



REPUBLIC OF KENYA

Kenya National Bureau of Statistics

# LABOUR FORCE ANALYTICAL REPORT



*Based on the Kenya Integrated Household Budget Survey-2005/06*

APRIL, 2008



# LABOUR FORCE ANALYTICAL REPORT

Cover photograph : © KNBS

Core team : Robert K. Nderitu (KNBS)  
Vivian Nyarunda (KNBS)  
E. O. Ogutu (KNBS)

Editing : J. T. Mukui

Pre-press and printing : The Regal Press Kenya Ltd,  
Nairobi, Kenya

Layout, Design and Production : Amitabh Sinha  
Ronny O. Ochanda  
Catherine Kimeu

ISBN: 966-767-12-6

© 2008 Kenya National Bureau of Statistics (KNBS)



Republic of Kenya

**2005/06 KENYA INTEGRATED HOUSEHOLD BUDGET SURVEY**

# **LABOUR FORCE ANALYTICAL REPORT**

Kenya National Bureau of Statistics

JUNE 2008

© COPYRIGHT RESERVED

Extracts may be published if source is duly acknowledged

# TABLE OF CONTENTS

LIST OF TABLES .....	iv
LIST OF FIGURES.....	vi
ACRONYMNS AND ABBREVIATIONS .....	vii
ACKNOWLEDGEMENT .....	viii
KEY INDICATOR.....	ix
EXECUTIVE SUMMARY .....	x
Chapter 1 .....	1
INTRODUCTION.....	1
1.0 Background .....	1
1.1 Objectives of the Survey .....	1
1.2 Scope and Coverage.....	2
1.3 Format of the Report.....	3
Chapter 2.....	3
CONCEPTS AND DEFINITIONS .....	3
2.0 Introduction .....	3
Chapter 3.....	11
SURVEY TECHNIQUES AND METHODOLOGY.....	11
3.0 Introduction .....	11
3.1 Sample design and survey coverage .....	11
3.2 Survey design and logistics.....	14
3.3 Quality control.....	15
3.4 Questionnaire design .....	16
3.5 Data capture and validation.....	17
3.6 Data analysis.....	17
3.7 Survey limitations.....	17

Chapter 4.....	18
<b>HOUSEHOLD CHARACTERISTICS .....</b>	<b>18</b>
4.0 Introduction .....	18
4.1 Age and Sex Structure.....	18
4.2 Age Dependency ratio .....	20
4.3 Household size .....	20
4.4 Marital Status .....	21
4.5 School Enrolment and Educational Attainment.....	21
4.6 Housing Characteristics.....	22
4.7 Housing Facilities and Amenities.....	23
4.8 Housing Income and Expenditure Profiles.....	26
Chapter 5.....	27
<b>LABOUR FORCE PARTICIPATION .....</b>	<b>27</b>
5.0 Introduction .....	27
5.1 The Labour Force Framework.....	27
5.2 Participation Rates.....	31
5.3 Employment.....	33
Chapter 6.....	39
<b>UNEMPLOYMENT .....</b>	<b>39</b>
6.0 Overview .....	39
6.1 Unemployment.....	40
6.2 Unemployment Rates .....	43
6.3 Under – employment.....	45
6.4 Job Search Activities .....	47
Chapter 7.....	48
<b>CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>48</b>
7.0 Introduction .....	48
7.1 Background to the Employment Problem.....	48
7.2 Development and Employment.....	48
7.3 Main Labour Force Survey Findings .....	48
7.4 Efforts to Reduce Unemployment.....	49
7.5 Recommendations .....	56

# LIST OF TABLES

Table 3.1:	Allocation of the KIHBS households by provinces, districts and urban/rural areas .....	12
Table 4.1:	Distribution of Population by Age – group and Sex .....	19
Table 4.2:	Regional Distribution of Population by Sex .....	19
Table 4.3:	Age Dependency ratio of the Surveyed Population by Region .....	20
Table 4.4:	Distribution of Households by Size and sex of Household Head.....	20
Table 4.5:	Marital Status of Population aged 12 years and above by Sex.....	21
Table 4.6:	School Enrolment by Level and Sex .....	22
Table 4.7:	Education Attainment of the Survey Population .....	23
Table 4.8:	Percentage Distribution of Households by Type of Main Dwelling .....	23
Table 4.9:	Percentage Distribution of Households by Main Source of Drinking Water .....	24
Table 4.10:	Percentage Distribution of Households by Time taken to walk to Main Source of Drinking Water (one way).....	24
Table 4.11:	Percentage Distribution of Households by Time taken (waiting) to fetch Drinking Water.....	25
Table 4.12:	Percentage distribution of households by type of cooking and lighting fuel.....	26
Table 4.13:	Mean Monthly Household Expenditure by Broad Expenditure Categories.....	26
Table 5.1:	Distribution of Population aged 15 – 64 by Activity Status.....	29
Table 5.2:	Distribution of the Inactive population by Reason and Sex .....	29
Table 5.3:	Age-Sex Structure of the Inactive Population Aged 15-64.....	30
Table 5.4:	Percentage Distribution of Inactive Population by Educational Attainment and Sex.....	31
Table 5.5:	Labour Force Participation Rates by Sex and Age .....	32
Table 5.6:	Participation Rates by Level of Education and Institution .....	33
Table 5.7:	Distribution of Base and Labour Force Population Aged 15 - 64 by Rural/Urban and Province .....	33
Table 5.8:	Spatial Distribution of the Employed Persons Aged 15-64 .....	33
Table 5.9:	Employment to Population Rates by Region and Sex .....	34
Table 5.10:	Percentage Distribution of Employed Persons Aged 15-64 by Status in Employment.....	35
Table 5.11:	Distribution of Employed Persons by Education Attainment .....	35
Table 5.12 (a):	Occupation of the Employed Persons Aged 15 - 64 years by Sex .....	36
Table 5.12 (b):	Occupations of Paid Employees Aged 15 - 64 by Sex .....	36
Table 5.13 :	Distribution of Employed Persons Aged 15-64 Years by Industry and Sex.....	37
Table 5.14:	Average Hours Worked per Week by the Working Population Aged 15-64 by Sex.....	38
Table 5.15:	Mean Monthly Earnings from Paid Employment by Region and Sex .....	38
Table 5.16:	Working Population Aged 15 - 64 by Sector and Sex .....	38
Table 6.1:	Distribution of the unemployed Persons Aged 15-64 by Age and Sex.....	41
Table 6.2:	Distribution of Unemployed Persons Aged 15-64 by Education Attainment, Vocational Institution Attended and Sex.....	42

Table 6.3:	Distribution of the Unemployed Persons by Region and Sex.....	42
Table 6.4:	Unemployment rates for Population Aged 15 –64 by Age-group, Region and Sex.....	43
Table 6.5:	Distribution of Unemployed Youths by Region and Sex.....	43
Table 6.6:	Distribution of Unemployed Adults by Region and Sex .....	44
Table 6.7:	Unemployment Rates by Highest Level of Education and Training.....	44
Table 6.8:	Spatial Distribution of Unemployment Rates by Region .....	45
Table 6.9:	Distribution of Under-Employed Aged 15-64 by Average Hours Worked per Week.....	46
Table 6.10:	Under employment Rates Population Aged 15-64 +.....	47

# LIST OF FIGURES

Figure 4.1:	Population Pyramid .....	18
Figure 5.1:	Labour Force Framework (IGLS 1982) .....	28

# ACRONYMS AND ABBREVIATIONS

CPI	-	Consumer Price Index
GDP	-	Gross Domestic Product
GNP	-	Gross National Product
ILFS	-	Integrated Labour Force Survey
ILO	-	International Labour Organization
ISCO	-	International Standard Classification of Occupations
ISIC	-	International Standard of Industrial Classification
KIHBS	-	Kenya Integrated Household Budget Survey
KNBS	-	Kenya National Bureau of Statistics
KNOCS	-	Kenya National Occupation Classification Standards
MDGs	-	Millenium Development Goals
NASSEP	-	National Sample Survey and Evaluation Programme
PERI	-	Political Economic Research Institute
PPS	-	Probability Proportionate to Size

# ACKNOWLEDGEMENT

This report presents results of the Kenya Integrated Household Budget Survey (KIHBS) Labour Module conducted by the Kenya National Bureau of Statistics (KNBS) over a period of 12 months, covering all possible seasons of the year.

The Kenya Integrated Household Budget Survey (KIHBS) was designed to capture data that would be used to update statistics on poverty, welfare and employment, derive the consumer price index, and revise the national accounts information. Data on labour force was necessary to furnish the planning process with information about the levels of employment, unemployment as well as establish the size and structure of the informal sector.

The Government wishes to extend sincere appreciation to institutions which extended financial and technical support during the design, implementation and analysis of the survey.

The Bureau on behalf of the Government is grateful to the KIHBS management, under the leadership of the Project Manager, Prof. Dankit Nassiuma for their role in survey organization and implementation.

Special thanks go to all the technical experts from KNBS, namely Robert Nderitu, Mary Wanyonyi, Stephen Nyoike, Viavianne Nyarunda and Ezekiel Ogutu for their commendable work. I would also like to thank J. T. Gatungu, Benson Karugu, J. T. Mukeri and Priscilla Owino for providing timely and diligent support to the team.

Last but not least, I sincerely thank the experts from the Political Economic Research Institute (PERI)- University of Massachusetts Amherst; namely Prof Robert Pollin, Prof. Mwangi wa Githinji, Prof. James Heintz and Dr Jeannette, who worked together with the team in weighting the data.



**A. K. M. Kilele, MBS**  
*Ag. Director General*  
*Kenya National Bureau of Statistics*

## KEY INDICATORS

Labour force participation rate - total	72.6 percent
Labour force participation rate - male	75.7 percent
Labour force participation rate - female	69.7 per cent
Dependency ratio	76.8 percent
Dependency ratio –rural	84.6 percent
Dependency ratio –urban	57.1 percent
Inactivity rate –total	26.3 percent
Employment to population ratio - total	63.4 percent
Employment to population ratio - male	67.2 percent
Employment to population ratio - female	59.7 percent
Employment to population ratio - youth	35.8 percent
Employment to population ratio - rural	65.1 percent
Employment to population ratio - urban	59.0 percent
Unemployment rate - total	12.7 percent
Unemployment rate - male	11.2 percent
Unemployment rate - female	14.3 per cent
Unemployment rate - rural	9.8 percent
Unemployment rate - urban	19.9 per cent
Youth unemployment rate	24.5 percent
Ratio of youth to adult unemployment rate	2.8 percent
Time related under - employment	18.7 percent

# EXECUTIVE SUMMARY

## *Introduction*

The Kenya Integrated Household Budget Survey incorporated a module of the Labour Force in order to update the information base established by the 1998/99 Integrated Labour Force Survey (ILFS). The 2005/06 Labour Force Survey covered 1,339 clusters out of the selected 1,343, giving a response rate of 99.7 per cent. The survey was designed to cover one half of the country per cycles, such that two cycles meant that all districts were represented.

During the analysis of the labour module, four consecutive cycles (e.g. cycle one through four) were combined as a round in order to shorten the difference between the reference periods and take care of the stock concept issue. The survey was carried out over a period of one year, the samples were pooled across the rounds in order to generate weights for time periods within the year that would produce a nationally representative sample (both rural and urban).

The survey, therefore collected a wide range of representative information that can be used in the design, implementation, monitoring and evaluation of various policies and programmes. In particular, it provides indicators such as school enrolments rates, housing conditions, access to amenities and facilities, income and expenditures, unemployment rates, and income and expenditure levels which should provide invaluable inputs into the monitoring and evaluation of the economic reforms and poverty reduction programmes being implemented by the Government.

## *The Surveyed Population*

**The Age-sex Structure** - The age-sex structure of the surveyed population showed a youthful population, with 52.9 per cent of the population falling within the 0-19 years age bracket. The overall dependency ratio was 76.8 in 2006, a decrease from 85.4 of the 1999 ILFS. Rural areas also showed a decline in the dependency ratio from 95.4 per cent in 1999 to 84.6 per cent in 2006. There was no significant change in the dependency ratio in urban areas over this period.

The sex ratio of males to females decreased from 0.997 in 1999 to 0.970 in 2006. The overall modal household size was 3-4 persons, however, in the rural areas it was 5-6 persons. More than half of the female headed households were composed of 1-4 members.

**Marital status** - The population aged 12-17 largely remained as never married 99.0 per cent males and 97.1 per cent females. Overall, 38.8 per cent of the population was in monogamous union. However, incidence of separation among females more than doubled that of males.

**Education and Literacy** - The GAR was estimated at 117.0 for primary school and 40.0 for secondary school. Males recorded a higher GAR (by 5 percentage points) compared to females in each of the schooling level. Overall, primary school was the highest level of education attained by 68.8 per cent of the surveyed population; at the secondary schooling level this was 17.9 per cent and pre-school 9.0 per cent. Only a marginal 0.5 per cent of the surveyed population had acquired university level education.

More than one third of urban residents had secondary education compared to their rural counterparts (17.9 %). With regional disparities observed in educational attainment, Nairobi Province had the most educated population while North Eastern province had the least educated.

**Housing and amenities** – Slightly more than half 52.1 per cent of the households lived in Bungalows or houses while 16.5 per cent had Manyattas or traditional huts. Notably in 1999, about 31.0 per cent of the households had a permanent dwelling unit. Piped water was the most popular source of drinking water to 37.9 per cent of the households. However, in the rural areas, this proportion was only 19.9 per cent compared to 72.4 per cent in the urban areas. In addition, more households (58.2 per cent) were located less than 6 minutes walking distance from the source of drinking water. This proportion in the urban areas was 84.0 per cent compared to 44.8 per cent in the rural areas. The waiting time to draw water to nearly three quarters of these households was less than 6 minutes. This situation reflects a slightly different scenario from that in 1999, especially in the rural areas, where most of the rural households traveled long distances to fetch water.

In 2006, firewood continued to be the commonest type of cooking fuel (60.0 per cent of households) in rural areas. In the urban areas, 44.1 per cent of the households used paraffin for cooking while 32.1 per cent used charcoal.

In the case of main types of lighting, paraffin and electricity were the most commonly used, by 73.5 and 18.9 per cent of the households, respectively. Notably, in 1999 about 79.6 per cent of responding households were using paraffin to light their houses, with 91.7 per cent in rural areas. Urban areas mainly relied on paraffin (49.1 per cent) and electricity (47.9 per cent) as the chief sources of lighting.

**Household expenditure** - On average, monthly expenditure by households stood at KSh 2,320. Housing (KSh 12,331) and non-CPI<sup>1</sup> items (KSh 9,963) expenses formed the bulk of household expenditure. The results indicate that expenses on personal goods (KSh 913) and household goods (938) were the least contributors to household expenditure compared to other categories.

## *The Labour Force Participation*

**Economic activity** –The economically active population aged 15 – 64 constituted 12.7 million employed persons and 1.9 million unemployed persons while the inactive population totalled to 5.3 million persons. 68.2 per cent of the inactive population were full time students while 8.4 per cent were persons who reported that they did not need work. Further more, 61.0 per cent of those who were inactive were in the age cohort 15 – 19 years.

**Participation Rates** - The overall participation rate of the population aged 15-64 was 72.6 per cent, this being 75.7 per cent and 69.7 per cent for males and females respectively. The highest participation rates 93.7 per cent were recorded for persons in the age cohorts 35 – 39 and 40 – 44 while the lowest 30.1 per cent was recorded for persons aged 15 - 19. Overall, participation rates in the urban areas were slightly higher at 73.7 per cent compared to the rural areas, 72.2 per cent.

**Employment** - Distribution of the employed persons by region indicates that the rural areas absorbed 73.6 per cent of the employed persons. Employment to population ratio for the rural areas was 65.1 per cent and 59.0 per cent for the urban areas. Analysis of employment status shows that own account workers made up 32.6 per cent of the working population, followed closely by persons in paid employment (31.5 per cent). The share of unpaid family workers was 23.8 per cent of the total working population. Most of the unpaid family workers were in the rural areas (22.2 per cent), while the paid employees were evenly distributed in the urban and rural areas.

**Occupations and industry** - Occupational analysis of the employed show that 46.8 per cent of all working persons were skilled agricultural and fishery workers constituting 54.9 per cent of the employed females and 39.2 per cent of the males. Professionals accounted for 2.8 per cent of the employed persons, majority being males. Out

<sup>1</sup>This refers to items not directly consumed by households such as funeral expenses, gambling etc.

of 357,752 professionals in employment, 295,643 were in paid employment. Persons in elementary occupations accounted for 35.4 per cent of those in paid employment, with wholesale and retail services constituting 15.6 per cent of the workers. There were more female employees in the trades, personal and household services and health services relative to their male counterparts. The manufacturing, construction and, public administration and defence industries were dominated by males.

### *Hours of work*

The average working hours for Kenyan workers ranged between 35.3 hours and 44.8 hours per week. Workers in the urban areas worked for longer hours compared to their counterparts in the rural areas.

### *Wage levels*

Paid employees on average earned Ksh. 9,353.10. Employees in the urban areas on average earned more than double their rural counterparts at Ksh. 13,471.20 and 5,599.30 respectively. There was minimal gender disparity in the earning.

### *Unemployment*

A total 1.9 million persons were unemployed aged 15-64 and comprising 55.3 per cent of females and 44.7 per cent males, giving an overall unemployment rate of 12.7 per cent in 2006. Unemployment rate was higher in the urban areas (19.9 per cent) compared to the rural areas (9.8 per cent). Analysis by gender shows that female unemployment rate was higher (14.3 per cent) than the males (11.2 per cent) by 27.7 per cent. Total unemployment rates for the youth age 15-24 was at 24.5 per cent with that of the females being higher at 27.4 compared to 21.5 for the males. These rates were higher in the urban areas (38.4 per cent) compared to the rural areas (19.0 per cent). The teenage youth unemployment rates were comparatively higher than the adult youth unemployment rates. The ratio of youth unemployment rate to adult unemployment rate was 2.8

**Under-employment** - About 2.7 million persons or slightly more than one fifth of the total working population, 12.7 million working persons were under-employed. Nearly half (48.8 per cent) of the under-employed persons worked for between 18 to 25 hours during the survey's reference week, with 26.5 per cent working for between 22-25 hour a week. Nearly one third (31.6 per cent) of the under-employed worked for less than 14 hours a week. Majority of the under-employed persons (55.4 per cent) were females.

### **Recommendations**

In light of the existing labour market situation the following are recommended:

1. Future labour force surveys should be planned and designed to take into consideration experience and lessons learnt from the 2005/06 KIHBS.
2. There should be further surveys on Labour Market Information to provide aspects of the labour force that were not adequately captured in this survey such as job search activities of the unemployed.
3. The Government through formulation of Vision 2030, has identified six priority sectors as having the highest potential for economic growth, namely: tourism, agriculture, manufacturing, wholesale and retail trade, business processing outsourcing and financial services. Efforts should be made to exploit the growth potential from these sectors, and in addition improve the infrastructure in areas that best support these growth engines. This will assist in reduced level of unemployment and contribute to poverty alleviation in the economy.
4. The challenge of creating full and productive employment and decent work for all is a difficult one. The success of national efforts to promote productive employment and decent work will depend largely on the extent to which sufficient priority is given to agricultural and rural enterprise development, the identification of appropriate pro-poor agricultural technologies, and to the reinforcement of rural member-based organisations.

It is therefore recommended that current reforms in the agricultural sector be sustained and include the following:

- Reform efforts in agriculture should be directed to assist the rural poor especially for women and vulnerable groups to secure access to land and other resources in order to contribute to increased productivity, earnings, and environmental sustainability.
  - Agriculture and rural development policies should be formulated to reduce the vulnerability of agricultural labourers, including both landless and wage-dependent small farmers, and to enhance their capacity to gain productive employment.
  - Formulation of policies that encourage investments geared at increasing land and labour productivity in order to promote agricultural growth for employment generation and poverty reduction.
  - Creating access to markets and business development services for rural enterprises in order to mobilize entrepreneurship and provides important incentives for adding value to products and enhancing employment prospects.
  - The institutions of the poor rural people can play vital roles both in securing greater access to productive employment and ensuring decent working conditions.
- 5 In promoting pathways to decent work and in the spirit of observing “Resolution Concerning Youth Employment” adopted at the International Labour Conference in June 2005, the Government should continue to implement policies and programmes to promote decent work for young people;
- By placing decent and productive employment at the heart of economic and social policies, and targeting youth employment as a key priority based on national circumstances. Among other initiatives, the government, employers’ and workers’ organizations should play a major role in identifying, in the short, medium and long term, sectors that have strong potential for employment of young people;
  - Promoting through a combination of policies and programmes, public and private enterprises and cooperatives in the creation of productive and decent jobs as already identified under the National Development Youth Fund for young people, specifically those in vulnerable situations without prejudice to the quantity or quality of jobs for adult workers. For example;
    - i. Targeted initiatives and incentive schemes to raise labour demand for young people, especially disadvantaged youth without decreasing the quantity and quality of work for others.
    - ii. Encourage entrepreneurship and productive and sustainable self-employment as career options and sources of decent employment for young people.
    - iii. Employment services, guidance and career advice such as labour market information and career counseling should be made available to young people and more intensive assistance should be provided for youth who have experienced lengthy periods of unemployment;
    - iv. To increase job quantity and quality, initiatives investing in young people should be supported by adequate human and financial resources;
    - v. Social partners should be involved in the design and implementation of policies and programmes promoting decent work for young people;
    - vi. Promotion of gender equality at all stages of the life cycle and elimination of discrimination against youth are imperative.

The concept of work covers all persons undertaking economic activities either for pay, profit or family gain.



# CHAPTER 1

## INTRODUCTION

### *1.0 Background*

**K**enya, in its economic recovery programme, had the core aim of achieving economic growth rates consistent with creation of jobs. There is renewed interest in the role of employment and labour markets in reducing poverty and achieving the objectives as enshrined in the Millenium Development Goals. This calls for timely and accurate information on the labour force such as employment, unemployment and underemployment in order to provide indication on the available and unused resources for planning purposes. Statistics on training, hours worked, occupations and earnings are also important for measuring the available skills and returns on labour.

