



# WHY WOMEN EARN LESS

GENDER PAY GAP AND LABOUR-MARKET  
INEQUALITIES IN KENYA



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UN Women is the United Nations organization dedicated to gender equality and the empowerment of women. A global champion for women and girls, UN Women was established to accelerate progress on meeting their needs worldwide. UN Women supports United Nations Member States as they set global standards for achieving gender equality and works with governments and civil society organizations to design laws, policies, programmes and services needed to implement these standards. It stands behind women's equal participation in all aspects of life, focusing on five priority areas: increasing women's leadership and participation; ending violence against women; engaging women in all aspects of peace and security processes; enhancing women's economic empowerment; and making gender equality central to national development planning and budgeting. UN Women also coordinates and promotes the United Nations system's work in advancing gender equality.

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# 1 INTRODUCTION

# 1 INTRODUCTION

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Despite progress in women's economic and political participation, formal employment and education attainment, a gender pay gap remains a pervasive labour-market feature across the world. Globally, women earn only 73 cents for each US dollar earned by men.<sup>1</sup> The gender pay gap is a broader reflection of the work-related and economic inequality of women, including their lack of economic independence, lack of decision-making power both in the household (e.g. spending decisions) and in society (e.g. managerial decisions), and experience of violence. Kenya is a lower-middle-income East African country with a population of 54 million (as at 2022),<sup>2</sup> bordering the Indian Ocean and Lake Victoria. The Country Policy and Institutional Assessment<sup>3</sup> gender equality rating for Kenya stood at 3.5 from 2010 to 2022,<sup>4</sup> indicating that limited overall progress has been made by the country towards achieving gender equality. For instance, as at February 2021, only 21.6 per cent of seats in parliament were held by women.<sup>5</sup> Therefore, the gender pay gap is a pervasive labour-market feature in Kenya.

The existence and persistence of the gender pay gap has unfavourable outcomes at both the individual and societal levels. For example, the gap is more frequently connected with higher levels of poverty among women. Kenya successfully reduced poverty rates from 36.5 per cent in 2005 to 27.2 per cent in 2019, based on the US\$2.15 per day poverty line.<sup>6</sup> However, poverty rates went up to 36.1 per cent in 2021, after the COVID-19 pandemic.<sup>7</sup> Thus, addressing the gender pay gap can contribute to poverty reduction. Moreover, women's pay being lower than men's during their working years translates into women's incomes from social security

and pensions after retirement and other social benefits, such as life insurance, also being lower. The adverse effects of shorter working hours and low-paid jobs, typically associated more with women than with men, are reflected in lower pension levels, lower seniority premiums and lower levels of other coverage related to employment contributory schemes.<sup>8</sup>

When households and society undervalue women, other severe outcomes become likely. As a result of low economic power within the household, some women may tolerate abusive and unhealthy relationships, and domestic violence. Women's families are likely to benefit when the share of household income that women control increases; for instance, women tend to invest more in their children's nutrition, health, education and housing with increased income.<sup>9</sup> Overall, women's lower earnings can lead to a reduction in bargaining power and less independence, and lifetime income inequality between genders, which contributes to maintaining the lower status of women in society and ultimately to lower rates of gross domestic product (GDP) and GDP growth.

The objective of the present study is to present an overview of the adjusted gender pay gap and labour-market inequalities in Kenya. This is part of a larger 2023 UN Women study titled "Why Women Earn Less: Gender Pay Gap and Labour-Market Inequalities in East and Southern Africa". Understanding the gender pay gap and its determinants would raise awareness among employees, employers and policymakers; lead to actions for the mitigation of economic inequalities; support women in realizing their productive potential; and ultimately support economic

growth. Therefore, the study contributes to achieving the Sustainable Development Goals (SDGs) for gender equality, within SDG 5, and for decent work and economic growth, within SDG 8. SDG 5 considers inequality more broadly than simply in terms of the gender pay gap: its ambition is to achieve gender equality in the labour market (e.g. equal access to jobs and top decision-making roles), in education (e.g. achieving gender parity in education), in access to health and in an array of other target areas, with the aims of reducing gender-based violence and discrimination,

and empowering women and girls. SDG 8 also seeks to promote the collection and dissemination of sex disaggregated data on other labour-market indicators, including on employment, unemployment, informal employment and rates of those not in education, employment or training.

The report is structured as follows. Chapter 2 briefly discusses the methodology and data used in the study, chapter 3 presents the main findings of the study and, finally, chapter 4 concludes.





# 2

## METHODOLOGY AND DATA

## 2 METHODOLOGY AND DATA

The study analyses the gender pay gap and other labour-market inequalities in the country using quantitative techniques from labour economics, including regression analysis, quantile regression analysis, Oaxaca–Blinder decomposition and segregation indices. These methodologies disentangle multifaceted factors contributing to the gender pay gap to understand the drivers of gender-based labour-market disparities in the country.

The **raw** or **unadjusted gender pay gap** is the difference between the average pay earned by women and men in the labour market, expressed as a percentage of the average pay for men:<sup>10</sup>

$$\text{Gender pay gap} = \frac{(\text{Men's average pay} - \text{women's average pay})}{(\text{Men's average pay})} \times 100\%$$

Such a raw gender pay gap hides important information about how personal and labour-market characteristics affect the wage differential. Thus, the Mincerian earnings function<sup>11</sup> is used to analyse wages as a function of the productive capacity of an individual. The Mincerian earnings function takes the form:

$$\ln(y_i) = \alpha + \beta_1 \text{gender}_i + \sum \gamma_j X'_i + \varepsilon_i \quad (1)$$

where  $\ln(y_i)$  is the log of the hourly wage of person  $i$ ;  $\text{gender}_i$  is a dummy variable, taking a value of 1 for women and 0 for men; and  $X'_i$  is a vector of other individual and labour-market characteristics (including education, age and its square, experience, tenure, occupation and sector).<sup>12</sup> The coefficient  $\beta_1$  measures the **adjusted** gender pay gap. If the vector of explanatory variables  $X'_i$  is not included, then  $\beta_1$  would measure the **unadjusted** gender pay gap, i.e. the calculation would estimate only a simple difference of logged mean wages.

Specifically, the empirical models estimated are:

$$\ln(y_i) = \alpha + \beta_1 \text{gender}_i + \varepsilon_i \quad (2)$$

$$\ln(y_i) = \alpha + \beta_1 \text{gender}_i + \beta_2 \text{age}_i + \beta_3 \text{age\_squares}_i + \beta_4 \text{education}_i + \varepsilon_i \quad (3)$$

$$\ln(y_i) = \alpha + \beta_1 \text{gender}_i + \beta_2 \text{age}_i + \beta_3 \text{age\_squares}_i + \beta_4 \text{education}_i + \beta_5 \text{marital\_status}_i + \varepsilon_i \quad (4)$$

$$\ln(y_i) = \alpha + \beta_1 \text{gender}_i + \beta_2 \text{age}_i + \beta_3 \text{age\_squares}_i + \beta_4 \text{education}_i + \beta_5 \text{marital\_status}_i + \beta_6 \text{sectors}_i + \varepsilon_i \quad (5)$$

$$\ln(y_i) = \alpha + \beta_1 \text{gender}_i + \beta_2 \text{age}_i + \beta_3 \text{age\_squares}_i + \beta_4 \text{education}_i + \beta_5 \text{marital\_status}_i + \beta_6 \text{occupations}_i + \varepsilon_i \quad (6)$$

$$\ln(y_i) = \alpha + \beta_1 \text{gender}_i + \beta_2 \text{age}_i + \beta_3 \text{age\_squares}_i + \beta_4 \text{education}_i + \beta_5 \text{marital\_status}_i + \beta_6 \text{sectors}_i + \beta_7 \text{occupations}_i + \varepsilon_i \quad (7)$$

$$\ln(y_i) = \alpha + \beta_1 \text{gender}_i + \beta_2 \text{age}_i + \beta_3 \text{age\_squares}_i + \beta_4 \text{education}_i + \beta_5 \text{marital\_status}_i + \beta_6 \text{sectors}_i + \beta_7 \text{occupations}_i + \beta_8 \text{informal\_job}_i + \varepsilon_i \quad (8)$$

where notations are self-explanatory.

A regression estimate of the raw pay gap is performed using Equation 2, with gender being the only explanatory variable. In Equation 2, age and its square, and education, represented by three levels – (1) primary or lower, (2) secondary and (3) tertiary or higher – are added as individual characteristics to explain the gender pay gap. Note that information on work experience or tenure was not available from the survey used for this study. In Equation 4, marital status is added, represented by two levels: (1) married and (2) single and other individuals. In Equation 5, occupation dummies (reference category: managers) are added and occupations are defined using the one-digit International Standard Classification of Occupations (ISCO-08) classification.<sup>13</sup> In Equation 6, instead of occupation, sector dummies (reference category: agriculture) are added and sectors are defined using the one-digit Statistical Classification of Economic Activities in the European Community (NACE) Rev.2 classification.<sup>14</sup> In Equation 7, both sector and occupation dummies are added. Finally, in Equation 8, an indicator of whether or not a job is undertaken with or without written contract (formality status) is added. For estimation, ordinary least squares (OLS) estimates were used.

