

LABOUR INDICATORS

EXTRACT FROM LABOUR FORCE BASIC REPORT

A PRODUCT OF KENYA INTERGRATED HOUSEHOLD BUDGET SURVEY 2015/2016

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	Key Indicators	
	Indicator	Total
1	Labour Force Participation Rate (per cent)	77.4
	Male	79.2
	Female	75.6
2	Employment to Population Ratio	71.6
	Rural	73.2
	Urban	69.4
3	Unemployment Rate (per cent)	7.4
4	Underemployment Rate (per cent)	20.4
	Rural	26.6
	Urban	11
5	Total Dependency Ratio (per cent)	81.6
	Rural	96.7
	Urban	59.7
6	Child dependency Ratio (per cent)	74.7
	Rural	87.4
	Urban	56.1
7	Aged dependency Ratio (per cent)	7
	Rural	9.3
	Urban	3.6
8	Employed Population 15-64 (Million)	17.9
	Rural	10.8
	Urban	7
9	Unemployed Population 15-64 (Million)	1.4
	Economically Active 5+ (Million)	21.8
	Rural	13.4
	Urban	8.4
10	Labour Underutilization(LU2)	26.4
11	Employed Population 65+ (Million)	1.1
	Rural	1
	Urban	0.2
12	Working Children (5 - 17) (Million)	2.1
	Rural	1.8
	Urban	0.3

What is Labour Force?

The employed and the unemployed categories together make up the labour force, or the currently active population. This gives the number of people comprising the labour force for a specified period. The inactive population covers those members of the population who are not available for work including full-time students, retired persons, homemakers and the incapacitated.

labour market indicators

There are eight key labour market indicators in this Basic Report, namely; labour force participation rate; employment-to-population ratio; part-time workers; hours of work; unemployment; time-related under-employment; persons outside the workforce; and educational attainment of the labour force.

Dependency Ratio

The total dependency ratio measures the burden which the productive part of the population shoulders to support the economically dependent. An increase in the indicator impacts negatively on financial and social welfare of the people. The survey revealed that total Dependency Ratio in the country decreased to 81.6 per cent in 2016 compared to 86.9 per cent recorded in the 2009 KPHC.

Economically Active

In 2016, out of 39.3 million Kenyans aged five years and above, 55.5 per cent were economically active. The active population between ages 5 and 44 shows an increasing trend with the age cohort “40 – 44” reporting a maximum of 96.2 per cent. Overall, 93.7 per cent of the household heads were active. Majority of them (62.2 per cent) were from households with a maximum of four members.

Analysis by sex shows that of the total active household heads, 69.1 per cent were male. Further, 95.7 per cent of the male household heads were active. In addition, 89.5 per cent of the female household heads were active.

Labour Force Participation Rate

The overall labour force participation rate was 77.4 per cent. This indicates that slightly over 77 per cent of the working age population was either working for pay, profit, family gain or seeking employment. The highest participation rate was in the age cohort “40 – 44” at 96.2 per cent while the lowest was in the age cohort “15 – 19” at 32.4 per cent.

Employment to Population Ratio

The overall employment to population ratio in the country increased to 71.6 per cent in 2016, from 69.3 per cent as recorded in the 2009 KPHC. The survey results also show that the ratio of person aged below 24 years had declined between 2009 and 2016. This indicator is used to evaluate the ability of the economy to create jobs. A high ratio implies that a large proportion of the population in the working age is employed, which generally has positive effects to the Gross Domestic Product (GDP) per capita.

Hours worked

Data on hours of work are important in distinguishing the various intensities of employment. More so, the information is useful in monitoring the working conditions which impact on the health and wellbeing of workers as well as levels of productivity and labour costs. The highest proportion of people (27.7 per cent) worked between “40 – 48” hours in a week. The age cohort “15-19” reported the highest proportion of 30.8 per cent working for less than 15 hours mainly attributable to schooling activities.

