

Coping with COVID-19 in Kenya

A demand-side view from Kenya

July, 2020



SCBF 

SWISS CAPACITY BUILDING FACILITY
Innovating Financial Inclusion

MSC 
MicroSave Consulting

About this report

- Kenya's first COVID-19 case was detected on 12 March, 2020. Since then, the government has taken swift and decisive measures to control the rapid spread of the pandemic in the country. The country has experienced 159 deaths because of COVID-19 (as of 4 July, 2020)
- The measures put in place to manage the spread of the pandemic have had a detrimental impact on the economy. Sustained travel restrictions and curfews impacted the non-essential markets and the sales of both essential and non-essential goods and services. There was a massive reduction in the revenue of the businesses and to minimize losses, the businesses significantly reduced the staff numbers and implemented pay cuts
- In this report, we analyze the impact of COVID-19 outbreak in Kenya, particularly on the low- and moderate-income (LMI) households, which have uncertain and irregular incomes
- We spoke to 153 respondents from LMI households across Kenya to assess their perspective and response on the COVID-19 situation. We have synthesized the findings to provide recommendations and opportunity areas for policymakers to strengthen their efforts further. Please see [Annexure 1 for the study design](#) and [Annexure 2 for the sample characteristics](#).
- For [detailed inter-country data comparison, see dashboard here](#)

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Special thanks to:

Data collection support: Geopoll

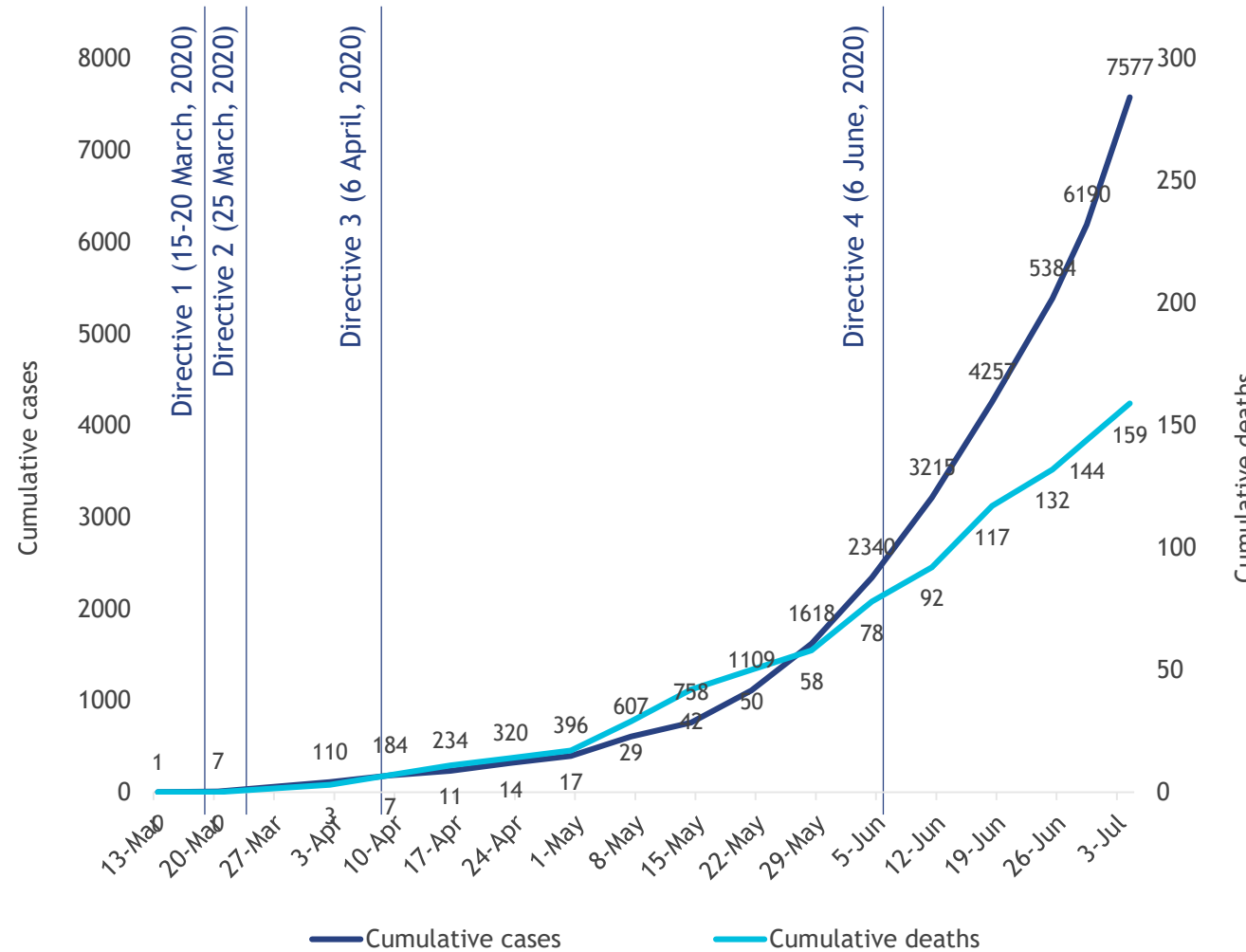
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The Government of Kenya managed the COVID-19 situation very well with adequate and proactive responses

