

CHAPTER FOUR.

HUMAN DEVELOPMENT IN KENYA.

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4.1 HUMAN DEVELOPMENT IN KENYA

Throughout the period since Kenya gained independence in 1964, development whatever the definition may be has been accepted as the prime national goal. Therefore one way through which to achieve economic development is by human development. According to Mahbub ul Haq, "In order to equate the chances of every newborn child, let us take a simple step: let us treat child immunization and primary education as a birth right of that child – a right to survive and a right to be educated")¹. Thus the purpose of growth is to enrich the people as seen in the parameters of: Life expectancy at birth, availability of health services, safe drinking water, daily calorie supply per capita, adult literacy rates, infant mortality rates etc. The ultimate goal of development is to reduce poverty and improve standard of living. Human development is the end economic growth is a means². Since independence in 1963, Kenya has continued to design and implement policies aimed at promoting coverage of and access to modern healthcare in an attempt to attain the long-term objectives of health for all.

On attaining independence, the Government committed itself to providing “free” health services as part of its development strategy to alleviate poverty and improve the welfare and productivity of the Nation ³. The development and expansion of health services and facilities in terms of spatial coverage, training of personnel, and in tertiary healthcare delivery services since independence has been commendable. Though the physical infrastructure for health provision in Kenya has expanded rapidly, distribution and coverage remains uneven especially in rural areas. Maintenance of public sector health facilities has been a big predicament and a major burden for the Ministry of Health. Healthcare policy reforms have therefore been adopted as a strategy of supplementing government budgets to revitalize healthcare delivery systems. The most notable health reforms the Government has adopted include decentralization and cost sharing.

The health achievements between 1960 and 1992 were encouraging. During this period, there were improvements in infant, child and maternal mortality and morbidity rates, crude death rate, and life expectancy, among others. However, since the early 1990s, there has been a declining trend in the health status of the population. Mortality rates started increasing in 1993. Infant mortality rates increased from 61 in 1992 to 74 in 1998, then to 78 in 2004.

According to the Kenya Human Development Report (1999), the positive gains Kenya had achieved in reducing mortality rates between 1960 and 1992 appear to have been reversed ⁴. Chronic malnutrition or stunting prevalence remained at 33 percent in the period 1993 and 1998. The greatest challenge to independent Kenya has been the emergence of the HIV/AIDS pandemic.

Table 4.1: Selected demographic indicators

Year	GNP	Population	GDP per capita (US\$)	Infant mortality rate
1980	7265312768	16282496	446.2	73.00
1981	6854490112	16914982	405.2	81
1982	6431539200	17573348	366.0	80
1983	5979251200	18254942	327.5	81
1984	6191426560	18956092	326.6	82
1985	6135028224	19673480	311.8	65
1986	7239145472	20405074	354.8	66
1987	7970816512	21149240	376.9	65
1988	8355302912	22664636	368.7	64
1989	8271763968	23430276	353.0	65
1990	8590566400	24199826	355.0	64
1991	8152118272	24971048	326.5	65
1992	8220718080	25000000	328.8	67
1993	5751786496	25737392	223.5	68
1994	7148143104	26490784	269.8	70
1995	9046332416	27225892	332.3	72
1996	12045837312	27942268	431.1	72
1997	13115728896	28642986	457.9	73
1998	14093228032	29331140	480.5	74
1999	12896050176	30011476	429.	75
2000	12705273856	30689332	414.0	77
2001	13058513920	31363972	416.4	78
2002	13192341504	32039836	411.8	79
2003	15036096512	32733766	459.3	79
2004	16087554048	33467328	480.7	79

Computed from World Bank indicators 2006 and various economic survey reports.

It is estimated that 2.2 million Kenyans are now living with HIV infection, representing about 14 percent of the sexually active population. Over 1.5 million Kenyans have died of AIDS since the epidemic started. The HIV/AIDS pandemic is becoming much more than a health problem as it encompasses economic, social, and cultural dimensions. The epidemic continues to enormous exert

pressure on the healthcare delivery system. Although there has been a massive expansion of health infrastructure since independence, increasing population and demand for healthcare outstrips the ability of the government to provide effective health services. Provision of effective health services requires that the government address issues of inadequate health personnel, financing, drugs, health infrastructure, inefficiency in health delivery, and inequality in delivery of healthcare. It is due to the above inadequacies of the government of Kenya that the World Bank financing is required in order to meet the effective health care provision in the rural and urban areas.

Demographic indicators reveal that over 93 per cent of the richest 20 per cent of the population have access to potable water but only 28 per cent of the poorest 20 per cent have drinking water. The disparities are even more pronounced on provincial basis. While 33 per cent of the households in Nairobi Province have piped water, only 0.6 per cent of households in North Eastern and Nyanza Provinces can access piped water. Only about 32 per cent of households, mainly in urban areas, are connected to piped water. The rural areas experience an even more critical situation, where about 54 per cent of households lack potable water. They rely on wells, springs, rivers, streams, ponds, and lakes or dams to meet their water needs. Most of these sources dry up during the dry season.⁵

4.2. RATIONALE OF HUMAN DEVELOPMENT.

Human Capital theory draws on neo-evolutionary theory while emphasizing the critical role of education to develop skilled manpower, innovators, and

entrepreneurs for a modern society. This theory comes from neoclassical economists who argue that national development will follow from the improvement of a nation's human capital. Economic growth, as the main goal of development according to human development theorists required foremost improvement and greater efficiency of technology because higher technology leads to greater production and secondly maximizing human resources in applying technology, (cited by Catherine O'Brien). It has been established that countries with higher human capital tend to grow faster this implies that the coefficient of school is predictably expected to be positive, (Barro, 1991) ⁶.

In the history of economic thought ideas can be traced to Adam Smith, Malthus and Ricardo who conceptualized the classical theory of development. Whole of the 19th century and a half of the 20th century the centre stage was the wealth of nations. Though GNP was the accepted parameter of growth most economists shifted the focus to Human development. Development theory that will work to free the mass population, which was trapped in a vicious circle of poverty, was propounded. Sustained rise in per capita income was assumed to be vital indicator of development but the empirical evidence from the Less Developed Countries challenged this view. Widespread poverty, widening disparity and ever-rising unemployment can co-exist with increase in per capita income. Poverty is the inability to attain a minimal standard of living and it has been argued that there can be coexistence of high incomes and abject poverty. (Ravallion 1994) ⁷

Human development is a process of widening people's choices as well as raising the level of well being achieved. Human development school of thought embraces the enlargement of all human choices whether economic, social or political. According to most of the economic literature which concluded that economic growth does not trickle down as previously thought had led to the re-evaluation of economic development in respect of human development? There are many human choices that go beyond economic well being or accumulation of wealth, knowledge, health, a clean physical environment, democracy and a range of pleasures in life do not depend necessarily on income. Human development paradigm envisages full empowerment of people by increasing people's equity, sustainability and productivity *"It is sustaining of human opportunities that must lie at the centre of our concerns"*. Muhbub-ul-haq.⁸ Opportunities which embrace a decent and high standard of living with dignity like access to health, education and food have to be sustained. Most human literature opines that education, health, physical environment, equality of opportunities to all people irrespective of sex, caste and political freedom is important as income.