Part Time Workers

Part time workers are the individuals who work fewer hours than full time employees. Based on 35 hours per week cut off, overall part time workers constituted 28.5 per cent of the 17.9million working population. In total, the working males were 9.2 million out of which 21.1 per cent were part time workers. Further, of the 8.7 million working females, part time workers accounted for 36.2 per cent.

Education Attainment

Overall, 51.4 per cent of the total population reported primary level of education as the highest attained while 21.2 per cent had secondary level of education. Person with university level of education (undergraduate and postgraduate) accounted for 3.0 per cent of the population.

Working Patterns

Out of the total employed persons aged 15-64 years, 63.2 per cent were full-time employees in 2016. Seasonal workers constituted 13.6 per cent while casual employees were 12.6 per cent. Majority of the fulltime and casual workers were aged below 45 years. On the other hand, most of the part-time workers were aged below 40 while majority of seasonal workers were below 35 years.

Time-Related Under-Employment

The survey revealed that 3.7 million or 20.4 per cent of the employed persons in the working age population were under-employed. This number refers to those who were engaged during the reference period and worked fewer hours than desired and were willing and available to work for longer time period. Under-employment was higher in the rural areas at 26.6 per cent compared to the urban areas at 11.0 per cent. Majority of the under-employed (61.8 per cent) were females.

Labour Underutilization

Labour underutilization gives an indication of the unmet need of employment among the population. Measures of underutilization identify groups among the employed and persons outside the labour force who share similarities with the unemployed. The focus is on issues of insufficient labour absorption

Unemployment Rate (LU1)

The survey results, under the “strict” definition of unemployment (not working, available and looking for work) show an overall 7.4 per cent unemployment rate. About 85 per cent of the

unemployed were aged below 35. The largest unemployment rate was recorded in the age cohort “20 – 24” at 19.2 per cent. Majority of the unemployed for both Male and female were in the same age cohort. Female constituted 64.5 per cent of the unemployed

Labour Underutilization (LU2)

This measure is computed as the combined rate of time-related under-employment and unemployment. **LU2** was calculated as 26.4 per cent with the highest rates of underutilization being observed in the youth age groups 15-29 and in the age category 55-64.

Economically Inactivity

The main two reasons of inactivity were school attendance and family responsibilities accounting for 73.8 per cent and 13.1 per cent, respectively. Considering the prime age of “25 – 54”, family responsibility and sickness/ injury were the two main reasons for inactivity

Main Recommendations of the survey

- To supplement the information contained in this report, further analysis targeting: engagement in economic activities; multiple jobs; earnings; literacy; formality and informality; persons not in the labour force and occupations should be undertaken.
- To update labour force indicators, Labour force surveys should be carried out more frequently (Preferably on a quarterly basis. Such surveys should be designed to provide key indicators up to the county levels.
- Future labour force surveys should be designed taking into account the emerging recommendations on labour statistics measurement and particularly, the recommendations of the 19th conference of labour statisticians.
- Special studies targeting skills level and literacy should be designed and undertaken.
- To cover the whole aspect of the labour force, special studies should be undertaken targeting population living in non-conventional households

Population Distribution by Age group and Sex

Age Group	Total	Male	Per cent	Female	Per cent
0-4	6,081.00	3,056.90	50.3	3,024.10	49.7
5 - 9	6,538.70	3,264.70	49.9	3,274.00	50.1
10 -14	6,016.80	3,032.60	50.4	2,984.20	49.6
15-19	5,015.80	2,598.60	51.8	2,417.20	48.2
20-24	4,069.40	1,931.30	47.5	2,138.10	52.5
25-29	3,666.80	1,716.20	46.8	1,950.60	53.2
30-34	3,062.70	1,501.00	49	1,561.80	51
35-39	2,503.10	1,207.90	48.3	1,295.20	51.7
40-44	2,006.40	1,011.00	50.4	995.4	49.6
45-49	1,475.90	761	51.6	714.9	48.4
50-54	1,241.50	597.9	48.2	643.6	51.8
55 -59	1,094.10	504.7	46.1	589.4	53.9
60-64	819.7	399	48.7	420.7	51.3
65-69	615.4	289.4	47	326	53
70-74	406.4	196.5	48.4	209.8	51.6
75-79	293	133	45.4	160	54.6
80-84	210.3	75.4	35.9	134.9	64.1
85-89	116.5	52.3	44.9	64.1	55
90-94	50.5	22.2	44	28.2	55.8
95+	45.7	19.3	42.2	26.4	57.8
Not Stated	41.4	21.8	52.7	19.6	47.3
Total	45,371.10	22,392.60	49.4	22,978.50	50.6

