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Women unemployment and rural development in Kenya

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Abstract

In 2018, women unemployment globally remained higher in comparison to men at the rate of 6.1 % in relation to 5.1 % for men. To reduce women unemployment, the government of Kenya introduced various policies and programmes to promote women in terms of securing employment. This includes the reservation of 30% of all Government procurement opportunities for women, youth and persons with disabilities and establishment of women fund to increase access to credit to encourage startups among women. In spite of the numerous programs, women unemployment in Kenya has remained above the country's rate of 7.4%. Several studies have examined the determinants of unemployment. However, there is scanty literature on women unemployment and none has examined the nexus between women unemployment and rural development justifying the study in Kenya. Specifcally, the study examined the gender unempolyment gap, detected unexpected change in women unemployment and established the effect of rural development on women unemployment in Kenya. Time series data spanning 23 years was analyzed using both descriptive and inferential statistics. Findings indicate that the gender unemployment gap has narrowed significantly to less than 1% from 2007 in relation to years before 2007. Unidirectional causality was established running from rural development to women unemployment with a percentage increase in rural development decreasing women unemployment by 0.2% based on OLS analysis. Thus rural development is a significant determinant of women unemployment. The study recommends that the government should increase its budgetary allocation to programs that can promote rural development such as rural electrification which will open up employment opportunities for majority of poor women living in rural areas.

Keywords: Women unemployment, rural development, Kenya

1.0 Introduction

Women form the majority of the World population. In Kenya, they constitute 50.6% of the total population as outlined in 2015/2016 integrated household budget survey (KNBS, 2018). To achieve the sustainable development goals (SDGs), the 2030 Agenda emphasizes the importance of empowering women and girls through the provision of equal employment opportunities in relation to men and boys. In the last two decades, gender equality has been established as a fundamental aspect for reducing poverty and boosting economic development and there has been an improvement regarding the number of women participating in the labour market. For example, women participation rate stood at 15.6 % in 2018 for the developed countries while in developing countries the rate was 69.3%, the highest on the Globe in comparison to the past years indicating an increased search for employment by women (International Labour Organization, 2018). In spite of the increased necessity to search for employment by women, globally their unemployment rate at 6.1 % remained higher in comparison to men at 5.1 % in 2018. The same was replicated in Sub-Saharan Africa at 8.2 % and 6.4 % for women and men respectively (International Labour Organization, 2018).

To comply with the dictates of the 2010 constitution that provides for equality in access to employment opportunities, Kenya developed an employment policy and strategy as presented by the sessional paper No. 4 of 2013 to support interventions aimed at creating a strong human base that will enable individuals to have better living through liberally chosen employment by 2030 (Republic of Kenya, 2013). Further, the government of Kenya in the year 2017 adopted other strategies to create employment opportunities for women. The strategies included the reservation of 30% of all Government procurement opportunities for women, youth and persons with disabilities which impacted positively on employment creation (Republic of Kenya, 2018). These strategies seem to be working in containing women unemployment as it can be shown from the World Development Indicators 2019 in Table 1, women unemployment in Kenya reduced from 9.7% in 2013 to 9.3% in 2017 (World Bank, 2019). However, this unemployment rate remains above the overall country's unemployment rate that stood at 7.4 % as per KNBS (2018) report which calls for other strategies that include increased rural development that might provide for more employment opportunities to women.

Table1: Women Unemployment in Kenya

Year	2013	2014	2015	2016	2017
Rate (%)	9.7	9.5	9.6	9.6	9.3

World Bank (2019)

As enshrined in the World development indicators 2019, rural development according to the World Bank encompasses improved access to basic drinking water services, basic sanitation and access to electricity. According to the Rural Electrification Authority (REA), rural electrification was meant for empowering rural inhabitants in education, health, lighting, modern farming, fish farming, employment establishment, security improvement and enhancement in living standards (Ayieko, 2011). Through its last mile connectivity, the government of Kenya targets to increase the number of customers connected with electricity as noted by Ayieko (2011) from 22% in 2013 to 65% in 2030. Kenya remains on track on its rural connectivity agenda whereby there has been a significant rise in the proportion of the people connected to the national grid. In 2013, 19.2% of the rural inhabitants accessed to electricity which more than doubled to 39.3% in 2016 (World Bank, 2019). The question that arises is that does rural development proxied by improved access to electricity reduce women unemployment?