The Kenya National Bureau of Statistics collects data on employment, earnings and hours worked on annual basis from establishments. This data, however, is limited in scope and coverage since only establishments in the modern sector are covered, thus excluding the other sectors of the informal and rural agriculture and pastoralist activities. A module on employment was introduced in the integrated household budget survey to update information collected in the last labour force survey conducted in 1998/99.

### *1.1 Objectives of the Survey*

The main objective of including the labour force module in the Kenya Integrated Household Budget Survey 2005/06 was to update data on the labour force situation in the country since population structure and the labour market are very dynamic. There was also need for current statistics on child labour phenomenon to be updated. The specific objectives of the Module were to:

- (a) Update available information on the structure and composition of the labour force by collecting information on the current level of employment, open unemployment and the significance of underemployment in Kenya;
- (b) Provide manpower profiles by establishing the skills and training levels of the Kenyan labour force, and hence assess the capacity to sustain the proposed industrial takeoff;
- (c) Analyse the character, nature, size and reasons for child labour in the country for uses such as monitoring, evaluation, and improvement or elimination of child labour; and
- (d) Update the 1998/99 database for organisations and individuals involved in labour statistics and child labour programmes.

## 1.2 *Scope and Coverage*

The survey was conducted in all the administrative districts of Kenya over a period of 12 months. The survey was conducted in 1,343 clusters, randomly selected from the National Sample Survey and Evaluation Programme (NASSEP IV), which was created after the 1999 Population Census. A total of 13,430 households were targeted in the study. The frame is multi-purpose in nature, and followed a two-stage stratified cluster design.

Labour force statistics collected were classified into two modules: labour force, information and Household enterprises. The survey also collected information on household composition, educational attainment of the Kenyan population by age and sex, patterns of employment, hours of work in various activities and open unemployment and statistics on occupational injuries and housing arrangements and facilities, and poverty levels of households. The enterprises module sought particulars of informal sector businesses e.g. employment levels, revenues and expenditures. The age was lowered to 5 years in order to capture information on child particulars, children's working conditions, level of their earnings and their disposal.

## 1.3 *Format of the Report*

The report is arranged into seven chapters. Chapter 2 presents concepts and definitions. Chapter 3 discusses the survey techniques and methodology.

Survey findings are presented in Chapters 4 through 7. Chapter 4 analyses the characteristics of the sampled households by age and sex, and household expenditure and income profiles. Chapter 5 focuses on labour force participation while Chapter 6 focuses on unemployment. The final chapter gives conclusions and recommendations. Appendix I contains a copy of the questionnaire used in the survey.

The survey was conducted in all the administrative districts of Kenya over a period of 12 months. The survey was conducted in 1,343 clusters, randomly selected from the National Sample Survey and Evaluation programme (NASSEP IV), which was created after the 1999 Population Census.

# CHAPTER 2

## CONCEPTS AND DEFINITIONS

### *2.0 Introduction*

**T**he survey used a questionnaire supported by an enumerator's reference manual in collecting information from responding households. In an effort to reduce enumerators' bias (i.e. collect comparable information referring to the same universe by using uniform terms), unfamiliar terms and concepts were defined in the enumerator's reference manual and also during training. Reproduced below are some of the main concepts used during data collection, and also during the analysis of survey results.

#### **Household**

This was the unit of enumeration used in the survey and was defined as a person or a group of persons residing in the same compound, answerable to the same head and pooling and sharing resources for common provisions such as food and house rent.

#### **Head of Household**

This is the key decision-maker whose authority is acknowledged by other members of the household. Because the survey considered de-jure household members, the head must be a usual resident in the compound or, though residing elsewhere must be returning to the household compound at frequent intervals.

#### **Labour Force Framework**

The survey and subsequent analyses of its results was based on a labour force framework where the total population was categorized into currently economically active population (labour force) and population that is not currently active. Labour force or the economically active population consists of the working members of the population plus those who are not working, but are looking for work during a specified reference period. The inactive population covers those members of the population who are NOT available for work (economically inactive members include the infirm, ailing, incapacitated and full-time students). In most countries the labour force is considered to cover persons aged between the ages of 15 and 64 years. However, there was no upper age limit for this survey. Also, the lower age limit was lowered to include those aged 5 years and above so as to capture the extent and intensity of child labour in Kenya.

#### **Work**

The concept of work covers all persons undertaking economic activities either for pay, profit or family gain. As described in the System of National Accounts (SNA), the

concept of economic activity includes all market production and certain types of non-market production. The types of non-market production referred to include:

- (a) The production of primary products for own consumption;
- (b) The processing of primary commodities for own consumption by the producers of these items;
- (c) The production of fixed assets for own use; and
- (d) Production for own-consumption of other commodities by persons who also produce them for the market.

The term “work” has different meanings when translated into local languages. For example, when a person is asked in a local language “Do you work?” it may be understood to mean, “are you employed by someone else for pay”? This misunderstanding was avoided in the survey by re-phrasing the question to read: “Do you hold a job or work either for pay, profit or family gain?”

## Employment

The term employment refers to performance of work as defined above. This term is used to measure the number of persons employed, including persons at work during a short reference period, and also persons temporarily absent from work but holding a job. There are different types of employment based on what is referred to as Status in Employment .

### Status in Employment

The status in employment refers to the disposition of an economically active person with respect to his/her employment during a specific time-reference period. Two mutually exclusive employment status are paid employment and self-employment. Self-employment includes working employers, own-account workers and unpaid family workers. These terms are explained below:

- (a) ***Paid employees:*** They are persons working for a public or private employer and receive remuneration in wages, salary, commission, tips, piece-rates or pay in kind. This comprises of:
  - i. *Persons at work:* those who, during the reference period performed some work (i.e. at least one hour) for wage or salary, in cash or in kind; and
  - ii. *Persons with a job but not at work:* persons who having already worked in their present job, were temporarily not at work during the reference period but had a formal attachment to their job.
- (b) ***Working Employers:*** Are those persons who operate their own businesses, agricultural farms, engage in pastoralist activities or engage independently in a profession or trade, and hire one or more employees. They may operate as sole entrepreneurs or with partner(s) who may or may not be members of the same family or household.
- (c) ***Own account workers:*** These are people who operate their own businesses, agricultural farms, engage in pastoralist activities, or engage independently in a profession or trade and hire no employees. They may operate as sole entrepreneurs

The term “work” has different meanings when translated into local languages. For example, when a person is asked in a local language “Do you work?” it may be understood to mean, “are you employed by someone else for pay”? This misunderstanding was avoided in the survey by re-phrasing the question to read: “Do you hold a job or work either for pay, profit or family gain?”

Unemployed persons generally include those who, during the reference period, were without work but currently available for work and actively seeking work.

or with partner(s) who may or may not be members of the same family or household. This category covers a large proportion of self-employed persons

- (d) Unpaid family worker (contributing family workers): Persons who work without pay in an economic enterprise operated by a relative.
- (e) Apprentice: The class of apprentices is included in this survey due to its significance in the local labour market. These are particular types of trainees. They may be directly engaged in producing goods and services or may simply be learning by observation without actually performing any significant productive tasks. They may be paid a wage or salary under written or oral contract. Others may be given meals or living quarters or special tuition, in compensation for the work done or as an allowance unrelated to the work performed. Still others may not be paid at all and, in some cases, may actually be paying a fee in return for the acquired skill or knowledge.

### Unemployed

Unemployed persons generally include those who, during the reference period, were without work but currently available for work and actively seeking work. However, if available for work, persons without work who had made arrangements to take up paid employment or to undertake self-employment activity at a date subsequent to the reference period were considered as unemployed. Persons who did not work in the reference period either because they were temporarily laid off or were out of season were also included in the number of the unemployed.

### Seeking Work

The seeking work criteria was formulated in terms of active search for work (to seek paid or self-employment). A person must have taken specific steps in a specified reference period to obtain work in order to be considered as seeking work. A general declaration of being in search of work was not considered sufficient.

### Full-time Student

This refers to one who is in regular educational institution and hence not available for work. They do not work at all but may help in household chores. Children who reported as having engaged in business to make a living for example selling sweets, groundnuts etc were not treated as a full-time student but employed i.e. Child Labour.

### Retired

Persons not engaged in any economic activity either due to age, medical reasons or voluntarily out of work. However, if a retired person runs a business then he was considered in other employment categories.

### Incapacitated

This refers to one who is invalid and cannot work or do any activity. However a person who was handicapped was not necessarily included here if the handicap did not affect their economic way of life.

## Homemaker

These are persons mainly involved in household chores such as cooking, laundry and some farm activities.

## Reference Period

Since employment and unemployment are viewed as stock concepts (measured at a particular point in time), the corresponding statistics must, in principle, refer to a precise instant in time. The reference to a precise instant in time is called the reference period. Three reference periods were used in this survey: last week (seven days), last month, and last twelve months. Last week meant the week preceding the interview.

## Job

A job is defined as set of tasks and duties, which are carried out by, or can be assigned to, one person. Two jobs are similar if they require the performance of similar sets of tasks, that is, if they involve the same type of work. It is related to the term work, e.g. job seekers are persons looking for work, or have applied for a job. It is also related to occupation, e.g. applicants for a driver's job.

## Occupation

The term occupation refers to the job held or the kind of work performed during the reference period (or kind of work done previously if unemployed). Information on occupation provides a description of a person's job. Persons with two or more jobs are classified in the job at which they worked the greatest number of hours during the reference period. Occupational codes and descriptions are given in Appendix 3 of the enumerator's manual. They were based on the Kenya National Occupation Classifications (KNOCS), which is the Kenyan version of ISCO - 88.

## Economic Sector

For the purposes of classifying employment data into exhaustive categories, the Kenyan economy may be split into three sectors, namely, the modern sector, the informal sector, and the small-scale agriculture and pastoralists sector. These concepts are explained as follows:

- (a) Modern sector is defined to include the entire public sector and private enterprises and institutions that are formal in terms of registration, taxation, and official recording (incorporated enterprises).
- (b) Informal sector, also referred to as Jua Kali, covers all small-scale activities that are normally semi-organised and unregulated, and use low and simple technology. Self-employed persons or employers of a few workers largely undertake the informal sector activities. The persons that engage in such activities are mostly artisans, traders and other operators. Such businesses are normally carried out in a variety of work sites such as market stalls, residential houses, open yards, undeveloped plots, semi-permanent structures, and street pavements. Though their business names or businesses are not registered with the Registrar of Companies, they may or may not have operating licences from local authorities. The sector excludes agricultural farm activities.

A job is defined as set of tasks and duties, which are carried out by, or can be assigned to, one person.

- (c) Small-scale farming and pastoralist activities: These are farm related economic activities that are mainly located in rural areas. Owing to their non-registration nature, they are neither in the modern sector nor are they in the informal sector.

Further, data pertaining to these sectors of the economy are categorized into public and the private sector activities, where:

- (a) The public sector covers all activities and establishments of the Central Government; its statutory corporations (wholly owned corporations or parastatals), registered companies in which the Government is a majority shareholder, and all Local Government authorities. Public sector activities are entirely in the modern sector of the economy,
- (b) The private sector consists of companies and businesses in the modern sector in which the Government does not own majority shares, the entire informal sector, co-operatives, non-profit making institutions and private households employing domestic servants and small-scale/subsistence farming and pastoralist activities.

### Industry

Industry refers to the economic activity of the establishment in which an employed person worked during the survey reference period, or last worked if unemployed. This activity is defined in terms of the kinds of goods produced, or services offered by the economic unit or establishment in which the person works. The branch of economic activity of a person does not depend on one's occupation.

### Establishment

An establishment is defined as a specific location in which a clearly defined economic activity is undertaken. It is generally at a single location and engaged predominantly in one type of economic activity. Thus, a large firm or enterprise with branches would have one of such branches referred to as an establishment because of its unique location and economic activity undertaken in that location. Examples of establishments are a factory producing leather goods at a specific work site, and a school providing educational services at a given site. Where a single location (work site) encompasses two or more distinct activities, these are treated as separate establishments.

### Business/Enterprise/Firm

The terms were used interchangeably in this survey to refer to an economic unit producing goods or providing services. They are entities under whose umbrella an establishment operates. Examples include factories, banks, kiosks, agricultural farms or holdings, taxis, and hawkers.

### Working Patterns

Depending on their daily or weekly working hours, persons work either on full-time or part-time basis. Further, both full-time and part-time employees work either on regular basis or intermittently. Those who work intermittently include seasonal workers and daily casual labourers. These working patterns are defined below.

- (a) *Full-time workers:* Persons who work for all the hours of work and for all the working days, as defined by the employer, except when on leave or otherwise officially away.

An establishment is defined as a specific location in which a clearly defined economic activity is undertaken. It is generally at a single location and engaged predominantly in one type of economic activity.

- (b) *Part-time workers:* Employees who voluntarily work fewer hours than is normal for the establishment, or division within it. The term includes only those part-time employees who are permanent employees; thus a person hired for three months part time is separately counted as a casual worker.
- (c) *Regular workers:* There are regular workers for both paid employees and self-employed persons. For paid employees, regular workers are those with stable contracts for whom the employing organisation is responsible for payment of taxes and social security contributions and/or where the contractual relationship is subject to prevailing labour regulations. For self-employed persons, regular workers are those who work in their own enterprises or farms on a continuous basis.
- (d) *Seasonal workers:* They are persons engaged in activities only for specific periods of the year, i.e. engaged in seasonal activities such as coffee picking, planting, tourism, etc.
- (e) *Casual workers:* These are persons whose terms of engagement provide for payment at the end of each day and who are not engaged for a period longer than 90 days. They have no formal employment contract with the employer and their services may be terminated without notice. Casual employees are generally engaged for manual work.

Hours of work were categorised in this survey into two types (a) usual/normal hours of work and (b) actual hours worked.

### Type of Worker

Workers were categorised in this survey into three types:

- (a) *Skilled, Qualified Workers:* Those who have served an apprenticeship, practice the trade learned or similar activity, and by reason of their knowledge and vocational capacity are given tasks which are specific to their trade, complex and involving varied responsibilities or fields.
- (b) *Semi-skilled, Semi-qualified Workers:* Workers who can only perform their job after a period of instructions of several months in general and are given tasks - mostly specific to the industry - which are repetitive, are less complex, and involve less responsibility.
- (c) *Unskilled, Unqualified Workers:* Workers who require no specific vocational training or only brief instructions and work on auxiliary tasks.

### Hours of Work

Hours of work were categorised in this survey into two types (a) usual/normal hours of work and (b) actual hours worked. The former refers to hours of work fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards.

### Wages and Salaries

The concept includes gross wages and salaries relating to a given period. It also includes remuneration for time worked; overtime, piece-work, bonuses, remuneration according to the law for hours not worked (particularly holidays, sick leave and maternity), and extra payments for demanding tasks and supplements for night work. Wages and salaries also include authors' royalties and payments to workers giving apprenticeship courses or themselves receiving training. On the other hand, wages and salaries do not include

exceptional bonuses, travel expenses, the cost of special clothing or footwear, and social insurance payments.

### **Household Income**

Household income covers all receipts that accrued to the household or its individual members. It is the sum of primary income (consisting of income from paid and self employment), property income (consisting of imputed rents of owner-occupied dwellings, interest received and paid, dividends received, and net rents and royalties received for the use of buildings, land, copyrights and patents), current transfers (consisting of social security benefits, pensions and life insurance annuity benefits, alimonies etc.), and other benefits received by all the members of the household.

### **Income from Paid Employment**

The term includes wages and salaries and other earnings received in cash and in kind on a regular basis. Earnings cover all payments that employees receive in respect of their work, whether in cash or in kind, remuneration for time not worked paid by the employer (excluding severance and termination pay) and other benefits and allowances. Other benefits and allowances include bonuses and gratuities, and housing and family allowances paid by the employer directly to the employee.

### **Gross Income**

This is income before taxes and other compulsory deductions such as social security contributions. Gross income from paid employment is value of wages or salaries plus all associated allowances and benefits before regular deductions are made. Gross income from farm or business enterprises consists of total revenue before taxation and depreciation allowance.

### **Household Consumption Expenditure**

The concept includes goods and services that are acquired or purchased for household use. It includes value of goods and services produced by the household and consumed by the household during the reference period i.e. consumption from own business stocks or from own agricultural production, imputed rent value of owner-occupied housing and gross rental value of free employer-provided housing occupied by the household. The concept, however, excludes goods and services acquired for business purposes or for accumulation of wealth.

### **Business Expenses**

These include operating costs such as payments to hired labour in cash and or in kind, and other current expenses incurred by the economic activity, such as the purchase of raw materials, fuel, tools and equipment, rent and interest payments, transport costs, and marketing expenses.

### **Income from Self-employment**

This refers to net entrepreneurial income, i.e. return on the labour input of the self-employed. This is obtained by subtracting operating expenses from gross output. Gross output may be defined as value of all goods and services produced, including any part which has been retained for own consumption or given free of charge or at reduced prices to hired labour. For example, gross output of a farm would be the total value of the

Household income covers all receipts that accrued to the household or its individual members.

produce (i.e. value of produce sold plus value of stocks retained for own consumption and value of any produce given as part of wages to hired labour).

### **Working children and Child Labour**

Working children were defined as persons aged 5 – 17 years who were engaged in non-schooling activities either for pay, profit or family gain.

Working children were defined as persons aged 5 – 17 years who were engaged in non-schooling activities either for pay, profit or family gain.

# CHAPTER 3

## SURVEY TECHNIQUES AND METHODOLOGY

### **3.0 Introduction**

**D**ata collection for KIHBS 2005/06 was undertaken for a period of 12 months starting 16th May 2005. The Survey was conducted in 1,343 randomly selected clusters across all districts in Kenya and comprised 861 rural and 482 urban clusters. Following a listing exercise, 10 households were randomly selected with equal probability in each cluster resulting in a total sample size of 13,430 households.

The year-long survey was organised into 17 cycles of 21 days each, during which enumerators conducted household interviews in the clusters. Further, the districts were grouped into 22 zones that were logistically convenient for field teams to operate. Seasonal variation was captured by randomising visits to the selected clusters so that in each cycle at least one cluster was visited in each zone. The Survey instruments were organised in four questionnaires:

- (1) A 21 – day module household questionnaire;
- (2) 14-day household expenditure diaries to record consumption and purchases;
- (3) A market price questionnaire and,
- (4) A community questionnaire.

This chapter provides a detailed description of the KIHBS sample design, structure of the questionnaires as well as organisation and implementation of the survey.

### **3.1 Sample design and survey coverage**

A total of 13,430 households were randomly selected to comprise the KIHBS sample, which was designed to generate representative statistics at the national, provincial and district levels. The sampling design involved a number of stages and challenges, which are elaborated in this section.

#### **Cluster selection**

In the first stage, 1,343 clusters were stratified by district (and by both urban and rural areas within each district). The objective was to make the total sample representative and descriptive of the unequal distribution of the population across districts. The allocation of the KIHBS sample by provinces, districts, rural and urban areas, is summarised in Table 3.1.

In the KIHBS sample, 10 households were randomly selected with equal probability in each cluster to give a total sample of 13,430 households allocated into 136 explicit strata: the urban and rural areas of all districts except Nairobi and Mombasa, which

Table 3.1: Allocation of the KIHBS households by provinces, districts and urban/rural areas

Region	Rural	Urban	Total	Region	Rural	Urban	Total
<b>1 Kenya</b>	<b>8,610</b>	<b>4,820</b>	<b>13,430</b>	<b>6 Nyanza</b>	<b>1,440</b>	<b>700</b>	<b>2,140</b>
				601 Gucha	130	40	170
				602 Homa Bay	110	60	170
101 Nairobi	0	700	700	603 Kisii	100	80	180
				604 Kisumu	100	100	200
				605 Kuria	130	40	170
<b>2 Central</b>	<b>1,010</b>	<b>480</b>	<b>1,490</b>	<b>606 Migori</b>	<b>130</b>	<b>60</b>	<b>190</b>
201 Kiambu	170	100	270	607 Nyamira	120	60	180
202 Kirinyaga	130	60	190	608 Rachuonyo	130	40	170
203 Muranga	130	40	170	609 Siaya	120	80	200
204 Nyandarua	150	40	190	610 Suba	130	40	170
205 Nyeri	150	100	250	611 Bondo	110	60	170
206 Thika	130	120	250	612 Nyando	130	40	170
207 Maragua	150	20	170				
				<b>7 Rift Valley</b>	<b>2,370</b>	<b>1,000</b>	<b>3,370</b>
<b>3 Coast</b>	<b>680</b>	<b>600</b>	<b>1,280</b>	701 Baringo	110	60	170
301 Kilifi	110	60	170	702 Bomet	110	60	170
302 Kwale	110	60	170	703 Keiyo	130	40	170
303 Lamu	130	40	170	704 Kajiado	100	80	180
304 Mombasa	0	260	260	705 Kericho	120	60	180
305 Taita Taveta	90	80	170	706 Koibatek	130	40	170
306 Tana River	150	20	170	707 Laikipia	110	60	170
307 Malindi	90	80	170	708 Marakwet	140	20	160
				709 Nakuru	230	140	370
<b>4 Eastern</b>	<b>1,840</b>	<b>580</b>	<b>2,410</b>	710 Nandi	130	60	190
401 Embu	90	80	170	711 Narok	130	40	170
402 Isiolo	130	40	170	712 Samburu	110	40	150
403 Kitui	140	40	180	713 Trans Mara	130	40	170
404 Makueni	180	40	220	714 Trans Nzoia	140	60	200
405 Machakos	160	100	260	715 Turkana	150	20	170
406 Marsabit	120	40	160	716 Uasin Gishu	90	120	210
407 Mbeere	150	20	170	717 West Pokot	150	20	170
408 Meru Central	120	80	200	718 Buret	130	40	170
409 Moyale	150	20	170				
410 Mwingi	150	20	170	8 Western	960	560	1,520
411 Meru North	140	60	200	801 Bungoma	130	120	250
412 Tharaka	150	20	170	802 Busia	90	80	170
413 Meru South	150	20	170	803 Mt. Elgon	130	40	170
				804 Kakamega	130	80	210
<b>5 North Eastern</b>	<b>310</b>	<b>200</b>	<b>510</b>	805 Lugari	110	60	170
501 Garissa	90	80	170	806 Teso	130	40	170
502 Mandera	110	60	170	807 Vihiga	130	60	190
503 Wajir	110	60	170	808 Butere/Mumias	110	80	190

are entirely urban. However, in the six districts that contain municipalities, clusters in the urban sample were further stratified into six groups: five socio-economic classes in the municipality itself and other urban areas in the district. This ensured that different types of neighbourhoods and social classes within municipal areas were all represented in the sample. The total sample sizes in rural and urban areas were 8,610 and 4,820 households respectively.

