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ENUMERATED EMPLOYMENT AND THE REGIONAL DISTRIBUTION
OF INCOME IN KENYA¹

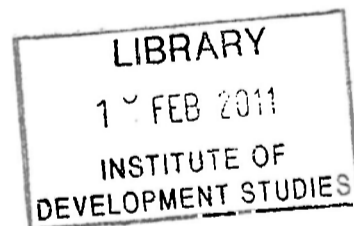
By

Walter Elkan

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INSTITUTE FOR DEVELOPMENT STUDIES
UNIVERSITY OF NAIROBI
P.O. BOX 30197
NAIROBI, KENYA

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ABSTRACT

Using data from the Kenya Annual Survey of Employment and Earnings for 1971, it is noted that the proportion of adult males employed in enumerated establishments varies considerably between rural and urban areas and among the Provinces. About one half of all enumerated employees were located in the five largest towns, and the concentration of earnings was even greater.

According to the 1969 Census, about one half of Nairobi's enumerated employees were from Nyanza, Western and Eastern Provinces, but this proportion has been declining and the number of employees from Central Province increasing. The author proposes that a question about the District or Province of origin be included in the Annual Survey of Employment and Earnings so that any regional or ethnic disparities in income can be identified.

Enumerated Employment and the Regional Distribution
of Income in Kenya¹

Walter Elkan

Employment in enumerated establishments in Kenya is a minority status. At any one time, no more than 650 - 700,000 are thus employed in a population of 11 million, and the majority therefore earn their living in other ways. Nevertheless the total earnings of this minority constitute nearly half of all factor incomes in the GNP, and its distribution is therefore likely to have an important bearing on income distribution as a whole.

Kenya is fortunate in having good statistics of enumerated employment and the discussion which follows is based largely upon the latest Annual Survey of Employment and Earnings which provides information for the year 1971.

Our concern here is primarily with the distribution of employment and earnings between town and country and between the different regions of the country.

Table 1. Employment and Earnings in Main Towns, 1971.

	Employment		Monthly Wages	
	Total	Non-Africans	Kc'000's	Shs. per employee
Nairobi	178,000	27,000	88,000	825/-
Mombasa	58,000	6,000	21,000	600/-
Nakuru	15,000	1,000	5,000	500/-
Kisumu	13,000	1,000	4,000	500/-
Eldoret	10,000	500	2,000	400/-
29 Others	50,000	100	11,000	350/-
Total	324,000	35,500	130,000	670/-
Kenya	680,000	40,900	184,000	450/-
excl. 34 towns	356,000	5,300	54,000	250/-

N.B. The earnings include those of non-Africans - also in Table 27 of the ILO Report.

1.

This paper was originally presented in June 1973 to an Institute for Development Studies Workshop on Income Distribution, held at Nolo, Kenya.

We begin with the urban-rural distribution of employment and earnings, and Table 1 shows that of the 680,000 employees about one half were located in the five largest towns. In the case of their earnings the concentration is even greater, accounting as it does for about three-quarters of total earnings. Part of the explanation for the high proportion of earnings that accrue to urban employees is, of course, that non-Africans have high earnings and they almost all work in the towns. For example, in Nairobi the average earnings of employees when 27,000 non-Africans are included was Shs. 835/- per month. Exclude the earnings of non-Africans and the average drops to Shs. 400/- per month.²

Even after allowing for the earnings of non-Africans, an average wage of Shs. 400/- per month is very high when one compares it with the incomes derived from small-scale farming, from rural trade or from rural handicraft activities. But the disparity is to some extent reduced by urban-rural remittances. Johnson and Whitelaw³ have found amongst a sample of some 1,100 men living in the low and middle income areas of Nairobi that nearly 90% made regular monthly remittances to people outside Nairobi and that these remittances constituted just over 20% of the wages earned by all the members of their sample, including those who sent nothing. We do not know whether people living in the upper income areas of Nairobi remit more or remit less, but supposing that on average they, too, remitted 20% of their incomes to relatives outside Nairobi, then we could say that the average earnings of 400/- should perhaps be reduced by one fifth to 320/- per month, which is still much higher than the income derived from small-scale farming, from rural trade or from rural handicrafts, even when these remittances are added.

One can of course go further and pose the question of whether it makes sense to draw comparisons between the incomes of people living in Nairobi and those living in the rural areas which produce Nairobi's population.

2. Table 27 in the ILO Report could mislead the unwary if one forgot that the relevant figure there included the earnings of non-Africans.

3. G.E. Johnson and W.E. Whitelaw, Urban-Rural Income Transfers: An Estimated Remittances Function, Discussion Paper No. 137, Institute for Development Studies, University of Nairobi, 1972.

Some of Nairobi's residents have lived there all their lives and have no other homes. But for the majority, presumably including most of those who make substantial remittances, this is not the case. They will almost certainly return to a village sooner or later and that is part of the explanation for those remittances. Many own land or expect to own land whether through inheritance or purchase. The Nairobi Urban Study revealed that of those interviewed, no less than 80% either owned or expected to inherit land outside Nairobi. If Nairobi residents are then also in some sense part of a rural household, disparities of income between those who live in Nairobi and those who do not are perhaps not as important in an equity context as was once thought.

So far we have compared urban with rural incomes derived from enumerated employment. Next we examine the distribution of employment and earnings by province. Enumerated employees constitute 25% of all adult males but there are, of course, regional variations. As is to be expected, in Nairobi a very high proportion of adult males (77%) are employees since the search for employment was what brought them there. In other parts of Kenya the proportion is correspondingly lower, as the second column in Table 2 reveals.

