

Regional Disparities in Employment and Human Development in Kenya

Jacob Omolo¹

jackodhong@yahoo.com; omolo.jacob@ku.ac.ke

ABSTRACT

What are the regional disparities in employment and human development in Kenya? This is obviously some of the questions that linger in the minds of many Kenyans as they prepare to mark the second anniversary of the promulgation of the new Constitution in August 2012. This chapter attempts to explore the regional disparities in employment, earnings and human development in Kenya. It contextualizes the study within the framework of unbalanced regional development that Kenya has grappled with since attaining political independence in 1963. It then discusses the various indicators of regional imbalances in employment, earnings and human development. It concludes that Kenya still manifests considerable regional disparities in employment, earnings and human development. It is expected that effective implement of the Constitution, inclusive of the devolved system of government will help address these imbalances.

CONTEXT

Since attaining political independence in 1963, the Kenya government has been grappling with the persistent problem of unbalanced regional development. The government has tried, through various policies and interventions, to reverse the discriminative effects of the colonial policies that had created wide disparities and imbalances between regions. However, after decades of experimenting with different economic and social policies, regional disparities and imbalances in economic, social and political developments still persist. Regional inequalities and imbalances have increasingly become a source of political and social conflict. Even though Kenya developed and promulgated a new Constitution in 2010, challenges exist. The country still suffers from traditional power imbalances between the male and female gender; resources distribution continues to entail a dark lining of inequality based on region, ethnicity, and class; infrastructural developments continue marginalizing the already marginalized communities; and public service continue exhibiting generalized ethnic imbalances with favor to the communities that have had the presidency from one of their own, among others.

While the new constitution promises radical changes in the management of the affairs of the country and gives greater say and participation to communities through the devolved system, it also creates further avenues through which deepened cases of marginalization and disparities emerging on the basis of the new county structures are here to stay. The biggest allure of a devolved system is in its promise to bring about equitable distribution of national resources and, therefore, address socio-economic inequalities that were inherent in a centralized system for many decades. Yet the biggest challenge of this system is perhaps embedded in new fears emerging, and in some cases old rivalries that were largely submerged by the tight control of the central governance coming out, in the form of renewed marginalization and ethnic nationalism, which if not addressed well, could undermine the peace, stability, governance and service delivery. As a result, cases of conflicts caused by marginalization and regional discontent are no more dismissible issues especially in the new governance framework. Addressing regional disparities in Kenya obviously require development and implementation of an alternative approach to development that provides a multifaceted and multi-sectoral framework that will foster a more balanced economic development in the country. The approach would of necessity revolve around the formulation and implementation of equity-oriented policies and programmes; the formulation and implementation of integrated regional development framework; reforms in the legal environment in order to create a more cohesive framework for addressing regional disparities and a robust

¹ Dr. Jacob Omolo is a Lecturer at the School of Economics (Department of Applied Economics), Kenyatta University

monitoring framework that will develop and monitor the achievement of key indicators and milestones of balanced regional development. Further, recognition of existence of various actors in regional development is critical. As part of the interventions to promote policy discourse and dialogue, this paper seeks to document the state of regional disparities in employment and earnings, and human development in Kenya.

BACKGROUND

Kenya aspires to become a globally competitive country offering high quality of life to all her citizens by the year 2030. Attainment of this aspiration hinges on the extent to which the country is able to create and nurture a competitive and adaptive human resource base responsive to the rapidly industrializing and globalizing economy. The economic, social and political pillars of the *Kenya Vision 2030* are anchored on existence of a skilful, productive, competitive and adaptive human resource base. Creation of productive, decent and sustainable employment opportunities is, therefore, at the core of achieving the Vision 2030 goals. The Constitution of Kenya reaffirms the government's commitment to employment issues. It provides for equality in access to employment opportunities. Specifically, Article 41 of the Constitution grants all persons the right to fair labour practices. It guarantees every worker the right to: fair remuneration; reasonable working conditions; form, join or participate in trade union activities and programmes; and undertake strike action. Article 43 of the Constitution provides for economic and social rights, which includes the right to social security. The Constitution, therefore, advocates for decent work, where freely chosen productive employment is promoted simultaneously with fundamental rights at work, adequate income from work, representation and the security of social protection. Thus any disparities in employment and earnings whether regional or gender related would undermine the spirit of the Constitution.

Regional and Gender Disparities in Wage Employment

Employment is globally recognized as a means of freeing people out of extreme poverty and multiple deprivations. In Kenya, employment varies according to regions as illustrated in Figure 1.

Figure 1 shows the variations in wage employment over the period 2005-2010. It shows that Nairobi Province claimed the highest number of wage employment followed by Rift Valley, Central and Coast Provinces. North Eastern has the least number of wage employees followed by Western, Eastern and Nyanza. Trends in wage employment over the period 2005-2010 shows that the Provincial share of wage employment remained almost constant over the five-year period. According to the data, the proportion of wage employees in Nairobi remained constant at about 25.1 per cent of the national wage employment (Republic of Kenya, 2011; 2010). The comparative figures for Rift Valley was 22.5 per cent, Central (14.2%), Coast (12.4%), Nyanza (9.9%), Eastern (8.3%), Western (6.6%) and North Eastern (0.9%).

Over the same period, national wage employment grew by 13.7 per cent or an average of 2.7 per cent per year. The trends and regional variations in wage employment is a manifestation of the regional disparities in economic activities. It is also a reflection of the unbalanced growth models pursued by the government over time. The constant regional share of wage employment also implies that no meaningful process has been made in promoting regional balance in access to employment opportunities. Thus without policy, institutional and legal strategic interventions, the regional imbalances in access to employment will persist, thereby undermining the socio-economic development of the country.

Other wage employment dynamics in Kenya show that the proportion of women in wage employment increased marginally from 26.2 percent in 1995 to 29.5 percent in 2000, but remained constant at 29.6 percent in the period 2001-2004. It then increased marginally to average 30.2 percent over the 2006-2008 but thereafter declined to 28.7 per cent in 2010 (Republic of Kenya, 2011). The trends in total employment and share of women in wage employment reveal inequities in access to wage employment by women. It shows that even though there was some growth in formal sector employment averaging 1.98 per cent per annum in 1995-2010, the employment opportunities were not accessed equally by women and men as would be expected under the decent work agenda. The negative impact of such inequity in access to wage employment is worsened by the fact that on average, the mean monthly earnings from paid employment for males are about 1.5 times that of females (Republic of Kenya, 2005).

Kenya has been experiencing shifts in forms of employment. This is depicted by casualization of work, contract engagement, outsourcing of jobs, subcontracting and temporary employment. The proportion of casual workers in

wage employment increased gradually from 17.9 per cent in 2000 to 21.2 per cent in 2005 (Republic of Kenya, 2006). The proportion of employees on casual terms increased thereafter to reach an all time high of 32.2 per cent in 2008 before declining marginally to 30.1 per cent in 2010 (Republic of Kenya, 2011). The increase in formal sector employment between 2002 and 2003 was, for example, wholly attributed to the increase in the number of casual workers. Between 2009 and 2010, the number of workers on casual terms of employment increased by 5.4 per cent as compared to 2 per cent for employees on regular terms.

Casualization of jobs and other contemporary forms of employment more often than not, do not facilitate the workers to enjoy the fundamental rights at work (Omolo, 2010). Such rights include freedom of association and collective bargaining, right to paid leave, and the right to social protection as provided under the National Social Security Fund (NSSF) and the National Hospital Insurance Fund (NHIF). Even though the NSSF and NHIF have expanded their membership base to include casuals and other workers, only a few of the workers may have joined the schemes. Such forms of employment if not well checked, impair labour relations and erode worker protection. They also transfer additional responsibilities, such as social and trade union protection, job security, and wage negotiations to the worker. This may, however, be at the expense of productivity, national competitiveness and employment creation.

Regional Disparities in Informal Sector Employment

Informal sector constitute an important segment of Kenya's labour market. Trends in informal sector employment also manifest considerable regional disparities as illustrated in Figure 2. Consistent with the regional trends in wage employment and as depicted in Figure 2, Nairobi Province has the highest number of informal sector employment. This is followed by Rift Valley, Central, Coast and Nyanza. North Eastern Province still stands out as the Province with the least employment. In terms of informal sector employment proportions or share, Nairobi Province accounts for an average of 24.4 per cent of total informal sector employment. This is compared to 18.9 per cent for Rift Valley, 15.8 per cent for Central and 12.4 per cent for Coast. Others are Nyanza (11.7%), Eastern (9%), Western (7.3%) and North Eastern 0.5%).

A comparative analysis of the shares of formal and informal sector employment shows that Nairobi, Rift Valley and North Eastern Provinces have a relatively higher proportion of wage employees as compared to informal sector employees. However, Central, Nyanza, Eastern and Western Provinces have a relatively large proportion of informal sector employees as compared to wage employees. The proportion of wage and informal sector employees in Coast Province is the same at 12.4 per cent. In the context of urban-rural divide, the number of persons engaged in the informal sector in urban areas increased from 33.9 per cent of total informal sector employment in 2005 to about 39 per cent in 2010 (Republic of Kenya, 2011). Over time, the proportion of informal sector employees has been higher in the rural areas than in the urban areas. Though a key contributor of jobs in Kenya, the informal sector jobs are precarious in nature and presents decent work deficits. The jobs are characterized by job insecurity, poor wages and terms and conditions of employment and absence of institutionalized social protection mechanisms. Other manifestations of decent work deficits in the sector are weak workplace safety and health standards, and low job tenure (Republic of Kenya, 2012).

