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FROM THE AMERICAN PEOPLE



LABOR MARKET

LEARNING BRIEF

INTRODUCTION AND RATIONALE

The USAID Nawiri labor market assessment showed that there is a significant positive correlation between incomes and household dietary diversity in both Samburu and Turkana. Understanding local labor markets and opportunities for off-farm employment are critical to supporting nutrition for different groups. The Household Economy Analysis (HEA) found that casual labor and self-employment were among the highest sources of household cash incomes in both counties for very poor and poor wealth groups, and for both women and men. For most poor people who have limited access to livestock assets, labor is their primary or only asset (for more findings across different groups, please refer to the Household Economic Analysis Learning Brief). Improved nutrition is part of a complex system that requires a variety of interventions and actions, and in the context of Samburu and Turkana counties, labor, especially from a graduation perspective, is key to lifting very poor and poor households out of poverty.

During Phase I, USAID Nawiri looked into:

- Determining the contribution of individual and household labor as a source of income for purchasing nutritious foods
- Uncovering current and future economic and market opportunities

- Examining the barriers and requirements for accessing gender-sensitive decent¹ jobs in the labor markets of Samburu and Turkana counties.

Based on the findings, this brief provides recommendations for types of off-farm livelihoods the program can support, taking into account the context and systems that enable or constrain these opportunities. Labor-based livelihoods will contribute to a balanced household economy (income/expenditure) that will both support production and purchase of nutritious foods and diverse diets and will form a key component of USAID Nawiri’s resilient livelihoods approach to sustainably reducing malnutrition.

LEARNING JOURNEY

Informed first by the HEA, which highlighted key livelihood options across different zones, the labor market study explored livelihoods in more detail, looking at constraints and opportunities, entry points for interventions, as well as the potential impact on nutrition outcomes. We used a mixed methods approach, combining primary and secondary data collection and analysis. Our team triangulated the findings with those from the Cost of Diet; Gender; and Political Economy Analysis studies, as well as during stakeholder discussions on drivers and constraints of social and economic growth. Findings and insights from this process were used to re-assess the original USAID Nawiri Theory of Change and suggest modifications.

INSIGHTS AND IMPLICATIONS

INSIGHT N°1. Our livelihoods approach needs to be built on mixed livelihoods to support a balanced household economy (income/expenditure) that allows production and purchase of nutritious foods and diverse diets. This means focusing on: (1) increasing productivity of existing income streams and (2) adding new, complementary income streams.

There is a significant positive relation in both Samburu and Turkana between incomes and household dietary diversity. Households with higher monthly incomes consume a more diverse diet compared to lower income earners. The labor market assessment demonstrated that there are few livelihood options that provide full employment. There is a small formal sector in both counties, but even in more established sectors, such as tourism and hospitality, 76% of workers are hired informally, without

¹ The International Labour Organization defines decent work as, “productive work for women and men in conditions of freedom, equity, security and human dignity.” In general, work is considered as decent when: it pays a fair income, it guarantees a secure form of employment and safe working conditions, it ensures equal opportunities and treatment for all, it includes social protection for the workers and their families, it offers prospects for personal development and encourages social integration, workers are free to express their concerns and to organize. https://ec.europa.eu/international-partnerships/topics/employment-and-decent-work_en

contracts (see Labor Market Assessment). Most people combine income streams, engaging in multiple jobs and self-employment to try to make ends meet.

Implications: The program will: 1) increase productivity/incomes of existing income streams and 2) add new income streams in growth sectors which *complement* existing income streams (see Insights 2 and 3). Given the mixed livelihoods approach, the addition of any new income streams needs to consider the substitution effect (how a new income stream could potentially replace an existing one) they could have on other livelihood activities, and their role in contributing to regularity and resilience of the portfolio (more in Insight 4).

INSIGHT N°2. Honey, poultry, basket- and bead-making – and broader microenterprises – can provide complementary incomes to malnourished households.

Honey, poultry raising, basket-making, and bead-making are sectors that have growth potential based on our market analysis, and have potential for women, pastoral communities, and unskilled workers, who are the most vulnerable to malnutrition. There are similarities in these livelihoods, as individual households can add these activities to work that they are already doing, and incomes can increase by supporting aggregation, organization, and cooperatives.

