

YOUTH EMPLOYABILITY IN KENYA: CASE OF KYEP ONGOING IMPACT EVALUATION ON EMPLOYABILITY

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Context and Background:

- Age group 15-35 years accounts for 40% of Kenya population.
- Poverty and unemployment have become a huge challenge in Kenya, especially for the youth.
- High unemployment rate among young people, which is estimated to be double the national level of unemployment of 12.7 %
- By 2030, 24 million unemployed youth.
- Key issues on youth employability: No of Jobs created and quality of those Jobs

Labour Market Challenges

- Economy not creating enough jobs/ economic growth not equal to job creation
- Mismatch between education and training and Labour Market requirements
- Large number of young people entering labour markets every year with no experience
- Network and experience required in the labour market

Market failures that require interventions

- Generally, Labor supply exceeds labor demand, but youth unemployment remains a challenge:
 - Non-conducive investment climate
 - Lack of experience & information
 - Skills mismatches
- Specific youth labour market failures that require interventions include;
 - Training and education
 - Skills demanded by the employers
 - Attitudes of the youth
 - Integrating policy and programs

Youth employment Landscape in Kenya

- Three Key processes
 - Formal employment
 - Informal Employment
 - Traditional agriculture/farming
- Key dimensions influencing youth employment/unemployment include
 - Age
 - Education
 - Gender
 - Geographical location
 - Sectors

Age

- Kenya has a youthful population
- In 1969, the youth (15-34 year) was 30.38% of the country's population.
- By 1979, the youth population had increased to 32.25%.
- By 2009, the youth constituted 35.39% of the country's population and currently estimated to be 40%
- These trends show that Kenya is facing a youth bulge.
- Nearly 80% of Kenyans are less than 35 years old.
- This represents great economic and social opportunities, but also enormous challenges.
- According to a recent UNDP Report, the most pressing challenge for Kenya is to provide jobs for young people aged between 18 and 25 years

Education

- Young people with no formal education have some of the highest unemployment rates.
- However, the most pressing youth unemployment problem is of people with primary and secondary education.
- Unemployment among those with tertiary education is limited to a small proportion of young people and to certain age groups