Disparities in Unemployment

The employment challenge in Kenya has grown over time. The level of open unemployment in the country increased from 6.7 per cent in 1978 to 14.6 percent in 1998/1999 before easing to 12.7 percent in 2005/2006 (Republic of Kenya, 2012). In 2005/2006, Kenya had a disguised or under-employment rate of 21 per cent and a working poor of 46 per cent of the employed. The incidence of Kenya's open unemployment also varies according to age, regions and gender. Kenya's unemployment data reveal considerable variations amongst different age cohorts. Figure 3 gives a schematic representation of urban unemployment rates in Kenya by age group over the years 1978, 1986 and 1998/99. Figure 3 shows that show that the relationship between unemployment rate and age takes a U-shape. It shows that urban unemployment is highest amongst the youth, relatively low for the middle aged and rises thereafter. Though not directly observable from Figure 3, in 1978, the urban unemployment rate amongst the 15-19 years age cohort was 26.6 per cent compared to 18.5 per cent for 20-24 years group and 4.8 per cent for the 25-29 groups and 30-34 age groups.

The urban unemployment rate for the 50-54, 55-59 and 60-64 age groups was 1.4 per cent, 1.5 per cent and 3.2 per cent. In 1998/99, the urban unemployment rates for 15-19, 20-24, 25-29 and 30-34 was 47 per cent, 47.3 per cent,

25.1 per cent and 14.3 per cent, respectively. This is compared to 18.9 per cent, 40.6 per cent and 45.2 per cent for 50-54, 55-59 and 60-64 age cohorts in that order. Figure 4 gives national unemployment rates by age. It also indicates the U-shaped relationship between unemployment rate and age. Figure 4 shows that the youth bears the greatest burden of unemployment. The rate of unemployment amongst the aged (50 years and above) is also higher than that of the middle aged groups.

The age structure of unemployment also varies by Province. Data extracted from the Kenya Integrated Household Budget Survey (2005/06) confirms that youth unemployment rates are higher than adults' in all Provinces, but differences can be as low as 36 per cent higher, as in the North Eastern region, to 2, 3 and even 6 times higher as in Nyanza as shown in Figure 5. The illustrations in Figure 5 suggest that in contrast with the North Eastern region, where unemployment is a generalized problem, unemployment in Nyanza is basically a youth problem. Nairobi and the Western Provinces also have an unemployment structure that is much more acute for the youth than adults, as rates are three times higher. Data extracted from the Kenya Integrated Household Budget Survey (2005/06) also indicates that youth unemployment rates vary greatly from one Province to another. The youth unemployment rates are low in Nyanza and Nairobi, relatively high in Central and Eastern Provinces, and considerably high in the North Eastern Province (Figure 6).

In Kenya, the 15-19, 20-24 and 25- 29 years youth cohort represent the entry node of the labour market. The relatively high rates of open unemployment amongst this entry group emphasize the magnitude of the country's employment inequities and decent work deficits. While local youth unemployment conditions should guide policy actions, it is also important to have a country wide vision of how the absolute numbers of unemployed young people are distributed across Provinces. Figure 7 show that Rift Valley Province has the largest number of the unemployed youth: slightly more than half a million. The North Eastern Province has the smallest number of unemployed young people at 148,000. Despite its large size, Nairobi accounts for about 231,000 unemployed youth. Figure 8 gives the distribution of youth unemployment by Province and age. It uses the five year moving average (age ma5). Figure 8 show that Nairobi and the North Eastern region have high unemployment rates. The unemployment rates for Nairobi and North Eastern are especially high for the youngest age group. Central and Eastern Provinces, on the contrary, have relatively low unemployment rates for young people ages 15-19 years. The North Eastern and, to less extent, the Coast Province have high unemployment rates for people aged 30-34 years.

The largest numbers of youth unemployed by age group scatter across various Provinces. For ages 15-19, 20-24 and 30-34 the largest are residents of the Rift Valley (Figure 9). In turn, the largest number of unemployed ages 25-29 years is located in the Eastern Province, followed closely by the Rift Valley. The number of unemployed youth aged 30 -34 years is small compared to other youth age cohorts. Nairobi has the smallest number of unemployed youth ages 15-19 years; North Eastern has the smallest number of unemployed youth ages 20-24 and 25-29 years; and Nyanza the smallest number of the unemployed youth aged 30-34 years. The large proportion of unemployed ages 15-19 years in the North Eastern Province may be attributed to an unusually low proportion of full time students and low access to informal jobs (Figure 10). Unemployment in this Province can potentially be higher, as the relatively large proportion of young people engaged in other activities could rapidly start looking for a job. Differences in the proportion of unemployed across Provinces other than North Eastern may be primarily attributed to the degree at which young people engage in informal activities. Only a small part can be attributed to differences in the proportion of young people that are full time students.

The large proportion of unemployed youth aged 20-24 in North Eastern, Eastern and Central Provinces is again due to a combination of low full time student enrolment and the absence of jobs, even in the informal sector. In the case of the Central and North Eastern Provinces the pressure on labour markets would be higher if it were not for the large proportion of young people engaged in home work and other activities. The proportion of unemployed youth aged 25-29 is again large in these three Provinces, but the mix of activities is different. In the Eastern and Central Provinces large unemployment coincides with relatively strong access to formal and informal jobs, suggesting that high unemployment in the regions is associated with low proportions of people in home maker and other activities. In contrast, access to formal and informal jobs is limited in the North Eastern Province. In fact had not been for the large proportion of youth engaged as home makers and "other" the proportion of unemployed could have easily doubled. The main determinant of a moderate proportion of unemployed is access to informal jobs, as the proportion of unemployed can be higher or lower regardless of the proportion engaged in formal activities. The proportion of unemployed youth ages 25-29 in Nairobi is relatively small. This is attributed to the moderate levels of engagement of the Nairobi's youth in formal and informal activities. Also, the proportion of Nairobi's youth engaged as home

makers and “other” inactive activities is very small. Youth unemployment in Nairobi would be higher without its strong informal sector.

Access to formal jobs is relatively high in the Eastern, Central and Rift Valley Provinces, and low in the North Eastern, Western and Coast Provinces. The proportion of youth engaged in full time study is similarly low in all Provinces except for the Western Province where the proportion is noticeable higher. The proportion of young people ages 25-29 home makers and “other” varies significantly across Provinces. The foregoing analysis suggests that any youth unemployment strategy should be flexible enough to take into account the particular conditions of each Province and age group. When setting priorities, policies also need to take into account the fact that unemployment rates by age group do not always reflect the severity of unemployment in terms of absolute numbers. High rates of unemployment in relatively small population groups are not so much of a problem as relatively lower unemployment rates within numerous groups of youngsters. Many of these differences across Provinces might be accounted for by several factors: the disparities in availability of education opportunities for young people (that delay their participation in labour markets); inequalities in the wealth of families (that can support young people longer without working); and the sex composition of youth together with local traditions in relation to labour market participation, among others.

Gender and Regional Disparities in Unemployment

Unemployment rates differ significantly from one Province to the other and in terms of gender. According to the Kenya Integrated Household Budget Survey (2005/06) data, female unemployment rates are higher than male unemployment rates for all age groups in Central, North Eastern and Rift Valley Provinces (Figure 11). The largest gap in female-male unemployment is in North Eastern Province. From Figure 11, there are three Provinces, Eastern, Western and Nyanza, where female unemployment rates are higher among the younger youth but similar to male’s among the older youth. According to Figure 11, Coast and Nairobi have female unemployment rate that is higher than the male rate particularly among older young people. The gender variation in the rate of unemployment is a manifestation of decent work deficits in the country while the regional variation shows the imbalances in growth and development, and the negative effects of rural-urban migration.

Regional Disparities in Wages

Kenya has considerable regional variations in wages. This may be attributed to the wage formation systems adopted by the country. The highest wages are paid in Nairobi in all worker categories, but the biggest difference is among employees of formal private businesses. The narrower differences are among employees of informal business, which constitutes the self employed and unpaid family workers (informal.other). Figure 12 represents the mean wages by Province and type of employer (all ages) in thousands of Kenya shillings. The edge that Nairobi wages have over other Provinces applies to most, if not all, age groups. The exceptions are wages of public employees aged 20-24 years in the Eastern and Western Provinces. Also important is the fact that wage differences across employers are replicated in all the Provinces as illustrated in Figure 13.

Regional Disparities in Human Development

Human Development Index (HDI) is widely used to compare the level of human development between regions and countries (UNDP, 2011). The HDI provides a useful measure of progress toward achieving greater levels of development. The development of the HDI is based on a set of limited number of indicators that measure the basic dimensions of human development and the enlargement of people’s choices (UNDP, 2010). For the purposes of this study, human development is assessed based on adult literacy rates; healthy living and access to social amenities as measured by access to improved water source; life expectancy at birth; and standards of living as proxied by the Gross Domestic Product (GDP) per capita in Purchasing Power Parity (PPP) in United States (US) dollar terms. The latest Human Development Report for Kenya is that of 2009.

Adult Literacy Rates

This indicator assesses the ability of a person to read or write in any language. It is based on self-assessment and not actual tests. The 2005/2006 KIHBS shows considerable regional disparities in adult literacy rates as illustrated in Figure 14. Figure 14 reveals that North Eastern Province had the lowest adult literacy rate at 24.8 per cent. This is

compared to the national adult literacy rate of 71.4 per cent. The adult literacy rate for North Eastern Province is 38.1 per cent points below that of Coast (62.9 per cent) and 42.2 per cent points below Rift Valley (67 per cent). According to the data, Nairobi Province had the highest adult literacy rate at 88.1 per cent followed by Central Province at 79.8 per cent. Table 1 gives the regional disparities in adult literacy rates by gender.