Distribution of population aged 5 years and above by Activity Status

Age	Total	Active	Inactive	Percentage of economically active
0-14	12555.5	1333.4	11222.1	10.6
15-19	24955.5	19311.4	5644.1	77.4
55 and above	1737.7	1146.5	591.1	66
Not stated	41.4	23.5	17.9	56.8
Total	39,290.1	21,814.9	17,475.2	55.5

Distribution of Working Age Population (15 - 64) by Employment, 2009 and 2016

Age	Population	Employed	Employment Ratio 2016	Employment Ratio 2009
15-19	5,015.80	1384.1	27.6	35.1
20-24	4,069.40	2321.6	57.1	63.5
25-29	3,666.80	2997.2	81.7	78
30-34	3,062.70	2741.8	89.5	82.7
35-39	2,503.10	2305	92.1	84.6
40-44	2,006.40	1878.1	93.6	85.3
45-49	1,475.90	1388.4	94.1	85.9
50-54	1,241.50	1160.3	93.5	83.8
55 -59	1,094.10	1002.6	91.6	81.5
60-64	819.7	696.7	85	77.9
Total	24,955.40	17873.8	71.6	69.3

Overall Labour force participation rate for age 15-64

Age	Total	Active	Participation rate
15-19	5015.8	1626.2	32.4
20-24	4069.4	2873.9	70.6
25-29	3666.8	3293.2	89.8
30-34	3062.7	2872.5	93.8
35-39	2503.1	2393.5	95.6
40-44	2006.4	1930.2	96.2
45-49	1475.9	1413.3	95.8
50-54	1241.5	1178.8	94.9
55 -59	1094.1	1022.1	93.4
60-64	819.7	707.7	86.3
Total	24955.5	19311.4	77.4

Labour force participation for Male by age

Age	Total	Active	Participation rate
15-19	2598.6	890.3	34.3
20-24	1931.3	1358.1	70.3
25-29	1716.2	1606.4	93.6
30-34	1501	1477	98.4
35-39	1207.9	1184	98
40-44	1011	990.8	98
45-49	761	747.8	98
50-54	597.9	585.5	98.3
55 -59	504.7	486	97.9
60-64	399	359.7	96.3
Total	12228.5	9685.7	90.2

Labour force participation for Female by age

Age	Total	Active	Participation rate
15-19	2417.2	735.8	30.4
20-24	2138.1	1515.8	70.9
25-29	1950.6	1686.8	86.5
30-34	1561.8	1395.5	89.4
35-39	1295.2	1209.4	93.4
40-44	995.4	939.5	94.4
45-49	714.9	665.5	93.1
50-54	643.6	593.3	92.2
55 -59	589.4	536.2	91
60-64	420.7	348	82.7
Total	12727	9625.8	75.6

Distribution of population by age and activity status

Age	Employed	Unemployed	Inactive	Total
5 - 14	1333.4	0	11222.1	12555.5
15-17	740.9	77.3	2412.8	3231.1
18-24	2964.7	717.1	2172.3	5854.1
25-34	5739	426.7	563.9	6729.6
35-64	8431	214.6	495.1	9140.8
65 and above	1146.5	0	591.1	1737.7
Not stated	23.5	0	17.9	41.4
Total	20379.1	1435.8	17475.2	39290.1