The government has put in place various measures to contain the spread of COVID-19



Timeline

15th - 20th March
(Directive 1)

25th March
(Directive 2)

6th April
(Directive 3)

6th June
(Directive 4)

Government directives with an immediate impact on LMI segments

- Work from home other than essential services
- School and universities shut down
- Cashless transactions to minimise cash handling
- Toll free number to report Corona cases
- Social distancing in Public Service Transport (PSV)
- Nationwide curfew declared running from 7pm to 5am
- 100% tax relief to Kenyans earning Kes. 24,000 (US\$228) and below
- Made available Kes. 10 billion (US\$95 million) to vulnerable groups including the elderly and orphans, among others
- Temporary suspension of listing of loan defaulters
- Cessation of movement out of Nairobi Metropolitan areas for a period of 21 days
- Nationwide dawn to dusk curfew extended for another 30 days to run from 9pm to 4am

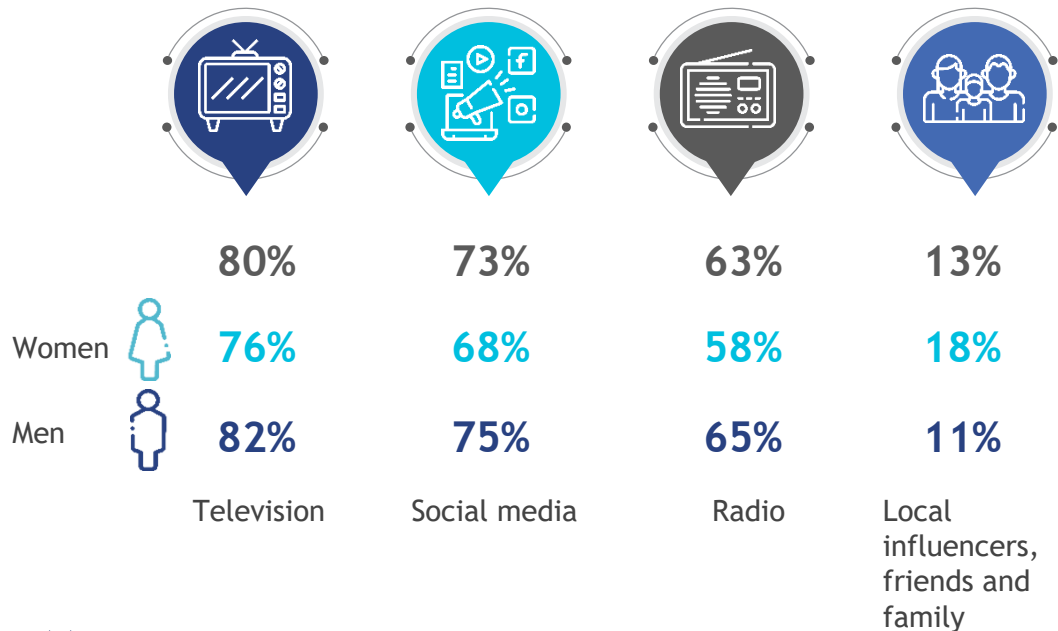
- In addition to the directives, the government in collaboration with the private sector have put in place various initiatives to assist vulnerable segments manage through this period.
- These initiatives have included supply of hygiene facilities, food items and funding for LMIs and MSMEs

Source: Ministry of Health, Kenya
For detailed data analysis, please visit [this](#) page.

There exists high levels of awareness on the COVID-19 pandemic but there is a need to further enhance awareness to manage misconceptions

Television is the most common source of information about the disease, while social media plays a critical role

Sources of information about COVID-19



Many respondents are aware of the ongoing pandemic and how to protect themselves

- Most respondents are aware that human contact (60%) and touching infected items such as currency notes (74%) can spread the infection
- While respondents agree that anyone is at risk of contracting COVID-19, 43% believe that the elderly are most at risk on account of age-related issues
- Inaccurate information about how people can protect themselves from contracting the disease proliferates across many popular social media platforms. This has the potential to negate government efforts in driving awareness

What can the policymakers do to enhance awareness and knowledge?

