

Dimensions of Poverty: What Contributes to the Continuation of Poverty in Kenya and Vietnam?

Hannah Rapoport

Abstract

Poverty is a multifaceted global issue that deeply affects millions worldwide. Building on the 2000/2001 World Development Report, this article examines three key dimensions of poverty: a lack of opportunity, a lack of empowerment, and lack of security. The article identifies and compare these three dimensions and determinants of poverty in Kenya and Vietnam. This article closes by offering researched insights regarding curbing the multi-faceted issue of poverty in Kenya and Vietnam, including strategies of economic progression, and new ways opportunity, security and empowerment play in the future of Kenya and Vietnam.

I. Introduction

Although income is an important attribute of poverty reduction, there are multiple other critical dimensions that play a role in the reduction of poverty in developing countries. Opportunity, security, and empowerment are three important dimensions of poverty reduction that are inadequate in Kenya and Vietnam, contributing to the ongoing cycle of poverty in these countries.

Opportunities can be provided via education, employment, and access to contraceptives. Empowerment, or a lack thereof, in the poorest of communities in Kenya and Vietnam is reflected by participation rates of citizens in the workforce, literacy rates, and ratings for policies regarding social inclusion and equity cluster averages. Ultimately, empowerment of the people leads to participation in the workforce, which leads to increases in income, and ultimately poverty reduction. Elements of security, such as trust in the government and prioritization of social protection, are represented by the policy cluster for social protection as provided in the World Bank's Country Policy and Institutional Assessment (CPIA). Opportunity, security and empowerment are essential in Kenya and Vietnam in order to reduce poverty, and transcend the status of a developing country.

This article provides an in-depth analysis of data relating to the three previously listed dimensions of poverty in Kenya and Vietnam. After this introduction, a brief literature review provides some

summaries of a few scholarly sources that are used throughout this article. The subsequent section examines empirical background followed by a discussion that gives in depth analysis of the factors within opportunity, security, and empowerment. The last section of this article features a conclusion which ties in all of the concepts discussed throughout the article as a whole.

II. Brief Literature Review

There is an extensive amount of literature on the determinants of poverty in both Kenya and Vietnam. Geda de Jong; Kimenyi, and Mwabu (2005), Radeny and van den Berg (2010), and Odhiambo and Kulundu Manda (2003) concentrate on poverty in Kenya, while a report by the International Fund for Agricultural Development (IFAD) (2010) and Lizee (2002) focus on poverty in Vietnam. Much of this research specifically focuses on how lack of opportunity, empowerment, and security contribute to the cycle of poverty. Additionally, other research has shown that all three determinants of poverty are interconnect, each one leading to the other. Studies within the research show that education is a key facet interlinking opportunity, empowerment and security.

- Geda, de Jong; Kimenyi, and Mwabu (2005) focuses on the poverty determinant of opportunity. Specifically, this source addresses the lack of opportunity in regards to education for women and children. Using both quantitative and qualitative data, this source provides statistics of education rates in Kenya over the past decade. Additionally, the quantitative graphs show that household size and engagement in agricultural activity also contribute to poverty within individual households. Women lack the opportunity to attain an education because of how society views gender roles. Additionally, women often have children at young ages, which prevents them from getting an education because they have to raise their children. In addition, this source also provides ratios of the poverty gap in Kenya, including headcount ratio and income gaps.
- A report by the International Fund for Agricultural Development (IFAD) (2010) provides some basic information on rural poverty in Vietnam. The report states that most of Vietnam's poorest rural people either have small plots of low-quality land or are landless. They have scarce opportunities for off-farm employment, and have limited access to transportation, social interaction, productive resources, and basic financial services such as credit and savings. The report also points out that Vietnam's rural poor are particularly vulnerable to seasonal hardships, community-wide crises and unexpected events, such as disease, which increase a household's expenses and reduce income. The report also lists some details on the various projects IFAD has been implementing in Vietnam to eradicate rural poverty.
- Lizee (2002) highlights human and political security in Vietnam, and emphasizes the risks that citizens face in their everyday lives that contribute to continued poverty and slowed economic growth. From 1997-1998, Vietnam faced political turmoil which led to a lack of trust in the government leading to lack of social, political, and economic security. In the past decade, Vietnam has made great strides in terms of the development of regulatory and legal systems, but these systems have been geared essentially towards the protection of private property and the attenuation of corruption, in an effort to create and environment more welcoming to foreign investments. While these improvements

have slightly increased helped Vietnam's economy, political security and freedoms are still restricted, continuing the cycle of poverty.

- Radeny and van den Berg (2010) directly compares community participation and incomes in Kenya and Vietnam. According to Radeny and van den Berg, many studies of poverty trends and dynamics focus on consumption and income welfares. Findings based on income measure variations in poverty levels and household-level transition into and out of poverty. Radeny and van den Berg introduce "The Stages-of-Progress Method" of poverty reduction, which focuses on quantitative monetary and community-based measures of poverty and poverty dynamics to facilitate brainstorming ideas targeted towards poverty reduction.
- Odhiambo and Kulundu Manda (2003) focuses on social exclusion and disempowerment in Kenya. Empowerment is a key factor that contributes to poverty in Kenya because many individuals lack the motivation to enter the labor force. Additionally, there is an informal labor segment which in many ways is a result of a failure of the formal segment to create sufficient job opportunities for the urban population. The labor sector connects the poverty determinants of empowerment and opportunity by highlighting that a lack of opportunity can lead to a lack of empowerment. This source also gives statistics of unemployment in urban Kenyan communities. The unemployed have no opportunity to earn income, creating a cycle of poverty.

