KENYA NATIONAL BUREAU OF STATISTICS

QUARTERLY LABOUR FORCE REPORT

Quarter 3,

July – September, 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 July to September 2019.

2. Key Highlights

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

Table 1: Key Labour Market Indicators

July – September 2019

Indicator	Quarter 2	Quarter 3	Change	
Population (15-64)...	26,772,413	26,951,054		0.7
Labour Force...	18,669,260	18,811,024		0.8
Employed...	17,790,800	17,816,382		0.1
Employment/Population Ratio (%)...................................	66.5	66.1	-	0.4
Unemployed..	878,460	994,642		13.2
Unemployment Rate (%)...	4.7	5.3		0.6
Long-Term Unemployed..	481,117	431,777	-	10.3
Long-Term Unemployed (%)..	2.6	2.3	-	0.3
Not in Labor Force (Inactive)...	8,103,153	8,140,030		0.5
Labour Force Participation (%)..	69.7	69.8		0.1
Labour Under Utilization...	1,613,399	1,597,387	-	1.0
Labour Under Utilization (LU2).......................................	8.6	8.5	-	0.2

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3. Labour Force Participation

Table 2 presents the labour force participation findings by age cohorts. The participation rate stood at 69.8 per cent for quarter 3. The age group 45 – 49 years recorded the highest rate at 91.1 per cent while the age group 15 – 19 years recorded the lowest rate at 28.3 per cent.

Table 2: Labour force Participation Rates by Age Cohorts

Age	Quarter 2			Quarter 3			Change	
	Labour Force	Total Population	Rate	Labour Force	Total Population	Rate		
15-19	1,255,222	5,212,164	24.1	1,483,474	5,246,942	28.3		4.2
20-24	2,509,229	4,385,588	57.2	2,511,219	4,414,851	56.9	-	0.3
25-29	3,141,099	3,800,774	82.6	3,073,407	3,826,136	80.3	-	2.3
30-34	3,048,832	3,520,886	86.6	2,956,090	3,544,380	83.4	-	3.2
35-39	2,251,553	2,613,153	86.2	2,328,840	2,630,589	88.5		2.3
40-44	2,026,103	2,227,735	90.9	2,007,273	2,242,599	89.5	-	1.4
45-49	1,597,793	1,761,353	90.7	1,615,522	1,773,105	91.1		0.4
50-54	1,164,102	1,290,359	90.2	1,163,706	1,298,970	89.6	-	0.6
55-59	967,033	1,102,511	87.7	994,370	1,109,868	89.6		1.9
60-64	708,294	857,890	82.6	677,123	863,614	78.4	-	4.2
Total	18,669,260	26,772,413	69.7	18,811,024	26,951,054	69.8		0.1

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 66.1 per cent in quarter 3 compared to 66.5 per cent in the previous quarter.

Table 3: Employment to Population ratio

Age	Quarter 2			Quarter 3			Change	
	Employed	Total Population	Ratio	Employed	Total Population	Ratio		
15-19	1,180,056	5,212,164	22.6	1,409,891	5,246,942	26.9		4.3
20-24	2,159,548	4,385,588	49.2	2,108,803	4,414,851	47.8	-	1.4
25-29	2,939,044	3,800,774	77.3	2,831,487	3,826,136	74.0	-	3.3
30-34	2,963,881	3,520,886	84.2	2,839,510	3,544,380	80.1	-	4.1
35-39	2,224,045	2,613,153	85.1	2,259,782	2,630,589	85.9		0.8
40-44	1,952,136	2,227,735	87.6	1,941,233	2,242,599	86.6	-	1.0
45-49	1,575,171	1,761,353	89.4	1,612,473	1,773,105	90.9		1.5
50-54	1,139,608	1,290,359	88.3	1,151,747	1,298,970	88.7		0.4
55-59	957,926	1,102,511	86.9	986,433	1,109,868	88.9		2.0
60-64	699,385	857,890	81.5	675,023	863,614	78.2	-	3.3
Total	17,790,800	26,772,413	66.5	17,816,382	26,951,054	66.1	-	0.4

5. Unemployment, Long term Unemployment and Labour Underutilization

Unemployment rate was calculated using the strict definitions. The long-term unemployment rate is also computed. These results are presented in subsequent tables below.

5.1 Unemployment rate

As indicated in Table 4 the survey results give a 5.3 per cent unemployment rate using the strict definition. The youth aged 15-29 had the highest proportion of the unemployed ranging from 5.0 per cent to 16.0 for those aged 20 - 24 years. On the other hand, those aged 45 years and above had unemployment rates of 1.0 per cent or less.