To understand the determinants of unemployment, various studies have been conducted World over which include Farah (2018), Dagume and Gyekye (2016), Burger and Fintel (2009), Ahmad and Khan (2016), Jackman (2002), Bashir *et al.* (2013), Gobebo *et al.* (2017), Dessie (2015) among others who researched in Kenya, South Africa, Ethiopia, Western Europe and Pakistan. The findings highlight numeraous factors that

comprise family size, household headship, education level, training skills, age, exposure to mass media, marital status, family system, access to credit, work experience and technological development as the significant unemployment determinants. However, a thorough scrutiny of the studies indicate few studies assessed women unemployment and none has tried to establish whether rural development enhances women employment hence a justification for this study.

2.0 Objectives
The study sought to investigate the nexus between women unemployment and rural development in Kenya. The specific objectives were to;
    i.   Examine the gender unemployment gap in Kenya

    ii.   Detect unexpected change in women unemployment in Kenya

    iii. Establish effect of rural access to electricity (EA) on women unemployment in Kenya

3.0 Methodology
The study focused on time series data obtained from the World Bank 2019 statistics spanning 25 years from 1993 to 2017. Both descriptive and inferential data analysis techniques were used to answer the objectives.

4.0 Measurement of variables
The variables of women unemployment and rural development were measured based on the World Bank definitions.

4.1 Women unemployment
Women unemployment is the segment of the women labour force that is lacking work but available for and looking for employment (World Bank, 2019).

4.2 Rural development
Rural access to electricity as a proxy to rural development is measured as the percentage of rural population with access to electricity (EA).

5.0 Results
In examining the the gender unemployment gap in Kenya, Figure 1 indicates that before 2007, the gender unemployment gap was too wide with the unemployment rate being higher among women in comparison to men. That is, unemployment for women declined from an average rate of over 12 % to an average rate of about 10 % in 2007 with the gender unemployment gap declining from over 6% to 0%. Beyond 2007 female unemployment has remained above the 9% mark but with a major drop in the gender unemployment gap with some years such as 2008 to 2014 showing more men were unemployed in comparison to women with the gap being less than 1%. The decline in women unemployment for the last decade may be attributed to the implementation of various government policies that were geared towards ensuring equality in accessing employment opportunities as enshrined in the 2010 constitution. For example introduction of Uwezo and Women funds, reservation of 30% of all Government procurement opportunities for women, youth and persons with disabilities among other policies. This eased access to low cost credit that opened up avenues for business start-ups by women hence reducing unemployment among women in Kenya. In spite of the various efforts by the government to reduce women unemployment, on average as depicted in Table 2, women unemployment remained higher at 9.1% in comparison to their male counterparts at 6.5 %.
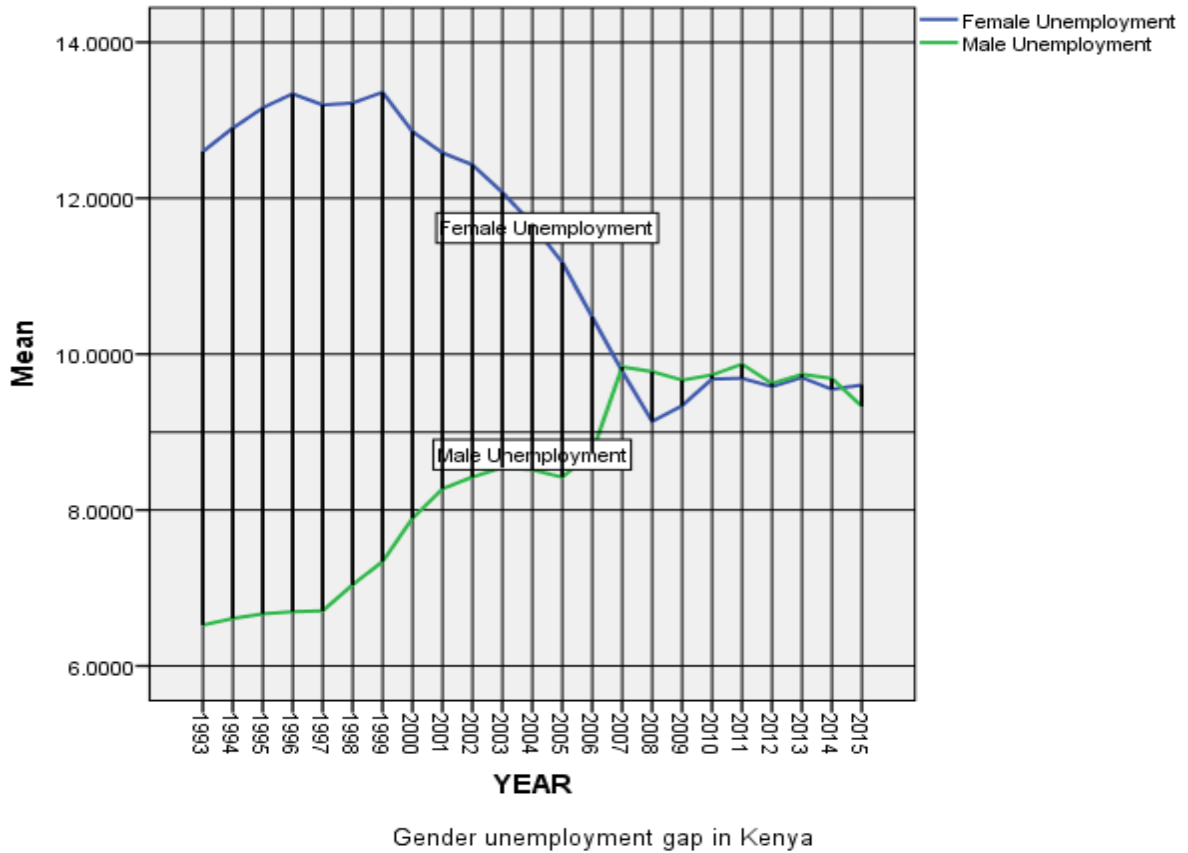
Gender unemployment gap in Kenya
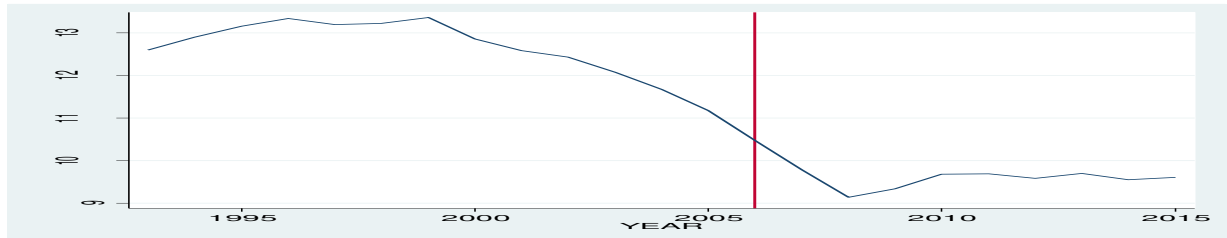
Figure 1: Gender unemployment gap in Kenya