The 1,343 KIHBS clusters are the Primary Sampling Units (PSUs) from the NASSEP IV sampling frame, which is designed to give nationally, and sub-nationally, representative household survey samples. The NASSEP IV sampling frame is composed of 1,800 clusters selected with probability proportional to size (pps) from a set of all Enumeration Areas (EA) used during the 1999 Population and Housing Census (a cluster is either an EA or an EA segment of about 100 households). The KIHBS clusters sampled in each district were selected with equal probability from the NASSEP IV frame. Therefore, the first stage consists of a de facto pps sub-sample of census EA segments. This sampling strategy produced an approximately self-weighted sample of households in each stratum.

With the basic sampling frame constructed, the next stage consisted of updating the NASSEP IV clusters through a cartographic and household listing exercise conducted in all urban and ASAL clusters as well as a portion of the rural clusters in which population was found to have changed significantly.

### Computation of sampling weights

The third stage involved calculation of sampling selection probabilities of each KIHBS household, which are used to derive sampling weights needed to compute unbiased estimates and statistics presented in this report.

The probability of selecting a KIHBS household is the product of four factors:

- (1)  $P_1$  is the probability of selecting the EA for the master sample among all the 1999 Population and Housing Census EA's;
- (2)  $P_2$  is the probability of selecting the EA segment among all segments in the EA;
- (3)  $P_3$  is the probability of selecting the cluster for the KIHBS, among all the clusters in the NASSEP IV master sample; and
- (4)  $P_4$  the probability of selecting the household among all the households listed in the cluster. Since the EA's in the master sample were originally selected with probability proportional to size (pps) using the expected number of 100-household segments in the EA as a measure of size, the first factor is calculated as:

$$P_1 = \frac{\text{Number of EAs selected for the Master Sample in the stratum} \times \text{Size of the EA}}{\text{Total size of all EAs in a stratum}}$$

Because the actual number of segments created during the master sample field operations may have been different from the expected number, the second factor is computed as:

$$P_2 = \frac{1}{\text{Number of segments actually created in an EA}}$$

Finally, the third and fourth factors are obtained by deriving:

$$P_3 = \frac{\text{Number of clusters selected for the KIHBS in the stratum}}{\text{Number of sample EAs in a stratum}}$$

Therefore, the first stage consists of a de facto pps sub-sample of census EA segments. This sampling strategy produced an approximately self-weighted sample of households in each stratum.

and

$$P_4 = \frac{\text{Number of households visited by the KIHBS in a cluster}}{\text{Total number of households in a cluster}}$$

The probability of selecting the *i*th KIHBS household is therefore readily derived as the product of the four factors:

$$P_i = P_{i1} P_{i2} P_{i3} P_{i4}$$

The sampling weights (also called raising factors) used to compute unbiased estimates and indicators from the KIHBS are calculated simply as the inverse of these selection probabilities.

### Sampling weights recalibration for non-response and population growth

Upon completion of fieldwork, two adjustments were made to the sampling weights. Firstly, some of the sampled households did not participate in the Survey, either because of failure to establish contact or explicit refusal to participate. This is a common feature of all household surveys and is called “unit non-response”.

The KIHBS anticipated this would happen and during the sampling design phase, in addition to the 10 “original” households, another 5 “replacement” households were randomly selected in each KIHBS cluster. These were used as substitutes for original households that did not respond or were not available.

Overall the effective coverage and response rate was about 98 per cent. However, forty of the sampled 13,430 households could not be interviewed because of either insecurity or inaccessibility of the clusters. This occurred only in four of the selected 1,343 KIHBS clusters; one in Marsabit District, one in Marakwet District and two in Samburu District. In these cases, the sampling weights were recalibrated to adjust for non-response. This involves multiplying the sampling weights of all households in these clusters (and, in the case of cluster unit non-response, all households in those districts) by a scaling-up factor. This factor is computed as the number of originally selected households in the cluster (i.e. 10), divided by the number of responding households.

Item non-response occurs when data on certain questions in the survey are not recorded or captured. This was virtually negligible (less than 1%) in the Survey because each household was visited at least 10 times and any data that was not completed earlier could be completed in the subsequent visits.

In the analysis of the labour component, the weights were further adjusted as follows. The data was subdivided into 4 rounds each comprising of four cycles starting from the first one. The weights were adjusted such that the observations in each round represented the entire country. Cycle 17 was dropped from the analysis.

### 3.2 Survey design and logistics

The KIHBS data collection phase took place over a 12-month period that was organised into 17 cycles of 21 days each. During this period, enumerators conducted household interviews in the clusters. Since the sample consists of 1,343 clusters, data collection required hiring and training of 79 interviewers. To cover for eventualities (e.g., illness, unusually large clusters, etc) and to ensure that the fieldwork was not interrupted, a back-up team of a further 21 interviewers was hired to make a total of 100 trained KIHBS interviewers.

Overall the effective coverage and response rate was about 98 per cent. However, forty of the sampled 13,430 households could not be interviewed because of either insecurity or inaccessibility of the clusters.

Great care was taken in hiring the research assistants.

These personnel were hired from the private sector after thorough screening. Minimum selection requirements included computer literacy and fluency in one or more of respective local languages and dialects.

For logistical purposes, the 79 clusters were covered in each cycle by 44 field teams, each team headed by a Field Team Leader and supported by a data entry operator, an interviewer and a driver. Each team was equipped with materials including a vehicle, laptop, GPS unit and anthropometrics instruments. The Field Team Leader was responsible for supervising and ensuring the quality standards of data collected in his/her team. The labour modules were administered in such a way that any two subsequent cycles covered the entire country in a time period of maximum of two weeks. This was to ensure that the reference period was as short as possible.

### **3.3 Quality control**

CBS recognises that a survey as large and complex as the KIHBS, and which requires a large number of personnel is particularly prone to non-sampling errors. Therefore, to ensure and safeguard data quality, best-practice approaches and procedures were built-in during the design phase and implemented by a strong managerial team. Some of the key quality control and safeguard measures implemented by the KIHBS are described below.

#### **Hiring and training**

At the national level, the KIHBS was coordinated by a national management team that was appointed on diverse dates. This team was composed of two experienced technical managers from CBS, a logistics and administration manager and a project manager. The core team assumed full-time responsibility for the KIHBS project and coordinated all aspects of the survey. Having a strong and highly skilled core management team in place was one of the necessary conditions that greatly contributed to the successful design and implementation of the KIHBS.

Given the complexity of the survey questionnaires, training was taken as an extremely important aspect of survey preparations. The personnel selected to train interviewers underwent two intensive training workshops. The first workshop took place in November 2004 prior to the pilot survey while the second was conducted in February 2005. An intensive training and testing programme for the interviewers took place from March to April 2005. An additional two-day refresher-training course was held two days before the start of the KIHBS fieldwork on May 16, 2005.

Great care was taken in hiring the research assistants. These personnel were hired from the private sector after thorough screening. Minimum selection requirements included computer literacy and fluency in one or more of respective local languages and dialects. To the extent possible, interviewers were selected directly from the districts in which they would be assigned to collect data. This hiring and training strategy was complemented by translation of the household questionnaires into 12 different Kenyan languages. Together, these measures greatly facilitated the conducting of interviews in local languages and contributed to the high KIHBS response and completion rates.

#### **Field supervision**

In order to ensure quality control of the data collected, a team of CBS staff, designated as coordinators, visited the field teams once every cycle for at least six days. This helped to ensure the field teams adhered to instructions they received during the training programme and contained in the KIHBS interviewer manual. It also contributed in building first-hand knowledge of the clusters and field collection conditions among the CBS staff, which is critical at the analysis stage. The CBS staff who contributed to this report are intimately familiar with the data.

The coordinators were also responsible for ensuring that focus group discussions were held with the assistance of the District Statistical Officers (DSOs); the latter were instrumental in ensuring that teams were clear on their cluster boundaries. They were also responsible for providing any required logistical support to the team on the ground.

### Data entry in the field

All the KIHBS data was captured on specially programmed laptops in the field and data from each cluster was captured before the end of each cycle. Experience from many countries over the past 20 years has shown that the integration of computer-based quality controls and data entry in field operations brings about several benefits. Firstly, it significantly improves the quality of the information, because it permits correction of errors and inconsistencies while the interviewers responsible for collecting the data are still in the field. Besides being lengthy and time-consuming, ex-post office data entry and cleaning processes at best ensure the database is internally consistent, but this may not necessarily reflect realities actually observed on the ground.

Secondly, it can generate databases that are ready for tabulation and analysis in a timely fashion; the quick turn around from completing data collection activities to producing this report is a testimony of this. In fact, parts of the database may even be prepared as the survey is conducted (as was the case with the KIHBS), thus giving the survey managers the ability to effectively monitor field operations. Thirdly, an indirect advantage of integration is that it fosters the application of uniform criteria by all interviewers throughout the data collection period.

The computer indeed became an incorruptible and tireless assistant of the KIHBS survey teams. All completed questionnaires and electronic cluster data were sent to the headquarters either by courier or delivered by coordinators at the end of every cycle. At headquarters, one administrative team was responsible for receiving and dispatching questionnaires every cycle. A second team was charged with the data quality control of the field data entry operation. This was performed by manually entering data from a sample of returned questionnaires (specifically the first four cycles) to compare with the same data entered in the field. The field data entry operation was found to produce an extremely robust and high quality database.

### 3.4 Questionnaire design

The KIHBS instruments were organized in four questionnaires:<sup>2</sup>

- (1) A household questionnaire;
- (2) Household diaries to record consumption and purchases;
- (3) A market price questionnaire and,
- (4) A community questionnaire.

The modules used in compiling this report are derived from the household questionnaire which consists of 21 integrated modules designed to collect information on the following: demographics; education; health, fertility and mortality; labour; child health and anthropometry; housing; water, sanitation and energy use; food consumption and expenditure; expenditure on non-food items and durable goods; agricultural holdings, activities and outputs; livestock; household enterprises; transfers; income; credit; and recent shocks to household welfare. All modules were completed by the KIHBS interviewers through regular visits to sampled households during a three-week period.

All completed questionnaires and electronic cluster data were sent to the headquarters either by courier or delivered by coordinators at the end of every cycle. At headquarters, one administrative team was responsible for receiving and dispatching questionnaires every cycle.

<sup>2</sup>Copies of the questionnaire can be downloaded from the CBS website ([www.cbs.go.ke](http://www.cbs.go.ke))

Data was captured using a stand-alone program created using Fox-pro software. The analysis was done using SPSS version 12, while the report writing was done in Microsoft Word while the tables were formatted using Microsoft Excel.

The modules used in the analysis include demographics; education; health, labour, housing; water, sanitation and modules on household expenditures.

### **Use of Global Positioning System (GPS)**

One of the unique characteristics of KIHBS was the use of Global Positioning System (GPS) to capture the precise location of households within the cluster.

### **3.5 Data capture and validation**

The volume of data collected from the KIHBS was massive and called for proper advance arrangements to avoid delays in data capture. Data capture is usually a tedious activity and if not strategically organised, it can cause delays in the final analysis and report writing. Consequently, laptops were purchased and assigned to all the 44 teams operating country-wide. Each team had a data entry operator whose assignment was to ensure that data was collected and simultaneously captured into the computer. A domesticated data capture program was developed by CBS data processing staff and piloted during the training of research assistants. Based on field data entry experience, the program was refined and upgraded on a continuous basis.

Completed questionnaires received from the field were stored in an exclusive survey room. These were organised in such a way that they could be easily accessible during the data cleaning process. Data captured on flash disks was transferred to three different computers. In addition, off-site back-up was also done at least once a week until all the data was assembled.

### **3.6 Data analysis**

Data was captured using a stand-alone program created using Fox-pro software. The analysis was done using SPSS version 12, while the report writing was done in Microsoft Word while the tables were formatted using Microsoft Excel. Due to the fact that the survey was carried out over a period of one year, the samples were pooled across the rounds in order to generate weights for time periods within the year that would produce a sample that was nationally representative (both rural and urban). The mean of the four rounds results was taken in the tabulation of the results.

### **3.7 Survey limitations**

- ❖ The KIHBS survey was designed to provide district estimates. This implies that for certain variables, e.g. children per household, the estimates may not be very reliable as a result of the small sample especially for the district with only 17 clusters.
- ❖ In generating the district estimates based on the 4 rounds, some districts had very few observations in some rounds. Data from cycle 17 is excluded from the analysis of this module.

# CHAPTER 4

## HOUSEHOLD CHARACTERISTICS

### 4.0 Introduction

This chapter discusses socio-economic and household characteristics of the surveyed population. Key variables described in the chapter include age and sex structure, household size, dependency ratio, marital status, education levels attained, housing, social amenities, migration patterns and household expenditure.

### 4.1 Age and Sex Structure

Figure 4.1 presents the distribution of population by age and sex. The population pyramid depicts a youthful population with majority of the population falling within the 0 – 19 years age bracket. The pyramid shows no major disparities between the two sexes.

Figure 4.1: Population Pyramid

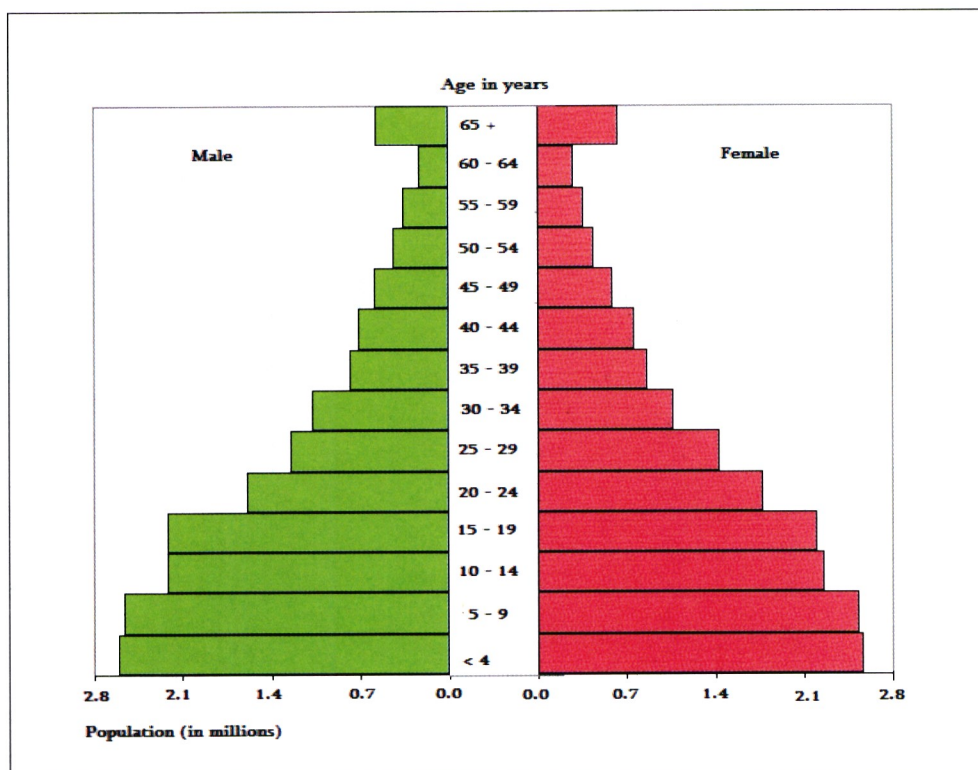


Table 4.1: Distribution of Population by Age – group and Sex

Age groups (Yrs)	Sex				Total	
	Male		Female			
	Number	%	Number	%	Number	%
0 - 4	2,077,548	11.9	2,017,584	11.2	4,095,132	11.5
5 - 9	2,667,312	15.3	2,660,568	14.8	5,327,880	15.0
10 - 14	2,316,418	13.2	2,376,039	13.2	4,692,457	13.2
15 - 19	2,356,311	13.5	2,321,193	12.9	4,677,503	13.2
20 - 24	1,680,046	9.6	1,881,940	10.4	3,561,987	10.0
25 - 29	1,339,771	7.7	1,509,154	8.4	2,848,926	8.0
30 - 34	1,134,048	6.5	1,108,796	6.2	2,242,844	6.3
35 - 39	817,904	4.7	911,177	5.1	1,729,081	4.9
40 - 44	744,883	4.3	802,115	4.4	1,546,998	4.4
45 - 49	613,828	3.5	613,808	3.4	1,227,636	3.5
50 - 54	464,900	2.7	461,635	2.6	926,534	2.6
55 - 59	379,833	2.2	366,148	2.0	745,980	2.1
60 - 64	249,552	1.4	292,221	1.6	541,772	1.5
65 +	610,497	3.5	672,940	3.7	1,283,437	3.6
Not Stated	35,105	0.2	31,268	0.2	66,374	0.2
<b>Total</b>	<b>17,487,955</b>	<b>100.0</b>	<b>18,026,587</b>	<b>100.0</b>	<b>35,514,542</b>	<b>100.0</b>

Table 4.2 shows the distribution of population across regions. Rural areas hosted 74.8 per cent of the population and urban areas 25.2 per cent, compared to 74.1 per cent and 25.9 per cent respectively in 1998/99 labour force survey. Rift Valley Province maintained the largest share (24.6 per cent) in population as in the 1998/99 LFS (23.0 per cent). Eastern province followed with a share of 16.4 per cent. Nyanza province which registered the second highest share (17.4 per cent) in population in 1998/99 came third by contributing 14.2 per cent of the population. The least contribution of the population was from North Eastern province with a population share of 3.2 per cent.

Table 4.2: Regional Distribution of Population by Sex

Region	Sex				Total	
	Male		Female			
	Number	%	Number	%	Number	%
<b>Kenya</b>	<b>17,487,955</b>	<b>100.0</b>	<b>18,026,587</b>	<b>100.0</b>	<b>35,514,542</b>	<b>100.0</b>
Rural	13,024,530	74.5	13,524,190	75.0	26,548,720	74.8
Urban	4,463,425	25.5	4,502,397	25.0	8,965,822	25.2
<b>Province</b>						
Nairobi	1,435,092	8.2	1,372,063	7.6	2,807,155	7.9
Central	2,062,305	11.8	2,315,611	12.8	4,377,915	12.3
Coast	1,608,214	9.2	1,670,454	9.3	3,278,668	9.2
Eastern	2,835,743	16.2	2,985,892	16.6	5,821,635	16.4
North Eastern	570,147	3.3	536,162	3.0	1,106,309	3.1
Nyanza	2,429,211	13.9	2,622,350	14.5	5,051,561	14.2
Rift Valley	4,443,488	25.4	4,284,760	23.8	8,728,247	24.6
Western	2,103,756	12.0	2,239,295	12.4	4,343,051	12.2

Rural areas hosted 74.9 per cent of the population and urban areas 25.1 per cent, compared to 74.1 per cent and 25.9 per cent respectively in 1998/99 labour force survey.

## 4.2 Age Dependency ratio

Table 4.3 shows the distribution of population and dependency ratio by region. Age dependency ratio is defined as the ratio of the surveyed population considered dependent (aged below 15 years and 65 years and above) to the working age population (aged 15 to 64 years). Overall, the dependency ratio declined from 85.4 per cent reported during the 1998/99 ILFS to 76.8 per cent in 2005/06. Rural areas recorded a dependency ratio of 84.6 per cent, a decline from that of 95.4 per cent in 1998/99. In urban areas, this ratio remained at par with that reported in 1998/99. Comparison across provinces indicates North Eastern had the highest dependency ratio of 118.7 followed by Western (88.9), Rift Valley (80.1) and Nyanza (79.4) Provinces. Nairobi Province retained its 1998/99 position by recording the lowest Dependency rate of 50.6 per cent.

**Table 4.3: Age Dependency Ratio of the Surveyed Population by Region**

Region	Age				Total	Dependency Ratio
	Under 14	15 - 64	Over 64	Not Stated		
<b>Kenya</b>	<b>14,115,469</b>	<b>20,049,262</b>	<b>1,283,437</b>	<b>66,374</b>	<b>35,514,542</b>	<b>76.8</b>
Rural	10,996,021	14,357,776	1,153,606	41,317	26,548,720	84.6
Urban	3,119,448	5,691,486	129,831	25,056	8,965,822	57.1
<b>Province</b>						
Nairobi	909,314	1,858,229	30,466	9,147	2,807,155	50.6
Central	1,506,635	2,634,233	233,042	4,006	4,377,915	66.0
Coast	1,317,867	1,865,612	90,008	5,182	3,278,668	75.5
Eastern	2,289,501	3,246,881	277,038	8,215	5,821,635	79.0
North Eastern	559,191	505,213	40,428	1,477	1,106,309	118.7
Nyanza	2,030,727	2,812,539	203,270	5,025	5,051,561	79.4
Rift Valley	3,642,227	4,830,357	227,049	28,614	8,728,247	80.1
Western	1,860,007	2,296,200	182,137	4,708	4,343,051	88.9

## 4.3 Household Size

Households with 3 to 6 members constituted 54.1 per cent of the surveyed households as evidenced in Table 4.4. Majority (65.3%) of households in urban areas had 1 to 4 members. On the other hand, rural areas had a higher proportion of households with 5 or more members. More than one half of female-headed households were composed of 1-4 members. The results further reveal that male-headed households tended to have more members compared to households whose head is female.

