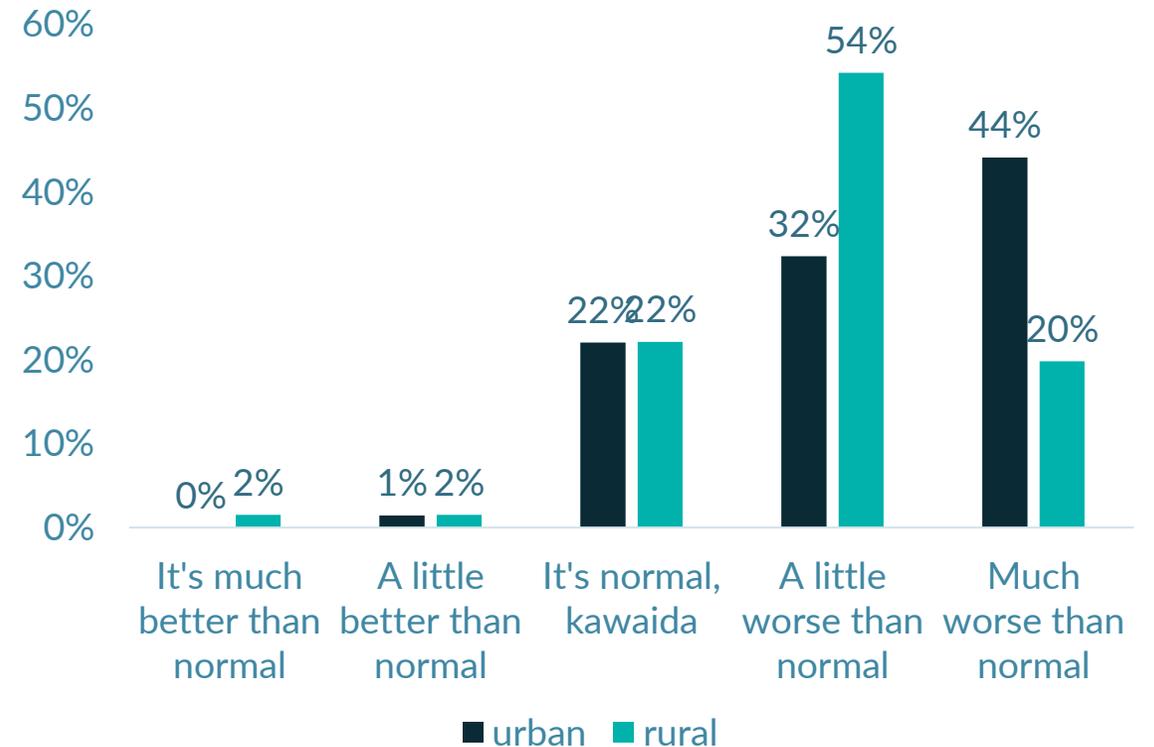
- Continue to work wherever there is work to be done (growing opportunities)
- Harvest grains
- Borrow from friends, family, neighbors, mostly in kind
- Take goods on credit at the shop
- Borrow from the chama
- Remittances continue
- Cancel holiday travel
- Draw on year-end chama payouts, tea bonuses

COVID disruption hit hard and early with some extremes in urban areas. (April)

On a scale of 1-10, (where 1 is not at all, and 10 is completely) how much has your life been disrupted already by the corona virus?



Right now, how much has your financial situation changed from usual because of virus-related disruptions?



What did a “10” look like?

28

Lost jobs, lost customers:

“I am on unpaid leave.” June

She relies on casual work which she cannot find now because even the people who give her work don't want outsiders to come to their home. April

“I have a whole acre of land with vegetables that I don't know what to do with.” April

New dependents:

“There are currently 16 people in the house.” June

Her other sons and wives coming home suddenly has thrown her off balance. “They came with nothing, no food, no money.” April

Remittances gone:

Her husband hasn't been working in Nairobi and hasn't sent money since February. Her milk cow also died, and they have consumed all of their maize. June

Unable to access liquidity:

She has zero access to place she could borrow essential items like tomatoes, vegetable, salt etc. April

She has already borrowed from the people she would have gone to for help so they are no longer an option. April

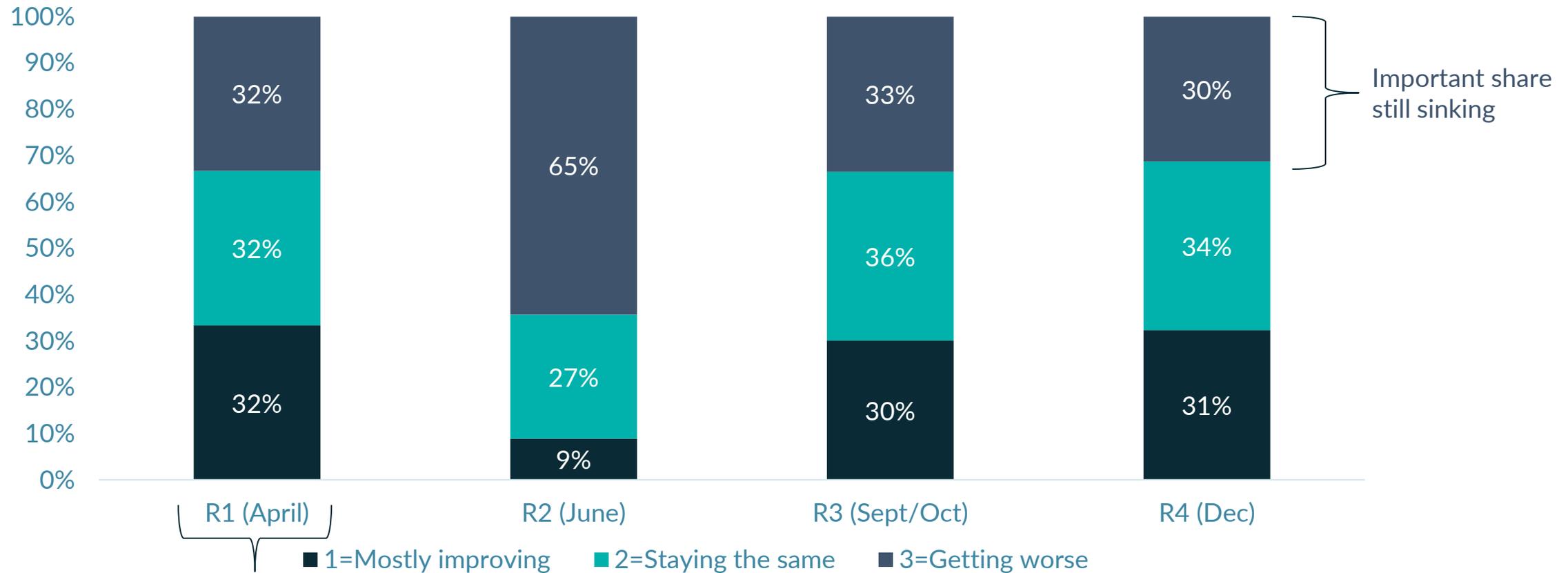
“There is no money in circulation at all.” December

Diverted capital:

She used part of her stock for business money to buy food, and it has not been easy to stock up. She is only selling a few items in her kibanda. April

Some recovery since worst of things in June/July, but stalling by December.

How are things going for your household economically since we last spoke? (%)



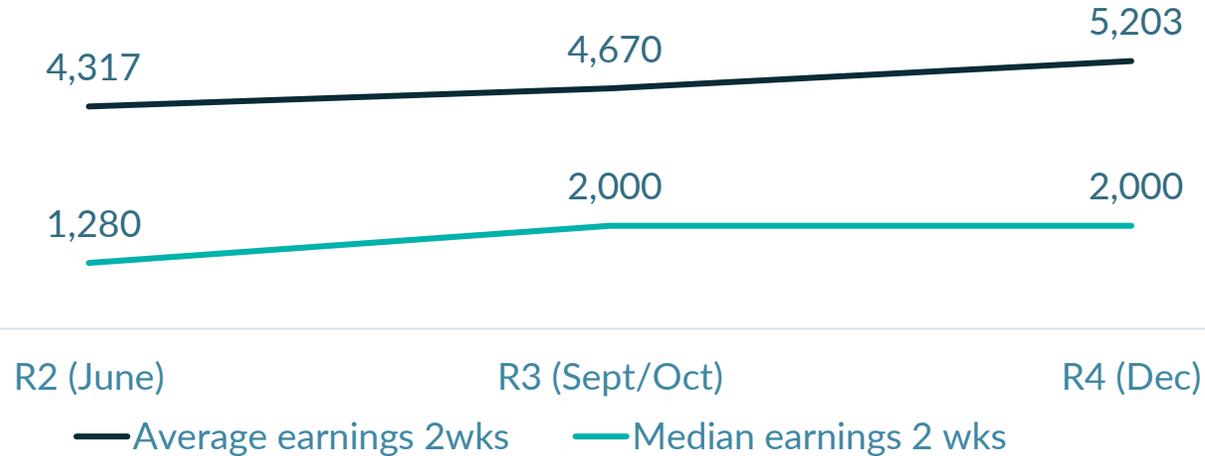
Reflects trend pre-Covid

Recovery of incomes was a little slower in rural areas on average.

Average
Median

6,000
5,000
4,000
3,000
2,000
1,000
-

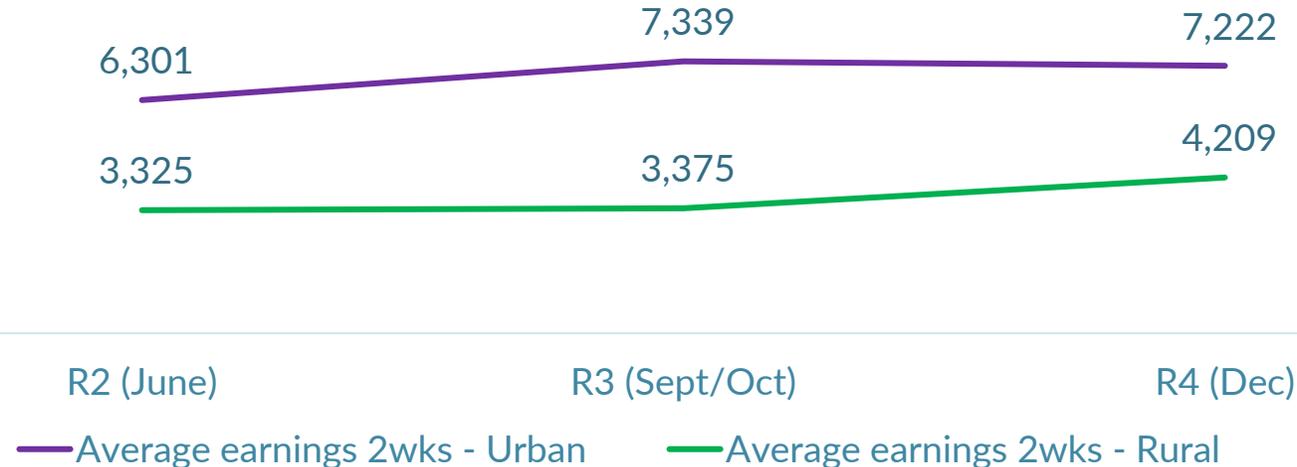
Average earnings in previous two weeks (KES)



Urban
Rural

8,000
6,000
4,000
2,000
-

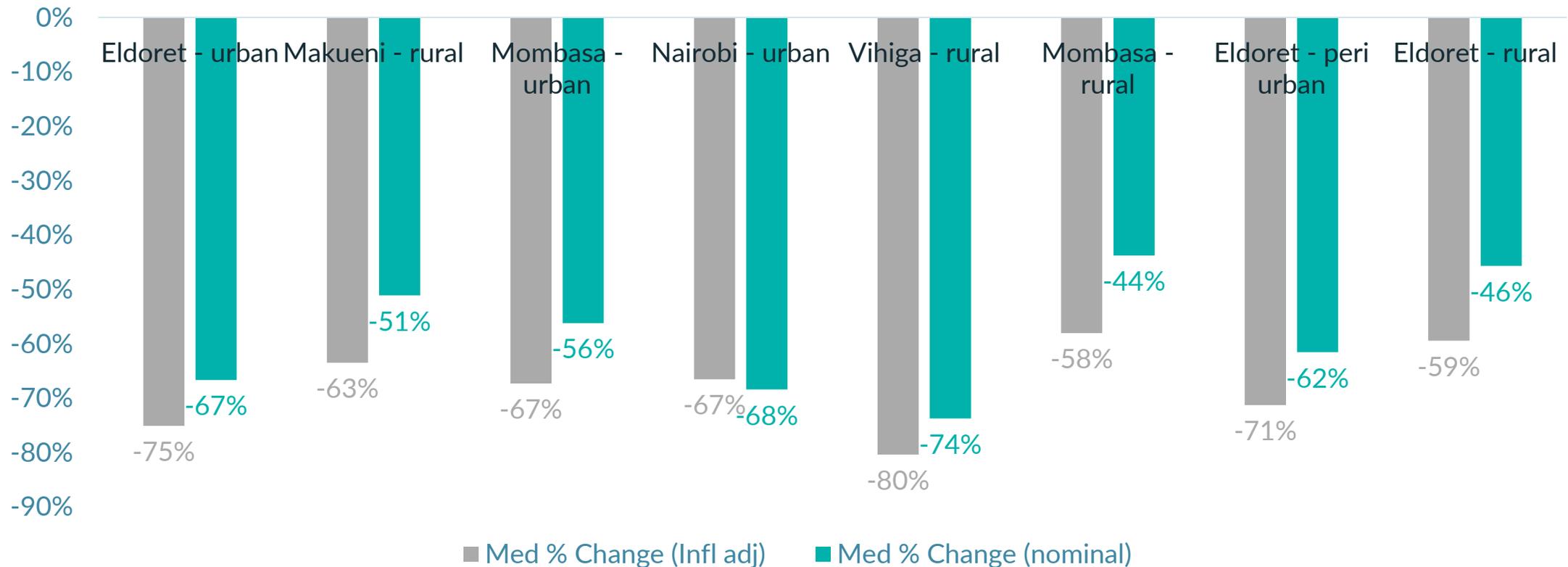
Average earnings in previous two weeks (KES)



This is most likely a dramatic loss of welfare, even from 2015 nominal incomes.

