An empirical review of youth employment policies (YEPs) and their impact in Kenya

By Eldah Onsomu, Boaz Munga, Rose Ngugi, Violet Nyabaro, Melap Sitati, Tom Oduol and Sharon R. Wanyama

Key messages

• There is critical need for more and better-quality jobs for youth in Kenya.
• A centralized coordination framework can improve implementation and awareness of YEPs in Kenya.
• Most current interventions focus on a single area, such as skills training, rather than addressing diverse and comprehensive aspects of the labour market. There is need for more comprehensive programmes that address multiple youth employment challenges – as these are more effective.
• YEPs need to integrate political analysis into their design and continual political engagement into their design and implementation.

Urgent need for quality jobs and skills training to address Kenya’s youth unemployment crisis

The need for jobs for youth in Kenya is urgent, given the severity of the challenges to the country’s labour market and the large share of youth among its population.

A higher proportion of Kenya’s youth are unemployed, underemployed, and/or outside the labour force, relative to other age groups (KIHBS 2016)1. Another concern is the large share of youth who are neither employed or unemployed (45.6% in 2019). In addition, female youth are more disadvantaged than their male counterparts across nearly every indicator related to employment.

While around half of all youth are employed, many of them work in vulnerable jobs. Over 40% of employed youth are either contributing family workers (21.8%) or own-account workers (19.7%). Their jobs tend to be characterized by low productivity, low income, inadequate job security, insufficient social protection, and minimal prospects for personal development (ILO, 2010)2.

Youth also face huge skills deficits and gaps. These combined challenges imply the need to create not only more jobs but also additional better-quality jobs in tandem with more accessible and impactful skills-training programmes.

1. Data from the Kenya Integrated Household Budget Survey indicate an unemployment rate among youth of 17.7%, compared to an overall unemployment rate of 7.4% for those of working age. In addition, time-related under-employment was estimated at 20.4% for the overall population, rising to 35.9% for youth.

Objectives and methodology

The main objective of the study was to conduct a comprehensive review of youth employment policies and programmes in Kenya. The study utilized a mixed method research approach and adapted the categorization framework of interventions to alleviate unemployment used by Betcherman (2007).

Primary qualitative data were obtained from national and sub-national levels through 41 focus group discussions with 410 participants and interviews with 259 key informants. These included policy makers, programme implementers, beneficiaries, labour officers, occupational safety and health officers, employment officers, training officers, and representatives of workers and employers’ unions.

Secondary quantitative data were sourced from the Kenya National Bureau of Statistics (KNBS), publicly accessible data sources and policy and strategy documents, including those from the Ministry of Labour and State Department of Youth Affairs.

Policy options to improve youth employment policies and programmes

The various policy and programme interventions put in place by the Government and other actors in Kenya, in relation to youth employment, include interventions to:

- **Make the labour market work better by increasing labour demand** – which include Public Works Programmes such as the Kazi Mtaani programme and wage subsidies.
- **Improve chances for entrepreneurs** – through enhanced access to credit such as the Youth Fund and Women Fund; and preferential procurement opportunities such as preferential access to procurement opportunities, and training.
- **Train youth on skills and make training programmes work better** – e.g. through the use of training vouchers, such as the Kenya Jua Kali Voucher Program, or the use of internships/apprenticeships, or vocational training.
- **Embed a well-coordinated approach** to design and implement comprehensive programmes that include more than one of these interventions, such as the Kenya Youth Employment and Opportunities Project (KYEOP).
- **Facilitate overseas employment** – through information on opportunities and mobility assistance, such as the ongoing interventions by the Ministry of Labour to facilitate overseas employment by entering into MOUs with partner states and providing labour information.

Key findings

The key findings and conclusions from our review of the YEPPs in Kenya are presented for each of the thematic areas listed above, as they encompass the most common interventions implemented in the country. These findings are summarized in the table on page 3.

The overriding message is that each of these types of interventions is useful for job creation, but the impacts would be greater if there is a stronger focus on enhancing synergies, and designing and implementing programmes that are more comprehensive in nature.

In addition, each of the policy options have disadvantages that should be considered.
### Policies/ Criteria

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<tr>
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<th>Option 1</th>
<th>Option 2</th>
<th>Option 3</th>
<th>Option 4</th>
<th>Option 5</th>
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<tbody>
<tr>
<td></td>
<td>Make the labour market work better</td>
<td>Improve chances for entrepreneurs</td>
<td>Train on skills and make training programmes work better</td>
<td>Implement a comprehensive program (multi-interventions)</td>
<td>Facilitate overseas employment</td>
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Source: Authors’ analysis.

**Option 1: Make the labour market work better**
- Most of the youth employment interventions tend to focus on only one aspect of the situation. However, the challenges to the youth labour market are driven by a complex set of mutually reinforcing causes.

**Option 2: Improve chances for entrepreneurs by enhancing access to credit**
- The interventions are fragmented and are rarely integrated with or linked to wider macroeconomic or sector-specific policies. In addition, there is also a continuing fragmentation of efforts amongst various actors.

**Option 3: Train youth on skills and make training programmes work better**
- The implementation of interventions is often ineffective and falls short of the desired transformational change that is needed for reasons that include insufficient funding and limited scope.

**Option 4: Implement comprehensive programs with multiple interventions**
- Though effective, these programs are more difficult to implement as they require larger resource envelopes and greater technical skills to implement them successfully.