Table 1: Regional and Gender Disparities in Adult Literacy Rates

Region	Male	Female	% Difference
Nairobi	92.0	84.2	7.8
Central	84.4	75.8	8.6
Coast	73.8	53.0	20.8
Eastern	72.6	64.6	8.0
North Eastern	37.5	11.6	25.9
Nyanza	85.0	69.7	15.3
Rift Valley	71.6	62.3	9.3
Western	76.7	67.9	8.8
Rural	77.0	66.0	11.0
Urban	77.5	69.1	8.4
Nation	77.0	66.1	10.9

Source of Data: UNDP (2010)

Table 1 depicts marked gender disparities in adult literacy rates. The highest differences in the male-female adult literacy rates was recorded in North Eastern Province (25.9 percentage points) followed by Coast Province (20.8 percentage points). The regions with the lowest gender disparities in the adult literacy rates was Nairobi Province (7.8 percentage points) followed by Eastern (8.0 percentage points) and Western (8.8 percentage points). In terms of the rural-urban divide, the gender disparities in the adult literacy rates are higher in the rural (11.0 percentage points) than in the urban areas (8.4 percentage points). The rural male-female difference in adult literacy rates is closer to the national figure of 10.9 percentage points.

Access to Improved Water Source

The other indicator of human development is healthy living and access to social amenities. In this study, the indicator is measured in terms of access to improved source of water. In this context, water is considered safe if it is piped water, water obtained from borehole, protected spring or protected well. This indicator also presents marked disparities in access to safe drinking water. Data from the 2005/2006 KIHBS indicates that at the national level, 57 per cent of the population had access to safe drinking water. In terms of the rural-urban divide, 56.6 per cent of the rural population had access to safe drinking water while 66.1 per cent of the urban population had access to drinking water from sources considered to be safe. Within this framework, the rural-urban variation was 9.5 percentage points. The regional disparity in access to safe drinking water is more pronounced as illustrated in Figure 15. Figure 15 illustrates that access to safe drinking water is highly skewed in Kenya. While 97.1 per cent of the population in Nairobi access drinking water from sources that are considered to be safe, a reverse situation is found in other regions of the country. In North Eastern Province, only 34.6 per cent of the population had access to safe drinking water. This presents 62.5 percentage points gap between Nairobi and North Eastern. Similarly, only 46.1 per cent of the population in Eastern Province, and 50.6 per cent of the population in Nyanza and Rift Valley Provinces has access to safe drinking water. Other regions with modest access to safe drinking water are Central (51.9%), Western (63%) and Coast (63.4%).

Life Expectancy at Birth

The other indicator of human development is life expectancy at birth. Life expectancy is a summary measure of the average number of additional years a group of individuals can expect to live at a given exact age (UNDP, 2010). Life expectancy at birth is, therefore, a measure of overall quality of life in a country and summarizes the mortality at all ages. It can also be used as an indicator of the potential return on investment in human capital. Data from the 1998/1999 Kenya Population and Housing Census put Kenya's life expectancy at 56.6 years. In terms of regions, Central, Rift Valley, North Eastern and Eastern Provinces had relatively high life expectancies as compared to other Provinces. Nyanza Province had the lowest life expectancy (44.8 years), followed by Western Province (52.8 years) and Coast Province (55.1 years). Figure 16 illustrates the disparities in life expectancy in Kenya. Figure 16 indicate

that there exist wide disparities in life expectancy across the Provinces in Kenya. As illustrated in Figure 16, while an average person born in Central Province would expect to live for 64.2 years, a person born in Nyanza would expect to live for 44.8 years. This gives a life expectation disparity of 19.4 years. In comparison to other Provinces, an average person born in Nyanza Province would expect to live for 16.7, 17.1 and 17.9 years shorter than an average person born in Eastern, North Eastern and Rift Valley Provinces, respectively. At the national level, an average Kenyan can leave 11.8 years longer than an average person born in Nyanza.

Standards of Living

The standard of living was measured using the GDP per capita in US dollars PPP terms. Based on the 2005/2006 KIHBS, Kenya exhibits wide disparities in GDP per capita with the annual per capita in the rural areas being US\$ 979 as compared to US\$ 2,790 in the urban areas and US\$ 1,436 at the national level. Figure 17 presents the regional variations in GDP per capita. As illustrated in Figure 17, the GDP per capita in Nairobi Province (US\$ 3,673) is about 1.5 times higher than that of Coast Province (US\$ 1,460) and 5.7 times that of North Eastern Province (US\$ 644). North Eastern Province has the lowest GDP per capita followed by Western (US\$ 903), Eastern (US\$ 1,070) and Nyanza (US\$ 1,093). Generally, the per capita income of North Eastern Province is less than a fifth that of Nairobi. It is about two-fifths that of Coast (44.1%), Central (44.6%) and the national economy (44.8%). It is, however, at least half of that of Rift Valley (52.4%), Nyanza (58.9%), Eastern (60.2%) and Western (71.3%).

Regional Disparities in Human Development Index

Kenya's HDI has increased gradually from 0.420 in 1980 to 0.509 in 2011 (UNDP, 2011). As of 2009, the country's HDI was 0.541 based on a global rating (UNDP 2011) but 0.561 based on the national report (UNDP, 2010). The implication is that the country's level of human development deteriorated in 2011 as compared to 2009. Kenya exhibited disparities in the level of human development across the eight regions, based on the 2009 estimates. Figure 18 gives the regional disparities in HDI. Figure 18 show that Nairobi Province had a relatively high HDI of 0.653 in 2009. However, North Eastern Province had the lowest HDI of 0.417. The level of human development in the Province was some 0.236 indices below that of Nairobi and 1.44 indices below the HDI value for the nation.

SUMMARY AND CONCLUSIONS

Kenya still manifests considerable regional disparities in employment and human development. Trends in wage employment show that the proportion of wage employees in Nairobi remained constant at about 25.1 per cent of the national wage employment. The comparative figures for Rift Valley was 22.5 per cent, Central (14.2%), Coast (12.4%), Nyanza (9.9%), Eastern (8.3%), Western (6.6%) and North Eastern (0.9%). Consistent with the regional trends in wage employment, Nairobi province has the highest number of informal sector employment while North Eastern province accounts for the lowest levels of informal sector employment. In contrast with the North Eastern region, where unemployment is a generalized problem, unemployment in Nyanza, Western and Nairobi provinces is basically a youth problem. Generally, the youth unemployment rates are low in Nyanza and Nairobi, relatively high in Central and Eastern provinces, and considerably high in the North Eastern province.

In terms of human development, North Eastern province has the lowest adult literacy rate at 24.8 per cent. This is compared to the national adult literacy rate of 71.4 per cent. The adult literacy rate for North Eastern Province is 38.1 per cent points below that of Coast and 42.2 per cent points below that of Rift Valley. Nairobi province has the highest adult literacy rate at 88.1 per cent followed by Central province at 79.8 per cent. Access to safe drinking water is highly skewed in Kenya. While 97.1 per cent of the population in Nairobi access drinking water from sources that are considered to be safe, only 34.6 per cent of the population in North Eastern province have access to safe drinking water. This presents 62.5 percentage points gap between Nairobi and North Eastern. Similarly, only 46.1 per cent of the population in Eastern province, and 50.6 per cent of the population in Nyanza and Rift Valley provinces has access to safe drinking water. Central, Western and Coast provinces have modest access to safe drinking water at 51.9 per cent, 63 per cent and 63.4 per cent, respectively.

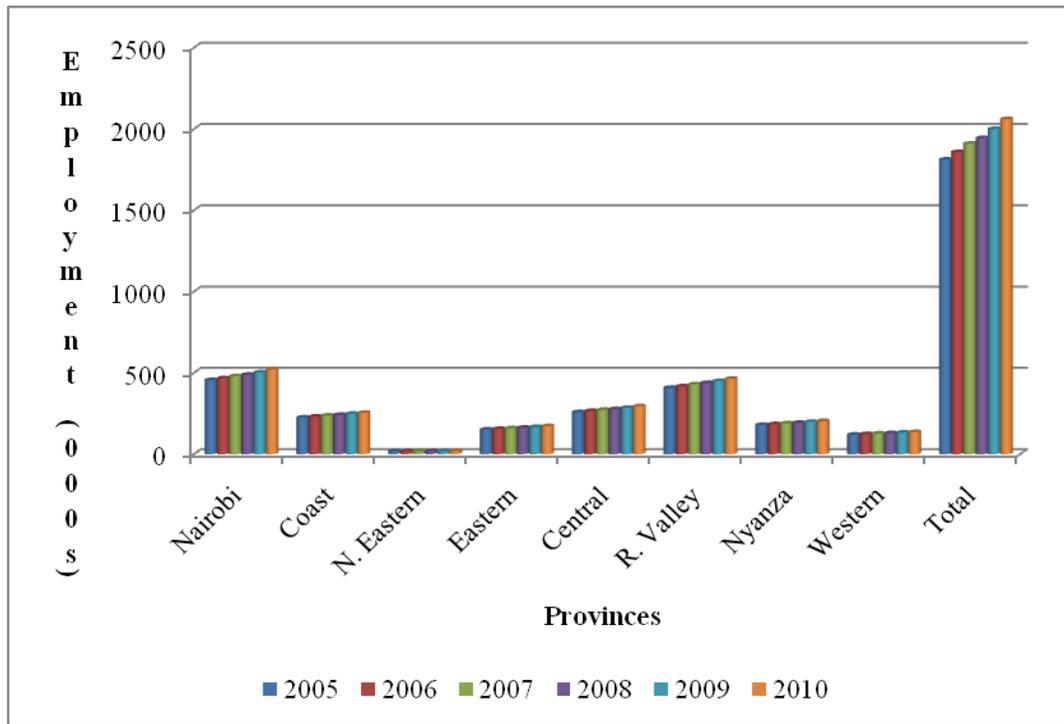
An average person born in Central province would expect to live for 64.2 years while a person born in Nyanza would expect to live for 44.8 years. This gives a life expectation disparity of 19.4 years. In contrast with other provinces, an average person born in Nyanza province would expect to live for 16.7, 17.1 and 17.9 years shorter than an average person born in Eastern, North Eastern and Rift Valley provinces, respectively. At the national level,