Table 2. Employment as a Proportion of Adult Males
by Province and by Sector, 1970 (Africans only).

	1 Total Employment '000's	2 Employment as % of Adult Males	3 Public Sector as % of Total	Total Adult Males '000's
Nairobi	164	77%	38%	212
Central P.	99	27%	61%	363
Nyanza P.	47	10%	74%	482
Western P.	20	7%	85%	275
Coast P.	87	33%	56%	267
Rift Valley P.	184	32%	49%	576
Eastern P.	42	10%	76%	428
N. Eastern P.	3	5%	100% (!)	66
Total	644	25%	54%	2,570

Sources: Annual Abstract of Statistics, 1972; 1969 Population Census,
Vol 1; Annual Survey of Employment and Earnings. See also
Statistical Digest, Dec. 1972 for High and Middle Level 1968-70
Manpower Survey.

In Nyanza and Eastern Provinces the proportion of adult males who are employed in enumerated establishments is 10%; in North Eastern Province 5%. One would like to be able to set these figures against a ranking of Provinces by income per head. Unfortunately no breakdown of GDP by province has appeared in print since the publication of the first Development Plan (see p. 29), and much, including Provincial boundaries, has changed since then. But if one were to say very broadly that the relative ranking of incomes per head has remained the same, then one finds, interestingly, that the parts of Kenya that had the lowest incomes per head have the lowest ratios of employment to adult males. Presumably one could go further and say that they have the lowest employment opportunities, but since employment is not ^{only} a function of demand, but of supply as well, it is in principle conceivable that the low ratios may be caused by shortages of labour. However, I certainly know of no evidence that this is so, and differential employment opportunities is a much more plausible explanation.

The imbalance in these ratios would be even greater but for employment provided by the public sector, which to some limited extent redresses the imbalance. Notice in Table 2 that while for Kenya as a whole, public sector employment accounts for just over half of all employment, the proportion is much higher in those provinces where the ratio of employees to adult males is small. The extreme case is that of North Eastern Province where very few are employed out those are virtually all working for a public employer.

These are also the provinces - North Eastern apart - from which migration to a destination outside the province is greatest. The 1969 Census showed that, for example, about one half of Nairobi's enumerated employees in that year were from Nyanza, Western and Eastern provinces. But this proportion has been declining and an ever rising proportion of Nairobi's labour are from Central Province. More to the point, there are indications that, on average, the earnings of those from outside Central Province are lower. There are no official statistics to support this assertion and it is (unashamedly) based on 'casual empiricism'. The absence of official statistics is not due to any intrinsic difficulty in collecting such information. Before Independence it was done as a matter of course, and far more difficult statistics have been collected since. The reason why they are not collected is that to do so might draw attention to regional or ethnic disparities, as though these had hitherto

gone unnoticed! If the fact that Kikuyu in Nairobi earned more on average than others could only be explained by deliberate discrimination or restrictive practice on their part, the reticence to collect, let alone publish such statistics might be understandable. But in fact there may be other explanations. For reasons that have nothing to do with any post-Independence Government, and that were never the result of deliberate policy even before Independence, Central Province has had a head-start in educational provision and consequently in access to the best paid jobs. Secondly, in all countries the people living close to the main centres of employment tend to be the first to hear of lucrative vacancies. In Nairobi they are mainly Kikuyu. It is true that on one side, Akamba country borders on Nairobi but that part is thinly populated and most Akamba live further from Nairobi than - say - Murang'a, let alone Kiambu. Western and Nyanza Provinces are very much further away.

Thirdly, and most to the point, many Kikuyu have better alternative opportunities of earning a living. They have farms that yield a higher income. Central Province has many small businesses based on handicrafts and it offers the best opportunities in Kenya for commerce and transport. Within Nairobi Kikuyu probably find it easier to operate in what has come to be called the 'informal sector'. There are, of course, many poor Kikuyu as well, singularly lacking in opportunities to raise their incomes; but the others will take a job in Nairobi only if the pay exceeds what they could earn in other occupations. The higher average earnings of Kikuyu in enumerated employment in Nairobi need not therefore necessarily be the result of discrimination or restrictive practice, or what is often referred to as tribalism. I wish to be understood clearly on this point: I am not saying that the higher average earnings cannot be explained by tribalism, but only that there are other, equally plausible, explanations.

At present it is however very difficult to know how to choose between rival explanations. What is worse, we do not even know whether there is anything to explain; the difference in earnings between Kikuyu and others in Nairobi was asserted, not based on substantial statistical evidence. For all we know, my 'casual empiricism' may be simply wrong. That would not matter if no one else believed it or if no one cared. But many do believe it, and they care.

There seems to me, therefore, a strong case for resuming the collection and publication of statistics which acknowledge ethnic differences. For example, nothing would be easier than to reintroduce a question about the District or Province of Origin in the Annual Survey of Employment and Earnings. Many employers have this information in any case and have no reason for wanting to withhold it. Similarly, the recent High Level Manpower Survey made no attempt even to distinguish between the different races, as the 1967 one had done. Admittedly it is not very difficult to make a reasonably accurate guess. If one assumes that about three quarters of all Kenya citizens covered by the Survey are African, then about 60% of the total estimated stock of 100,000 are African and of these it can be safely assumed that about 50,000 live and work in Nairobi. What proportion of them are from Central Province is, however, anybody's guess.

Guesses are often wide off the mark. If there are great regional or ethnic disparities of income and one is anxious to reduce them I doubt if one can succeed by refusing to look at the facts. Problems are not often solved by sweeping them under the carpet.