Honey: There is high national demand and Turkana County is committing KES 45 million (\$393k) to revitalize beekeeping. More investigation is needed, however, relevant literature outlines Turkana as having a strong potential for honey with well-established associations and cooperatives. Institutions such as Kerio Valley Development are involved in honey processing in Samburu. Honey production peaks during the rainy season and dips during the dry seasons, but modern bee management can mitigate the variation.²

Poultry: This sector is underdeveloped in both counties, particularly in Turkana. Demand outstrips supply, with 90% of chicken and eggs in Turkana coming from Pokot. Poultry can offer a cheap source of protein, and is an enterprise which can be started with limited capital. USAID Nawiri should support individual households to raise poultry through connections to markets and skills development on production, disease control, and breed improvement. Pilots for commercialization may also be explored.

Basketry and beadmaking: Basketry in Turkana accounts for 4.9% of incomes. It has high potential, building on the local community's culture and indigenous knowledge, it complements most riverine,

The most common income sources are: informal unskilled or skilled labor (30% in Samburu, 28% in Turkana); informal trade at markets, selling things like water, household items, charcoal, or vegetables (16% in Samburu, 19% in Turkana), and livestock and agriculture (see Building Resilient Markets in Food Systems and in the Household Economic Analysis Learning Briefs). Informal labor (from KES 4,000/month (\$35) for unskilled work to KES 15,000 (\$131) for skilled roles) and trade (from KES 3,000-11,000 (\$26-96) in our study) offer low incomes.

²<http://ir.library.egerton.ac.ke/jspui/bitstream/123456789/1949/1/Impact%20of%20climate%20variability%20on%20honey%20production%20a%20case%20of%20Ratat%20and%20Marigat%2C%20Baringo%20County%2C%20Kenya.pdf>

agropastoral, and fishery livelihoods. However, market connections are weak, with only 11% sold to buyers outside the county. Average incomes from this income stream are low, at only KES 2,625 (\$23) per month. Similarly, *maa* beadwork in Samburu has a strong reputation and high levels of engagement from women, but weak markets. In both sectors, these activities can be considered as *additional income streams* rather than as a sole livelihood. Efforts should be made to improve market linkages, including working in partnership with the County Ministry of Trade and Chamber of Commerce to identify domestic and international markets.

INSIGHT N°3. Construction, transport, and fishery offer opportunity for enhanced employment at scale

A small number of sectors - construction (which employs 9%), transport (largely *boda bodas*, which engages 6.5% of the population), and fishery (which employs people from 7-12% of households in Turkana Central and North respectively) are large and growing, and offer significant employment opportunities, in particular for young men.

Fisheries: The HEA shows that in the Turkana Fishing Zone, the proportion of income obtained from fishing compared to other income sources has greatly increased across all wealth groups. In a 2012 HEA study, very poor households obtained approximately 20% of their cash income from fishing. In the 2021 study conducted by USAID Nawiri, this increased to 80-90%. Current fish production in Turkana - important along the shores of Lake Turkana from the Kenya-Ethiopia border, to Ferguson's Gulf, all the way to Kerio - accounts for just 28% of the 25,000 tons that the County Fisheries Department estimates could be caught. In addition to fishing, there is a significant role (largely for women) on the shores in processing, drying, etc., as well as those involved with onward trade. Moreover, fisheries offer short-term work for those migrating from other areas during dry seasons. In fisheries, there is potential for improving farming practices (now mainly done by males) as well as post-fish cleaning, packaging, or processing (now mainly done by females) and potentially influencing these gender dynamics. Investing in fisheries and aquaculture has been raised multiple times during county consultations in Turkana.

Construction: Construction is among the fastest-growing sectors in the two counties, particularly in urban areas. There are relatively limited technical skills among the target group, and though investment is required in Technical and Vocational Education and Training (TVET), this will be limited to urban areas. There is potential for skilled artisans to organize themselves into associations better able to negotiate opportunities and gain access to services and training.