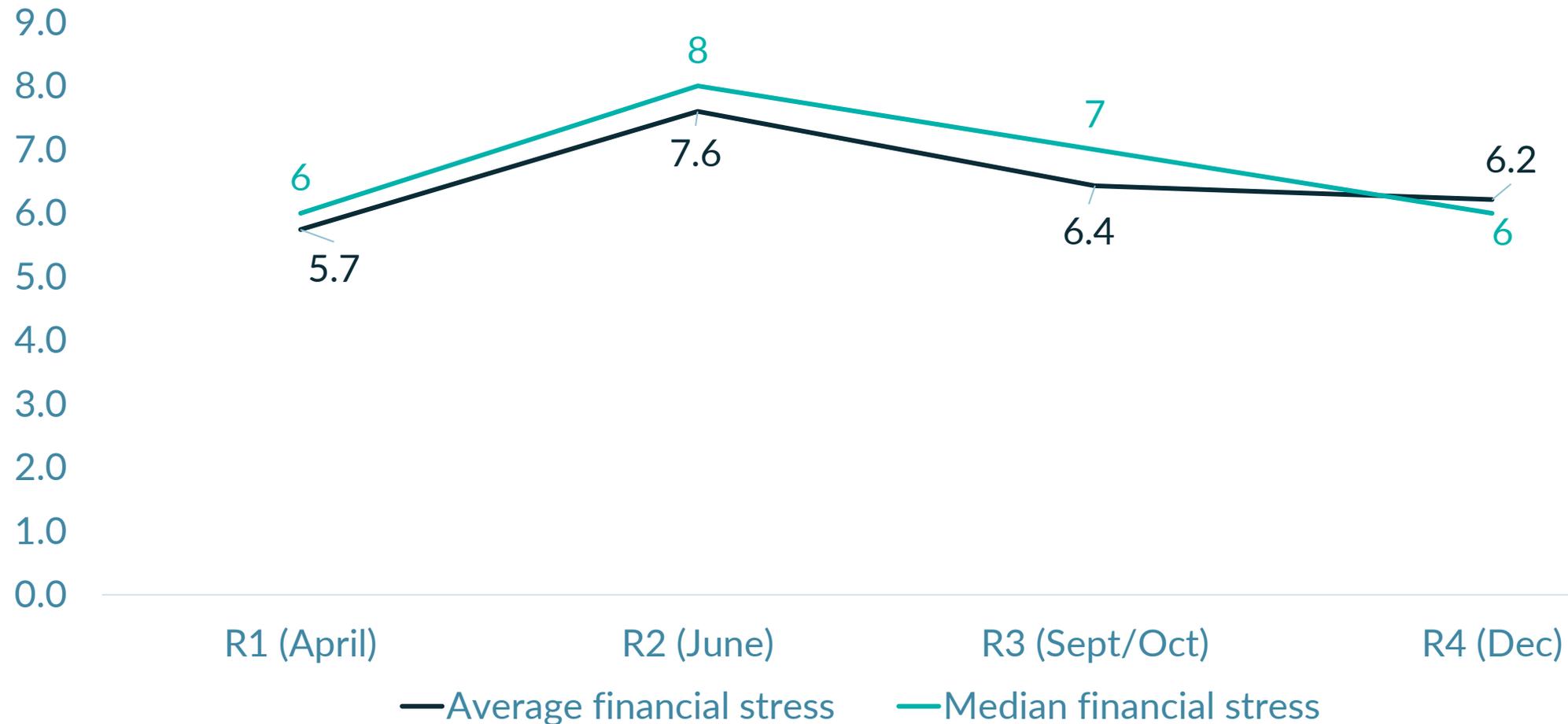
Though this is a bit rough, comparing ½ monthly HH income from detailed review to estimation of previous two weeks' earnings. Likely exaggerated loss on a monthly basis, but not on an annualized one given compounded losses across 2020.

Estimation of change in income from 2015 to Dec 2020



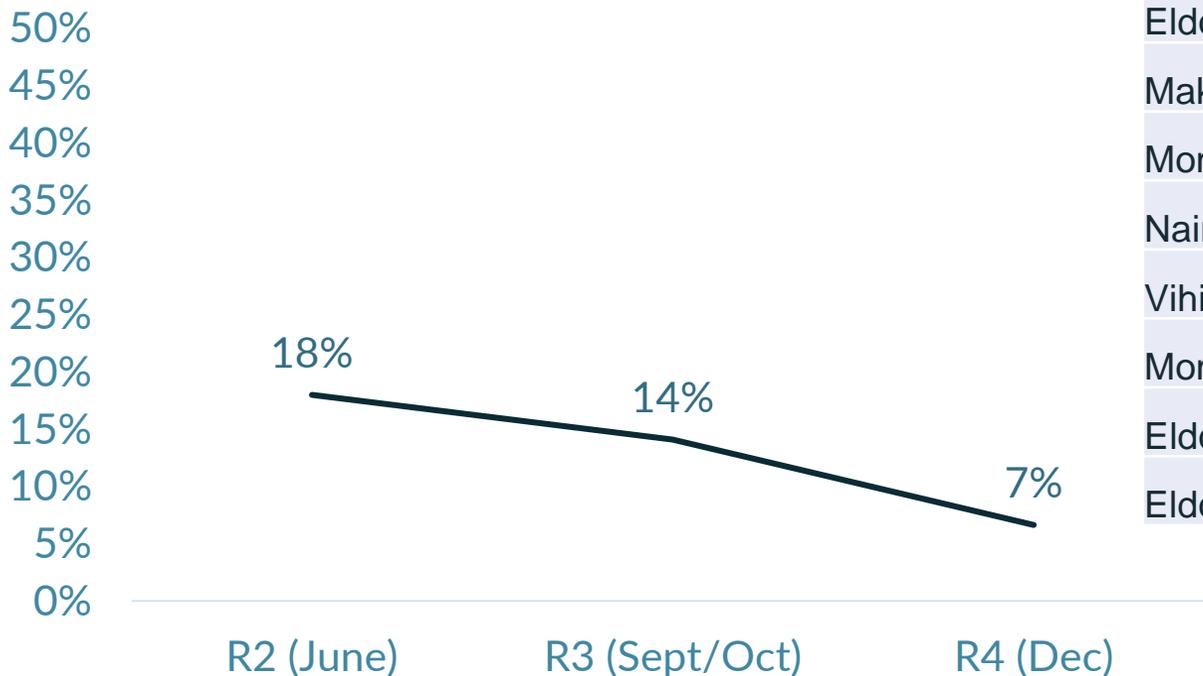
Incomes are still low. Stress in December about same as April.

Financial Stress Trend (Scale 1-10)



Few households received any kind of organized aid or relief. More than half that got anything only got in kind help with soap or masks. Mombasa relief had most coverage.

Households in sample receiving any kind of organized aid (not P2P)* (%)



	N	Aid - June	Aid - Oct	Aid - Dec
Eldoret - urban	3	0%	0%	0%
Makueni - rural	36	10%	3%	8%
Mombasa - urban	28	52%	50%	11%
Nairobi - urban	35	22%	27%	11%
Vihiga - rural	41	20%	2%	2%
Mombasa - rural	24	4%	9%	8%
Eldoret - peri urban	13	0%	6%	0%
Eldoret - rural	16	0%	0%	0%

* Recoded this to remove P2P and our research gifts, so this is lower than may have been previously reported.

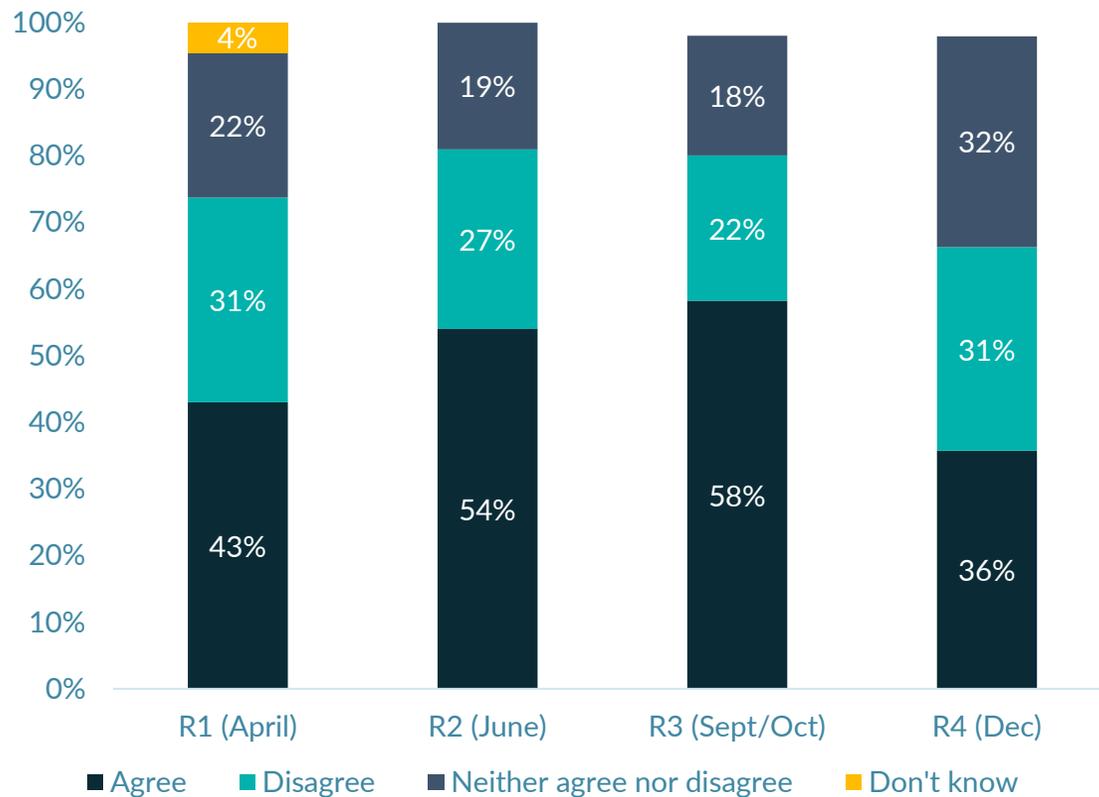
Aside: Government effectiveness is markedly stronger (based on our sample and communities) in Mombasa and has been since we started Diaries.

- Best coverage of Covid relief & food package that is highly valued.
- Only OVC beneficiaries we could find in 2012/3 were here, and all of them in our sample were well-targeted.
- Longstanding & effective ARV distribution by 2012.
- Institutions relatively responsive to directives (ex: Alice's son truly not sent home from school in spite of large arrears.)