III. Empirical Background

During the 19th century, Vietnam was integrated into French Indochina. In 1954, Communist leader, Ho Chi Minh, defeated France in the First Indochina War, though this left Vietnam divided into the Communist North and the anti-Communist South. During the Second Indochina War (also called Vietnam War, 1954-1975), the North was supported by the Soviet Union, China and other communist allies, while the South was supported by the United States, South Korea, Australia, Thailand and other anti-communist allies. The capture of Saigon (now called: Ho Chi Minh City), by the North Vietnamese Army in April 1975 marked the end of the war, and North and South Vietnam were reunified the following year.¹

The Kenyan coast has a long history of trade with and invasions by foreign powers until the arrival of the Imperial British East Africa Company in 1888 made Kenya a British colony. Before independence, Britain banned farming and introduced a hut tax against the Kikuyu people in the region. The British rule came to an end on December 12, 1963 with independence being conferred on all of Kenya. Exactly 12 months later (on December 12, 1964), Kenya became a republic under the name Republic of Kenya. Political instability after independence has greatly contributed to the country's lack of development.²

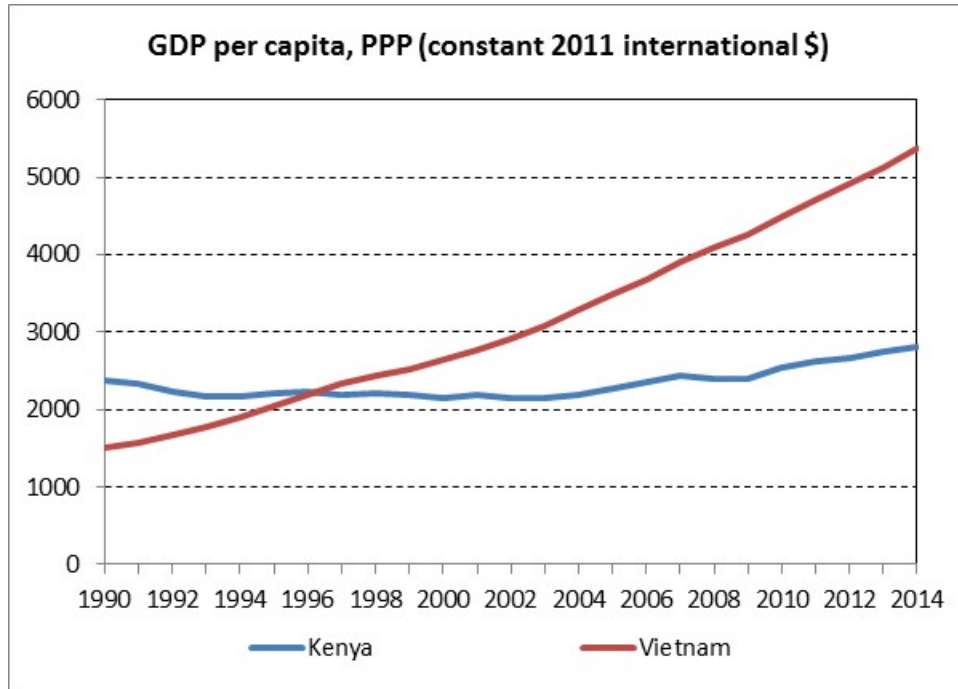
Figure 1 demonstrates that in 1990, Vietnam's PPP-adjusted GDP per capita was far below Kenya's PPP-adjusted GDP per capita, but by 1996, the two countries' GDP per capita were at par as Vietnam's grew much faster than Kenya's GDP per capita. Ever since 1996, Vietnam has greatly surpassed Kenya in terms of PPP-adjusted GDP per capita. In 2014, Kenya's PPP-adjusted GDP per capita stood at \$2,818, while that of Vietnam reached \$5370. In other words, Kenya has made

¹ Summarized by author based on information provided by Encyclopædia Britannica and Wikipedia.

² Geda et al. (2005).

very little progress with increasing its GDP per capita, while Vietnam has been very successful. Still, both countries are classified by the World Bank (2015) as lower middle-income countries.

Figure 1: PPP-adjusted GDP per capita, 1990-2014

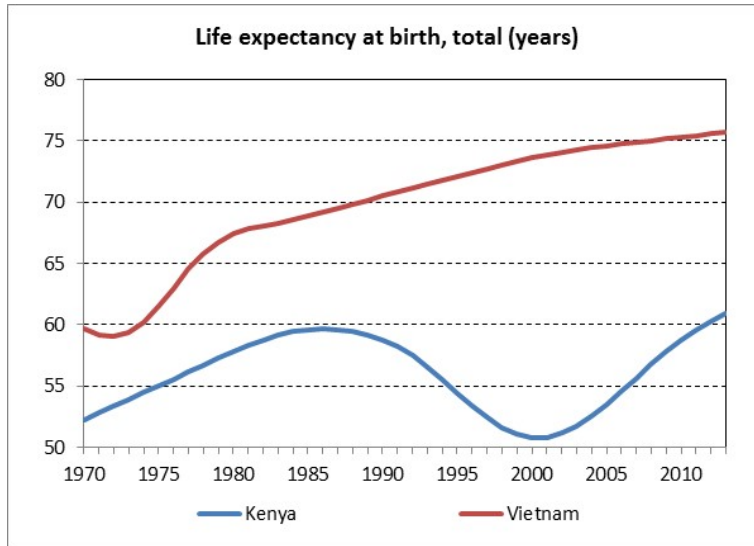


Source: Created by author based on World Bank (2015).

Though Vietnam's GDP per capita was below that of Kenya during the first half of the 1990s, Figure 2 shows that life expectancy was considerably higher in Vietnam during the whole period of 1970-2013. Furthermore, Figure 2 demonstrates that life expectancy has substantially increased in Vietnam, while incrementally increasing in Kenya between the years 1970 and 2013.

In 1970, life expectancy in Kenya was 7.5 years less than average life expectancy in Vietnam. Between 1970 and 2013, life expectancy in Vietnam grew from 59.7 years to around 75.8 years, while in Kenya, life expectancy grew from 52.2 years to 61.0 years. Within 1970-2013, Vietnam faced its lowest life expectancy in 1972 (averaging at 59.02 years), which is very likely due to the heavy casualties of an intensifying Vietnam War (1954-1975). On the other hand, within 1970-2014, Kenya faced its lowest life expectancy in 2000 (averaging at 50.79 years), which is mainly due to Kenya's HIV/AIDS crisis. Given these very different evolutions, by 2013, Vietnam's life expectancy exceeded that of Kenya by 14.8 years.