Push for proactive engagement to spread awareness

- The government may strengthen its mechanism to deliver information and intensify communication on the COVID-19
- The government may put in place measures to authenticate the accuracy of information on social media platforms. This could include regulations that require different media platforms to monitor and delete misinformation on COVID-19.

Sensitize the community and change the beliefs

- Sensitize communities through broadcast media on symptoms, treatment, and management of COVID-19 to address existing misconceptions about the spread of the disease and hence change beliefs and attitudes
- Expand sources of information to include trusted opinion influencers, such as community/ religious leaders and CICO agents trained on COVID-19 to educate these segments. They could be incentivized through stipends and higher commissions to encourage re-opening and knowledge sharing. MSC recently developed [agent comics](#) on COVID-19 that are useful to equip agents with COVID-19 knowledge

“ ———

“I can avoid infection if I drink a concoction of lemons, ginger, garlic and warm water” - A respondent

“ ———

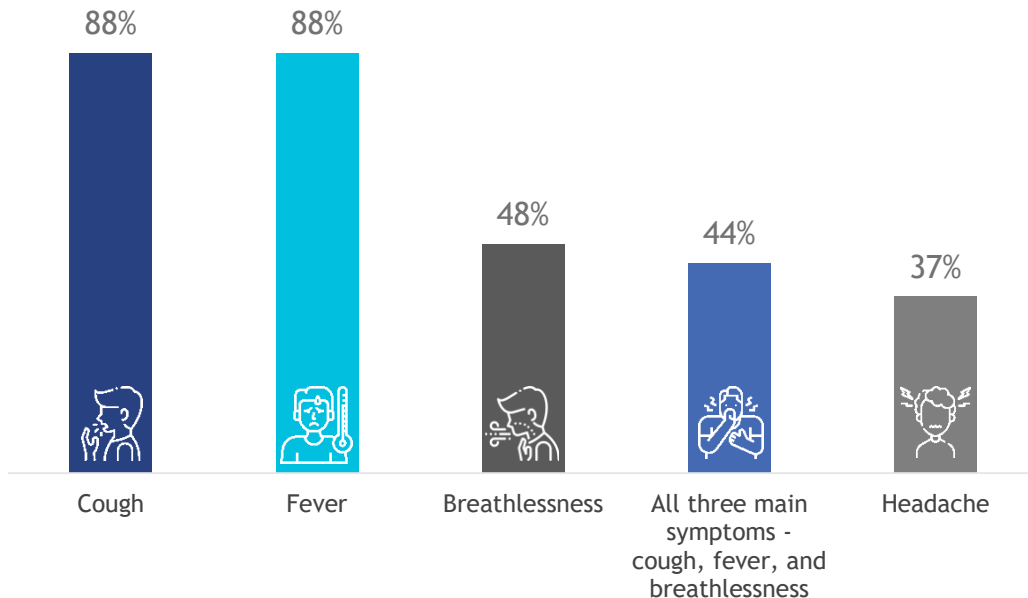
“I have heard that chloroquine and azithromycin can help to cure the disease if I get infected” - A respondent

For detailed data analysis, please visit [this](#) page.

Most respondents are aware of how COVID-19 symptoms and how it spreads. However, more female-targeted messaging is required

52% of respondent believe it is the role of the government to enforce social distancing to limit spread

Awareness of symptoms



Women were less likely (32%) than men (50%) to be aware of the three common symptoms of corona virus, namely, cough, fever and breathlessness

Respondents exhibit high awareness of how corona virus spreads and the symptoms

- Respondents understand the severity of the disease with 93% of respondents considering the disease highly fatal
- Government efforts to create awareness on protective measures have been effective with most respondents recognizing social distancing and handwashing as the most effective measure to prevent corona. However, LMI segments may find these hard to practice given the high population density, especially in the slums. In a [BFA study](#), respondents indicated that they cannot afford to purchase soap and sanitizers in the quantity needed
- Respondents have downplayed wearing masks, despite a high pitch communication program from the government. Only 39% of respondents wear masks and only 18% bought masks for family members. This undermines the potential effectiveness of masks in controlling the spread of COVID-19

