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# What works for Youth Employment in Africa: **A review of youth employment policies and their impact in Kenya.**



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# What works for Youth Employment in Africa: **A review of youth employment policies and their impact in Kenya**

## Abstract

The main objective of this study was to undertake a comprehensive review of youth employment programs in Kenya along with their impacts and lessons. Notwithstanding various government interventions that are supported by different stakeholders, employment creation for youth remains a challenge, as the country continues to face high levels of unemployment and underemployment among youth. In order to make the labour market work better, the government has implemented a variety of interventions including public works programs, entrepreneurship support programs and skills development programs. Some of the crosscutting challenges that affect youth employment program implementation are: inadequate financial, human and other resources, which limits the success of many interventions including the skills training programs; poor intervention implementation; poor coordination and overlapping of mandates, which is linked to the high fragmentation of institutions at the national and county levels. Furthermore, youth employment programs are inadequately monitored, and hardly any focus is put on evaluating their impacts. Even when monitoring and evaluation are incorporated in the design of the programs, little to no resources are allocated to these activities. A review of available evaluation evidence indicates that the comprehensive programs associated with multifaceted services (such as skills training and job placement) address youth unemployment more effectively than programs that focus on one aspect, such as life skills interventions, do. Some of the key lessons and policy implications for enhancing the creation of work opportunities for youth include the need to: design job creation interventions that are more holistic and integrated by promoting partnerships among the government and its agencies, development partners, and civil society organizations (CSOs) and effectively implementing policies (such as the Kenya Youth Development Policy); provide adequate financial, human and other resources to facilitate the successful implementation of programs; and ensure monitoring and evaluation is not only built into the design of interventions but also financed.

**Keywords:** Youth, Employment, Policies, Impact, Kenya.

**JEL Classification:** CODE1; CODE2; etc.

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# Table of contents

<b>I. Introduction</b>	<b>1</b>
<b>II. Context Framework</b>	<b>2</b>
<b>III. Methods</b>	<b>3</b>
3.1 Framework for analyzing youth employment programs	3
3.2 Data sources and types	3
<b>IV. Review of Youth Employment Programs</b>	<b>6</b>
4.1 Making the labour market work better	6
4.2 Entrepreneurship support programs	8
4.3 Skills training	9
4.4 Make training programs work better	10
4.5 Comprehensive programs	11
4.6 Cross-cutting challenges facing YEPs	12
<b>V. Conclusions and Policy Implications</b>	<b>13</b>
5.1 Overview of youth employment policies and programs in Kenya	13
5.2 Impact of youth employment programs in Kenya	14
5.3 Key lessons and policy implications for enhancing the creation of work opportunities for youth	14
5.4 Areas for further research	15
<b>References</b>	<b>16</b>

## List of Tables

Table 1: Typology of youth employment program interventions.....	3
Table 2: Data collection focus areas .....	4
Table 3: Number of key informants interviewed and FGDs .....	5

## List of abbreviations and acronyms

<b>COTU</b>	Central Organization of Trade Unions
<b>EPR</b>	Employment to Population Rate
<b>FGD</b>	Focus Group Discussion
<b>FKE</b>	Federation of Kenya Employers
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit
<b>HDI</b>	Human Development Index
<b>ILO</b>	International Labour Organization
<b>KIHBS</b>	Kenya Integrated Household Budget Survey
<b>KII</b>	Key Informant Interview
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>KYEOP</b>	Kenya Youth Employment and Opportunities Project
<b>KYEP</b>	Kenya Youth Empowerment Project
<b>MCDA</b>	Ministry, County, Department and Agency
<b>MDA</b>	Ministry, Department, and Agency
<b>MENA</b>	Middle East and North Africa
<b>NEET</b>	Not in Employment, Education, or Training
<b>NGAAF</b>	National Government Affirmative Action Fund
<b>NYS</b>	National Youth Service
<b>OSH</b>	Occupational Safety and Health
<b>PDTP</b>	Presidential Digital Talent Program
<b>PWD</b>	Person Living with Disability
<b>PWP</b>	Public Works Program
<b>SDG</b>	Sustainable Development Goal
<b>TVET</b>	Technical and Vocational Education and Training
<b>TVVP</b>	Technical and Vocational Vouchers Program
<b>USAID</b>	United States Agency for International Development
<b>WEF</b>	Women Enterprise Fund
<b>YEDF</b>	Youth Enterprise Development Fund
<b>YEP</b>	Youth Employment Program

