

DETERMINANTS OF JOB MOBILITY IN THE FORMAL SECTOR OF NAIROBI

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OF THE REQUIREMENTS FOR THE DEGREE IN MASTER OF
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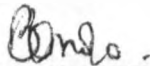
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DECLARATION

This research paper is my original work and has not been submitted a degree in any other university.

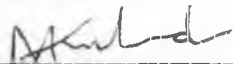


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This research paper has been submitted for examination with our approval as university supervisors.



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I am however responsible for any shortcomings in this study.

DEDICATION

This research paper is dedicated to my daughter, Joan

ABSTRACT

- *This study investigates the factors which affect the mobility of workers in the formal sector of Nairobi. It focuses on an empirical understanding of the underpinnings of job mobility; identifies and analyses economic, social, cultural, demographic characteristics that affect mobility of workers. The probit method of analysis is used to estimate binary response function of job mobility. To support the major findings of this study we suggest policy actions such as commensurate remuneration regimes, reorganization of education curriculum to emphasis on entrepreneurial and professional courses, female empowerment in education and finance and establishment of safety nets to cushion laid off workers.*

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ABBREVIATIONS

CEPRS.....	Country Employment Policy Reviews
COTU.....	Central Organization of Trade Unions
EA.....	Enumeration Area
FDI.....	Foreign Direct Investments
FKE.....	Federation of Kenya Employers
GDP.....	Gross Domestic Product
ILO.....	International Labour Organization
IFRA.....	French Institute for Research in Africa
IMF.....	International Monetary Fund
KMAP.....	Kenya Management Assistance Programme
KNOCS.....	Kenya National Occupational Classification System
LMIS.....	Labour Market Information System
NEB.....	National Employment Bureau
NIC.....	Newly Industrialized Country
NHIF.....	National Hospital Insurance Fund
NSSF.....	National Social Security Fund
R&D.....	Research and Development
SAPs.....	Structural Adjustment Programmes
SSA.....	Sub Saharan Africa
UNESCO.....	United Nations Education and Scientific Organization
UNDP.....	United Nations Development Programme
VAT.....	Value Added Tax
VET.....	Vocational Education and Training

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CHAPTER ONE: INTRODUCTION

Job mobility refers to the movement of workers from one employment to the other. Such mobility may be either voluntary, involuntary, vertical or horizontal. This study takes this wider concept of mobility whereby vertical mobility may be defined in terms of promotion or demotion while horizontal mobility is job change within the same rank. Voluntary job mobility results from the worker's own volition to change jobs as opposed to involuntary mobility whereby a worker is forced to exit employment against his wish. Several factors are responsible for mobility. These are lay offs, termination, company bankruptcy, end of contract or apprenticeship, low income, poor working conditions, personal conflicts, promotion, family relocation, retirement and medical reasons. In Kenya, firms in the private sector have cited high taxation, poor infrastructure, and insecurity as some of the reasons for winding up.

For a prospering economy, job mobility is an indicator of the dynamism of the economy because it reallocates labour from less productive to more productive uses. However for a depressed economy, involuntary job change is prevalent and it brings in its wake a wide range of negative consequences such as low wages, reduced morale, high training expenses, and a poor reputation for the firms involved (Anderson and Meyer, 1994).

Rosenzweig (1988) defines the formal urban sector as consisting of medium and large enterprises (including state owned firms) that hire workers on the basis of formal contracts. Workers and employers are subject to various labour market regulations. Employers, in particular, must provide a variety of benefits (such as pension plan, health insurance and relative job security to their workers. Labour unions often play an important role in the determination of wages and legal minimum wage laws exist - albeit enforced with varying stringency across professions and countries. However, members of the Civil Service which also forms part of the formal sector are not unionized.

Wage employment accounts for about 10% of total employment in low income Sub Saharan African countries. This is attributed to lack of a steady and sustained growth in the per capita GDP. That is to say, growth patterns, and the necessary incentive

structure, must be designed to ensure adequate job generation, and to reflect the comparative advantages in domestic production. A necessary pre-condition for sustained economic growth, under the current drift toward market liberalisation and globalisation, is a sound macroeconomic policy framework, which encourages investment and competition.

As a result of the declining economic performance, Kenya accepted to undertake reforms related to among others, the privatisation of public sector enterprises and reform of the civil service. However the establishment did not have faith in the reforms. This led to an impasse which saw the suspension of donor aid to Kenya and the worsening of the debt situation hence aggravating the employment situation further. This patchy record of stabilisation and adjustment, especially during the 1980s, failed to sustain growth in the early 1990s. With a vigorous implementation of policy reforms, the economy has, for the moment, established greater macroeconomic credibility. Inflation is currently in the single digit level. Much will depend on how assiduously policy reforms are implemented and investment picked up. An otherwise optimistic growth rate of 6-7% sustained over a period of time could possibly ensure an employment growth rate of 4-5%. Significant reductions in unemployment and poverty critically depend on how effectively policies are designed and implemented to ensure stabilization and an investment-led growth

1.1 A historical perspective of wage employment in Kenya

Since attaining independence in 1963, the expansion of employment opportunities continues to be a critical objective of the Kenya government. Overtime wage employment has registered steady growth. However, this success has been derailed by the persistently high demographic inflation which has caused an immense strain on the job market. Many new job entrants have thus remained unemployed as the labour accommodation ratio takes on a downward trend (Squire 1981). In 1980, the growth in total wage employment was estimated at 3.4% but this rate dropped in 1981 and 1982 due to a general decline in private sector investments. In 1988 wage sector growth rate expanded to 6.1% after the launch of the Nyayo Tea Zones (Mwega and Kabubo 1993). Thereafter, the rate declined to 4.4% in 1989, and rose again slightly

to 4.5% in 1990. Wage employment increased by a tremendous 11.5% for the periods between 1991 and 1996.

Wage employment as a percentage of total employment has declined over the years as informal employment continues to gain momentum. For example, in 1972 formal employment accounted for 85.6%, compared to 6.2% and 4.2% for self and informal employments respectively. By 1997, the situation reversed Wage, self and informal sector employments accounted for 35%, 1.4% and 63.7% of total employment respectively (Republic of Kenya, Economic Surveys).

Despite a few improvements, real wages have continuously dropped since the 1970's owing to high inflationary tendencies and constant money wages. A notable decline in wages was between 1991 and 1994 when the government, under the aegis of the World Bank and the IMF, stepped up efforts on structural adjustments. This was more pronounced in the public sector because the government embarked on an ambitious mission of holding the civil service wage bill down in order to control government expenditure (Ikiara and Ndungu, 1996). A lot of workers were sent on early retirement under what was termed the "Golden Handshake" while a freeze on civil servants recruitment was declared.

The government's policy on employment has centred on creating an enabling environment for the private sector to play a leading role in economic growth and generation of employment opportunities. A low wage policy aimed at attracting FDI and encouragement of labour intensive technologies has been under pursuit since 1973. Generally, short term policies have been focused on ensuring stability of the economy in order to attract both domestic and foreign investors while long term policies have focused on creating a conducive environment for increased productivity and equity.

In 1992, the government incorporated new dimensions to the employment. These are, addressing gender imbalance in the wage sector and high wage incentives as a prerequisite for increased productivity. The relaxation of the minimum wage in 1994 has however increased labour attrition in the lower cadre jobs, even though it has opened room for wage negotiations between employers and a category of employees.