**Table 4.4: Distribution of Households by Size and Gender of Household Head**

Household size	Household		Rural /urban		Total	
	Male	Female	Rural	Urban	Number	%
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>7,502,023</b>	<b>100</b>
1 - 2	17.9	24.4	14.6	31.1	1,481,942	19.8
3 - 4	26.5	29.3	24.1	34.2	2,046,580	27.3
5 - 6	27.3	25.8	29.8	20.2	2,013,461	26.8
7 - 8	17.3	12.7	18.9	9.4	1,197,122	16.0
9 - 10	7.4	5.6	8.4	3.5	513,635	6.8
11+	3.7	2.3	4.1	1.6	249,283	3.3

Overall, the dependency ratio declined from 85.4 per cent reported during the 1998/99 ILFS to 76.8 per cent in 2005/06. Rural areas recorded a dependency ratio of 84.6 per cent, a decline from that of 95.4 per cent in 1998/99. In urban areas, this ratio remained at par with that reported in 1998/99.

Incidences of separation among females were more than double that of males.

#### 4.4 Marital Status

The marital status of the surveyed population (12 years and above) is given in Table 4.5. Overall, 38.8 per cent of the target population was in monogamous unions while 46.1 per cent were never married. Almost all the males (99.0%) in the age bracket 12–17 were never married compared to their female counterpart (97.1%). Whereas for males only two in a hundred could be a widower, for every a hundred females, ten could be widows. Incidences of separation among females were more than double that of males. Incidences of divorce or widow/widowers were most common among the older generation (35 years and above).

**Table 4.5: Marital Status of Population Aged 12 years and Above by Sex**

Marital status	Age Group						Total	
	12-17		18-34		35 +			
	Number	%	Number	%	Number	%	Number	%
<b>Total</b>								
Monogomous	60,433	1.1	4,221,957	40.2	5,086,915	63.6	9,369,306	38.8
Polygomous	6,603	0.1	342,577	3.3	969,656	12.1	1,318,836	5.5
Living together	1,579	0.0	102,639	1.0	60,535	0.8	164,752	0.7
Seperated	9,545	0.2	231,875	2.2	212,371	2.7	453,791	1.9
Dicorced	324	0.0	75,931	0.7	121,235	1.5	197,489	0.8
Widow or Widower	268	0.0	117,813	1.1	1,212,318	15.2	1,330,399	5.5
Never married	5,544,728	98.0	5,300,593	50.5	287,112	3.6	11,132,434	46.1
Not stated	34,131	0.6	105,981	1.0	43,445	0.5	183,556	0.8
<b>Total</b>	<b>5,657,610</b>	<b>100.0</b>	<b>10,499,367</b>	<b>100.0</b>	<b>7,993,587</b>	<b>100.0</b>	<b>24,150,564</b>	<b>100.0</b>
<b>Male</b>								
monogomous	6,964	0.3	1,691,403	33.2	2,902,172	74.8	4,600,539	39.1
polygomous	543	0.0	84,520	1.7	522,999	13.5	608,062	5.2
living together	1,060	0.0	44,611	0.9	38,202	1.0	83,873	0.7
seperated	3,413	0.1	61,467	1.2	79,606	2.1	144,486	1.2
divorced	0	0.0	13,903	0.3	40,536	1.0	54,439	0.5
widow or widower	0	0.0	16,860	0.3	146,662	3.8	163,522	1.4
never married	2,750,462	99.0	3,133,705	61.5	120,386	3.1	6,004,553	51.1
Not stated	16,248	0.6	51,927	1.0	26,822	0.7	94,996	0.8
<b>Total</b>	<b>2,778,690</b>	<b>100.0</b>	<b>5,098,394</b>	<b>100.0</b>	<b>3,877,384</b>	<b>100.0</b>	<b>11,754,469</b>	<b>100.0</b>
<b>Female</b>								
monogomous	53,469	1.9	2,530,555	46.9	2,184,743	53.1	4,768,767	38.5
polygomous	6,060	0.2	258,058	4.8	446,657	10.9	710,774	5.7
living together	518	0.0	58,028	1.1	22,333	0.5	80,879	0.7
seperated	6,132	0.2	170,408	3.2	132,765	3.2	309,305	2.5
dicorced	324	0.0	62,028	1.1	80,699	2.0	143,050	1.2
widow or widower	268	0.0	100,953	1.9	1,065,656	25.9	1,166,877	9.4
never married	2,794,267	97.1	2,166,888	40.1	166,727	4.1	5,127,882	41.4
Not stated	17,883	0.6	54,055	1.0	16,623	0.4	88,560	0.7
<b>Total</b>	<b>2,878,920</b>	<b>100.0</b>	<b>5,400,972</b>	<b>100.0</b>	<b>4,116,203</b>	<b>100.0</b>	<b>12,396,095</b>	<b>100.0</b>

#### 4.5 School Enrolment and Educational Attainment

The educational level and highest schooling level attained by the surveyed population, primary and secondary school attendance ratios are discussed in this section.

## School attendance

There were slightly more males than females enrolled in pre-school, primary, secondary and university levels of education (see Table 4.6). In absolute terms, this gap was wide during pre-school and primary levels but narrowed at the secondary and university levels.

In this survey, Gross Attendance Ratio (GAR) for primary school is defined as the total number of primary school pupils expressed as a percentage of the official primary school age (6-13 yrs) population. Similarly, GAR for secondary school is defined as the total number of secondary school students expressed as a percentage of the official secondary school age (14-17 yrs) population. The GAR was estimated at 117 for primary school and 40 for secondary school level. Males recorded a higher GAR (by 5 percentage points) compared to females in each of the schooling levels.

**Table 4.6: School Attendance by Level and Gender**

Educational Level	Male	Female	Total
Pre- School	999,053	896,389	1,895,442
Primary	4,728,670	4,623,436	9,352,106
Population 6-13*	3,955,956	4,010,119	7,966,075
Attendance Ratio (%)	120	115	117
Secondary	795,483	714,809	1,510,293
Population 14-17*	1,852,102	1,896,378	3,748,480
Attendance Ratio (%)	43	38	40
University	78,800	51,190	129,989
Other	214,428	213,531	427,959
<b>Total</b>	<b>6,816,435</b>	<b>6,499,355</b>	<b>13,315,790</b>

\*Population estimated from the sampled households

## Educational attainment

Table 4.7 shows the highest schooling level attained by the surveyed population classified by gender and place of residence. Overall, primary school was the highest level of education attained by 68.8 per cent of the surveyed population. This was followed by secondary schooling level (17.9%) and pre-school (9.0%). Only a marginal 0.5 per cent of the surveyed population had acquired university level education.

More than one third of urban dwellers had secondary education as their highest level compared to their rural counterparts (17.9%). Analysis by sex reveals no much disparity in education levels attained; except for university level where the proportion of males is double that of females. Regionally, Nairobi Province has the most educated population while North Eastern province has the least educated.

## 4.6 Housing Characteristics

Majority (52.1%) of households in Kenya lived in bungalows or houses while 16.5 per cent had manyattas or traditional huts. Shanties were more common in urban areas (11.3%) than in rural (2.9%) as depicted in Table 4.8. Flats and Swahili type dwellings were more prevalent in urban areas than in rural areas. Comparison across regions shows that Central and Eastern Provinces had over 70 per cent of households with bungalow/house as their main dwelling. Flats (34.5%) and shanties (26.6%) characterized Nairobi province; Coast province was dominated by Swahili type (57.2%), bungalow/house (22.0%) and shanties (17.2%), while households in Rift Valley, Nyanza and Western Provinces generally had either bungalows/house or Manyatta/traditional houses.

Majority (52.1%) of households in Kenya lived in bungalows or houses while 16.5 per cent had manyattas or traditional huts. Shanties were more common in urban areas (11.3%) than in rural (2.9%) as depicted in Table 4.8. Flats and Swahili type dwellings were more prevalent in urban areas than in rural areas.

Table 4.7: Education Attainment of the Survey Population

Region	Highest Level Attained						Total
	None	Pre- School	Primary	Secondary	University	Other	
Rural							
Male	3.4	8.9	67.2	19.4	0.7	0.3	100.0
Female	3.4	9.1	70.5	16.4	0.3	0.3	100.0
<b>Total</b>	<b>3.4</b>	<b>9.0</b>	<b>68.8</b>	<b>17.9</b>	<b>0.5</b>	<b>0.3</b>	<b>100.0</b>
Urban							
Male	1.9	7.6	48.4	37.5	3.9	0.7	100.0
Female	2.0	7.5	52.6	35.3	2.0	0.6	100.0
<b>Total</b>	<b>1.9</b>	<b>7.5</b>	<b>50.5</b>	<b>36.4</b>	<b>3.0</b>	<b>0.7</b>	<b>100.0</b>
Total							
Male	2.9	8.6	62.1	24.3	1.6	0.4	100.0
Female	3.0	8.7	65.6	21.6	0.8	0.4	100.0
<b>Total</b>	<b>3.0</b>	<b>8.6</b>	<b>63.8</b>	<b>23.0</b>	<b>1.2</b>	<b>0.4</b>	<b>100.0</b>
<b>Province</b>							
Nairobi	2.6	6.4	43.2	42.3	4.6	0.9	100.0
Central	2.4	5.6	63.6	27.1	1.0	0.2	100.0
Coast	2.8	12.4	64.0	19.3	0.8	0.8	100.0
Eastern	2.5	7.5	71.0	18.0	0.6	0.4	100.0
North Eastern	4.0	19.2	64.3	11.4	0.5	0.6	100.0
Nyanza	2.9	9.1	63.6	22.9	1.3	0.2	100.0
Rift Valley	3.7	9.7	64.6	20.8	0.7	0.4	100.0
Western	3.3	8.9	67.7	18.8	1.1	0.2	100.0
<b>Total</b>	<b>3.0</b>	<b>8.6</b>	<b>63.8</b>	<b>23.0</b>	<b>1.2</b>	<b>0.4</b>	<b>100.0</b>

Table 4.8: Percentage Distribution of Households by Type of Main Dwelling

Region	House/ bungalow	Flat	Maisonnette	Swahili	Shanty	Manyatta/ traditional house	Other	Total
<b>Total</b>	<b>52.1</b>	<b>5.7</b>	<b>1.1</b>	<b>13.6</b>	<b>5.8</b>	<b>16.5</b>	<b>5.2</b>	<b>6,582,052</b>
Rural	63.0	0.3	0.3	5.7	2.9	23.9	3.9	4,330,109
Urban	31.1	16.3	2.8	29.0	11.3	2.0	7.6	2,251,943
<b>Province</b>								
Nairobi	6.2	34.5	7.3	20.9	26.6	0.3	4.2	747,118
Central	82.2	6.8	0.2	6.6	2.5	1.6	0.1	890,555
Coast	22.0	1.8	0.3	57.2	1.4	17.2	0.1	591,399
Eastern	72.7	1.5	0.5	8.4	1.9	11.2	3.8	965,720
North Eastern	17.8			8.1	8.3	63.4	2.3	168,867
Nyanza	68.4	2.2	0.5	11.3	2.4	14.8	0.4	925,693
Rift Valley	43.1	1.2	0.5	7.8	4.9	28.2	14.3	1,615,986
Western	67.0	0.1		2.7	2.9	22.9	4.4	676,714

#### 4.7 Housing Facilities and Amenities

Household facilities and amenities discussed in this section include type of fuel used for cooking and lighting, source of drinking water and time taken to collect water.

##### Source of Drinking Water

Table 4.9 gives the distribution of surveyed households by the principal source of drinking water. Piped water was the most popular source for 37.9 per cent of the households, followed by rivers, ponds or streams (18.6 %). Large disparities exist between regions, with 72.4 per cent of households in urban areas relying on piped water compared to

Piped water was the most popular source for 37.9 per cent of the households, followed by rivers, ponds or streams (18.6 %).

19.9 per cent of households in rural areas. Rivers, ponds or streams were the common sources of water for 26.7 per cent rural households.

Piped water was the most common source of drinking water for households in Nairobi (96.3%), Coast (55.9%), Central (40.3%), Eastern (33.1%) and Rift Valley (30.0%). Households in Western (33.7%) and Nyanza (20.3%) mainly depended on protected springs, while 32.4 per cent of households in North Eastern province mainly relied on unprotected dug well/spring.

**Table 4.9: Percentage Distribution of Households by Main Source of Drinking Water**

Region	Piped	Tubewell/ borehole with pump	Protected dug well	Protected spring	Rain water collection	Unprotected dugwell/ springs	River/ ponds/ streams	Tankers truck/ vendor	Bottled water	Other	Not seated	Total
<b>Total</b>	<b>37.9</b>	<b>5.8</b>	<b>6.5</b>	<b>8.0</b>	<b>3.0</b>	<b>11.3</b>	<b>18.6</b>	<b>4.9</b>	<b>0.1</b>	<b>3.9</b>	<b>0.0</b>	<b>6,582,052</b>
Rural	19.9	7.7	8.0	10.5	3.9	16.4	26.7	2.3	0.0	4.3	0.0	4,330,109
Urban	72.4	2.2	3.5	3.3	1.3	1.4	2.8	9.8	0.2	3.0	0.0	2,251,943
<b>Province</b>												
Nairobi	96.3	0.2	0.5	0.0	0.1	0.0	0.0	2.2	0.0	0.8		747,118
Central	40.3	4.7	10.3	2.1	5.6	9.2	20.9	4.8	0.0	1.9	0.0	890,555
Coast	55.9	3.1	3.6	0.3	1.6	4.9	4.6	20.9	0.1	5.0	0.0	591,399
Eastern	33.1	5.3	4.9	3.7	1.8	15.9	25.7	2.5	0.0	7.0	0.1	965,720
North Eastern	6.4	13.4	10.8	0.0	0.0	32.4	14.5	11.3		11.2	0.0	168,867
Nyanza	19.8	6.3	4.1	20.3	7.9	17.0	15.7	3.2	0.0	5.8	0.0	925,693
Rift Valley	30.0	7.7	9.6	3.4	2.5	11.1	29.2	3.1	0.3	3.2	0.0	1,615,986
Western	13.1	9.8	7.8	33.7	1.3	13.0	17.5	2.4	0.0	1.5	0.0	676,714

### Time taken (walking) to main source of water

Table 4.10 gives the time households take on average to walk to the main water points. Most households (58.2%) are less than six minutes away from their main source of drinking water. More than three quarters of households in urban areas could reach their sources of drinking water within six minutes compared to 44.8 per cent of households in rural areas. Nairobi and Coast Provinces recorded high proportions of households with proximity to drinking water sources.

**Table 4.10: Percentage Distribution of Households by Time Taken to Walk to Main Source of Drinking Water (one way)**

Region	Time taken (in minutes)									Number
	< 6	6-15	16-30	31-45	46-60	61-90	91-120	>120	Not Stated	
<b>Total</b>	<b>58.2</b>	<b>21.3</b>	<b>14.3</b>	<b>1.4</b>	<b>2.8</b>	<b>0.4</b>	<b>0.7</b>	<b>0.2</b>	<b>0.6</b>	<b>6,582,052</b>
Rural	44.8	26.9	19.6	2.1	4.1	0.6	1.1	0.3	0.5	4,330,109
Urban	84.0	10.5	4.1	0.1	0.3	-	-	-	0.9	2,251,943
<b>Province</b>										
Nairobi	91.4	5.1	2.0	-	0.2	-	-	-	1.4	747,118
Central	69.6	16.7	11.0	0.9	0.9	-	0.2	-	0.8	890,555
Coast	72.3	15.8	7.5	1.7	1.4	0.4	0.1	-	0.8	591,399
Eastern	42.3	22.3	21.8	2.3	7.8	1.2	1.5	0.5	0.3	965,720
North Eastern	41.3	38.5	9.0	1.6	2.9	0.9	3.7	-	2.0	168,867
Nyanza	47.4	28.7	19.8	1.2	2.4	0.1	0.1	0.0	0.3	925,693
Rift Valley	53.4	21.9	16.2	1.8	3.7	0.6	1.3	0.6	0.4	1,615,986
Western	47.6	32.5	16.9	1.6	0.6	0.1	0.1	0.0	0.6	676,714

More than three quarters of households in urban areas could reach their drinking water sources within six minutes compared to 44.8 per cent of households in rural areas.

Paraffin was the most popular fuel used by 73.5 per cent of households to light their homes, followed by electricity (18.9 per cent).

### Waiting time to draw water

Time taken while waiting to draw water is given in Table 4.11. Majority (72.8%) of Kenyan households could access drinking water within six minutes once reaching the water points. Eastern province had the highest (9.1%) proportion of households waiting for more than one hour to draw water.

Table 4.11: Percentage Distribution of Households by Time taken (waiting) to fetch Drinking Water

Region	Waiting time (in minutes)								Not Stated	Number
	< 6	6-15	16-30	31-45	46-60	61-90	91-120	> 120		
<b>Total</b>	<b>72.8</b>	<b>11.6</b>	<b>8.4</b>	<b>0.5</b>	<b>3.2</b>	<b>0.2</b>	<b>1.6</b>	<b>1.1</b>	<b>0.6</b>	<b>6,582,052</b>
Rural	70.9	11.6	8.5	0.6	4.0	0.3	2.0	1.6	0.5	4,330,109
Urban	76.5	11.5	8.3	0.1	1.8	0.1	0.6	0.2	0.9	2,251,943
<b>Province</b>										
Nairobi	85.3	6.1	6.5	0.0	0.7	0.0	0.0	0.0	1.4	747,118
Central	88.1	4.8	4.4	0.1	1.4	0.0	0.2	0.2	0.8	890,555
Coast	65.0	22.3	8.5	0.3	1.1	0.3	1.1	0.5	0.8	591,399
Eastern	54.9	14.6	12.1	0.4	8.5	0.5	4.9	3.7	0.3	965,720
North Eastern	67.5	22.9	5.4	1.9	0.3	0.0	0.0	0.0	2.0	168,867
Nyanza	69.5	13.8	10.1	0.7	3.9	0.1	1.0	0.6	0.3	925,693
Rift Valley	73.6	10.5	8.5	0.7	3.0	0.2	1.8	1.3	0.4	1,615,986
Western	75.4	9.2	8.8	0.4	3.2	0.4	1.2	0.8	0.6	676,714

### Source of Lighting and cooking fuel

Distribution of the surveyed households by main fuel for cooking and lighting is given in Table 4.12. Firewood was still the most predominant fuel for cooking used by 60.0 per cent of households, followed by charcoal and paraffin. These results conceal large regional disparities. Usage of firewood for cooking is more of a rural phenomenon (86.0% households) than urban (9.8% households). On the other hand, paraffin and charcoal were more common among 44.1 per cent and 32.1 per cent of urban households, respectively compared with their rural counterparts (3.0% and 9.2% respectively). Apart from firewood, paraffin and charcoal, all other cooking fuels recorded minimal proportions of less than 10.0 per cent each.

The results further indicate a general decline in the proportion of households using paraffin and firewood as cooking fuels in 2005/06 compared to 1998/1999. This decline was compensated for by the increase in the proportion of households using gas and charcoal from 2.7 and 11.7 per cent in 1998/99 to 4.1 and 17.0 per cent, respectively, in 2005/06.

Information on main sources of lighting fuel is also presented in Table 4.12. Paraffin was the most popular fuel used by 73.5 per cent of households to light their homes, followed by electricity (18.9 per cent). However, the proportion of households using paraffin as a lighting fuel declined from the 79.6 per cent reported in 1998/99 ILFS. Use of electricity increased marginally from 17.3 per cent households in 1998/99 to 18.9 per cent in 2005/06. Whereas 86.1 per cent of rural households depended on paraffin, 47.9 per cent of urban households used electricity as an alternative source of lighting to paraffin.

Table 4.12: Percentage distribution of households by type of cooking and lighting fuel

Fuel Type	Rural	Urban	Total	Number of Households
<b>Main source of cooking fuel</b>				
Firewood	86.0	9.8	60.0	3,923,731
Paraffin	3.0	44.1	17.0	1,113,828
Electricity	0.1	1.5	0.6	37,585
Gas/LPG	0.6	10.8	4.1	267,916
Charcoal	9.2	32.1	17.0	1,113,506
Biomass residue	0.3	0.2	0.2	14,574
Biogas	0.0	0.1	0.0	2,107
Other	0.5	1.5	0.9	56,117
Not stated	0.2	0.0	0.2	10,759
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>6540123</b>
<b>Main source of lighting fuel</b>				
Firewood	5.9	0.6	4.1	265,906
Paraffin	86.1	49.1	73.5	4,806,817
Electricity	3.8	47.9	18.9	1,233,946
Solar	1.9	0.7	1.5	99,452
Gas	0.2	0.3	0.2	16,194
Dry cell (torch)	1.5	0.1	1.0	66,035
Candles	0.0	1.1	0.4	25,720
Other	0.3	0.2	0.3	18541.6
Not stated	0.2	0.0	0.1	7,511
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>6540123</b>

#### 4.8 Housing Income and Expenditure Profiles

On average, monthly expenditure by households stood at KSh 2,320 as presented in Table 4.13. Housing (KSh 12,331) and non-CPI items (KSh 9,963) expenses formed the bulk of household expenditure. The results indicate that expenses on personal goods (KSh 913) and household goods (938) were the least contributors to total household expenditure compared to other categories.

