



KENYA NATIONAL BUREAU OF STATISTICS

QUARTERLY LABOUR FORCE REPORT

Quarter 2
April – June, 2019

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1. Introduction

The Quarterly Labour Force Survey (QLFS) is a modular survey under the Kenya Continuous Household Survey Programme (KCHSP). The programme is designed to provide a constant stream of data on a wide range of socio-economic indicators. The QLFS collects information about the Kenyan labour market activities for the population aged 5 years and above.

This quarterly release analyses the labour market situation for the population aged 15 to 64 years. Topics covered include labour force participation, employment, unemployment, Labour underutilization and inactivity.

This report presents the results for the period April to June 2019.

2. Key Highlights

Table 1 presents a summary of the Key Labour Market Indicators contained in this report.

Table 1: Key Labor Market Indicators

	April - June 2019		
Indicator	Quarter 1	Quarter 2	Change
Population (15-64).....	26,593,769	26,772,413	0.7
Labour Force.....	17,727,199	18,669,260	5.3
Employed.....	16,635,704	17,790,800	6.9
Employed/Population Ratio (%).....	62.6	66.5	3.9
Unemployed.....	1,091,495	878,460	- 19.5
Unemployment Rate (%).....	6.2	4.7	- 1.5
Long-Term Unemployed	577,549	481,117	- 16.7
Long-Term Unemployed (%).....	3.3	2.6	- 0.7
Not in Labor Force (Inactive).....	8,866,570	8,103,153	- 8.6
Labour Force Participation (%).....	66.7	69.7	3.0
Labour Under Utilization.....	2,115,500	1,613,399	- 23.7
Labour Under Utilization (LU2).....	11.9	8.6	- 3.3

3. Labour Force Participation

Table 2 presents the labour force participation findings by age cohorts. The participation rate stood at 69.7 per cent for quarter two. The age group 40 – 44 years recorded the highest rate at 90.9 per cent while the age group 15 – 19 years recorded the lowest rate at 24.1 per cent. Notable, the participation rates were slightly higher in quarter 2 compared to those for quarter one.

Table 2: Labour Force Participation by Age Cohorts

Age	Quarter 1			Quarter 2			Change
	Labour Force	Total Population	Rate	Labour Force	Total Population	Rate	
15-19	793,017	5,177,385	15.3	1,255,222	5,212,164	24.1	8.8
20-24	2,346,459	4,356,324	53.9	2,509,229	4,385,588	57.2	3.3
25-29	3,010,135	3,775,412	79.7	3,141,099	3,800,774	82.6	2.9
30-34	2,980,741	3,497,393	85.2	3,048,832	3,520,886	86.6	1.4
35-39	2,282,042	2,595,716	87.9	2,251,553	2,613,153	86.2	- 1.7
40-44	2,004,356	2,212,870	90.6	2,026,103	2,227,735	90.9	0.3
45-49	1,550,954	1,749,600	88.6	1,597,793	1,761,353	90.7	2.1
50-54	1,127,350	1,281,749	88.0	1,164,102	1,290,359	90.2	2.2
55-59	936,104	1,095,155	85.5	967,033	1,102,511	87.7	2.2
60-64	696,041	852,165	81.7	708,294	857,890	82.6	0.9
Total	17,727,199	26,593,769	66.7	18,669,260	26,772,413	69.7	3.0

4. Employment

4.1 Employment to Population Ratio

Table 3 presents the employment to population ratios for the population (15- 64). The survey revealed that the overall employment to population ratio in the country, for the working age population, was 66.5 per cent in quarter two of 2019, an increase of 3.9 per cent from quarter one.

Table 3: Employment to Population Ratios

Age	Quarter 1 - 2019			Quarter 2 - 2019			Change
	Employed	Total Population	Ratio	Employed	Total Population	Ratio	
15-19	704,828	5,177,385	13.6	1,180,056	5,212,164	22.6	9.0
20-24	1,953,135	4,356,324	44.8	2,159,548	4,385,588	49.2	4.4
25-29	2,724,080	3,775,412	72.2	2,939,044	3,800,774	77.3	5.1
30-34	2,829,918	3,497,393	80.9	2,963,881	3,520,886	84.2	3.3
35-39	2,235,826	2,595,716	86.1	2,224,045	2,613,153	85.1	- 1.0
40-44	1,947,912	2,212,870	88.0	1,952,136	2,227,735	87.6	- 0.4
45-49	1,527,365	1,749,600	87.3	1,575,171	1,761,353	89.4	2.1
50-54	1,105,151	1,281,749	86.2	1,139,608	1,290,359	88.3	2.1
55-59	920,029	1,095,155	84.0	957,926	1,102,511	86.9	2.9
60-64	687,460	852,165	80.7	699,385	857,890	81.5	0.8
Total	16,635,704	26,593,769	62.6	17,790,800	26,772,413	66.5	3.9

5. Unemployment, Long term Unemployment and Labour Underutilization

In this section, unemployment and Long-term unemployment rates are discussed. Also presented are details of labour underutilization. While calculating the unemployment rate, the strict definition of unemployment was applied. These results are presented in tables 4, 5 and 6, respectively.