1.2 Overview on employment issues

The World Summit for Social Development (Copenhagen, Denmark 1995) in its declaration adopted ten commitments. In commitment three, the countries agreed to commit themselves, *inter alia*, to promoting the goal of full employment as a basic priority of economic and social policies, and to enabling all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work. At the national level, it was agreed to “put the creation of employment, the reduction of unemployment and promotion of appropriately and adequately remunerated employment at the center of strategies and policies of governments, in full respect for workers’ rights, with the participation of employers, workers and their respective organizations and giving special attention to the problems of structural long-term unemployment and underemployment of youth, women, people with disabilities and all other disadvantaged groups and individuals”

As a follow-up to the Declaration to the World Summit for Social Development the UNACC established the Task Force on Employment and sustainable livelihoods under the Chairmanship of ILO. An important activity of this task force was to undertake Country Employment Policy reviews (CEPRS), which would be co-ordinate by ILO. The first reviews have been conducted in seven countries with the World Bank, UNDP, UNESCO and ILO being operationally involved in their implementation. The basic objective of (CEPRS) was to provide support to the countries in the formulation economic and labour market policies and programmes leading to full, productive, freely chosen and quality employment.

In addition to being useful to the participating countries, such reviews would also provide useful inputs to international consultations and follow-up on the World Summit for Social Development. Thus the Kenya Employment Policy Review mission was adopted as a follow-up to the World Social Summit. The Country Employment Policy Review (CEPR) bases its conduct on terms of reference which had been earlier agreed between the Government of Kenya, the Federation of Kenya

Employers (FKE) and the Central Organisation of Trade Unions, (COTU) on the one hand, and ILO-EAMAT on the other

1.3 Statement of the problem

The majority of employment policies in Kenya focus on employment promotion. The Tripartite Agreements were basically entered upon to expand employment, while labour unions were required to minimise work stoppages by employees adhering to the minimum wage guidelines. Apparently such objectives failed to incorporate factors that would influence job change among workers. With a high population growth rate of 4%, the mounting pressures from the rural urban influx and the education system that prepares students for white-collar jobs, it is apparent that prudent labour market policies have to be considered to reduce strains on the job markets.

From the perspective of the firm, it is important to reduce job change or turnover because of the enormous costs associated with hiring and firing. The hiring costs include costs for advertising, screening and training,; the firing costs include work disruption, loss of the worker's firm specific knowledge, and severance benefits. Firms that exhibit intense employment turnover rates are also less likely to invest in human capital and training, besides failing to offer fringe benefits like health insurance. Unskilled workers suffer longer spells of unemployment after a job loss and consequently lower annual earnings. The lost work time is compounded by lost skills, since long spells of unemployment, even for skilled workers, lead to a depreciation of skills pushing previously high- wage workers to the low wage instilled category (Jacobson et al 1993). If the source of change is job loss, workers have lower employment probabilities, higher probabilities for part time work and lower earning.. Earnings losses from displacement are quite large and persistent. Another effect of frequent job change is the probability of reduced training, which results in flatter earnings. The effect of being laid off can also stigmatise a worker as being a "lemon"(Gibbons et al 1991).

Adjustment costs tend to be high if production processes are complex. This is because tasks that are complex and difficult to monitor require that an efficiency wage be offered to retain the worker (Akerlof, George and Yellen, 1986). The impact of job

mobility on the economy can be debilitating as it greatly incapacitates growth and performance. The magnitude and consequences must therefore be kept in check.

Whereas job mobility associated with a booming economy is positive, it is unhealthy for an emerging and fragile economy (Abraham and Houseman, 1994). At the moment the Kenya government faces many pressures such as donor aid restrictions which have exacerbated the scourge of unemployment. Liberalisation of trade has resulted in unfair competition that have in effect led to closure of local firms.

There exists a gap between the theoretical and empirical literature as previous studies for example, Ngugi, 1991 been mainly descriptive and do not assess impact of factors influencing job mobility. This study endeavours to provide a comprehensive analysis of employment mobility through an econometric modelling hence bridging the existing information gap about job tenure and mobility.

By adding to the descriptive studies done on labour force in Kenya as well as providing an econometric understanding on job mobility in the country, this study will provide a comprehensive analysis of job mobility by incorporating all relevant factors as well as showing the causal effects of the determinants. It deviates fully from past studies by basing its data on an urban region of a third world country. It overcomes weakness of data bias by considering workers irrespective of their education background or social status. The primary contribution of this paper will be the discovery of a number of “stylised facts” about job mobility. As a corollary, the results will highlight gaps in the theoretical literature. While the existing theoretical literature suggests a number of possible reasons for worker mobility turnover, they do not corporate a wide range of other factors

1.6 Objectives of the study

The main objective of this research was to conduct an empirical investigation of the factors that determine mobility of workers but the specific objectives included;

- (a) Identifying the determinants of job mobility
- (b) Determining the relative importance of these factors
- (c) Drawing policy recommendations based on the study findings.

1.7 Significance of the study

Worker mobility deserves attention of policy makers because employment is essential in generating consumption, savings and investment. These three are vital elements in economic growth and development. This study gives useful implication for policy intervention to guard and improve the welfare of workers both at the labour market level and in the economy in general. Employers are also given useful tips on how to retain workers, increase productivity and enhance efficiency. The study contributes to the scarce empirical literature on job mobility in Kenya.

CHAPTER TWO: LITERATURE REVIEW

This section reviews both theoretical as well as empirical literature. The theoretical literature focuses on contemporary and general labour issues which include unemployment which is a direct consequence of labour attrition. Under the empirics, job search literature is covered because search intensity and the costs involved in searching for jobs work in opposite directions as far as job mobility is concerned.

2.1 Theoretical literature review

Overview of labour force issues

Most labour markets consists of two sub markets: (1) a primary labour market in which jobs are characterized by relatively high wages, favourable working conditions, and employment stability; and (2) a secondary labour market in which jobs when they are available pay relatively low wages, provide poor working conditions, and are highly unstable. Blue collar workers, many of whom are union members, comprise most of the participants in the primary markets, whereas the completely “disadvantaged poor”- the unskilled, the under educated and the victims of racial prejudice- are confined to the secondary market.

In a growing economy there will be constant and necessary changes in the labour force. Some employees will be made redundant because the industry in which they are employed contracts, businesses collapse or because of the introduction and adoption of new production technique. At the same time, other companies will be expanding, new businesses will be starting up, and employment in some industries will increase because new cheaper production techniques stimulate sales. Such change is characteristic of a modern dynamic economy, and it is vital that this type of change proceeds for the essence of development. Change in some instances can result in unemployment for a group of workers as enumerated below.

Structural Unemployment

This is the type of unemployment usually prolonged, results from fundamental alterations and “structural” variations in the economy, such as changes in technology,

markets, or national priorities. Most of the workers-unskilled, skilled or professional-are subject to structural unemployment as a result of these factors.

The explanation of structural unemployment stresses the role of flows into and out of the pool of the unemployed workers, which determines how the level of the unemployment changes over time. The inflow into the unemployment pool consists of those fired, those quitting to search for a new job, those laid off, and the new entrants to the labour market (Campbell C. 1997). The outflow from the pool is made up of new hires, re hires, deaths, retirements and discouraged workers.

Search and matching theories

This stipulates that workers and jobs are distinct. In this case matching workers and jobs is not accomplished through the labour market but rather through a complex process of search. Both worker and employer negotiate on agreeable terms and conditions of work. This process is not instantaneous hence the frictional unemployment (Jovanovic, 1979).

Underemployment (disguised unemployment)

This results from the state of affairs in which employed resources are not being used in the most efficient ways. Kritz and Ramos(1976) undertook a study in three major Latin American cities and found a widespread incidence of unemployment. There were large numbers of people doing only occasional work which often occupied only part of their working week. Among the self employed there were large variations in the demand for the output of these workers, so that typically they were producing only 60% of what they could produce in peak periods. They concluded from this type of evidence that urban unemployment affects more people than open unemployment and may be at least as serious. They added the interesting observation that in developing countries changes in the employment situation may take the form of variations in the extent and intensity of underemployment, and only secondarily, if at all, in the rate of open unemployment. The so called “urban surplus labour” was another form of underemployment, defined as workers with urban productivities below what they will be in rural areas. Sabot(1971) estimated the incidence of this in Tanzania, concluding that about 10% of the total urban force could be placed in this category (the incidence was twice as great among the urban self employed). According to Turnham 1993, it is also evident that underemployment is far more pervasive than open employment.

