

**Timeline**

April-December 2021

**Study Type**

Randomized Evaluation

**Article Link**

<https://www.poverty-action.org/recovr-study/understanding-economic-outcomes-and...>

**Research Implemented by IPA**

Yes

# Understanding Digital Credit Usage, Intra-household Bargaining Patterns, and Gender Reporting during COVID-19 in Kenya

## Researchers

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## Abstract

The COVID-19 pandemic has caused substantial challenges for small businesses across Kenya, where some enterprises recorded a drop of as much as 44 percent in revenue in the early months of the pandemic (Egger et al. 2020). Women entrepreneurs may face an especially high burden due to increased childcare responsibilities from school closures. Lower overall living standards as a result of the pandemic could reduce agency for women, increase stress, and impact intra-household dynamics, which could ultimately lead to changes in intra-household bargaining and impact the overall effect of increasing credit to female borrowers (de Mel, McKenzie and Woodruff 2009).

The Kenya Life Panel Survey (KLPS) is a 20-year longitudinal panel with detailed measures of health, educational, social, and labor market outcomes for individuals that attended primary school in Busia, Kenya from 1998-2001. This study builds on the panel survey by conducting phone surveys with respondents and their spouses between June and October 2021 to address three key research questions. First, the study will look at the extent to which digital credit can support women's work during the pandemic. The second set of research questions will focus on how intra-household substitution patterns look during the pandemic, and if this is the main channel affecting women's work. Finally, the study will also assess how past (randomized) human capital interventions, including vocational training voucher programs and cash grants, affect female economic activity and digital credit access during the

pandemic. Pre-pandemic KLPS data will help researchers assess how the pandemic is affecting female respondents across a variety of sectors using intra-household bargaining and family responsibilities as key channels for impact. Initial results are expected in September, 2021.

*This project is a part of the Women's Work, Entrepreneurship, and Skilling (WWES) Initiative*

## Project Outcomes of Interest

A digital credit module, covering knowledge, access and usage; an economic activity module, measuring total individual and household income, enterprise closures, sectoral choice, and time use; measures of psychological well-being; and an intra-household bargaining and gender norms module.

## Impact Goals

- Improve women's health, safety, and economic empowerment

## Project Data Collection Mode

- CATI (Computer-assisted telephone interviewing)

## Results Status

Results

## Results

Researchers documented large drops in earnings in the early months of the pandemic (first round of surveys: April to August 2020) which then on average had returned to pre-pandemic levels by the time of the second round of surveys (June to November 2021). However, there was significant heterogeneity in recovery for individual earnings: at the time of the second round of surveying, 54% of respondents had still not re-reached their 2017-19 earnings levels, with 43% of women earning less than half of what they did pre-pandemic. One potential mechanism for women's challenges in the labor market is due to an added burden of childcare, particularly in the early stages of the pandemic when schools were closed. The research team also found larger labor supply reductions in urban rather than rural areas in the early days of the pandemic, though it had returned to pre-pandemic levels as well. At the time of the second round of surveying, wage employment was still slightly lower than pre-pandemic levels, while self-employment had increased.

Finally, researchers collected information about mobile money usage and digital credit usage. They found no gender differences in mobile money usage, but males were more likely to have used digital credit relative to female respondents. Further, digital credit usage was more likely for personal rather than business expenses—only 14% of business owners

use digital credit for their business, a factor that is important to consider when thinking about the policy implications of scaling up digital credit.

## Link to Questionnaire

[Understanding Digital Credit Usage, Intra-household Bargaining Patterns, and Gender Reporting during COVID-19 in Kenya \(Questionnaire\)](#)