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## Labor Market Opportunities for Youth in Kenya. Evidence from the 2020/21 Kenya Continuous Household Survey

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### INTRODUCTION

The youth population in the developing world is growing rapidly. This challenge is particularly acute in Kenya where over 80% of the country's population is under 35 years of age. The Kenyan government defines youth as being those aged between 15-35 years old, and over the past 20 years, the country has experienced a youth bulge. During this time infant mortality rates declined and fertility rates remained high (National Council for Population and Development). Though the fertility rate in Kenya dropped from 3.0 children/woman in 2010 to 1.9 children/woman in 2023, youth will remain a significant part of the population for the next several decades. Thus, the challenges associated with educating and employing them will remain acute.

### OBJECTIVES

This study analyzed Kenya's youth employment prospects. Our objectives were to assess both the demand and supply of labor and employment for youth in Kenya. We answered the following four research questions: 1) In what sector (agriculture, manufacturing, services) do Kenyans earn their livelihoods? 2) What is the current labor market participation and employment rate of youth nationally? 3) What are the education levels of employed, underemployed, and unemployed, people? 4) Where do youth and recent migrants go?

### DATA

We conducted our analysis using the most recent round of the Kenya Continuous Household Survey conducted in 2021 (KCHS 2021). The survey included questions related to education levels, current livelihood options, and jobs available by sector. In addition, there were questions on labor market participation rate, workers' skill sets, migration patterns, employment, and underemployment rates.

### Key Findings

1. **Where do Kenyans work?** 53% of Kenyans worked in agriculture in 2021, while 11% worked in industry and 36% worked in services in 2021.
2. **What are employment rates?** 55% of Kenyans were fully employed in 2021, 38% were underemployed and 7% were unemployed.
3. **Employment and Education:** 44% of those with below primary education were fully employed while 70% of those with secondary education or higher were fully employed. Urban people, who migrated, were educated, were male, and were of prime working age (25-54 years) were more likely to be fully employed.
4. **Where do migrants go?** 9% of youth between 15-24 years migrated for work and 17% of youth between 25-34 years did so. The vast majority of youth and young adults who migrated moved to urban areas

### Recommendations

1. Investments in vocational and skill-based training is critical for youth.
2. Most youth who migrate go to urban areas. Rural economic development is critical if youth are to remain there rather than migrate to urban areas.
3. Women are less likely to be fully employed than men. Policies and innovations that free up women's time are key to increasing employment and raising labor productivity.

Data from the KCHS provide the latest available information on Kenya's labor market.



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## RESULTS

### 1) In what sector (agriculture, manufacturing, services) do Kenyans earn their livelihoods?

It is clear and not surprising that agriculture and forestry were the major employers in Kenya in 2021, with 53% working in the sector nationally. This compared to 11% working in industry and 36% working in services in 2021.

### 2) What is the current labor market participation and employment rate of youth nationally?

Nationally, 55% of Kenyans were fully employed in 2021, meaning that they worked more than 40 hours per week. This rate was 68% in urban areas but just 48% in rural areas. Furthermore, 38% of the population was underemployed in 2021, meaning that they worked between zero and 40 hours per week. This was very prevalent in the rural areas where 48% of people were underemployed. Conversely, only 20% of urban residents were underemployed. In addition, true unemployment where people did not work at all was very low, as only 7% of the population was unemployed. Interestingly, unemployment stood at 12% in urban areas. This was higher than in rural areas where unemployment was 4%.

### 3) What are the education levels of unemployed, underemployed, and unemployed, people?

People with lower levels of education were much less likely to be fully employed, compared to those with higher levels of education. For example, just 44% of those with below primary education were fully employed while 70% of those with secondary education or higher were fully employed. Underemployment was higher for those with lower education but was still prevalent for those with higher levels of education. For example, 53% of people with below primary education were underemployed, while 23% of people with higher than secondary education were underemployed.

We found that urban people, males, migrants, people with higher education, and those who were of prime working age, between 25-54 years of age were more likely than other people to be fully employed in Kenya during 2021.

### 4) Where do youth and recent migrants go?

We found that 9% of youth between 15-24 years migrated for work and 17% of youth between 25-34 years did so. The vast majority of youth and young adults who migrated moved to urban areas. For

example, just 19% of youth aged 15-24 moved to rural areas while 81% moved to urban areas. In addition, just 16% of youth aged 25-34 moved to rural areas while 84% moved to urban areas.

## CONCLUSION

Access to remunerative jobs is an important issue in Kenya. That being said, only 7% of the population was unemployed in 2021. Underemployment was a larger issue affecting 38% of the population. Youth and people with lower education are more likely to be underemployed. However, 70% of underemployed persons said they did not want to work more hours. These people were more likely to be female, less educated, rural-based, and older. They likely had other constraints that reduced their time spent in wage employment. Thus, policies and innovations freeing women's time are key to increasing employment and raising labor productivity. Different policies are likely needed in urban and rural areas. For example, Labor-saving technologies to reduce women's time burden could help in rural areas, while family-friendly leave policies like maternity and paternity leave could help in more urban and formal work settings.

## REFERENCES

National Council for Population and Development. 2024. <https://ncpd.go.ke/>

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