an average Kenyan can leave 11.8 years longer than an average person born in Nyanza. Generally, the per capita income of North Eastern province is less than a fifth that of Nairobi but about two-fifths that of Coast, Central and the national economy. It is, however, at least half of that of Rift Valley, Nyanza, Eastern and Western provinces. Based on these parameters, Nairobi province had a relatively high Human Development Index of 0.653. However, North Eastern province has the lowest Human Development Index of 0.417. The level of human development in the province was some 1.44 indices below that of the nation. The above trends manifest the outcomes of unbalanced growth models pursued by the government over time. It shows that no meaningful process has been made in promoting regional balance in access to employment opportunities, and promotion of human welfare. The implication is that appropriate policy, institutional and legal strategic interventions need to be put in place to effectively address the imbalances. Otherwise, these disparities have the potential of undermining the socio-economic transformation envisaged in the Constitution and national development frameworks.

REFERENCES

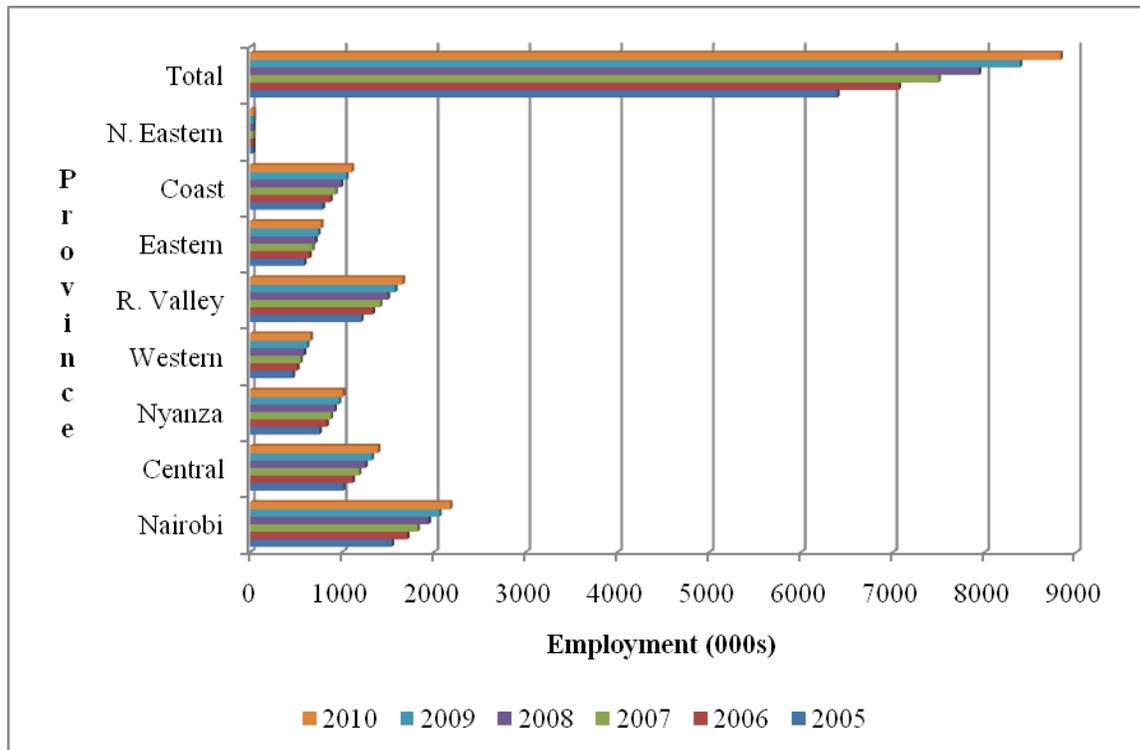
1. National Economic and Social Council (2010). *Unemployment in Kenya: A Situational Analysis*. Nairobi.
2. Omolo, O.J. (2010): "Ripple Effects of Minimum Wages and the Response of Labour Markets in Kenya", Unpublished PhD Thesis, Nairobi: Kenyatta University.
3. Republic of Kenya (2005). *Key Gender and Employment Issues in Agriculture and Rural Development As Aspects of Poverty Reduction Strategy: Kenya Country Study*. Nairobi: Ministry of Labour and Human Resource Development
4. Republic of Kenya (2006). *Economic Survey*. Nairobi: Government Printer.
5. Republic of Kenya (2007). *Kenya Integrated Household Budget Survey 2005/2006*. Nairobi: Government Printer.
6. Republic of Kenya (2010). *Economic Survey*. Nairobi: Government Printer.
7. Republic of Kenya (2011). *Economic Survey*. Nairobi: Government Printer.
8. Republic of Kenya (2012). "Draft Employment Policy and Strategy for Kenya", Ministry of Labour. Nairobi
9. United Nations Development Programme (2010). *Kenya Human Development Report 2009: Youth and Human Development-Tapping the Untapped Resource*. Nairobi
10. United Nations Development Programme (2011). *Human Development Report 2011: Sustainability and Equity-A Better Future for All*. New York: Palgrave Macmillan.

Figure 1: Wage Employment by Province (000s)



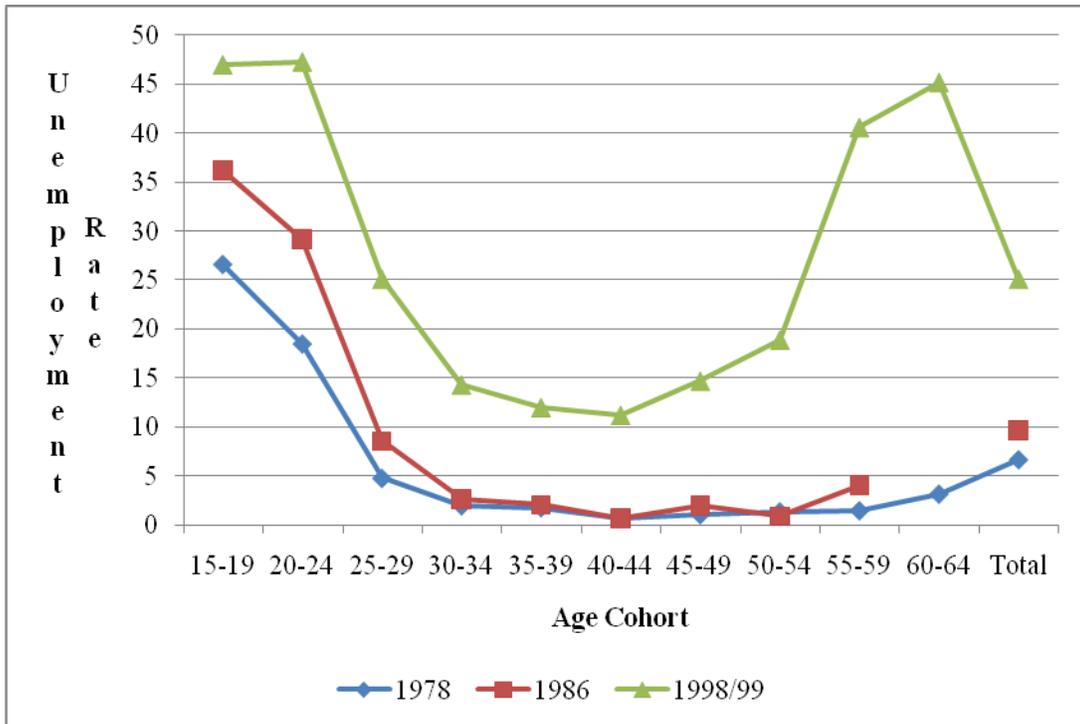
Source of Data: Republic of Kenya (2011; 2010)

Figure 2: Informal Sector Employment by Province (000s)