**Option 5: Facilitate overseas employment.**
- Common challenges include the exposure of many workers to vulnerable and sometimes hazardous jobs.

Two broad and important aspects touch on these policy/programme options.

The first is the need to design and implement comprehensive programmes rather than programmes that focus on one aspect of the youth labour market challenge. An example of a comprehensive programme is the Kenya Youth Employment and Opportunities Project (KYEOP). Its interventions seek to not only improve youth employability and support job creation, but also to improve labour market information systems and strengthen youth policy development.

A second broad issue is that the key actors need to focus their investment on the sectors or sub-sectors that would create the most wage jobs per unit of investment. Evidence suggests that these sectors include agro-processing, textile and garments, trade and repairs, construction, manufacturing, tourism, horticulture and information communication technology (ICT). In terms of industrial clusters, the sectors identified as important include: transport and logistics starting with at the Port of Mombasa; ICT in Nairobi; coast beach tourism; beef in Garissa; and horticulture in Naivasha-Limuru (Munga, Onsomu, Laibuni, Njogu, Shibia and Luseno, 2021).

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Policy road map

1. Use a more holistic approach to address youth labour market challenges

The Government of Kenya, through the Ministry of Youths and other actors, should adopt a holistic approach in addressing the country’s youth unemployment challenge. Most current youth employment interventions focus on only one aspect of the situation, yet the challenges facing the youth labour market are driven by a complex set of causes that are mutually reinforcing.

In addition, current interventions are fragmented and are not often integrated or linked with wider macroeconomic or sector-specific policies. The efforts of various actors continue to be fragmented. There is limited coordination of the programmes, as well as scale diseconomies.

Generally, to ensure a holistic approach, actors involved in designing or implementing youth employment programs in Kenya should:

• enhance synergies across the interventions, and/or design and implement more comprehensive programmes.
• promote stronger partnerships among Ministries, Counties, Departments and Agencies (MCDAs), private sector actors, and civil society organizations (CSOs). This can be achieved by establishing a centralized coordination framework among the actors.
• ensure greater engagement with the political environment to overcome programme-related challenges emanating from aspects of Kenya’s political economy.
• integrate aspects of the political environment into the design and implementation of youth employment programmes.

2. Enhance awareness of existing youth employment programmes

The implementation of interventions is often ineffective and fails to achieve the desired transformational change that is needed. The reasons for this include insufficient funding and low levels of awareness of these interventions among the potential beneficiaries.

The State Department of Youth Affairs, the National Youth Council, and County governments should:

• set job targets, backed by commensurate financial rewards, skills training and other requirements.
• enhance the sensitization of youth on existing YEPs to increase their uptake of programmes such as the Ajira Digital, which is free (this is particularly important for youth in rural areas).

3. Address constraints to job creation

Current skills-training interventions tend to promote labour supply rather than its demand, and there is a need to reduce the constraints to business development and job creation. The main recommendations in this regard are to:

• Address key constraints – including infrastructure and non-tariff barriers – in addition to skills development.
  Beyond the Ministry of Education (skills), this would also concern the various Ministries and institutions in charge of roads (infrastructure), trade (NTBs) and ICTs.
• Support interventions such as training programmes and public works programmes by establishing clear graduation into other programs such as entrepreneurship support and decent employment.
  This concerns mainly the Ministry in charge of Public Works.
5. Address asymmetries in labour market information

Current approaches are hampered by limited data, as well as a lack of awareness and information for the monitoring and evaluation of programmes. There is a lack of comprehensive, accessible and aggregate information on youth employment programmes, including their impacts, costs and lessons. In addition, labour market information systems (LMISs) are often weak, fragmented, and outdated in terms of the available data. These systems are also limited in scope: they do not, for example, capture the informal sector.

The main recommendations in this regard are to:

- Develop or enhance existing information portals and harness the synergies from cooperative efforts, such as the recent youth dashboard initiative.
  
  This concerns the Ministry in charge of ICT, the State Department in charge of Economic Planning, as well as the Kenya National Bureau of Statistics.

- Strengthen the capacities of relevant institutions to monitor and evaluate youth employment programmes, as well as to collect, disseminate and communicate youth employment data and information at national and subnational levels.

  This concerns the Kenya Institute for Public Policy Research and Analysis (KIPPRA), the Kenya National Bureau of Statistics, as well as the Agency in charge of Monitoring and Evaluation.

References


4. Enact proactive youth employment programmes and policies

The interventions to improve labour market regulations have tended to lag behind developments in the labour market. Parliament should enhance proactive rather than reactive regulations and policies aimed at creating quality jobs for the youth.

The ‘What Works for Youth Employment in Africa’ initiative

The Partnership for Economic Policy is partnering with the Mastercard Foundation for a three-year initiative on What Works for Youth Employment in Africa. The initiative aims to provide evidence that can drive policy reform to increase youth employment in 10 African countries: Ghana, Kenya, Niger, Nigeria, Rwanda, Senegal, Uganda, Burkina Faso, Ethiopia and South Africa. The initiative aligns with the Mastercard Foundation’s Young Africa Works strategy that seeks to enable 30 million young Africans, particularly young women, to access dignified and fulfilling work by 2030. Teams of local researchers and policy stakeholders are carrying out gender-aware policy and impact reviews in each country. The resulting analysis and findings will build a body of knowledge on youth employment policy in Africa, and will be stored in a new online knowledge repository.

For more information, please visit: www.pep-net.org/programs/youth-employment