The study also estimates the gender pay gap at different percentiles of the pay distribution. The quantile regression was developed as a semi-parametric method used to analyse pay, considering pay structure and distribution.<sup>15</sup> While OLS estimates report the mean effects, the quantile regression method allows for the study of the marginal effects of covariates on the dependent variable at various points in the pay distribution, not only the mean. Hence, in this work, quantile regression is used, providing estimates of the gender pay

gap for each of the 10 deciles along the pay distribution, as well as for the top centile. The algorithm developed by Koenker and Bassett,<sup>16</sup> which is based on conditional quantile regressions, is followed.

The sociologist and demographer Evelyn Kitagawa first introduced decomposition techniques in 1955.<sup>17</sup> The standard decomposition technique, widely applied to the gender pay gap, was introduced to economics by Oaxaca<sup>18</sup> and Blinder.<sup>19</sup> The method enables the decomposition of the mean differences in log wages based on linear regression models in a counterfactual manner. The procedure divides the pay differential between women and men into two parts: one that is “explained” by group differences in productivity characteristics, such as education or work experience; and a residual part (the “unexplained” part) that cannot be accounted for by such differences in pay determinants. This “unexplained” part is often used as a measure of discrimination, but it also includes the effects of group differences in unobservable characteristics. More information about this methodology can be found in Fortin et al., 2011.<sup>20</sup>

Although the analysis focuses on the gender pay gaps, other indicators relating to gender inequalities in labour markets in East and Southern Africa are also used and calculated. The first part of the analysis is to observe the gender employment gap, which is the difference between the employment rates among women and men, expressed in percentage points (p.p.). Furthermore, employment shares per sector, occupation or formality status of the job are used, which are calculated for wage employees only. Using such indicators related to employment, the aim is to capture the differences in the

attachment to the labour market by the two genders, reflecting two important ideas. The first idea is that women are usually less attached to the labour market and, hence, less frequently in employment than men because of the traditional roles that they need to undertake in the household and in taking care of children and the elderly, i.e. unpaid care work. The second idea is the fact that, when employed, women tend to be segregated into specific occupations that are frequently low status and hence lower paid.

Also calculated is the gender hours gap, which is the difference in hours worked between women and men, expressed in “hours.” Capturing this difference in hours has two important roles. The first is to draw attention to the differences in gender pay gaps calculated on a monthly versus an hourly level. The basic definition of the gender pay gap uses the average hourly wages of women and men, because wages at monthly levels reflect differences in hours worked (per week or per month), in addition to differences in individual and job characteristics. This leads to the second role of this analysis. It highlights that women work shorter hours than men in paid work. This is because women invest more time in unpaid care activities, hence reducing the time they have available for paid working hours. In addition to this, hours worked are analysed by sector and occupation.

Note that negative values of gaps generally indicate a disadvantageous position for women.

Horizontal gender segregation is analysed using the Duncan Segregation Index.<sup>21</sup> This is a measure of occupational or sectoral segregation based on gender that gauges whether or not there is a larger than expected presence of one gender over the other in a given occupation or sector. Intuitively, it shows the share of employed women and men who would need to trade places with

one another across industries (occupations) for their distribution to become identical.<sup>22</sup> A Duncan Segregation Index value of 0 indicates perfect gender integration within the workforce, while a value of 1 indicates perfect gender segregation. The analysis delves deeper into the “managers” occupational group to investigate vertical segregation, where it was provided beyond the one-digit level. The shares of women and men in each sub-occupation are calculated, to obtain an indication of whether or not women are less represented than men at the very top of the occupational ladder.

This study uses data from the labour-market outcomes section of Kenya’s Continuous Household Survey 2019. The survey comprises 20,289 households and 86,647 individuals. For employment, data on 46,995 individuals aged 15–64 years are used. To identify if a person is employed or not, the following conditions are considered: if the person worked as an employee for wage/salary/commission/in kind; worked on their own account/as an employer on a non-farm business; worked on a farm/holding that was owned/rented; helped in a non-farm business belonging to/run by the household; helped in an agricultural activity/cared for the livestock of the household; worked as an intern/apprentice; or worked as a volunteer. The reference period is the past week. The employment conditions also capture those who were absent from work in the past week, had a contract to return to the same job and will pursue the return in less than three months.

To analyse wages, basic salary in the last month is relied on. This was reported by 9,440 wage employees, of whom 94 individuals had zero wages (usually apprentices and/or new hires) and 55 individuals had a positive wage but a “non-employment” status (i.e. cases where some compensation continued after employment termination). The latter two are hence excluded from further treatment, leaving a sample of 9,291 individuals for

the analysis of wages. Moreover, for 2,551 individuals, only a wage range was provided and therefore the median wage was inputted

in the respective range. To arrive at the hourly wage, the monthly wage is divided by the usual number of hours worked per week.



3

RESULTS

# 3 RESULTS

## 3.1 Employment structure

The employment rate in Kenya is 65.3 per cent for individuals aged 15–64 years. This is very close to the official employment rate of the country (for individuals aged 15 years and over) of 64.4 per cent for 2019 (World Development Indicators). **Table 1** looks at the employment rate by gender and shows that the employment rate among women is lower than among men, with an employment

gap of 10.1 p.p. The gender employment gap is smallest for the youth age group, at only 5.3 p.p., but employment rates are very low for this age group. In terms of education attainment, the gender employment gap is smallest for primary-educated individuals, at 5.5 p.p., and this group experiences the highest employment rates.

**Table 1**  
Employment rates of women and men, by age and educational level

	Women (%)	Men (%)	Gender employment gap (p.p.)
Employment rate	70.4	60.3	-10.1
Age group (years)			
15–24	36.9	31.6	-5.3
25–49	89.2	75.1	-14.1
50–64	89.0	82.1	-6.9
Educational level			
Primary or less	73.2	67.7	-5.5
Secondary	68.4	55.5	-12.9
Tertiary or more	63.7	52.1	-11.6

Source: Authors' own calculations.

As shown in **Figures 1** and **2**, agriculture is the largest employer in Kenya for women and men. However, there is significant gender segregation in other sectors. Other than in agriculture, women are mostly employed in the sectors education (19.2 per cent), households as employers (16.2 per cent) and trade (8.5 per cent). Thus, care sectors (education and households as employers) are important employers of women. For

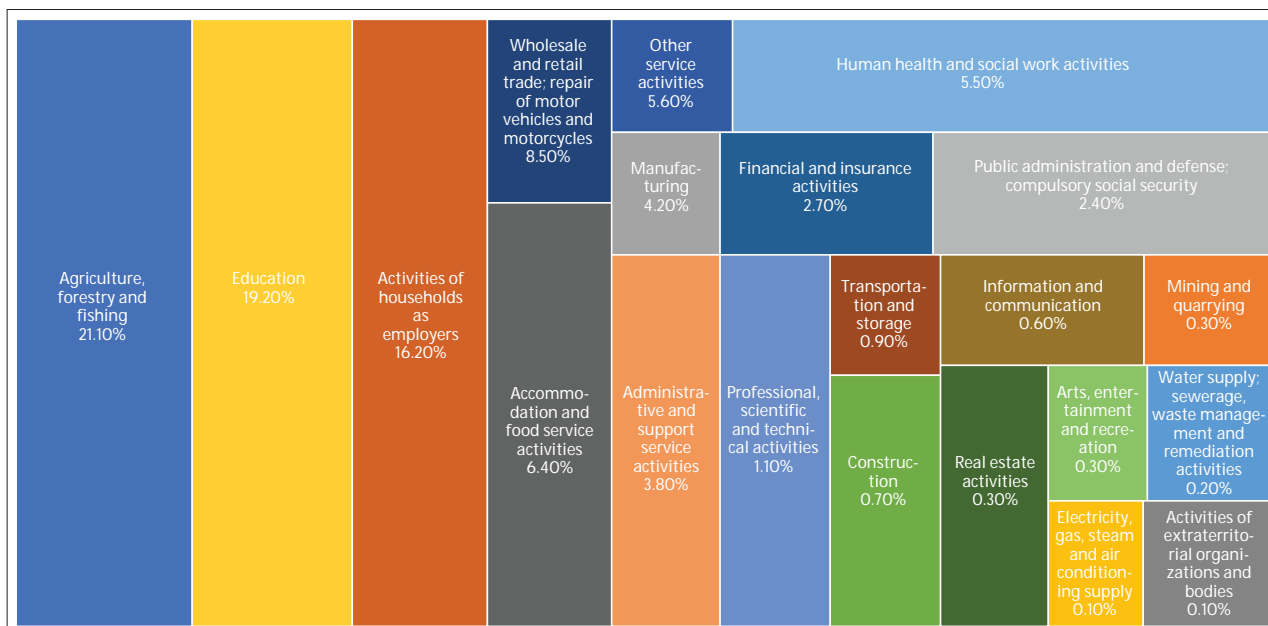
men, other than in agriculture, the majority are employed in traditionally “masculine” sectors such as construction and transport, along with education. **Figures 3** and **4** show that about one third of women and men are employed in elementary occupations. Women are also frequently employed as services and sales workers (22.3 per cent) and technical professionals (15.5 per cent), while men are frequently employed as services

and sales workers (13 per cent) and craft and related trade workers (12.0 per cent). There is no stark difference between women’s and men’s participation in formal or informal employment (**Table A.1**). However, it is

important to note that the feminization of informal jobs may be more apparent if data were available on contributing family members.