Wealth certainly leads to health but health should also be seen as a form of human capital and an input into the growth process, as well as an output. People with higher incomes are healthier in view of the fact that they have a better command over the goods and services that promote health. Countries with educated and healthy populations are in a better situation to prosper. Higher incomes promote access to a nutritious diet, safe water and sanitation and good

health care but this view has been challenged in recent years by the likelihood that the income-health correlation is also explained by a causal link running the other way — health to income.

The new view is that good health enhances economic growth. This complements and realigns ideas for spending on health that is based on humanitarian and equity arguments. Many studies have also revealed that healthier workers are physically and mentally more energetic and robust and are less likely to miss work due to sickness either of themselves or their families. They are more productive and earn higher remuneration. Human health has a most important role to play in economic development ⁹. There is a direct connection between the health of a population and its productivity as demonstrated in the industrial countries which are at present benefiting from the years of investment in health services. Good health is both a basic right and a requirement for rapid socioeconomic development and a healthy population is a basic requirement for booming industrialization. A sound health care delivery system, high-quality nutritional status, food security and the nonexistence of epidemic diseases are the circumstances that produce healthy people competent of contributing in a country's economic, social and political development ¹⁰.

Health and success in education are also linked. Healthy children are able to learn better and become better educated and higher earning adults. In a healthy family, children's education is less probable to be interrupted due to ill health. Poor health is also coupled with poorer health in adulthood. Health is, hence, a

vital form of human capital. It can enhance workers' productivity by increasing their strength, endurance and mental ability, including cognitive functioning and reasoning, ¹¹. There is a positive relationship between health and productivity for workers, the rate of economic growth and development depends largely on the quality of a country's human resource development. Human resource development is a vital first step in the social and economic transformation of any society. When most of the population is literate they will claim their rights and demand the services, which the government is supposed to deliver to them.

According to Harbison (1964), human resource development is a process of increasing knowledge, skills and capabilities of the people in a society and accumulation of human capital and its effective investment in the development of economy ¹². Most empirical studies in developing countries show that the government provides human resource development. The efficacy of this public expenditure is to free the poor majority who are trapped not only in income poverty but also in social and welfare poverty. In the Sub Saharan Africa and especially in Kenya for the poor to improve their standard of living depends largely on the extent to which public expenditure enables them to obtain affordable health care and good quality education.

Adebayo Adedeji (1997) in his study argues that a country's development does not depend solely on national resource availability of capital resources but also on the availability of education and skilled manpower ¹³. No amount of capital investments however much it might be if not complemented by education a

human factor which can sustain and enhance the development of any society. It is evident from the Human Development index ranking of oil producing countries which has enormous capital from crude oil export but they are still ranked below Singapore ¹⁴. This is so because human beings constitute the creature genius and impetus for development which are principal agents of change and the entrepreneur of the economy. While people are the ultimate beneficiaries of rapid economic and social development at the same time they are the most vital input in the productive distributive and exchange process of the economy ¹⁵. When people are equipped with the appropriate skills and training through effective education system they can be able to increase their incomes and escape the poverty trap. As a matter of fact economic growth increases resources and options available for social progress whereas social progress creates a favorable environment for economic development. Therefore both of them are two sides of the same coin. The real GDP per capita (PPP\$) is the economic indicator while the life expectancy and educational achievement are the social indicators in HDI.

Human development is a composite of three basic indicators namely longevity, standard of living and knowledge¹⁶. Longevity is measured by the life expectancy at birth, standard of living is measured by real GDP per capita (purchasing power parity, (PPP) in dollars); Knowledge (education) by a combination of the adult literacy (two thirds weight). In the construction of the HDI fixed maximum and minimum values have been established for each of these indicators. The basic guiding philosophy for education in Kenya has remained that of creating a society

that possesses the necessary knowledge, skills, attitudes and values to enable it to contribute positively in nation building.

Table 4.2

Goal Posts for calculating the HDI

Indicator	Maximum Value	Minimum Value
Life expectancy at birth (years)	85	25
Adult literacy rate (%)	100	0
Combined gross enrolment ratio (%)	100	0
GDP per capita (PPP US\$)	40,000	0

Source, Haq, M. ul (1999) *Reflections on Human Development*, 2nd edn. (Delhi: Oxford University Press).

For any component of HDI, individual indices are calculated according to the general formula:

$$\text{Index} = \frac{\text{Actual Value} - \text{Minimum Value}}{\text{Maximum Value} - \text{Minimum Value}}$$

Calculating income index

$$W(y) = \frac{\text{Log } y - \text{log } y_{\min}}{\text{Log } y_{\max} - \text{log } y_{\min}}$$

Human Development Index

It is a simple average of life expectancy index, educational attainment index and adjusted real GDP per capital (PPP\$) index.

In this chapter we have attempted to underscore the proposition that what must ultimately judge success in economic growth it does to people’s lives ¹⁷. The quality of life we can enjoy and the liberties we exercise. Booming stock

exchange, few rich industrialists and few rich politicians can a mass wealth and make the GNP of the country look attractive but still the poor people in the rural villages might be growing poorer and poorer. Lopsided and flawed economic growth would mean economic growth that is jobless, ruthless voiceless, rootless and futureless.

4.3 WORLD BANK FINANCING IN HUMAN DEVELOPEMT AND ITS LINKS IN ECONOMIC DEVELOPEMENT OF KENYA.

"The epicenter of extreme poverty- living on less than \$1 a day is in Africa"
*Jeffrey Sacks.*¹⁸

The most important, contribution of the development economists to the economic literature in recent time is the development and construction of Human development index, this have brought the structure and quality of growth putting the beneficiary the human being to the centre stage of development. If today an economist has to draw a balance sheet of economic development we have to start with a human development balance sheet. Therefore they will have to start with the extent of human resource in the country, the level of education, inventory of skills, profile of relative income distribution an absolute poverty, levels of unemployment, rural-urban distribution and level of human development in different provinces districts and constituencies. Poverty is more than mere lack of money. It is about lacking basic nutrition, health, education, freedom, and

representation. It's about being invisible, voiceless and powerless to improve your living conditions of your own.¹⁹

The World Bank considers that the precious resource in the Sub-Saharan Africa including Kenya is the people and their potential to work for the collective betterment of our Nation. Poverty weakens this resource and its potential. Poverty in Kenya has many manifestations and its characteristics are low and unreliable income, poor health, and low levels of education, insecurity and uncertain access to justice, disempowerment and isolation from the mainstream of socio-economic development²⁰. The poor should be equipped with skills and means to help themselves through the provision income earning opportunities, ready access to means of production, provision of affordable, basic services and the protection of law. In the basis of the above perspective the World Bank finances human development projects which aim to mitigate poverty.

During the economic deterioration of the two 'lost' decades of 1980s and 1990s, the government of Kenya introduced social reforms which entailed increasing fees in secondary schools and requiring pupils and primary schools to purchase books²¹. At both primary and secondary levels pupils contributed substantial amount to the construction of classrooms and school equipment. The ramification of cost sharing reforms in the social sector on human capital development in the country was detrimental to say the least. The evidence shows that there was decline in school enrolment, especially among girls. Recent development experiences indicate that rapid economic and politically sustainable progress on

poverty reduction have been achieved by pursuing multi-pronged policy of promoting broad based economic growth and providing basic social, services to the poor (World Bank 1995)²².