## I. Introduction

Africa's youth unemployment rate is below the global average. The low rate masks the greater labour market challenges associated with employment quality – including high rates of vulnerable employment and underemployment. Kenya's youth face various challenges, and a higher proportion of youth are unemployed, underemployed or outside the labour force. As an example, according to 2015/16 Kenya Integrated Household Budget Survey (KIHBS) data, it is estimated that youth (15-34 years) had an unemployment rate of 17.7 per cent as compared to 7.4 per cent for the entire working age population (15-64 years). Furthermore, time-related underemployment was estimated to be 20.4 per cent for the overall population and was higher for youth, at 35.9 per cent, according to data from the 2019 Population and Housing Census and 2015/16 KIHBS.<sup>1</sup> Although about half of youth are employed, a significant share of them hold poor-quality jobs. A large proportion of those jobs are considered "vulnerable jobs," which are held by either contributing family workers or own account workers.

Having a poor-quality job, being unemployed, being underemployed and being outside the labour force hinder the achievement of the development agenda. At the macroeconomic level, unemployment is linked to reduced demand and consumption, which, in turn, suppress business profitability and economic growth. Businesses may then make budget cuts and reduce their workforce in a cycle that is difficult to reverse without major interventions. In addition, unemployment has been associated with social instability (Kawaguchi and Murao, 2014).

The status of youth employment and unemployment implies a need to create not only more jobs but also better-quality jobs. As a result, the overall objective of this study was to review Kenyan youth employment interventions and their impact. The specific objectives were to:

- i) Provide a comprehensive review of youth employment programs (YEPs) in Kenya.
- ii) Provide a comprehensive review of the impact of those programs.
- iii) Identify key knowledge gaps that will inform the research agenda on youth employment in the future.

The review focused on youth programs that are supported by any public or mixed (public and private) initiative that provides training, wage subsidies, job search assistance or starting capital to self-employed youth. The policy review encompasses active labour policies for youth, including

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<sup>1</sup> Time-related underemployment refers to all employed persons who (i) wanted to work additional hours, (ii) had worked less than a specified number of hours, and (iii) were available to work additional hours if given an opportunity to work more. In the Kenyan context, we proxied time-related underemployment as all employed individuals who worked less than 28 hours in a week, the same as has been done in other labour surveys.

entrepreneurship support and internships.

## II. Context Framework

In 2019, the population of youth (15-34 years) was estimated to be about 17 million, which represents over one third (36.1 per cent) of the overall population. The proportion of youth living in rural areas was 63.3 per cent, and 51.6 per cent of all youth were female. Nearly 64 per cent of youth had completed secondary or a higher level of education.

Although the country recorded improvements in the Human Development Index (HDI), from 0.53 in 2010 to 0.59 in 2016 and 0.6 in 2020, many youths are still out of school. While 7 million individuals aged 15-21 are expected to be in school, over 2 million – or nearly 30 per cent of eligible youth – were not in school in 2019. Even so, progression, completion and transition rates are improving. This has been linked to the following government policies: free primary education since 2003, free day secondary education since 2008, and measures put in place to ensure a full transition from primary to secondary school (Economic Survey, 2021).

The employment-to-population rate (EPR) was 63.2 per cent for the working-age population in 2019. For the 15.8 million youth aged 15-34, the EPR was 51.0 per cent, whereas the EPR of youth aged 15-19 and 20-24 was 16.9 per cent and 52.2 per cent, respectively. The relatively low EPR for youth is not necessarily an inferior outcome if the youth aged 15-24 are in education or training.

With respect to the quality of employment, more than half of employed youth (54.7 per cent) were paid employees, and a larger share of males (61.7%) than females (48%) were in this category. The second and third largest shares of employed youth were “contributing family workers” (21.8 per cent) and “own account workers” (19.7 per cent). These two groups are “self-employment jobs” and are an indicator of the extent of vulnerable employment, which is usually defined as the sum of own-account workers and contributing family workers. A larger share of females (47.9%) than males (34.8%) are in vulnerable employment, which is characterized by low productivity, low income, inadequate job security, insufficient social protection, and minimal prospects for personal development.

In both 2005/6 and 2015/16 about one quarter of the working age population was outside the labour force. For youth, the proportions were larger (but declined), at 45.6 per cent in 2005/6 and 32.6 per cent in 2015/16. Most of the youth who were outside the labour force were full-time students (67 per cent) in 2019, an observation that can be linked to increased enrolment in technical and vocational education and training (TVET) and university education. The rate of youth not in employment, education, or training (NEET) was 21.4 per cent in 2009 and 14.1 per cent in 2019.