**Figure 1**

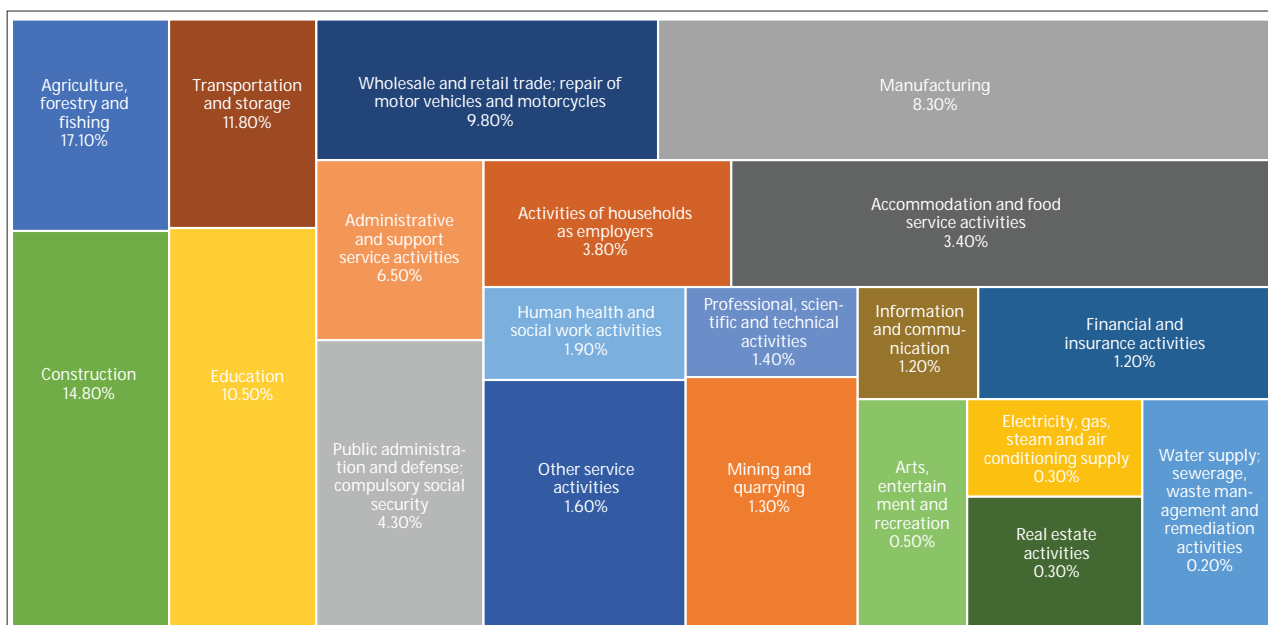
**Women’s share of employment by sector, as a percentage of women’s total employment**



Source: Authors’ own calculations.

**Figure 2**

**Men’s share of employment by sector, as a percentage of men’s total employment**

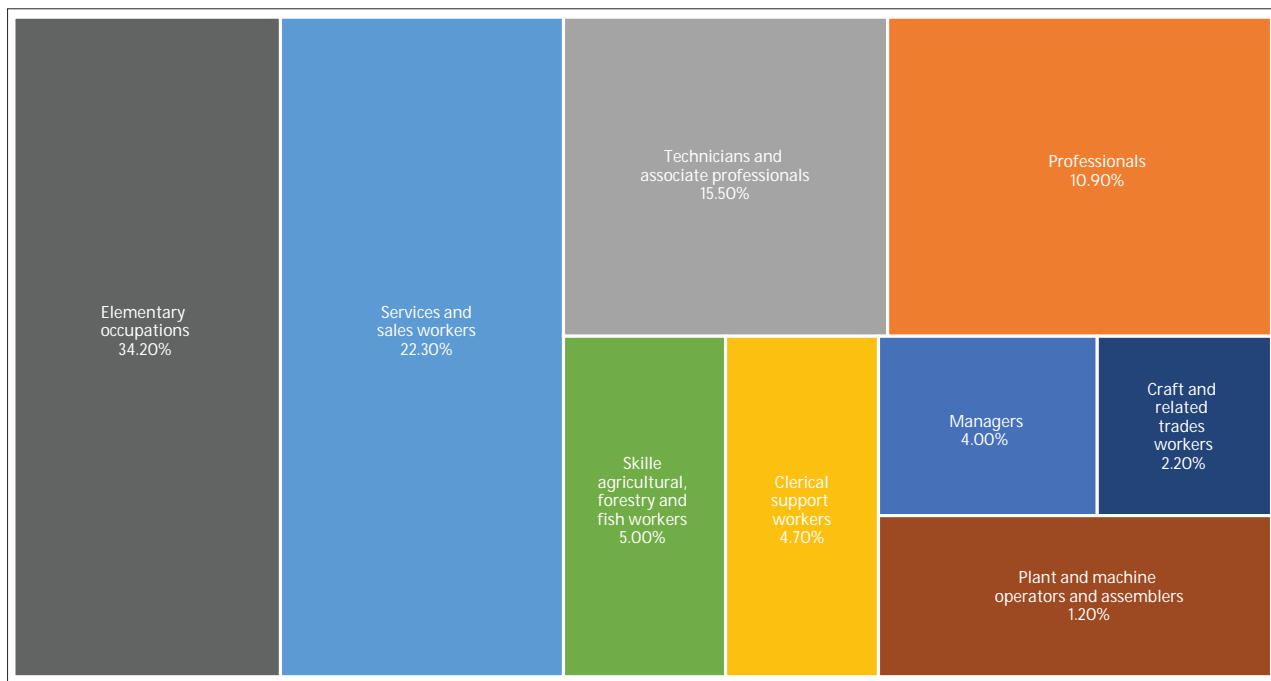


Source: Authors’ own calculations.



**Figure 3**

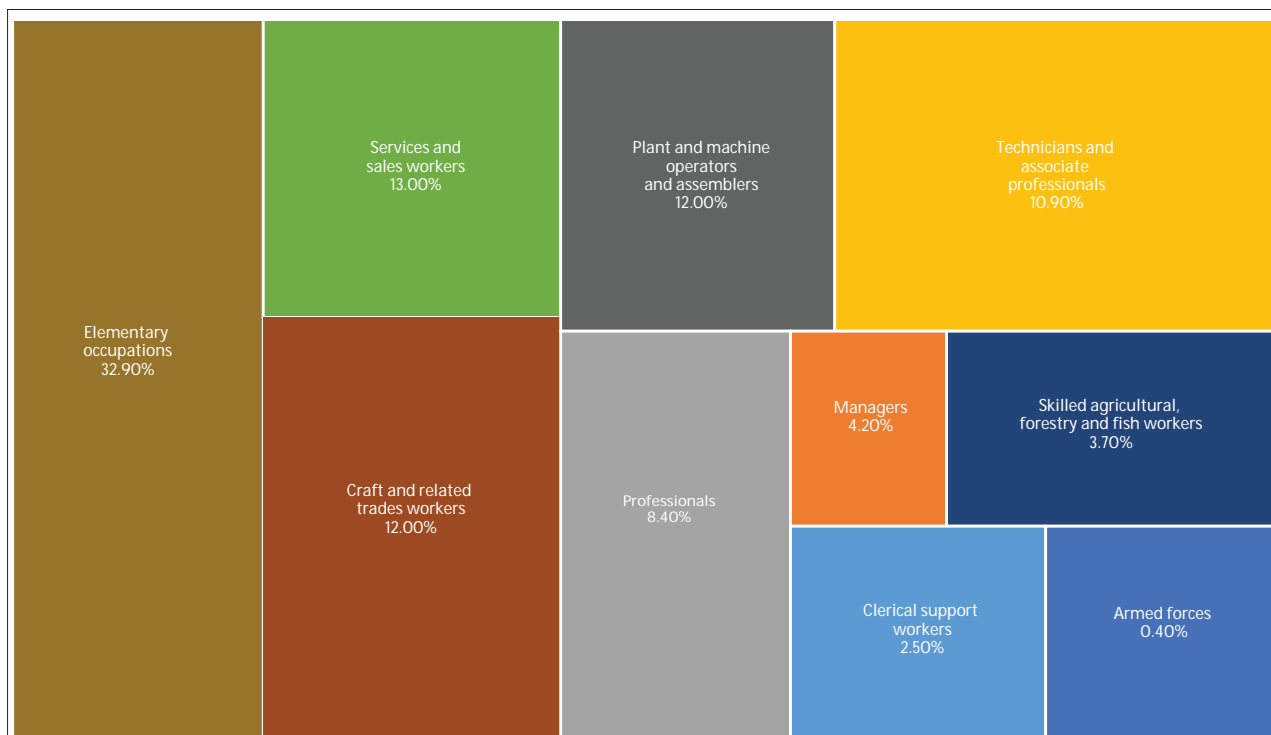
Women's share of employment by occupation, as a percentage of women's total employment



Source: Authors' own calculations.