Financing human developing in the less developed countries like Kenya is the prerogative of the state. The state through its national economic planning allocates public expenditure to education, health, and building of roads, agriculture and other sectors of the economy. Human Development require huge financial resource base which the developing countries lack (Pritchett, Lant, 2001)²³. The study opines for the infusion of the foreign aid to boost the facilities and mechanisms for the provision of quality education. Assuming education will be delivered mostly through schools, leaving no child out of school will need additional money for schools, teachers, teacher training, materials and equipment, administration, assessments, randomized evaluations and overcoming family disincentives to families. The World Bank financed a number of projects in the education sector see table 22.

Rweyemanu and Hyden (1975)²⁴ argue that Africa's manpower shortages will not be relieved in the foreseeable future with the strategy of only substantial aid from the west and international agencies in the form of men, money, overseas training places, and expert advice. Investment in education, health and skills of the people and providing basic services to all helps to strengthen the local human resource hence the economic development of Kenya. This will help in

local capacity building to improve the absorption capacity of aid. The experience of the economic miracle of Asia China, Singapore South Korea shows that channeling of additional amount of resources by the government in the education sector significantly enhances human development.

The birth of development economics in the post war era was a manifestation of human faith in the potential of man to harness human resources, science and technology to raise the standard of living of the poor. We opine that rapid growth of human development with equitable distribution in Kenya will narrow the gap between the rich and poor. The World economy has witnessed a widening development gap between the North and the South countries ²⁵. The United Nations Human development Report shows that 52 per cent of the population of Kenya leaving below 2 dollars per day, this depicts the growing number of the poor Kenya who remain on the edge of survival, present a formidable challenge to the policy makers and donors like the World Bank ²⁶. Therefore the objective of the World Bank to fight poverty with passion in less developed countries like Kenya is both a moral and intellectual challenge. The existence of this wide spread poverty in Kenya's economy, dampens the demand for goods and services on the one hand and results in loss of wealth of the nation in terms of idle human resources on the other hand. The World Bank has funded projects which has spurred economic growth and mitigated poverty in Kenya.

After independence Kenya desired to alleviate poverty as spelt out in its various policy documents. The National Poverty Eradication Plan (NPEP) and Sessional Paper No. 10 of 1965 on African Socialism, and its application in planning in Kenya made the eradication of Poverty, ignorance and disease a priority²⁷. The effective and efficient management of education resources is a pre-requisite to the attainment of economic development. According to Schumpeter, it is not the mobilisation of savings, which is crucial for development, but it is entrepreneur who combines the factors of production in ways through innovation that increases productivity. This paradigm is evidenced by the Asian miracle countries like South Korea and Singapore, which through entrepreneur and technology have graduated from developing to developed countries²⁸.

The quality and productivity of human capital have remained the major constraint in development. Evidence shows that the quality of education in Kenya has declined while its relevance has not been systematically adapted to the market needs. The reforms, which are advocated by the World Bank in the education sector in regard to governance, curriculum review and availability of trained teachers will revamp the human development, hence spur the economic development of Kenya. Most countries in the third world have failed to strike a balance between manpower demand and supply noting that *"One of the many contradictions of the African manpower situation is the persistent existence of unemployment while some industries are desperately short of labor"*²⁹. This situation arises when those who go through the education system which is not

equipping the skills which are relevant to job market requirement. The increase in number of the educated unemployed along side shortages of trained personnel has been a standard characteristic in most of the Sub Saharan Africa where Kenya is not an exception. This bizarre situation is very much the making of mal-adjustment between the education system and the social economic requirement of the Kenya. In order to correct this disturbing situation the Kenyan government in partnership with the World Bank has initiated many projects in this regard.

Evidence shows that there is a significant correlation between increased expenditure on education and the level of economic growth and development. Adebayo Adede (1977) in his study established by analysis that increased expenditure on education is accompanied by substantial growth ³⁰. In other words those countries having fastest rates of growth are usually those, which allocated the largest absolute and relative shares of their national budgets to education and vice-versa. The available literature underscores the significance of providing quality education of lower levels of the educational ladder as a means of strengthening the higher level of higher learning institutions. When the government allocates substantial amount into the education sector it enables the poor to afford it which they cannot afford to pay. In the Robert McNamara Nairobi speech in 1973 he brought the poverty issue to the forefront and redefined the World Bank as a development agency. This led to the agenda of the 1970s with projects, which had most impact on the people like emphasizing on projects of health, education and other basic services ³¹.

(i) WORLD BANK FINANCING ON EDUCATION SECTOR.

The history of formal education in Kenya dates back to 1846 when Johann Rebmann and Ludwig Krapf of Church Mission Society (CMS) set up a mission school at Rabai Mpya in coast Province, there after similar schools were established (Bogonko 1992 pg 18).³² After independence education was unified in 1964 the goal of education shifted from serving the parochial interests of small segment of the larger society to that of nation building and training manpower for the economic development. In the post independence era, it was widely anticipated that the development of human resource more than any single factor would be the panacea of development³³.

Most research which has been carried out shows that education strengthens people's ability to meet their needs and those of their families by increasing their productivity and potential to achieve higher standards of living and decent quality of life. The strong positive relationship between the level of schooling and health uptake has clearly been established in human development studies. Household and individual with more education enjoy better health for both adults and for children. Strongest association between literacy level and health has been noted between a mother's educational level and child survival rate. Literacy levels are also an important complementary element in the nutritional field by the promotion of personal hygiene and sanitary behaviour. Therefore from the above perspective the World Bank has funded a number of projects which has spurred human development in Kenya. Kenya's guiding philosophy for education is the

concern that every Kenyan has the inalienable right, no matter his or her socio-economic status to basic education.³⁴

Significant resources have been invested over the years by the government of Kenya and World Bank to expand and improve education at all levels. Since independence in 1963 Kenya has invested substantial amount in the education sector. The investment has enabled Kenya to achieve a highly educated work force by African standards (African development bank 2005)³⁵. For almost twenty six years the grandiose expenditure on education supplemented by sound government policies spurred gains in the achievement of education in wide range. However this impressive growth in the education sector did not last for long, in the mid eighties there was deterioration of the gains of the seventies and sixties. Most research has attributed this reversal of this trends education stride to the increase of the cost of education in Kenya. This emanated from the cost sharing policies, school curriculum reforms, the expected returns from education and the spread of the aids scourge, which intensified in the 1990s till present. Cost sharing policy, which was formerly introduced in 1988, entailed the parents paying for school uniforms, textbooks pens school equipments and other materials, which will be used by the pupils in school. Also the parents were to contribute to the building of classrooms and the fund raising projects.³⁶

Kenya has a highly educated work force by African standards, adult literacy rate is estimated at 84 percent, 70 percent of eligible children attended primary school and the primary school completion rate was estimated at 52 per cent in 2001.