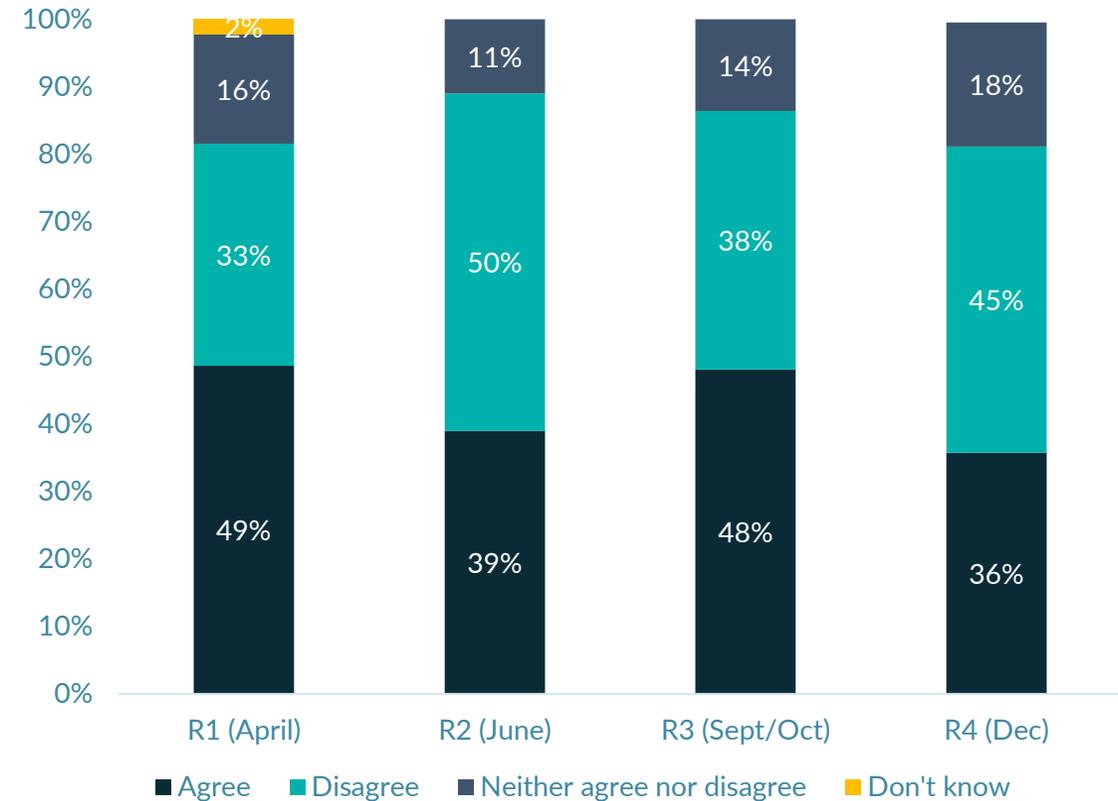


Uncertainty is displacing confidence in financial health measures.

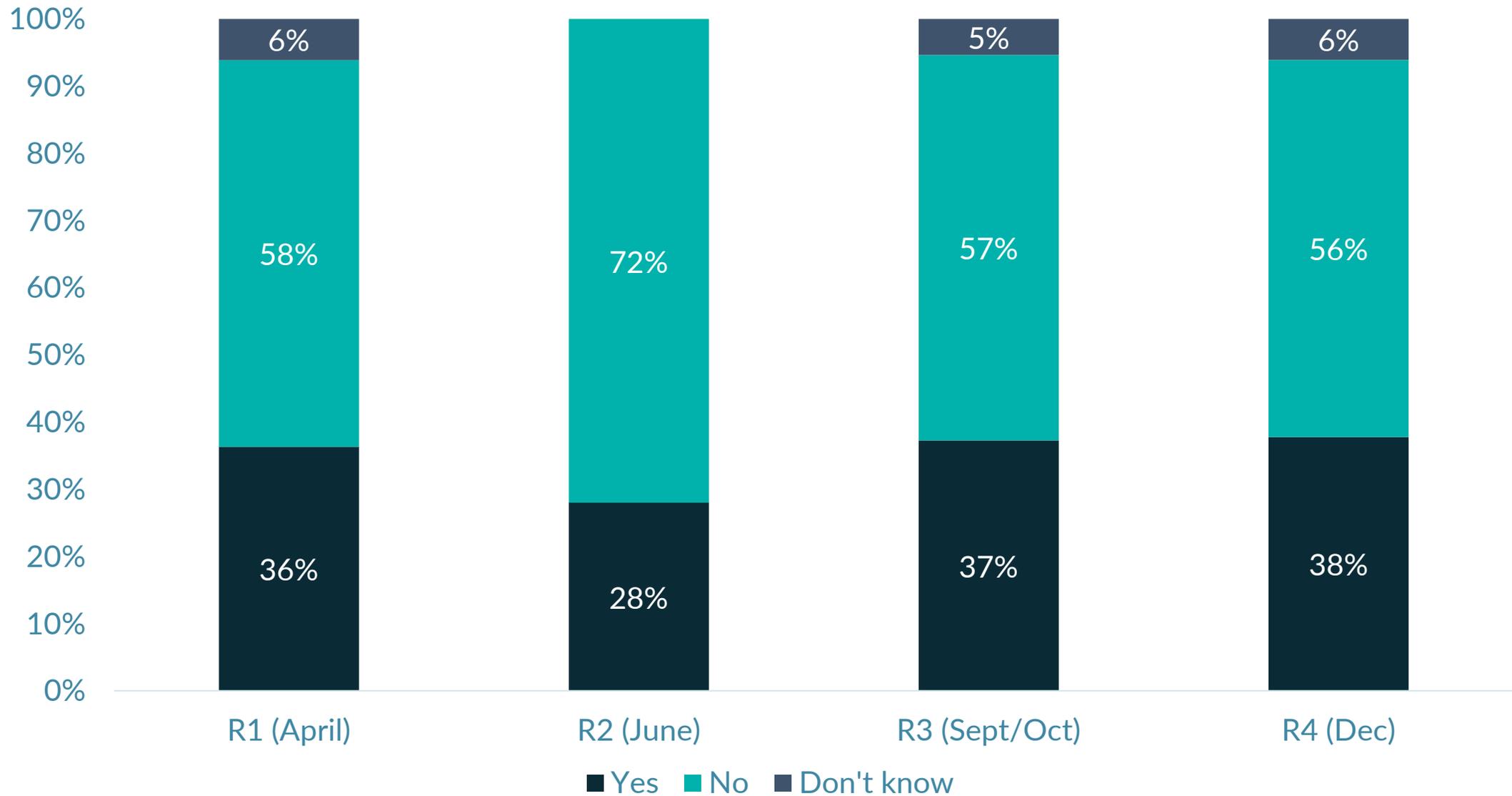
Do you agree or disagree that you can overcome most financial problems that you might face?



Do you agree or disagree that You have people in your life who can help you financially if you ever need it?



If you needed KSh 5500 (rural) or 9000 (urban) within three days in case of an emergency, would you be able to get it?

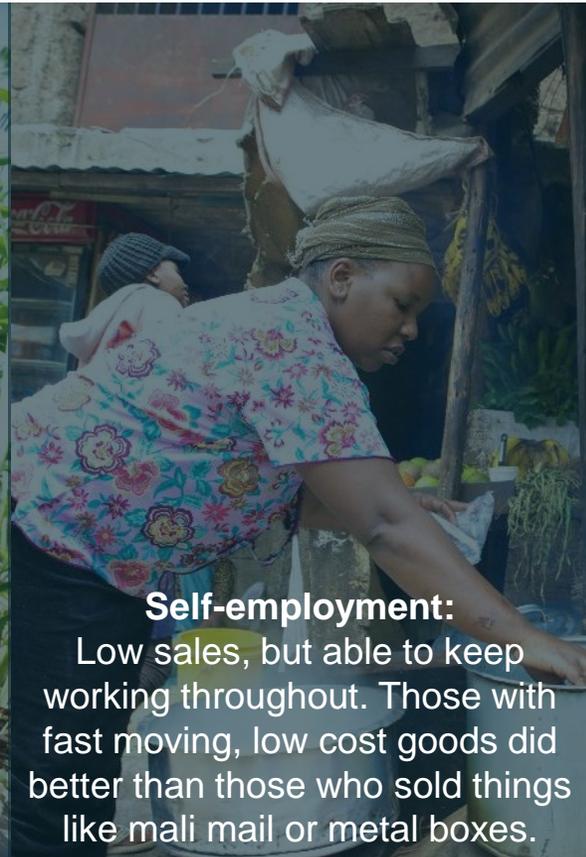


Economic impacts varied by livelihood, with losses of formal work being particularly challenging.



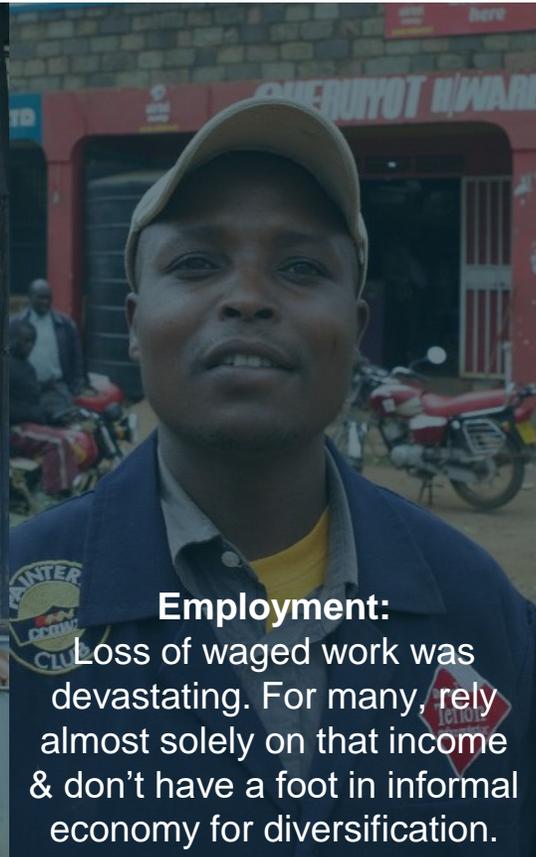
Agriculture:

Biggest farmers had market disruptions;
Small farmers more concerned about rainfall & had moderate harvest



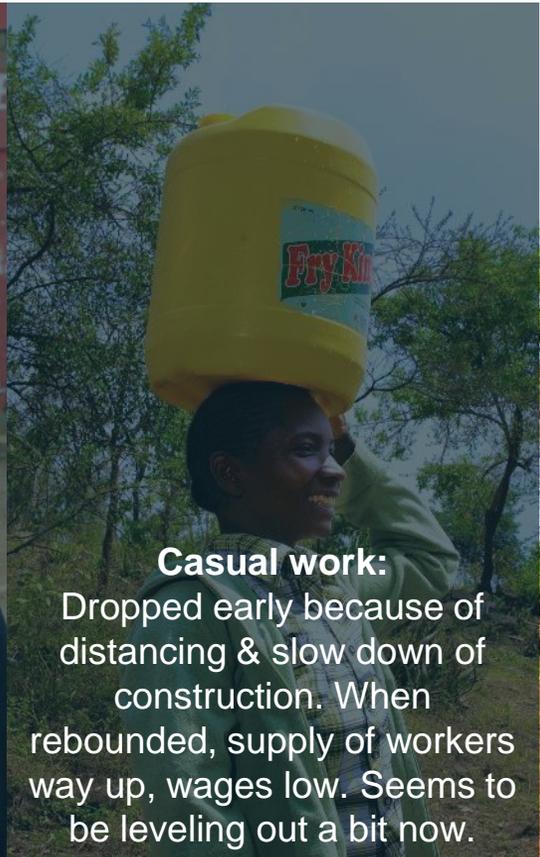
Self-employment:

Low sales, but able to keep working throughout. Those with fast moving, low cost goods did better than those who sold things like mali mail or metal boxes.



Employment:

Loss of waged work was devastating. For many, rely almost solely on that income & don't have a foot in informal economy for diversification.



Casual work:

Dropped early because of distancing & slow down of construction. When rebounded, supply of workers way up, wages low. Seems to be leveling out a bit now.

Some better-off formal workers have really struggled through the Covid period. Dramatic loss in economic well-being.

Limited foothold in informal economy, not used to keeping lots of liquid assets, because pay was always reliable.

G was a security guard with a big company. The shopping centre where he had been working closed, and they sent him on unpaid leave. Given that there were so many clients canceling services, they couldn't just move G to another location. His wife started a kibanda, but it failed within three weeks.

By October, he had exhausted most of his bank savings, which he had hoped to use to buy land and build a house upcountry. The entire family was sick with 'malaria,' and while getting treatment, the doctor said the wife needed a scan of her abdomen. It would cost KES 2000, and they don't have the money.

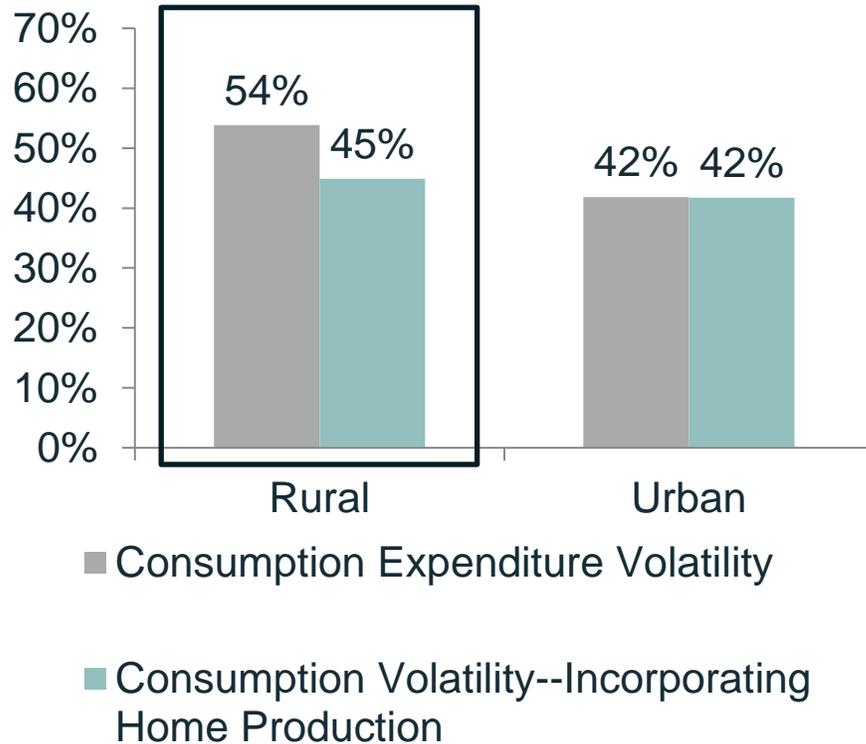
G has gotten a few casual jobs at construction sites, but it's a real fight. People don't know him as one of the laborers, and there are many men vying for jobs.