Transport: Transportation, largely meaning the use of *boda boda* motorbikes to transport goods and people, is a major source of employment, with estimates suggesting it provides work to well over 10,000 people across the two counties. Incomes are relatively good compared to other sectors (KES 8,000-20,000 (\$70-176) from our sample). Opportunities exist to enhance financing for *boda bodas*, enhance engagement of females (though with likely cultural challenges), and work with associations which are already providing informal services (savings and credit schemes). There is an opportunity to formalize this and adjacent sectors (e.g., garages, spare part shops, etc.) in a bid to boost growth.

INSIGHT N°4. Our livelihoods development strategies need to adequately embed seasonality, including migration patterns

Most livelihood activities in the two counties have seasonality issues, as reported in the following sectors: Construction: 67%; Informal labor: 72%; Trade: 75%; Fishing: 80%; Crops: 89%. As a result, people rotate between different income sources throughout the year.

Seasonal changes in wages or employment were reported by 58% of wage laborers in Samburu and 76% in Turkana. There is already a precedent of young men who migrate to fishery zones during the dry season and there may be an opportunity to promote short-term seasonal migration within and out of the county to help ensure year-round wages. Though this has political sensitivities, there is a small, but growing body of research (see Mercy Corps' research [here](#)) that demonstrates the potential of migration as a livelihood strategy. The program needs to consider

seasonality in a household's portfolio of work (see Insight 1) and avoid risky livelihood strategies which are at particular risk of climate change, drought, and other shocks.

INSIGHT N°5. Mothers of young children require specific attention and balance must be reached between employment and nursing to achieve nutrition outcomes

Mothers said their work was affected by the responsibility of nursing infants (65% in Samburu and 53% in Turkana), while about half of mothers said nursing infants affected their ability to prepare nutritious food for their families. Nursing mothers earned an average monthly income of KES 11,439 (\$100) versus KES 23,079 (\$202) for mothers who weren't nursing. USAID Nawiri should support both exclusive breastfeeding (EBF) in infants under 6 months and an enabling environment for continued breastfeeding (up to 2 years). At the moment, EBF rates are high in both counties but with increasing urban migration and pressure to seek employment, they could drop. Activities focused on employment and livelihoods should facilitate mother-infant time together. For the complementary feeding phase - which our data shows is the time when young children become most vulnerable to acute malnutrition - access to nutritious foods (and the ability to purchase or grow them) is key. Flexible and affordable - or alternatively community-driven - childcare arrangements can be a game changer in this regard. There is potential to work with childcare providers to integrate SBC and early childhood development.

In both counties childcare services are mainly provided by the mother or through the traditional system in which grandmothers provide baby-sitting services to lactating mothers. In urban areas and during market days there are babysitting service providers, mainly individual young girls and women babysitters who can be hired. We will develop a business case for affordable childcare, facilitating more inclusive access, especially for women and parenting adolescent girls who are less able to rely on their social network (see also Adolescent Sexual and Reproductive Health Learning Brief). We anticipate the ability to pay for services being higher in urban areas, compared to rural ones where a community-centered approach (potentially through existing platforms such as VSLAs or peer support groups through which childcare responsibilities could be organized in rotation) could be adopted. We will also be sensitive to the needs of lactating mothers when planning activities, so they are able to take part in the program alongside their parental responsibilities.

INSIGHT N°6: skills development needs to be cognizant of low literacy and the current informal skills acquisition pathways preferred by young parents and youth where skills are acquired through “observe, do, and learn” and mentorship from family and friends.

Fifty percent of respondents in Samburu and 32% in Turkana acquired skills through traditional and passive exposure. However, a higher percentage of respondents acquired skills from formal institutions in Turkana (40%) than in Samburu (2%), but the school-to-work transition for those attending formal training institutions is low in both counties. Focus group discussions with community members revealed that a lack of skills limits vulnerable household members to low wage casual and unskilled work. Limited skills were also reported as a major constraint to the growth of priority sectors like livestock, fisheries, crop farming, and the cottage/*jua kali* industry. Initially USAID Nawiri had envisaged working directly with formal vocational training institutions, however, the labor market study identified barriers to accessing such training services (see text box). Therefore the program will strengthen the capacity of both formal and informal training service providers to address key barriers to participation by vulnerable populations, improve the service offering, reduce the mismatch between skills supply and demand as well as increase enrollment, retention, and school-to-work transition.