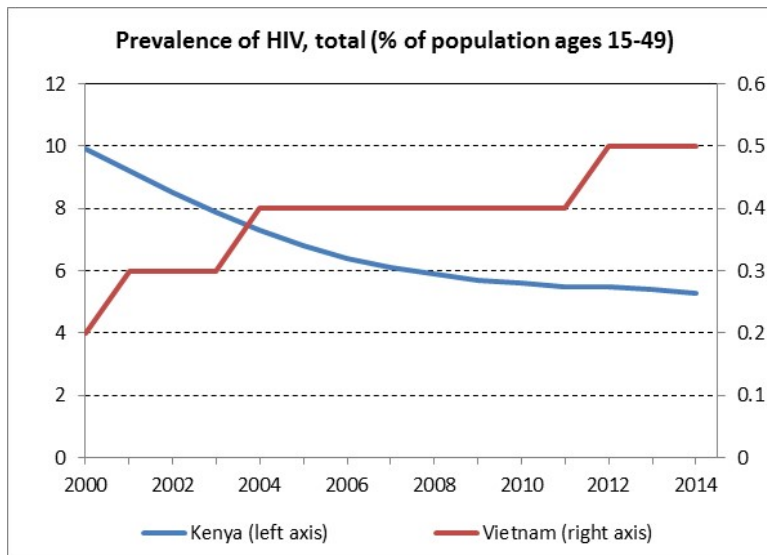
Figure 2: Life Expectancy in Kenya and Vietnam, 1970-2013



Source: Created by author based on World Bank (2015).

Kenya’s control of the HIV/AIDS epidemic, despite the continued growth of the virus internationally, is demonstrated in Figure 3. Kenya had a high rate of people catching the HIV virus because of a lack of sex education and contraceptive use. However, over the last few decades, HIV testing, counselling programs, and HIV prevention programs have been implemented in Kenya. Annual new HIV infections as of 2014 are less than a third of what they were at the peak of the country’s epidemic in 1993.³

Figure 3: Prevalence of HIV in Kenya and Vietnam, 2000-2014



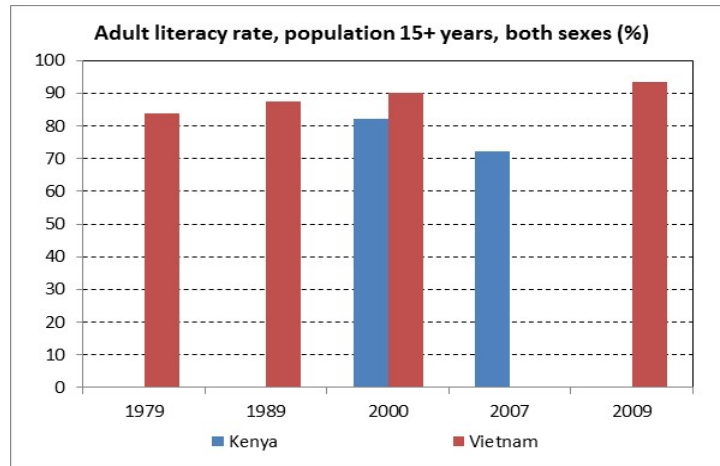
Source: Created by author based on World Bank (2015).

³ See further details in Radeny and van den Berg (2010).

As Figure 3 shows, within 14 years (from 2000 to 2014), the prevalence of HIV in Kenya decreased from an astonishing 9.9 percent of the population to about 5.3 percent of the population. Although the percentage of people with HIV has decreased by almost half, HIV/AIDS is still a serious issue in Kenya. Additionally, although though transmission rates of HIV in Vietnam are significantly less than in Kenya, the percentage of people with HIV in Vietnam has increased from 0.2 percent to 0.5 percent from 2000 to 2014.

Finally, though there is very little data available for adult literacy rates, especially for Kenya, Figure 4 shows that Vietnam seems to have made continuous progress with increasing adult literacy, while Kenya’s adult literacy rates have actually declined between 2000 and 2007.

Figure 4: Adult Literacy in Kenya and Vietnam (all available data)



Source: Created by author based on World Bank (2015).

IV. Discussion

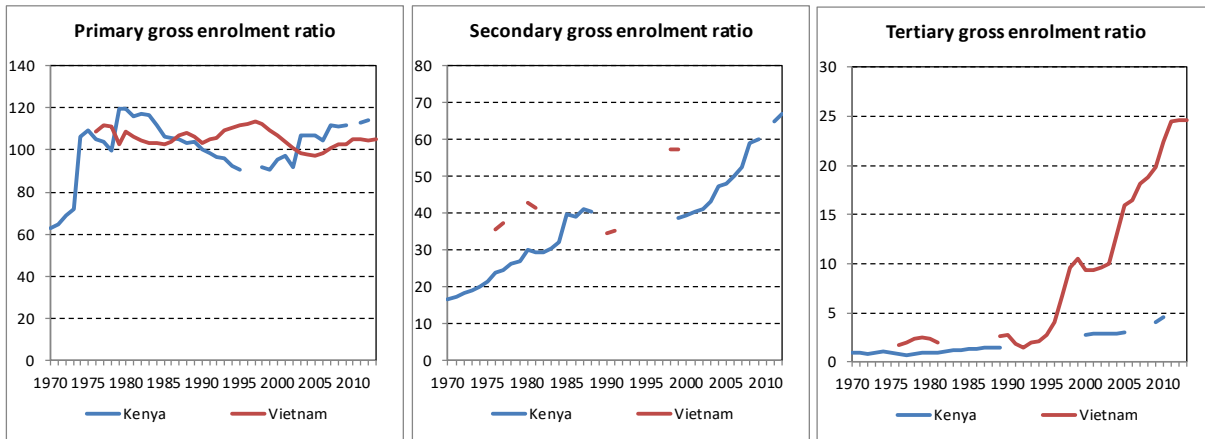
IV.1. Opportunities

As pointed out in the 2000/2001 World Development Report (see World Bank, 2001), poor people consistently emphasize the centrality of material opportunities: jobs, credit, roads, electricity, markets for their produce, and schools, water, sanitation, and health services. This sub-section will examine the evolution of the Kenyan and Vietnamese people to having access to education, electricity, water, sanitation. Given that many women do not have an opportunity to earn an income because of childcare obligations, this sub-section will also review the evolution of female labor participation rates, fertility rates, and access to modern contraceptives.