P worked in a forwarding and clearing company and would get a regular paycheck. He also managed rental properties. In 2015, his monthly income was around KES 100,000.

When he won a court case in 2017, he received 4.8 million. He decided to invest in building a nice house. He was collecting KES 140,000 from Chinese tenants, but they left the country when Covid started. His own company had been disrupted by the SGR. They moved all the staff they were keeping to Nairobi and were keeping P on first just ½ the month, and then during Covid just 4-5 days per week at KES 1500 per day. For the first time in his life, P has been sleeping hungry. Like G, he has been trying to get casual construction jobs, but it's tough. He's older, he isn't known for that work, and he and his daughter have been sick.

In the original Diaries, we saw that low-investment, low-expectation agriculture helped cushion rural families from shocks. That was especially clear throughout Covid-19.

Median Consumption Volatility (%) –Original Diaries



Palpable relief at even modest harvests

though some with larger farms felt harvest was pretty good, especially given reduced fertilizer used:

They got 10 bags of maize (90Kgs each), which they will use for home consumption all year.

M is doing well and happy that they now have food which will push her until next year March, which is a good thing for her since at times she feels she is a big burden to her son. She has also been sharing maize with his family, since he comes to take the maize for grinding.

M and family are doing well and happy that they were able to harvest their maize. "Chakula ni muhimu" she says.

Some households are selling more than usual to clear debts, others are keeping more than usual because of uncertainty around future cash income and consumption needs (ie. if kids will be home).

While remittances dropped sharply early on with job losses, they resumed as soon as people started working again. Some children even sent large sums to help families clear accumulated debts.

During the Diaries, F was killing herself working in a convent and channeling nearly all of her income (seriously, >80%) to school fees for her kids. That paid off. Two of her children have been working in large, “5-star” hotels. That allowed F to retire and her husband to come home from Nairobi and just spend his time watching the cows. F is so proud of them, “Sometimes they are even taken on private jets to work at the residences of very big people!”

The daughters had installed electricity and piped water at the parents’ home and were funding construction of a new house during Covid. The girls did not lose their jobs during Covid, but had some temporary pay cuts and slowed sending money in Sept/Oct.

F talked to them about taking some loans for the period and to keep up with construction, and the girls agreed. By November, the girls sent KES 70,000 to pay off a loan of KES 40,000 from a friend, 10k from the chama, and an M-shwari loan. They used the rest to buy some window frames for the construction.

As Covid started, “stretch” mechanisms were very strained.

Most respondents had low liquidity on hand, many already defaulted on digital loans.

Shop credit	Frozen, except for those retaining salary
Remittances	Urban workers often hit even harder
Chamas	Many on hold; stop lending; savings unavail.
Savings	Liquid savings very small
Borrowing from friends	Friends also stuck
Sale of assets	Prices very low
Go “home”	Movement restricted
Social sharing	Tightened; everyone struggling

And community mutual sharing was constrained since all were suffering downturns & uncertainty.

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“Everyone is trying to deal with their own situation.”

“It’s shameful to be borrowing as everyone is having financial difficulties.”

He rarely shares money or food, but he just says incase somebody goes to him and they want something like kales he might give them for free just for a few days, especially people with small children.

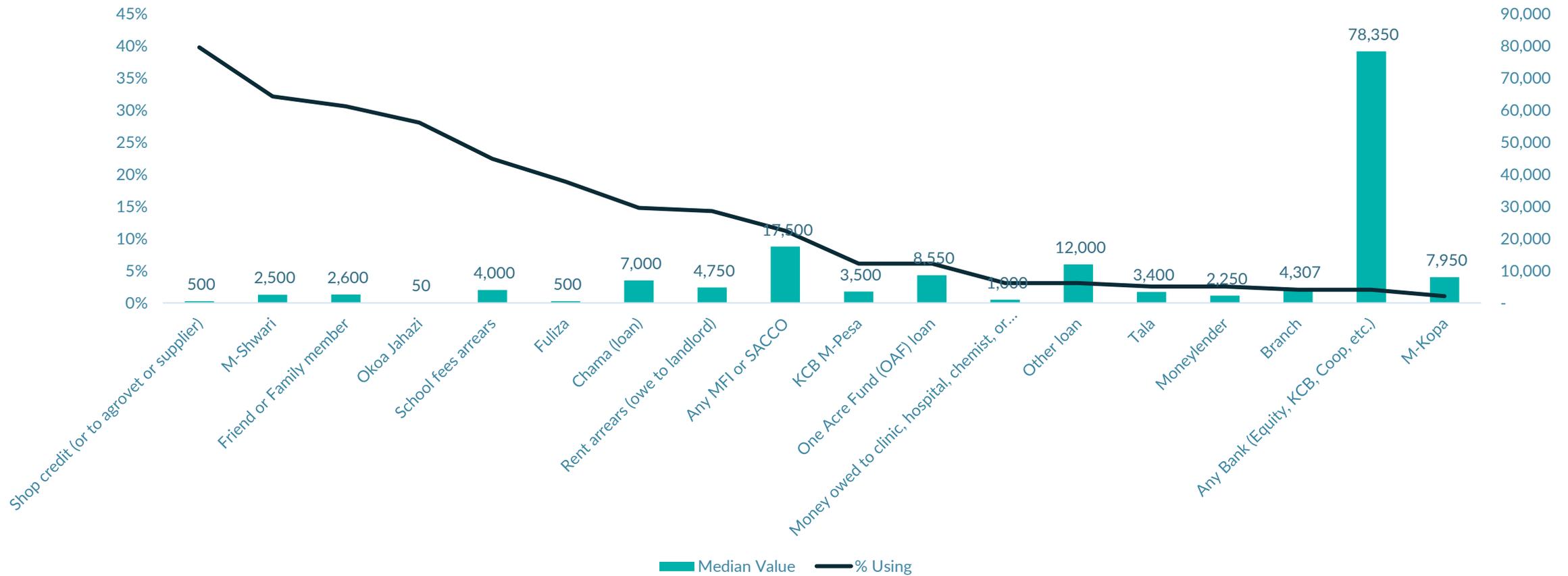
However, shop credit eased, chammas resumed by June round and social sharing came back more strongly by September.

Shop credit	Resumed by June, shopkeepers needed to move stock, also have intimate view into credit worthiness, work resumption
Remittances	Resumed immediately—but at lower levels—when urban workers incomes return. Some send lump sums to clear debt, help invest.
Chamas	Most resumed, sometimes with modified activities. In urban areas, some people reduced number of groups from, say 4 to 2.
Savings	Liquid savings very small. Those with larger, formal savings valiantly defended these larger sums or borrowed from them and paid themselves back.
Borrowing from friends	Grew post-June when networks had some capacity again.
Sale of assets	At worst times, people tried and couldn't sell or got extremely low prices. Distress sales no longer really happening by December. Seemed extra pressure on women's assets.
Go "home"	Some were able to come this way early on with panya routes. Others stuck in the cities for longer. Urban-rural retreaters mostly returned by Sept. A few respondents moved entire family "home" and planning to stay rural.
Social sharing	Tightened quite a lot early on. In kind sharing of cooked food happened for vulnerable families. More sharing resumed by September-December.

The most widely used sources of credit were very short term and small value (as usual).

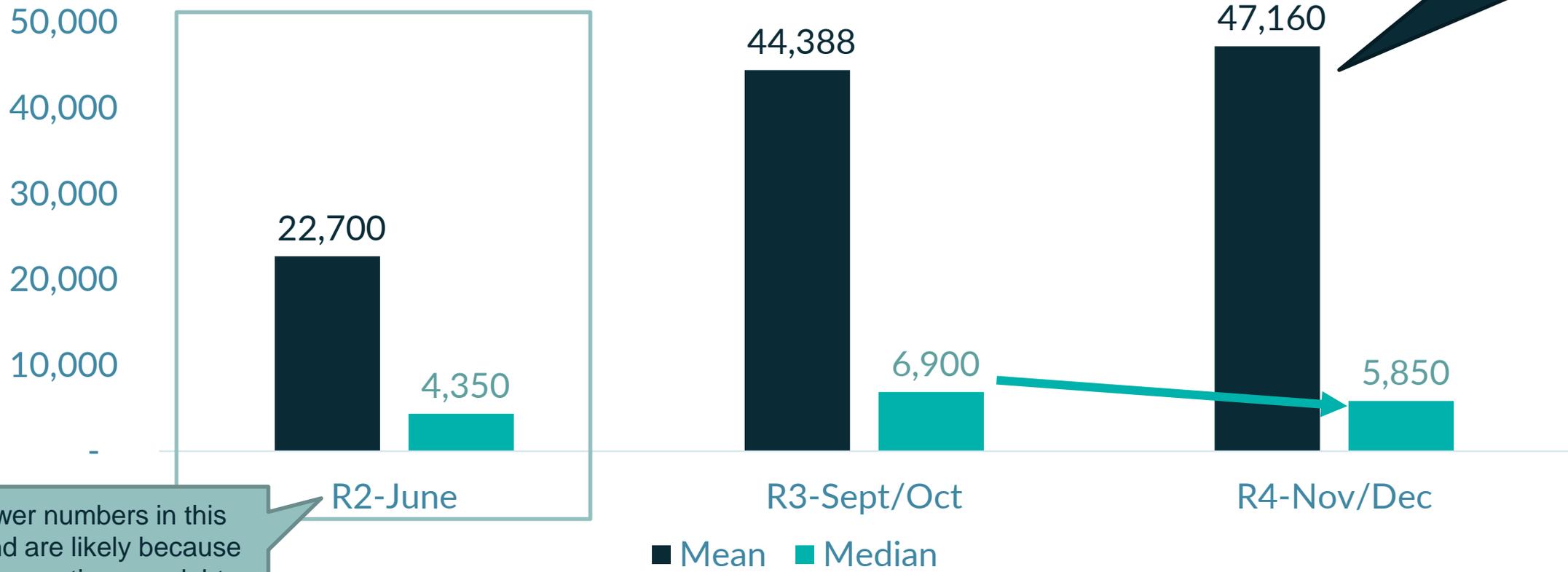
Digital credit played a role, esp. M-Shwari (but some long outstanding debts reported), Okoa Jahazi, and Fuliza.

Sources of credit (% using) and value (KES), Dec 2020



Median total debt fell from Sept/Oct to Nov/Dec.

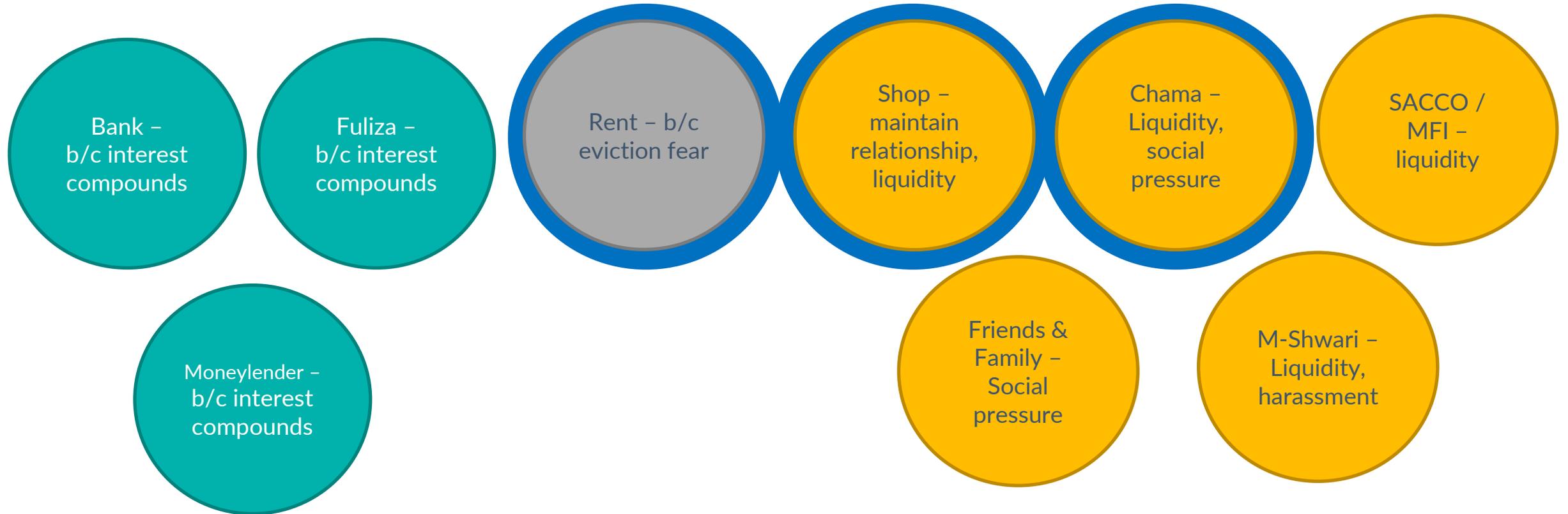
Total Debt per HH (KES)



Lower numbers in this round are likely because our questions on debt were less systematic.