**Figure 4**

Men's share of employment by occupation, as a percentage of men's total employment



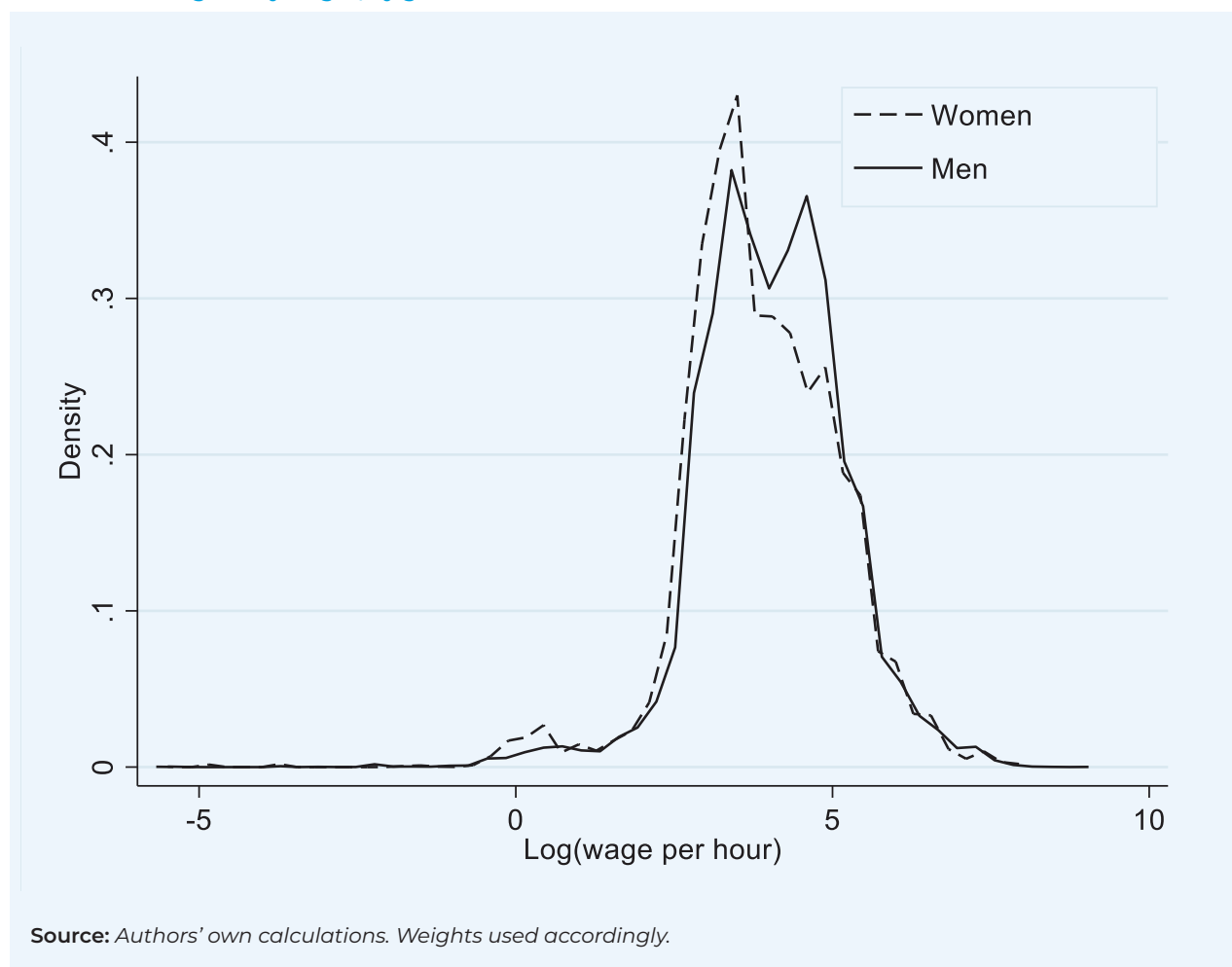
Source: Authors' own calculations.

### 3.2 Raw gender pay gap

**Figure 5** shows the distribution of the log hourly wages of women and men. The dashed line, representing women, is to the left of the solid line, representing men, suggesting that women are more likely to earn lower wage levels than men. The first of the two

peaks of the wage distribution for women, likewise, is higher than that of the wage distribution for men, implying that more women than men are concentrated around the lower-wage level, while the opposite holds for the second (higher-wage) peak.

**Figure 5**  
Distribution of log hourly wages, by gender



The unadjusted or raw gender pay gaps in Kenya are 31.1 per cent, when considered at the monthly level, and 17.7 per cent, when considered at the hourly level (**Table 2**). This suggests that, on average, women work shorter hours than men in Kenya, i.e. that the hours' differential explains nearly half of the monthly gender pay gap. From this point onwards, only the hourly gender pay

gap is considered. The gap exists for all levels of education attainment, but declines from 34.8 per cent, for the primary educational level, to nearly zero (1.6 per cent), for the tertiary educational level. The gap is also affected by marital status, being higher for married individuals, at 18.8 per cent, and almost negligible for single individuals, at 2.6 per cent.

**Table 2****Log wages and raw gender pay gaps, by educational level and marital status**

	Men	Women	Gender pay gap (%)
Log monthly wages	9.417	9.106	-31.1
Log hourly wages	4.037	3.86	-17.7
Log wages per hour, by educational level			
Primary or less	3.506	3.158	-34.8
Secondary	4.165	4.025	-14.0
Tertiary or above	5.479	5.463	-1.6
Log wages per hour, by marital status			
Single	3.757	3.728	-2.9
Married	4.17	3.982	-18.8

Source: Authors' own calculations. Weights used accordingly.

The raw gender pay gap significantly varies by sector (**Table 3**). In electricity production, construction, transport, information technology, real estate, and human health and social services, women are paid more than men. However, with the exception of the human health and social services sector, where women dominate, the other sectors are either small or feature a smaller share of women. In manufacturing, finance and households, women and men are almost

on par. In the rest of the sectors, women are paid less than men, on average, with significant heterogeneity. For example, in trade, accommodation, education and other service sectors, i.e. mainly women-dominated sectors, women are paid less, by 13.4, 29.2, 37.6 and 45.3 per cent, respectively. Women's labour-market experience is worsened by the fact that women earn lower wages than men in the sectors where women dominate.

**Table 3****Log wages and raw gender pay gaps, by sector**

Sector	Log wages per hour		Gender pay gap (%)
	Men	Women	
All	4.037	3.86	-17.7
Agriculture	3.372	3.113	-25.9
Mining and quarrying	3.987	3.942	-4.5
Manufacturing	4.197	4.175	-2.2
Electricity	5.392	6.826	143.4
Water supply	4.212	3.988	-22.4
Construction	4.002	4.077	7.5
Wholesale and retail trade	3.961	3.827	-13.4

Sector	Log wages per hour		Gender pay gap (%)
	Men	Women	
Transportation and storage	3.879	5.565	168.6
Accommodation and food service activities	3.985	3.693	-29.2
Information and communication	4.811	4.962	15.1
Financial and insurance activities	5.081	5.124	4.3
Real estate activities	3.801	4.672	87.1
Professional, scientific and technical activities	5.463	5.31	-15.3
Administrative and support service activities	3.819	4.132	31.3
Public administration and defence	5.015	4.852	-16.3
Education	4.773	4.397	-37.6
Human health and social work activities	4.703	4.993	29.0
Arts, entertainment and recreation	4.73	3.879	-85.1
Other service activities	4.153	3.7	-45.3
Activities of households as employers	3.143	3.158	1.5
Activities of extraterritorial organizations and bodies	4.354	5.783	142.9

Source: Authors' own calculations. Weights used accordingly.

**Table 4** presents the raw gender pay gaps by occupation. Women earn less than men in all occupations except managers and craft and related trades workers. Women as domestic workers are significantly underpaid compared with men (with a gap of 74.5 per cent), the widest gap among all occupations. However, in male-dominated occupations, craft workers and machine operators, the

gender pay gap is less negative or even positive. For high-skill occupations, the gap is considerably smaller, and even positive for managers (women managers earn 4.5 per cent more than men), even though women are underrepresented as managers.