### III. Methods

#### 3.1 Framework for analyzing youth employment programs

To review the various youth employment interventions effectively, the authors adapted the categorization framework developed by Betcherman (2007) and other studies. The framework uses seven broad themes or categories: (i) make the labour market work better; (ii) improve chances for entrepreneurs; (iii) offer skills training; (iv) make training programs work better; (v) improve labour market regulations; (vi) facilitate overseas employment; and (vii) introduce programs that include more than one of these other interventions. Table 1 summarizes the categories of YEPs and the types of interventions. The above categories were tailored to fit the Kenyan context, with the interventions aimed at improving labour market regulations and facilitating overseas employment subsumed into the other categories.

**Table 1: Summary of YEP categories and types of interventions**

Category	Type of intervention
(i) Making the labour market work better	i. Wage subsidies ii. Public works programs iii. Counselling iv. Job search assistance
(ii) Entrepreneurship support programs	i. Funds for business start-ups ii. Youth guarantees
(iii) Skills training	i. Vocational training ii. Apprenticeships iii. Internships
(iv) Making training programs work better	i. Providing information about high-return training opportunities ii. Credit programs for individuals and enterprises iii. Subsidies and vouchers for training programs iv. A training system targeting disadvantaged groups
(v) Comprehensive programs	i. Combination of training, job assistance, and entrepreneurial services development ii. Dual programs

Source: Adapted from World Bank (2006); Betcherman et al. (2007); Wambugu et al. (2008); Nyerere (2009); Maisiba and Gongera (2013); and Orwa, Mbuvi, and Karumba, (2019).

#### 3.2 Data sources and types

This study utilized both primary qualitative and secondary quantitative data. The primary data was obtained from national- and county-level focus group discussions (FGDs) and key informant interviews (KIIs). The secondary data was sourced from the Kenya National Bureau of Statistics; publicly accessible data sources and policy and strategy documents; the Ministry of Labour; and the State Department for Youth Affairs.

##### 3.2.1 Primary qualitative data



The qualitative data was obtained through structured KIIs and FGDs. The key targets were implementing agencies and key informants, policymakers, program implementers, beneficiaries, labour officers, occupational safety and health (OSH) officers, employment officers, training officers, and representatives of workers’ and employers’ unions. The FGDs were held with beneficiaries of relevant national- and county-level YEPs. A total of 41 FGDs were held with 410 participants, and 259 KIIs were conducted across 47 counties. The qualitative data collected is presented in Table 2.

**Table 2: Overview of qualitative data collection**

Instrument number / respondents	Focus areas
1. Program implementers	YEP relevance, coherence, effectiveness, efficiency, impact, sustainability, evaluation, labour market outcomes, political economy perspectives
2. Youth policy implementers	Status of policy implementation, enforcement, effectiveness
3. Beneficiaries including marginalized groups	Selection criteria, civil society participation, access to labour market information
4. Labour officers	Labour/youth employment policy implementation and enforcement
5. Youth officers	Effectiveness of youth employment policies; OSH
6. Employment officers	Effectiveness of youth employment policies; OSH
7. Training officers	Effectiveness of youth employment policies; OSH
8. Representatives of workers' and employers' unions – including the Central Organization of Trade Unions (COTU) and Federation of Kenya Employers (FKE)	Effectiveness of youth employment policies; OSH

Data was collected on the nature of programs, including whether they are public or mixed public/private programs; their objectives; their start and end dates; their focus on youth; whether they provide training, wage subsidies, or job search assistance and placement services; whether they provide starting capital to the self-employed; their location (rural, urban); whether they cover all counties; their target population; how they select participants and their selection criteria; the types of interventions they provide (training, apprenticeships, internships, wage subsidies, temporary public works, job search assistance, mobility assistance, youth guarantees, dual programs, career counselling and guidance, mentorship, etc.); the duration of their interventions; their cost; their major sources of funding, with values; and an assessment of their success and sustainability. The amount and sources of funding (national and international organizations); the institution(s) that are responsible for their monitoring/evaluation; and whether they include vulnerable groups such as women, marginalized groups, and persons with disabilities (PWDs). Data

was also collected on the coherence, effectiveness, efficiency, impact, sustainability, evaluation, labour market outcomes, cross cutting issues and political economy perspective of youth employment policies and programs.

### 3.2.2 Secondary data

The main sources of secondary micro data and information were the Kenya Integrated Household Budget Surveys of 2005/6 and 2015/16; 1999, 2009 and 2019 Kenya Population and Housing Census data and reports; and Quarterly Labour Force Survey reports produced and published by the Kenya National Bureau of Statistics. Self-weighted census data samples were used, with each sample representing 10 per cent of the national population. Trend data for various issues such as employment across sectors was also obtained from various publications of the annual Economic Survey.