Mean pulled up by large liabilities, mostly investment borrowing. This shouldn't worry us.

Repayment urgency & rationale vary by sources, but in many cases it's to keep liquidity open.



*We have to pay the shop. "It is literally where we run when we are really in need."
"As long as we can take at the shop, we won't sleep hungry."*

Landlords, shopkeepers, and (later) friends and family provided emergency liquidity. For some, providing this breathing room to others came at a high cost.

Rental arrears owed by respondents



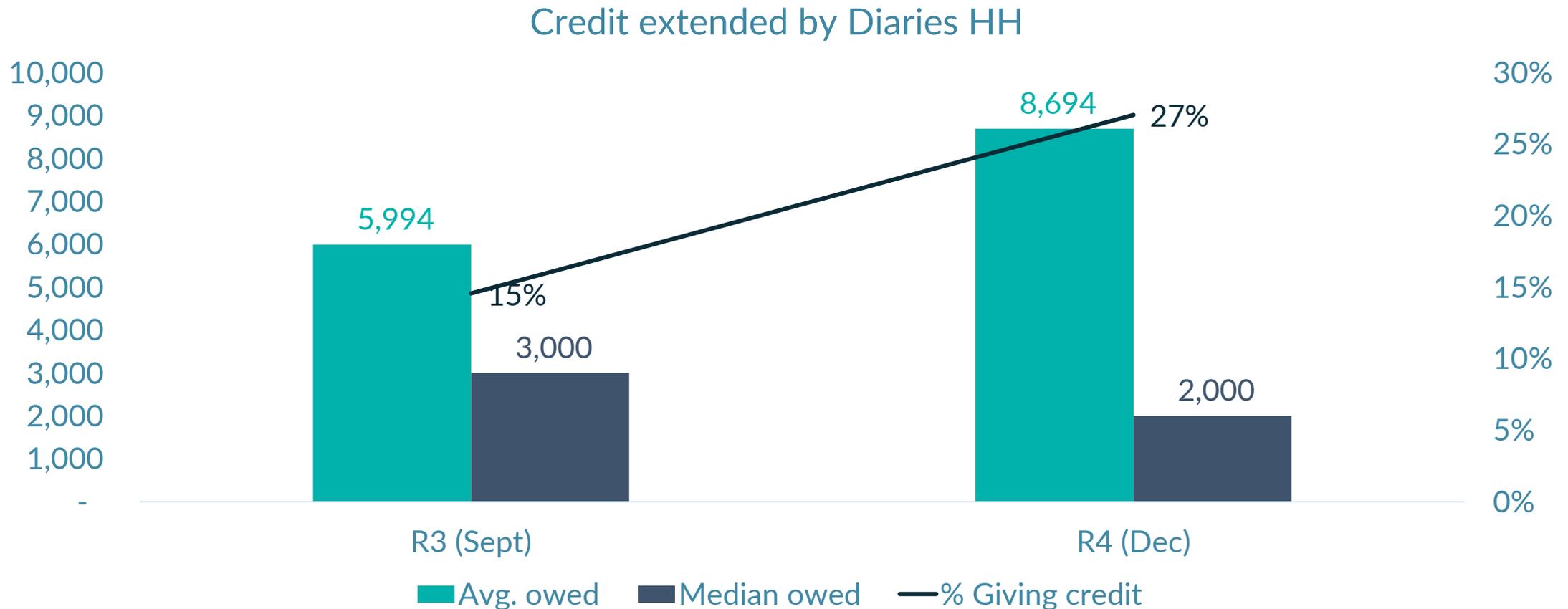
- P has traditionally been one of our more wealthy respondents. He worked in a factory in Mombasa and used a legal case payout to invest in rental houses.
- He lost his job and hasn't been earning from tenants and is very near destitute.

Shop credit owed by respondents



- S spent about KES 175,000 from his savings to help family members.
- He lent about KES 100,000 in shop credit out to his customers. There was still KES 34,000 outstanding in Sept, which he suspects he will never recover.

More HH are giving credit in Dec, but value outstanding is manageable for most.

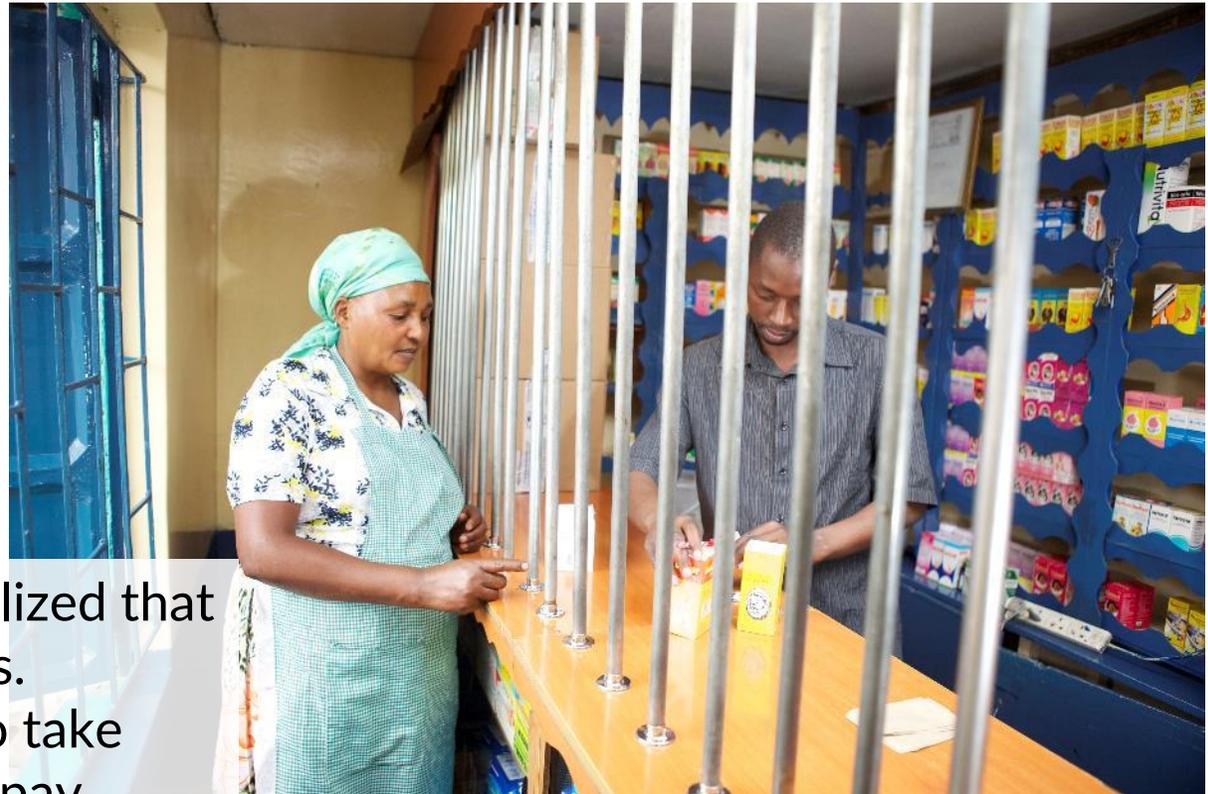


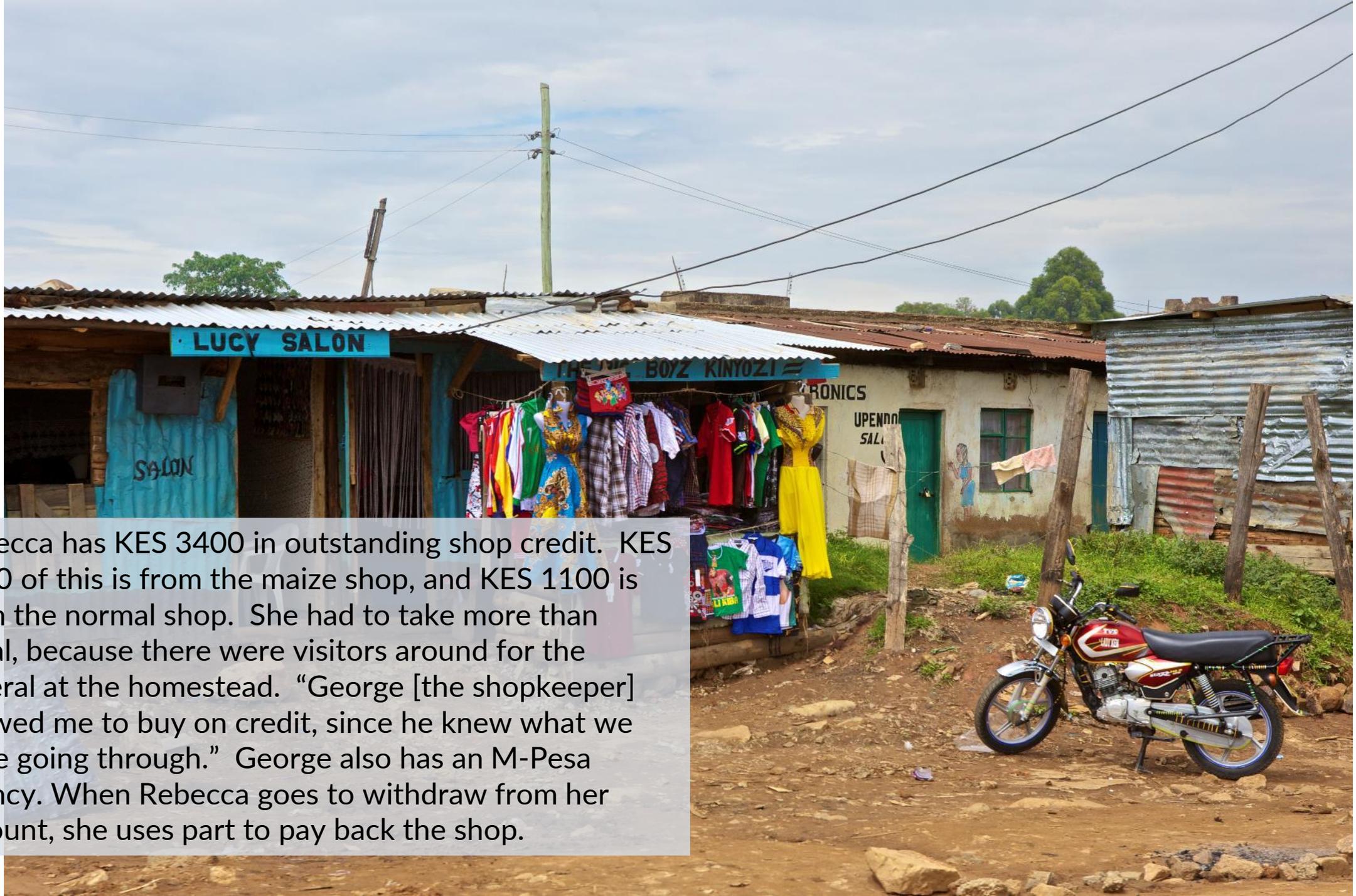
Respondents highly value accessibility of shop, trust shopkeeper puts in them, reliability of help in a pinch. (Still more for digital lenders to learn?)

We have to pay the shop. "It is literally where we run when we are really in need."

"As long as we can take at the shop, we won't sleep hungry."

In a separate study with refugees, we realized that shopkeepers often do not set credit limits. Borrowers do, and they are careful not to take more than they are confident they can repay.





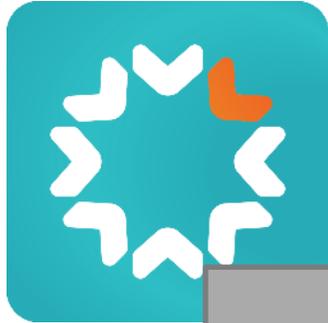
Rebecca has KES 3400 in outstanding shop credit. KES 2300 of this is from the maize shop, and KES 1100 is from the normal shop. She had to take more than usual, because there were visitors around for the funeral at the homestead. “George [the shopkeeper] allowed me to buy on credit, since he knew what we were going through.” George also has an M-Pesa agency. When Rebecca goes to withdraw from her account, she uses part to pay back the shop.

Digital Credit --

Some frustration at the “tricks” of digital lenders throughout Covid.



***M-Shwari did keep lending to borrowers in good standing throughout the period.*



A few respondents with Tala loans at onset of Covid struggled, even borrowed to quickly repay Tala in order to borrow again to manage liquidity. New requests were all denied for a period, leaving borrowers felt betrayed.

*We do not know if the terms actually changed.
We only observe the customer's confusion.*

Collins” – a savvy user of financial services—is frustrated with Mshwari:

Recently he received a message from Mshwari asking him to pay back his loan before the due date and that they would waive the interest that he was to pay. Since he had the money, he decided to pay the KES 9500 which is also his credit limit.