Table 2: Female and male unemployment rate in Kenya

	N	Minimum	Maximum	Mean	Std. Deviation
Female Unemployment (%)	25	9.1370	13.3600	11.121115	1.6530546
Male Unemployment (%)	25	6.5250	9.8720	8.530038	1.2101911

The second objective was to detect any unexpected change in women unemployment in Kenya. Wald test was used to detect structural breaks based on the null hypothesis that there are no structural breaks and the break date is unknown. Table 3 results and Figure 2 indicate that there was a structural break in the year 2006. In 2006, as noted by IEA (2008) there was the introduction of the women's enterprise fund, the passing of the National Policy on Gender and Development and the 30% presidential decree on affirmative action in public appointments. The policies were ment to empower and enhance entreprenueship among women. This finding imply that the policies were effective as noted in Figure 1 where the unemployment gender gap narrowed to zero.

Table 3: Test for a structural break: Unknown break date

Null hypothesis	Full sample	Trimmed sample	Number of observations	Estimated break date
No structural breaks	1993-2017	1997-2015	25	2006

Test	Statistic	p-value
swald	87.5465	0.0000

Note. P-value < 0.05 indicates rejection of null hypothesis at 5% significance level

Figure 2: Structural break

The third goal of the research was to establish the effect of rural access to electricity on women unemployment in Kenya. Correlation analysis findings as captured in Table 4 indicate that there is a significant negative association between women unemployment and rural development. Further, the Granger causality test results in Table 5 indicate that there is unidirection causality from rural electricity access to female unemployment which implies that changes in rural development (rural access to electricity) leads to changes in women unemployment and not the vice versa. Thus rural development (rural electricity access) is a determinant of women unemployment.