Communications to enhance awareness to prevent the spread of COVID-19

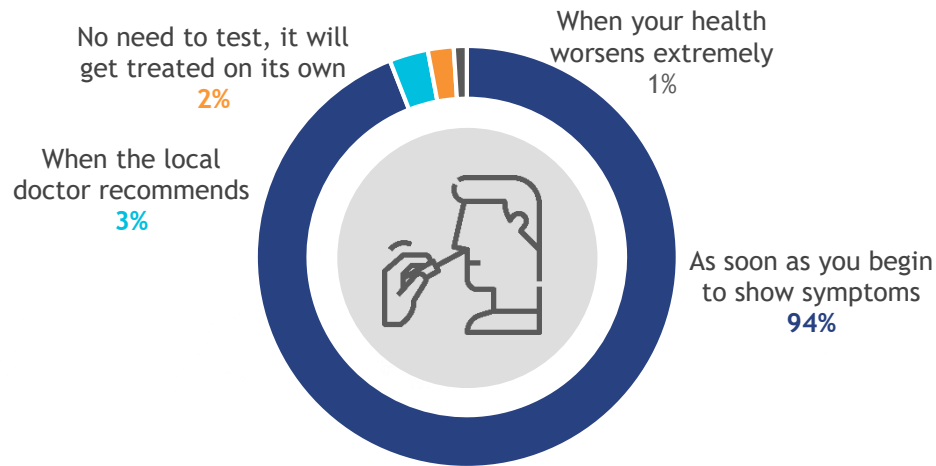
- Masks are an inexpensive and effective instrument to prevent the spread of the pandemic. The government needs to propagate information about the correct use of masks and handwashing to counteract the risks associated with limited social distancing.
- Consider the use of behavior change communication targeted to individual social behavior such as in the use of public means of transport
- Provide targeted and tailored information for various unique segments to ensure inclusivity and awareness on the symptoms of COVID-19. Consider use of channels such as community leaders, MFIs' staff, and affinity group leaders. These people can educate women and provide customized and contextualized information

For detailed data analysis, please visit [this](#) page.

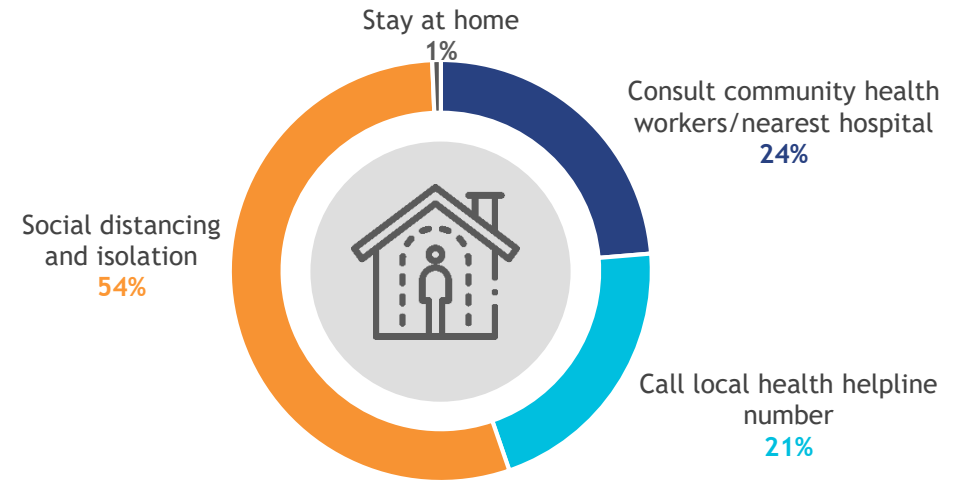
Respondents know where and when to go for testing

92% of respondents reported that government-run or government-listed labs, or both, are the “go to” place for testing and treatment if someone gets infected

95% respondents understand the need to get a test done as soon as they begin to show symptoms



54% respondents understand the need to social distance and isolate them in case they show symptoms of COVID-19



While respondents are aware of where to go for testing, the lack of infrastructure and lack of clarity of what to do if tested positive is detrimental to the efforts to test the infection and contain the spread