The secondary data was used to generate youth labour market performance outcome indicators such as: education status, employment status, labour market participation by gender, legal and institutional frameworks, and macroeconomic performance. The research team also reviewed various impact evaluation studies on YEPs during secondary data collection. This took the form of a desk review of empirical studies and program reports and documents.

### 3.2.3 Sampling and data collection processes

The study adopted a purposive sampling technique when selecting the implementing and coordinating ministries, departments, and agencies (MDAs) of key YEPs and implementers at the national and county level. County youth officers randomly selected beneficiaries from each region in their counties while following the guidelines for identifying key informants and focus group participants. The number of key informant interviewees and focus group participants is presented in Table 3 by type. Focus groups participants included both men and women, and persons with disabilities (PWDs). Sign language interpreters were also present when necessary.

**Table 3: KII and FGD figures**

Stakeholder Type	Total Number Interviewed
Program implementors	34
Youth officers	38
Employment officers	18
Training officers	28
OSH officers	15
Beneficiaries	58
Policymakers	40
COTU/FKE	4
Labour officers	24

Key informant interviewees	259
Focus group discussions	41
Focus group participants	410

A total of 6 research assistants and 10 staff members were involved in administering questionnaires to YEP beneficiaries and national- and county-level implementers. Most, but not all, YEP implementation and coordination MDAs were at the national level, and as such, data collection team members and the research team participated at both the national and county levels. Relevant information about study objectives, purposes and scopes was shared with county directors of youth (field mobilizers), who then had to prepare individual key informants for the KIIs during the county visits. During each county visit, the team first conducted a meeting with the county youth officer, the labour officer, the youth affairs officers deployed to counties by the national government, key informants and beneficiaries. The purpose of the meeting was to share expectations and address any concerns about the data collection process. The team then conducted the FGDs. One team member moderated while the others took notes. After the FGDs, the team split up to do the KIIs. Team members conducted virtual interviews with the key informants who could not attend in person.

## IV. Review of Youth Employment Programs

A YEP is defined as any public or mixed public/private program that is focused on youth employment. To facilitate subsequent review, the programs considered were categorized into five broad themes: making the labour market work better; skills training; entrepreneurship support programs; making training programs work better; and comprehensive programs. Most of the youth in our sample (55 per cent) were beneficiaries of programs aimed at supporting entrepreneurs. These programs included the Women Enterprise Fund (WEF), the Youth Enterprise Development Fund (YEDF), and the *Uwezo* Fund. Fifteen per cent of youth accessed programs aimed at making the labour market work better, 13 per cent participated in comprehensive programs, and 11 per cent took part in skills training programs.

### 4.1 Making the labour market work better

This category included interventions aimed at addressing high youth unemployment rates and youth being out of the labour market. Some examples of broad programs that aim to make the labour market work better include public works programs (PWPs), wage subsidies, counselling and job search assistance. PWPs were aimed at increasing labour demand by creating labour-intensive

jobs in, for example, infrastructure construction and maintenance. In Kenya, PWPs were rolled out as national initiatives rather than anchored in any law, which gives successive governments some flexibility when it comes to their use (or non-use). The supply of labour inputs is the main design feature of PWPs.

A recent example of a PWP is the *Kazi Mtaani* initiative that was implemented in three phases between 2020 and 2022. It was designed to cushion the most vulnerable youth aged 18-35 against the effects of COVID-19. The program thus targeted youth living in informal settlements due to the effects of the COVID-19 pandemic. The interventions were short-term and designed to not exceed 6 months.

Some implementation challenges the initiative faced include: difficulty targeting the most vulnerable households, who were selected on a **first-come first-served basis** – an approach that tends to exclude the poorest households/individuals. In addition, like other PWPs, the interventions did not lead to the creation of long-term jobs. The initiative excluded individuals who cannot supply labour – such as PWDs and those who experience time poverty. In addition, the interventions did not consider seasonality in time use and time poverty to maximize benefits for the targeted poor households. Some individuals were also excluded due to having time constraints or the arduous nature of the work (Devereux, 2002). PWPs usually target youth in urban areas – and informal settlements. There is usually not commensurate effort devoted to addressing rural youth employment – yet most youth (over 60 per cent in Kenya) reside in rural areas.

Anecdotal evidence indicates PWPs have been relatively successful at achieving their objective of offering income support to vulnerable individuals/households. For example, beneficiaries of the *Kazi Mtaani* program indicated that “despite being a short-term program, the youth were able to gain skills and start income generating activities.” Despite these benefits, program beneficiaries reported that the purchase of work tools was counterproductive to the objectives and goals of the programs.