Table 4.13: Mean Monthly Household Expenditure by Broad Expenditure Categories

Region	Household										Mean	
	Food	Alcohol	Clothing	Housing	Fuel	Goods	Health	Transport	Education	Personal Goods		None-CPI
<b>Total</b>	<b>2,437</b>	<b>6,145</b>	<b>1,915</b>	<b>12,331</b>	<b>2,659</b>	<b>938</b>	<b>1,990</b>	<b>5,574</b>	<b>1,638</b>	<b>913</b>	<b>9,963</b>	<b>2,320</b>
Rural	2,187	4,439	1,485	6,808	1,679	747	1,483	2,884	1,076	637	4,890	1,707
Urban	2,995	13,501	3,848	30,600	4,968	1,403	4,229	12,587	3,622	1,561	22,773	3,984
<b>Province</b>												
Nairobi	3,195	15,627	5,511	47,805	5,856	2,008	6,280	18,872	5,362	2,071	26,126	5,240
Central	2,216	5,659	1,329	9,843	2,264	840	1,387	4,532	1,561	750	7,760	1,946
Coast	2,709	8,384	3,106	15,672	3,180	906	1,789	5,252	1,151	1,086	4,675	2,549
Eastern	2,328	4,227	1,579	8,287	1,919	773	1,594	2,987	1,184	641	7,965	1,839
North Eastern	4,189	16,300	2,622	3,839	2,270	572	700	1,250	506	694	855	2,286
Nyanza	2,071	6,530	2,226	8,826	2,042	755	3,148	3,748	1,200	988	3,894	1,956
Rift Valley	2,484	5,184	1,476	7,527	2,023	845	1,326	3,865	1,362	647	14,372	1,950
Western	1,923	4,516	1,874	6,897	1,894	721	1,794	2,102	1,123	714	5,621	1,664

# CHAPTER 5

## LABOUR FORCE PARTICIPATION

### 5.0 *Introduction*

Information on household labour force participation or inactivity status was collected using Module E of the larger KIHBS questionnaire. This module was administered to all persons who were aged 5 years and above to collect information on working children. However, the analysis presented in this chapter covers persons aged 15 – 64 years (working - age population) for international comparability and comparison with results of the 1998/99 Labour Force Survey. An analysis is done for the current and usual economic activity.

### 5.1 *The Labour Force Framework*

The labour force framework analysed here classifies the population into three mutually exclusive and exhaustive categories: employed, unemployed and not in the labour force. The employed and the unemployed categories together make up the labour force, or the currently active population, which gives the number of people comprising the labour force at a specified period in time. The inactive population covers those members of the population who are not available for work. These include full-time students, retired persons, homemakers and the incapacitated.

The analysis presented in this chapter is on the population aged 15 – 64 years and the current activity status was determined with respect to one week reference period.

#### **The Economically Active**

The economically active population analysed here consisted of the employed and the unemployed persons. The employed includes those persons who reported that they actually did some work during the reference period or they held a job even if they were not actually doing any work at the time. This covers persons who were on leave or had a business to return to. The unemployed were persons who reported to be without work, available for work and actively seeking work. Also included here were persons who though they may not satisfy the criteria for unemployment, reported that they were out of season or on temporary lay off.

Distribution of the population by activity status is presented in Table 5.1. The economically active population aged 15 – 64 constituted 12.7 million employed persons and 1.9 million unemployed persons while the inactive population amounted to 5.3 million persons.

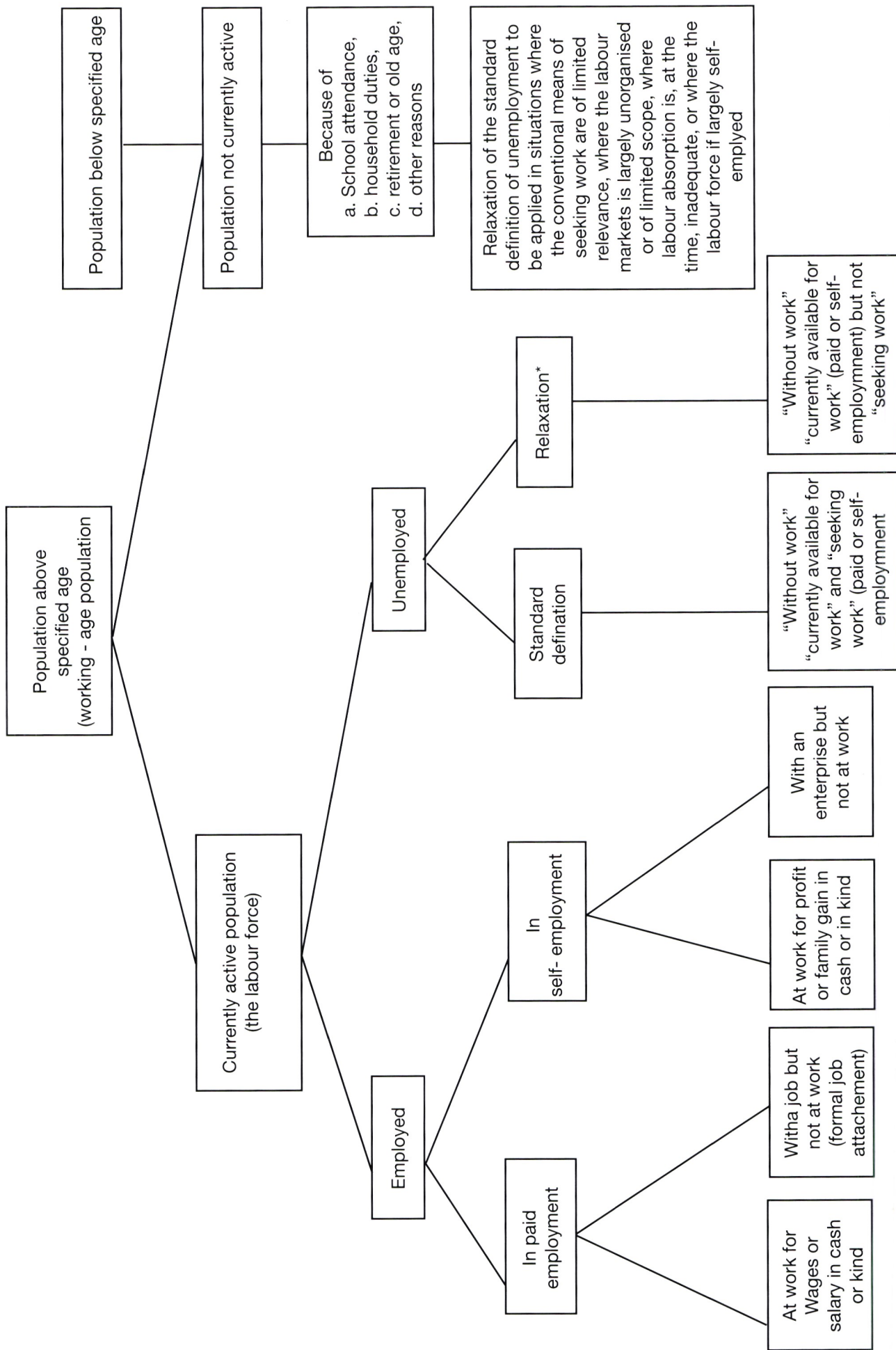


Figure 5.1: Labour Force Framework (ICLS 1982)

Table 5.1: Distribution of Population Aged 15 – 64 by Activity Status

Age groups	Working	Unemployed	Inactive	Undetermined	Total
<b>Total</b>	<b>12,708,035</b>	<b>1,856,294</b>	<b>5,266,112</b>	<b>218,821</b>	<b>20,049,262</b>
15 - 19	1,056,015	352,357	3,210,685	58,447	4,677,503
20 - 24	1,895,834	605,167	992,053	68,932	3,561,987
25 - 29	2,088,468	388,747	335,359	36,351	2,848,926
30 - 34	1,897,206	154,360	169,531	21,746	2,242,844
35 - 39	1,497,662	122,725	101,214	7,481	1,729,081
40 - 44	1,357,371	92,262	91,978	5,387	1,546,998
45 - 49	1,070,783	64,636	81,760	10,458	1,227,636
50 - 54	787,417	38,666	95,607	4,845	926,534
55 - 59	624,308	26,350	91,389	3,934	745,980
60 - 64	432,972	11,024	96,536	1,240	541,772

### The Inactive Population

The economically inactive population also known as persons not in the labour force, covers persons who did not work or hold a job during the reference period and did not seek work because they were either full time students, the infirm/incapacitated, retired or did not need work due to unspecified reasons. Persons who reported that they were retrenched or declared redundant and persons whose businesses closed and had not taken steps towards searching for alternative jobs or starting other businesses were included in the inactive population. This category of persons made up 5.3 million persons, representing about 26.3 per cent of the population aged 15 – 64. There was a notable increase in the proportion of the inactive population from the levels in 1999, which stood at 3.6 million and represented 22.6 per cent of the persons aged 15 - 64.

Table 5.2: Distribution of the Inactive population by Reason and Sex

	Sex		Total
	Male	Female	
Sick	62,799	167,941	230,740
Retired	26,251	20,761	47,013
Looking for work	7,570	17,405	24,975
Out of season	7,130	30,259	37,389
Retrenchment/Rendundancy	1,882	15,679	17,562
Temporaly lay off	988	8,999	9,987
Dont need work	41,941	401,240	443,182
Business closed	5,713	40,915	46,628
Too young/old	30,514	68,407	98,921
Other	91,021	546,716	637,738
Student	1,947,154	1,642,604	3,589,758
Incapacitated	37,281	44,933	82,215
<b>Total</b>	<b>2,260,248</b>	<b>3,005,863</b>	<b>5,266,111</b>

The distribution of the inactive by reasons for inactivity is presented in Table 5.2. As shown in the table, 68.2 per cent of the inactive population were full time students and 8.4 per cent were persons who reported that they did not need work. Out of all inactive females, 54.6 per cent reported that they were full time students and 19.8 per cent reported that they did not need work. On the other hand, 86.1 per cent of the males were full time students while only 1.9 per cent said they did not need work. The

The economically inactive population also known as persons not in the labour force, covers persons who did not work or hold a job during the reference period and did not seek work because they were either full time students, the infirm/incapacitated, retired or did not need work due to unspecified reasons.

proportions of the inactive persons who had retired or whose businesses had closed were insignificant.

## Age and Sex

The large size of the inactive population makes it necessary to do an analysis of the distribution by age and sex and this is presented in Table 5.3. The distribution of the inactive population by the various characteristics indicates that 61.0 per cent of those who were inactive were in the age cohort 15 – 19 years, which is expected because at this age majority of the population is supposed to be in school. Proportionally, there were more males in this age group that were inactive, 71.3 per cent, than the proportion of females that were inactive was 53.2 per cent. The rural areas had a larger proportion of the inactive population, accounting for 72.8 per cent of the total inactive persons.

**Table 5.3: Age-Sex Structure of the Inactive Population Aged 15-64**

Age group(Yrs)	Sex		Total	
	Male (%)	Female (%)	Number	%
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>5,266,212</b>	<b>100.0</b>
15 - 19	71.3	53.2	3,210,685	61.0
20 - 24	18.3	19.2	992,053	18.8
25 - 29	3.7	8.4	335,359	6.4
30 - 34	0.9	5.0	169,531	3.2
35 - 39	0.7	2.9	101,214	1.9
40 - 44	0.6	2.6	91,978	1.7
45 - 49	0.8	2.1	81,760	1.6
50 - 54	1.3	2.2	95,607	1.8
55 - 59	1.3	2.1	91,389	1.7
60 - 64	1.2	2.3	96,536	1.8
<b>Rural</b>	<b>77.4</b>	<b>69.3</b>	<b>3,831,529</b>	<b>72.8</b>
15 - 19	56.2	41.6	2,520,585	47.9
20 - 24	13.6	11.3	648,179	12.3
25 - 29	3.0	4.4	197,848	3.8
30 - 34	0.7	2.7	96,629	1.8
35 - 39	0.5	1.7	63,245	1.2
40 - 44	0.5	1.7	60,550	1.1
45 - 49	0.6	1.4	54,569	1.0
50 - 54	0.9	1.3	60,865	1.2
55 - 59	0.7	1.3	55,323	1.1
60 - 64	0.7	1.9	73,737	1.4
<b>Urban</b>	<b>22.6</b>	<b>30.7</b>	<b>1,434,682</b>	<b>27.2</b>
15 - 19	15.0	11.7	690,171	13.1
20 - 24	4.7	7.9	343,893	6.5
25 - 29	0.7	4.0	137,516	2.6
30 - 34	0.1	2.3	72,903	1.4
35 - 39	0.1	1.2	37,969	0.7
40 - 44	0.1	0.9	31,428	0.6
45 - 49	0.3	0.7	27,192	0.5
50 - 54	0.4	0.9	34,743	0.7
55 - 59	0.6	0.8	36,067	0.7
60 - 64	0.5	0.4	22,801	0.4

The proportions of the inactive persons who had retired or whose businesses had closed were insignificant.

Participation rate is a measure of the population's participation in the labour force and is computed as the proportion of the labour force to the working age population during the reference period.

## Educational Attainment

Analysis of the inactive population by the educational attainment indicates that majority of the inactive persons, (57.9 per cent), had primary education level, followed by 29.6 per cent who had secondary education. Persons with university education made up only 1.7 per cent of the inactive population.

## Geographical Distribution

Analysis of the inactive population by region did not show any significant disparities and followed the trend of population distribution in the regions. Rift Valley province had the largest proportion (24.2 per cent) of the inactive, while North Eastern and Nairobi provinces had 4.3 and 7.2 per cent respectively. The proportion of inactive females in Nairobi was almost double that of the males.

**Table 5.4: Percentage Distribution of Inactive Population by Educational Attainment and Sex**

Highest level attainment	Sex		Total	
	Male	Female	Number	%
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>5,266,112</b>	<b>100.0</b>
Primary	62.3	54.6	3,048,721	57.9
Secondary	30.7	28.7	1,557,200	29.6
University	2.4	1.2	90,091	1.7
None	0.2	0.1	5,135	0.1
Other	0.2	0.3	15,150	0.3
Not Stated	4.2	15.1	549,814	10.4

## 5.2 Participation Rates

Participation rate is a measure of the population's participation in the labour force and is computed as the proportion of the labour force to the working age population during the reference period. A high participation rate is an indication of high participation of the target population in the production of goods and services and the converse is true for a low participation rate. The analysis presented below is for international comparability for persons aged 15 – 64 years. Persons aged below 15 years are excluded because they are children and cannot be classified as unemployed as they are supposed to be fulltime students. Their inclusion would distort the computation of the participation rates.

### Age Specific Participation Rates and Sex

Age specific labour force participation rates by sex are presented in Table 5.5, with the overall participation rate of 72.6 per cent being lower than the rate of 73.6 per cent recorded in the 1998/99 labour force survey. The highest participation rates were recorded for persons in the age cohorts 35 – 39 and 40 – 44 while the lowest was recorded for persons aged 15 - 19. Participation rates for males were higher than those of females in both rural and urban areas and in all age cohorts except in the age group 15 -19 in urban areas where the rate for females was slightly higher than that for males. The overall participation rates for males and females were 75.7 per cent and 69.7 per cent respectively.

Table 5.5: Labour Force Participation Rates by Sex and Age

Age-groups (Yrs)	Male		Female		Total	
	Number	Rate	Number	Rate	Number	Rate
<b>Total</b>	<b>7,407,270</b>	<b>75.7</b>	<b>7,157,059</b>	<b>69.7</b>	<b>14,564,329</b>	<b>72.6</b>
15 - 19	714,384	30.3	693,987	29.9	1,408,371	30.1
20 - 24	1,229,664	73.2	1,271,337	67.6	2,501,001	70.2
25 - 29	1,240,255	92.6	1,236,960	82.0	2,477,215	87.0
30 - 34	1,102,997	97.3	948,569	85.5	2,051,566	91.5
35 - 39	799,120	97.7	821,266	90.1	1,620,386	93.7
40 - 44	728,921	97.9	720,712	89.9	1,449,633	93.7
45 - 49	588,251	95.8	547,167	89.1	1,135,419	92.5
50 - 54	432,724	93.1	393,359	85.2	826,083	89.2
55 - 59	349,159	91.9	301,499	82.3	650,658	87.2
60 - 64	221,795	88.9	222,201	76.0	443,996	82.0

## Educational Attainment

Analysis of the participation rates by level of formal education indicates that persons with no formal education registered the lowest levels of participation rates (60.6 per cent), with that of males being significantly lower than that of the females who had not attended any formal education. Females who had attained at least university level of education had the lowest participation rates.

Table 5.6: Participation Rates by Level of Education and Institution

Highest Level Attained	Male	Female	Total
Primary	72.6	69.5	71.0
Secondary	78.5	69.4	74.3
University	75.1	63.5	71.5
None	51.6	73.8	60.6
Other	89.0	74.9	82.5
Not Stated	82.9	71.0	75.1
<b>Total</b>	<b>75.7</b>	<b>69.7</b>	<b>72.6</b>
Vocational/ Professional Institution Attended			
Government college	89.3	83.2	87.0
Commercial college	93.8	83.0	88.6
Vocational/village	95.6	89.1	92.9
None	70.2	66.4	68.3
<b>Total</b>	<b>75.0</b>	<b>69.4</b>	<b>72.3</b>

Persons who reported that they had attended some form of vocational training registered high participation rates, with those who had attended village polytechnics registering the highest rates. Participation rates for females who had attended some form of vocational training were slightly lower than their male counterparts.

## Geographical Distribution

Overall participation rates were slightly higher in the urban areas compared with the rural areas. Among the eight provinces, Central province had the highest participation rate (80.5 per cent), followed closely by Nairobi province with a participation rate of 75.8 per cent. North Eastern province registered the lowest labour force participation rate of 50.9 per cent down from 79.8 per cent recorded in 1998/99, covering only the urban areas.

Analysis of the participation rates by level of formal education indicates that persons with no formal education registered the lowest levels of participation rates (60.6 per cent), with that of males being significantly lower than that of the females who had not attended any formal education. Females who had attained at least university level of education had the lowest participation rates.

The employed or the working persons are those aged 15 – 64 who reported to have held a job or undertaken an activity for pay, profit or family gain during the reference period.

**Table 5.7: Distribution of Base and Labour Force Population Aged 15 - 64 by Rural/Urban and Province**

Region	Base Population	Labour Force	Participation Rate
Rural	14,357,7776	10,370,780	72.2
Urban	5,691,486	4,193,549	73.7
<b>Province</b>			
Nairobi	1,858,227	1,409,002	75.8
Central	2,634,233	2,120,569	80.5
Coast	1,865,612	1,283,140	68.8
Eastern	3,246,881	2,359,864	72.7
North Eastern	505,213	257,343	50.9
Nyanza	2,812,539	2,001,621	71.2
Rift Valley	4,830,357	3,519,894	72.9
Western	2,296,200	1,612,898	70.2
Total	20,049,262	14,564,329	72.6

### 5.3 Employment

The employed or the working persons are those aged 15 – 64 who reported to have held a job or undertaken an activity for pay, profit or family gain during the reference period. Included in this category are persons who may not have undertaken any economic activity but reported that they had one to return to, such as persons on leave, sick or those that had an economic activity to return to.

#### Distribution of the Employed Persons

Distribution of the employed persons by region indicates that the rural areas absorbed 73.6 per cent of the employed persons. Gender analysis showed that the proportion of working females in the rural areas was higher than that of the males recording 77.1 per cent and 70.3 per cent respectively. The provinces had proportions of the employed persons relative to their total population sizes.

**Table 5.8: Spatial Distribution of the Employed Persons Aged 15-64**

Region	Male	Female	Total
<b>Total</b>	<b>6,576,865</b>	<b>6,131,170</b>	<b>12,708,035</b>
Rural	4,623,944	4,726,647	9,350,591
Urban	1,952,921	1,404,523	3,357,445
<b>Province</b>			
Nairobi	689,877	422,497	1,112,374
Central	934,886	961,853	1,896,739
Coast	559,704	505,342	1,065,046
Eastern	1,060,954	1,069,838	2,130,793
North Eastern	113,254	33,232	146,486
Nyanza	890,238	956,443	1,846,681
Rift Valley	1,643,991	1,431,434	3,075,426
Western	683,961	750,530	1,434,491

## Employment to Population Ratio

Employment to population ratio is an important ratio in labour statistics analysis as it gives an indication of the job opportunities that are available for the persons in the economically active age groups in an economy. Employment to population ratio for the rural areas was 65.1 per cent and 59.0 per cent for the urban areas. North Eastern province had the lowest ratio of 29.0 per cent while Central province had the highest ratio of 72.0 per cent. Overall, employment to population ratios for the males were higher than those of their female counterparts except in Western province where the levels were about the same.

Analysis by gender shows that 41.5 per cent of the working males were in paid employment whereas only 20.8 per cent of the females were in paid employment.

**Table 5.9: Employment to Population Rates by Region and Sex**

Region	Male	Female	Total
<b>Total</b>	<b>67.2</b>	<b>59.7</b>	<b>63.4</b>
Rural	66.6	63.8	65.1
Urban	68.8	49.2	59.0
<b>Province</b>			
Nairobi	73.0	46.3	59.9
Central	76.4	68.2	72.0
Coast	61.8	52.6	57.1
Eastern	67.6	63.8	65.6
North Eastern	44.3	13.3	29.0
Nyanza	67.0	64.4	65.7
Rift Valley	66.8	60.5	63.7
Western	62.7	62.3	62.5

## Status in Employment

Distribution of the working population by status in employment is given in Table 5.10. Own account workers made up 32.6 per cent of the working population, followed closely by persons in paid employment (31.5 per cent). The proportion of unpaid family workers was 23.8 per cent of the total working population, which shows a decline from the levels in 1998/99. Most of the unpaid family workers were in the rural areas (22.2 per cent), while the paid employees were evenly distributed in the urban and rural areas.

Analysis by gender shows that 41.4 per cent of the working males were in paid employment whereas only 20.8 per cent of the females were in paid employment. The largest proportion of working females were own account workers (35.4 per cent) followed by unpaid family workers (27.0 per cent).

## Education and Training

Working persons were asked about their highest academic attainment and training. The results in Table 5.11 show that more than half of the employed had attained at least primary education (52.4 per cent) and at least 31.0 per cent had attained secondary level of education. The employed persons who had attained university level of education constituted only 1.6 per cent of the total working population.