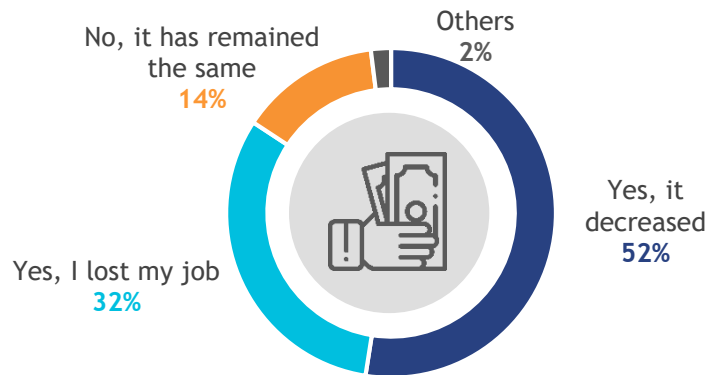
- Most respondents are aware that they should go for testing at a public health facility as soon as symptoms appear. However, many government facilities may not be [adequately equipped](#) to handle testing and treatment requirements. As on 20 April, 2020, Kenya has a capacity to conduct 600 tests per day at various government-owned facilities across the country with 20 testing labs in 10 out of the 47 counties. This could complicate efforts to get tested and access treatment
- The government should explore ways to expand testing capacities within rural and urban areas to reduce the need for people to go to the hospital. Following identified gaps in the current [management of quarantine facilities](#), the government needs to implement clear quarantine and isolation measures for those who have tested positive

For detailed data analysis, please visit [this](#) page.

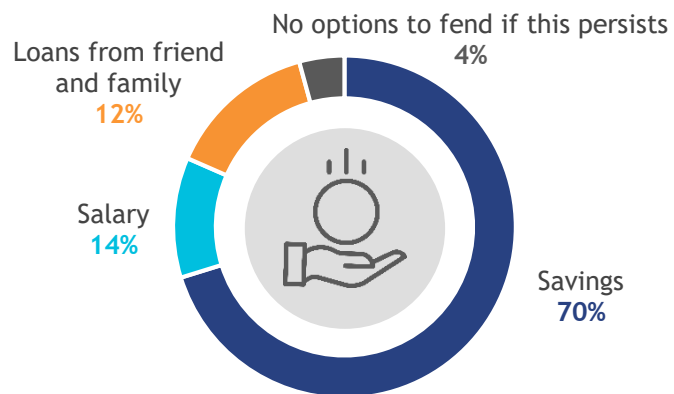
Earnings for most respondents have dropped. Survival is becoming a concern - 45% respondents have skipped an average of 3 meals in the last one week

Savings is the primary instrument used by the low- and moderate-income populations to cope, however, the depletion in resources is making the survival difficult

84% of respondents indicate a decrease in income since the outbreak of the pandemic in the country



70% respondents use savings to cope with the reduction in income and job losses



For detailed data analysis, please visit [this](#) page.

Most respondents have experienced a drop in income and are relying on savings to manage their daily expenses

- The curfew and restriction in movement have contributed to reduced business performance, loss of employment, and consequently, reduced income for more than half of the population. Over 80% of the Kenyan working population is employed in the informal sector and features most of the LMI segment.
- 47% of respondents indicate financial crisis as the biggest challenge they are facing right now. Many rely on savings to cope and [food prices continue to rise](#). According to a study by [Finmark Trust](#), 63% of Kenyan's indicated they haven't been able to access medicine due to lack of funds. 45% of respondents have skipped an average of 3 meals in the last one week

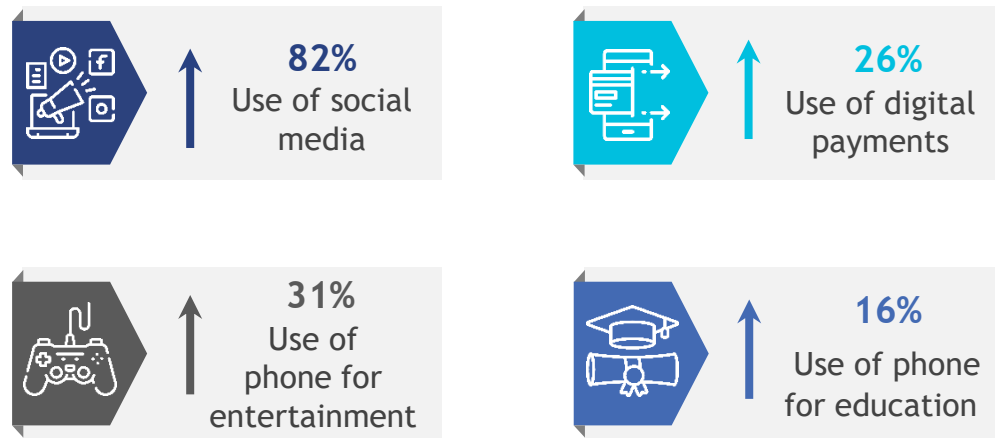
Government has put in place measures to support these segments but more needs to be done to enhance the effectiveness of such measures