Likewise, 32 per cent of the relevant age group was enrolled in secondary school. The imposition of fees in 1985 led to a fall in primary school enrolment and more than half of the children that do go to primary school do not finish. Gross secondary enrolment grew since independence up to 1991 but since then enrolment has dropped substantially, likely due to the rising costs of education and a fall in employment opportunities. The tertiary level enrolment has stagnated, especially in technical and vocational subjects. The quality of industrial training is inadequate to firm's needs. In 2003, the government of Kenya eliminated primary school fees for the country, boosting enrolment; however the quality of training has been declining.

During the introduction of free primary education by the government enrolment rate has increased tremendously. The Government has released nearly Sh33 billion to primary schools since free education started in 2003. It is only through prudent management and use of public funds that the Government could achieve the millennium development goals, whose key objective is to attain education for all by 2015. The provision of free primary education has enhanced the pace towards the achievement of education for all, in that enrolment in public schools continued to grow. Before the inception of free primary education, there were 5.9 million pupils in public primary schools, but the enrolment figure had risen remarkably.³⁷

The table 4.3 which shows the school enrollment rates in Kenya reveals and confirms our proposition.

Table 4.3 SHOWING SCHOOL ENROLLMENT RATES IN KENYA.

Year	Gross Enrollment	Male	Female
1983	110	116	104
1984	107.1	110.2	103.9
1985	99	101.8	96.1
1986	98.1	101	95
1987	98.2	100.9	95.4
1988	96.5	98.7	94.4
1989	98.2	99.9	96.3
1990	95.8	98	95
1991	92.19	94.16	90.21
1992	91.40	93.30	89.40
1993	91.54	93.07	90.00
1994	87.84	88.83	86.84
1995	88.49	89.13	87.83
1996	86.80	87.35	86.25
1997	86.44	87.33	85.54
1998	87.61	88.61	86.60
1999	88.80	89.36	88.24
2000	86.91	88.11	85.71
2001	98	102	96
2002	104	105	103
2003	118	123	113
2004	120	125	115

Sources: Computed World Development Report, UNDP Report and Government, Ministry of Education Statistics Report.

Enrollment rates can exceed 100% when some proportion of the students repeat the same grade .As a result the total number of students in primary schools can exceed the number of students who would be in primary school if they had advanced normally.

Table 4.4: shows a positive trend towards achieving Literacy Rate

Year	1963	1976	1980	1988	1992	1994	1997	2001
Literacy Rate	23	46	47.2	54.3	60	67	77	84

Source: Welfare, Monitoring Survey II-CBS

To ease the burden on the poor population an increase enrolment a policy to return to the former policy of free education in primary level was implemented by the government with the partnership of the World Bank and the government to provide funds to train more teachers so as to match the increase of enrolment in primary schools. Despite major strides made in education and training a number of challenges still persists. These include cost of education and training, inequity in access, high wastage rates, problems of relevance and quality, under-enrolment in key post school courses for developing the labour force for industrialization. Earlier we highlighted that enrolment rates in primary schools declined during the 1990s due to cost sharing expenses, which were imposed by the government due to economic deterioration.

The World Bank is supporting in the introduction of free universal primary education, which commenced in 2002 by the government. The election of the new government in December 2002 presented an exciting new opportunity for the World Bank and strengthened its program of support to Kenya, as the

Government quickly moved forward to address governance problem and strengthen poverty reduction efforts. The Government has set education as one of its highest priorities, and some bold policy was being introduced. The free primary education project funded by the World Bank bolstered the government of Kenya's new policy of free education US\$50 million grant ³⁸. This enabled Kenya to purchase text books to ensure that Quality of primary education is not compromised. The projects are implemented in three years duration.

The primary free education which is being financed by the World Bank and other partners will enable Kenya to attain the universal primary education by 2015 which is envisaged in its development plans and meeting the millennium development goals. In primary schools, enrolment has risen since the introduction of free primary education from 5.9 million in 2002 to 7.9 million. The above logic springs from the evidence of Hanushek, Gomes-Neto and Harbison (1994) which concluded that improving the availability of textbooks and writing materials or improving the components of the facilities would improve the education quality ³⁹. It was shown that if \$1 is invested in useful resources like textbooks and immediate savings of more than \$12 is obtained speeding students through schooling.

After Kenya gaining independence in 1964 the enrolment rates increased remarkably. The government initiated programs and build substantial primary schools and secondary schools to accommodate large enrollment rates which

were being experienced. We have elucidated this increase of enrolment, primary schools and secondary schools by Table 4.5.

Table 4.5: Kenya education trends in selected years

Particulars.	1963	1973	1983	1986	1995	1998	2000	2003
No. of primary schools	6058	6932	11966	13347	16115	17623	18617	19938
Total enrollment ('000')	892	1810	4324	4843	5544998	5919721	5882625	7185
No. of secondary schools	151	964	2230	2417	2878	3081	3207	3999
Total enrollment in secondary schools	30120	174767	493710	458712	632388	700538	660915	879956

Source computed from various economic survey reports Government of Kenya.

The World Bank has been lending to the education, health, water and sanitation as well as sewerage disposal since its inception. In the late 1980 and the last decades financing has increased substantial has there is more realizing that there is been no trickle down as expected earlier. The mission of the World Bank of reduction of poverty will be accelerated when the human development is put on the centre stage of development. The World Bank is playing a leading role is fostering human development in its member countries. The World Bank (International Bank for Reconstruction and Development, IBRD and International Development Association, IDA) have funded projects in human development mostly in less developed countries. We have elucidated this in a table form as shown on table 4.6.

Table 4.6

IBRD AND IDA CUMULATIVE LENDING SINCE FISCAL 1990 IN HUMAN DEVELOPMENT AND BY REGION, JUNE 30, 2005 | MILLIONS OF DOLLARS

Purpose	Africa	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	South Asia	Total
IBRD	230.09	3,100.33	3,018.23	9,071.83	1,624.26	719.41	17,764.15
IDA	6,083.6	1,740.83	528.79	460.57	348.42	6,438.6	15,601.11

(Source World Bank annual report 2006)

Recognizing the critical linkage between the development of human resources and economic development, the World Bank began lending for education in 1966. The first project was education project (01) approved on 19th August 1966 see table 32 appendix also. The World Bank focused on the construction and equipping of physical facilities and producing high-level skills to meet manpower requirements. In Kenya the overall lending for education has increased steadily over time. Since 1966 up to 1985 the World Bank financed the education, health, sanitation, both in rural and urban areas. There were a total of seven projects which were undertaken by the World Bank which was approximately \$91 million. The projects improved the standard of living in the country which had gained independence but with dismal human development. The adoption of the sessional paper of 1963 the African socialism health education and providing enough food for the population was given a priority. ⁴⁰

Table 4.7 The World Bank funding in human Development in Kenya

Approval date	Commitment amount	Name of project
August 1966	7	Education
May 1970	6.1	Education
Dec 1975	10	Education
May 1982	23	Integrated rural health &family planning
June 1983	29	Urban development housing
March 1981	40	Education
March 1985	6	Nairobi water supply
March 1986	37. 5	education
May 1988	12.2	Health and family planning
July 1989	216.7	Nairobi water supply
March 1990	41.3	Population
November 1991	61.1	University investment
November 1991	31	Health rehabilitation
February 1992	48.7	Mombasa coastal water engineering
December 1992	52.2	education
March 1995	65.5	Sexually transmitted infections
November 1996	6.2	Tana river primate national reserve conservation
April 1997	35.1	Early childhood development
September 2000	50	HIV/AIDS RESPONCE
December 2002	97.89	Decentralized reproductive health \$HIV/AIDS
June 2003	54.98	Education
June 2004	16.81	Nairobi water &sewerage institutional restructuring

Source computed from World Bank project &loans department data.

