Equity is the belief that people who are different should not be treated the same way. When making decisions about how to share resources, we should endeavour to apply broadly accepted principles of fairness. However, applying these principles can be quite complex and people will always have diverse views on how they should be applied. We look at some examples of this complexity below.

Consider two hypothetical wards: Simba and Batian. These two wards are in the same county, Teleki. Assume that the total population of Simba is 20,000 while Batian is inhabited by 1,000 people. This can be seen in Table 1 below.

<table>
<thead>
<tr>
<th>Resources for sharing- Ksh 5,000</th>
<th>Initial status</th>
<th>Option 1 - Available resources shared based on share of people without access to water</th>
<th>Option 2 - Available resources are shared equally</th>
<th>Option 3 - Available resources shared to meet the needs of Batian ward first</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Population</td>
<td>People without access to water</td>
<td>% Share of people without access to water</td>
<td>Sharable revenue (Kshs)</td>
</tr>
<tr>
<td>Wards</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simba</td>
<td>20,000</td>
<td>10,000</td>
<td>50%</td>
<td>4,587</td>
</tr>
<tr>
<td>Batian</td>
<td>1,000</td>
<td>900</td>
<td>90%</td>
<td>413</td>
</tr>
<tr>
<td>Total</td>
<td>21,000</td>
<td>10,900</td>
<td>52%</td>
<td>5,000</td>
</tr>
<tr>
<td>Wards</td>
<td>Revenue shared equally</td>
<td>Remaining without water after sharing</td>
<td>% People without water after sharing</td>
<td>Sharable revenue (Kshs)</td>
</tr>
<tr>
<td>Simba</td>
<td>2,500</td>
<td>7,500</td>
<td>38%</td>
<td>4,100</td>
</tr>
<tr>
<td>Batian</td>
<td>2,500</td>
<td>-</td>
<td>0%</td>
<td>900</td>
</tr>
<tr>
<td>Total</td>
<td>5,000</td>
<td>7,500</td>
<td>36%</td>
<td>5,000</td>
</tr>
</tbody>
</table>

Half of Simba’s population has access to clean water compared to only 10 percent in Batian ward. This means 10,000 people in Simba and 900 people in Batian lack access to clean water.

Now let us assume that it takes Ksh 1 to supply clean water to one person, and that the county of Teleki has allocated a total of Ksh 5,000 in this year’s budget to supply water. What is the fairest way to share this money between the two wards?

**Option 1: Relative Shares**

One way to think about this is to share it proportional to the need in the two wards. The total number of people in need of clean water across both wards is 10,900 people. Simba contributes 92 percent of this number and Batian takes up the remaining 8 percent. So we could give Simba 92 percent (Ksh 4,587) and Batian 8 percent (Ksh 413) of the available funds. We would end up giving Simba more money because it has a larger population that needs clean water. Is this a fair way to share resources among the two wards?

**Option 2: Equal Shares**

What if we shared the available money equally? Each ward would get Ksh 2,500, which means Simba would meet the water needs of one quarter of its residents without clean water. Meanwhile, Batian would be able to meet the needs of all the people without clean water, and remain with excess cash. Is this fair?

**Option 3: Meeting the Needs of at Least One Ward**

Another option is to give Batian Ksh 900 to meet the full needs of its remaining population then give the remaining Ksh 4,100 to Simba, though this will cover less than half of its needs. Is this fair?

Which of these approaches is fairest? Reasonable people might disagree about which option is best, and there is no one way to resolve this dilemma. However, most people would agree that we should take into consideration the different needs of the two wards when making that decision. Whichever approach is taken, justifications should be based on principles of equity and the characteristics of each region. Whenever possible, we should try to create a fair and reasonable process for people to come to a decision about sharing limited resources.
What does equity mean?

Sharing resources fairly means basing our decisions on widely accepted principles. This series of pamphlets looks at those principles and then applies them to practices of resource sharing in Kenya. How fair are our current approaches to sharing resources? You decide.

Most people share the idea that creating a more equal society may require us to treat people differently depending on their differing circumstances. This idea is the basis for the concept of equity. From this notion, we can develop some additional principles of fairness.

The need principle
The need principle states that people should be treated according to their needs. If we are distributing resources for health care, a person who is sick should receive more than a person who is healthy. This examples relate to the population's need for services and the immediate costs of providing them. For example, if it costs Ksh 100 to provide health care to one individual for a year, and we have 10 sick individuals in one area and five in another, we will want to give more to the area with 10 people. However, we may also need to take into account the starting position of the two areas. If the area with ten people has a well-equipped hospital, and the area with five people lacks a facility, then need would suggest we may need to give some additional funding to the area with fewer sick people to "catch up" to the area with more.

The capacity principle
Capacity is the idea that we should not do for people what they can do for themselves. A rich person can afford to pay for more of their own services than a poor person. Assuming that both a rich and a poor person are sick (they have the same need for health care), we would be likely to give more to the poor person because they have lower capacity to meet their needs.

The effort principle
Effort is the idea that we should reward, or at least not punish, people who do more for themselves with what they have. Consider two poor people who are both sick. They have the same needs and the same capacity. One of the poor people decides to sell his second cow to pay for his health care, while the other keeps both of his cows and requests help from the government. We would feel that the first person was making more of an effort to cater for his own needs given his capacity, while the second was not. We would be uncomfortable giving money to the second person while giving nothing to the first, because this would reward people who do less for themselves.

The efficiency principle
Capacity and effort both relate to how much people have and how much they can generate for their needs. Efficiency is about how people use the resources they have. Returning to our poor, sick farmers: one farmer may use the funds they have to purchase highly effective medicines at a low price, while another may choose to spend funds on ineffective procedures at a clinic known for over-charging patients. We would likely feel that we should not give as much money to someone who chooses to spend it on ineffective or over-priced services as we should to someone who uses money prudently.

The basic minimum principle
The principle of a basic minimum is that when we distribute funds, we may look at need, effort, capacity, efficiency, and even other principles not discussed here. After doing so, we might end up deciding that all of the funds should go to one person, or one community or one region. The basic minimum principle would tell us that we should first ensure that everyone gets some small share of the total before we distribute the rest according to other principles. Many people would feel that everyone should get at least a token from the resources available, so that everyone feels that they are part of the system and receive something from it.

The fair process principle
The fair process principle emerges from the realization that the principles above may conflict with one another, and that balancing them is a difficult task. There is no one right way to do this. For example, we might find that the person with the greatest needs makes the least effort. What should we do in this case? We will want to give them more due to their needs, but we will want to give them less due to their lack of effort. As there is no one correct solution to this problem, the only way to address it is to ensure that we make the decision through a fair and transparent process in which people give their reasons, these are thoroughly debated, and a decision that people may disagree with, but can agree is well-reasoned, is reached.