- In addition to the existing collaboration between the government and the private sector, the government can leverage the on-ground networks that NGOs and public-private partnerships have with local communities, to strengthen the outreach to low- and moderate-income segments for food and cash support
- [Our research](#) indicates that the low and moderate income segments constitute 44% of digital borrowers. This segment cannot access digital loans because of restrictions on the lenders brought by [government directives](#). Digital lenders are also wary of high default rates anticipated during the COVID-19 period
- The government may accelerate the [pursuit](#) of a regulatory framework for non-regulated lenders to facilitate access to quality, affordable credit for these segments. Strengthening SACCOs to lend to this segments could also enhance access to credit to provide additional liquidity options for the LMI segment to cope with the financial crisis

The LMI segment is exhibiting pro-digital behavior with increased trial of digital payments

The use of physical cash has decreased and the epidemic presents an opportunity to further the development of digital ecosystem

Government directives that encourage use of digital channels have had some success with a 39% reduction in the use of cash and people learning to make digital payments



- Respondents are spending more time on the phone to access news and manage their day-to-day activities such as grocery shopping. This indicates readiness to fully utilize the digital ecosystem beyond the remittances. Unlike in other countries in [this study](#), there is no gender gap in the use of digital channels
- The shift in use of digital channels reflects an opportunity for the development of a full-fledged digital ecosystem to facilitate an individual's day-to-day transactions and to make digital daily-relevant

For detailed data analysis, please visit [this](#) page.

Government directives on digital payments as well as social distancing requirements have had a positive impact on the growth of digital payments.

- In a [recent MSC and Caribou Data survey](#), we observed evidence indicating an increase in the number of customers requesting to pay for goods and services through mobile money. Reduced charges for mobile wallet transaction and increased transaction limits have encouraged use of digital payments
- There has also been a notable 36% reduction in the use of bank branches and a 23% increase in the use of agent outlets brought on by the reduced bank operating hours, as well as, the 7 pm to 5 am curfew and restriction of movement. This shift towards mobile money indicates an opportunity for financial providers to encourage the use of digital channels

Shift to digital behavior can be enhanced to encourage development of a full-fledged digital ecosystem

- The government may implement policy measures to ensure customer protection for existing and new users of digital financial services
- Financial stakeholders may send regular messaging on the proper use of digital channels and implement grievance redressal mechanisms for new and existing users of digital channels. These will allow questions and clarification on usage of digital payments, and enable urgent issue resolution to help mitigate the [risk of fraud](#)
- Motivate and incentivize ground-level frontline workers such as CICO agents who have good rapport in the community to build the confidence of users in the use of digital channels
- The government should explore the use of behavior change communication via digital channels to further promote the use of digital channels



Annexure 1: Study design

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Study design



The objective of the research

The objective of the research was to assess the following:

- Knowledge, awareness, and attitudes towards COVID-19
- Practices adopted to prevent COVID-19
- Impact on social behavior, gender roles, digital life, and household economics
- The government's response and its impact on the low- and moderate-income populations



Knowledge



Attitude



Practice



Economic impact



Impact on digital ecosystem



Gender



The objective of the research

- **Country in focus:** Kenya
- **Location divide:** Rural, urban, and semi-urban areas
- **Sample size:** 153 respondents of which 103 were male and 50 were female
- **Average family size:** 4
- **Median family income per month:** Kes. 40,000 (USD 400)
- **Method:** Telephonic survey

- Data collectors were trained in detail about how to ask questions, where to probe, how to record responses, etc.

- Data quality was assured through survey methodology testing and concurrent checking of data