But he says, they were" tricking him." He always pays back and requests a loan immediately. When he did that, they informed him that he had a pending balance of KES 712. “Why would they lie to me?” He asked Anne.

To add salt to the wound, after he paid the KES 712 and requested another loan, he found out that they have reduced the loan duration period to about 27 days and not 30 days as it used to be. His question is, why is Mshwari no longer transparent and keeping its word?

We heard a few worrying stories about digital vulnerabilities.

"I had saved KES 80,000 and started having complications with my Equitel line. I couldn't buy airtime or check my balance. Before I went to the bank, I got a call from someone asking if I was having issues with the line, and I said yes. They were offering to save me a trip to the bank. They were two people speaking eloquently, not like fraudsters calling from Kamiti Prison. They gave me instructions to follow, and that is when I lost KES 45,000.

"When I went to complain at the bank, they distanced themselves from it saying they keep warning us of fraud through SMS and constant advertising...That experience makes me bitter but I am happy with the other parts of my life."

***Heard some particularly sad stories in Kakuma on a separate project. A single fraud wiped out an entire agent livelihood in an area where recovery was extremely difficult.*

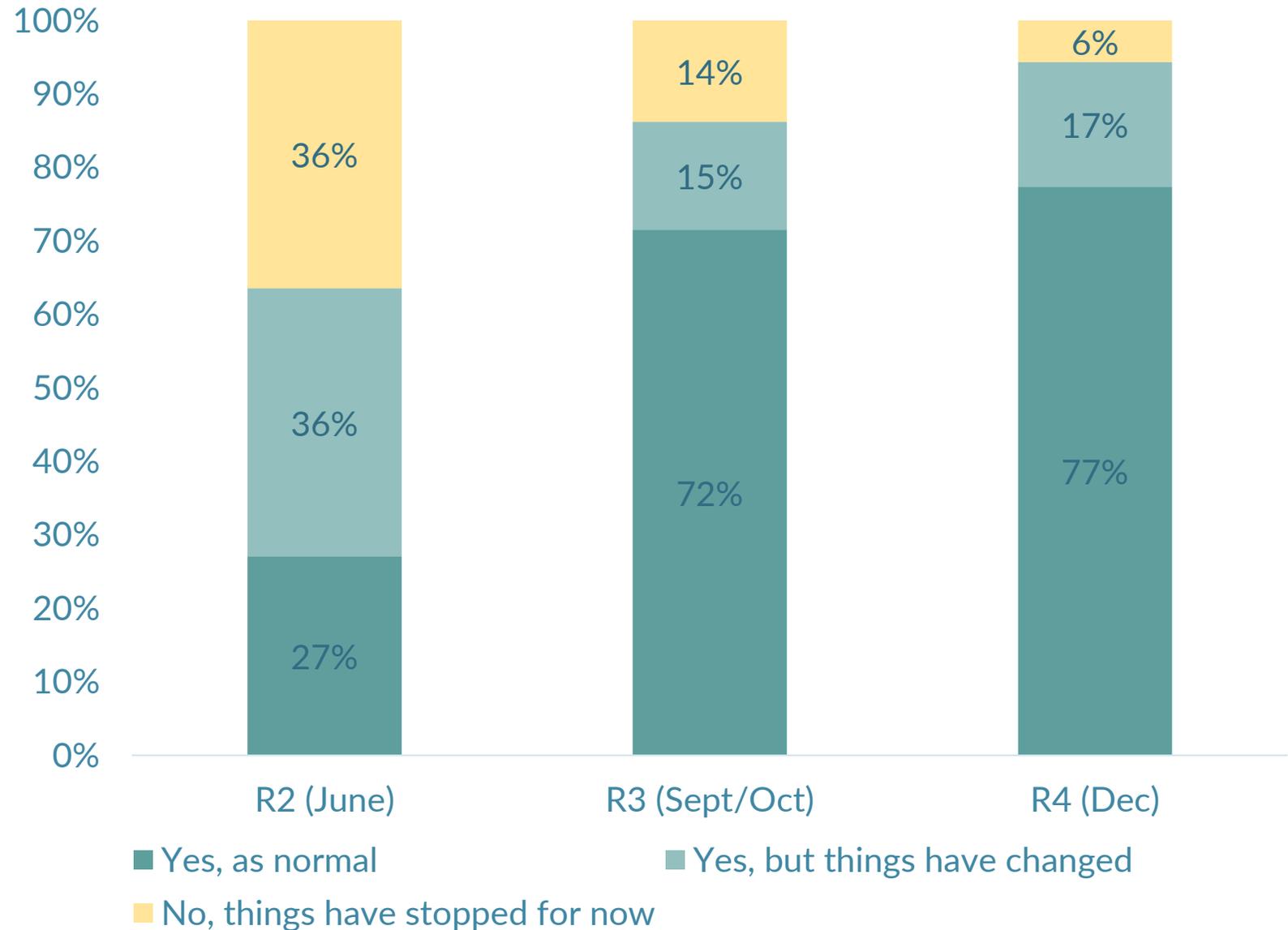


Chamas

Only about 1/3 of chama users paused during COVID. Nearly all are back to business as usual now.

Payouts in December were a bit of a boon for small businesses.

Are your chamas still going right now? (Among users)



Chamas

Among those that adjusted practices, some accounted for health concerns and others for cash flow realities.

Preventing Covid Spread

- Decrease time spent in meetings
- Decrease meeting frequency
- Only officials, rather than all members
- Precautions on masks and distancing
- (for ROSCAs) give or send to member receiving rather than meeting
- Send M-PESA to officers or member receiving payout (mentioned relatively infrequently as a change in practice)

Dealing with Cashflow Crunch

- Agree to pause while businesses recover;
- Introduce more flexibility knowing members' struggles;
- In H's chama, they stopped meeting when Covid started. Sent treasurer money every week. But treasurer's mother was hospitalized, and he used all the funds for her bill. H had saved 13k. Hoping treasurer will refund in January, so he can pay fees for child in Form 3. Members are not angry; do not consider this theft.

Many ASCA chamas liquidated as expected in December, and that enabled some households to both clear some debts and make some new investments, even after a very difficult year.

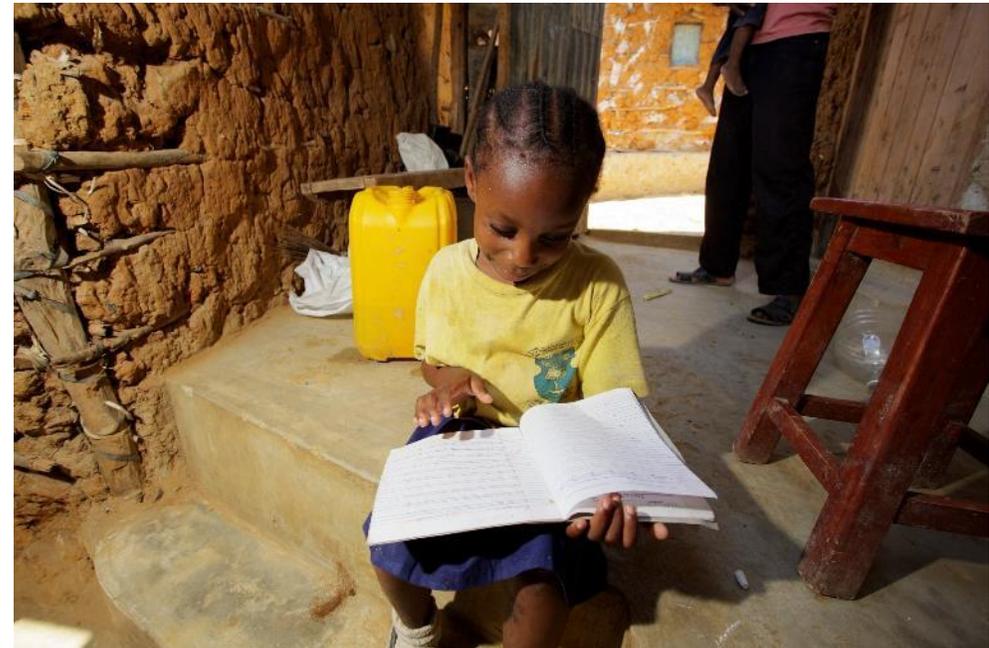
Others were planning to use much of payout to clear debts to the chama, but the loans had served them through a tough time.

“Aaron” in Kipture was able to get back to work on casual construction jobs again, even as early as June. He and his wife both saved together in a chama. Over the course of 2020, they saved KES 46,000 and got KES 25,000 in interest. They used the money to buy a dairy cow for KES 40,000 and some starting feeds at KES 10,000. The rest they used to settle some debts.



Children were **out of school** since March, in December were planning for returns. (Some classes went back sooner)

- Several expressed relief at having **moved children from private to public** schools, reducing fears around fees.
- Many were planning to **borrow for secondary and college fees.**
- A number were **worried about kids getting COVID** at school, especially where they mix with children from cities.



Health precautions & accurate information are critical for rural areas as kids return to school.

Many children live with grandparents, many of whom are not just older, but also have co-morbidities.

Anna in Vihiga stays with her granddaughter who is entering class 4. When we spoke with her she was just home from the school. “They are telling us all to buy masks. Many of the children don’t have them, and some are even sharing.” Anna was struggling to even come up with the KES 350 the school was asking for, in addition to foodstuffs to contribute for the children’s lunch. Not only is Anna relatively old, she is also HIV positive. The hospital gave her a 3-month supply of ARVs so she wouldn’t have to travel so often, but, of course, she sees her granddaughter every day.



Many talked about young **girls getting pregnant** and leaving school in their communities. We had three cases in our sample, and one father who worries his daughter is at risk.

Three pregnancies of young women:

- One Form 3 pupil in Nairobi;
- One Form 4 graduate from Vihiga who was college-bound, father is a 2nd year university student;
- One girl who may have been sold into prostitution...The father outside Eldoret suspects that when the aunt took her to Nyahururu during Covid that she was being sold as a prostitute as a way to help the aunt get through the crisis. The father laughed about the whole situation and seemed not to care very much.

Concerns about a daughter “at risk”

- A’s young adult daughter was making a plan to migrate to Canada. When that was on hold, he tried to enroll her in a teacher’s college, but they don’t start until May. Very worried about her being idle for 6 months.



Still some uncertainty around whether and how much teen pregnancy was affected by the pandemic.

- Only country-wide quantitative data published so far compares Dec-May 2019 to Dec-May 2020. If girls were impregnated during Covid, they would have been very early in their pregnancies in May and may not have presented to clinics yet. [source](#)
- More localized data over slightly longer periods suggest huge jumps in teen pregnancy: Lodwar (177% increase) and Kakuma (246% increase). [source](#)
- Kenya's 'normal' teen pregnancy rate is high, with 20% of girls 15-19 having at least one child. This rate has been steady for some time. [DHS](#), government [reference](#)
- During Ebola, teen pregnancy rose in West Africa. One report from Plan suggested a 65% rise in Sierra Leone. [source](#)

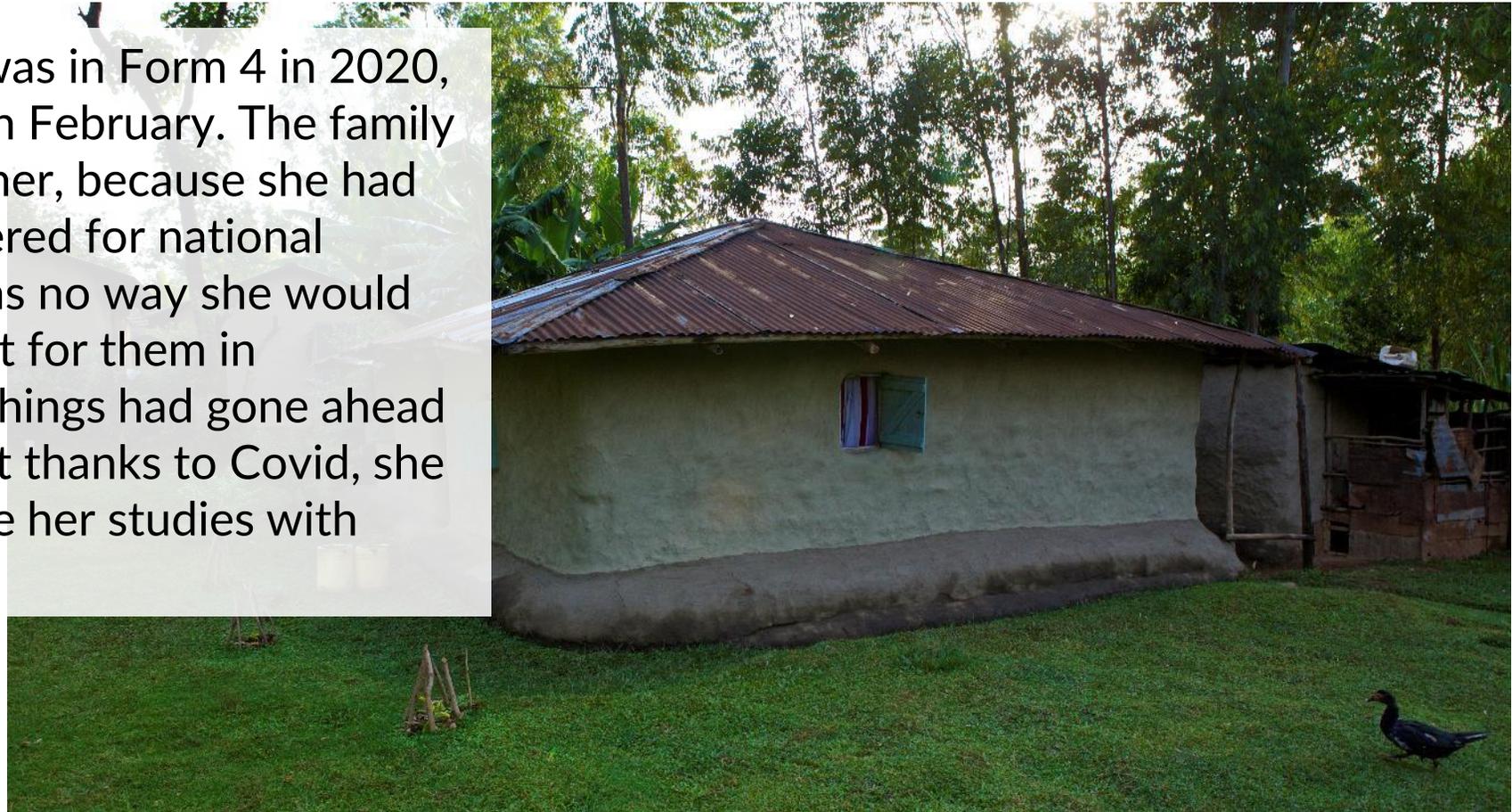
2 Potential Drivers of Teen Pregnancy in Covid:

1. **Boys and girls out of school** (we know very common for girls to get pregnant within one year of leaving school)

2. **Pressures to engage in transactional sex**

For one young woman, the pandemic timing actually made a second chance possible.

R's granddaughter was in Form 4 in 2020, and she gave birth in February. The family was worried about her, because she had already been registered for national exams, but there was no way she would have been able to sit for them in November 2020 if things had gone ahead as usual. R says that thanks to Covid, she was able to continue her studies with fellow classmates.



Health

Apart from a December spike in illnesses, 'normal' health issues continue. Some improvement in managing chronic issues since April. But accidents and new issues difficult to manage under continued financial strain.

Chronic conditions:

- Initial disruptions in ARVs – only dispersing 2 weeks at a time. Now most who need can get 3mo at a time.
- By Dec, 94% of those who needed chronic treatment got it. Those who didn't faced affordability barrier and 1 needed someone to take her to collect medicine. (This never got very bad—even in June was 92%)

Acute struggles:

Irene (VIHK05) was doing well in September. Her husband is a private gardener in Nairobi, and she sells changaa. Her husband had come home to help re-do their kitchen, which made Irene happy.

When he went back to work, he hurt his leg. The employer paid his hospital bill of KES 22,000. At first, Irene thought they wouldn't deduct it from his pay, since he was hurt at work. But they did. In November, he came home to Vihiga to nurse his leg, and he had not been paid for some time. So all of them are now trying to survive on just the changaa sales, and it's extremely difficult.

Impacts were strongly gendered.



Because women were more concentrated in informal sector, many were able to keep earning – but at lower levels – throughout. In June, this meant significant role reversal in the household. But by December, mostly back to normal.



Some strains on already difficult spousal relationships worsened.

In September, 'Sandra' was distraught over her husband who had come from Nairobi empty handed. She learned he had been spending money on mistresses while they were suffering at home. She wanted to leave and start afresh, but she is an orphan and had no place to go. By December, she had made up her mind to raise her children and take back her life. She harvested maize and was planning to sell a bit to pay for school fees. She was doing more casual work as well and hoped to join a chama and start a business in the new year.

'Cassandra' has a very difficult husband. She has 8 children with him, but he only recognizes them sometimes and tried to take another wife without informing her (even though she lives on the same land as his parents). He was sick in June, admitted to the hospital and paralyzed on one side. He has since recovered. She has found some ways to get money around his constraints, since he rarely sends anything. She picks tea from a small plot and side sells to a broker. She also quietly sold a cow that stopped producing milk and bought one that does. Her husband has NHIF, but none of the family can be covered, because they don't have birth certificates.

When 'Nancy's' partner was beating her, her older son intervened on her behalf. Nancy called the police and both her partner and her son were arrested. According to her, "I spent sh5000 to bail them out but [the partner] was released alone, and he left [my son] in so I had to bail out [my son] the next day. Because [my partner] would leave [my son], I saw that he really did not care much for my family."



Synthesis – Understanding Divergence

Patterns of **divergence** persisted from Oct-Dec.

Improving

Rural

- Markets reopened, more trade across counties
- Casual work in construction resuming
- Some remittances resuming, some spouses, kids back to work in cities
- Closed bars drove up customers in informal drinking spots
- Agricultural diversification, esp vegetables
- Restaurants/food prep businesses resuming

Urban

- Factories reopening in Nairobi
- Some salaries returning to full level, not half
- People coming back from upcountry & buying food/other goods
- Customer volumes increasing

Getting worse

- Transport earnings still low
- People eating harvested food not purchased food
- Weather (cold and wet) reduced tea production—hit casual workers
- Some spouses still at home not working
- Overextension of credit to clients
- Businesses closed and unable to reopen
- Slow recovery in Makueni and Eldoret

- Some still on forced leave or reduced shifts (“work rationing”), esp. in Mombasa
- Reduced access to Kazi Mtaani

Life goes on apart from COVID and we heard about some new/interesting ways relatively wealthy people are financing these shocks and opportunities. The poor are using “same” strategies of friends and family, asset sales

Relatively better off

- Borrowed 30k from life insurance policy to do a home renovation
- Needed 20k to clear pit latrine, borrowed from a moneylender
- Even though J had a huge loss on his vegetable production, he still spent KES 10,500 to renew his business license so he could apply for government tenders.

Relatively poor

- No way to help when mother in law passed away. All friends and family said not doing well. "I don't know how he managed. I could not ask because he was under a lot of stress."
- Her leg dislocated. sold 4 trees KES 4000 used to go the hospital.

Seeing a stark difference between those able to **invest** right now and those **backsliding**, for example:

Investors

J decided to start a new business in Nairobi. She took KES 30,000 from her savings and borrowed KES 20,000 from her chama to start an M-PESA agency.

C. got a good deal on cowpeas, borrowed 70k on Timiza to buy and store until prices rise

B. started a poultry project with KES 100,000 from his bank savings. In the past he had been trading in livestock and decided to diversify.

Backsliders

P has sold nearly all her livestock to pay the local moneylender. She now has debts “left, right, and center.” Husband and daughter were in an accident and needed urgent treatment. Meanwhile the son who helps out was sent home from work and just went back, but with a huge pay cut. Her food store is running out. She regrets sharing with neighbors, since now very little is left. Her husband will be on crutches for life after the accident, leaving all the earning up to P.

Foreign employer departed suddenly. Accumulated debt of KES 1800 at shop, and shopkeeper took him to chief. Finally agreed has to work off the debt at shopkeeper’s shamba. Since no cash income, had to sell cow and calf. Got only KES 19,000 instead of the KES 35,000 they were worth pre-COVID.

R has sold all his chickens. He can no longer borrow from family and friends who tell him, “sina kitu” (we have nothing). “I don’t know what to do anymore. Nothing I try works.” Meanwhile, his wife has diabetes, which is deteriorating from their poor diet.

Relatively wealthy 'Fiona' and 'Stephen' finished building their house during Covid.

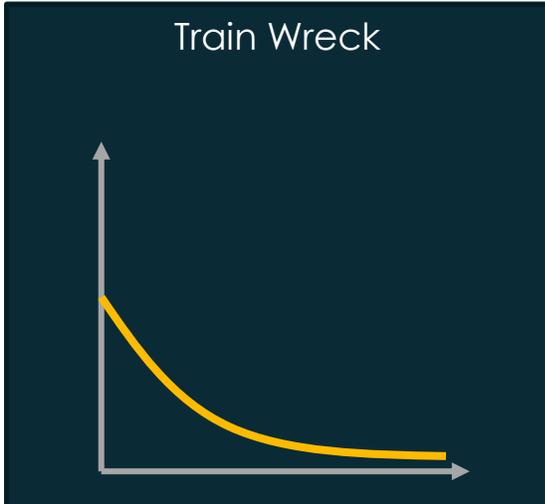
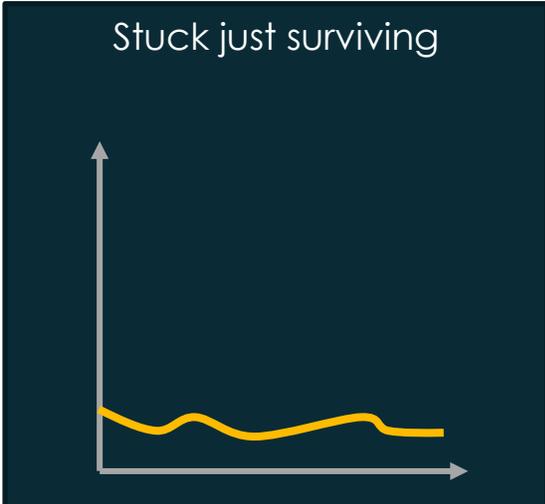
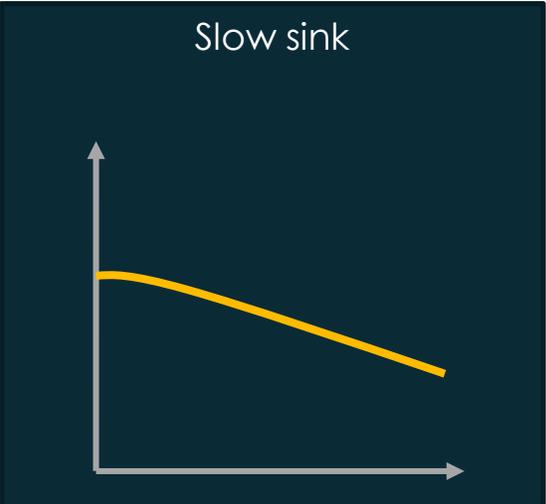
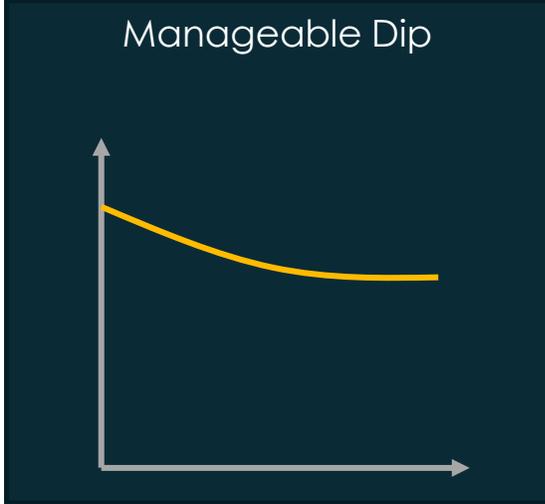
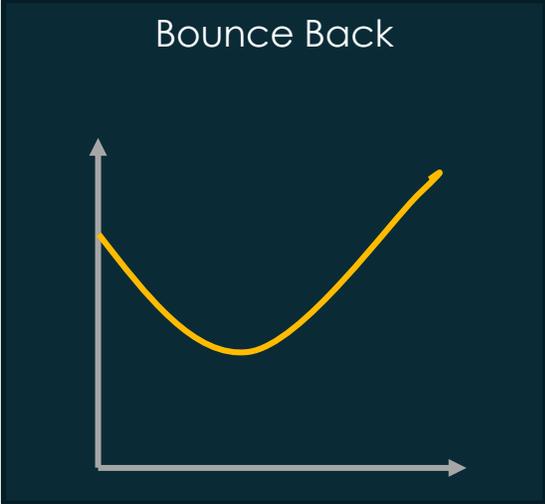
"Faith is the happiest woman in this world! She told me it has been long time coming. She was very tired of living in a small house, where she couldn't even buy new stuff for her house because there was no space and no privacy. This is much better, especially since her daughters are big girls now. They moved to their own home in Njiru two weeks ago and they are slowly adjusting.

She had to sale her cosmetics business because of the logistics of operating it while she lives far from the shop. She told me she sold it at KES 50,000, because it had good stock which hadn't moved because of corona. She took that money and combined it with what ['Stephen'] had and painted the new house and also used it for transport.

She tells me she doesn't know the new community very well, but she is happy, because the houses are not near each other. At times in Kariobangi she was locking her children in the house because of fear."



6 Broad Patterns...



But in reality, a lot of idiosyncratic pathways. Even if same pattern, major differences between rich and poor. For example, could be “never hit” for multiple reasons:

...because keeps job & is diversified

K never really felt the pinch during Covid. He had always been insistent on protecting his money from social demands, including (during the diaries) chasing away his wife and child so he could save more.