Other types of unemployment

Involuntary unemployment is a situation in which people who want to work are unable to find jobs at going wage rates for the related skills and experiences they have to offer.

Frictional unemployment is unemployment due to friction in the economic system resulting from imperfect labour , imperfect knowledge of job opportunities and a general inability of the economy to match people with jobs instantly and smoothly. A common form of frictional unemployment consists of people who are temporarily out of work because they are between jobs. Cyclical unemployment results from business recessions or depressions because aggregate demand falls too far below the full employment level of aggregate output and income.

2.3 Empirical literature review

Studies on job search

Most authors contend that job seekers will reject job offers below their preconceived reservation wage and accept any offer at least greater than that number. McCall (1970) developed a simple job search model. In his model, a job seeker is assumed to know both the distribution of wages for his particular skill and the cost of getting an offer. McCall’s optimal policy for a job searcher is to reject all offers below a simple critical number and accept any offer above this critical number. In deriving this result, he used the following symbols.

- c = cost of search per period of time,
- x = a random variable denoting the job offer,
- (x) = the probability density function of x,
- f(x) = Maximum return obtained when a job offer x has just been observed,
- E = employment openings

McCall argues that search cost, (c), is incurred simultaneously with the job offer, x. Further, if employment commences after N job offers, the return, f, is the value of the number of jobs offers:

$$f = -X_n - CN$$

If a job offer, x, is observed at the first period and the process continues in optimal fashion thereafter, the return is given by

$$f(x) = -c + \max (x, E (f(x)))$$

If we let E = (f (x)), then the optimal policy has the following form:

Continue searching if $x < E$

Accept employment if $x \geq E$.

This implies that a job seeker will only accept an offer if it is at least greater than his reservation wage, otherwise he rejects.

Although this model shows how a job seeker makes a decision on whether to accept or to reject an offer, it fails in assuming that he knows his search costs and has a fixed reservation wage. As will become evident in the remaining literature, reservation wages are not fixed nor does a job seeker have perfect knowledge of labour market conditions including the search costs.

Stephenson (1976) developed and estimated a simultaneous equation model to analyse Indianapolis youth job search behaviour. The model had four linear equations whose endogenous variables were relative reservation wage, planned tenure of the next job, the direct cost of search and the unemployment duration. When estimated the explanatory power of the model was generally low with most of the variables used being statistically insignificant.

Baron, S. M. and Mellow, W. (1979) developed a theory of the unemployed job seeker's choice of how much effort to devote to search. They distinguished two choice variables as time and money. They dealt particularly with the unemployment relief and with chances of getting acceptable job offer without search. To accomplish their task, they used data from Bureau of Labour Statistics (BLS) survey. Their empirical findings suggested that search time is important in explaining behaviour of unemployed. Search time per period was found to be inversely related to insurance benefits and lower for individuals on lay-off group that has a higher probability of employment without search.

Salop (1973) developed a model on systematic job search and unemployment. He assumed an individual job seeker is rational and able to distinguish among ex-ante and sample specific firms in an orderly manner. He established that individual's optimal acceptance level declines with his search period as he samples his best opportunities first and poor ones. Later, Holt (1970), and Harnett, Cummings and Hughes (1971) attributed this behaviour on higher psychic and anxiety costs and greater risk propensity, respectively. Incidentally, some authors observed high reservation wage phenomenon. Again, they associated this to a number of factors.

Mortensen (1970) concluded, “an increase in the acceptance wage increases the wage the participants can expect once employed”. To arrive to that conclusion he presented a simultaneous equation model that describes the dynamic behaviour of money wages and unemployment in a competitive labour market. Gronau (1971) and Gordon (1973) hold the same view that job seekers charge higher wages if they have a greater probability of arrival of acceptable job offers. Gronau argued further that higher reservation wages are also associated with greater non-market earnings retained throughout the search. Gordon (1973) had the same factor with Barron, S.M. and Mellow. W. (1979) that a greater likelihood of recall to a previous job is associated with higher asking wages. Finally, Stephenson (1976) attributed this behaviour on extensiveness of search efforts and education, which may make the searcher more attractive to employers.

Anticipated tenure of job sought

The anticipated length of job tenure has not been dealt with extensively in the job search literature. However, a few authors have dealt with a number of issues concerning it and have provided a base for further study on this variable. Whipple (1973) used a more general job search model based on expected utility maximisation to consider a number of policy possibilities. In his analysis he argued that a searcher might take a job of very short tenure or temporary in nature in order to maintain a minimum income and/or reduce the rate of skill decay until a new and better job can be found. Gronau (1971) pointed out that with finite life span the search duration will necessarily affect the time spent on the next job. The longer the search duration, the shorter is the job tenure. Stephenson (1976) extensively examined this variable as part of his endogenous variable of one of the equations forming a simultaneous-equations model. From his analysis, he concluded that the longer the search duration, the shorter is the planned tenure for the next job. This, he argued reflects a situation of despair as a worker becomes discouraged as job search duration lengthens. Further, he added that job seeker adjusts to not finding a job by lowering his expectations regarding the relative permanence of the next job. Older youth planned to remain longer in their next job and black youth had greater tenure estimates.

Unemployment Duration

Most of the work done on labour force in Kenya has dealt with the duration of job search. The findings of the Urban Labour Force Survey, 1986, indicate that the average unemployment duration for job seekers was slightly shorter in 1986 than in 1977-1978 labour survey in Kenya. This survey showed that the duration of job search for those unemployed was over one year, more than two years for over a third of them and in general, female job seekers searched longer than males. The Labour Force Survey of 1977-78 indicated that on average over 85 per cent of unemployed had been seeking for employment for longer than one year. McCall (1970), Mortensen (1970), Gronau (1971) and Stephenson (1976) have also dealt with the issue of job search duration. McCall concluded that *ceteris paribus* as marginal cost of generating another job offers increases, the length of search decreases. Mortensen found that the equilibrium unemployment ratio is independent of the inflation rate. He also showed that there is inverse relation between the rate of change in money wages and the unemployment ratio. He used his result to interpret Philips curve. Gronau (1971) argued that the search policy and market conditions determine the average length of search. He associated longer search duration with bolder search policies, high reservation wages, high current incomes, high value of assets owned, and greater relative variations of unemployed wage offer distribution. An increase in the rate of interest, on the other hand moderates job seekers demands and curtails the duration of search. Finally, according to Gronau, high rate of unemployment tends to lower the asking wage. Stephenson (1976) concluded that duration of search affects the reservation wage and time planned on the next job and, in turn, is affected by the reservation wage and the direct costs as well as other variables. He maintained that a greater reservation wage increases search duration and greater direct expenditure lowers. He went further and showed that individuals with higher risk scores were more likely to undergo longer search periods than ones displaying lower risk scores.

Quit Decision

Donald Parson (1973) considered a quit rate model based on the return to employed job search. He concluded that workers quit only when a preferable job has been located. Mattila (1974) that most workers who quit have identified a number of new jobs provided further evidence before deciding to quit. Barron and McCaffery (1977)

provided a more complete theory of quit behaviour within the context of an information and searches approach. They identified the cost of search as the utility value of time spent searching and added new choice variables in optimal search strategy, i.e., and the intensity of search and labour supply during search. They developed model which incorporated the three options facing an employed individual, these are; employed job search, unemployment job search and no job search. From their study they found that the quit rate into unemployment is responsive to the vacancy rate and a fall in vacancy rate increases the proportion of quits entering unemployment.