Figures 5, 6 and 7 show respectively, the gross school enrollment ratios for primary, secondary, and tertiary education for Kenya and Vietnam. Figure 5 shows that the levels as well as the evolution over time has been very similar for Kenya and Vietnam. They both had gross primary school enrolment ratios between 100 and 120 percent since the late 1970s, with little progress since then. However, looking at the gross secondary school enrolment ratios in Figure 6, it can be seen that despite some volatility and considerable data gaps for Vietnam, these ratios trend overall upward and Vietnam’s gross primary school enrolment seems slightly higher than that of Kenya. Looking at gross tertiary school enrolment, Figure 7 shows some moderate increases for Kenya but huge increases for Vietnam. In Kenya, the tertiary school enrolment ratio was slightly below

one percent in 1970 and increased to slightly above four percent by 2010. In Vietnam, the tertiary school enrolment ratio was 1.7 percent in 1976, but then increased to 24.6 percent by slightly below one percent in 1970 and increased to slightly above four percent by 2013. While the secondary school enrolment ratios are promising for Kenya, they have not yet translated into higher tertiary school enrolment ratios, which is very different from Vietnam’s progress with increasing tertiary school enrolment.

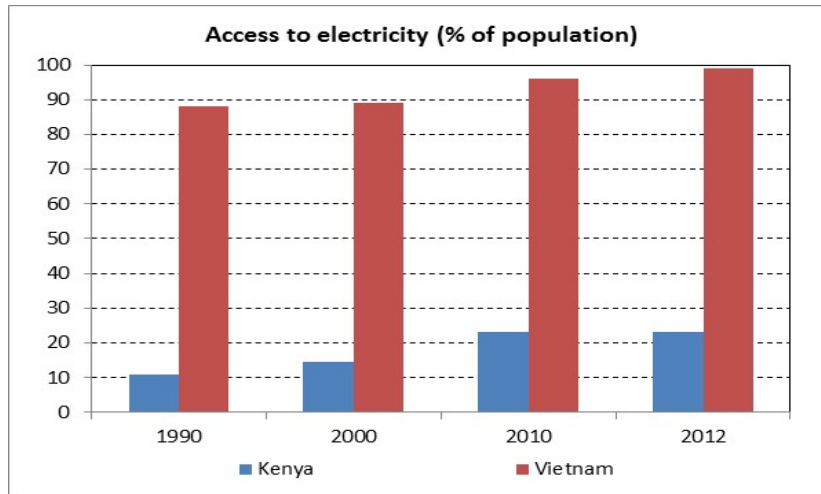
Figures 5, 6 and 7: Primary, Secondary, and Tertiary Gross School Enrollment (percent)



Source: Created by author based on World Bank (2015).

Figure 8 shows that the percentage of the population with access to electricity has consistently been far higher in Vietnam than in Kenya. In 1990, only 11 percent of the population had access to electricity, compared to 88 percent in Vietnam. By 2012, Kenya improved the access rate to 23 percent, while Vietnam improved it to 99 percent.

Figure 8: Percentage of Population with Access to Electricity

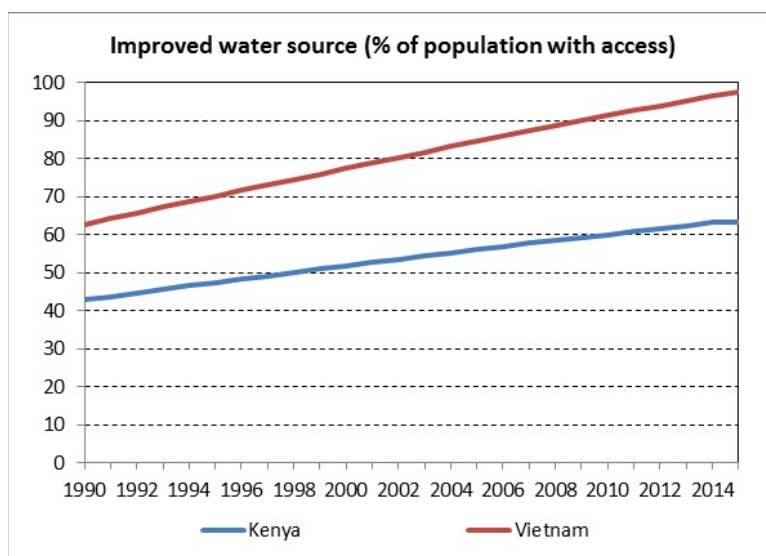


Source: Created by author based on World Bank (2015).