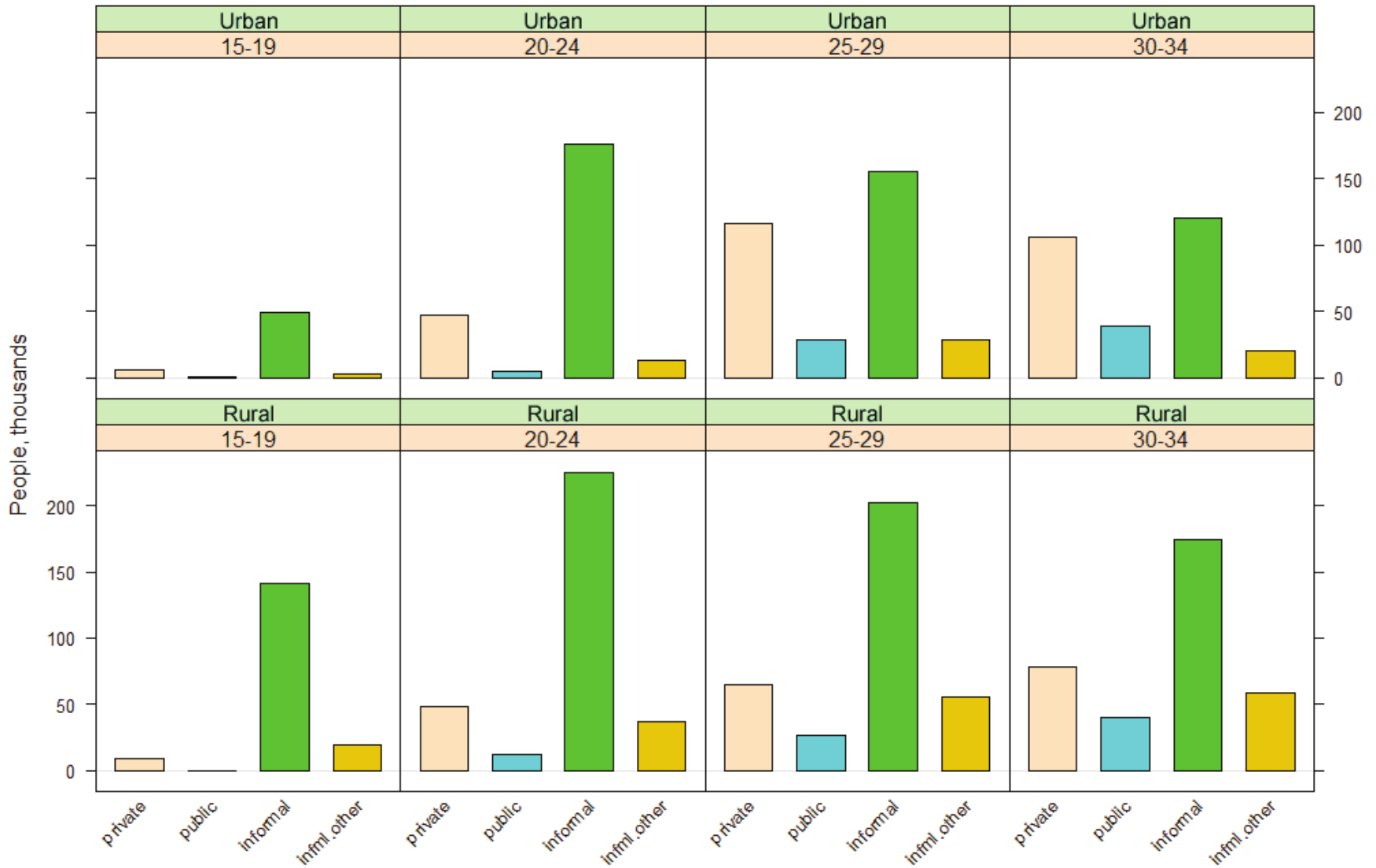
Gender

- Female unemployment is worse than that of males.
- Young women in rural areas account for the largest number of unemployed people, and females in urban areas have the highest rates of unemployment.

Geographical Location

- Youth unemployment is a significant problem in both urban and rural areas.
- Urban areas represent a greater unemployment challenge, particularly among the youngest of the young.
- Rural areas unemployment rates range between 20% and 25% for youth aged 15 to 25 years, in urban areas rates range between 35% and 60%

Number of workers by type of work and age



Youth Employment Policies In Kenya

- The last 10 years have seen the implementation of major youth employment policies
- Key Youth employment policy Interventions include;
 - Public works, - KKV
 - Entrepreneurial development and self employment - YEDF
 - Skill enhancement - NYS
 - Employability - KYEP

Kenya Youth Empowerment Project

- KYEP is a Government of Kenya Project whose overall goal is to improve Youth Employability in Kenya
- The project has two components
 - Private Sector Internships and Training - KEPSA
 - Capacity Building and Institutional Strengthening - MOYAS
- It is a four years project ending in 2014
- The project has three main stakeholders, GOK, World Bank and Kenya Private Sector Alliance
- It's a National project but focusing particularly in 3 major city: Nairobi, Mombasa and Kisumu
- The total project financing is \$20 Million.

Objectives and outcome indicators

- PDO is to improve youth employability in Kenya
- Objectives of the project components
 - Provide Training and Internship to the youth in the Private Sector
 - Develop the Capacity of Ministry of Youth to develop and strengthen evidence based youth employment policies and carry out analytical work on youth employment issues
- Outcome Indicators of PSIT Component
 - Youth being retained in the companies they were attached
 - Youth starting their own business
 - Youth getting motivated to further their education or skills development
 - Satisfaction of Interns and employers with the internship experience

PSIT Activities

- The project is divided into 8 cycles of 6 months each
- The main concept is to have training followed by workplace experience
- The four main project activities are:
 - **Creation of internships** in the private, non-agricultural sector(formal and informal sectors of employment).
 - **Provision of internship training:** This activity provides interns with access to training closely related to the employment experience. All interns selected have to undergo three months trainings.
 - **Training of Master Craftsmen(Informal Sector):** Enhancement of skills for mentors
 - **Monitoring and evaluation** to capture lessons from the pilot for possible scale up

PSIT Impact Evaluation

- Impact Evaluation is designed to determine the extent to which PSIT has been able to meet its objectives (short term) by looking at the key labour market outcomes
- As a result two intervention menu has been provided :
 - T1- Those who received Life skills training Only and
 - T2 Those who received full programme intervention