A review of the literature indicated that the design of PWPs rarely factors in rigorous impact evaluation. In addition, cost-benefit analyses are not performed for these programs. Consequently, very little is known about the effectiveness of PWPs in Kenya. When evaluations have been performed on PWPs in Africa and Middle East and North Africa (MENA) countries, they have not yielded any robust empirical evidence that any type of PWP generates sustainable extra employment in addition to public works employment in the medium-to-long term (GIZ, 2018). There is no clear-cut evidence the programs have decisive impacts on income, consumption, or expenditures.

## 4.2 Entrepreneurship support programs

Typically, YEPs in this category offer financial assistance, training and technical assistance, mentorships, and links to markets. The objective of these programs is to promote employment creation through entrepreneurship. Kenyan examples include the YEDF<sup>2</sup> and the WEF, which have been in place since 2007; the *Uwezo* Fund, which launched in 2013; the National Government Affirmative Action Fund (NGAAF), and, more recently, the Hustler Fund.

When it comes to legislation, a common trend is to establish funds under government financial management regulations through legal notices. Since these are easier to revoke, most funds (e.g., the Youth Enterprise Fund and the Women Enterprise Fund) are transferred to semi-autonomous government agencies through legal orders. Their objectives are usually spelled out in legal instruments.

These types of YEPs face common challenges, such as having a limited capacity to undertake a broader mandate of offering strong business support services such as coaching and mentorship after credit delivery, and having tedious, bureaucratic application and approval processes. An estimated 73 per cent of the youth interviewed reported having difficulty accessing the various funds set aside for youth. Access challenges took the form of delays and a long waiting period before fund disbursement, which was estimated to be six months.<sup>3</sup> In addition, the funds are subject to high levels of political interference and poor governance. These challenges affect disbursement and repayment. Program implementers stated that “Committee members selected by the Members of Parliament influence the disbursement of the funds. The vetting of beneficiaries is discriminatory since the Committees select groups affiliated to them.” Similar sentiments and concerns were raised by program beneficiaries as well as FGD participants, who cited a lack of inclusivity as a key challenge when it came to accessing the *Uwezo* Fund. The political leaders usually spread misinformation about the grants being free, which undermines the repayment of the loans.

A review of the literature indicated there is a dearth of rigorous impact evaluations for these programs. Although there are reports of successful business ventures for each of these funds, evidence of these funds’ impact on employment in comparison with a control group is very limited. One hurdle when it comes to post-program evaluation is that there is insufficient data on crucial aspects of the programs – such as the baseline conditions of beneficiaries – and inconsistent

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<sup>2</sup> <http://www.youthfund.go.ke/wp-content/uploads/2021/03/YEDF-STRATEGIC-PLAN-2020-TO-2024.pdf>.

<sup>3</sup> Otieno, G. A. (2017). Factors influencing performance of the *Uwezo* Fund assisted youth projects in Migori county, Kenya. Doctoral dissertation, University of Nairobi.

monitoring of subsequent outcomes. Although a few assessments are available, their results are inconclusive, with some finding the programs have no significant effects on enterprise development (Odhiambo Odera et al., 2013) while others find some positive impacts. Assessments that report no significant impacts attribute this to various factors including the exclusion of potential beneficiaries by tough eligibility criteria, unclear eligibility criteria, low levels of entrepreneurship skills, little accountability in the management of funds, and weak coordination across government and its agencies (Sikenyi, 2017; Gachugia, Mulu-Mutuku and Odero, 2014).

### 4.3 Skills training

Examples of skills training interventions include: vocational training, apprenticeships, and internships. Specific examples of skills training programs include the *Ajira* Digital Program; the Presidential Digital Talent Program (PDTP), which has been in place since 2015, the National Youth Service (NYS), and County Youth Service programs. The common thread of these types of programs is to provide skills training in various fields. Other key components are on-the-job training, coaching, and mentorship.

As for these programs' legislative design, most are rolled out as initiatives. The NYS, on the other hand, is anchored in law and was initially established under the *National Youth Service Act* of 1964. This gave it a relatively strong footing, but the law was not reviewed until recently, which was a major weakness. The old legislation did not offer much room to recruit youth who did not have to attend paramilitary training. To introduce more flexibility the *National Youth Service Act* was revised in 2013 and again in 2019, and the NYS was transformed from a state department to a full-fledged semi-autonomous state corporation after the *National Youth Service Act* of 2018 was enacted by the Kenyan Parliament.

Overall, the numerous skills training YEPs improve inadequate employability skills, which is a key barrier among youth in Kenya (Franz and Omolo, 2014;<sup>4</sup> Dalberg, 2019<sup>5</sup>). There are several challenges that need to be overcome for YEPs to achieve their objectives. One cross-cutting challenge is the tendency to focus on promoting labour supply rather than labour demand. This is particularly severe for the rural economy, where the business environment requires tailored interventions to create greater impact. Overall, there are challenges in terms of inadequate resources, inadequate monitoring, and evaluation, as was pointed out by Franz and Omolo (2014).