A similar, though less drastic picture emerges for the access rates to water and sanitation. As Figure 9 shows, in 1990, only 42.8 percent of Kenya’s population had access to safe water, compared to

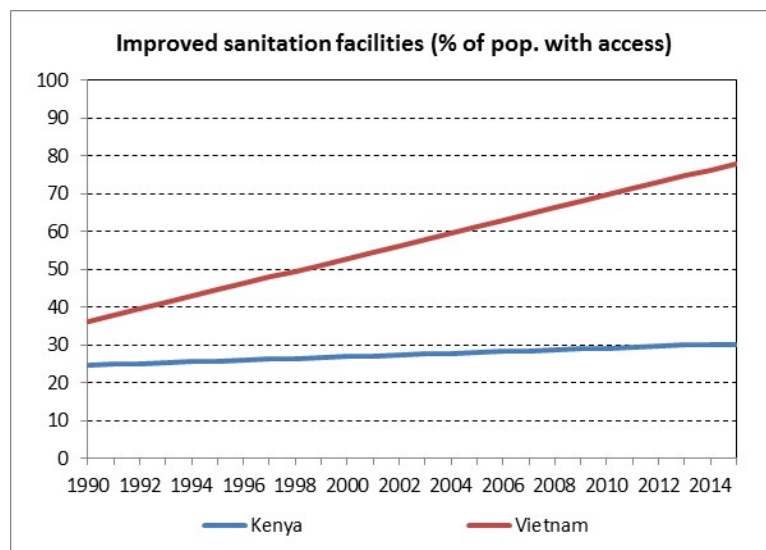
62.7 percent in Vietnam. By 2015, Kenya improved the access rate to 63.2 percent, while Vietnam improved it to 97.6 percent. And with regards to access to sanitation (Figure 10), in 1990, only 24.6 percent of Kenya’s population had access to sanitation, compared to 36.2 percent in Vietnam. By 2015, Kenya improved the access rate to 30.1 percent, while Vietnam improved it to 78.0 percent.

Figure 9: Percentage of Population with Access to Improved Water Source



Source: Created by author based on World Bank (2015).

Figure 10: Percentage of Population with Access to Improved Sanitation Facilities

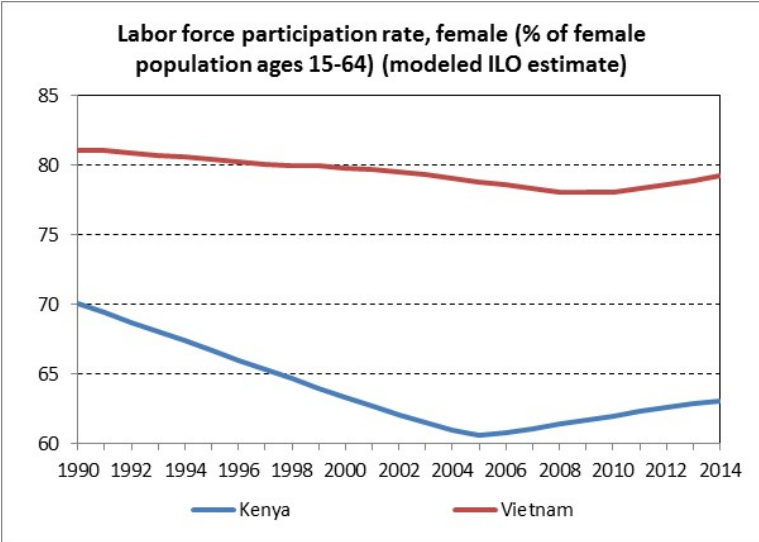


Source: Created by author based on World Bank (2015).

As Figure 11 shows, Kenya’s female labor participation rate is considerably below that of Vietnam, which is related to Kenya’s higher fertility rate shown in Figure 12. However, despite steady declines in fertility rates from 1970 to 2013, both countries experienced declining female

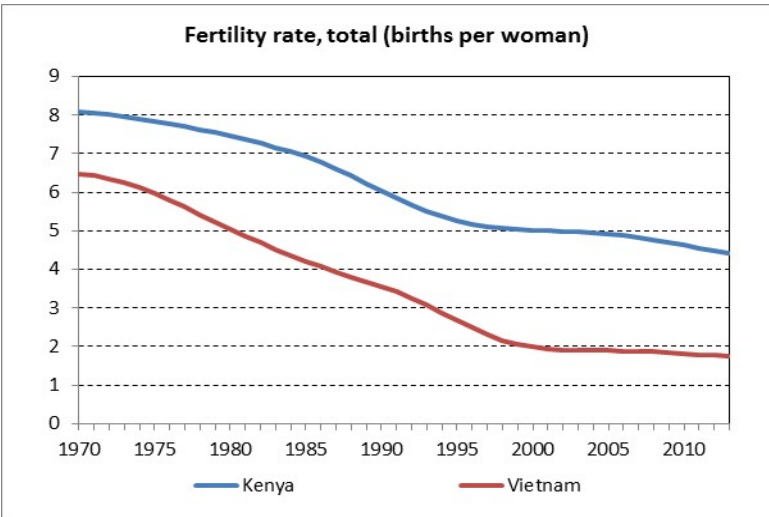
labor participation rates during the 1990s and most of the 2000s. In the case of Kenya, the female labor participation has declined from 70.1 percent in 1990 to 60.6 percent in 2005, after which it started to increase slightly to 63.1 percent in 2014. In the case of Vietnam, the female labor participation has declined from 81.1 percent in 1990 to 78.1 percent in 2009, after which it started to recover slightly to 79.2 percent in 2014.

Figure 11: Female Labor Force Participation Rate (percent of female population ages 15-64), 1990-2014



Source: Created by author based on World Bank (2015).

Figure 12: Fertility Rate in Kenya and Vietnam, 1970-2013

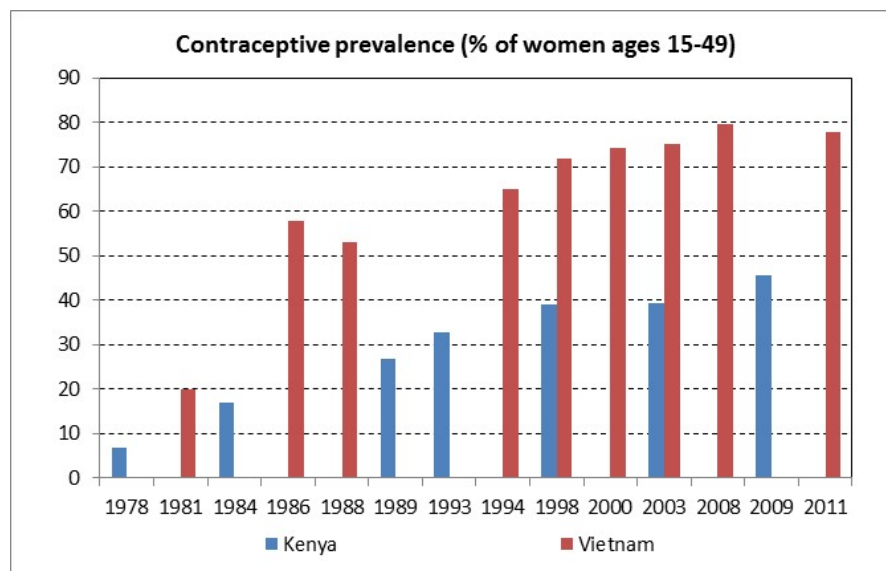


Source: Created by author based on World Bank (2015).