Objectives of the Impact Evaluation

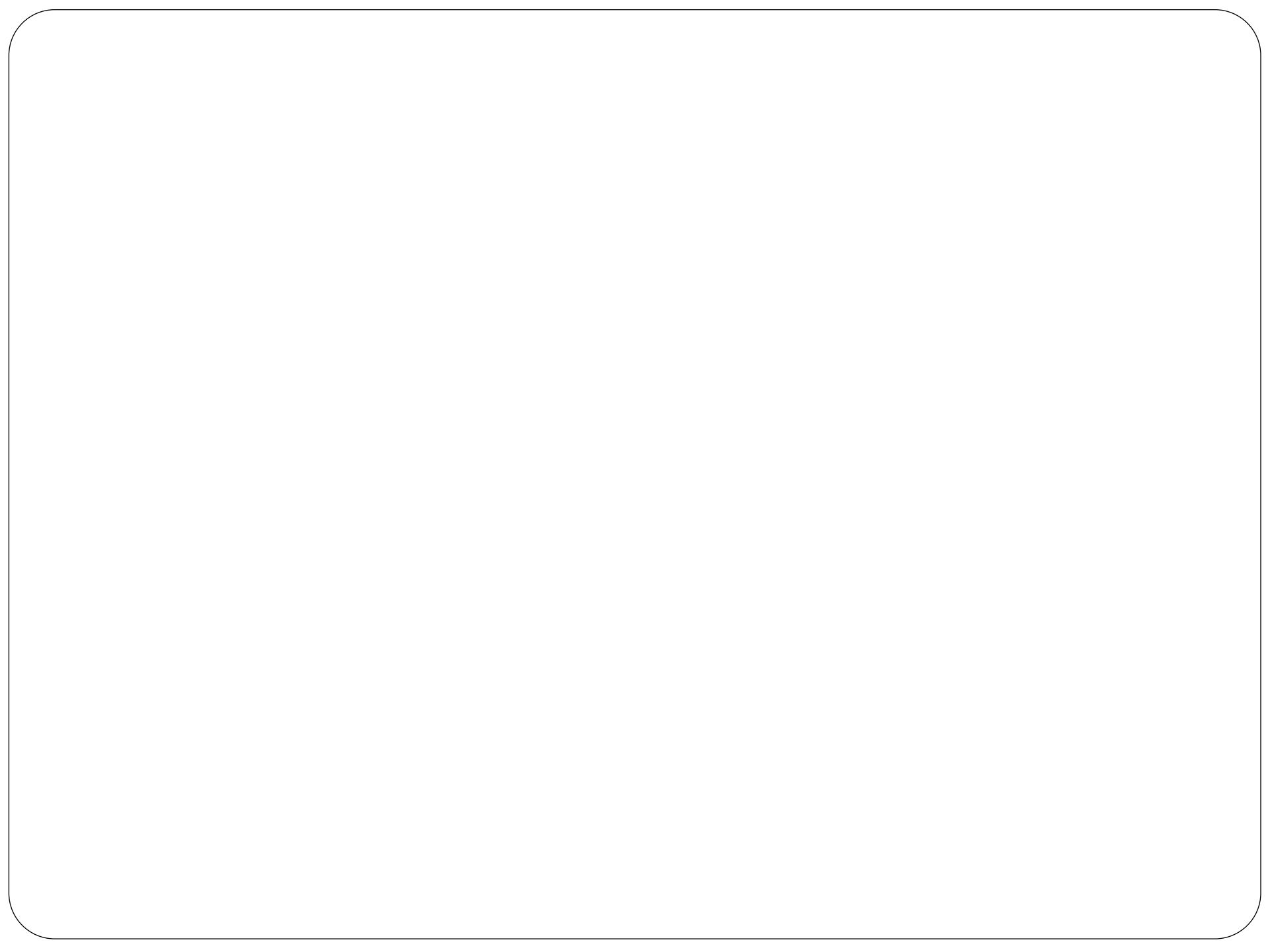
- Specifically, the study is being conducted among the youth interested or engaged in the project will seek to:
 - Determine the effect of the full intervention (i.e. life skills, technical training and work experience) on the labour market outcomes and engagement in risky behaviour.
 - Determine the effect of the life skills training only intervention on the labour market outcomes and engagement in risky behaviour.
 - Determine how the impact of the intervention varies with baseline characteristics of the youth, sector and different training type.