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<sup>4</sup> Franz, J., & Omolo, J. (2014). Youth Employment Initiatives in Kenya, A Report of Review Commissioned by the World Bank and Kenya Vision 2030. World Bank Group, Nairobi. [http://vision2030.go.ke/wp-content/uploads/2018/05/WB\\_Youth-Employment-Initiatives-Report-13515.pdf](http://vision2030.go.ke/wp-content/uploads/2018/05/WB_Youth-Employment-Initiatives-Report-13515.pdf).

<sup>5</sup> [https://dalberg.com/wp-content/uploads/2019/10/191011\\_Porticus-Youth-NEET-Kenya\\_Report\\_vF\\_o.pdf](https://dalberg.com/wp-content/uploads/2019/10/191011_Porticus-Youth-NEET-Kenya_Report_vF_o.pdf).

Only a few Kenyan training interventions have been effectively assessed for their impact. The results show positive impacts. One example is the Kenya Youth Empowerment Project (KYEP), which underwent a randomized control assessment to test its impact on two treatment groups versus a control group. One of the treatment groups received life skills training, while the other received both life skills training and internship experience. The findings revealed that employment increased by 14 per cent for males who completed the full program (and 8 per cent for females) relative to the control group. While males saw no significant difference in earnings, females saw a significant increase. Participants who had at least some tertiary education were more likely to obtain wage employment.

A randomized controlled trial was also undertaken to evaluate the success of the *Ninaweza* program, which was part of the KYEP and targeted poor young women in Nairobi. It was an eight-week training program designed to provide life skills and ICT skills, which were relevant to women aged 18-25 who had completed secondary education but were from vulnerable backgrounds (Azevedo et al., 2013). The results showed that beneficiaries were 14 per cent more likely than the control group to find employment (a statistically significant difference). Treatment groups had higher earnings than the control group, and, again, the differences were statistically significant. The program also increased beneficiaries' proactivity in looking for a job. Overall, the findings indicated that life skills training had a positive impact on improving the chances of obtaining a job among female youth in Kenya (Ismail, 2018; Alvares et al., 2013<sup>6</sup>).

#### 4.4 Make training programs work better

This category of YEPs included interventions to provide information about high-return training opportunities, credit programs for individuals and enterprises, subsidies and vouchers for training programs and training systems targeting disadvantaged groups (such as TVET interventions in Kenya). The interventions to make training programs work better aim to address unemployment among educated youth, the low uptake of training, and skills mismatch. Other interventions aim to improve the transition from training to work by enhancing trainees' access to work experience, like the Kenyan *Jua Kali* voucher program. The main hurdles facing these programs are their complexity and costliness to establish as well as the difficulty in phasing out the subsidization of vouchers.

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<sup>6</sup> Alvares de Azevedo, T., Davis, J., & Charles, M. (2013). Testing What Works in Youth Employment: Evaluating Kenya's *Ninaweza* Program. Summative Report Volume 1. [https://ijfglobal.org/sites/default/files/library/GPYE\\_KenyaImpactEval\\_V1.pdf](https://ijfglobal.org/sites/default/files/library/GPYE_KenyaImpactEval_V1.pdf).

Evidence suggests that the *Jua Kali* program increased participants' employment and assets in comparison to a control group.<sup>7</sup> It also indicates that the *Jua Kali* voucher program had a positive impact on those who were trained and boosted employment, assets, and business for participating employers in comparison with a control group (Johnson and Adams, 2004). The assessment of the interventions pointed out several lessons learned, including the need to administer schemes similar to the *Jua Kali* program through the private sector rather than through a government ministry as was done in Kenya. Also, an exit strategy is needed unless subsidies are to last forever. But overall, the case of *Jua Kali* suggests that the use of vouchers has its place in a system that specifically targets the most vulnerable youth (Johnson and Adams, 2004).

Similar positive results were reported by Hicks et al. (2011),<sup>8</sup> who assessed the Technical and Vocational Vouchers Program (TVVP) in 2011 using both a treatment group and a control group in a randomized controlled trial. The TVVP program was launched in 2008 and targeted out-of-school youth in western Kenya. Their assessment findings showed that vouchers are an effective way to ensure educational attainment for human capital development. Furthermore, they showed that training retention rates were higher among individuals who received unconditional/unrestricted vouchers than those who received conditional vouchers. However, a desk review of YEPs in Kenya that was conducted by United States Agency for International Development (USAID) in 2017 found that voucher programs, which had been considered to influence youth employment outcomes, are less effective in low-income countries including Kenya (Fox and Kaul, 2017).<sup>9</sup>

## 4.5 Comprehensive programs

This category of YEPs includes programs that encompass several types of interventions in one program rather than falling into one category, like the KYEP. In addition to its training component, the KYEP had a work experience component that provided 12-week internships in private-sector firms (Honorati, 2015). Another example of a comprehensive program is the Kenya Youth Employment and Opportunities Project (KYEOP), which is a five-year initiative that was introduced in 2016 and funded by the World Bank.