5.1 Unemployment rate

As indicated in Table 4, the survey results give a 4.7 per cent unemployment rate using the strict definition. The youth aged 20-24 had the highest proportion of the unemployed at 13.9 per cent. On the other hand, those aged 30 – 64 years had unemployment rates of less than 4.0 per cent for each age group.

Table 4: Unemployment by Age Cohorts [LU1]

Age	Quarter 1			Quarter 2			Change
	Unemployed	Total Labour Force	Rate	Unemployed	Total Labour Force	Rate	
15-19	88,189.00	793,017	11.1	75,166	1,255,222	6.0	- 5.10
20-24	393,324.00	2,346,459	16.8	349,681	2,509,229	13.9	- 2.90
25-29	286,055.00	3,010,135	9.5	202,055	3,141,099	6.4	- 3.10
30-34	150,823.00	2,980,741	5.1	84,951	3,048,832	2.8	- 2.30
35-39	46,216.00	2,282,042	2.0	27,508	2,251,553	1.2	- 0.80
40-44	56,444.00	2,004,356	2.8	73,967	2,026,103	3.7	0.90
45-49	23,589.00	1,550,954	1.5	22,622	1,597,793	1.4	- 0.10
50-54	22,199.00	1,127,350	2.0	24,494	1,164,102	2.1	0.10
55-59	16,075.00	936,104	1.7	9,107	967,033	0.9	- 0.80
60-64	8,581.00	696,041	1.2	8,909	708,294	1.3	0.10
Total	1,091,495	17,727,199	6.2	878,460	18,669,260	4.7	- 1.5

5.2 Long-Term Unemployment Rate

As indicated in Table 5, the survey results give a 2.6 per cent long-term unemployment rate. The youth aged 20- 24 had the highest proportion of the unemployed at 7.5 per cent. The long-term unemployment declined in quarter two compared to quarter one.

Table 5: Long Term Unemployment by Age Cohorts

Age	Quarter 1			Quarter 2			Change
	Long Term Unemployed	Total Labour Force	Rate	Long Term Unemployed	Total Labour Force	Rate	
15-19	19,906	793,017	2.5	30,361	1,255,222	2.4	- 0.1
20-24	207,321	2,346,459	8.8	188,634	2,509,229	7.5	- 1.3
25-29	179,539	3,010,135	6.0	128,214	3,141,099	4.1	- 1.9
30-34	78,885	2,980,741	2.6	52,026	3,048,832	1.7	- 0.9
35-39	20,468	2,282,042	0.9	17,421	2,251,553	0.8	- 0.1
40-44	27,812	2,004,356	1.4	35,447	2,026,103	1.7	0.3
45-49	16,141	1,550,954	1.0	13,177	1,597,793	0.8	- 0.2
50-54	14,320	1,127,350	1.3	7,524	1,164,102	0.6	- 0.7
55-59	11,433	936,104	1.2	1,920	967,033	0.2	- 1.0
60-64	1,724	696,041	0.2	6,393	708,294	0.9	0.7
Total	577,549	17,727,199	3.3	481,117	18,669,260	2.6	- 0.7

5.3 Labour Underutilization

Labour underutilization refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population. As indicated in Table 6, the Labour Underutilization (LU2), which is the combined rate of time-related underemployment and unemployment was 8.6 per cent in quarter two compared to 11.9 per cent in quarter one. The highest rates of underutilization are observed in the youth age group 20-24 at 17.7 per cent.

Table 6: Unemployment, Time - Related Underemployment and Labour Underutilization by Age Cohorts [LU2]