The sixth education project to Kenya had the major objective of assisting the government to increase the effectiveness and relevance to the social requirements and the efficiency of the education system within constraints of the 8 - 4 - 4 system ⁴¹. The projects spurred high demographic growth and increasing the demand for education by the population. The project targeted the less privileged in the remote areas by building schools and ensuring equity and quality of education. The programs also provided additional teacher training facilities and upgrading the curriculum of the schools. The program helped to strengthen the government capacity to plan and manage its expansion levels. (World Bank evaluation report) the project cost was \$ 37.5 million. It has been established that an increase in the skill-level of teachers is positively associated with education enrolment (K. Kimalu and N. Nafula.) ⁴²

The World Bank recognizes education as essential for sustainable development as evidenced from the objectives of the project. It supported the efforts of the government to provide education to nomadic pastoralists, especially through mobile school development. There is a compelling need to provide more text books and learning equipments for equity reasons. Schools have been estimated to attain a text book pupil ratio of 1:3 in lower primary school and 1:2 in the upper primary school. The expected life span of a text book is three years hence schools were to purchase fewer books after three years. Up to 2003 the World Bank and the government disbursement to all public primary schools for teaching and learning materials was Ksh 3 billion. ⁴³.

Education is considered as a vehicle for poverty eradication. Poverty is highest among the people who lack any school education; on the other hand there is no poverty among the households headed by university graduates. The study also revealed that 22.7 per cent of children from the non-poor households while only 11 per cent of children from the poor households advanced to secondary schools Mwabu et al (2000) ⁴⁴. According to the government of Kenya second poverty report; there is high disparity in secondary school enrolment rate which was almost double the rate for the poor. The financing of education by the World Bank in order to spur economic growth and economic development is based on the concept that the accumulation of human capital as measured by educational attainment of the population is an essential in economic growth and development. The study by Schultz 1961 concluded that investment in people for example education augments cognitive and other skills, which in turn augments the productivity of labor ⁴⁵.

Ending of colonialism was a key theme in 1950s and 1960s accelerating economic growth and development through industrialization foreign assistance was key issues in the 1960s, 1970s, 1980. In Kenya focus on human development (Literacy rate, health and survival and access to clean drinking water and sanitation dominated through the 1960s to the start of the millennium culminating in the 2000 the declaration of the Millennium Development Goals. South Asia, Sub-Sahara Africa where Kenya is included faces high rate of poverty compared to other parts of the world. However unlike South Asia, which

is making big strides in mitigating poverty but sub-Saharan Africa is left behind. Most of the Sub-Saharan Africa the story is the same, mass poverty and stagnation of their economies. Poor families with many children are seldom in a position to invest properly in every child's health and education. Most probably one the eldest son has the chance of attending school for more than a few years. Households headed by individuals with no education depict highest poverty incidence while households headed by individuals with secondary or above level of education have less poverty ⁴⁶. Attaining high literacy rates will lower fertility rate, thus even poor households will afford to send more children to school regardless son or daughter if they give birth to few children. Prior Bank lending to Kenya for the education sector had consisted of six investment projects since 1966. These projects supported construction of buildings, the provision of equipment, technical assistance and training.

The Bank had supported Kenya's adjustment efforts since 1986 through a series of sector Adjustment operations. The principal objective of the credit was to support the Kenyan Government in the implementation of its education sector reform program which sought first to reduce the rate of growth of the education recurrent budget, secondly to expand access to education and increase retention at the primary and secondary levels especially for children from disadvantaged areas, thirdly to enhance and improve the quality and relevance of education at all levels fourthly to strengthen sector management, planning and information Systems.

Education sector adjustment, which was approved on 5th September 1991, had an objective of funding the tertiary education 50 per cent, primary education 35 per cent and secondary education at 15 per cent of the cost. The cost of the project was \$100 million. The outcome of the Education Sector Adjustment Credit for Kenya was moderate. The project partially achieved its objectives, institutional development was partially achieved and the performance of the Bank was marginally satisfactory while the Borrower's was satisfactory. Several lessons can be learned from this project. First, much more up-front sector work, preparation, and dialogue are needed to ensure a well-defined sector reform program. Second, when a turnaround in the performance of existing institutions is desired attention to institutional deficiencies should be rigorous and alternatives should be explored. Third, to improve the quality of education, future reforms should examine alternatives to centralized determination and provision of school inputs. Finally, future support for the Government's reforms should include more direct support to the education sector. Reaching the weakest and most remote members of society, who seldom benefit from "trickle down" effects hence broader interventions are required with special efforts. (Evaluation and operation Report 2004)⁴⁷

The objective of the Free Primary Education Support Project was to improve pupil performance and retention through ensuring an adequate supply and better use of instructional materials. The project supported the Government's new policy of Free Primary Education (FPE) and also assisted the country to move

towards the Millennium Development Goal of halving all children throughout Kenya able to complete a full course of primary schooling by year 2015. The project provided Textbook program, using school grants and the financial management system. The project has spurred high enrolment. The project to achieve its efficacy it focused on capacity building through school based teacher development and support, school accounting system, education management information system, monitoring, evaluation and external audit ⁴⁸.

The Universities Investment Project supported the government's program, which consolidated and developed the Universities by rationalizing and strengthening the institutional framework for higher education in both the public and the private sector. Cost sharing research and reforms which were sponsored by the project strengthened the quality of higher education. The project supported subprojects concerned with institutional development, staff development in key areas, and the supply of teaching and related equipment, especially for science and engineering at the six public University Institutions.

The sixth education project to Kenya had the major objective of assisting the government to increase the effectiveness and relevance to the social requirements and the efficiency of the education system within the constraints of the 8 - 4 - 4 structure. The projects spurred high demographic growth and increased the demand for education by the population. The project targeted the less privileged in the remote areas by building schools and ensuring equity and

quality of education. The programs also provided additional teacher training facilities and upgrading the curriculum of the schools. The program strengthened the government capacity to plan and manage its expansion levels. The project commitment amount was US \$ 37.5 million (World Bank evaluation report). The Education Project (06) assisted the government to increase the effectiveness, relevance to socio-economic requirements and efficiency of the education system within the constraints of the 8 - 4 - 4 structure and to adjust the system to overall financial constraints in the environment of increasing social demand which resulted from a high rate of demographic growth high value attributed to education population. Finally it improved equity and quality of the education system by constructing a number of primary schools in deprived remote areas, by providing additional teacher training facilities and by raising the level of educational quality through curriculum development as well as increased capacity to deliver educational media ⁴⁹.