Distribution of population by activity status, sex and age

Age	Employed		Unemployed		Inactive		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
5 to 14	759.1	574.3	0	0	5538.2	5683.9	6297.3	6258.2
15-17	420.4	320.5	37.7	39.6	1215.3	1197.5	1673.4	1557.6
18-24	1523.3	1441.4	267	450.1	1066.2	1106.2	2856.4	2997.7
25-34	2957.3	2781.7	126.1	300.6	133.7	430.1	3217.1	3512.7
35-64	4275	4156	78.9	135.8	127.6	367.5	4481.5	4659.3
65 and above	560.6	585.9	0	0	227.5	363.7	788.1	949.6
Not stated	14.7	8.9	0	0	7.1	10.8	21.8	19.6
Total	10510.4	9868.7	509.7	926.1	8315.6	9159.6	19335.7	19954.4

Working patterns in percentage by sex

	Full time	Part time	Seasonal	Casual	Others	Not stated	Total
Male	5903.9	764.1	971.6	1473	19.5	44	9176.1
%	64.3	8.3	10.6	16.1	0.2	0.5	100
Female	5401.3	939.2	1464.4	783.8	21.4	89.6	8699.6
%	62.1	10.8	16.8	9	0.2	1	100

Distribution of under employment by age

Age	Under employment	Employed	Under employment rate
15-19	767.1	1384.1	55.4
20-24	564.8	2321.6	24.3
25-29	503.4	2997.2	16.8
30-34	400.1	2741.8	14.6
35-39	346.8	2305	15
40-44	253	1878.1	13.5
45-49	226.4	1388.4	16.3
50-54	177.9	1160.3	15.3
55 -59	220.3	1002	22
60-64	193.5	696.7	27.8
Total	3653.1	17875.7	

Distribution of employed labour force by age and sex

EMPLOYED			
Age	Male	Female	Total
15-19	784.5	599.6	1384.1
20-24	1159.3	1162.3	2321.6
25-29	1520.3	1476.9	2997.2
30-34	1437	1304.8	2741.8
35-39	1158.8	1146.2	2305
40-44	965.4	912.7	1878.1
45-49	739.3	649.1	1388.4
50-54	576.7	583.6	1160.3
55 -59	480.1	522.5	1002.6
60-64	354.8	341.9	696.7
Total	9174.2	8699.6	17873.8

Distribution of unemployed labour force by age and sex

UNEEMPLOYED				
Age	Male	Female	Total	Un employment rate
15-19	105.9	136.2	242.1	14.9
20-24	198.8	353.5	552.3	19.2
25-29	86.1	209.9	296	9
30-34	40	90.7	130.7	4.6
35-39	25.2	63.3	88.5	3.7
40-44	25.4	26.8	52.2	2.7
45-49	8.5	16.4	24.9	1.8
50-54	8.8	9.6	18.4	1.6
55 -59	5.9	13.7	19.6	1.9
60-64	5	6.1	11.1	1.6
Total	509.6	926.2	1435.8	7.4

Distribution of labour under utilization by age

Age	Employed	Unemployed	Under employed	Labour force	Total unemployed+ underemployed	Labour underutilization rate
15-19	1384.1	242.1	767.1	1626.2	1009.2	62.1
20-24	2321.6	552.3	564.8	2873.9	1117.1	38.9
25-29	2997.2	296	503.4	3293.2	799.4	24.3
30-34	2741.8	130.7	400.1	2872.5	530.8	18.5
35-39	2305	88.5	346.8	2393.5	435.3	18.2
40-44	1878.1	52.2	253	1930.2	305.2	15.8
45-49	1388.4	24.9	226.4	1413.3	251.3	17.8
50-54	1160.3	18.4	177.9	1178.8	196.3	16.7
55 -59	1002.6	19.6	220.3	1022.1	239.9	23.5
60-64	696.7	11.1	193.5	707.7	204.6	28.9
Total	17873.8	1435.8	3653.1	19311.4	5088.9	26.4

NB// Labour under utilization= Time related underemployment +unemployed/labour force