Before Covid, he finished a diploma course in law, accumulated significant savings, and bought a motorbike. He ferries passengers when he is going to and coming from work as a formal security guard at a European embassy. He had also gotten a raise before Covid.

He kept his job throughout the crisis, and when his new wife had to stop going to her salon to work, it barely made an impact on household finances. He continued to even save large sums throughout the crisis.

2wk income Dec: KES 35,000

...because autarky, low needs, continued support from child

M, Roy's grandmother, was never really hit by the shock either. They live in a somewhat busy rural town. M raises chickens for meat and eggs, and her son helps to sell them. Her son, N, also has a pool hall and M-Pesa agency.

Throughout, she kept up with her chicken business, and her son was able to earn enough to keep up with shopping and getting M about KES 300-500 per week for other things. M and Roy live together as just two and have very minimal needs beyond food. Plus, Roy was able to help M with planting and weeding, so they had a decent harvest, which even took some pressure off of M's grown son.

2wk income Dec: KES 1,500

Roy is the boy many Diaries supporters helped get heart surgery in 2014.

In contrast to K, S tended to a major social obligation in October.

S, from Vihiga, had been the main breadwinner before Covid. He did casual work on construction sites and had a fairly reliable income. His wife, J, had a vegetable selling business. When Covid started, all the construction was put on hold. J's business was also down, since most teachers left the area, and they were J's main clients. S was feeling really bad, like he was a failure as a man who now had to rely on his wife.

The only big source of possible liquidity the two of them had at the start of Covid was a bull worth about KES 35,000.

By June, S was able to get work 2-3 days per week. His wife slowed her business to spend more time on their farm. By October, S said construction had slowed, but he was able to get casual work 4-5 days per week on others' farms in the area, while his wife tended their plot. Things were improving.

In late October, S decided to trade the bull for two almost grown cows. He also arranged to take the cows to his wife's family as a dowry payment. "With this corona, I don't want to die with debt," he said.

His in-laws were overjoyed to receive such a kind gesture in the middle of such difficult times.

Setback in attempt to invest for bounce back

Lucy's seen her client base shrink dramatically.

For years, Lucy had been selling porridge to a wide range of regular clients. In a day, she would go through 20 litres of porridge.

As of December, she was selling only about eight liters per day.

During Covid, and just after a post-Ramadan boost, she decided to diversify and rented a space at KES 3000/mo to have a small café with rice and ugali.

But, this is now on hold. The person she hired to staff it was stealing revenue. She is now owes KES 6000 in rent arrears for the café and is figuring out how she can run it herself without losing her porridge income.



“A lot of people don't have the money to buy from us. Corona has affected their income sources... There are many food sellers in our area but there are enough customers to go around.”

Manageable Dip

Emmanuel's struggling to keep mutura in stock.

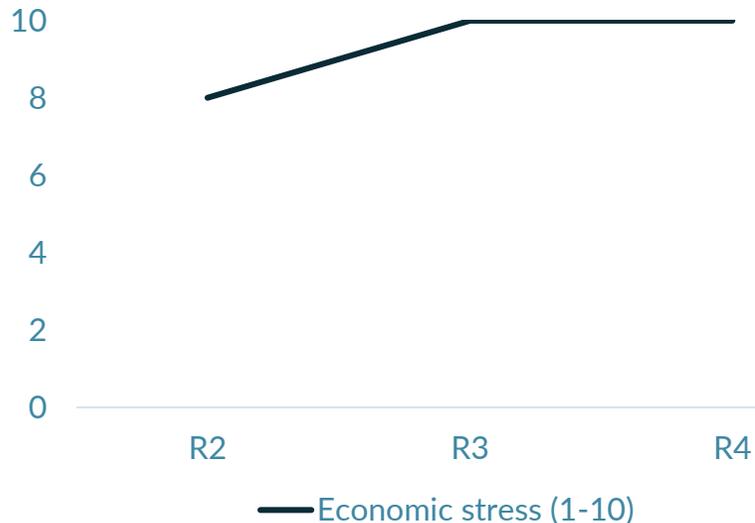
Emmanuel had a mutura and chips business. Since demand has gone down for goat meat, so has the mutura stock at the slaughterhouse. Vendors fight over whatever stock the slaughterhouse has to sell. Sometimes, he doesn't get anything and has to only operate a half day or not at all. He laid off two of his staff and only pays the one remaining person irregularly, when there's money.

At the same time, he's managed to avoid big debts and protect most of his KES 20,000 savings through the Covid contraction.



After a slow sink, J was stuck and retreated to her rural home.

Economic stress for J (1-10)



J was running a fairly successful kaimati business before Covid. She supplied many of the areas small shops and kiosks. Her son had been admitted to university and her daughter was on track to graduate high school in March 2020.

As Covid set in, sales quickly dropped. She tried to stretch things out, delaying payments to the landlord, but by September, her business had completely collapsed. Too many shops in the area had closed down, and she couldn't move stock. She took a little leftover cash and tried hawking bananas, but it was hard. Everyone was trying to sell things like bananas, which were still moving. Her husband moved back to their rural home, and the two fought about this. J felt like they needed to stay and hustle.

Then, also in September, their son was called to start university with online classes. J borrowed money from the chama to pay KES 20,000 in initial fees and buy him a smartphone and data bundle.

By December, J had also given up and retreated to the rural home. She left her son behind in the house, so he could continue with classes. She reasoned that the landlord wouldn't kick out her son if he was staying there alone.

She was very grateful the chama let her just keep up with interest payments and delay the principle payment. She's not sure how she would have managed without their kindness and flexibility.

Trainwreck –

Two former salaried workers lost a lot when Covid hit. One at least still has some assets.

(stories repeat from earlier)

G was a security guard with a big company. The shopping centre where he had been working closed, and they sent him on unpaid leave. Given that there were so many clients canceling services, they couldn't just move G to another location. His wife started a kibanda, but it failed within three weeks.

By October, he had exhausted most of his bank savings, which he had hoped to use to buy land and build a house upcountry. The entire family was sick with 'malaria,' and while getting treatment, the doctor said the wife needed a scan of her abdomen. It would cost KES 2000, and they don't have the money.

G has gotten a few casual jobs at construction sites, but it's a real fight. People don't know him as one of the laborers, and there are many men vying for jobs.

P worked in a forwarding and clearing company and would get a regular paycheck. He also managed rental properties. In 2015, his monthly income was around KES 100,000.

When he won a court case in 2017, he received 4.8 million. He decided to invest in building a nice house. He was collecting KES 140,000 from Chinese tenants, but they left the country when Covid started. His own company had been disrupted by the SGR. They moved all the staff they were keeping to Nairobi and were keeping P on first just ½ the month, and then during Covid just 4-5 days per week at KES 1500 per day. For the first time in his life, P has been sleeping hungry. Like G, he has been trying to get casual construction jobs, but it's tough. He's older, he isn't known for that work, and he and his daughter have been sick.

Stuck surviving



Jenifer was pregnant at the start of Covid. Her new partner was married, she knew, but he had committed to supporting her and the baby, and she thought this might mean some relief to the constant struggle that has been her life. But, when Covid started, he disappeared and blocked her calls. Shortly after, access to Eastleigh was blocked. She could no longer go and do washing in people's houses there to earn some money.

By the time the strict Eastleigh lockdown was lifted, things were still dire for her. She couldn't afford matatu fare to Eastleigh, given the price increases due to distancing requirements. She was also too uncomfortable to walk all that way while pregnant.

Then she found out her daughter in Form 3 was also pregnant, and that really made her distraught. It made her feel all of her hustling, all the indignities she bore to earn enough for school fees, had been a waste. She encouraged her daughter to seek out a possible termination, but the daughter was "stubborn."

In October, Jenifer had a healthy baby boy. She still hasn't heard from his father, but neighbors around helped out with food for a time. An anonymous well-wisher has been sending her money, too, which has helped keep the landlord at bay. She's now looking forward to possibly starting to get back to washing clothes soon.

Supporting recovery

Initial ideas (June 2020) – Many still relevant

Respond

- **Cash transfers** STILL not reaching people and are STILL necessary
- **Employ ordinary people in relief & recovery** (ex: distribute food/sanitizer/soap via platform boda riders);
- Health insurers & pharmacies getting **family planning continuity** in place
- Leniency on **mortgages, land rates** to pass to renters
- Media work to help ignite more discussions on family roles, solidify **positive norm** change

Recover

- Demand stimulus (**cash transfers**) still needed to reach the informal sector workers & businesses
- **Asset transfers**, recovery transfers
- **Targeted scholarships**, especially for girls; intensive efforts to get girls back in school
- **Workfare** in diverse sectors with diverse skills for gender parity

Rebuild

- Build **efficiencies of the digital bureaucratic state**, particularly for informal sector; simplify processes & establish ex ante crisis response capabilities
- **Small business interventions**: coaching on sector choice, digital finance for MSMEs, apprenticeships, micro-consulting, linking MSMEs to macro growth
- Reorient attention for **pro-poor growth**.
- Improve **policy transitions** when new govt actions displace livelihoods
- Intentional **building assets** for emergencies in future

Rebuilding stronger must marry GDP & ordinary people's well-being.

“In fact, if we continue this way, in the next coming three years, the level of poverty, the gap between the rich and the poor, will be so wide. Very wide, because government is trying to kill the small-scale people. They want them to be the only ones—like one person in government—will start a gas company then they want to bring up rules to be able to finish all the small traders so that only the big fish can be the ones selling.”

Nairobi retailer

Opportunities:

- Where are the **business & employment opportunities** for the poor linked closely with high growth sectors?
- Can we do better at **easing policy transitions**, so that development happens in partnership *with* the poor, rather than by steamrolling over them?

At the same time, increasing formality and global connectedness create new risks and fragilities we need to manage.

Not coincidental that those hit hardest were relying more purely on formal wages, formal savings, formal markets.

To the extent formalization and modernization encourage shifts away from informal structures, those formal ones **MUST** do better at not just enabling growth, but also protection. In many ways Covid showed how weak our formal social protection systems really are.

Globalization creates great wealth but itself generates many sources of systemic risks. Pandemics are but one manifestation.

Goldin and Mariathan, *The Butterfly Defect*, 2014

- “As complexity increases...Our actions, as individuals and through our local and national governments, are bound to have systemic consequences that we are unable to foresee in advance and often fail to understand afterward. In a complex system, resilience becomes a separate goal and has to be considered separately from other goals.”
- “We need to find ways to close the yawning ‘governance gap’ between accelerating globalization and the failure of national governments or global institutions to meet the rising need to address problems using collective action.”

Also some new ideas & nuance...

- **Asset transfers risky** – given stress among lower income groups, likely to liquidate asset, rather than put to productive use (women may be especially likely not to benefit in long run)
- **Digital credit in need of re-visioning** – Possible start over @ reasonable level for outstanding debtors (even if some penalties apply well into future)?
- **Focus recovery investment**-- Risks of inflation, esp. with depreciation of Shilling → focus on facilitated recovery of export sectors
- **Wage workers** -- What happened to the 2M+ wage workers who lost jobs? How to build resilience into increasingly volatile wage work? (Loss of formal jobs is not new, also serious losses post-2017)
- **Accurate risk communication** – Share information on excess mortality and cases at even lower levels than counties; communicate vaccination plans

Also some new ideas & nuance...

- **New gender-based stresses have calmed, but reveal long-lasting inequalities** – Building back better should address some longstanding issues, in particular in women’s formal labor force participation and in helping girls finish school with second chance programmes for high school and post-secondary training
- **Improving Inua Jamii communications & delivery** – Inua Jamii generally needs to more clearly communicate eligibility, selection, benefits, and problem solving avenues. Operations need to be streamlined to make enrolment clear, efficient, and fair and to improve the predictability and reliability of payments. A more transparent and reliable transfer → greater benefits.
- **Recognize the resilience of informality** – The major sources of resilience for Diaries households were diversified informal businesses, social finance, and non-commercial agriculture. Formalized and globalized value chains bring possibilities for growth, but are themselves sources of systemic risk and may offer only weak coping mechanisms. As Kenya “modernizes,” how do we continue to retain these key resilience resources?

Possible interventions still very relevant at this stage

Recover

- Demand stimulus (**cash transfers**) still needed to reach the informal sector workers & businesses, especially outside Nairobi
- Build **second-chance programmes** to help girls return to and complete secondary post-secondary, potentially with childcare options in urban areas
- **Communicate health risks** clearly, including public study of excess mortality
- Begin **re-visioning digital credit**

Rebuild

- Build **efficiencies of the digital bureaucratic state**, particularly for informal sector; simplify processes & establish ex ante crisis response capabilities
- **Small business interventions**: coaching on sector choice, digital finance for MSMEs, apprenticeships, micro-consulting, linking MSMEs to macro growth
- Reorient attention for **pro-poor growth**, with focus on job creation in **export sectors and for women's work**.
- Improve **policy transitions** when new govt actions displace livelihoods
- Intentional **building assets** for emergencies in future; build resilience of waged workers
- **Asset transfers**, recovery transfers