The education project (05) financed the training of primary and secondary schools' management staff of the middle and higher-level technical manpower required particularly in the public sector to carry out specific programs and projects mainly in agriculture and water resources development. Also the project facilitated in training of skilled workers in industries, and in the identification of the needs for business education in Kenya as well as possible development of programs. The project helped avoid a shortage of qualified teaching staff for the project institutions.

(ii) WORLD BANK FINANCING IN HEALTH.

In a simple sense, health is wealth. The Nobel Economics laureate Amartya Sen has defined poverty as “capability deprivation’ a person lacks the ‘substantive freedoms’ to lead ‘the kind of life he or she has reason to value”. It is in this context that the Human Development Index reflects achievements in the most basic human capabilities leading to a long life, being knowledgeable and enjoying a decent standard of living that can be measured by health, education and income, which are indeed the three pillars of human development ⁵⁰. Research now shows that a healthy population is an engine for economic growth. Some researchers have shown that a country’s economic growth is directly affected by the health of the people. Health standards in Kenya are relatively poor with life expectancy at birth at 49 years, which is thirty years shorter than the average American in 2004. In 1986 the life expectancy was 58 years however it has deteriorated to 49 years in 2004. Approximately 21 percent of the population has no access to health services, 50 percent to safe water, and 54 percent to sanitation, (World Bank 2004)⁵¹

Human capital is a vast web of complements and mutually reinforcing elements. For example, to do well in school one needs to be able to attend school, and maintain concentration. To do this one needs to be healthy and well fed. In turn, a well-educated person tends to live a healthier lifestyle and is more likely to use medical facilities, prenatal care and put their children into private school. All of these tend to increase children’s educational attainment levels as well as their

parents likelihood of having healthy children. The trap for the poor and uneducated is their tendency to live less healthy lives, not use medical facilities, prenatal care, and their children are less likely to enroll in school thus perpetuating the cycle of poverty. Malnutrition in children often begins at birth; when poorly nourished children develop more slowly, enter school later and likely to perform less well.

Health constitutes physical, mental and social well being of the people and not merely the absence of disease or infirmity. A healthy population is capable of actively participating in economic, social and political development and is thus a great asset to the country. The World Bank has hence continued to put in place Plans and Programmes to reduce disease incidence including the spread of HIV/AIDS epidemic in Kenya. This is in line with the World Bank Policy to provide sustainable health care that is acceptable, affordable and accessible to all Kenyans under the framework of using a preventive rather than curative approach in the management of health. Access to health care has long been considered as pivotal in enabling people to acquire essential capabilities that permit them to free from poverty. Poverty perpetuates ill health, as the poor, compared with the non-poor are likely to report health problems, the poor are less likely to seek treatment in the event of sickness. (Economy Survey Report 2003 GOK,⁵²

The AIDS epidemic threatens Kenya with a long wave of premature adult mortality and thus with an enduring setback to the formation of human capital

and economic growth. Although AIDS does not bring about a catastrophic economic collapse, it does cause large economic costs and many deaths. Programs that subsidize post-primary education and combat the epidemic are both socially profitable due to its indirect effects on the expected returns to education in the long term. (Economic growth, education, and AIDS in Kenya: a long-run analysis, World Bank research working paper 4025.)⁵³

Progress has been made in reducing the HIV incidence rate amongst the working age group (15-49) from 14 per cent experienced in 1998 to 7 percent in 2004, with new infections falling to around 80,000 every year. The larger part of new infections occurs among youth, particularly young women aged (15-24) and young men under the age of 30. HIV infection among adults in urban areas (10 per cent) is almost twice as high as in rural areas (5-6 per cent). However, trends indicate that the annual number of AIDS deaths increased steeply and doubled in 1991 – 2000 resulting to 150,000 deaths per year. Since the emergence of HIV/AIDS in 1984 in Kenya, the scourge has had a devastating consequence on Kenya economy. The high death rate among the working age population implies that AIDS deaths may directly reduce potential annual growth by 1.0 to 1.2 percentage points a year. In addition the poor health of workers weakens labor productivity and the high medical costs take resources away from other more economically productive areas. Moreover the high medical costs push the infected and their families into poverty. The economic loss incurred is estimated to be US \$ 3 million daily. AIDS is also contributing to an increased number of

orphans, creating problems for extended families and the fragile public welfare system as well as increasing the number of street and working children. The National Strategic Plan on HIV/AIDS articulates policy institutional, legal and programmatic reforms within a multi-sectoral national strategy to combat the epidemic. The World Bank has been corroborating with the international agencies to develop a vaccine for the HIV/AIDS so as to curb the menace especially in the developing countries where the scourge is devastating.

Table 4.8: HIV/AIDS Prevalence in Kenya Percent of HIV Positive Adults (15-49)

YEAR	HIV PREVALENCE		
	RURAL %	URBAN %	TOTAL %
1990	4.1	8.8	4.8
1991	5.3	10.5	6.1
1992	6.5	12	7.8
1993	7.7	13.4	8.7
1994	8.5	14.5	9.9
1995	10	15.5	11
1996	11	16.3	11.9
1997	11.9	16.9	12.8
1998	13.0	18.1	13.9
1999	13.0	17.8	13.5
2000	13.0	17.5	13.5
2001	12	13.5	12.5
2002	10.5	12.5	11.8
2003	7.5	8.5	8.5
2004	6.5	7.5	7
2005	5.8	6.3	6.1

Source, statistical abstract various issues.

After more than 43 years of independence Kenya we still have too many people who often go to bed hungry, remain alive or die of malnutrition, have never been in school, have contracted or died of simple easily preventable and quickly curable diseases, have little or no access to modern medical facilities, have no means to afford an adequate shelter and have no stable jobs to ensure a reasonable standard of living for themselves as also for their families. Kenya's health infrastructure suffers from urban-rural and regional imbalances; lack of investment and a personnel shortage. This baffling backdrop warrants us a serious introspection on how the World Bank is bolstering health sector expenditure to improve the health infrastructure of the Kenyan people. The World Bank in partnership with the government formulates a meaningful synthesis between social and economic strategies of development, which may harmonize different viewpoints and accommodate different perspectives. In our view development should aim at reaching an acceptable standard of living for all people by improving economic and social conditions the focus of development should be to help people become more productive and to improve the quality of life for individuals, families and communities in Kenya.

We believe that improving health and education requires a related intervention in schools, family planning, health care, nutrition, water and sanitation. Interlink of controlling diarrhea and measles not only improves health but it also reduces malnutrition. Malnutrition severely undermines a person's capacity to learn and grow hence has a major implications for education and development of a

productive labor force. Also control of diarrhea is facilitated by improved water and sanitation besides hygienic behaviour which is fostered by education.

The World Bank in Kenya has spurred economic growth and development by initiating Programmes, which will lower fertility rate. The World Bank supports the proposition that to boost economic growth comes when fertility rates fall in response to public policies and rising household incomes. Poor households with many children are seldom able to invest enough in each child's health and education. World Bank lending to family planning projects aims to lower fertility rate and population growth since poverty and high fertility rate are mutually reinforcing. Very poor families typically have many small children and they suffer high infant as well as child mortality. Such families feel they need many births to make up for high death rates but having many children drains savings and income, at the cost of good health and therefore perpetuates high death rates and poverty. In addition poor parents have many children with an objective to improve their chances of support in old age yet each additional child means a more competition for limited resources which the family may have. The link between poverty and a high rate of child bearing is reinforced by the limited access poorest people to modern means of contraception. Therefore World Bank population projects in Kenya have sought to assist the poor to escape from this plight. However, there are leakages away from the intended beneficiaries towards unintended ones and benefits can be deflected away from the poor. Due

to corruption and inefficient delivery system hence efficacy of the projects is not well achieved.