Search Intensity

In a fairly general model that Seater (1979) developed, he assumed that individuals have some control, through search intensity over the number of vacancies they contact per period. Using his model he showed how the optimal search intensity would be chosen and that unless vacancy contact function exhibit diminishing returns to search intensity, simultaneous work and search does not occur. He concluded that to increase the number of firms contacted a searcher must increase the area over which he searches, which requires increase in travel time devoted to search.

Search Method

In a recent study mentioned earlier by Central Bureau of Statistics (CBS) and Long Range Planning Unit (LRPU), Kenya (1988), direct approach to an employer was the most frequent job search method used. Other techniques which respondents claimed to have used are asking friends or relatives; writing letters to potential employers; answering newspaper advertisements and use of union or labour offices as the least used methods.

Search by firms

Firms contribute to the job search process by receiving job applications, evaluating candidates in terms of likely marginal products and then they express wage offers.. This process does not allow firms to utilize the information that they have about the characteristics of their jobs, the traits of workers who are usually productive on these jobs, and wages that typically have to be paid for such workers. Firms communicate this information by advertising job openings that specify ranges of requirements for

education, experience, and so on, and also indicate a salary range. Such advertisements apparently screen out most potential applicants and tend to generate more rapid and better matches of workers to jobs.

Although search by firms is important in a well functioning labour market, the inclusion of this search leaves unaltered the following major conclusions:

- it still takes time for workers to be matched with acceptable jobs, so that the expected duration of unemployment and vacancies are positive.
- An increase in workers wages while unemployed lowers the job finding rate and raises the anticipated duration of unemployment
- A favourable shock to productivity raises the job finding rate and reduces the anticipated duration of unemployment.

The duration of jobs

The research by Robert Hall(1980a, 1982) on job separations allows us to understand differences in unemployment rate by sex, age and race. First, most new jobs that people get do not last very long. using data for 1973, Hall estimated that 61% of new jobs last less than one year, while the average duration of a new job is 4 years. But as people get older and try a variety of jobs, most workers eventually find a good job match, which lasts for a long time. In particular (based on data from 1978), by age 50 70% of all workers have been on their present job for at least 5 years. Also, by age 40, about 40% of all workers are currently in a very long term job, which will eventually last about 20 years. These results mean that job separations are much more common for younger workers, most of whom have not found a long lasting job match. Therefore, this element explained a good deal of the higher unemployment rate for younger persons, especially teenagers. A low average duration of jobs can also explain some of the higher average unemployment rate for women than for men. For example, Hall estimated for 1978 that about 50% of women who have jobs will eventually reach a tenure of at least 5 years on their jobs, while about 15% will reach at least 20 years. But the comparable figures for men are 64 and 37%, respectively. Basically, women move in and out of the labour force over their lifetime more often than men do

Indexation and wage rigidity

Wage rigidity is a critical aspect of the functioning of labour markets. In developing countries minimum wages, indexation laws, employment protecting measures such as labour tenure laws, restrictions on labour mobility, government imposed taxes, and large and powerful trade unions may inhibit real and minimal wage flexibility. In high inflation countries, implicit and explicit wage indexation are an essential feature of the labour market. They allow for adjustment of wages for productivity changes as well as past inflation. The manner in which indexation operates is important for the transmission of policy shocks to output, inflation and unemployment (Agenor, 1996) Prevalence of wage rigidity is attributed to lagged indexation, staggered and overlapping wage contracts, and slow adjustment in inflationary expectations (See Reinhart and Reinhart and 1991) for the Colombian study. Contracting or bargaining models involves jobs with explicit or implicit contracts, which are staggered overtime hence giving rise to classical unemployment because of wage rigidities.

A study by Julia Lane et al (1996) in the United States show job mobility as resulting from quits and layoffs. The mobility rate is put at 20%. Most people are in long lasting jobs with average tenure for men being estimated at 8 years. The low wage workers have a shorter job tenure and a greater number of job spells than other workers. The study also shows that earnings on new jobs are 25% lower for displaced long tenured workers.

Pam Withers (2001) notes that retention strategies that respond to worker values such as trust, professional growth and development and building community in the workplace are crucial in curbing mobility. In her study she concurs that pay rises and promotions have been the incentives offered to stem job mobility. Workers are viewed as powerful because they have four factors to secure their position: the global market, worker empowerment, changing demographics, and a determination to make career sacrifices for a better work/life balance.

Dan A. Black (1995) examines the impact of employer provided health benefits on job mobility. If a worker's spouse has an employer- provided insurance for their family, it substantially increases the likelihood of mobility for the other party as she relies on these employer provided benefits. A worker whose spouse is not covered will value employment differently

2.4 Overview of literature

The literature reviewed does not incorporate all determinants of job mobility. In fact, the most recent study by Ngugi (1991) has not captured contemporary aspects such as the role of SAPs and liberalization policies on worker mobility. Technologies have also changed while trade unions have continued to grow stronger in the face of rising costs of living. All these have repercussions on employment. The study gives insight on the relationships between job mobility and its determinants such as the intensity of job search which increases the chances of job change and high job search costs which dampens job change. The types of unemployment enumerated result from involuntary job change.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Model specification

The model used is adapted from the World Bank Migration and Employment Survey where data on job histories of interviewers is obtained to throw light on the patterns of employment mobility and the economic implications for the labour market. This model provides an overview of job mobility by examining total number of jobs held by those in the survey during their careers.

$$JB=f(M, HH, A, G, O, ALTY, E, MIG, Y)$$

Thus we formulate a simple job mobility function of the following form:

$$JB = a_0 + a_1A_{25-34} + a_2 A_{35-44} + a_3A_{44-54} + a_4G + a_5HHS + a_6O + a_7ALTY + a_8M + a_9MIG + a_{10}Y + a_{11}AGESQ + a_{12}PE + a_{13}SE + a_{14}PS + a_{15}UE + e \text{ ----(1)}$$

Where;

JB = A dummy representing the probability of changing a job (1 for changing, 0 for not changing);

A=Age of the worker between 25- 54 years (1 for those likely to change jobs, otherwise 0 for those unlikely to change jobs);

AGESQ= Age squared;

HH= Household or family size (large HH of > 4 members =1, otherwise 0);

M= Marital status (married assumes 1, otherwise 0);

G= Sex (male = 1, female = 0);

O= Occupation (Professional = 1 otherwise 0);

ALTY= Second source of income(1 with second source of income, 0 otherwise);

PE=Primary education (1 if one has completed primary education, 0if otherwise);

SE=Secondary education (1 if one has completed secondary education; 0 if otherwise);

PS= Post secondary training (1 if one has completed post secondary training; 0 if otherwise);

UE= University education (1 if one has completed university education; 0 if otherwise);

Y= Income (1 if one owns a decent house and therefore defined as having high income; otherwise 0);.

MIG= Migration status of respondent (1 if worker is a Kenyan; otherwise 0);

The variable residential status is used as a proxy for income.

e = error terms, assumed to be independent and normally distributed.

3.2 Variable description

Primary education

This is the most basic level of education offered in the Kenyan education system. It runs from class one to eight. After successful completion one is awarded the Kenya Certificate of Primary education.

Secondary education

This is the second level in the education tier. It lasts for a period of 4 years and students graduate with a certificate in secondary education.

Post secondary training

This is middle level training undertaken by polytechnics and colleges where candidates are awarded diplomas or certificates upon completion.

University education

This is the highest level of education a person can attain. The programme lasts for a minimum of 4 years for the first degree, and varying durations for the post graduate courses.

Generally the education variable was measured by asking the respondents their level of education or the certificate attained after successful completion of study.

Age

This refers to the period from birth to the present time, often measured in number of years lived. In this study there are three age cohorts under investigation, that is, the ages 25-34; 35-44, 45-54 representing the young, middle aged and the older generation. This variable was obtained by direct questioning on the year of birth. Other possible indicators of age are the years spent on education, the age of the first born or asking whether they were alive when certain landmarks or events happened.