Figures 13 demonstrates that women’s use of contraceptives has overall dramatically increased in both countries between 1978 and 2011, though Vietnam has overall made more progress than

Kenya, especially in the 1980s, when Vietnam’s contraceptive prevalence rate increased from 20 percent in 1981 to above 50 percent towards the end of the 1980s.

Figure 13: Contraceptive Prevalence in Kenya and Vietnam, all available years



Source: Created by author based on World Bank (2015).

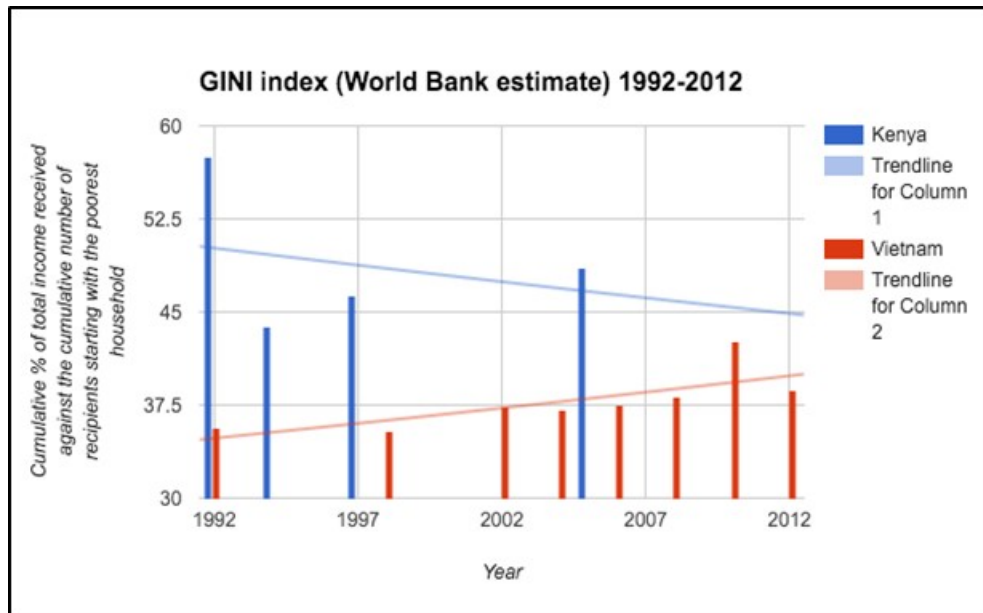
IV.2. Empowerment

As detailed in the 2000/2001 World Development Report, facilitating empowerment implies changes in governance that make public administration, legal institutions, and public service delivery more efficient and more accountable to all citizens; strengthening the participation of poor people in political processes and local decision-making; and removing the social and institutional barriers that result from distinctions of gender, ethnicity, and social status. Given that there is very limited data available to objectively measure empowerment, this sub-section examines inequality, measured by the Gini coefficient and the World Bank’s CPIA of policies for social inclusion/equity in Kenya and Vietnam.

As detailed in Radeny and van den Berg (2010), an unequal distribution of wealth contributes to poor people’s lack of empowerment. Poor people in these countries see the small percentage of extremely wealthy people living luxurious lifestyles, while they themselves can barely afford food for their families. These discrepancies discourage poor people from participating in political processes and the workforce, and also diminish self-efficacy.

The Gini index measures the degree to which the distribution of income among individuals or households within an economy is unequal, with a Gini index of zero reflecting perfect equality, while a Gini index of 1 would indicate that one person has all the income and all others have zero income. Hence, the higher the value of the Gini index, the lower the likelihood that poor people feel empowered. As Figure 14 shows, income is far more unequally distributed in Kenya than in Vietnam. However, looking at the two trendlines, Kenya’s inequality seems to be declining over time, while that of Vietnam seems to be increasing.

Figure 14: Gini Index for Kenya and Vietnam, all available data

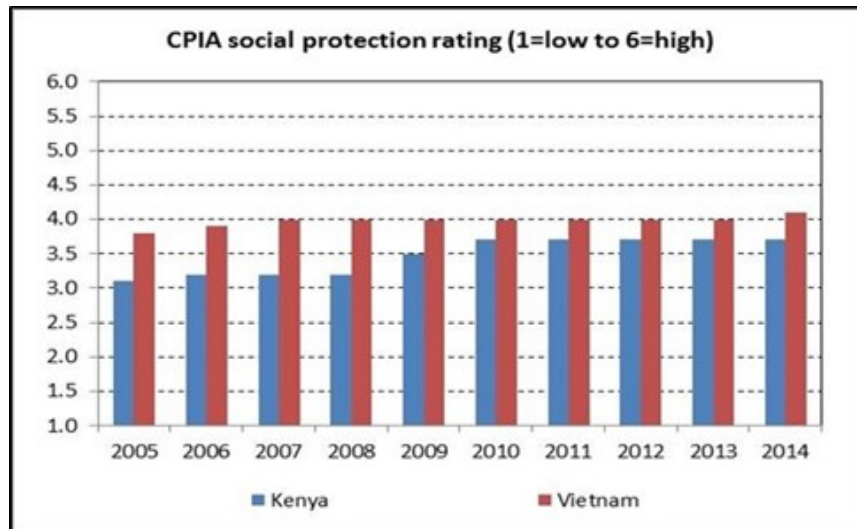


Source: Created by author based on World Bank (2015).