**Table 4**

Log wages and raw gender pay gaps, by occupation

Occupation	Log wage per hour		Gender pay gap (%)
	Men	Women	
All	4.037	3.86	-17.7
Armed forces	5.132	4.888	-24.4
Managers	5.061	5.148	8.7
Professionals	5.156	5.11	-4.6
Technicians and associate professionals	4.671	4.383	-28.8
Clerical support workers	4.847	4.645	-20.2
Services and sales workers	3.859	3.575	-28.4
Skilled agricultural, forestry and fish workers	3.456	2.879	-57.7
Craft and related trades workers	3.859	4.046	18.7
Plant and machine operators and assemblers	4.033	3.904	-12.9
Elementary occupations	3.541	3.277	-26.4

Source: Authors' own calculations. Weights used accordingly.

**Table 5** presents the raw gender pay gaps by formality status of wage employment and reveals that the negative gender pay gap in Kenya is exclusively derived from

informal jobs. The gender pay gap is 26.9 per cent in the informal sector, but almost non-existent among formal workers.

**Table 5**

Log wages and raw gender pay gaps, by formality status of wage employment

	Log wage per hour		Gender pay gap (%)
	Men	Women	
All	4.037	3.86	-17.7
Formal	4.722	4.712	-1.0
Informal	3.577	3.308	-26.9

Source: Authors' own calculations. Weights used accordingly.

### 3.3 Adjusted gender pay gap

**Table 6** shows regression estimates for log wages, corresponding to estimates derived from Equations 2–8. Row (1) reports the raw gender pay gap previously discussed. The adjusted gender pay gap in Kenya is 9.5

per cent, as shown in row (7). Observable characteristics of individuals and the job characteristics explain 8.3 p.p. of the raw gender pay gap, i.e. nearly half of it.

The rest of the coefficients are analysed group by group. Row (2) adds only personal characteristics and suggests that education offers positive returns, as a secondary educational level brings a higher wage than a primary educational level, by about 76.2 per cent, while a tertiary educational level leads to 205.5 per cent higher wages than a primary educational level (**Table A.2**). Row (3) adds marital status and this reveals that, after controlling for other personal characteristics, married individuals receive a 12.2 per cent higher wage than single individuals, on average.

Row (4) adds indicators for sectors, and their addition reduces the adjusted gap to 10.1 per cent. All sectors pay higher wages than agriculture (the reference category), while adding sectors, interestingly, decreases the role of the personal characteristics, which

may suggest that some sectoral segregation by educational level takes place (**Table A.2**). The addition of occupations (row (5)) slightly increases the adjusted gender gap to 19 per cent and reveals that working women are employed in better-paying occupations than working men.

When personal characteristics, sectors and occupations are put together (row (6)), the gap reduces to 12 per cent, which indicates that there is some sectoral/occupational segregation by education. Finally, on adding an indicator for informal working arrangements (row (7)), the gender pay gap reduces to 9.5 per cent. It is worth noting that data on formality status of a job is not available for nearly 1,400 wage employees and thus the sample size for the regression estimate in row (7) is only 7,906.

**Table 6**  
Adjusted gender pay gap (regression results on log hourly wages)

Row No.	Particular	Coefficient	Standard error
(1)	<b>Raw/ Unadjusted GPG</b>	-0.178***	-0.036
(2)	<b>Adjusted GPG</b>	Personal characteristics only	-0.181***
(3)		Personal + marriage	-0.165***
(4)		Personal + sector	-0.101***
(5)		Personal + occupation	-0.190***
(6)		Personal + sector + occupation	-0.120***
(7)		All (personal + sector + occupation + informality)	-0.0950***

Source: Authors' own calculations. Weights used accordingly.

Note: \*, \*\* and \*\*\* represent statistical significance at the 10%, 5% and 1% levels, respectively. Results robust to heteroskedasticity. For detailed regression results, refer to Table A.2. GPG, gender pay gap.

### 3.4 Gender pay gap decomposition

**Table 7** presents the Oaxaca–Blinder decomposition of the gender pay gap in Kenya and concludes that personal and labour-market characteristics do not explain the

gap. The explained part is large in magnitude (11.6 per cent), but statistically insignificant at the 5 per cent level. The unexplained part of the gap may be driven by factors not

measured in the data set, such as structural differences between women and men in

bargaining power and social networks, as well as labour-market discrimination.

**Table 7**

**Oaxaca–Blinder decomposition of the gender pay gap**

	Average log hourly wages
<b>Men</b>	4.116***
	(0.023)
<b>Women</b>	3.955***
	(0.033)
<b>Difference (raw pay gap)</b>	0.161***
	(0.040)
<b>Explained part, i.e. explained by characteristics</b>	0.116
	(0.078)
<b>Unexplained part</b>	0.0867**
	(0.034)
<b>Interaction of the two parts</b>	-0.0417
	(0.076)

Source: Authors' own calculations.

Note: \*, \*\* and \*\*\* denote statistical significance at the 10%, 5% and 1% levels, respectively. Standard errors given in parentheses. Results robust to heteroskedasticity.

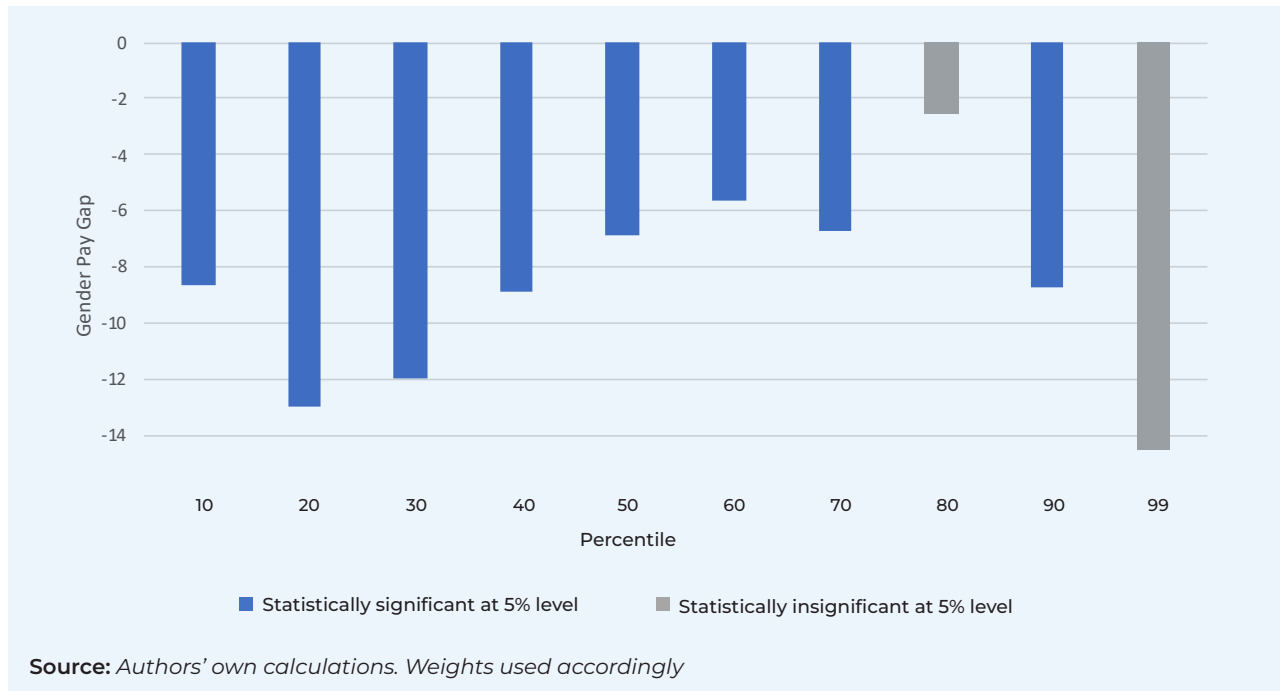
### 3.5 Adjusted gender pay gap by percentile

Understanding the gender pay gap at different points of the wage distribution can be used to examine the prevalence of a sticky floor and glass ceiling in the economy. A sticky floor refers to a labour market where workers, usually women, in low-paying jobs have low job mobility and barriers to career advancement. A glass ceiling refers to impediments that prevent women from accessing top managerial and leadership positions. **Figure 6** presents the adjusted pay gap through deciles (and the

top centile). The evidence for a sticky floor is mixed because the lowest decile has a gender pay gap value of 8.6 per cent, which is lower than the average adjusted pay gap value of 9.5 per cent. However, it increases to 13 per cent and 12 per cent for the second and third deciles, respectively. The gap values for the eighth decile and 99th percentile are statistically insignificant, and is 8.7 per cent for the ninth decile, which is lower than the average gender pay gap value. Thus, there is no evidence of a glass ceiling effect.