Job mobility

This is the act of a worker changing a job either voluntarily or not or whether vertically or horizontally. Voluntary mobility occurs when a worker leaves at his own volition for various reasons including better terms of pay. Involuntary movement is as a result of lay offs, termination, retirement and others. Vertical mobility involves the promotion of a worker while horizontal mobility is moving along the same job hierarchy i.e. being transferred to a different department or locality without change of job status. This variable was derived through the age and event questionnaires that

gave a pictorial description of the activities the respondents engaged in since they became of age.

Sex

This is the biological characteristic of a person which he /she has no control over. A person is either male or female and not both This was observed directly.

Household size

This refers to the number of people staying in the same house and share the same living arrangement. It includes both the nucleus and extended family members together with employees if any. An important characteristic of these people is that they depend on others for their daily sustenance. This variable was obtained through the household questionnaire which outlined all the members of the household present for the last 7 days. The questionnaire also contained pertinent questions regarding the employment status of the household members.

Occupation

This is the productive engagement of a person. This can either be professional or otherwise. Professional workers are deemed to undertake white collar jobs while those who are not professionals engage in menial duties e.g. cleaning, driving, messengarial work etc. As indicated above, the respondents gave an account of the activities they engaged themselves in by specifying the type of work they did.

Income

This variable used as a proxy for income is represented by the residential status of the respondent. In this study it considers house ownership as a mark of socio-economic status whereby depending on the materials used in constructing the house, a person is deemed to have high or low income. This variable was known by asking for the residential status of the respondent. Also, direct observation was made of the building materials used in the construction of the house to roughly estimate its market value.

Alternative source of income

This is any other income apart from the formal wage. It could be from business, property leasing, or an other form of assistance from relatives. Module 3 of the biographical questionnaire had a question which sought to know whether the respondent had any another source of livelihood.

Marital status

This variable indicates whether a person is married or not. In the singles group we include the widowed, separated or divorced cases. This variable was obtained through direct questions on the status of persons interviewed. To verify that a union existed we asked them to state whether the marriage was of civil or traditional nature or whether a church wedding solemnised the union.

Migrant status

Granted that Nairobi is a metropolitan city, workers are grouped as indigenous Kenyans or as foreign migrants for example expatriates and embassy officials who come from without Kenya to work here. The nationality status was used to capture this variable.

3.3 Hypotheses

Apriori, I expected the parameters in equation (1) to bear the following signs:-

(a) $a_0, a_1, a_4, a_5, a_6, a_8, a_9, a_{10}, a_{15} > 0$

(b) $a_3, a_7, a_{11} < 0$

(c) a_2, a_{13}, a_{14} – uncertain

I expected the category (a) coefficients to be positive for the reasons that young people are not subject to social pressure or conformity, they are unattached so it is easy to move or change job; men are not attached to children and so they can move; a large household requires a lot of resources so the provider must move to find a well paying job; professional workers by virtue of their education and hence marketability in the job market are fairly mobile; indigenous Kenyans are inclined to change jobs more than the foreign migrants are assigned specific duties or contracts Workers are bound to look for jobs with high income because economic theory says the more is preferred to less given the insatiety of man. A university trainee is highly educated man is more marketable in the job market than those with lower levels of education hence there is a high probability of movement.

As for category (c) coefficients the middle aged worker and those who have secondary or post high school training remained unpredictable in terms of job mobility

On the other hand, in category (b), the older workers, the married and those with alternative sources of income were not expected to move a lot because the old were nearing retirement and so would like to consolidate their terminal benefits, the

married were expected to be attached to family-and perhaps they wished not to disrupt the education of their children by changing schools while those with an alternative source of income were expected to maintain status quo in job change decisions.

The dependent variable, that is , job mobility was expected to be negative because of the depressed state of the economy.

3.4 Estimation techniques

The above model was estimated in a probit form represented as

$$P_i = F(\alpha + \beta X_i) = F(Z_i) \quad (1)$$

where

P_i is the probability that an individual would change a job

Z_i is a continuous index that was determined by the explanatory variable X . Thus, we stated this variable as $Z_i = \alpha + \beta X_i + \epsilon_i$

The index, Z_i was taken to be a linear function of the worker characteristics so that the slopes and intercept were easily estimated.

Goldberger's (1964) *probit analysis model* assumes that there is an underlying response variable Z_i defined by the regression relationship

$$Z_i = \beta'x_i + u_i \quad (2)$$

In practice, Z_i is unobservable. What we observe is a dummy variable y defined by

$$\begin{aligned} Z &= 1 \text{ if } Z_i > 0 \\ Z &= 0 \text{ otherwise} \end{aligned} \quad (3)$$

In this formulation, $\beta'x_i$ is not $E(z_i | x_i)$ as in the linear probability model; it is $E(z_i | x_i)$.

From the relations (2) and (3) we get

$$\begin{aligned} \text{Prob}(Z_i = 1) &= \text{Prob}(u_i > -\beta'x_i) \\ &= 1 - F(-\beta'x_i) \end{aligned} \quad (4)$$

Where F is the cumulative distribution function for u .

In this case the observed values of Z are just realizations of a binomial process with probabilities given by (4) and varying from trial to trial (depending on x_i). Hence, the likelihood function is

$$L = \prod_{Z_i = 0} \pi F(-\beta'x_i) \prod_{Z_i = 1} \pi [1 - F(-\beta'x_i)] \quad (5)$$

Assuming a normal distribution of the error term, estimation of the probit model was done using the Maximum Likelihood Estimation technique because data was

qualitative. The likelihood ratio index was used as a measure of goodness of fit and the standard tests were applied to test the significance of the individual coefficients.

3.5 Data types and sources

The primary data was collected using 3 questionnaires. The Household questionnaire served the purpose of identifying respondents eligible for interview that is, those between ages 25 and 54 years. The age event and biographical questionnaires were useful in gathering information on personal characteristics, activities and residential characteristics of respondents.

3.6 Area of study

The research was conducted within the city of Nairobi which has 8 administrative divisions viz Central, Dagoretti, Kasarani, Embakassi, Pumwani, Westlands, Makadara and Kibera. The formal sector from which our sample population was drawn comprises the Public sector, that is, the civil service and parastatals, and the private sector which comprises both the service and manufacturing industries.

3.7 Sample procedure

The procedure used was the multistage proportional to the population size sampling. The first stage consisted of stratification of the administrative divisions. This was necessary so as to get a representative sample of the diverse population in terms of the socio economic status and density. To avoid high clustering effect, we sampled 150 enumeration areas scattered among the 8 administrative divisions. The number of clusters was based on experience from countries where similar surveys have been conducted. Given that the distribution of households and EA's in Nairobi is uneven, the selection of EA's from each division was proportionate to the number of households. The number of selected EA's was roughly equal to the total number of households in a division multiplied by 150 and divided by the total number of households in Nairobi. The second stage was the random selection of EA's in each division from the 1999's list of EA's, using random number generator from the SPSS Version 9 Program. Thirdly, in each EA a sample of 50 households was randomly selected using a systematic sample from the household listing from the CBS. Lastly, individual biographies drawn from sampled households were sampled. Generally in African countries, where such surveys have been conducted, as many households as possible were drawn in order to get the necessary number of individuals in the older generation (44-54 years). This is because the age structure in most African cities usually forms a pyramid. However, the age structure of Nairobi, according to previous censuses (1979 and 1989) shows greater disparity. The pyramid is highly

skewed implying fewer females compared to males in each generation. In particular, there were unusually fewer women in the age range 45-54.

CHAPTER FOUR: EMPIRICAL RESULTS

4.1 Extent of job mobility

Table 1: Job mobility in Nairobi

Mobility	Freq.	Percent.	Cum
Not change job	19802	94.3	94.3
Changed job	1197	5.7	100

The table shows that only 1197 people changed jobs compared to the 19802 who did not. This could be the result of jobs being few to go round and also the economy being depressed such that people are either losing jobs or cannot move because the number of employment openings are few.