Table 4: Correlation matrix

Variable	FEMALE_UNEMPLOYMENT	EA
FEMALE_UNEMPLOYMENT	1.000000	

EA	-0.798092*	1.000000
	(0.0000)	-----

*Note. Values in parenthesis () indicate p-value while * indicate significance at 5% level of significance*

Table 5: Granger causality test

Null Hypothesis:	Obs	F-Statistic	Prob.
EA does not Granger Cause FEMALE_UNEMPLOYMENT	24	5.42863*	0.0310*
FEMALE_UNEMPLOYMENT does not Granger Cause EA		2.48943	0.1311

*Note. * indicate significance at 5% level of significance implying rejection of null hypothesis*

To acertain the effect of rural development on female unemployment, a simple linear regression based on OLS analysis was conducted. Results in Table 6 indicate that rural development proxied by rural access to electricity has a significant negative effect on women unemployment. This implies that 1% increase in rural development leads a 0.2 % decline in women unemployment in Kenya. Rural development explains 64% of the variation in women unemployment. The residual diagnostic tests of normality, no serial correlation and no heteroscedasticity were upheld as depicted in Figure 2, Durbin watson statistic value in Table 6 and results on Breusch-Pagan-Godfrey test in Table 7.

Table 6: OLS results

Dependent Variable: FEMALE_UNEMPLOYMENT

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	13.60431	0.425350	31.98380	0.0000
EA	-0.237782	0.039174	-6.069868	0.0000

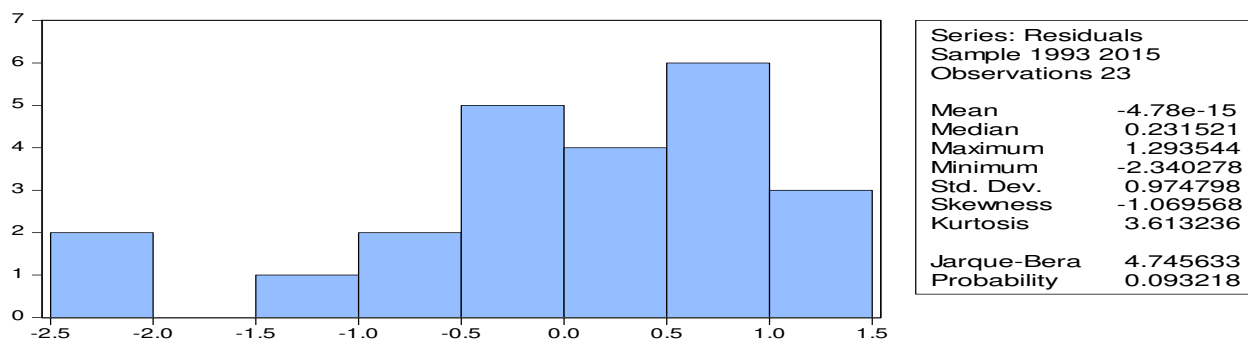|			
R-squared	0.636950	Mean dependent var	11.35239
Adjusted R-squared	0.619662	S.D. dependent var	1.617824
S.E. of regression	0.997737	Akaike info criterion	2.916288
Sum squared resid	20.90508	Schwarz criterion	3.015027
Log likelihood	-31.53731	Hannan-Quinn criter.	2.941120
F-statistic	36.84329	Durbin-Watson stat	1.837192
Prob(F-statistic)	0.000005		

Figure 2: Residual normality test

Table 7: Heteroscedasticity test

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.319259	Prob. F(1,21)	0.5780
Obs*R-squared	0.344428	Prob. Chi-Square(1)	0.5573
Scaled explained SS	0.375172	Prob. Chi-Square(1)	0.5402

*Note. P-value > 0.05 for Obs*R-squared indicates acceptance of null hypothesis that there is no heteroscedasticity*

6.0 Conclusion and recommendations

The objective of the study was to investigate the nexus between women unemployment and rural development in Kenya. From the findings, the study concludes that rural development is a significant determinant of women unemployment where increased rural development reduces women unemployment. This may be attributed to the openning up of rural areas where majority of poor women reside enabling them to actively participate in meaningful economic activities that generate revenue for them. The study therefore recommends that the government should increase its budgetary allocation to programs that can promote development of rural areas such as rural electrification which will open up avenues for self employment opportunities for majority of poor women living in rural areas.

7.0 Research Contribution

The study adds to scanty literature investigating women unemployment determinants. The findings identify rural development as a key pillar in reducing women unemployment that if focused on may lead to the relization of national and global agendas of Vision 2030 in Kenya and goal 5 of the SDGs that aim at achieving gender equality and empowering women and girls. More importantly, the findings show that the passing of the two policies in 2006 effectively narrowed the unemployment gender gap to zero in 2007.

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