Summary of tentative findings to date

- Life skills training seems to have the most significant impact to the youth both in starting a business or getting a formal job. The same case applies to employers
- Business skills are important in understanding the dynamics of business, however they are appreciated more by youth with higher levels of education
- Both youth with higher levels of education and those with low education have a lot of interest in entrepreneurship skills training, however youth with low education have tended to venture to self employment more than those with high-level of education in Nairobi compared to Mombasa due to socio-cultural factors.
- The last tracer survey indicated that 74% of the youth who participated in the program had gotten jobs with 10% going back for further studies.

Barriers to employment

- Lack of skill and experience (45%) and lack of opportunities (28%) were considered the main barriers to finding a job.
- Most of the college/university students however stated that a lack of opportunities (39%) as their biggest barrier.
- When starting an own business, access to finances (85%) was by far the biggest barrier in setting up a business.



Baseline Results: Individual and Household characteristics

- **Sample Demographics**

- Of the respondents who participated in the baseline survey, 58% were males and 42% females.
- Only 14% were married.
- On religion, 87% were Christians and 13% Muslims.
- All participants were Kenyan citizens.
- It is important to note the close similarities in demographic profiles of the various categories especially Control Group and T2.
- T1 has slight differences due to the sample having been drawn from Nairobi only.

Education levels

- Almost half of the respondents have completed secondary school (46%).
- A large number of those who pursue tertiary education enrol in private commercial colleges (15%).
- A higher percentage of female respondents (23%) than male (18%) have below completed secondary school education levels.
- This means that 82% of the males compared to 77% of the female respondents have attained education levels above secondary school.
- For those who completed form four level of education, 81% attained grades in the C and D categories.

Additional training received

- About (28%) of those interviewed have an additional general or technical/vocational certificate, diploma, or degree in another field, from a formal educational institution.
- The most popular additional training respondents have attended is Information Technology (51%).
- Information technology and business management was done more by university and college graduates at 50% and 24% respectively as compared to primary graduates at 19% and 5% respectively.
- Further, primary school graduates tend to seek more labour intensive courses such as hair dressing, manufacturing, fashion and design, and auto and home appliances repair, as compared to university and college graduates.

... additional trainings received

- For those respondents who have attained college or university levels of education about a third (32%) is in the science/mathematics/computing fields with 26% in Business/Accountancy fields. 14% have training in social and behavioural studies.
- Close to 90% of respondents across all groups (87%) – age, gender and region, intend to go back to school.
- However, a large proportion (39%) of those who have completed primary school education only, do not intend to go for further education.
- Only a few (14%) of those interviewed have participated in a literacy program.

Labour force participation

- Overall, 79% of respondents had been trying to get salaried or wage jobs within the 4 weeks preceding the survey.
- More than any other group, University and college graduates (86%) were actively seeking work while the primary level respondents had the lowest at 68%. The main reason for not looking for a job was the perception that there are no jobs (18%).
- Over 80% of the most recently held jobs were temporary in nature i.e. 13% seasonal, 7% occasional and 62% temporary.

Entrepreneurship drive

- About a third (30%) of respondents had tried to start their own businesses during the past 4 weeks. Entrepreneurship is still very low across all categories of respondents though university graduates (35%) show a slight increase in incidence of business ownership.
- The main source of funding for businesses was household savings or sale of assets (43%). 28% of respondents claim to get funding as loans or grants from relatives. Only a third of respondents have paid or unpaid family members working with them in the business.
- About half (56%) of the businesses were started with only one person (the owner). Majority of the rest (41%) were started with no more than 5 employees.
- The main constraints faced by owners when expanding business was 'not enough capital' (66%).
- While this constraint seemed to affect all categories of respondents in an almost similar magnitude, university/college graduates seemed most affected at 72%.

Follow-up survey

- Follow Up survey is planned for 6 months after internship completion.
- The project also plans to constantly keep in touch with the respondents through Follow Up calls.
- MIS is in place to manage all the administrative data
- Incentives being provided to those in control group to remain in the program
- Data collected at both the baseline and follow up phases of the study will be compared to establish changes in the key indicators for both the treatment and control groups.
- The difference between indicators of C and T1 will give an estimate of the impact of LST only while the difference between T2 and C will give an estimate of the full intervention.
- On the other hand, $(T2-T1)-C$ will give the marginal impact of technical training and work experience.