4.2 Mobility by age

Table 2: Job mobility by age groups by %

Mobility	Age			Total
	45-54	35-44	25-34	
Not changed job	39.2	30.1	25	94.3
Changed job	3.6	1.6	0.3	5.7
Total	42.8	31.7	25.3	100

Age has an important bearing on how often people change jobs in the sense that those who are young change jobs more often (39.2%) than the middle aged (30.1%) and the older workers (25%). The reasons are that young people are more energetic and relatively unattached. They are still looking for firms which pay better wages because they have finished school and have relatively “more needs” before they can settle down to life’s social commitments. The fact that they are not married makes it is easier for them to move from one place to the other without social pressure. The middle aged move but less frequently most often they have settled down to a good job and probably have started a family and so it becomes a little difficult to move. Most workers in this category tend to be in lower or middle managerial positions and therefore find the prospects of rising within present employment high and so they do not move a lot. The old generation (45-54) are well tenured and experienced senior managers. Even those who are not managers will not move because are nearing retirement and would wish to maintain status quo so as to consolidate their lifetime savings (pension). If they are forced to move, they are likely to suffer quite permanent and large earnings losses.

4.3 Mobility by gender

Table 3: Mobility by sex of a worker by %

Mobility	Sex		Total
	Women	Men	
Not changed job	41	53.3	94.3
Changed job	3.2	2.5	5.7
Total	44.2	55.8	100

This table shows that females more than males changed jobs. Generally married woman tend to join their husband wherever the latter move.. Another conclusion would be that more single women who are also household heads were interviewed which then makes it plausible to arrive at these statistics.

4.4 Mobility and marital status

Table 4: Mobility by marital status by %

Mobility	Marital Status		Total
	Not married	Married	
Not changed job	63.6	30.7	94.3
Changed job	2.8	2.9	5.7
Total	66.4	33.6	100

The study shows that those workers who are married are more likely to change jobs. The reason is that they have dependants who look up to them for daily sustenance. While this seems to contradict explanations for table 2, it is also true that other factors held constant, it is likely that a married worker will move more to provide sustenance to his family.

4.5 Mobility and occupation

Table 5: Mobility by occupation type by %

Mobility	Occupation		Total
	Others	Professionals	
Not changed job	75	19.3	94.3
Changed job	0.8	4.9	5.7
Total	75.8	24.2	100

Study findings indicate that professionals move a lot while the others do not. This is because they are educated and hence highly marketable on the job market. On the

other hand, unprofessional workers exhibited less mobility because most workers of this category look for security of tenure than economic incentives compared to the former.

4.6 Mobility by education

Primary education

Table 6: Mobility by primary education achievement by %

Mobility	Primary Education		Total
	No PEducation	With PEduc.	
Not changed job	85.7	8.6	94.3
Changed job	5.7	0	5.7
Total	91.4	8.6	100

Secondary education

Table 7:Mobility by secondary education achievement by %

Mobility	Secondary Education		Total
	No SEduc	With SEduc	
Not changed job	88.8	5.5	94.3
Changed job	5.68	0.02	5.7
Total	94.48	5.52	100

Post secondary education

Table 8:Mobility by post secondary education by %

Mobility	Post - Secondary Education		Total
	No PSEduc	With PSEduc	
Not changed job	91.6	2.7	94.3
Changed job	5.68	0.02	5.7
Total	97.28	2.72	100

University education

Table 9: Mobility by university education by %

Mobility	University Education		Total
	No Univ. Educ	With Univ. Educ	
Not changed job	91.6	2.7	94.3
Changed job	2.7	3	5.7
Total	94.3	5.7	100

Tables 6 to 8 generally show that education does not positively affect mobility, in fact fewer people with education move around. However , for university graduates mobility is higher by 0.3%. These results support studies on human capital whereby education is seen as a signal to employers on the productivity of prospective workers.

4.7 Mobility by household size

The study findings indicate a positive relationship between mobility and family size. Most African communities still nurture the ideals of extended families. This coupled with high fertility causes a burden to heads of households, whether women or men. Usually the family provider changes jobs with a view of getting a higher paying job in order to meet the family obligations than would a worker with a smaller family.

4.8 Mobility by income

Table 10: Mobility by income by %

Mobility	Residential Status (income)		Total
	Not own house (low income)	Own house (high income)	
Not change job	90.8	3.5	94.3
Changed job	5.4	0.3	5.7
Total	96.2	3.8	100

The residential status which is used as a proxy for income correlates negatively with mobility. Theoretically, monetary incentives attract labour. Assuming a simple neoclassical static model of labour supply, a worker maximizes utility subject to the amount of consumer goods and the hours of leisure. Consequently as incomes increases, the worker spends more time on leisure. In other words, he may not change jobs as much for the sake of earning more.

4.9. Mobility by alternative source of income(ALT.Y)

Table 11:Mobility by alternative income by %

Mobility	Alternative Source of Income		Total
	No Alt Y	With Alt.Y	
Not changed job	90.4	3.9	94.3
Changed job	5.4	0.3	5.7
Total	95.8	4.2	100

The study reveals a negative relationship between workers who have an alternative source of income and mobility This is because they can sufficiently subsidize for the shortfalls in income from alternative employment This tendency is common in the civil service where relative job security and relaxed employment atmosphere enable.

workers to engage in small businesses alongside their formal employment in order to subsidize their meager incomes

4.10 Mobility by migrant status

Table 12: Mobility by migrant status by %

Mobility	Migrant Status		Total
	Foreigners	Kenyans	
Not change job	42.5	51.8	94.3
Changed job	0.7	5	5.7
Total	43.2	56.8	100

The chances of an immigrant moving jobs is lower than that of a Kenyan because foreigners are usually assigned specific duties to perform after which they return to their countries of origin at the end of contract.

Table 13 Sample Statistics

Variable	Mean	Std. Dev
Mobility (1=moved)	0.0570027	0.2318533
Age	40.9809	8.681557
Agesquared	1754.8	699.1433
Marital Status (1=married)	0.3363017	0.4724548
Migrant Status (1=Kenyan)	0.5683604	0.4953166
Income (own house=1)	0.0382875	0.1918941
Sex (1=male)	0.5571218	0.4967382
Alternative Income(1=has ALT.Y)	0.0427163	0.2022216
Occupation (1=Professional)	0.2420115	0.4283114
Primary Education (1=completed PE)	0.0859565	0.2803064
Secondary Education (1=completed SE)	0.0654793	0.2473756
Post Sec. Education (1=completed UE)	0.0269537	0.1619519

From Table 13, the sample statistics show that only 5.7% of the sample changed jobs. This means that the remainder, 94.3% did not move. It is likely that the majority of these people are either unemployed or would like to move, but social and economic factors dictate otherwise. The mean age at which workers stop changing jobs is 40.9 years. A safe conclusion to draw is that workers are declared redundant or less productive at a very early age. This means that they are rendered unemployed when they least can afford to.

Table 14: Correlation coefficients for selected variables

	Mobility	Age	Agesq	Marstat	Migrant	Property	Sex	Alt. Inc	Pri. Edu	Sec. Edu	Post Edu	H/Hold
Mobility	1.0000											
Age	0.1296	1.0000										
Agesq	0.1291	0.9954	1.0000									
Marstat	0.0919	0.1841	0.1828	1.0000								
Migrant	0.1574	0.0341	0.0329	0.3104	1.0000							
Income	0.0280	0.1132	0.1139	0.1385	0.0401	1.0000						
Sex	-0.0624	-0.0219	-0.0202	0.0109	-0.0062	-0.0744	1.0000					
Alt. Inc	0.0212	0.0491	0.0504	0.0749	0.0961	0.0548	-0.0184	1.0000				
Pri. Edu	-0.0754	-0.0818	-0.0794	0.2017	0.2089	0.0514	0.0080	-0.0614	1.0000			
Sec. Edu	-0.0618	-0.0665	-0.0667	-0.1697	-0.1386	-0.0488	-0.0105	-0.0445	-0.0812	1.0000		
Post. Edu	-0.0371	-0.0189	-0.0172	-0.0332	0.0305	-0.0240	0.0359	-0.0192	-0.0510	-0.0441	1.0000	
H/Hold	0.0730	0.3397	0.3425	0.4792	0.3351	0.1620	0.0606	0.0820	-0.1810	-0.1533	-0.0556	1.0000

Table 14 shows that with the exception of the correlation between agesquared and mobility, the correlation between all other variables is below 0.5. This indicates that the level of multicollinearity among the variables included in the regressions just discussed is relatively low and each variable captures a distinctive feature of mobility in our model.