Barriers to working with formal training institutions range from few and concentrated training institutions in urban areas that lack boarding facilities; lack of childcare services, making it difficult for mothers to attend trainings; unaffordable fees; mismatch between the courses being offered at training institutions and the skills demanded in the ever-changing labor market; inadequate tools and equipment; and low school-to-work transition for those who have gone through the formal training system.

CONCLUSION & PRIORITY AREAS FOR ONGOING LEARNING

Livelihood systems have a direct link to nutrition as they impact a household's ability to produce nutritious food; earn income; access diverse, nutritious food and health and childcare services; and meet their household needs.

The participation of women and youth in high-value labor market income-earning opportunities will be key in increasing household incomes, and their involvement in decision-making around the use of household incomes will be key to increasing household dietary diversity and improving health and childcare environments. To achieve this USAID Nawiri will:

- Strengthen training service provision and linkages so training service providers can offer market-responsive courses;
- Enact measures to improve school-to-work transition, and address barriers to access and participation by young parents and youth with low literacy skills;
- Work with both private and public sector partners to address the systemic challenges to growing microenterprises, helping unlock their potential to offer employment opportunities to vulnerable household members.

Further consideration for the needs of seasonal migrants and its impacts on livelihoods and household incomes will also be needed, especially while developing ward development profiles.

The following modifications to the original USAID Nawiri Theory of Change (ToC) were made:

- Additional nuance was added to Output 1.2.1.3a.10 for tailored approaches to youth: Schools and training centers **are youth friendly** and offer market responsive job training opportunities for hard and soft skills.
- More attention given to: 1) motivation of rural-urban migrants and youth to attend TVET in urban centers; 2) offering short and flexible practical courses and identifying master trainers to offer on-the-job apprentice training for unskilled migrants; 3) capacity strengthening of an industrial liaison function of TVET; and 4) deepening understanding of market demands and linking students to industry for internship and job placement.
- Community leaders were further identified as playing key roles in influencing youth and adolescents to access training institutions and alongside scholarships can play a key role in taking strong affirmative action targeting girls to seek additional skills and training.
- Output 1.2.1.3a.5 has been extended to include entrepreneurs having enhanced access to Business Development Services, business incubation services and infrastructure for their operations.
- Output 1.2.1.3a.7 was expanded from accessing short-term credit to accessing financial services to cover short-term and long-term credit and other financial services.

In addition to improved and sustainable income generation, another key element to sustainably reducing malnutrition is natural resource management and environmental protection, which is absolutely crucial in contexts as affected by climate change as Samburu and Turkana counties. Building on the efforts initiated by the USAID-funded Livestock Market System³ program, USAID Nawiri will further investigate the above opportunities (notably fishing and beekeeping) to ensure a sustainable approach, and more broadly create labor opportunities that also address one (or several) root cause(s) of environmental degradation (working with youth groups to produce briquettes from invasive species to cut down on charcoal burning for example). To ensure that USAID Nawiri remains at the forefront of information regarding market capacity for employability, income generation, and training, the program will investigate a sector that has not been well covered so far in this learning process: energy. Energy did not emerge as a sector of primary importance during initial consultations with county and private sector actors and was not covered by the labor market assessment. However, more recent county and PREP 3 consultations, and further agency experience highlight the importance of looking into the use of invasive species for energy (charcoal/briquettes) and into the energy sector more broadly, not only for employability but also for development as a key economic activity enabler. Mercy Corps' recent merger with the organization Energy 4 Impact, with a main office in Nairobi, is a key opportunity USAID Nawiri will leverage to ensure the program is aligned with the most recent findings and entry points in the energy sector.

Finally, in line with an insight from the Conflict Learning Brief, USAID Nawiri will look more in-depth into labor sectors and value chains with potential for creating social and economic interdependencies

³ LMS initiated a nexus program between youth employment, natural resource management, and energy through piloting of a new technology that uses *Prosopis* (common invasive species in target region) for the production of briquettes. The enterprise is led by youth groups who will work closely with Ward Planning Committees with the goal of reclaiming agricultural land and rangelands for productive use once the invasive tree is cleared through farming and regeneration of pasture.

among warriors, elders, and women across conflict lines to secure and sustain peace and nutrition outcomes.

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