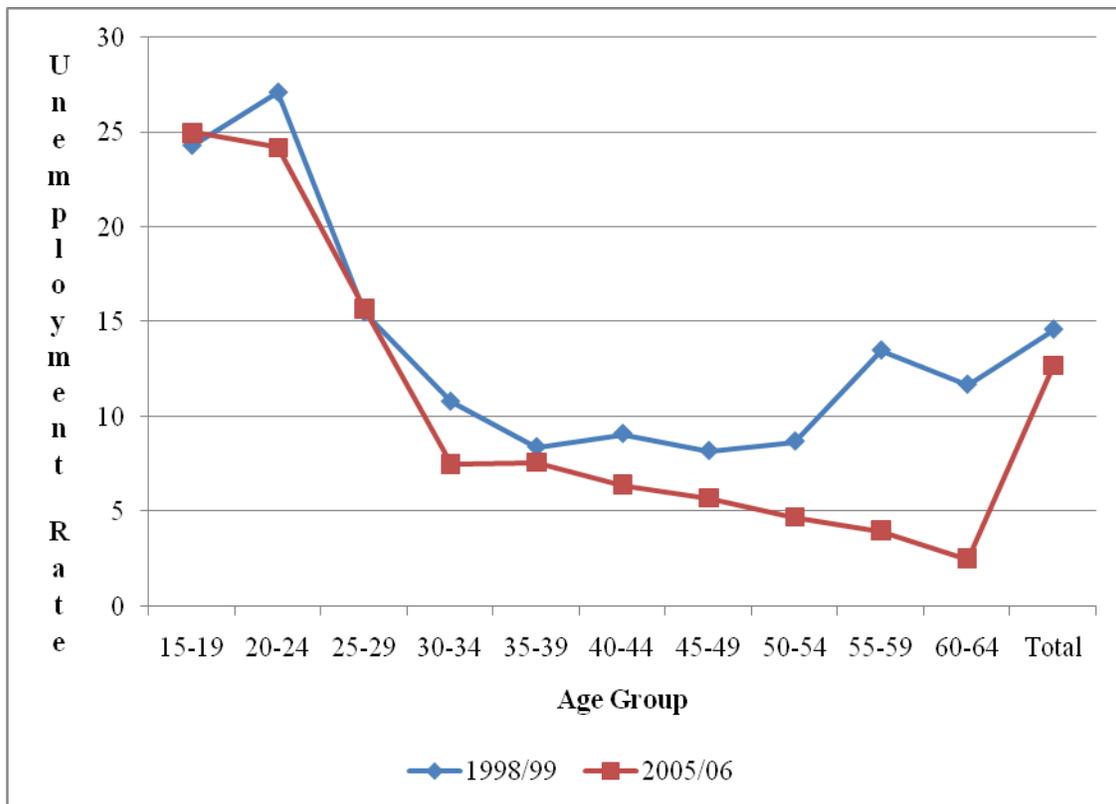
Source of Data: Republic of Kenya (2011)

Figure 3: Urban Unemployment Rates by Age (1978, 1986 and 1998/99)



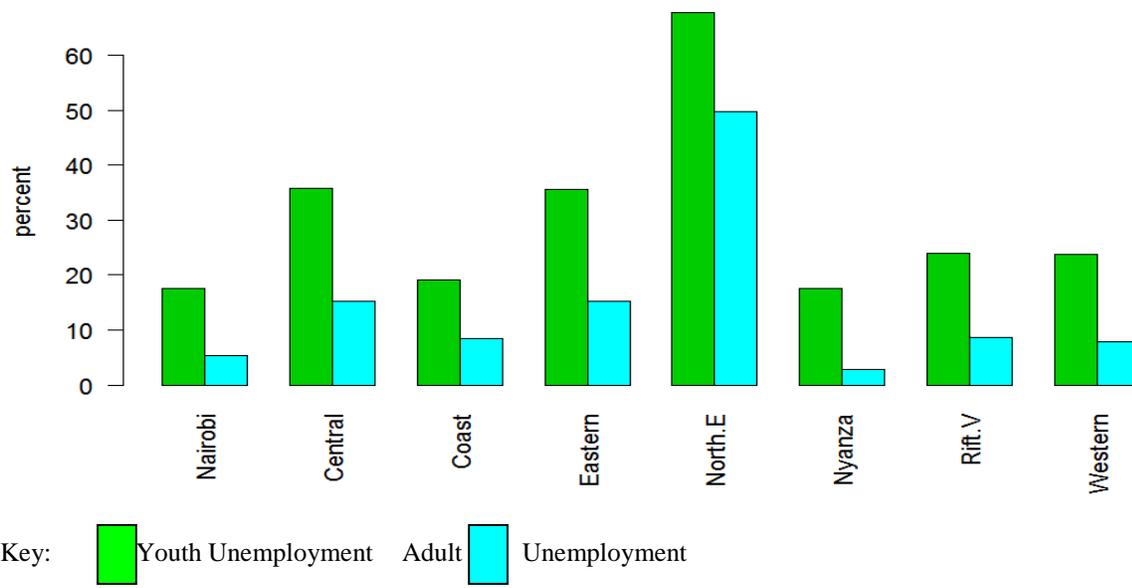
Source of Data: NESC (2010)

Figure 4: Total Unemployment Rates by Age (1998/99, 2005/2006)



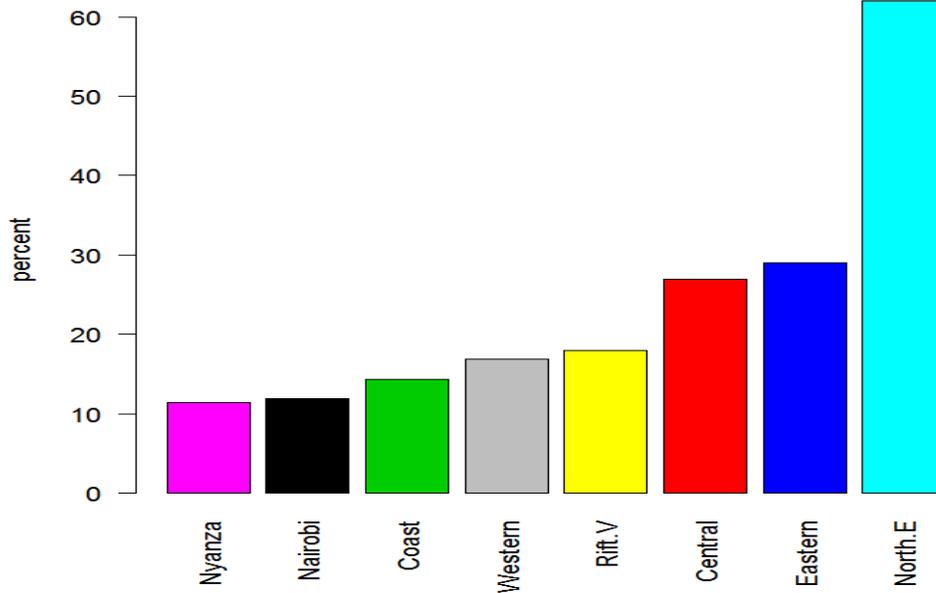
Source of Data: NESC (2010)

Figure 5: Youth and Adult Unemployment Rates by Province, 2005/2006



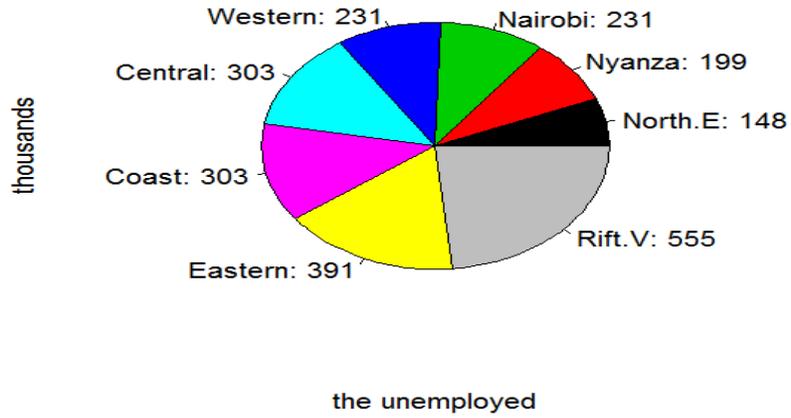
Source of Data: KIHBS (2005/06)

Figure 6: Youth Unemployment Rates by Province



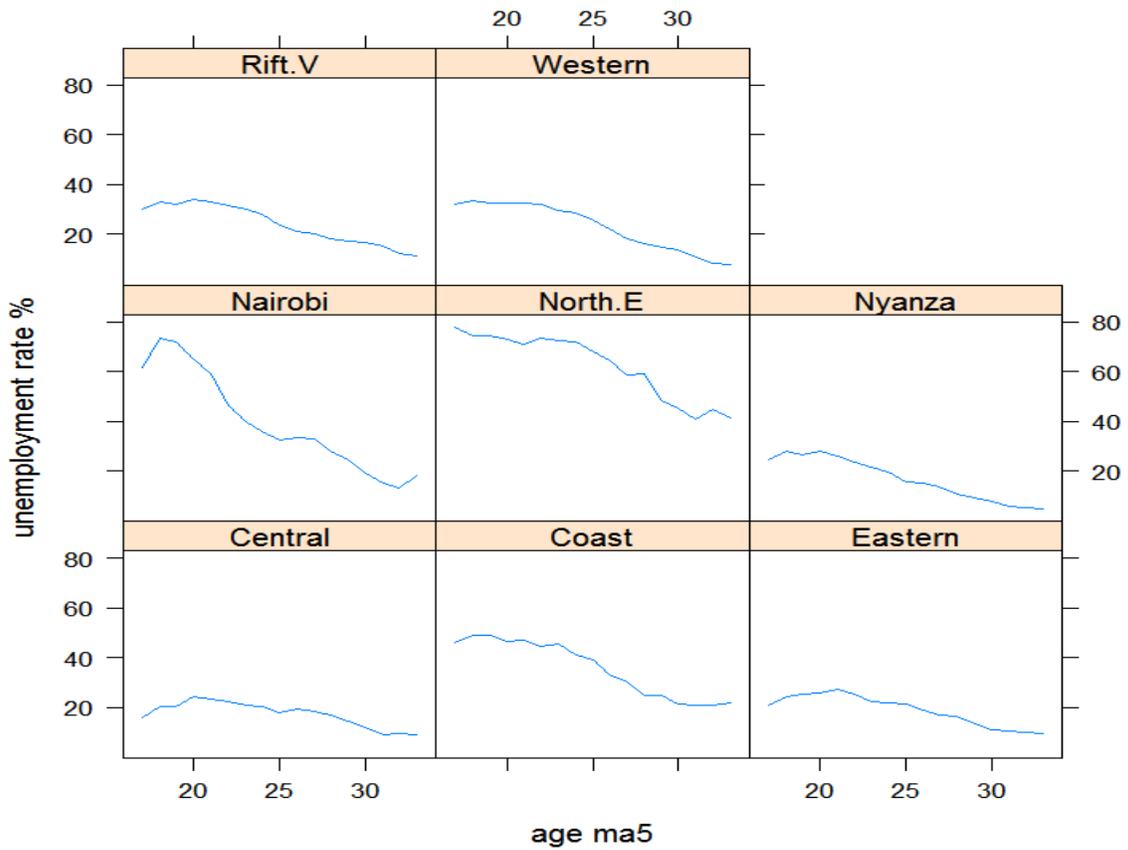
Source of Data: KIHBS (2005/06).