Table 5.10: Percentage Distribution of Employed Persons Aged 15-64 by Status in Employment

Status in Employment	Sex		Total	
	Male	Female	Count	%
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>12,708,035</b>	<b>100.0</b>
Paid Employee				
Rural	22.0	10.6	2,092,718	16.5
Urban	19.4	10.3	1,907,605	15.0
<b>Total</b>	<b>41.4</b>	<b>20.8</b>	<b>4,000,323</b>	<b>31.5</b>
Working Employer				
Rural	1.0	0.5	102,434	0.8
Urban	1.5	0.7	141,490	1.1
<b>Total</b>	<b>2.5</b>	<b>1.3</b>	<b>243,923</b>	<b>1.9</b>
Own account worker				
Rural	23.3	28.0	3,251,087	25.6
Urban	6.6	7.4	889,802	7.0
<b>Total</b>	<b>30.0</b>	<b>35.4</b>	<b>4,140,889</b>	<b>32.6</b>
Unpaid Family Worker				
Rural	19.4	25.2	2,826,569	22.2
Urban	1.3	1.8	198,050	1.6
<b>Total</b>	<b>20.8</b>	<b>27.0</b>	<b>3,024,620</b>	<b>23.8</b>
Apprentice				
Rural	0.1	0.1	12,370	0.1
Urban	0.1	0.1	16,737	0.1
<b>Total</b>	<b>0.2</b>	<b>0.2</b>	<b>29,106</b>	<b>0.2</b>
Other				
Rural	0.7	0.5	76,203	0.6
Urban	0.2	0.2	26,267	0.2
<b>Total</b>	<b>0.9</b>	<b>0.7</b>	<b>102,470</b>	<b>0.8</b>
Not Stated				
Rural	3.7	12.2	989,210	7.8
Urban	0.5	2.3	177,494	1.4
<b>Total</b>	<b>4.2</b>	<b>14.5</b>	<b>1,166,704</b>	<b>9.2</b>

Table 5.11: Distribution of Employed Persons by Education Attainment

Education Level	Male	Female	Total
<b>Total</b>	<b>6,576,865</b>	<b>6,131,170</b>	<b>12,708,035</b>
Primary	3,391,828	3,267,311	6,659,139
Secondary	2,313,021	1,624,998	3,938,018
University	153,935	54,892	208,827
None	3,398	4,869	8,267
Other	40,740	27,760	68,500
Not Stated	673,943	1,151,342	1,825,285

## Occupation

Professionals accounted for 2.8 per cent of the employed persons, majority being males.

Analysis of employed persons by their occupations based on Kenya National Occupations Classifications Standards (KNOCS) at one digit level is presented in Table 5.12(a) and occupations for paid employees are presented in Table 5.12(b). As shown in the Table 5.12(a), 46.8 per cent of all working persons were skilled agricultural and fishery workers constituting 54.9 per cent of the employed females and 39.2 per cent of the males. Professionals accounted for 2.8 per cent of the employed persons, majority being males.

**Table 5.12 (a) Occupation of the Employed Persons Aged 15 - 64 years by Sex**

Occupation	Sex		Total
	Male	Female	
Legislators, Administrators, and Managers	125,769	54,651	180,420
Professionals	233,551	124,201	357,752
Technicians and Associate Professionals	366,475	212,823	579,297
Secretarial, Clerical Services and Related Workers	109,652	114,229	223,881
Service workers, Shop and Market sales workers	367,979	447,169	815,147
Skilled farm, Fishery, Wildlife and Related workers	2,581,216	3,363,502	5,944,719
Craft and Related Trade Workers	480,032	294,053	774,085
Plant and Machine Operators and Assemblers	367,898	33,968	401,866
Elementary Occupations	1,871,744	1,441,430	3,313,174
Armed Forces	21,806		21,806
Not Classified	50,742	45,145	95,887
<b>Total</b>	<b>6,576,865</b>	<b>6,131,170</b>	<b>12,708,035</b>

Out of 357,752 professionals in employment, 295,643 were in paid employment. Persons in elementary occupations accounted for 35.4 per cent of those in paid employment, an indication of informal employment.

**Table 5.12 (b): Occupations of Paid Employees Aged 15 - 64 by Sex**

Occupation	Sex		Total
	Male	Female	
Legislators, Administrators, and Managers	72,099	19,967	92,066
Professionals	190,235	105,408	295,643
Technicians and Associate Professionals	276,359	178,801	455,161
Secretarial, Clerical Services and Related Workers	103,542	108,874	212,416
Service workers, Shop and Market sales workers	246,317	203,437	449,754
Skilled farm, Fishery, Wildlife and Related workers	293,981	151,009	444,990
Craft and Related Trade Workers	215,717	56,885	272,601
Plant and Machine Operators and Assemblers	297,726	11,991	309,717
Elementary Occupations	985,457	429,789	1,415,246
Armed Forces	21,806		21,806
Not Classified	19,696	11,227	30,923
<b>Total</b>	<b>2,722,934</b>	<b>1,277,389</b>	<b>4,000,323</b>

## Industry

Distribution of the employed persons by industrial classification shows that slightly over half of the employed persons were engaged in agricultural activities. This was so far the industry with the largest proportion of workers and was followed, albeit distantly, by wholesale and retail services constituting 15.6 per cent of the workers. There were more female employees in the trades, personal and household services and health services relative to their male counterparts. The manufacturing, construction and public administration and defence industries were also shunned by female workers, hence dominated by the males.

## Hours of Work

Analysis of average hours worked by the working persons shows that average working hours for Kenyan workers ranged between 35.3 hours and 44.8 hours per week. Workers in the urban areas worked for longer hours compared to their counterparts in the rural areas.

Analysis of average hours worked by the working persons shows that average working hours for Kenyan workers ranged between 35.3 hours and 44.8 hours per week.

Table 5.13 :Distribution of Employed Persons Aged 15-64 Years by Industry and Sex

Industry	Male	Female	Total
<b>Rural</b>			
Agriculture and Hunting	3,014,569	3,667,977	6,682,546
Forestry and Logging	38,178	35,561	73,739
Fishing	39,228	2,903	42,131
Mining and Quarrying	40,066	11,397	51,463
Manufacturing	146,609	60,631	207,239
Electricity, Gas, Steam and Water supply	4,506	516	5,022
Construction	171,181	5,414	176,595
Trade, Wholesale & Retail trade	381,412	489,859	871,272
Transport and Storage	146,355	2,342	148,697
Communication	7,229	6,463	13,692
Financial Intermediation	28,931	11,790	40,721
Public Administration and Defence	70,361	12,150	82,511
Education Services	163,055	126,868	289,922
Research and Scientific Institutes	1,125	594	1,719
Health	13,550	16,108	29,657
Other Community and Social services	58,036	21,842	79,878
Personal and Household Services	223,567	199,644	423,212
International and Other Extra-Territorial Bodies	870		870
Activities not Adequately Defined	75,116	54,588	129,704
<b>Total</b>	<b>4,623,944</b>	<b>4,726,647</b>	<b>9,350,591</b>
<b>Urban</b>			
Agriculture and Hunting	119,303	135,130	254,433
Forestry and Logging	3,278	1,667	4,945
Fishing	9,928	1,010	10,937
Mining and Quarrying	12,163	1,194	13,357
Manufacturing	217,774	77,188	294,961
Electricity, Gas, Steam and Water supply	19,776	3,276	23,053
Construction	157,341	2,183	159,525
Trade, Wholesale & Retail trade	523,335	593,589	1,116,924
Transport and Storage	237,591	16,092	253,684
Communication	31,285	25,483	56,768
Financial Intermediation	82,892	42,768	125,660
Public Administration and Defence	90,137	30,468	120,605
Education Services	85,003	86,512	171,515
Research and Scientific Institutes	12,747	9,996	22,743
Health	25,556	46,740	72,296
Other Community and Social services	89,589	35,628	125,217
Personal and Household Services	174,509	256,761	431,270
International and Other Extra-Territorial Bodies	4,192	3,151	7,342
Activities not Adequately Defined	56,524	35,686	92,210
<b>Sub-total</b>	<b>1,952,921</b>	<b>1,404,523</b>	<b>3,357,445</b>
<b>Total</b>			
Agriculture and Hunting	3,133,872	3,803,108	6,936,980
Forestry and Logging	41,455	37,229	78,684
Fishing	49,156	3,913	53,069
Mining and Quarrying	52,229	12,591	64,820
Manufacturing	364,383	137,818	502,201
Electricity, Gas, Steam and Water supply	24,282	3,793	28,075
Construction	328,523	7,597	336,120
Trade, Wholesale & Retail trade	904,747	1,083,448	1,988,195
Transport and Storage	383,946	18,435	402,381
Communication	38,515	31,945	70,460
Financial Intermediation	111,822	54,559	166,381
Public Administration and Defence	160,498	42,618	203,116
Education Services	248,058	213,380	461,438
Research and Scientific Institutes	13,871	10,590	24,461
Health	39,105	62,848	101,953
Other Community and Social services	147,625	57,470	205,095
Personal and Household Services	398,077	456,405	854,482
International and Other Extra-Territorial Bodies	5,061	3,151	8,212
Activities not Adequately Defined	131,640	90,274	221,914
<b>Grand Total</b>	<b>6,576,865</b>	<b>6,131,170</b>	<b>12,708,035</b>

Table 5.14: Average Hours Worked per Week by the Working Population Aged 15-64 by Sex

Age groups(yrs)	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15 - 19	38.7	36.1	37.6	48.9	53.2	51.2	40.0	39.3	39.7
20 - 24	42.6	36.9	40.1	53.8	52.3	53.1	45.8	41.6	43.9
25 - 29	44.0	36.7	40.5	52.8	48.5	51.0	47.3	40.4	44.2
30 - 34	44.4	37.8	41.4	53.1	47.3	51.1	47.7	40.4	44.6
35 - 39	45.3	38.0	41.7	54.8	45.8	51.1	48.8	40.2	44.8
40 - 44	46.3	36.4	41.3	52.0	46.3	49.8	48.0	38.4	43.4
45 - 49	42.9	36.9	39.8	49.1	40.8	46.2	44.9	37.6	41.5
50 - 54	43.0	36.5	39.8	46.9	37.7	43.9	43.9	36.7	40.6
55 - 59	41.7	35.6	38.7	48.8	41.2	47.0	43.1	36.0	40.0
60 - 64	36.1	32.8	34.4	45.0	37.3	42.4	37.4	33.1	35.3

## Wage Levels

The overall mean average earnings for paid employees were Ksh. 9,353.10. Employees in the urban areas earned more than double the earnings of their rural counterparts at Ksh. 13,471.20 and 5,599.30 respectively. The disparity between earnings of female paid employees and the males was minimal.

Table 5.15: Mean Monthly Earnings from Paid Employment by Region and Sex

	Payment for wages/salary	Benefits & Allowances	Total Earnings
<b>Total</b>	<b>7,396.50</b>	<b>1,956.60</b>	<b>9,353.10</b>
Rural	4,449.00	1,150.20	5,599.30
Urban	10,630.00	2,841.10	13,471.20
Male	7,800.00	1,993.50	9,794.50
Female	6,534.40	1,877.80	8,412.20

Table 5.16: Working Population Aged 15 - 64 by Sector and Sex

Sector	Sex		Total
	Male	Female	
<b>Total</b>			
Modern	1,204,331	545,806	1,750,138
Informal	3,020,107	2,764,876	5,784,983
Agriculture	2,352,426	2,820,488	5,172,915
<b>Rural</b>			
Modern	556,226	244,244	800,470
Informal	1,786,576	1,746,619	3,533,195
Agriculture	2,281,142	2,735,784	5,016,926
<b>Urban</b>			
Modern	648,105	301,562	949,668
Informal	1,233,531	1,018,257	2,251,788
Agriculture	71,285	84,704	155,989

The overall mean average earnings for paid employees were Ksh. 9,353.09. Employees in the urban areas earned more than double the earnings of their rural counterparts at Ksh. 13,471.19 and 5,599.26 respectively.

# CHAPTER 6

## UNEMPLOYMENT

### 6.0 Overview

**A**nalysis of unemployment is important as the trend of unemployment rate over time is an indicator of the ability of the economy to provide income earning opportunities for its labour force, a critical resource required for promoting economic development. Rising unemployment and increasing poverty has been a critical development concerns in Kenya since independence. In particular, it has been noted that the level and rate of unemployment has grown over the years despite the efforts by Government to commission several studies and formulate measures to address the issue.

According to the Ndegwa Report on Development and Employment in Kenya, between 1977/78 and 1988, there was little (0.3 per cent of the rural labour force) open unemployment in the rural areas. However the number of unemployed in the urban areas rose from about 140,000 to 258,000 urban with a constant unemployment rate of about 16 per cent of the urban labour force. The Integrated Labour Force Survey 1998/99 showed that the rate of unemployment in the rural areas had risen to 9.4 per cent compared to 25.4 per cent in the urban areas. In absolute terms, there were 771.9 thousand and 1,028.7 thousand unemployed persons in the rural and urban areas respectively.

Notably, there are some variations between the data obtained from Labour Force Surveys and the Census. The 1989 Census results showed an overall unemployment rate of 7.9 and in 1999, this rose to 10.1 per cent of the labour force. This is possibly due to the different approaches used in obtaining the data.

It is observed that unemployment has been predominantly a problem of the youth and has grown, creeping up the education ladder from primary school leavers in the 1960s to secondary school leavers in the 1970s and 1980s, and now to persons with university level of education. Unemployment is also acute among women more so those in the rural areas.

Various studies on the unemployment problem in Kenya show that this emanates mainly from demographic and inadequate economic growth rate to accommodate the growing labour force. The 1982/83 Unemployment Report (Wanjigi Report) reinforced the findings of the ILO 1972 Mission's Report on Unemployment in Kenya that the problem of unemployment was basically one of lack of access to income earning opportunities on one hand and underemployment and low returns of labour on the other. Further more, the report broadly identified causes of unemployment as:

- Rapid growth of the population and the consequent growth of the labour force;

- Lack of economic growth and job creation sufficiently to absorb jobseekers;
- Job selectivity especially among school leavers;
- Skills imbalance in the labour market; and
- Inappropriate technological applications; and
- Failure to institute employment intensive development programmes.

Poor economic growth experienced in the second decade of independence and thereafter and rigid economic policies that were adopted contributed to the persistent incidence of unemployment. From 1990 to date, unemployment and poverty remain the two twin development challenges that have to be addressed through formulation and implementation of policies and programmes.

This chapter examines the nature of unemployed by analyzing age, sex, level of education, and training; job search status and reason for being unemployed and the underemployed.

## 6.1 Unemployment

In this survey, the concept of unemployment referred to a situation of lack of work. The unemployed comprised of all persons aged 15-64 who during the reference period were without a job, available for work, willing to work and sought work i.e. taken specific steps in the reference period to seek paid employment or self employment.

In this context, seeking work, meaning active search for work, serves to draw distinction between employment and non employment. Currently available for work serves to distinguish among the non-employed population those who were unemployed and those economically inactive. An individual who during the reference period was without work and made up arrangements to take up paid or self employment at a date subsequent to the reference period was considered as unemployed. The reference periods were last seven days, last four weeks, last month, last three months and last twelve months. There is also the discouraged group who do not actively seek work because they believe that no work corresponding to their skills is available. Thus unemployment is a stock value, the size of which is affected by inflows (workers losing or leaving their job) and outflows (those who find work or leave the workforce) and the duration of unemployment.

### Age and sex

Table 6.1 presents the age sex distribution of the unemployed persons. A total 1.9 million persons were unemployed, comprising of 55.3 per cent of females and 44.7 per cent males. This was an improvement for males over the 1999 ILFS which were 67.1 and 32.9 per cent respectively. Slightly more than half (51.6 percent) of the unemployed were the Youth aged 15-24. However going by Kenya's definition of the youth i.e. age group 15-30, the youth comprised of 72.5 per cent of the total unemployed population. The concentration of the unemployed was found in the age group 15-29 where the highest was in the category 20-24 at 32.6 percent. Also at age group 20-24, the proportion of unemployed female adult youth was slightly higher than that of males.

In the urban areas, the share of adult youth (20-24) was 34.9 per cent compared to 30.7 per cent in the rural areas. The share of the female unemployed aged 15-19 was higher than that of the males in both rural and urban areas, thus remaining more economically active over the years.

In this survey, the concept of unemployment referred to a situation of lack of work. The unemployed comprised of all persons aged 15-64 who during the reference period were without a job, available for work, willing to work and sought work in the reference period i.e. taken specific steps in the reference period to seek paid employment or self employment.

Table 6.1: Distribution of the unemployed Persons Aged 15-64 by Age and Sex

Age groups	Sex		Total	
	Male	Female	Count	%
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>1,856,294</b>	<b>100.0</b>
15 - 19	19.2	18.8	352,357	19.0
20 - 24	31.1	33.8	605,167	32.6
25 - 29	20.2	21.5	388,747	20.9
30 - 34	8.1	8.5	154,360	8.3
35 - 39	6.6	6.6	122,725	6.6
40 - 44	5.6	4.5	92,262	5.0
45 - 49	3.5	3.5	64,636	3.5
50 - 54	2.6	1.7	38,666	2.1
55 - 59	2.0	0.9	26,350	1.4
60 - 64	1.1	0.2	11,024	0.6
<b>Rural</b>	<b>100.0</b>	<b>100.0</b>	<b>1,020,189</b>	<b>100.0</b>
15 - 19	22.2	20.5	217,448	21.3
20 - 24	29.3	32.0	313,226	30.7
25 - 29	17.1	18.5	181,609	17.8
30 - 34	8.1	9.1	87,884	8.6
35 - 39	7.0	6.2	66,895	6.6
40 - 44	5.6	4.9	53,385	5.2
45 - 49	3.5	4.6	41,932	4.1
50 - 54	3.1	2.4	27,913	2.7
55 - 59	2.8	1.4	21,080	2.1
60 - 64	1.5	0.3	8,818	0.9
<b>Urban</b>	<b>100.0</b>	<b>100.0</b>	<b>836,105</b>	<b>100.0</b>
15 - 19	15.1	16.8	134,909	16.1
20 - 24	33.7	35.8	291,941	34.9
25 - 29	24.6	24.9	207,138	24.8
30 - 34	8.0	7.9	66,476	8.0
35 - 39	6.1	7.1	55,830	6.7
40 - 44	5.6	4.0	38,877	4.6
45 - 49	3.4	2.2	22,704	2.7
50 - 54	1.8	0.9	10,753	1.3
55 - 59	1.0	0.4	5,270	0.6
60 - 64	0.6	0.1	2,206	0.3

## Education

Analysis of unemployment by educational attainment gives an indication of the relationship between the educational attainment of workers and unemployment thereby acting as a pointer to the categories of workers likely to experience unemployment. Information was sought from unemployed respondents on their highest level of formal education and vocational training. This is presented in Table 6.2. Half of the unemployed had primary level of education while about one third had secondary level of education. Those with university level of education were almost 1 per cent of the unemployed. In terms of skills inventory majority (80.6 per cent) of the unemployed had no vocational training. The percentage share of unemployed who had trained in Commercial colleges was higher, 11.7 when compared to those who had trained in Government Colleges, 4.8 per cent or youth polytechnics 3.0 per cent.

**Table 6.2: Distribution of Unemployed Persons Aged 15-64 by Education Attainment, Vocational Institution Attended and Sex**

Educational Attainment	Male		Female		Total	
	Count	%	Count	%	Count	%
<b>Total</b>	<b>830,405</b>	<b>100.0</b>	<b>1,025,888</b>	<b>100.0</b>	<b>1,856,394</b>	<b>100.0</b>
Primary	427,312	51.5	502,853	49.0	930,217	50.1
Secondary	273,741	33.0	362,957	35.4	636,731	34.3
University	9,191	1.1	7,645	0.7	16,837	0.9
None	243	0.0			243	0.0
Other	1,059	0.1	2,090	0.2	3,149	0.2
Not Stated	118,859	14.3	150,344	14.7	269,217	14.5
<b>Vocational/ Professional Institution Attended</b>						
<b>Total</b>	<b>711,547</b>	<b>100.0</b>	<b>875,408</b>	<b>100.0</b>	<b>1,587,054</b>	<b>100.0</b>
Government college	34,708	4.9	41,236	4.7	75,949	4.8
Commercial college	59,961	8.4	125,339	14.3	185,308	11.7
Vocational/village	22,715	3.2	24,259	2.8	46,977	3.0
None	594,162	83.5	684,574	78.2	1,278,820	80.6

The share of unemployed to total unemployed were highest in Rift Valley, Nairobi and Eastern provinces with 23.9, 16.0 and 12.3 per cent respectively; followed by Central and Coast provinces with 12.1 and 11.7 per cent respectively.

### Spatial Distribution of the Unemployed

The analysis of the unemployed by region is important to point out the extent of utilization of the labour force within the regions. Table 6.3 presents the distribution of the unemployed by region and sex. Of the total unemployed 55.0 per cent were in the rural areas and 45.0 per cent in the urban areas compared with 71.6 per cent and 28.1 of the total population aged 15-64 respectively.

The share of unemployed in the regions to total unemployed were highest in Rift Valley, Nairobi and Eastern provinces with 23.9, 16.0 and 12.3 per cent respectively; followed by Central and Coast provinces with 12.1 and 11.7 per cent respectively. The provinces with the least share of the total unemployed were North Eastern 6.0 per cent, Nyanza 8.3 per cent and Western 9.6 per cent.

**Table 6.3: Distribution of the Unemployed Persons by Region and Sex**

Region	Male		Female		Total	
	Count	%	Count	%	Count	%
<b>Total</b>	<b>830,405</b>	<b>100.0</b>	<b>1,025,888</b>	<b>100.0</b>	<b>1,856,394</b>	<b>100.0</b>
Rural	485,674	58.5	534,516	52.1	1,020,248	55.0
Urban	344,732	41.5	491,373	47.9	836,146	45.0
Nairobi	119,175	14.4	177,453	17.3	296,642	16.0
Central	85,812	10.3	138,019	13.5	223,841	12.1
Coast	118,115	14.2	99,979	9.7	218,108	11.7
Eastern	125,423	15.1	103,648	10.1	229,086	12.3
North Eastern	60,326	7.3	50,531	4.9	110,864	6.0
Nyanza	51,630	6.2	103,309	10.1	154,946	8.3
Rift Valley	189,647	22.8	254,821	24.8	444,491	23.9
Western	80,277	9.7	98,130	9.6	178,417	9.6

## 6.2 Unemployment Rates

The unemployment rate is computed as the proportion of unemployed persons to the total labour force. In this survey, the unemployment rate gives the proportion of the labour force that did not have a job and was actively looking for work.