4.11 Regression results

Table 15 Marginal effects

Mobility	DF/dx	Std. Error	Z	P> z	x-bar	95% conf. level	
Seduc	-0.0194388	0.0030323	-3.06	0.002	0.071637	-0.025382	-0.013496
Peduc	-0.0179215	0.0035055	-2.41	0.016	0.029488	-0.024792	-0.011051
Age	0.0045037	0.0012904	3.44	0.001	41.1988	0.001975	0.007033
Agesq	-0.0000361	0.0000153	-2.33	0.020	1771.83	0.000066	-6.0e-06
Marstat	-0.0062692	0.0017137	-3.59	0.000	0.365531	-0.009628	-0.00291
Migrant	0.0215461	0.0022025	9.65	0.000	0.600083	0.017229	0.025863
Income	-0.0013681	0.0036723	-0.36	0.717	0.041315	-0.008566	0.005829
Sex	-0.0053965	0.0018155	-3.03	0.002	0.555903	-0.008955	-0.001838
Alt. Y	0.0001655	0.0034974	-0.05	0.962	0.046525	-0.00702	0.006689
Occup	0.1280647	0.0066091	32.53	0.000	0.264718	0.115111	0.141018

Table 15 shows the probability of mobility occurrence in relation to each of the listed independent variables. For example, we see that as we move from men to women, the probability of changing a job increases by 5% or that the probability of a man changing a job is 5% lower than that of the woman. Also, the probability of changing a job is lower by 1%, 6%, 1.9% and 1.7% lower for workers with high income, married employees, secondary school and primary school leavers respectively than for those with low incomes, unmarried workers and those without secondary and primary education attainment.

Table 16: Determinants of job mobility: all workers

Mobility	Coef.	Std. Error	Z	P> z	95% conf. level	
Sec. Edu	-0.8310561	0.1645416	-5.051	0.000	-1.153552	-0.5085606
Post. Edu	-0.759084	0.2050326	-3.702	0.000	-1.160941	-0.3572275
Age	0.0907904	0.0270445	3.357	0.001	0.0377842	0.1437966
Agesq	0.0006308	0.0003181	-1.983	0.047	-0.0012543	-7.24e-06
Marstat	-0.0470981	0.0363864	-1.294	0.196	0.1184142	0.0242179
Migrant	0.5027283	0.0496046	10.135	0.000	0.4055052	0.5999515
Income	0.030514	0.0722805	0.422	0.673	-0.1111533	0.1721812
Sex	-0.0801973	0.0353028	-2.272	0.023	-0.1493895	-0.0110052
Alt. Inc	-0.0273711	0.07738	-0.354	0.724	-0.1790331	0.1242909
Occup.	1.208416	0.0408309	29.596	0.000	1.128389	1.288443
H/Hold	-0.0999244	0.0092486	-10.804	0.000	-0.1180513	-0.0817975
cons	-4.943313	0.5679755	-8.703	0.000	-6.056524	-3.830101

Number of obs = 15850

Wald chi2(12) = 1581.70

Prob > chi2 = 0.0000

Log likelihood = -3205.5374

Pseudo R2 = 0.2445

The regression results presented in Table 16 demonstrate that marital status, alternative income, income (proxied by residential status) and unemployment duration are insignificant at 5% level. On the other hand, age, agesquared, household size, occupation, sex, migrant status and education are statistically significant. That is, these are the factors that influence job mobility.

Table 17: Determinants of job mobility (male workers)

Mobility	Coef.	Std. Error	Z	P> z	95% conf. level	
Martstat	-0.0252846	0.0522684	-0.484	0.629	-0.1277287	0.0771595
Age	0.030268	0.0360996	0.838	0.402	-0.0404858	0.1010219
Agesq	0.0001754	0.0004233	0.414	0.679	-0.0006543	0.001005
H/Hold	-0.1026929	0.0127758	-8.038	0.000	-0.1277331	-0.0776528
Occup.	1.262441	0.0574496	21.975	0.000	1.149842	1.37504
Alt. Y	-0.1807501	0.1094458	-1.652	0.099	-0.3952599	0.0337597
Income	-0.0978994	0.1016848	-0.963	0.336	-0.297198	0.1013991
Migrant	0.4315242	0.0638209	6.761	0.000	0.3064375	0.5566109
cons	-3.892932	0.7556598	-5.152	0.000	-5.373998	-2.411866
Number of obs = 7698 Wald chi2(8) = 755.89 Prob > chi2 = 0.0000 Log likelihood = -1777.5546 Pseudo R2 = 0.2276						

Table 18: Determinants of job mobility (female workers)

Mobility	Coef.	Std. Error	Z	P> z	95% conf. level	
Sec. Edu	0.3796235	0.1738045	-2.184	0.029	-0.720274	-0.0389731
Post. Edu	-0.3982385	0.2075082	-1.919	0.055	-0.8049471	0.00847
Age	0.1625618	0.0408112	3.983	0.000	0.0825733	0.2425504
Agesq	-0.0016294	0.0004826	-3.376	0.001	-0.0025753	-0.0006836
Marstat	0.0141476	0.0524529	0.270	0.787	-0.0886583	0.1169534
Migrant	0.6746957	0.079309207	8.507	0.000	0.5192525	0.830139
Property	0.1989389	0.1060943	1.875	0.061	-0.0090021	0.4068799
Alt. Inc	0.226449	0.1128066	2.007	0.045	0.0053521	0.4475459
Occup.	1.392456	0.0564541	24.665	0.000	1.281808	1.503104
H/Hold	-0.0931496	0.0142464	-6.538	0.000	-0.121072	-0.0652272
cons	-6.570267	0.8599188	-7.641	0.000	-8.255677	-4.884857
Number of obs = 10670 Wald chi2(10) = 1028.58 Prob > chi2 = 0.0000 Log likelihood = -1447.7939 Pseudo R2 = 0.2993						

Tables 17 and 18 show the difference between males and females in terms of mobility. Women display a higher probability of changing jobs. Older men are more likely to move compared to older women. Also, women with alternative income are more likely to move compared to men in a similar situation.

**CHAPTER FIVE: SUMMARY OF RESULTS,CONCLUSIONS AND POLICY
RECOMMENDATIONS.**

This chapter summarizes results, conclusions, policy recommendations and the limitations of study.

5.1 Summary of results and conclusions

Most of the research findings indicate that variables that are statistically significant in determining job mobility are age, agesquared, household size, occupation, sex secondary and post high school training, and the migrant status of the worker. University and primary education were dropped due to collinearity. The other variables that were found to be insignificant are income (proxied by property ownership), alternative incomes, and marital status. The reasons for the insignificance of these variables being that house ownership is a poor proxy for income; the alternative source of income may have been small or insignificant businesses; while marital status bore no impact because the common trend is that most families stay apart because of the need to move to where jobs are. In comparison, male and female respondents displayed surprising differences in mobility patterns with respect to the explanatory variables (Table 19).

All in all, the probability of a female changing a job was found to be higher(0.29) compared to the male worker who stood a 0.22 chance.