Figure 7: Youth Unemployment Province (Number)



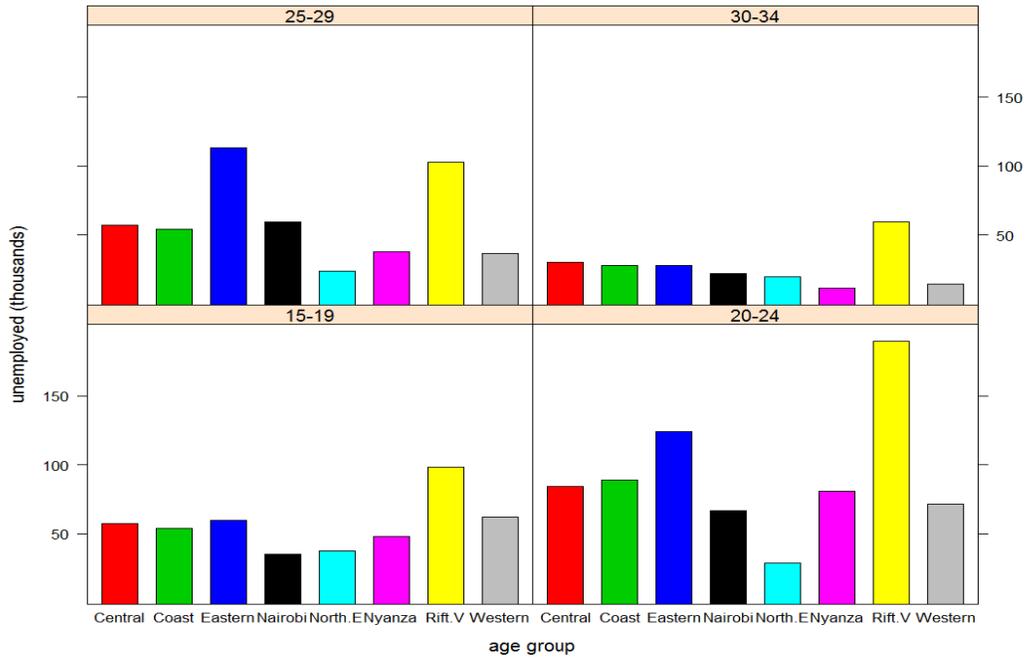
Source of Data: KIHBS (2005/06)

Figure 8: Youth Unemployment Rates by Province and Age (Per cent)



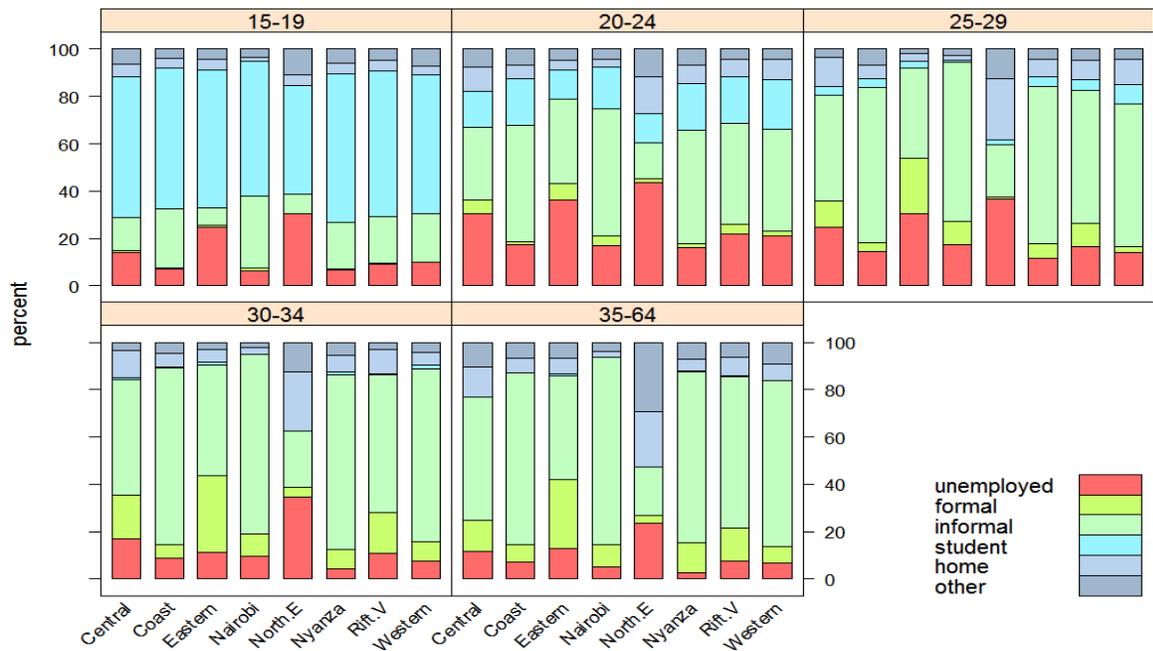
Source of Data: KIHBS (2005/06)

Figure 9: Youth Unemployment Province and Age Groups (Number)



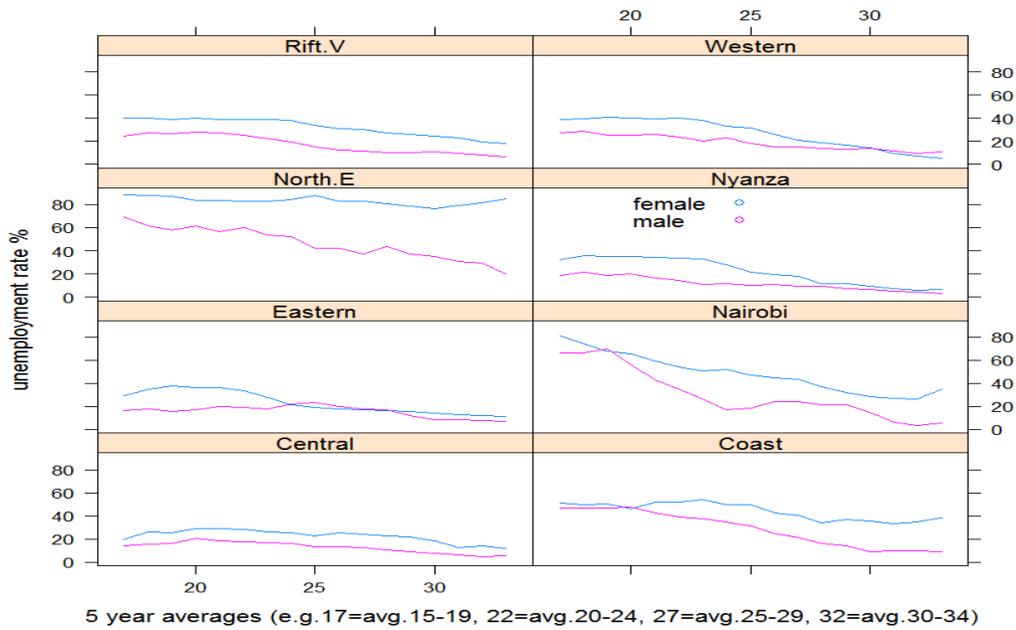
Source of Data: KIHBS (2005/06)

Figure 10: Proportion of Youth by Main Activity and Age Group (Per cent)