**Figure 6**

**Adjusted gender pay gap by decile and top percentile**



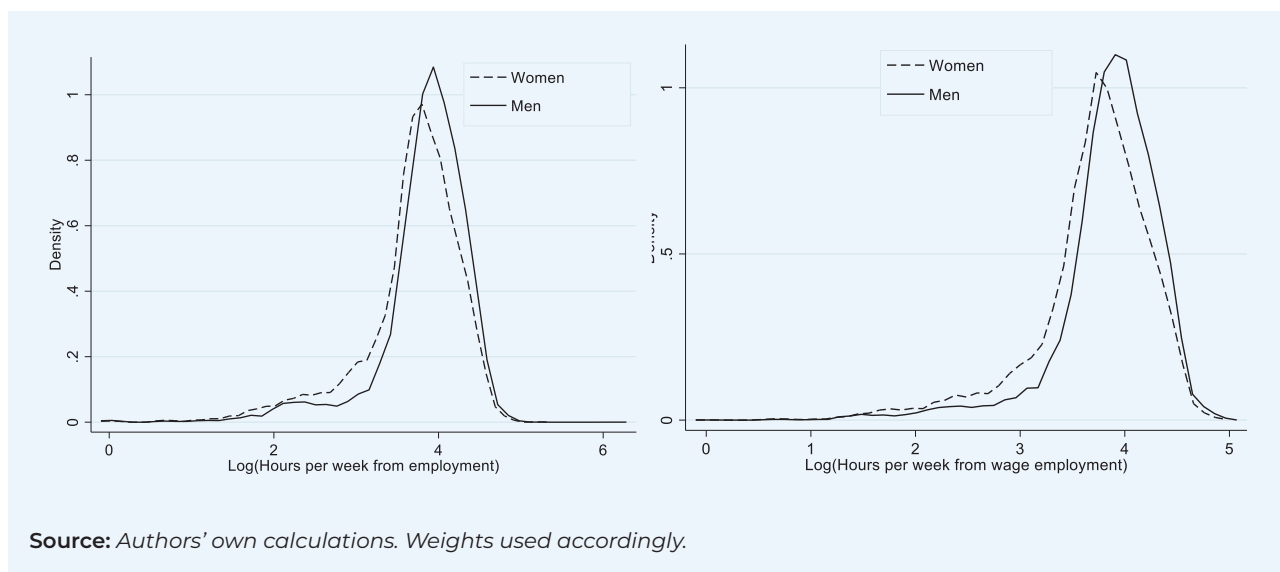
### 3.6 Gender differences in hours worked in paid employment

**Figure 7** presents a density distribution of hours worked by women and men in total employment and in paid wage employment only. Women work fewer hours than men

along the entire distribution, i.e. for both short and long working hours, when total employment is considered.

**Figure 7**

**Hours worked by women and men in employment (left) and in wage employment (right)**



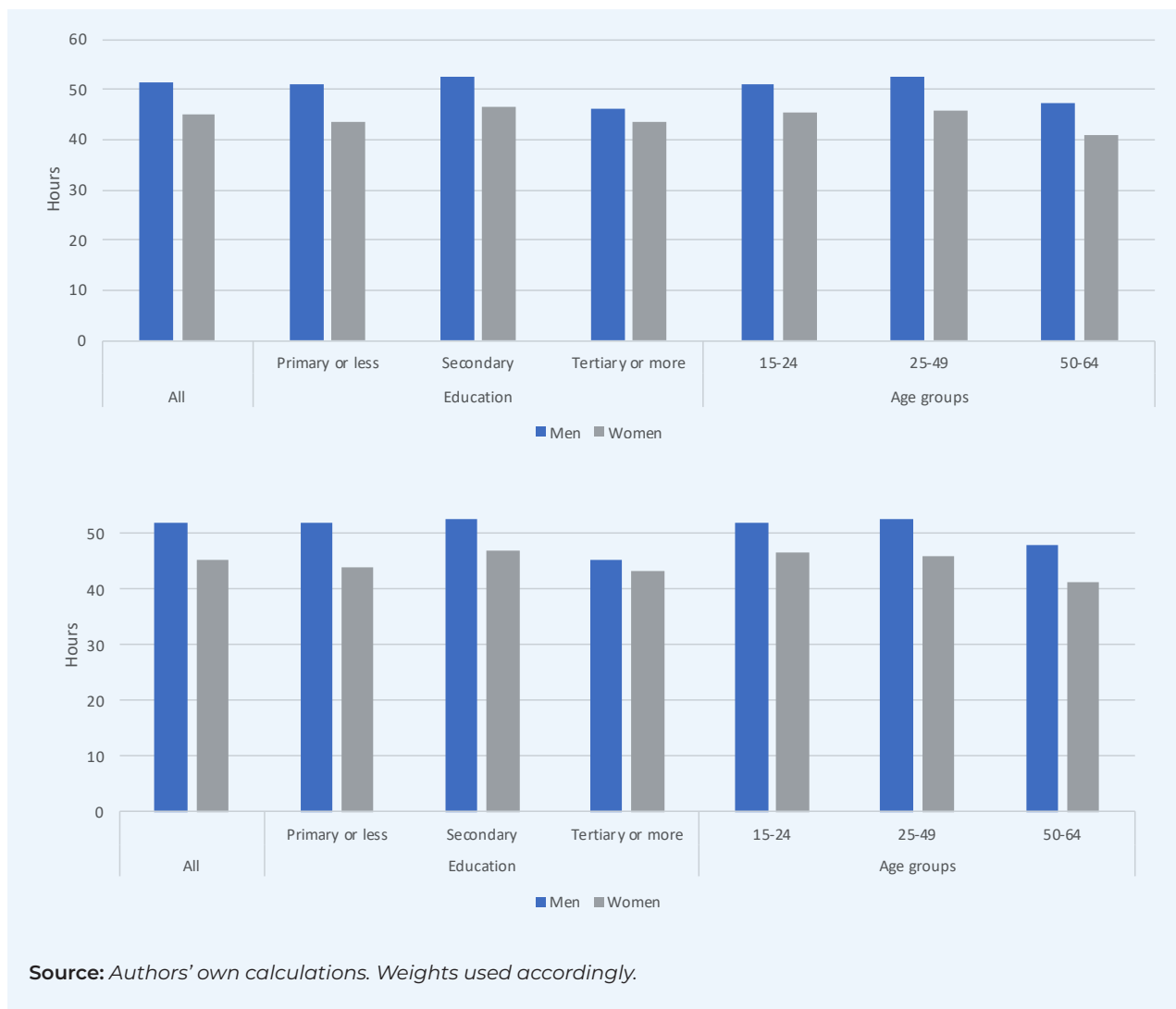


**Figure 8** shows that women work fewer hours in total employment in any age or educational level group, although the gender hours gap is largest for primary-educated

workers. Notably, tertiary-educated and older adults, both women and men, work shorter hours, on average, than the other groups.

**Figure 8**

Hours worked by women and men weekly, by age and education, in total employment (top) and wage employment (bottom)



In the remainder of this section, only hours worked in wage employment are considered, as hours could be matched with sector/occupation for wage employees only. **Table 8** shows that hours spent on paid work in each sector vary by gender. Women work shorter hours in almost all sectors, but the gap is larger in sectors where the share of

women is significant, such as agriculture, trade, education and human health. By occupation, women spend similar or slightly fewer hours working in high-skill jobs, but the gap widens as skill level declines. The gender pay gap is slightly larger in the formal sector.

**Table 8**

Average hours worked per week and gender gaps in hours, by gender, sector, occupation and formality status

	Men	Women	Gender gap in hours
Sector			
Agriculture	43.1	36.06	-7.04
Mining and quarrying	47.58	34.39	-13.19
Manufacturing	50.68	45.03	-5.65
Electricity	47.61	40	-7.61
Water supply	58.41	45.32	-13.09
Construction	48.59	42.95	-5.64
Wholesale and retail trade	56.63	50.05	-6.58
Transportation and storage	64.07	47.33	-16.74
Accommodation and food service activities	58.06	57.6	-0.46
Information and communication	48.82	42.96	-5.86
Financial and insurance activities	44.34	49.87	5.53
Real estate activities	42.44	25.51	-16.93
Professional, scientific and technical activities	47.95	45.13	-2.82
Administrative and support service activities	63.15	49.92	-13.23
Public administration and defence	51.83	47.1	-4.73
Education	46.19	41.94	-4.25
Human health and social work activities	52.56	43.46	-9.1
Arts, entertainment and recreation	50.53	35.33	-15.2
Other service activities	53.96	44.24	-9.72
Activities of households as employers	60.09	57.47	-2.62
Activities of extraterritorial organizations and bodies	43.29	35	-8.29
Occupation			
Armed forces	60.53	45.81	-14.72
Managers	52.7	51.06	-1.64
Professionals	46.96	43.56	-3.4
Technicians and associate professionals	46.51	42.34	-4.17
Clerical support workers	48.07	49.57	1.5
Services and sales workers	60.83	54.99	-5.84
Skilled agricultural, forestry and fish workers	42.68	35.82	-6.86
Craft and related trades workers	50.75	42.97	-7.78

	Men	Women	Gender gap in hours
Plant and machine operators and assemblers	61.78	48.17	-13.61
Elementary occupations	51.72	43.44	-8.28
Formality status			
Formal	52.91	46.43	-6.48
Informal	56.36	51.51	-4.85

Source: Authors' own calculations. Weights used accordingly.