Figure 15 depicts the World Bank’s ratings for policies within the social inclusion and equity cluster from 2005 to 2014. The CPIA ratings for policies regarding social inclusion and equity cluster averages in both Kenya and Vietnam are key indicators of empowerment. Higher ratings in Vietnam than in Kenya indicate that there are more efficient policies in place enforcing some levels of equity and social inclusion.

Social inclusion factors such as gender equality, equity of public resource use, building human resources, social protection and labor, and policies and institutions for environmental sustainability, are critical to the empowerment of individuals because in order to be motivated to participate in society, one must feel included. These CPIA ratings ultimately demonstrate the evolution of the priority level of inclusion and human resources in Kenya and Vietnam. From 2005 to 2014, Kenya’s social protection rating falls below Vietnam’s rating. Vietnam overall has more social and diversity inclusion policies than Kenya. While Vietnam’s rating stays stagnant from 2007 to 2014, Kenya’s social protection rating gradually increases until reaching the level of around 3.7 in 2010. From 2010 to 2014, both Kenya and Vietnam’s social inclusion and equity cluster average ratings have stayed the same.

Figure 15: CPIA for Policies in the Social Inclusion/Equity Cluster (1=low to 6=high)



Source: Created by author based on World Bank (2015).

IV.3. Security

As detailed in the 2000/2001 World Development Report, enhancing security implies reducing vulnerability to economic shocks, natural disasters, ill health, disability, and violence. As was the case for empowerment, there is very little data available to illustrate the level of security in a country. This sub-section provides first some general description of the government system in the two countries, and then examines the evolution of maternal mortality (which could be considered a very broad indicator about how much a country cares about the health of their citizens) and the World Bank's CPIA rating for social protection.

Vietnam is considered a Socialist Republic. Before 1980, the State Bank of Vietnam functioned as a government monopoly in the banking sector. Vietnam's first Council of State was established in 1980. In 1992, the document outlining Vietnam's structure of government was replaced with a second constitution, which instituted the election of presidents and initiated many economic and political reforms. This constitution permitted private enterprises to exist and granted foreign investors the right to legal ownership of their capital and assets, while guaranteeing that their property would not be nationalized by the state. These reforms in the post-Vietnam War era initiated greater government security. The government began to earn the trust of Vietnamese citizens.⁴

Unlike Vietnam, Kenya is structured as a republic; however, political and economic uncertainties and occasional difficult business environments affect public trust.⁵ While Vietnam's struggles stem mostly from different views related to the economic and government system, Kenya mainly struggles over ethnic tensions.⁶ For example, in 2007, violence broke out across the country as a result of political and ethnic conflict. The Orange Democratic Movement (ODM) and the Party of National Unity (PNU), each of which had ethnically-rooted political constituencies, were the two

⁴ This paragraph is mostly based on Lizee (2002).

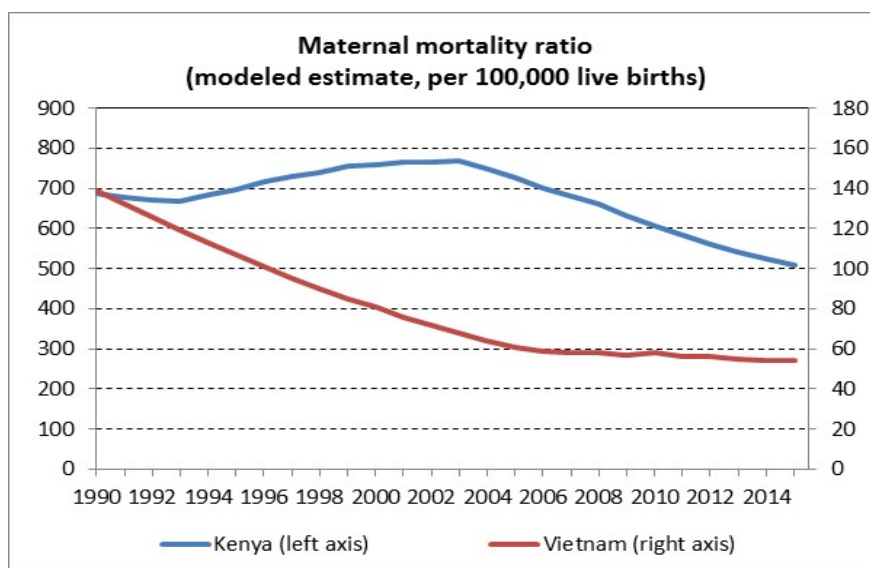
⁵ Odhiambo and Kulundu Manda (2003).

⁶ Odhiambo and Kulundu Manda (2003).

coalitions competing for power in government.⁷ There was a 70 percent voter turnout for the election between incumbent president Mwai Kibaki of the PNU, ODM leader Raila Odinga and ODM-Kenya's Kalonzo Musyoka.⁸ This high voter turnout represents trust in the government at that specific time. However, when Mwai Kibaki won the election, Odinga rejected the results, triggering widespread violence resulting in over 1,000 deaths and the displacement of over 500,000 civilians. Lack of legitimate government security and ethnic tolerance within Kenya ultimately led to the initial conflict.⁹

Figure 16 shows the maternal mortality ratios for Kenya and Vietnam from 1990 to 2015. Kenya's maternal mortality is shown on the left axis, ranging from 687 deaths per 100,000 live births in 1990, to 510 deaths per 100,000 live births in 2015. Vietnam's maternal mortality is shown on the right axis, ranging from 139 deaths per 100,000 live births in 1990 to 54 deaths per 100,000 live births in 2015. Hence, in 1990, Vietnam's maternal mortality rate has been about one fifth of Kenya's. However, in 2015, Vietnam's maternal mortality rate has been about one tenth of Kenya's. This clearly is the result of Kenya experiencing increasing maternal mortality ratios from 1993 to 2003.

Figure 16: Maternal Mortality Ratio (modeled estimate, per 100,000 live births), 1990-2015



Source: Created by author based on World Bank (2015).