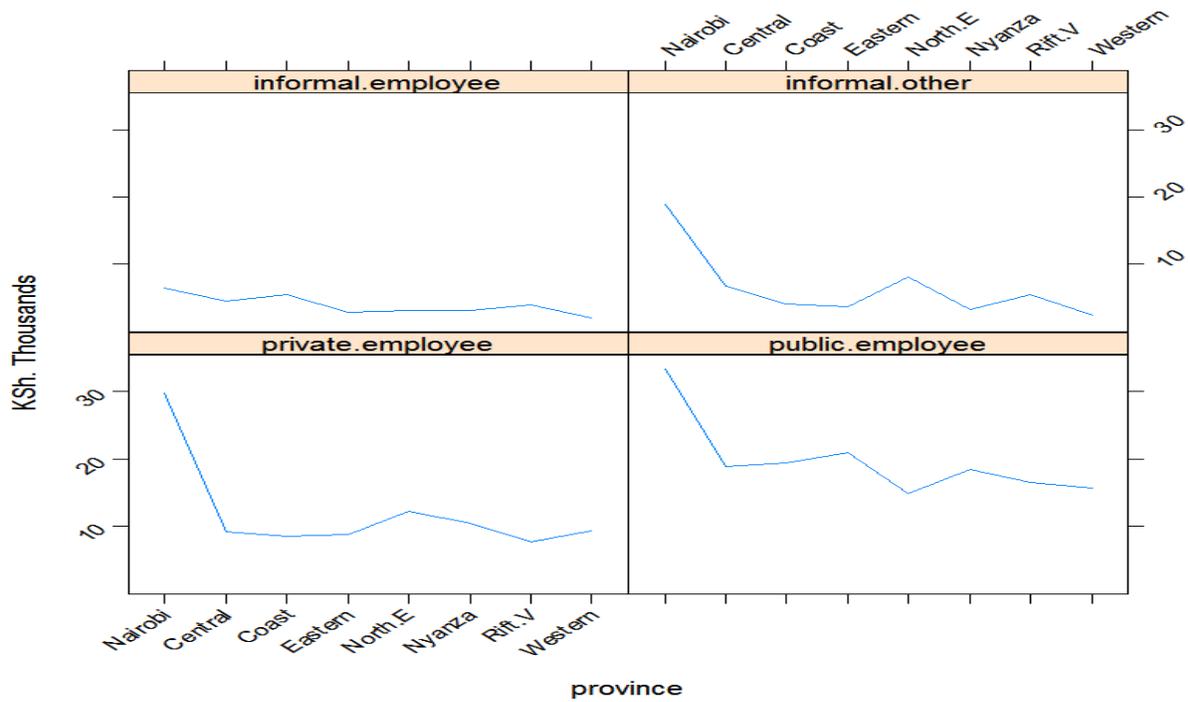
Source of Data: KIHBS (2005/06)

Figure 11: Unemployment Rates by Province, Age and Sex



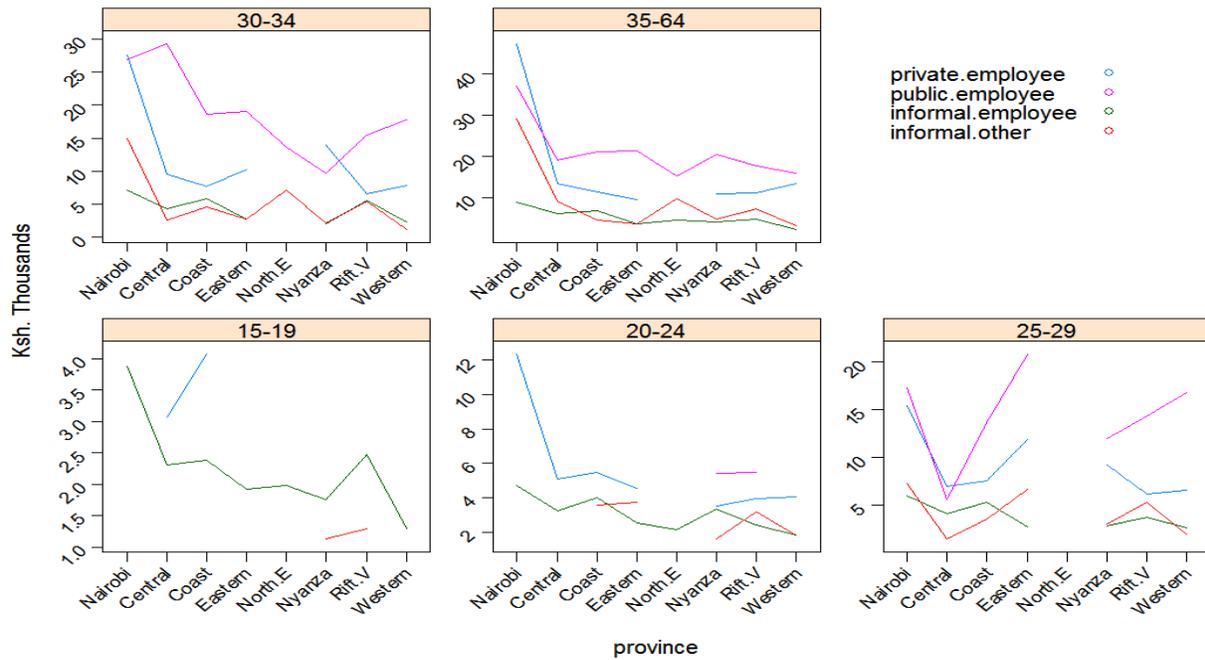
Source of Data: KIHBS (2005/06)

Figure 12: Regional Disparities in Wages (Ksh. 000s)



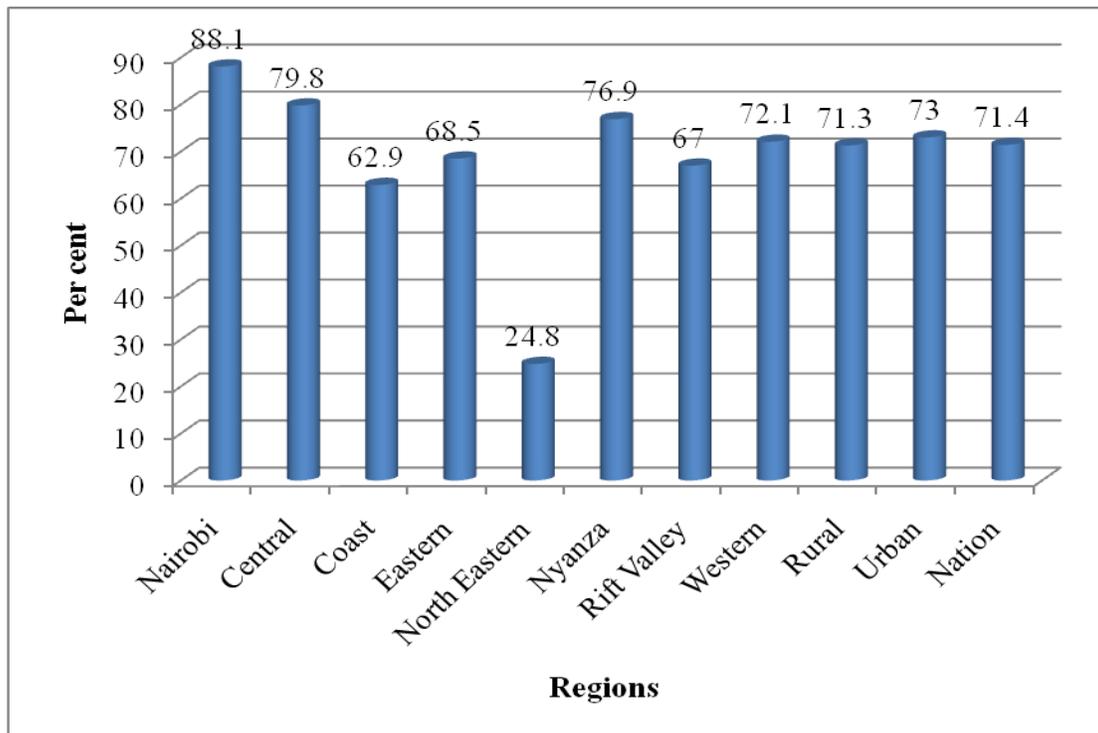
Source of Data: KIHBS (2005/06)

Figure 13: Regional Disparities in Wages by Age Group (Ksh. 000s)



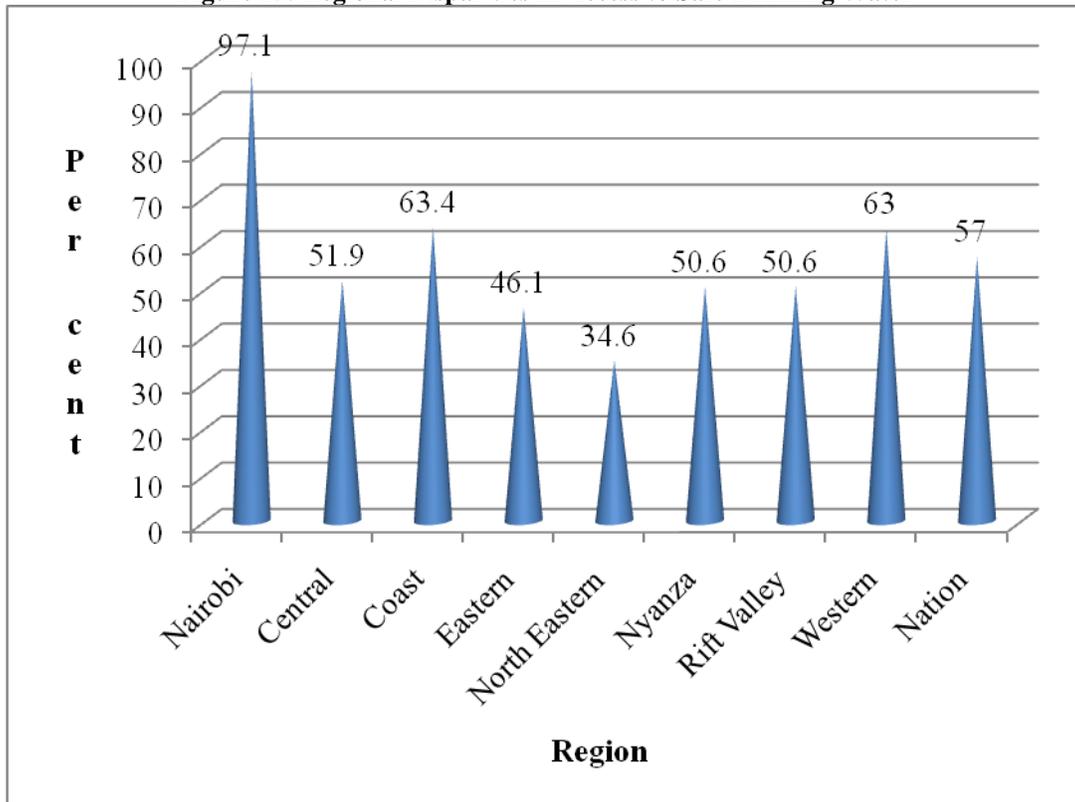
Source of Data: KIHBS (2005/06)