The integrated rural health and family planning (IRHFP) project had two major objectives, to set up a new inter-agency information and education promotion program for a small family norm, which will help to curb population explosion in Kenya. The projects promoted low fertility rate, which eventually resulted to the low mortality and morbidity in the rural areas in Kenya. Majority of the people live in the rural areas where there are scarcities of the health facilities. When the people get education they gain the capability, which can enable them to secure employment and earn a living. Educated people can eat balanced diet thus avoid malnutrition and when sick they can seek medical care which has been made accessible in the rural places by the World Bank projects. (World Bank Project outcome report).⁵⁴

Our empirical analysis showed that high population hindered the economic growth of Kenya in our period of study because the rate of economic growth was overtaken by the population growth rate. Health and family planning project, which was approved on 10th May 1988, was the third in the population project in Kenya. Its key objective was to promote the growing demand for family planning services, the program created the availability, accessibility and quality of the family planning services. The project to achieve its objective it focused on the increasing the accessibility of contraceptives, promotion of family planning

services and it strengthened the National council for population as well as development and the reproduction research. The World Bank loan for this project was \$ 12.2 million ⁵⁵

Nairobi water supply project was to cater for the increased demand for water in the city of Nairobi and to improve the basic needs provision and condition of the urban poor and help maintains the standard of the sanitation of the city. The project helped to curb pollution and improved the efficiency of the Nairobi city commission. The project also constructed the Dandora sewage treatment plant as well as staff housing and offices. Last but not least the project provided the assistance to the Nairobi city commission and water and sewerage department

During the 1970s and 1980s, Kenya made substantial gains in the health status of its Population. By the late 1980s, health and fertility indicators were better than those of most Sub Saharan Countries at similar levels of development. The rapid expansion of government-financed health and family planning programs played a major role in these changes. The World Bank and other international donors provided substantial support to those programs but by the early 1990s, many donors began reducing their support out of concern with the overall governance environment in Kenya and persistent project implementation difficulties. This as well as a 10-percent decline in income per capita from 1990 to 1998 and persisted inefficiencies in public resource allocation put increased financial pressure on the government health system. The Ministry of Health (MOH)

introduced cost recovery for Health services in 1991 but additional revenues from cost recovery were offset by declines in Government per capita health spending.⁵⁶

The Decentralized Reproductive Health & HIV/AIDS Project ID: P066486 improved mother and child health through integral delivery services in reproductive health, child survival and HIV/AIDS care, and, slowed the HIV ratio by decentralizing management delivery services to and within districts. The project strengthened building capacity at provincial, district and sub-district levels as well as improving planning and financial management, organizational restructuring also systems development. Application of new resource allocation criteria based on transparent and poverty-focused rationale allowed increased discretionary control in resource allocation. Financial management training for District Health, Hospital and Rural Management Boards was emphasised.⁵⁷

The HIV/AIDS Disaster Response Project significantly increased access to HIV/AIDS prevention, care and treatment programs especially by vulnerable groups (youth, women of childbearing age) and groups at high risk. The project developed comprehensive multi-sector strategic plans for the medium term and endorsed the principle of public/private partnerships, which implemented their national strategies and assumed overall program coordination. The Kenya program intensified the war against AIDS, supported five priority areas that included prevention treatment and continuous support care of AIDS affected

people, management, coordination through research, monitoring, and evaluation was emphasized.

The World Bank funded Early Childhood Development Project aimed to improve quality and education status of children in poor Kenyan households. The project increased school enrollment at the appropriate age, improved the human capital potential especially of poor and disadvantaged pre-school level. Three pilot interventions were tested to develop cost-effective replicable models for improving the financing of early childhood development services in poor communities by way of community grants, raising nutrition and health standards of pre-school level particularly vulnerable first three years of life and smoothing the transition from pre-school to primary school. It was noted that fund flow arrangement need to be simple; this is a systemic issue in Kenya and should be resolved at the highest levels. Capacity building needed to be based on a detailed capacity analysis, focusing not only on training, but also more comprehensively on systems, equipment, organizational structures and organizational culture. Improved health reduces production losses caused by worker illness.⁵⁸

The objectives of Kenya Sexually Transmitted Infections Project (ID P001333) were prevention of sexual transmission of HIV through syndrome case management and the provision of standardized drug kits, promoting safer sexual behavior, prevention of transmission through blood and blood products. The

project mitigated of socioeconomic impact by the treatment of tuberculosis, providing drugs for opportunistic infections. The project financed training health staff, and supporting district based nongovernmental and Community Based Organizations (CBO) home-based health care and counseling for HIV/AIDS patients.⁵⁹

The Health Rehabilitation Project ID: P001339 project supported the government's reform of the health sector by rehabilitating Kenyatta National Hospital (KNH) which reduced its burden on the overall budget, improved delivery of health services in the Nairobi area. The project supported the development of a national household welfare monitoring and evaluation system. The project provided a strategic plan for health services in the Nairobi area with its initial implementation and conducting analyses to lead to a future sector reform program and a public investment program for health.

The Health and Family Planning Project (03): P001302 had two main objectives to promote the growing demand for family planning services and to increase the supply of such services. It accomplished this goal by mobilizing and coordinating the resources of both Government Ministries and Non-Government Organizations. Specifically, the project strengthened the capacity of the NCPD (National Council for Population and Development) to plan, program, finance, coordinate and monitor population program activities. It created acceptance and demand for family planning services through the implementation of a strategically

planned and coordinated program, and increased the availability, accessibility, and quality of family planning services provided by the Government and NGO's. The Population Project (04) focused to increase the availability, accessibility, and quality of family planning services provided by the Government and Non Government Organizations. The project further strengthened the capacity of the NCPD to plan and monitor the expanding national population programs. The Pearson Report warned the danger of the staggering growth of population in less developed countries, which needed to be controlled ⁶⁰.

The Secondary Towns Project ID: P001288 strengthened local capacity and procedures for urban development. It supported the development of an integrated urban network to support rural economic growth and to improve the population holding capacity and urban employment base of five secondary towns. Improved the financial and project management capabilities of these towns, encouraged a larger role for the private sector in lower-income shelter delivery and assisted in the development of a central government institutional structure capable of supporting urban development on a decentralized basis⁶¹

(iii) WORLD BANK FINANCING IN WATER, SANITATION AND SEWERAGE DISPOSAL.