Age	Quarter 1				Quarter 2				Change
	Time related Underemployed	Unemployed	Total Labour Force	Labour Underutilization [LU2]	Time related Underemployed	Unemployed	Total Labour Force	Labour Underutilization [LU2]	
15-19	41,659	88,189	793,017	16.4	37,431	75,166	1,255,222	9.0	- 7.4
20-24	106,759	393,324	2,346,459	21.3	94,392	349,681	2,509,229	17.7	- 3.6
25-29	194,825	286,055	3,010,135	16.0	106,185	202,055	3,141,099	9.8	- 6.2
30-34	142,114	150,823	2,980,741	9.8	161,625	84,951	3,048,832	8.1	- 1.7
35-39	172,347	46,216	2,282,042	9.6	82,488	27,508	2,251,553	4.9	- 4.7
40-44	124,161	56,444	2,004,356	9.0	84,172	73,967	2,026,103	7.8	- 1.2
45-49	82,210	23,589	1,550,954	6.8	63,792	22,622	1,597,793	5.4	- 1.4
50-54	82,812	22,199	1,127,350	9.3	35,677	24,494	1,164,102	5.2	- 4.1
55-59	43,211	16,075	936,104	6.3	25,837	9,107	967,033	3.6	- 2.7
60-64	33,907	8,581	696,041	6.1	43,340	8,909	708,294	7.4	1.3
Total	1,024,005	1,091,495	17,727,199	11.9	734,939	878,460	18,669,260	8.6	- 3.3

6. Youth Not in Education, Employment or Training (NEET)

This section presents results of the young people aged 15 to 34, who are no longer in the education system and who are not working or being trained for work. Table 7 shows youth who were not in education, employed or training. The percentage of youth in NEET was recorded at 11.8 per cent in quarter two compared to 13.7 per cent in quarter one, a 1.9 percentage point drop. The age group 24 – 25 and 25-29 recorded high proportions of persons in NEET at 18.2 per cent and 12.8 per cent, respectively.

Table 7: Youth Not in Education, Employment or Training (NEET)

Age	Quarter 1			Quarter 2			Change
	Not in Education, Employment or Training*	Total Population	%	Not in Education, Employment or Training*	Total Population	%	
15-19	556,474	5,177,385	10.7	382,095.3	5,212,163.9	7.3	-3.4
20-24	845,530	4,356,325	19.4	796,772.5	4,385,588.5	18.2	-1.2
25-29	528,571	3,775,413	14.0	485,495.6	3,800,774.0	12.8	-1.2
30-34	368,271	3,497,393	10.5	340,150.3	3,520,886.0	9.7	-0.8
Total	2,298,846	16,806,516	13.7	2,004,514	16,919,412	11.8	-1.9

* Vocational training was not captured so, some of the youth might still be in training.

Appendices

Appendix 1: Survey Design and Methodology

Sample Design

The KCHSP mainly focuses on data collection for key labour related indicators and poverty. Under the Programme, data is collected on quarterly basis and analysis undertaken to provide national estimates for labour indicators per quarter, and county estimates at the end of each year (12 months) for labour and poverty indicators among others. The monitoring of labour indicators on quarterly basis allows for analysis of changes over specific time periods.

Sample Size and Allocation

The KCHSP has a total of 50 study domains, namely; national, urban, rural and 47 counties. In designing the sample, the minimum sample size for anticipated integrated surveys and relative sizes of the counties was considered. The KCHSP sample consists of 1,684 clusters and 25,260 households. This sample comprise 1,300 clusters for cross-sectional survey and 384 clusters for panel study. At the county level, the sample ranges from a minimum of 24 clusters (360 households) to maximum of 56 clusters (840 households).

Two panels are implemented alongside the cross-sectional sample in each quarter. In total, 517 (325-cross-sectional and 192 panel) clusters (7,755 households) are visited every quarter. The sample allocation in each quarter is presented in Table 8.

Sample Frame

The sample for this survey was drawn from the Fifth National Sample Survey and Evaluation Programme (NASSEP V). The NASSEP V Frame is composed of 5,360 clusters selected with Probability Proportional to Size (PPS) from 96,251 Enumeration Areas (EAs) from the 2009 Population and Housing Census. In the development of NASSEP V, the 47 counties were stratified into 92 sampling strata, that is, urban and rural strata in 45 counties plus Nairobi and Mombasa Counties that are wholly urban.

Sampling

Two sets of units are sampled, namely; clusters and households. At the time of interviews in the households, it is expected that individuals are eligible for various modules of the survey. The sampling is done separately for cross-sectional and panel surveys.

Sampling of Clusters

The clusters are the primary sampling units for KCHSP and are selected independently from each of 92 strata in NASSEP V frame. The required clusters for the entire year are selected systematically with equal probability. The selected clusters from each stratum are further randomized systematically into the four panels.

Sampling of Households

A total of 15 households per cluster are sampled systematically (with random start) from the list of updated households. Sampling of the households is done centrally at the head-office and interviews are only undertaken in the preselected households.