Figure 14: Adult Literacy Rates



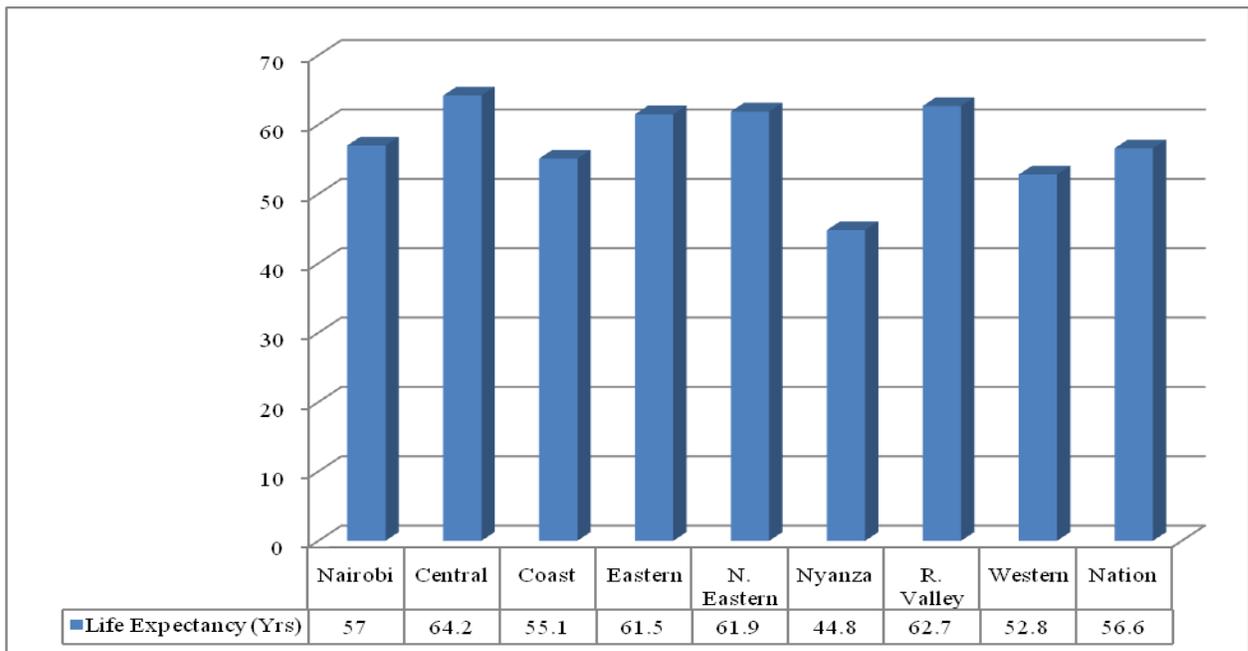
Source of Data: UNDP (2010)

Figure 15: Regional Disparities in Access to Safe Drinking Water



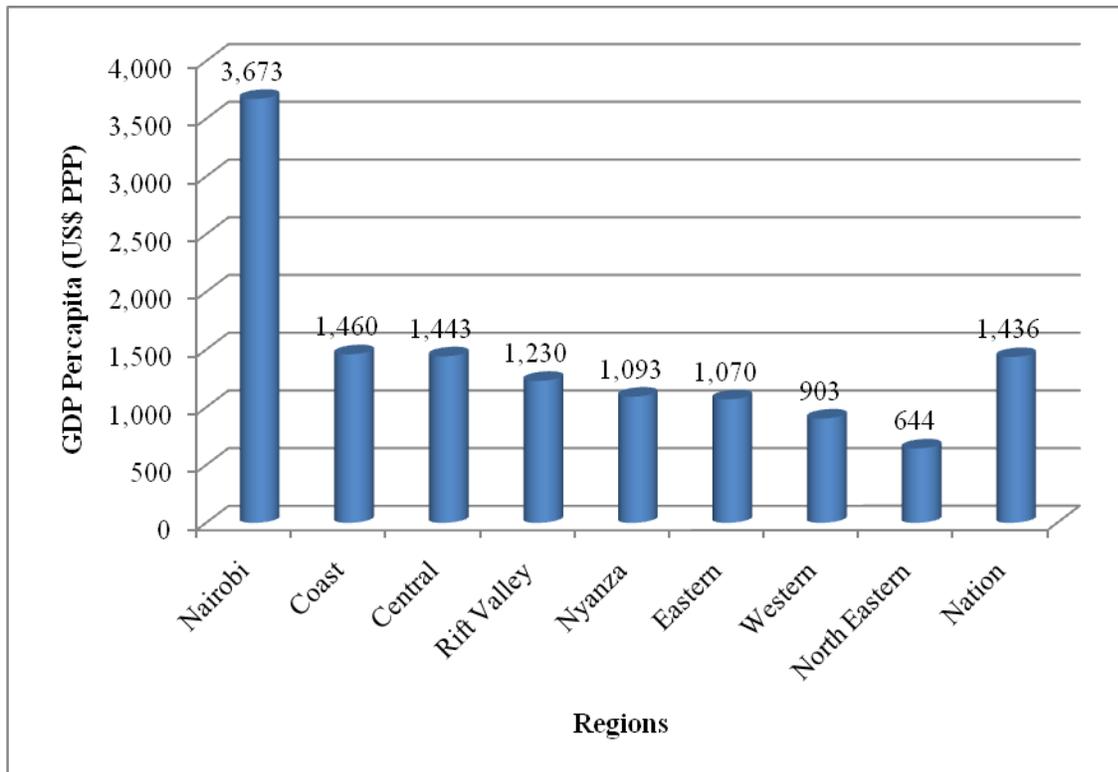
Source of Data: UNDP (2010)

Figure 16: Regional Disparities in Life Expectancy



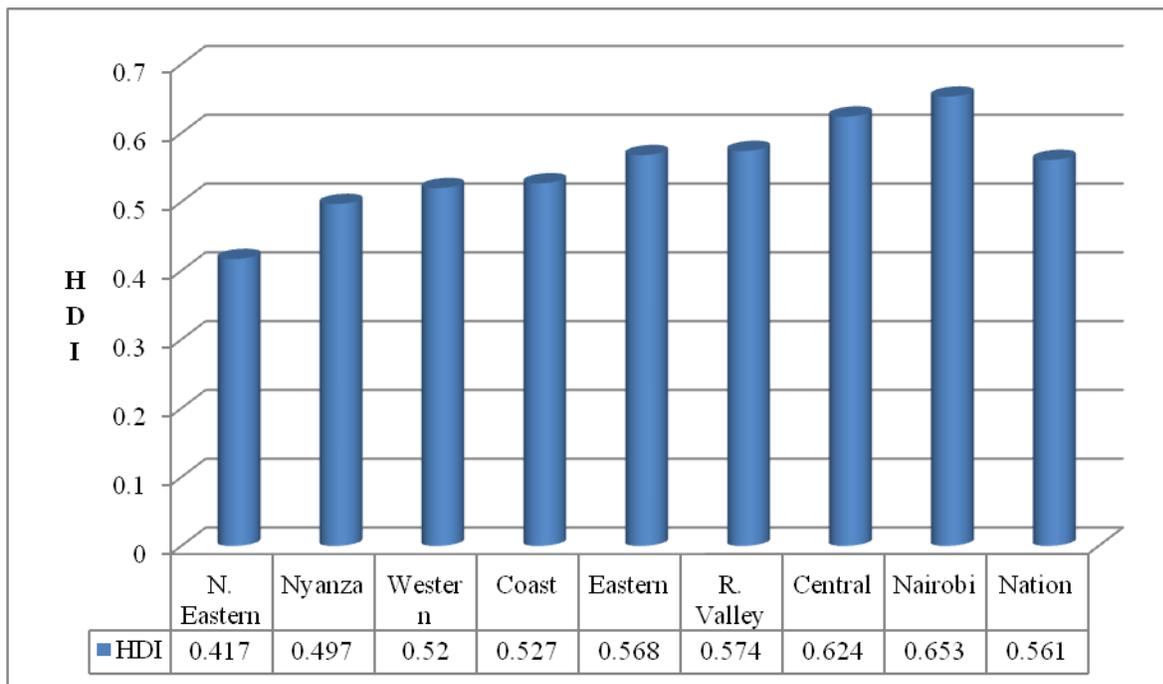
Source of Data: UNDP (2010)

Figure 17: Regional Disparities in GDP Per capita



Source of Data: UNDP (2010)

Figure 18: Regional Disparities in Human Development Index



Source of Data: UNDP (2010)