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<sup>7</sup> Munga, B., & Onsomu, E. (2014). State of youth unemployment in Kenya. *The Brookings Institution*. <https://www.brookings.edu/blog/africa-in-focus/2014/08/21/state-of-youth-unemployment-in-kenya/>.

<sup>8</sup> Hicks, J. H., Kremer, M., Mbiti, I., & Miguel, E. (2011). Vocational education voucher delivery and labor market returns: A randomized evaluation among Kenyan youth. *Report for Spanish Impact Evaluation Fund (SIEF) Phase II*. [https://www.povertyactionlab.org/sites/default/files/research-paper/Vocational-Education-Voucher-Delivery\\_SIEF\\_Report\\_April2011.pdf](https://www.povertyactionlab.org/sites/default/files/research-paper/Vocational-Education-Voucher-Delivery_SIEF_Report_April2011.pdf).

<sup>9</sup> Fox, L., & Kaul, U. (2017). The Evidence Is In: How Should Youth Employment Programs in Low Income Countries be Designed. USAID. [https://conference.iza.org/conference\\_files/GLMLICNetwork\\_2017/fox\\_l4959.pdf](https://conference.iza.org/conference_files/GLMLICNetwork_2017/fox_l4959.pdf).



Comprehensive programs are known to have better outcomes than interventions that focus on single aspects of the youth employment problem. For KYEOP, for instance, 75 per cent of the 45,329 youth who received training and internship experience secured employment. Successful interventions are associated with multifaceted services (such as skills training and job placement) (Fox and Kaul, 2017).

#### 4.6 Cross-cutting challenges facing YEPs

YEPs are negatively impacted by poor implementation. This survey sought to assess how programs' implementation status compared with the original plan. The overriding view of over two thirds of program implementers was that YEPs were not implemented as designed in the country. Suboptimal implementation was attributed to complications such as poor coordination, inadequate monitoring and evaluation, inadequate resource allocation, and disbursement delays. In programs like KYEOP, delays in the payment of trainees led to the delivery of training to beneficiaries being delayed by months as one key informant reported.

Some YEPs are affected by insufficient legal and regulatory frameworks. It emerged that entrepreneurship support programs are in some cases characterized as having an inadequate repayment enforcement framework. Thus, other than for the Women Enterprise Fund, repayment into the funds has been low over the years. For instance, the Youth Enterprise Development Fund repayment rate has been about 39 per cent since its inception, which could have an impact on the fund's sustainability.<sup>10</sup> Overall, findings show that political economy factors come into play and the political elite usually convey the perception that the fund is an entitlement and a one-off grant rather than a loan.

YEPs are characterized by poor coordination and sometimes overlapping mandates. This is the direct result of high fragmentation among institutions and organizations at the national and county levels. Moreover, different institutions, such as the National Employment Authority, the National Industrial Training Authority, and labour offices in the counties, work independently. The labour officers corroborated this challenge during the KIIs, reporting that "there is disjointed implementation among various players." At the government level, a variety of ministries, counties, departments, and agencies deal directly and indirectly with youth employment. This creates coordination challenges in the face of a lack of clear structure for bringing different MCDAs together, which hampers the overall effectiveness of interventions.

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<https://www.uwezo.go.ke/#:~:text=In%20addition%2C%20the%20Fund%20has,translates%20to%2039%20%25%20repayment%20rate.>

YEPs are inadequately monitored and evaluated, and there is hardly any focus put on evaluating them. Studies in Kenya have found that inadequate monitoring and evaluation across public sector programs negatively impacts program delivery (Franz and Omolo, 2014;<sup>11</sup> Karanja, 2014). Findings from our survey show that 56 per cent of implementers reported there is a lack of monitoring and evaluation reports. Furthermore, while monitoring and evaluation is captured in program design, key informants reported little to no resources are allocated to monitoring- and evaluation-related activities.<sup>12</sup> Inadequate monitoring was also the result of poor record keeping. This is exemplified by some entrepreneurship support funds, which have not kept a ledger of all loans disbursed and repayments received since their inception in 2013.<sup>13</sup>