Table 4: Unemployment by Age Cohorts

Age	Quarter 2			Quarter 3			Change
	Unemployed	Total Labour Force	Rate	Unemployed	Total Labour Force	Rate	
15-19	75,166	1,255,222	6.0	73,583	1,483,474	5.0	- 1.00
20-24	349,681	2,509,229	13.9	402,416	2,511,219	16.0	2.10
25-29	202,055	3,141,099	6.4	241,920	3,073,407	7.9	1.50
30-34	84,951	3,048,832	2.8	116,580	2,956,090	3.9	1.10
35-39	27,508	2,251,553	1.2	69,058	2,328,840	3.0	1.80
40-44	73,967	2,026,103	3.7	66,040	2,007,273	3.3	- 0.40
45-49	22,622	1,597,793	1.4	3,049	1,615,522	0.2	- 1.20
50-54	24,494	1,164,102	2.1	11,959	1,163,706	1.0	- 1.10
55-59	9,107	967,033	0.9	7,937	994,370	0.8	- 0.10
60-64	8,909	708,294	1.3	2,100	677,123	0.3	- 1.00
Total	878,460	18,669,260	4.7	994,642	18,811,024	5.3	0.6

5.2 Long-Term Unemployment Rate

As indicated in Table 5 the survey results give a 2.3 per cent long-term unemployment rate. The youth aged 20- 24 had the highest proportion of the long term unemployed at 7.6 per cent. On the other hand, those aged 60 - 64 years had a negligible long-term unemployment rate. The long-term unemployment declined in quarter three compared to quarter two.

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Table 5: Long -Term Unemployment by Age Cohorts

Age	Quarter 2			Quarter 3			Change
	Long Term Unemployed	Total Labour Force	Rate	Long Term Unemployed	Total Labour Force	Rate	
15-19	30,361	1,255,222	2.4	24,106	1,483,474	1.6	0.8
20-24	188,634	2,509,229	7.5	191,349	2,511,219	7.6	- 0.1
25-29	128,214	3,141,099	4.1	100,664	3,073,407	3.3	0.8
30-34	52,026	3,048,832	1.7	55,811	2,956,090	1.9	- 0.2
35-39	17,421	2,251,553	0.8	13,516	2,328,840	0.6	0.2
40-44	35,447	2,026,103	1.7	31,743	2,007,273	1.6	0.1
45-49	13,177	1,597,793	0.8	1,999	1,615,522	0.1	0.7
50-54	7,524	1,164,102	0.6	7,652	1,163,706	0.7	- 0.1
55-59	1,920	967,033	0.2	4,937	994,370	0.5	- 0.3
60-64	6,393	708,294	0.9	0	677,123	–	0.9
Total	481,117	18,669,260	2.6	431,777	18,811,024	2.3	0.3

5.3 Labour Underutilization [LU2]

As indicated in Table 6, the Labour Underutilization (LU2), which is the combined rate of time-related underemployment and unemployment declined to 8.5 per cent in quarter three compared to 8.6 in quarter two. The highest rates of underutilization are observed in the age groups 20-24 followed by the age group 15-19 at 18.7 and 11.0 per cent, respectively.

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

Age	Quarter 2				Quarter 3				Change	
	Time related Underemployed	Unemployed	Labour Force	Labour Underutilization [LU2]	Time related Underemployed	Unemployed	Labour Force	Labour Underutilization [LU2]		
15-19	37,431	75,166	1,255,222	9.0	15,461	73,583	1,483,474	6.0	-	3.0
20-24	94,392	349,681	2,509,229	17.7	66,915	402,416	2,511,219	18.7		1.0
25-29	106,185	202,055	3,141,099	9.8	96,028	241,920	3,073,407	11.0		1.2
30-34	161,625	84,951	3,048,832	8.1	93,914	116,580	2,956,090	7.1	-	1.0
35-39	82,488	27,508	2,251,553	4.9	95,574	69,058	2,328,840	7.1		2.2
40-44	84,172	73,967	2,026,103	7.8	73,368	66,040	2,007,273	6.9	-	0.9
45-49	63,792	22,622	1,597,793	5.4	77,171	3,049	1,615,522	5.0	-	0.4
50-54	35,677	24,494	1,164,102	5.2	37,611	11,959	1,163,706	4.3	-	0.9
55-59	25,837	9,107	967,033	3.6	27,308	7,937	994,370	3.5	-	0.1
60-64	43,340	8,909	708,294	7.4	19,395	2,100	677,123	3.2	-	4.2
Total	734,939	878,460	18,669,260	8.6	602,745	994,642	18,811,024	8.5	-	0.1

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

This section presents results of the young persons aged 15 to 34, who are no longer in the education system and who are not working or being trained for work. Table 7 presents details of youth who were Not in Education, Employment or Training (NEET). The percentage of youth in NEET was recorded at 13.3 per cent in quarter three compared to 11.8 per cent in quarter two. The age group 15 -19 recorded the least proportion of persons in NEET at 7.4 per cent.

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

Age	Quarter 2			Quarter 3			Change
	Not in Education, Employment or Training*	Total Population	%	Not in Education, Employment or Training*	Total Population	%	
15-19	382,095	5,212,164	7.3	389,230	5,246,942	7.4	0.1
20-24	796,773	4,385,589	18.2	865,922	4,414,851	19.6	1.4
25-29	485,496	3,800,774	12.8	554,089	3,826,135	14.5	1.7
30-34	340,150	3,520,886	9.7	464,499	3,544,379	13.1	3.4
Total	2,004,514	16,919,413	11.8	2,273,740	17,032,307	13.3	1.5

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

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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

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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

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"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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