Estimates from previous surveys indicate that the unemployment rate has remained high over the decades. The overall unemployment rate in 1999 was 14.6 per cent. However, the 1978 Urban Labour Force Survey gave an urban unemployment rate of about 7.0 per cent, and this further rose to 25.1 per cent going by 1999 ILFS. Like wise, unemployment in the rural areas was high at 9.4 per cent in 1999.

Table 6.4 presents unemployment rates by age and sex for the population age group 15-64. The overall unemployment rate was 12.7 per cent with that of females being higher at 14.3 per cent compared to 11.2 of the males. Unemployment rates were highest 25.0 per cent at age group 15-19 declining progressively with the rise in age groups.

**Table 6.4: Unemployment rates for Population Aged 15 –64 by Age-group, Region and Sex**

Age-groups	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Total</b>	<b>9.5</b>	<b>10.2</b>	<b>9.8</b>	<b>15.0</b>	<b>25.9</b>	<b>19.9</b>	<b>11.2</b>	<b>14.3</b>	<b>12.7</b>
15 - 19	18.2	21.1	19.6	42.3	47.8	45.5	22.4	27.7	25.0
20 - 24	16.8	20.3	18.6	30.1	40.8	35.8	21.0	27.3	24.2
25 - 29	11.1	12.1	11.6	17.3	29.1	22.8	13.5	17.9	15.7
30 - 34	5.6	7.2	6.4	6.8	14.3	9.8	6.1	9.2	7.5
35 - 39	6.7	5.7	6.1	7.2	14.7	10.6	6.9	8.3	7.6
40 - 44	5.2	4.7	4.9	9.2	12.3	10.5	6.4	6.4	6.4
45 - 49	4.3	5.6	5.0	6.3	10.4	7.8	4.9	6.5	5.7
50 - 54	4.5	3.8	4.1	6.4	8.5	7.1	4.9	4.4	4.7
55 - 59	4.8	2.8	3.8	4.9	6.2	5.3	4.8	3.2	4.0
60 - 64	3.9	0.8	2.3	5.6	1.4	4.2	4.2	0.8	2.5

Overall unemployment rate was higher in the urban areas 19.9 per cent compared to the rural areas 9.8 per cent. Analysis by gender shows that in the urban areas female unemployment rate was higher 25.9 per cent than the males 15.0 per cent by more than 10 per cent. This phenomenon was especially evident in the urban areas particularly in the youthful population. In both rural and urban areas, unemployment rate for males was more than that of the females at the upper age groups, see Table 6.5.

**Table 6.5: Distribution of Unemployed Youths by Region and Sex**

Age-group	Labour Force			Unemployed			Unemployment Rates		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Total</b>	<b>1,944,048</b>	<b>1,965,325</b>	<b>3,909,373</b>	<b>418,147</b>	<b>539,377</b>	<b>957,524</b>	<b>21.5</b>	<b>27.4</b>	<b>24.5</b>
15 - 19	714,384	693,987	1,408,371	159,842	192,514	352,357	22.4	27.7	25.0
20 - 24	1,229,664	1,271,337	2,501,001	258,305	346,863	605,167	21.0	27.3	24.2
<b>Rural</b>	<b>1,435,636</b>	<b>1,361,654</b>	<b>2,797,289</b>	<b>249,886</b>	<b>280,788</b>	<b>530,674</b>	<b>17.4</b>	<b>20.6</b>	<b>19.0</b>
15 - 19	590,990	520,828	1,111,818	107,661	109,787	217,448	18.2	21.1	19.6
20 - 24	844,646	840,825	1,685,471	142,225	171,002	313,226	16.8	20.3	18.6
<b>Urban</b>	<b>508,412</b>	<b>603,671</b>	<b>1,112,083</b>	<b>168,261</b>	<b>258,589</b>	<b>426,850</b>	<b>33.1</b>	<b>42.8</b>	<b>38.4</b>
15 - 19	123,394	173,159	296,553	52,181	82,727	134,909	42.3	47.8	45.5
20 - 24	385,018	430,512	815,530	116,080	175,861	291,941	30.1	40.8	35.8

The unemployment rate is computed as the proportion of unemployed persons to the total labour force. In this survey, the unemployment rate gives the proportion of the labour force that did not have a job and was actively looking for work.

Total unemployment rates for the youth aged 15-24 was at 24.5 per cent with that of the females being higher at 27.4 per cent compared to 21.5 per cent for males. The overall rates were higher in the urban areas 38.4 per cent compared to the rural areas 19.0 per cent. The teenage youth unemployment rates were comparatively higher than the adult youth unemployment rates.

As presented in Table 6.6 adult unemployment rates were much lower than those of the youth. Notably, in the urban areas, adult unemployment rate for females was 18.0 per cent while that of the males was 9.9 percent.

**Table 6.6: Distribution of Unemployed Adults by Region and Sex**

Region	Labour Force			Unemployed			Unemployment Rates		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Total</b>	<b>5,234,630</b>	<b>5,191,734</b>	<b>10,426,364</b>	<b>412,258</b>	<b>486,512</b>	<b>898,770</b>	<b>7.9</b>	<b>9.4</b>	<b>8.6</b>
Rural	3,445,389	3,899,509	7,344,898	235,788	253,727	489,515	6.8	6.5	6.7
Urban	1,789,241	1,292,225	3,081,466	176,470	232,784	409,255	9.9	18	13.3

Table 6.7 presents unemployment rates by education and training for both males and females. The unemployment rate for those with secondary 13.9 per cent and primary school 12.3 per cent education showed no significant difference with the overall unemployment rate, 12.7 per cent, whereas for the unemployed with university education the rate was at 7.5 per cent. This shows improvement among the university graduates especially in the overall rate and that of the females. For jobseekers with vocational training, unemployment rate was higher for who had vocational training in commercial colleges 13.2 per cent compared to 7.1 and 9.4 per cent for Government colleges and Youth polytechnics.

**Table 6.7: Unemployment Rates by Highest Level of Education and Training**

Educational Attainment	Male	Female	Total
<b>Total</b>	<b>11.2</b>	<b>14.3</b>	<b>12.7</b>
Primary	11.2	13.3	12.3
Secondary	10.6	18.3	13.9
University	5.6	12.2	7.5
None	6.7		2.9
Other	2.5	7.0	4.4
Not Stated	15.0	11.5	12.9
<b>Vocational Institution</b>			
<b>Total</b>	<b>10.8</b>	<b>15.0</b>	<b>12.7</b>
Government college	5.1	10.8	7.1
Commercial college	7.7	19.9	13.2
Vocational/village	7.5	12.3	9.4
None	12.3	14.7	13.5

As presented in Table 6.8, unemployment rates varied significantly across the provinces, this being highest in North Eastern Province at 43.1 per cent and lowest in Nyanza at 7.7 per cent. Unemployment rates in the other regions were; Nairobi 21.1, Coast 17.0, Rift Valley 12.6, Western 11.1, and Central 10.6 per cent respectively. Notable significant changes when compared to 1999 ILFS were in Western, Nyanza, Coast and Central provinces where unemployment rates in 1999 were 27.5, 12.2, 23.4 and 6.2 per cent respectively.

Total unemployment rates for the youth aged 15-24 was at 24.5 per cent with that of the females being higher at 27.4 per cent compared to 21.5 per cent for males.

Under-employment exists when duration or productivity of employed person's work is below their full employment level. This could be associated with labour market issues; when the employed are underemployed for reasons of reduced or modified demand for labour, or insufficient employment creation for specific trades.

Table 6.8: Spatial Distribution of Unemployment Rates by Region

Region	Male	Female	Total
<b>Total</b>	<b>11.2</b>	<b>14.3</b>	<b>12.7</b>
Rural	9.5	10.2	9.8
Urban	15.0	25.9	19.9
Nairobi	14.7	29.6	21.1
Central	8.4	12.5	10.6
Coast	17.4	16.5	17.0
Eastern	10.6	8.8	9.7
North Eastern	34.8	60.3	43.1
Nyanza	5.5	9.7	7.7
Rift Valley	10.3	15.1	12.6
Western	10.5	11.6	11.1

### 6.3 Under – Employment

Statistics on underemployment are important as they supplement statistics on employment and unemployment to improve the description of employment problems as experienced in the labour market and assess the extent to which the available human resources are being utilized in the production process to promote full employment. When compiled meaningfully, the statistics also help to provide insights for the design and evaluation of employment, income and social programmes.

Under-employment exists when duration or productivity of employed person's work is below their full employment level. This could be associated with labour market issues; when the employed are underemployed for reasons of reduced or modified demand for labour, or insufficient employment creation for specific trades. These workers are compelled, as an alternative to being without work, to work shorter hours, or to work in lower skilled jobs or in less productive economic units, thus reducing their income below the level they might normally be able to earn (Borgen et al., 1988; Hecker, 1992). These are visibly underemployed persons, defined as “all persons in paid or self-employment, whether at work or not at work, involuntarily working less than the normal duration of work determined for the activity, who were seeking or available for additional work during the reference period”. Notably, part-time workers may find themselves in this situation if they are willing and able to work more hours than at present. Also, workers in the informal sector are in the same situation when they are willing and able to work more productively than they currently do also referred to as “disguised unemployment” (Robinson, 1937).

There is also underemployment associated with economic development issues, giving workers and establishments certain characteristics namely:

The working poor, e.g. persons whose income is below the poverty line or the minimum wage;

- Persons with “unsatisfied basic needs” who are not able to earn enough to buy a certain amount of goods and services
- Workers in certain “status in employment” and “education level” categories;
- Workers in establishments belonging to the informal sector;
- Workers in farms below a certain size;
- Workers in establishments with productivity levels below a certain norm

These are commonly termed as invisible underemployment and are a development-type measure characterized by situations of “low income, underutilization of skill, low productivity”.

It emerges therefore that labour market and development-type measures overlap but are not equivalent. For example; a labour market underemployment measure excludes those persons who work few hours or unproductively but who are not willing or not able to work longer hours or to adapt to better production methods or work organization. These workers are included in a development-type underemployment measure; and labour market measures include workers who do not necessarily work few hours or unproductively but who are willing and able to work more hours or more productively. These workers are excluded from a development-type underemployment measure. While these differences exist they are important in understanding underemployment.

In this analysis (KIHBS 2005), the underemployed comprise of all persons in paid or self employment, involuntarily working less than 28 hours in the past seven days of the reference period (date of interview) who were seeking or available for additional work. It is therefore assumed that the underemployed were working less than the normal hours of work involuntarily i.e. not because of illness or disability, and were seeking or available for additional work in the past 7 days.

About 2.7 million persons or slightly more than one fifth of the total working population, (12.7 million) were time related under-employed. Compared to the 1999 ILFS this shows a significant increase in the number of under employed as the 1999 ILFS gave a figure of only 4.8 per cent of the total working population. Table 6.9 shows that nearly half 48.8 per cent of the under-employed persons worked for between 18 to 25 hours during the survey’s reference week, with 26.5 per cent working for 22-25 hour a week. Nearly one third 31.6 per cent of the under-employed worked for less than 14 hours a week. Majority of the under-employed persons (55.4 per cent) were females.

Majority of the under-employed 82.0 per cent were in the rural areas. Here, under-employment rates for those who worked less than 14 hours per week was 26.6 per cent compared to 54.7 per cent of the urban areas.

**Table 6.9: Distribution of Under-Employed Aged 15-64 by Average Hours Worked per Week**

Hours Worked	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Less than 6	82,921	87,148	170,069	52,149	36,190	88,339	135,070	123,338	258,407
6-9	78,068	101,050	179,118	40,099	46,088	86,188	118,168	147,138	265,306
10-13	92,333	151,473	243,806	55,457	37,495	92,952	147,790	188,968	336,758
14-17	91,658	147,107	238,765	17,762	27,488	45,249	109,420	174,594	284,014
18-21	220,151	302,443	522,594	35,320	31,674	66,994	255,471	334,117	589,588
22-25	283,311	377,021	660,331	28,075	32,836	60,912	311,386	409,857	721,243
26-28	115,756	101,515	217,270	19,613	29,048	48,661	135,369	130,563	265,932

As already noted time related under-employment rate is an important indicator for improving the description of employment related problems as well as assessing the extent to which available human resources are being utilized in the production process in the country. This indicator may be measured in relation to labour force or employment. Table 6.10 show that in both cases, time related underemployment was higher in the rural areas compared to the urban areas and that this affected females more than their male counterparts.

Time related under-employment rate is an important indicator for improving the description of employment related problems as well as assessing the extent to which available human resources are being utilized in the production process in the country.

Table 6.10: Under employment Rates Population Aged 15-64 +

Region	Labour Force			Under employed			Under employed Rate		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Total</b>	<b>7,407,270</b>	<b>7,157,059</b>	<b>14,564,329</b>	<b>1,212,673</b>	<b>1,508,575</b>	<b>2,721,248</b>	<b>16.4</b>	<b>21.1</b>	<b>18.7</b>
Rural	5,109,617	5,261,163	10,370,780	964,198	1,267,756	2,231,954	18.9	24.1	21.5
Urban	2,297,653	1,895,896	4,193,549	248,475	240,819	489,294	10.8	12.7	11.7
	Employed			Under employed			Under employed rate		
<b>Total</b>	<b>6,576,865</b>	<b>6,131,170</b>	<b>12,708,035</b>	<b>1,212,673</b>	<b>1,508,575</b>	<b>2,721,248</b>	<b>18.4</b>	<b>24.6</b>	<b>21.4</b>
Rural	4,623,944	4,726,647	9,350,591	964,198	1,267,756	2,231,954	20.9	26.8	23.9
Urban	1,952,921	1,404,523	3,357,445	248,475	240,819	489,294	12.7	17.1	14.6

## 6.4 Job Search Activities

Limited information was collected on job search activities of all those seeking work unlike in the previous surveys where respondents were usually asked about the types of job-search activities they took in a specified reference period. These activities include writing a letter to employer or relative; application to union office; answering newspaper advertisement; asking a friend or relative; direct approach to employer or any other. Additional information includes type of occupation sought, level of training, expected monthly salary, length of job search and intentions of the unemployed in terms of migration.

Information on job search patterns is important for the development of labour market assistance programs that attempt to increase rates of employment by influencing job search behaviour. Currently, empirical evidence on job search behaviour is lacking despite the common knowledge that there are many reasons why people look for work and many different pathways to finding a job. This is because success in finding employment will vary depending upon the intensity of search, the type of search method used and the characteristics of the job seeker. Success is also influenced by the number of available jobs, the recruitment methods of employers and the quality of the institutional systems that are in place to match job seekers to potential positions all of which are important in making informed decisions by individual jobseekers and those responsible for guidance and counseling of the unemployed.

Information on job search patterns is important for the development of labour market assistance programs that attempt to increase rates of employment by influencing job search behaviour.

# CHAPTER 7

## CONCLUSIONS AND RECOMMENDATIONS

### 7.0 *Introduction*

This chapter presents a summary of the findings of the Labour Force Module conducted during the 2005/6 KIHBS and a broad outline of the employment problem. It concludes with an outline of policy considerations for the expansion of productive employment.

### 7.1 *Background to the Employment Problem*

The underlying causes of the serious employment problem in Kenya are mainly linked to both supply and demand for labour. The supply factors affect labour force growth and demand factors determine the demand for labour through their influence on main economic and labour market trends. With labour supply, apart from population growth, salient characteristics of the labour force such as educational and skill levels and mobility of labour have influenced the level and distribution of employment. Evidently, the capacity of Kenya's economy to absorb labour into productive employment is influenced mainly by the rate and pattern of economic growth as well as by the structure and efficiency of production among other factors.

### 7.2 *Development and Employment*

An emerging urban unemployment problem led to the adoption of development strategies which paid more attention to employment promotion. Concerns for employment creation in the context of development planning have been expressed mainly through policies designed to maximise not only output growth but also the rate of labour absorption. Noting that growth-oriented strategies had not addressed income distribution and, hence, poverty reduction concerns, some emphasis has had to be placed on employment-oriented strategies in the reallocation of investment resources and productive assets in favour of the traditional and rural sectors where underemployment in terms of low-productivity and low incomes was concentrated. However, even employment-oriented development strategies failed to resolve conflicts between growth and employment objectives which, for example, were inherent in limitations on the substitution of labour for capital in certain types of production. By the late 1970's, it was no longer practicable to expect higher levels of productive employment from higher rates of GNP growth. The aftermath of the two oil shocks of the decade had imposed severe constraints on growth prospects in the economy.

### 7.3 *Main Labour Force Survey Findings*

The module of the Labour Force Survey of the 2005/06 Kenya Integrated Household Budget Survey was successfully undertaken, thereby updating the national socio economic database, particularly on the labour force.

During the World Summit for Social Development, 1995, the World leaders committed themselves to achieve certain goals and targets in eradication of poverty, enhancement of productive employment and reduction of unemployment and to foster social integration. Subsequently, the Government of Kenya formulated the Poverty Eradication Plan (1999-2015 with a long-term vision to fight poverty.

Kenya has a youthful population with 52.9 per cent falling within the 0-19 age group. Of the total 35.5 million persons surveyed, the rural areas and urban areas comprised of 74.8 per cent and 25.2 per cent respectively. The dependency ratio was high at 76.8.

The overall employment to population ratio was 63.4 percent. Kenya has a relatively high employment to population ratio in the rural areas 65.1 per cent compared to 59.0 per cent in the urban areas which may be related to the high incidence of poverty. This is an indication that poor people work regardless of the quality of the work.

Overall employment reached 12.7 million in the year 2005/06 up from 10.5 million in the year 1998/99 ILFS which shows that the economy on average generated only 314.5 thousand jobs annually over this period. The level of employment for males rose by 1,103 thousands compared to 1,079 for the females over the period 1998 -2005. The rise in employment for males was therefore about 2.2 per cent higher compared to the females. The agricultural sector had the largest share of employment 55.6 per cent followed by the service sector and the industrial sector at 36.9 and 7.5 percent respectively.

Unemployment rate remained high at 12.7 per cent, with that in the urban areas comparatively higher at 19.9 per cent than the rural unemployment rate of 9.8 percent. The unemployed tend to be youthful. The youth (15-24 age group) consist of over half (51.6 percent) of the total unemployed though they account for less than one third of the labour force. Further more the ratio of youth to adult employment rate 2.8. Women experienced higher 14.3 per cent unemployment rate than men 11.2 percent.

A review of literature indicates that over time the unemployment problem seems to be creeping up the educational ladder; from primary school leavers in the 1960s to secondary school leavers in 1970s and 1980s and now with university graduates. In the 1960s' unemployment among the university graduates was virtually non existent but now stands at 7.5 percent.

#### **7.4 Efforts to Reduce Unemployment**

Kenya's development policy first articulated in Sessional Paper No. 10 of 1965 on African Socialism and its Application to Planning in Kenya has over the years emphasized the need to combat ignorance, disease and poverty. The major obligation of the Government is to provide opportunity to all Kenyans to participate fully in socio-economic development and to attain a decent standard of living through a freely chosen employment. These aspirations are in line with international commitments.

During the World Summit for Social Development, 1995, the World leaders committed themselves to achieve certain goals and targets in eradication of poverty, enhancement of productive employment and reduction of unemployment and to foster social integration. Subsequently, the Government of Kenya formulated the Poverty Eradication Plan (1999-2015 with a long-term vision to fight poverty. Further efforts were made to prepare the Poverty Reduction Strategy Paper (PRSP) 2001-2004 which outlined the priorities and measures necessary for poverty reduction and economic growth. Indeed, the Poverty Eradication Plan identified the major causes of poverty, among others, as lack of productive assets, social exclusion, HIV/AIDS and lack of education. Along the same line, it identified the poor clustered among people with disabilities, female headed households, households headed by people without formal education, AIDS orphans, street children of beggars and urban slum dealers. As noted in the PRSP, poverty manifests itself through hunger, malnutrition, illiteracy, lack of shelter, and failure to access essential social services such as basic education, health, water, and sanitation.

Notably, the PRSP is formulated in line with the Millennium Development Goals, and with objectives of economic growth and poverty reduction. It is in line with the National Poverty Eradication Plan which aims at reducing poverty (first Millennium Development Goal) by half by the year 2015. In 1997, the Government formulated Sessional Paper Number No 1 of 1997 on Industrial Transformation by the Year 2020 aimed at accelerating the country's economic development and generating growth in the industrial sector as part of its efforts towards poverty reduction, and the promotion of economic growth. The achievement of this goal relies on the availability of literate and skilled workforce.

Kenya's economic development was guided by policies outlined in Sessional Paper No. 10 of 1965. It promoted rapid economic growth in the first decade of independence through public investment, encouragement of small holder agriculture production and incentives for private investment, resulting in an average growth Gross domestic Product Growth of 6.6 p.a. in the first decade of independence. Thereafter, the economy largely declined continuously from less than 4 per cent per year in the following decade, reaching on average of about 1.5 per cent per year during the 1990s. Analysts view the several decades of declining economic performance, combined with rapid population growth, as translating into reduced income per head, increased poverty, deteriorating infrastructure and worsening unemployment.

In 2003, the Government introduced its Economic and Recovery Strategy for Wealth Creation and Employment Creation (ERS) which further underscored the role of industry in economic recovery and transformation, deepened efforts for poverty reduction and instruments for income creation and promotion of human development.

The Government adopted the Economic Recovery Strategy (ERS) plan for the period 2003 – 2007. The development agenda under this strategy was anchored on three key pillars, namely: (i) restoration of economic growth within the context of a stable macroeconomic environment; (ii) enhanced equity and poverty reduction; and (iii) improvement of Governance. The implementation of development projects under this strategy has witnessed improvement in the economy evidenced by the restoration of economic growth to the path of recovery. The economy has expanded from 0.5 per cent in 2002 to 6.1 per cent in 2006. As a result in 2006; the growth in per capita income rose from a decline of 2.5 per cent in 2002 to an increase of 3.3 per cent in 2006 among other achievements.

The Government has embarked on formulating long term measures to ensure Kenya's economic stability and growth encompassing the objectives of the Economic Recovery Strategy -Vision 2030 programme that is much more ambitious and requires a radical transformation of economic, social, and political systems. This move is meant to further expand the opportunities available to Kenyans so that they can participate in their own wealth creation while at the same time helping build the new and better Kenya. Vision 2030 has three key pillars, namely;

- i. The Economic pillar which aims to achieve a high and sustained non inflationary economic growth, steadily rising to 10 per cent by 2012 and maintaining;
- ii. A social pillar which aims at achieving a just and cohesive society that ensures equitable social development; and
- iii. A political pillar which seeks to achieve an issue-based, people-entered, and accountable democratic political system.