Despite these huge differences in maternal mortality, the World Bank's assessment of these two countries' policies in the cluster of social protection have been rated the same for most of the years, as can be seen in Figure 17. In 2005 and 2006, both Kenya and Vietnam had a rating of 3.0. While Vietnam's social protection policies were ranked with a 3.5 in 2007 and 2008, Kenya's remained at rank 3.0, though catching up with Vietnam in 2009. Both countries' ranking remained at 3.5 for the remainder of the years there is data. Considering that the CPIA rating scale goes

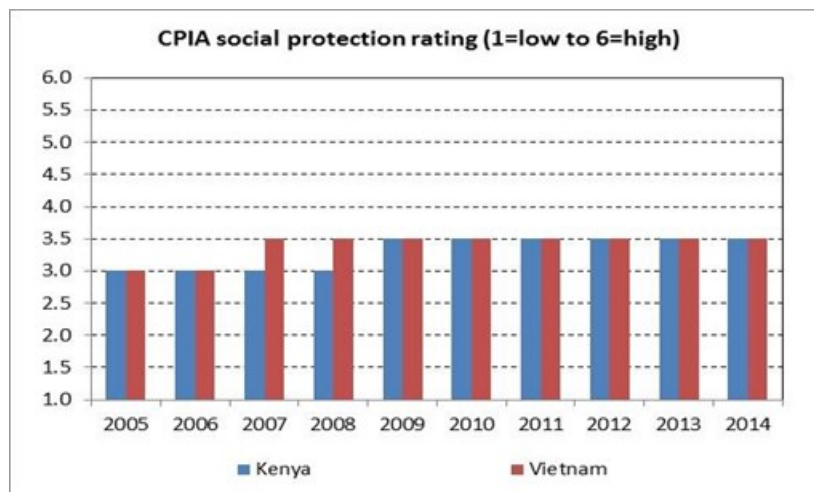
⁷ Odhiambo and Kulundu Manda (2003).

⁸ International Coalition for the Responsibility to Protect (2010).

⁹ Radeny and van den Berg (2010).

from 1 to 6, a stagnant rating of 3.5 for both countries shows a lack of prioritization of social protections. Therefore, citizens in both Kenya and Vietnam are at risk to stay in poverty because of a lack of social protection.

Figure 17: CPIA Social Protection Ratings in Kenya and Vietnam



Source: Created by author based on World Bank (2015).

V. Conclusion

A lack of opportunity, lack of security and lack of empowerment have been identified as the three key dimensions contributing to poverty. Hence, the 2000/2001 World Development Report suggested that the three key elements of any poverty reduction strategy need to focus on promoting opportunity, facilitating empowerment, and enhancing security.

Opportunities can be promoted in many ways, including via education, and especially for women, via the provision of family planning. Family planning will allow parents to have children when they are ready and prevent unplanned pregnancies, giving potential parents the opportunity of time that they need in order to be available to work and earn an income. Education is a critical opportunity that will allow people to be prepared to enter the workforce, and attain a higher paying job.

Providing education to women is also a key measure to facilitate empowerment, though there are many other ways to empower people. Kenya and Vietnam can facilitate empowerment by lessening the gap between the impoverished and the ultra-wealthy. People as individuals and the community as a whole must have self-efficacy in order to fight their ways out of the cycle of inequality and poverty.

More security measures must be implemented in order for people to gain a sense of trust for the government, and to lessen the vulnerability to violence and ill-health. Additionally, the government should place more of an emphasis on prioritizing social protection. Kenya and Vietnam are able to drastically reduce poverty if intensifying their efforts to promote opportunity, facilitate empowerment, and enhance security. These efforts will offer ways out of poverty and provide a better future for generations to come.

References

- Geda, Alemayehu; Niek de Jong; Mwangi S. Kimenyi; and Germano Mwabu (2005). Determinants of Poverty in Kenya: A Household Level Analysis. University of Connecticut, Economics Department, *Economics Working Papers*, Paper 2005-44 (January); available at: http://digitalcommons.uconn.edu/cgi/viewcontent.cgi?article=1050&context=econ_wpapers.
- International Coalition for the Responsibility to Protect (2010). *The Crisis in Kenya*. New York, United States: International Coalition for the Responsibility to Protect; available at: <http://www.responsibilitytoprotect.org/index.php/crises/crisis-in-kenya>.
- International Fund for Agricultural Development (IFAD) (2010). *Enabling Poor Rural People to Overcome Poverty in Viet Nam* (Rome, Italy: International Fund for Agricultural Development (IFAD)); available at: <https://www.ifad.org/documents/10180/ff7380ea-cc14-43d9-8bed-fba4b6696119>.
- Lizee, Pierre P. (2002). Human Security in Vietnam, Laos, and Cambodia. *Contemporary Southeast Asia*, Vol. 24, No. 3 (December), pp. 509-527.
- Odhiambo, Walter and Damiano Kulundu Manda (2003). Urban Poverty and Labour Force Participation in Kenya. Paper to be presented at the World Bank Urban Research Symposium, Washington DC (December 15-17, 2003); available at: <http://siteresources.worldbank.org/INTURBANDEVELOPMENT/Resources/336387-1268963780932/6881414-1268963797099/odhiambo.pdf>
- Radeny, Maren and Marrit van den Berg (2010). Comparing Participatory and Income Measures: Analysis of Poverty Levels and Dynamics in Rural Kenya. Paper presented at the International Conference on “Ten Years of War Against Poverty” (organized by the Chronic Poverty Research Centre); available at: http://www.chronicpoverty.org/uploads/publication_files/radeny_van_den_berg_kenya.pdf.
- World Bank (2001). *World Development Report 2000/2001—Attacking Poverty* (New York: Oxford University Press).
- World Bank (2015). *World Development Indicators / Global Development Finance Database* (Washington, DC: The World Bank); as posted on the World Bank website: <http://data.worldbank.org/data-catalog/> (downloaded on December 29, 2015).