Annex 2: Sample characteristics

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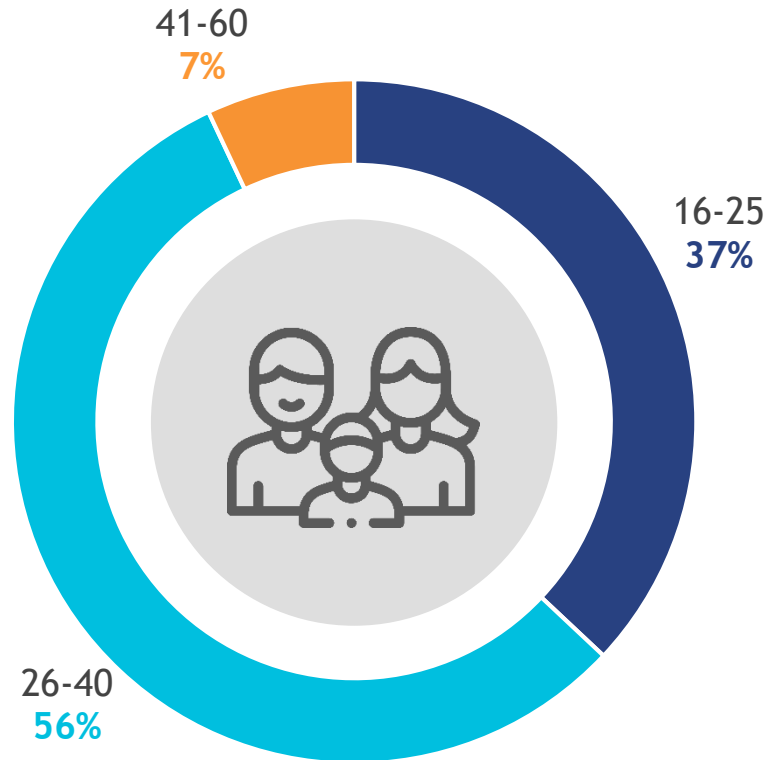
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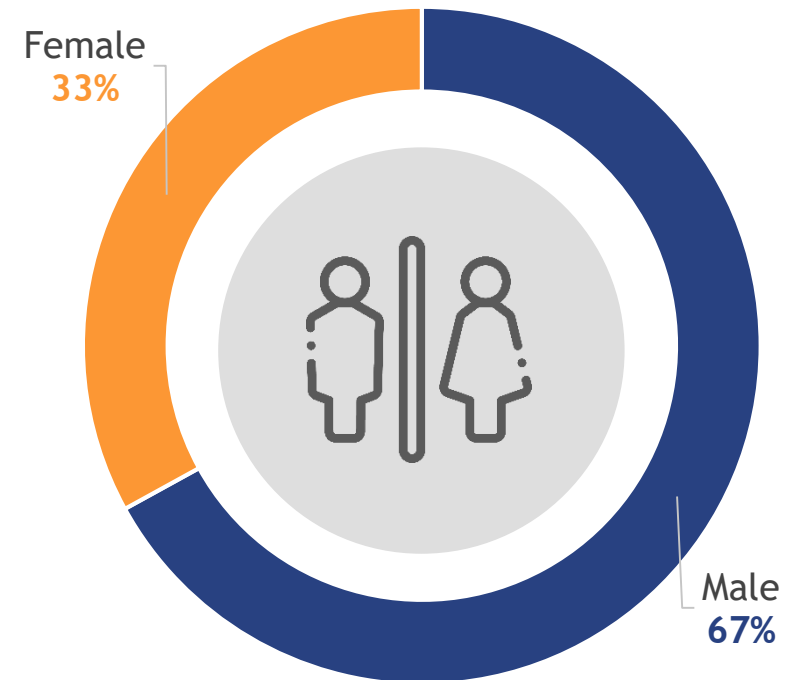
Sample distribution

The sample comprised mostly middle-aged people and male from urban areas

Age in years



Gender



MSC is recognized as the world's local expert in economic, social and financial inclusion



International financial, social & economic inclusion consulting firm with **20+** years of experience



180+ staff in **11** offices around the world



Projects in **~65** developing countries

Our impact so far

550+
clients

>850
publications

Assisted development of digital G2P services used by **875 million+** people

Implemented **>850 DFS projects**

Developed **275+ FI products** and channels now used by **55 million+** people

Trained 9,000+ leading FI specialists globally

Some of our partners and clients



This is SCBF

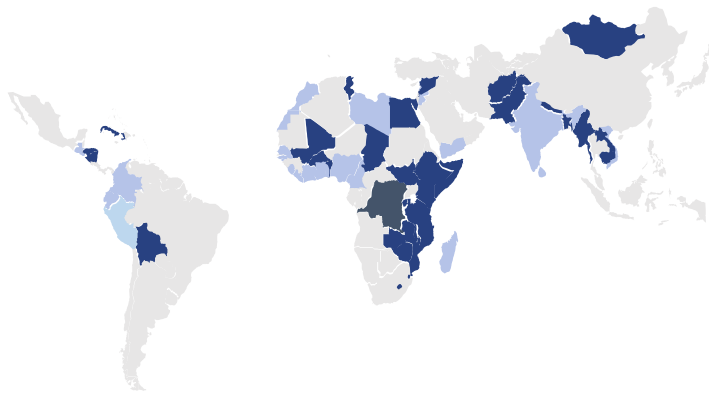
- SCBF co-funds **technical assistance (TA) grants** to develop client-centric **financial products, channels, and services** for low-income clients in developing countries
- Target end-clients:** Low-income populations, particularly women, smallholder farmers, micro, small, and medium enterprises (MSMEs), and rural populations
- Goals:** Build resilience, economic empowerment, and access to essential services