The Government has embarked on formulating long term measures to ensure Kenya's economic stability and growth encompassing the objectives of the Economic Recovery Strategy -Vision 2030 programme that is much more ambitious and requires a radical transformation of economic, social, and political systems.

Rural employment has a crucial role in the attainment of the goal of full and productive employment. Given the national focus on employment, it is important that adequate consideration be given to agriculture and off-farm rural employment, in light of the fact that majority of the population live in rural areas and depend on agriculture for their livelihoods.

## **Promoting Agricultural Productivity and Rural Development for Poverty Reduction**

The Government recognizes that agriculture is key to the realization of reduction of poverty levels in the country, this is also one of the Millennium Development Goals. In this context and also being one of the growth engines for the Vision 2030, the Government strategy is to implement a wide range of structural reforms aimed at improving efficiency and productivity in the agricultural sector. These reforms are targeted towards encouraging value-addition in agro-processing and making agriculture the catalyst for the economic transformation and prosperity.

### **Promotion of decent jobs in rural agriculture**

Full utilization and remuneration of labour are essential for reducing poverty and hunger. Many people in agriculture and rural areas are underemployed with earnings below subsistence, low productivity, increasing levels of casual labour, employment insecurity, and poor working conditions, in other words in-exploitative jobs. Furthermore, rural employment is characterised by high seasonal fluctuations and seasonal migration, health and safety risks and low levels of protection and unionization. Those who are engaged as agricultural workers make up the bulk of the 'working poor' with incomes below one dollar a day. In 2005, only three per cent of the extreme working poor were able to rise above dollar-a-day poverty, according to the ILO.

Rural employment has a crucial role in the attainment of the goal of full and productive employment. Given the national focus on employment, it is important that adequate consideration be given to agriculture and off-farm rural employment, in light of the fact that majority of the population live in rural areas and depend on agriculture for their livelihoods. The ILO's World Employment Report for 2004–05, concluded that, "if there is a specific type of sectoral growth that will best directly assist in the achievement of the Millennium Development goals on poverty reduction, it is through the agricultural sector." There is considerable evidence that in many countries agricultural growth has a greater poverty reducing impact than growth in other sectors.

The lack of productive employment opportunities in rural areas has negative repercussions, given the interdependency of rural and urban areas which means that major issues such as rural-urban migration, food security, and poverty need to be addressed through an integrated approach, with balanced attention to geographically differentiated needs. Full and productive employment and decent work in rural areas are crucial for reducing rural-urban migration.

It is important that the poor quality and insecurity of jobs in the agricultural sector be addressed by policies and investments that give self-employed rural poor people the opportunities they need to upgrade their employment. Policies that recognize the seasonal nature of rural employment can contribute to improved functioning of rural labour. The growth of decent rural employment cannot be accomplished without allocating more financial resources for rural development markets.

### **Arid and Semi-Arid lands**

Arid and Semi Arid lands importantly form about 80 per cent of the country's land mass and are largely inhabited by pastoralist communities who contribute over 70 per cent livestock in Kenya. For long time, they have experienced high incidences of poverty mainly due to inequality. As a result the communities have limited access to educational services, health facilities and infrastructural developments which are important for the development of human resource capabilities.

ASAL has high potential for national development and there is need for continued identification of a range of activities for implementation under Arid Lands Resource Management Programme in addressing vulnerability to enable the communities to move beyond survival and subsistence to sustainable development. These should include areas of development already initiated, namely; land reforms, developing special schools programme, supporting long term irrigation projects, improvements in livestock production and marketing, improving security and improving access to basic health, education, water, energy and communication.

## Youth

Kenya has a rapidly growing and youthful population whose aspirations have remained a critical challenge. In recognition of the high levels of unemployment among the youth, a National Youth Policy that provides the framework for comprehensively integrating the Kenyan youth in national development has been prepared and operationalized by way of creating the Youth Enterprise Fund to be administered by the Youth Enterprise Development Fund Board, as a state corporation. The main objective of the fund is to put in place modalities to enable the youth access resources to set up enterprises and create employment and in particular;

- Enable youth access loans through micro financing, savings and credit co-operative institutions;
- Attract and facilitate investment in micro, small and medium enterprises with a commercial / orientation in infrastructure such as business or industrial parks that will be beneficial to youth enterprises;
- Support youth oriented micro, small and medium enterprises to develop linkages with large enterprises;
- Facilitate marketing of products and services of youth enterprises;
- Facilitate employment of youth in the international labour market. In this regard, the Government is revamping youth polytechnics. These centres will be used to equip the youth with appropriate skills that will expand their options for employment.

## Gender

In terms of Gender consideration, the challenge Kenya faces is how to create an enabling environment which recognise the potential roles and responsibilities of women and men in national development and utilise strategies that will address the socio-cultural barriers that have contributed to gender disparities and inability of women to realise their full potential. The Gender and Development Policy therefore, advocates for empowering both men and women to be equal partners in development and also for an affirmative action to address gender disparities. The approach also recognizes that without quality gender disaggregated data, the planning and programming process cannot be efficient and productive.

In recent years, Kenya has witnessed a rising trend in the number of female-headed households. Male migration, single motherhood, widowhood, divorce and separation all combine to make up a national average of 25 per cent of female headed households. Recent data (KIHBS 2006) shows that there is significant difference in poverty indices particularly in the urban areas where male headed households had lower poverty indices (30.0) –head count per adult equivalent - compared to female headed households (46.2), indicating that in the urban areas female headed households are among the poorest of the poor and therefore a cause of major concern to planners and policy makers in terms of distribution of national resources. The critical areas of concern identified in the policy document are the economy; poverty and sustainable livelihoods; law; political

The Gender and Development Policy therefore, advocates for empowering both men and women to be equal partners in development and also for an affirmative action to address gender disparities.

participation and decision- making; education and training; health and population; media; policy implementation framework and resource mobilisation.

Efforts have been made to integrate women issues in national development and establish institutional mechanisms to promote the development of women. In the public service, affirmative action provides that women constitute 30 per cent of all new recruitments. At the local levels, women leaders are incorporated in important development forums such as the Constituency Development fund and HIV/AIDS Coordination Committees. This enables women not only to monitor development, but also to oversee development matters for their benefits.

The Government is also channeling additional resources through the Roads Maintenance Levy Fund, the Local Authorities Transfer Fund and the Constituency Bursary Fund. All these are substantial resources that are intended to make a difference in the lives of the people at the grassroots level.

### Education

Along with many challenges the government is facing, it is fully committed to an education system that guarantees the right of every learner to quality and relevant education. In view of this, the Government has implemented the Free Primary Education and made efforts to formulate an Education Sector Strategic Plan (ESSP). At the same time the Government, communities, development partners and other stakeholders continue to make substantial investments to support education programmes within the sector. Statistics available indicate that the Government is providing free primary education to over 7.6 million children. Furthermore it is also taking urgent measures to increase access to secondary school education by working towards meeting the cost of tuition fee at secondary level education. There is a strong conviction that there is no better investment in any country than the investment directed in human resource development. This is the reason the Government continues to allocate a huge proportion of its resources for the education of the Kenyans.

### Small and Micro Enterprises

According to ERS the Small and Medium Enterprises in particular, contribute significantly to the national GDP and to employment, estimated at 18 per cent and 72 per cent respectively. In particular efforts directed towards recovery and re-energized private sector activity and investment and specifically Micro, Small and Medium Sized Enterprise (MSME) development, feature prominently in the Government's strategy for raising incomes and employment. The third Micro and Small Enterprise Sessional paper outlays the policy framework and government vision for the sector's development. There is need to to increase productivity and employment in MSMEs sector. This can be achieved by:

- (a) Strengthening financial and non-financial markets to meet the demand of MSMEs,
- (b) Strengthening institutional support for employable skills and business Management,
- (c) Reducing critical investment constraints on MSMEs.
- (d) Initiating partnership that supports the Government program to increase the competitiveness of MSMEs.

Efforts have been made to integrate women issues in national development and establish institutional mechanisms to promote the development of women. In the public service, affirmative action provides that women constitute 30 per cent of all new recruitments.

## Vocational education and entrepreneurship development

The vocational education and training system plays a major role in promoting entrepreneurship in terms of both attitudes and skills. Entrepreneurship education and training help to create a favourable climate for entrepreneurship. The vocational qualifications and special vocational qualifications for entrepreneurs and basic entrepreneurship skills should be upgraded and included as part of most vocational and special vocational qualifications for adults. Apprenticeship training agreements for entrepreneurs are important and legislative amendments should be considered to enable enlisting apprenticeship training for entrepreneurs. All labour market training should also include entrepreneurship skills.

### Review of Labour Laws

In recognition of the necessity for a comprehensive labour legislation reform that would make the laws more responsive to contemporary economic and social changes, the government in consultation with the Central Organization of Trade Unions (COTU, K) and the Federation of Kenya Employers (FKE) established a task force in 2001 to undertake a major review of labour laws. The principal objective of the review process was to achieve a new set of reformed, updated legislation through a coordinated, efficient and effective process. The specific elements considered were:

- Promotion of development that is consistent with the fundamental principles and rights at work;
- Facilitation of private sector development by establishing a sound equitable and predictable framework for collective labour relations and individual employment relations;
- Promotion of democratic participation of social partners in governance and labour law reform;
- Cultivation of good, transparent and accountable governance to facilitate efficient resolution of disputes;
- Foster accessibility of labour laws to social partners and workers;

Consequently; six core legislations relating to repealed labour laws have been enacted and gazetted for implementation by the Minister for Labour and Human Resource Development namely:

- I. Employment Act 2007 – a new act replacing the Employment Act Cap 226 and the Regulation of Wages and Conditions of Employment Act Cap 229;
- II. Labour Relations Act, 2007 – to replace the Trade Unions Act Cap 233 and the Trade Disputes Act Cap 234;
- III. The Occupational Safety and Health Act, 2007 – to replace the Factories Act Cap 514.
- IV. The Work Injury Benefits Act, 2007 – to replace the Workmen's Compensation Act Cap 236.
- V. Labour Institutions Act, 2007, a new legislation to establish all institutions involved in labour administration.
- VI. The Employment Act, 2007 declares and defines the fundamental rights of employees including matters of discrimination, sexual harassment and forced labour; provide basic conditions of employment, to regulate employment of children including prohibition of worst forms of child labour among other matters connected with employment.

The Labour Institutions Act, 2007 establishes the National Labour Board to advise the Minister responsible for Labour and Employment on a wide range of labour matters.

The vocational education and training system plays a major role in promoting entrepreneurship in terms of both attitudes and skills.

There is critical need to set out specific employment and labour force development goals and objectives and to establish standards in order to adequately assess their effectiveness.

It further provides for the regulation of employment agencies and the registration and regulation of trade unions within the purview of the Minister for Labour. There is a requirement for the Labour Commissioner and Director of Employment and to prepare and publish annual reports on industrial relations matters and labour market information and employment trends. In addition these statutes provide for the registration of institution of establishments dealing with various labour matters.

### **Labour Market Information Systems**

Socio economic policies, programmes and practices affect the development and utilization of a nation's human resources in many ways. The formulation of policies dealing with economic planning, human resource development, education, poverty programs and other socio economic areas affects labour force development and utilization. These and other activities reflect the increasing complexity of Kenya's social and economic structure. Public policies therefore need comprehensive and perfect knowledge on the working of an increasingly complex competitive economic structure that is global in scope. The implications of the findings of this survey, indicate that the demands for high standards of economic performance will continue to increase and put on more pressures on the Government to perform better and utilize human resources not only for economic reasons, but increasingly for social reasons as well.

Therefore, broad spectrum of human resource policies needs to be examined in the context of overall national goals and objectives.

There is critical need to set out specific employment and labour force development goals and objectives and to establish standards in order to adequately assess their effectiveness. Central to the development of a national employment and development policy is the goal towards achievement of "full employment" and improvement in the standards of living of the population. The attainment of these goals can involve short-term and long term developments which will address a number of issues namely;

- The undesirable risk of unemployment among certain groups particularly women and youth;
- Enhance the increasing number of women participating in the labour force
- Rising levels of education and increasing vocational specialization
- The need for a greater matching of the education training system with labour market realities;
- Rising expectations regarding careers and the quality of working life;
- Changing characteristics of occupations as a result of changing technology;
- Increasing demand for more equitable distribution of income
- Removing of labour market impediments leading to a balance in the supply and demand for skills;
- Increasing global trade relationships and competition in product and labour markets.

All these demands and pressing challenges emphasize the need to review and formulate the principles guiding the development of the nation's employment and human resource planning and development policies. This should be done in the light of the overall national objectives on the one hand, and the interdependence of broad national policies and their effect on employment and labour force preparation, on the other. This calls for a comprehensive system of labour market information (LMI) which is essential for formulating policies and programmes that are directed to the betterment of human life. Given the existing weakness in the LMI system, there is urgent need for strengthening the mechanisms of systematic coordination of all aspects of a labour force development policy either in their formulation stages or execution stage with economic and social

growth policies. Therefore the new links need to be forged between macro economic policy and selective manpower policies, lest they end up working at cross purposes.

In this respect, policies for human development and utilization should involve all levels of government. Thus requires the full participation of all stakeholders and sectors of the economy. The private sector should be fully involved as the primary source in a market economy that determines the efficacy of labour force development policy. They have a role in helping determine the relationship between macro-economic policy and labour force development policy. This is because to a large extent, the macro economic policy instruments that are designed will help determine the aggregate demand for goods and services and consequently influence the aggregate demand for workers that is largely found in the private sector.

The employment and development policies desired should therefore contribute to improving the efficiency of the job-search, increasing the skills of the labour force, addressing skill shortages, and worker dislocations, and more importantly assist in enhancing productivity and the quality of life for Kenyans.

One of the primary aims of employment policy is to ensure the functioning of the labour market and the availability of labour. Labour demand mainly focuses on skilled labour and because of this training, improvement of professional skills and keeping job-seekers active should be given priority at broad based national, regional, and local levels. Promoting professional and regional mobility of the labour force improves employment and helps the labour market to function better. Measures should be taken to ensure sufficient number of skilled and trained labour in the labour market.

## 7.5 Recommendations

In light of the existing labour market situation the following are recommended:

1. Future labour force surveys should be planned and designed to take into consideration the experience and lessons learnt from the 2005/06 KIHBS.
2. There should be further surveys on Labour Market Information to provide aspects of the labour force that were not adequately captured in this survey such as job search activities of the unemployed.
3. The Government through formulation of Vision 2030, has identified six priority sectors as having the highest potential for economic growth, namely tourism, agriculture, manufacturing, wholesale and retail trade, business processing outsourcing and financial services. Efforts should be made to exploit the growth potential from these sectors, and in addition improve the infrastructure in areas that best support these growth engines. This will assist in reduced level of unemployment and contribute to poverty alleviation in the economy.
4. The challenge of creating full and productive employment and decent work for all is a difficult one. The success of national efforts to promote productive employment and decent work will depend largely on the extent to which sufficient priority is given to agricultural and rural enterprise development, the identification of appropriate pro-poor agricultural technologies, and to the reinforcement of rural member-based organisations.

It is therefore recommended that current reforms in the agricultural sector be sustained and include the following:

- Directing reform efforts in agriculture to assist the rural poor especially for women and vulnerable groups to secure access to land and other resources

One of the primary aims of employment policy is to ensure the functioning of the labour market and the availability of labour.

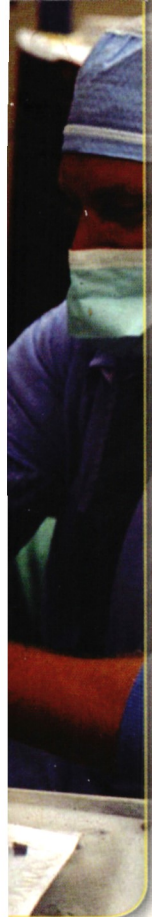
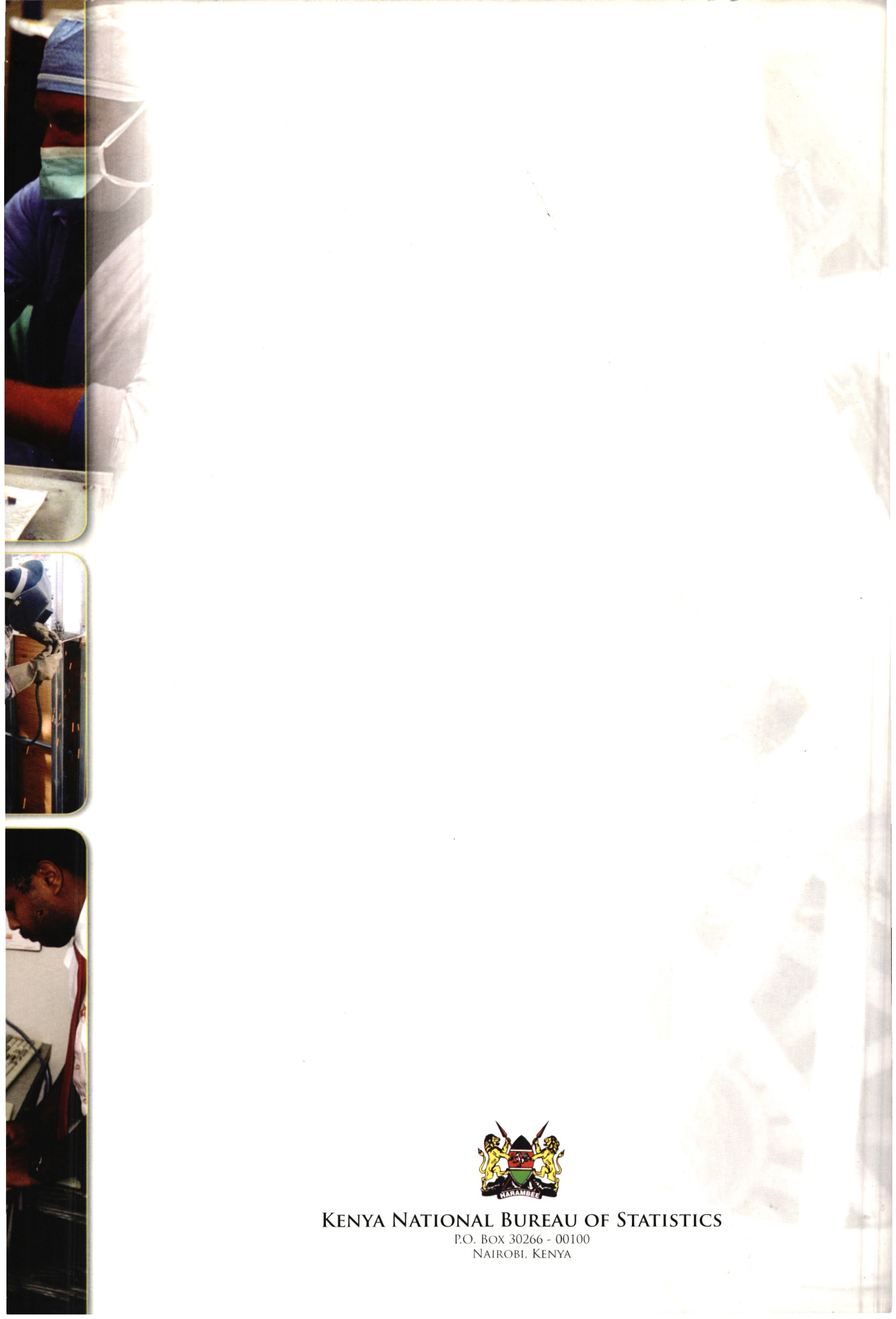
in order to contribute to increased productivity, earnings, and environmental sustainability.

- Agriculture and rural development policies should be formulated to reduce the vulnerability of agricultural labourers, including both landless and wage-dependent small farmers, and to enhance their capacity to gain productive employment.
- Formulation of policies that encourage investments that increase land and labour productivity in order to promote agricultural growth for employment generation and poverty reduction.
- Creating access to markets and business development services for rural enterprises in order to mobilize entrepreneurship and provides important incentives for adding value to products and enhancing employment prospects.
- The institutions of the poor rural people can play vital roles both in securing greater access to productive employment and ensuring decent working conditions.

5 In promoting pathways to decent work and in the spirit of observing “Resolution Concerning Youth Employment” adopted at the International Labour Conference in June 2005, the Government should continue to implement policies and programmes to promote decent work for young people;

- By placing decent and productive employment at the heart of economic and social policies, and targeting youth employment as a key priority based on national circumstances. Among other initiatives, the government, employers’ and workers’ organizations should play a major role in identifying, in the short, medium and long term, sectors that have strong potential for employment of young people;
- Promoting through a combination of policies and programmes, public and private enterprises and cooperatives in the creation of productive and decent jobs as already identified under the National Development Youth Fund for young people, specifically those in vulnerable situations without prejudice to the quantity or quality of jobs for adult workers. For example;
  - i. Targeted initiatives and incentive schemes to raise labour demand for young people, especially disadvantaged youth without decreasing the quantity and quality of work for others.
  - ii. Encourage entrepreneurship and productive and sustainable self-employment as career options and sources of decent employment for young people.
  - iii. Employment services, guidance and career advice such as labour market information and career counseling should be made available to young people and more intensive assistance should be provided for youth who have experienced lengthy periods of unemployment;
  - iv. To increase job quantity and quality, initiatives investing in young people should be supported by adequate human and financial resources;
  - v. Social partners should be involved in the design and implementation of policies and programmes promoting decent work for young people;
  - vi. Promotion of gender equality at all stages of the life cycle and elimination of discrimination against youth are imperative.

The institutions of the poor rural people can play vital roles both in securing greater access to productive employment and ensuring decent working conditions.



**KENYA NATIONAL BUREAU OF STATISTICS**

P.O. BOX 30266 - 00100  
NAIROBI, KENYA