Table 19 Comparison of male and female mobility in terms of significant factors

Level of Significance	Male	Female
5% LEVEL (SIGNIFICANT VARIABLES)	Household size, occupation, migrant status	Age, agesquared, household size, occupation, alternative income
5% LEVEL (INSIGNIFICANT VARIABLES)	Marital status, age, agesquared, alternative income, income	Marital status, income, post secondary training

Table 19 shows that household size, occupation and migrant status are more important than other variables in explaining job mobility. The reasons for this are:

- Men are regarded as the family providers and for this reason they move a lot in order to find a better paying job to feed their families;
- By virtue of their higher education compared to women, men more than women are bound to move because of their demand in the labour market;
- Men whether indigenous or not are likely to change jobs more. In fact most international assignments are in favour of men because they do not bear the burden of child care;
- Marital status is insignificant because it does not matter whether a man is married or not, he will move always;
- Their age is also insignificant because of the male dominated type of society (whenever and whatever they do is unquestionable) and their retirement which in most employment comes later than that for women makes age relatively low;
- Alternative income and income in general appeared insignificant because of the poor proxy in usage But it could also be that men have insatiable needs which income alone can not satisfy;

As for the women, age, household size, occupation and alternative income are insignificant for reasons such as:

- Their biological clock is faster than that for men so whatever they do must be within some defined time limits;
- For the single headed households, women must work just as hard to fend for their families so they are forced to move to well paying jobs;
- Generally married women tend to have a second source of income to subsidize their joint income because they are more family focused than men. Also, most small businesses in Nairobi tend to be run by women because they belong to various self help groups who finance them;
- Marital status, income and post secondary training are less significant because whether married or not there is a limit to how much a woman will venture into new initiatives, mobility included;
- Income is a less important determinant of mobility arising from the marital status explanation above and also because women tend to change jobs less because of the

homecare demands. Once they are assured of security of employment they make what best they can from base;

- Education is insignificant because of childcare burden which inhibits their ability to exploit their potentialities. Generally also women do not pursue education to the same heights as the men do.

5.1 Policy implications

In light of the foregoing it is imperative for the Kenya government to review macro-economic and sectoral performance with emphasis on employment and productivity trends and factors fostering or hindering the competitiveness of the economy. In the above regard, particular emphasis should be given to policy regimes that can foster the competitiveness, survival, and growth of industries so as to minimize job losses. There is need to analyze and review income trends and survival strategies of the urban poor with a view to recommending strategies to increase their capacities to raise their income levels and employment with emphasis on the youth and women. Attention should also be given to rural physical and marketing infrastructure, training and appropriate technology (including modernization of traditional technologies) to curtail rural urban influx. The government should review coping mechanisms and capacity utilization among retrenched public servants and retired persons, and propose remedial measure and programmes, establish linkages between training and employment, while examining mechanisms for training needs assessment and tracer studies for all levels of manpower. It should also identify skill mismatches and factors contributing to skills utilization, and under-utilization or misapplication, all with a view to achieving more effective training for employment. Other measures include increasing public sector labour productivity, through capacity building, and better utilization of available capacities, with due examination of incentive structures and regimes, reviewing the effectiveness of the Labour Market Information System with due attention to operationalizing training/manpower/tracer surveys, as well as improving child labour statistics and practices. There is urgent need to analyze and consider administrative and institutional mechanisms for putting employment promotion at the center of national economic and social policies, including implementation modalities, for the soon to be introduced, National Employment

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APPENDICES

Appendix 1: The Household Questionnaire

[illegible]

Appendix 2: The Biographical Questionnaire

Code for Enumeration Area-----

Household Number-----

Interviewer's code-----

Date of interview-----

Date of return-----

PART ONE: PERSONAL CHARACTERISTICS

1. Name of respondent-----

2. Age-----

3. Sex

(1) Male

(2) Female

4. Marital Status

(1) Married

(2) Single

(3) Divorced

(4) Separated

5. Religion

(1) Christian

(2) Muslim

(3) African religion

(4) Others

6. Nationality

(1) Kenyan

(2) Foreign

7. Level of Education

(1) Basic

(2) High school

(3) Post secondary school training

(4) University

PART TWO: RESIDENTIAL HISTORY

8.Name of estate-----

9.Residential status of respondent

(1)Housed

(2)Tenant

(3)Landlord

10.Housing Conditions:

(a)Walls

(1) Concrete

(2) Wood

(3) Cardboard

(4) Iron sheet

(b)Roof

(1) concrete

(2) Wood

(3) Tiles

(4) Iron sheets

(c) Floor

(1) concrete

(2) Mud

(3) Tiles

11.Length of stay in this residence

12.Mode of lighting

13.Type of sanitation

14.Source of water

(1) Pit latrine

(2) Open /bush

(3) Flush toilet

(4) Open drain

(5). Paid toilet

15.Nature of the house

(1) Massionette

(2) Bungalow

(3) Flat

16.How many habitable rooms does the dwelling unit contain?-----

PART THREE: EMPLOYMENT HISTORY

17.Where do you work? Or name of the company.-----

18.What is your occupation?-----

19.Sector of employment

- (1) Formal
- (2) Informal

20.Mode of transport to work

- (1) on foot
- (2) personal car
- (3) company transport
- (4) bicycle
- (5) public transport

21.Have you changed jobs since you started work?

- (1) Yes
- (2) No

22.How many times?-----

23.Have you undertaken any professional studies or training while on job?

24.What were your reasons for changing jobs?

- (1) Income
- (2) Working conditions
- (3) Incompetence/ misconduct/ medical
- (4) Retirement/ retrenchment
- (5) Company bankruptcy
- (6) End of contract
- (7) Others (specify)

25.Do you have an alternative source of income?

PART FOUR:MARITAL AND FERTILITY HISTORY

26.What is your marital status?

- (1) Married

- (2) Single
- (3) Divorced
- (4) Separated

27. Is the union/ marriage....?

- (1) monogamous
- (2) polygamous
- (3) informal arrangement

28. How is your union formalized?

- (1) Christian
- (2) Muslim
- (3) Customary
- (4) Civil registration

29. Names of dependants, their age and relationship with you.

30. Name-----Age-----Relationship-----

31. Is your spouse employed or undertaking any gainful work?

- (1) Yes
- (2) No

32. Who does the housekeeping and childcare work?

- (1) self
- (2) spouse
- (3) house help
- (4) relative

Appendix 3:Age and Event form:

EA Code-----Household Number-----

History	Year	Duration	Family	Status	Residences	Status	Activities	Status
	2001	0						
	2000	1						
Census	1999	2						
Bomb	1998	3						
Diana dies	1997	4						
	1996	5						
	1995	6						
Ferry sunk	1994	7						
	1993	8						
Muliro	1992	9						
FORD	1991	10						
SabaSaba	1990	11						
Census	1989	12						
Elections	1988	13						
African games	1987	14						
	1986	15						
Pope visit	1985	16						
Yellow maize	1984	17						
Elections	1983	18						
Coup	1982	19						
	1981	20						
	1980	21						
Census	1979	22						
Kenyatta dies	1978	23						
	1977	24						
	1976	25						
JM Kariuki	1975	26						
Elections	1974	27						
	1973	28						
	1972	29						
	1971	30						
Mayor Marg.	1970	31						
Mboya dies	1969	32						
	1968	33						
	1967	34						
Elections	1966	35						
	1965	36						
Republic	1964	37						
Independence	1963	38						
	1962	39						
El MPs	1961	40						
KANU	1960	41						
PCP	1959	42						
	1958	43						
	1957	44						

	1956	45						
	1955	46						
Op. Anvil	1954	47						
Queen Eli	1953	48						
Arrest Kenyatta	1952	49						
Elect Asian	1951	50						
	1950	51						
	1949	52						
	1948	53						
	1947	54						
	1946	55						
End war	1945	56						

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