Table 8: Sample Allocation for KCHSP Per Quarter

County		Clusters			Households		
Code	Name	Cross-sectional	Panel	Total	Cross-sectional	Panel	Total
1	MOMBASA	8	4	12	120	60	180
2	KWALE	7	4	11	105	60	165
3	KILIFI	7	4	11	105	60	165
4	TANA RIVER	6	2	8	90	30	120
5	LAMU	5	2	7	75	30	105
6	TAITA TAVETA	6	4	10	90	60	150
7	GARISSA	6	4	10	90	60	150
8	WAJIR	6	4	10	90	60	150
9	MANDERA	7	4	11	105	60	165
10	MARSABIT	6	4	10	90	60	150
11	ISIOLO	5	2	7	75	30	105
12	MERU	8	6	14	120	90	210
13	THARAKA	6	4	10	90	60	150
14	EMBU	7	4	11	105	60	165
15	KITUI	7	4	11	105	60	165
16	MACHAKOS	8	4	12	120	60	180
17	MAKUENI	7	4	11	105	60	165
18	NYANDARUA	7	4	11	105	60	165
19	NYERI	7	4	11	105	60	165
20	KIRINYAGA	7	4	11	105	60	165
21	MURANG'A	8	4	12	120	60	180
22	KIAMBU	8	6	14	120	90	210
23	TURKANA	7	4	11	105	60	165
24	WEST POKOT	6	4	10	90	60	150
25	SAMBURU	6	2	8	90	30	120
26	TRANS NZOIA	7	4	11	105	60	165
27	BARINGO	6	4	10	90	60	150
28	UASIN GISHU	7	4	11	105	60	165
29	ELGEYO-MARAKWET	6	4	10	90	60	150
30	NANDI	7	4	11	105	60	165
31	LAIKIPIA	6	4	10	90	60	150
32	NAKURU	8	6	14	120	90	210
33	NAROK	7	4	11	105	60	165
34	KAJIADO	7	4	11	105	60	165
35	KERICHO	7	4	11	105	60	165
36	BOMET	7	4	11	105	60	165
37	KAKAMEGA	8	6	14	120	90	210
38	VIHIGA	7	4	11	105	60	165
39	BUNGOMA	8	4	12	120	60	180
40	BUSIA	7	4	11	105	60	165
41	SIAYA	7	4	11	105	60	165
42	KISUMU	7	4	11	105	60	165
43	MIGORI	7	4	11	105	60	165
44	HOMA BAY	7	4	11	105	60	165
45	KISII	7	4	11	105	60	165
46	NYAMIRA	7	4	11	105	60	165
47	NAIROBI	10	8	18	150	120	270
		325	192	517	4,875	2,880	7,755

Appendix 2: Concepts and Definitions

Economically Active: The activity principle of the labour force framework is based on the concept of production of goods and services falling under the production frontiers of the United Nations System of National Accounts (SNA 2008). The economically active population analysed here consisted of the employed and the unemployed persons. The employed includes those persons who reported that they 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 layoff.

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, 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 looking for alternative jobs or starting other businesses were included in the inactive population.

Labour force: consists of all persons in the working age population who are either employed or unemployed. It was previously also referred to as the 'currently active population'

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.

Unemployment: Under the strict terms is defined as people who do not have a job, have actively looked for work in the past four weeks, and are currently available for work.

Long-term unemployment: This refers to all unemployed persons with continuous periods of unemployment extending for one year or longer (52 weeks and over).

Labour Force Participation Rate (LFPR): The LFPR is a measure of the proportion of a country's working-age population that engages actively in the labour market, either by working or looking for work; it provides an indication of the size of the supply of labour available to engage in the production of goods and services, relative to the population at working age

Working patterns: Depending on their daily or weekly working hours, persons may work either on full-time or part-time basis.

The Working-age Population (WAP): includes all persons in the population above a specified age threshold used for statistical purposes to define the economically active population

Dependency ratio: This is an indicator of the economic burden the productive portion of the population must bear. It is computed as a ratio of the population considered to be

“dependent” (aged below 15 years and 65 years and above) to the working age population (15 to 64 years).

Employment to population ratio: This is the proportion of a country’s working age population that is employed. It gives an indication of the job opportunities that are available for the persons in the economically active age groups in an economy. A high employment to population ratio indicates that a large proportion of the population is employed, while a low ratio means that large share of the population is not directly involved in market related economic activities because they are either unemployed or out of the labour force.

Time-related underemployment rate: This is a measure of labour underutilization that provides information regarding the share of employed persons who are willing and available to increase their working time (for production within the SNA production boundary) and worked fewer hours than a specified time threshold during the reference period.

Labour underutilization: Refers to mismatches between labour supply and demand, which translate into an unmet need for employment among the population. Labour Under Utilization [LU2] is computed as the combined rate of time-related underemployment and unemployment.

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