There are low levels of awareness about the YEPs in place and how to access benefits, especially among rural youth. This has negatively impacted the uptake of some initiatives such as entrepreneurship funds (Sikenya, 2017). The lack of awareness of youth employment programs and interventions is a challenge to impactful outcomes. There is thus a “need for more sensitization about these programs.” Political economy factors also hinder the implementation of YEPs through weak accountability mechanisms. One of the broad lessons for these and other programs is that political economy challenges related to the design and implementation of programs need to be taken into account. Accountability and social audit processes when implementing YEPs need to be strengthened. Public institutions, such as the Auditor General and the Anti-Corruption Authority, need to work more cooperatively for better enforcement of the laws to address governance challenges.

## V. Conclusions and Policy Implications

The overall objective of this study was to undertake a review of Kenyan youth employment programs and their impact. The focus was on policies and programs supported through public or mixed (public/private) initiatives.

### 5.1 Overview of youth employment policies and programs in Kenya

Besides policy interventions, the Kenyan government has implemented various youth

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<sup>11</sup> Franz, J., & Omolo, J. (2014). Youth Employment Initiatives in Kenya, A Report of Review Commissioned by the World Bank and Kenya Vision 2030. *World Bank, Nairobi*. [http://vision2030.go.ke/wp-content/uploads/2018/05/WB\\_Youth-Employment-Initiatives-Report-13515.pdf](http://vision2030.go.ke/wp-content/uploads/2018/05/WB_Youth-Employment-Initiatives-Report-13515.pdf).

<sup>12</sup> [https://pdf.usaid.gov/pdf\\_docs/PA00WCC3.pdf](https://pdf.usaid.gov/pdf_docs/PA00WCC3.pdf).

<sup>13</sup> <http://www.parliament.go.ke/sites/default/files/2021-02/AG-%20Uwez0%20Fund%202030%20june%2C%202019.pdf>.

employment programs, sometimes in collaboration with other actors. A broad group of interventions intended to make the labour market work better. These interventions included public works programs, which aimed to rapidly create jobs for vulnerable youth including those adversely affected by drought and pandemics. Other intervention categories included entrepreneurship support programs, skills training, initiatives to make training programs work better, and comprehensive programs.

## **5.2 Impact of youth employment programs in Kenya**

The overall outlook is that only a few interventions targeting youth employment have been rigorously evaluated for impacts, and of those few, only a handful have been evaluated using randomized controlled trials. In general, comprehensive programs associated with multifaceted services (such as skills training and job placement) have been found to be more effective in addressing youth unemployment than programs that focus on a single aspect such as life skills.

## **5.3 Key lessons and policy implications for enhancing the creation of work opportunities for youth**

Several lessons can be learned from our review regarding ways in which work opportunities for youth can be enhanced. These include:

- (i) Make youth job creation interventions more holistic and integrated by promoting partnerships. Most of the youth employment interventions tend to focus on only one aspect of the situation, yet youth labour market challenges are driven by a complex set of causes that reinforce one another. In addition, interventions are often fragmented due to the numerous and increasing number of players involved in youth employment interventions. One avenue is to effectively implement relevant policies such as the Kenya Youth Development Policy, which has a framework for coordination.
- (ii) Provide adequate financial and other resources. The actual implementation of interventions is often ineffective due to insufficient funding and other resource constraints.
- (iii) Carefully balance labour supply- and demand-side interventions. Many of the interventions reviewed, such as those in the skills training category, tend to focus on promoting labour supply. Demand-side interventions, such as reducing the constraints to business development, should also be focused on.
- (iv) Address the urban bias in youth employment interventions with commensurate effort put into addressing rural youth unemployment, underemployment, and inactivity. The urban bias may be related to the political economy aspects that impact youth employment programs.

- (v) Enhance the availability of data and information to support research and evaluation. There is a lack of comprehensive, accessible, regular, timely and granular information on youth employment programs, including their impacts, costs and lessons learned. This requires that monitoring and evaluation be built-in design features of youth employment programs. In addition, national household surveys need to be conducted more consistently and more frequently to support more robust labour market indicator comparison at the national and county levels.
- (vi) Establish recurring rather than one-time agreements with political players to overcome program-related challenges emanating from political economy aspects. To achieve this, political analysis needs to be integrated into the design and implementation of youth employment programs.

#### **5.4 Areas for further research**

One possible area for further research is the barriers faced by youth in accessing youth-targeted programs such as entrepreneurship support programs. This research should identify ways to deal with the challenges. Another potential area for further research is to review policy, regulatory and institutional/organizational frameworks to assess their weaknesses when it comes to improving the implementation of effective youth employment programs.

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