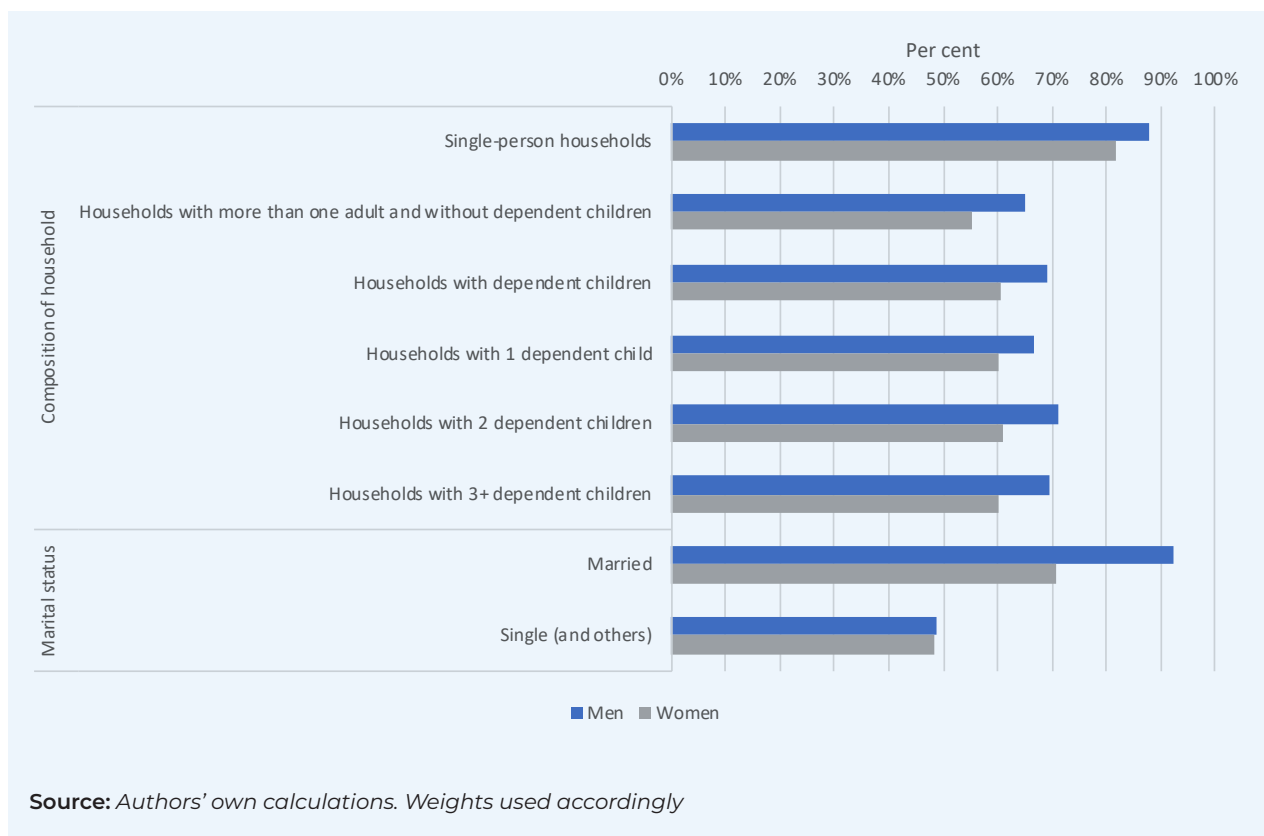
### 3.7 Gender inequality related to household structure and marital status

**Figure 9** presents the labour-market status by household type of both women and men. For all household types, employment rates are lower among women than among men. For single-person households, the gap is smallest, at 6.4 p.p., followed by households

of adults with one children, at 6.6 p.p. The gap gets larger for households with more than two children. By marital status, the difference is stark: the gender employment gap among married individuals is 21.5 p.p., while for single individuals the gap is zero.

**Figure 9**

Employment rates of women and men, by household type and marital status



Source: Authors' own calculations. Weights used accordingly

The disaggregation of these numbers by age is shown in **Table 9**. With the exception of single-person households, the youth age group experiences both low employment rates and small gender employment gaps. The gender employment gap is largest for adults aged between 25 and 49 years, at 14.1 p.p. Although the gender employment gap is small for adults aged 50–64 years,

at 6.9 p.p., the gap increases for adults of this age group who live with two or three dependent children. This suggests that older women also have caregiving responsibilities for dependants. By marital status, the gender employment gap is larger in absolute terms among married individuals than among single people across all age groups.

**Table 9**  
Employment rates and gender employment gaps, by gender, household type, marital status and age group

	Aged 15–24 years			Aged 25–49 years			Aged 50–64 years		
	Men (%)	Women (%)	Gender employment gap (p.p.)	Men (%)	Women (%)	Gender employment gap (p.p.)	Men (%)	Women (%)	Gender employment gap (p.p.)
Composition of household									
Single-person households	71.2	57.1	-14.1	91.6	88.7	-2.9	90.3	88.5	-1.8
Households with more than one adult and without dependent children	38.6	26.1	-12.5	83.1	71.3	-11.8	88.5	80.3	-8.2
Households with dependent children	33.4	32.2	-1.2	90.1	75.0	-15.1	89.0	82.3	-6.7
Households with one dependent child	34.8	33.0	-1.8	87.6	75.2	-12.4	87.8	85.3	-2.5
Households with two dependent children	32.9	30.5	-2.4	92.0	76.8	-15.2	91.1	81.3	-9.8
Households with three or more dependent children	32.8	32.7	-0.1	90.4	73.7	-16.7	88.6	79.4	-9.2
Marital status									
Married	77.3	45.5	-31.8	93.6	73.5	-20.1	89.8	81.4	-8.4
Single (and others)	34.5	27.8	-6.7	78.0	79.7	1.7	82.1	83.2	1.1
Total									
	36.9	31.6	-5.3	89.2	75.1	-14.1	89.0	82.1	-6.9

Source: Authors' own calculations. Weights used accordingly.

**Table 10** The gender employment gap is larger for the secondary and tertiary educational level groups (**Table 10**). Primary-educated individuals experience a small gender employment gap, no matter the household structure. For those with a secondary or tertiary education, the gap more than doubles for

individuals in households with no children or with more than one child. The gender employment gap is almost non-existent for single individuals for all educational levels, while for married individuals it is largest for the secondary educational level, at 24.3 p.p.

**Table 10**

**Employment rates and gender employment gaps, by gender, household type, marital status and educational level**

	Primary or less			Secondary			Tertiary or more		
	Men (%)	Women (%)	Gender employment gap (p.p.)	Men (%)	Women (%)	Gender employment gap (p.p.)	Men (%)	Women (%)	Gender employment gap (p.p.)
Composition of household									
Single-person households	89.5	89.3	-0.2	89.7	80.9	-8.8	73.5	66.3	-7.2
Households with more than one adult and without dependent children	71.3	66.6	-4.7	64.2	50.7	-13.5	50.2	35.3	-14.9
Households with dependent children	71.5	67.3	-4.2	65.2	55.0	-10.2	68.3	58.3	-10.0
Households with one dependent child	70.8	66.0	-4.8	64.7	56.6	-8.1	58.5	60.2	1.7
Households with two dependent children	72.	67.7	-4.8	68.4	55.4	-13.0	82.8	61.1	-21.7
Households with three or more dependent children	71.2	67.7	-3.5	63.1	52.7	-10.4	68.7	52.8	-15.9
Marital status									
Married	92.0	76.6	-15.4	93.2	68.9	-24.3	94.2	76.0	-18.2
Single (and others)	52.4	54.2	1.8	46.9	44.3	-2.6	39.2	38.4	-0.8
Total	73.2	67.7	-5.5	68.4	55.5	-12.9	63.7	52.1	-11.6

**Source:** Authors' own calculations. Weights used accordingly.

### 3.8 Segregation by gender

**Table 11** presents the Duncan Segregation Index. The occupational segregation value is 0.21, while the sectoral segregation value is 0.37. Both values are moderate and suggest that more than a third of women and men employees would need to trade places across the sectors and a fifth would need to change jobs across occupations for their distributions to become identical. Gendered segregation is lowest for the

tertiary educational level and highest for the secondary educational level. The occupational segregation value for the tertiary educational level is 0.11 and the sectoral segregation value for the tertiary educational level is 0.21. However, occupational and sectoral segregation values are 0.28 and 0.41, respectively, for the secondary educational level.

**Table 11**  
Horizontal gender segregation index values, by occupation and sector

	All	Educational level		
		Primary or less	Secondary	Tertiary or above
Occupation	0.212	0.268	0.281	0.108
Sector	0.374	0.398	0.412	0.205

Source: Authors' own calculations. Weights used accordingly.

**Table 12** dives into the composition of occupational group 1, legislators and managerial workers, which is considered the highest-skill occupational group as per ISCO-08. As shown in **Table A.1**, a significant proportion of women work in this occupational group, although women make up less than half of the labour force under most categories.