People living in rich countries today are only dimly aware of how clean water fostered social progress in their own countries. More than a hundred years ago, London, New York, Paris were centers of infectious diseases with diarrhea

dysentery and typhoid fever undermining public health. Child death rates were as high then as they are now in Kenya and much of the Sub-Saharan Africa. Sweeping reforms in water and sanitation changed this picture. In Britain expansion of sanitation contributed to a 15 year increase in life expectancy in four decades after 1880 (HDR 2006 pp.5)⁶²

Government of Kenya is becoming increasingly concerned with improving living conditions in rural areas. The World Bank too has been giving emphasis of its lending programs to rural and urban water supply and sanitation. This is considered as the single most important activity that could be undertaken to improve the health of the people. Provision of safe water and reliable water supply should help raise productivity as health improves as well as less time and effort is spent on fetching water. In addition the new water supply could help directly such as agro industrial activities for example fruit and vegetable processing. (Village water supply, a world bank paper 1976, world bank Washington DC)⁶³

The Nairobi Water and Sewerage Institutional Restructuring Project objective was to build strong governance, institutional and service delivery framework that enabled the efficient, delivery of water, and sewerage services to the population of Nairobi. The project supported the operation and strengthened a new autonomous asset holding entity Nairobi Water Services Board (NWSB) and a new autonomous and ring-fenced water and sewerage service provision

company for Nairobi - Nairobi City Water and Sewerage Company (NWSC). The new institutions appropriately strengthened professional management and commercial operations. It supported selected activities aimed at strengthening the commercial, financial, and technical operations of NWSC. The project strengthened the commercial operation of the six area/business centers. Some tangible service improvements to consumers were expected and specific service improvement targets were set for the new institutions for the duration of the Project.⁶⁴

The Mombasa and Coastal Water Supply Engineering and Rehabilitation Project consisted of an institutional support component, pre-investment studies, engineering consultancy and rehabilitation. The objective of the project was improvement of revenue collection, financial management and a corporate development plan including a tariff study, purchase of vehicles and miscellaneous equipment. The project improved rehabilitation, sewerage, drainage, and sanitation.

The Nairobi Water Supply Project (03) which aimed to expand Nairobi's water supply system to cater to increased demand, the project improved health conditions of the urban poor and enhanced the standards of sanitation in the city. It also reduced pollution in the recipient rivers and improved the efficiency of the Nairobi City Commission's Water and Sewerage Department. The sewage treatment plant extension component included rehabilitation and extension of the

Dandora Sewage Treatment Plant as well as staff housing and offices. The project improved water supply and waste disposal facilities in low-income residential areas. The project provided engineering and construction services for the Dam and Tunnel Safety panel and the Sewerage and Sanitation Master Plan. The development of housing, water supply and sanitation in Nairobi, volume 1 project helped support the rapid economic growth and improved the standard of living in Nairobi throughout the last two decades. On the other hand, although progress was made in developing housing programs no lasting impact was achieved in terms of housing policies and cost recovery in the housing sector. In the area of institutional development, the Water and Sewerage Department of the Nairobi City Council serves as a good example of substantial achievements on effective capacity building.⁶⁵

Table 4.9: Kenya human development index 2004

Province	Life expectancy(Years)	Adult literacy rate (%)	Primary school enrolment rate (%)	HDI
Nairobi	57.0	82.2	62.0	0.748
Central	64.2	82.79	107.54	0.593
Coast	55.1	60.6	82.00	0.483
Eastern	61.5	62.0	104.0	0.510
N/Eastern	61.9	62.1	14.0	0.476
Nyanza	44.8	71.1	115.9	0.413
R/Valley	62.7	60.7	101.1	0.481
Western	52.8	67.94	115.8	0.459

Source, Human development report of Kenya, United Nation Development Programme.

Table 4.10: Selected demographic indicators in Kenya.

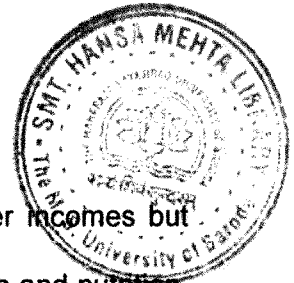
Year	GNP	GDP(G) %	Population	Population growth rate%
1980	7265312768	5.6	16282496	3.9
1981	6854490112	3.8	16914982	3.9
1982	6431539200	1.5	17573348	3.9
1983	5979251200	1.3	18254942	3.8
1984	6191426560	1.8	18956092	3.8
1985	6135028224	4.3	19673480	3.7
1986	7239145472	7.2	20405074	3.7
1987	7970816512	5.9	21149240	3.6
1988	8355302912	6.2	21903356	3.5
1989	8271763968	4.7	22664636	3.4
1990	8590566400	4.7	23430276	3.3
1991	8152118272	1.4	24199826	3.2
1992	8220718080	-0.8	24971048	3.1
1993	5751786496	0.4	25737392	2.9
1994	7148143104	2.6	26490784	2.8
1995	9046332416	4.4	27225892	2.6
1996	12045837312	4.2	27942268	2.5
1997	13115728896	4.2	28642986	2.4
1998	14093228032	3.3	29331140	2.3
1999	12896050176	2.3	30011476	2.3
2000	12705273856	0.6	30689332	2.2
2001	13058513920	4.4	31363972	2.2
2002	13192341504	0.4	32039836	2.2%
2003	15036096512	2.8	32733766	2.2
2004	16087554048	4.5	33467328	2.1

Computed from World Bank economic indicators and various economic survey reports.

4.3. CONCLUSION

Although the World Bank invested entirely on physical infrastructure in its early years, its focus has expanded to incorporate significantly more human development and other social sector lending. A major expansion of the World Bank's work in Human development took place between the late 1980s and 1990s, and the World Bank is now the world's largest external sponsor of health and one of the leading supporters in the battle against HIV/AIDS.

The World Bank's role in human development has evolved all the way through a better and multi-dimensional task that should balance the strengths of the market and focus on the welfare of people in Kenya. This view reveal a new paradigm of intellectual thinking that development is the process of expanding the real freedoms people enjoy. Evidence from more than 50 years of development experience and theory suggest that economic growth: investments in infrastructure and physical capital, macroeconomic stability, liberalization, and privatization still matter, however development is comprehensive and our perspective of it is that it should be wide and inclusive The present research study assert that a couple of key fundamentals including economic growth, human development (investment in people), sound institutions and policies are crucial to spur prosperity, mitigate poverty, and improve the standard of living of majority of the people in Kenya.



This research study has revealed that poor people require higher incomes but also special empowerment, opportunities for education, jobs, health and nutrition, a clean environment by better water sanitation sewage disposal facilities, a well-functioning judicial and legal system, civil and political liberties. Expounding on these views, the Bank's World Development Report, 2000–2001 on Poverty identified good health, nutrition, sound economic policies as critical requirement for less developed countries to break the vicious circle of poverty. High fertility, poor health, and low economic growth are universal phenomena in majority of the poor in Kenya. This scenario has led the World Bank's mission and philosophy to emphasize on health, nutrition, better water sanitation sewage disposal facilities education and family planning programs, which are reflected on the World Bank, funded projects in Kenya. In HIV/AIDS epidemic has disrupted the economic and social progress in Kenya. Part of the Bank's response has been to work with Kenyan government help protect public expenditures in crucial areas in the social sectors, protect access to basic social services, especially for the poor, providing programs of AIDS control and increase project and program impact on health, nutrition, population and education indicators. The Bank is playing a leading role in improvement of human development in recent years through increasingly recognized role of social, structural and human consideration in reducing poverty and improving living standards.

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