Outreach

| | | |
|------------------------------------|--|-----------------------------|
| 2.1M+ Low-income clients | 91+ Partner financial institutions | 43 Countries |
| 59% Low-income women | 36+ Technical assistance providers | 55% Rural clients |

Eligible countries



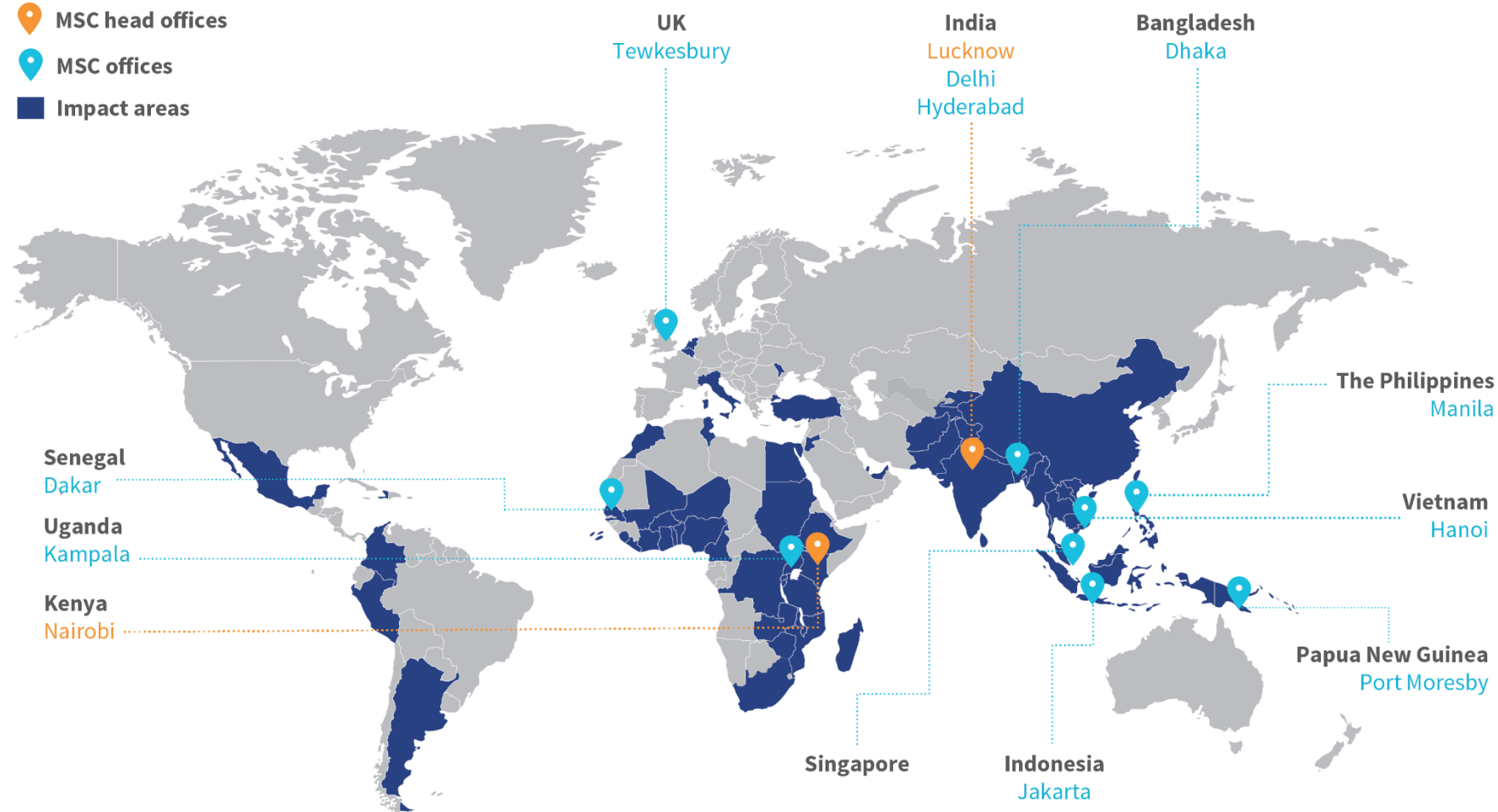
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