However, as shown in **Table 4** (under the category 'Managers'), women's wages are 8.7 per cent higher than men's in this job group. In addition, there is no evidence for a glass ceiling in the country (**Figure 6**). Thus, there is limited evidence for vertical segregation in the country.

**Table 12**  
Proportion of employment in the highest-skill occupational group, by gender

	Men (%)	Women (%)
Legislative and constitutional officers*	82.6	17.4
Local authority officials	75.1	24.9
Government administrators	73.9	26.1
Senior officials of special interest*	12.7	87.3
Directors and chief executives	100.0	0.0
Specialized departmental managers	58.4	41.6
Other departmental managers	64.5	35.5
Non-departmental managers	75.1	24.9
Other administrators and managers	61.0	39.0

Source: Source: Authors' own calculations. Weights used accordingly.

\*The number of observations of these two subcategories is very small and results should be interpreted with caution.



# 4

## CONCLUSION AND POLICY RECOMMENDATIONS

## 4 CONCLUSION AND POLICY RECOMMENDATIONS

The objective of this study was to calculate and shed light on the gender pay gap and other labour-market inequalities in Kenya. Strikingly, there is a 10.1 p.p. employment gap between women and men overall, and this is as high as 14.1 p.p. among adults aged 25–49 years. Among the employed population, women consistently work fewer hours than men. The unadjusted gender pay gaps in Kenya are 31.1 per cent at the monthly level and 17.7 per cent at the hourly level, highlighting differences in working hours. These unadjusted gender pay gaps are seen across all educational levels, being widest among primary-educated individuals but close to zero for tertiary-educated individuals. When analysing marital status, the gender pay gap is notably larger for married individuals. After accounting for individual and labour-market characteristics, the adjusted gender pay gap reduces to 9.5 per cent.

A significant portion of the raw gender pay gap (8.7 p.p.) is unexplained by personal and labour-market characteristic, indicating that unmeasured factors such as differences in motivation, bargaining power, social networks and labour-market discrimination affect the gender pay gap in Kenya. Occupational and sectoral horizontal segregation levels are moderate. Notably, occupational and sectoral segregation is most pronounced among tertiary-educated individuals. The gender pay gap varies across different wage deciles, revealing no evidence for a glass ceiling effect and mixed evidence for a sticky floor effect. Women are also underrepresented in high-skill occupational groups, particularly in leadership and managerial positions, but earn higher wages than men in this occupational category, indicating no evidence for vertical

segregation in Kenya's labour market.

Closing the gender pay gap and addressing other labour-market inequalities is important for improving women's socioeconomic position and achieving social justice for more than half of the world's population. However, as this study highlights, the gender pay gap and other labour-market inequalities are complex issues influenced by various factors, such as occupational segregation, differences in education and care responsibilities, discrimination and societal norms. Addressing these issues, therefore, requires a comprehensive approach that involves multiple stakeholders, including governments, employers, civil society organizations and individuals.

The Kenyan Government could strengthen existing legislation to ensure that women and men are entitled to equal remuneration for work of equal value. This includes effectively enforcing measures such as transparency in the recruitment process, for example by disallowing the collection of personal information (e.g. marital status) while hiring, prohibiting pay discrimination based on gender and promoting pay equity by making pay scales publicly available in the public and private sectors. Employers could also promote transparency in pay structures within organizations, ensuring that salary ranges, pay scales and benefits are clearly defined and communicated. Accessible and responsive complaint mechanisms could also be put in place, so that violations of the law or company policies and any discrimination can be reported.

Social protection policies, such as minimum wage legislation and social security benefits, can be effective if they consider the specific



needs and vulnerabilities faced by women in the labour market. The minimum wage law can be effective in addressing pay differences for earners in the lowest deciles of the earnings distribution. However, it is poorly enforced in the country, with compliance rates especially low in the agriculture sector and rural areas.<sup>23</sup> There are also some concerns that minimum wage laws exacerbate unemployment, particularly for the young, and this remains an active area of research. More research is needed in the Kenyan context. Nevertheless, policies to increase employment formalization, supporting workers' unions and social protection programmes, are important for complementing minimum wage legislation.

Sectoral and occupational segregation, as observed in Kenya, can be challenging to tackle directly. An economy-wide approach needs to be taken to encourage the breaking down of gender segregation by promoting women's participation in non-traditional fields and sectors, where they are underrepresented. This can be done through targeted recruitment, training programmes, addressing discriminatory practices and making workplaces safer for women in traditionally "masculine" sectors. Governments and employers can also support the reintegration of women into the labour force after periods of absence, for example after maternity leave. Reintegration policies may include training programmes, upskilling opportunities and support for continuing education, enabling women to update their skills and stay competitive in the job market. This would reduce occupational segregation, wherein women are underrepresented in high-paying and competitive jobs, and minimize the negative impact of career breaks.

For an optimal result, these changes should go hand in hand with policies to recognize, redistribute and reduce women's unpaid care work responsibilities. Research has shown that unpaid care work affects

women's labour-market inputs not only in terms of time spent in paid employment but also in terms of how women enter and remain in paid work. It affects their occupation selection, the quality of their jobs and their job-market attachment.<sup>24</sup> Policies that support a work-life balance, such as flexible working arrangements, setting an upper limit to the number of working hours in the week, parental leave (where both parents are encouraged to take time off), and affordable and good-quality childcare, care for people with disabilities and elderly care, can encourage women to fully participate in the labour market. This would help to reduce the gender pay gap while also ensuring that household and caregiving responsibilities can be redistributed more equitably between men and women. The Kenyan Government has taken a step in the right direction by drafting a comprehensive care policy, although it has not been finalized.

Ultimately, it is important to promote societal norms that encourage gender balance. Societal norms often assign specific gender roles and expectations, leading to the perpetuation of gender inequalities in the labour market. Thus, they affect how women and households make decisions regarding education, occupations, sectors and working hours. Societal norms can also contribute to discriminatory practices and unconscious biases that affect hiring, promotion and pay decisions. By shifting societal norms and challenging discriminatory beliefs, labour markets can become more inclusive, valuing skills and contributions over gender stereotypes.

In conclusion, achieving gender pay equality and addressing labour-market inequalities require a multifaceted approach involving various stakeholders across the economy. Better data on the pay distribution, collected at frequent intervals, would enable a better understanding of the gender pay gap in the country and inform work to advocate for

policies to address it. Public policy efforts to tackle the “explained” part of the gender pay gap could prioritize enhancing educational opportunities for women and girls, promoting women’s participation in high-paying and traditionally “masculine” occupations and sectors, supporting women’s labour force reintegration after career breaks and providing a robust social protection system. Tackling the “unexplained” part of the gender pay gap requires regulating the private sector, to

ensure that equal compensation and equal opportunities are provided to women and introducing interventions to break down gendered cultural norms. Policies to recognize, reduce and redistribute women’s and girls’ unpaid care work responsibilities would complement all policy efforts to reduce the gender pay gap. In this way, Kenya can unlock the full potential of its workforce, fostering socioeconomic advancement, innovation and sustainable economic growth.

# ANNEX

**Table A.1**

Women's and men's shares in wage employment, by sector, occupation and formality status

	Men (%)	Women (%)
Sector		
Agriculture	17.1	21.1
Mining and quarrying	1.3	0.3
Manufacturing	8.3	4.2
Electricity	0.3	0.1
Water supply	0.2	0.2
Construction	14.8	0.7
Wholesale and retail trade	9.8	8.5
Transportation and storage	11.8	0.9
Accommodation and food service activities	3.4	6.4
Information and communication	1.2	0.6
Financial and insurance activities	1.2	2.7
Real estate activities	0.3	0.3
Professional, scientific and technical activities	1.4	1.1
Administrative and support service activities	6.5	3.8
Public administration and defence	4.3	2.4
Education	10.5	19.2
Human health and social work activities	1.9	5.5
Arts, entertainment and recreation	0.5	0.3
Other service activities	1.6	5.6
Activities of households as employers	3.8	16.2
Activities of extraterritorial organizations and bodies	0.0	0.1
Occupation		
Armed forces	0.4	0.0
Managers	4.2	4.0
Professionals	8.4	10.9
Technicians and associate professionals	10.9	15.5
Clerical support workers	2.5	4.7
Services and sales workers	13.0	22.3
Skilled agricultural, forestry and fish workers	3.7	5.0
Craft and related trades workers	12.0	2.2

	Men (%)	Women (%)
Plant and machine operators and assemblers	12.0	1.2
Elementary occupations	32.	34.2
Formality status		
Formal	47.1	46.2
Informal	52.9	53.8

**Source:** Authors' own calculations.

**Table A.2**

Adjusted gender pay gap (regression estimates on log hourly wages)

	Raw/ Unadjusted GPG	Adjusted GPG					All
		Personal characteristics only	Personal + marital + marriage	Personal + sector	Personal + occupation	Personal + sector + occupation	
<i>Dependent variable: log hourly wages</i>							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Gender (1 = female)	-0.178*** (0.036)	-0.181*** (0.030)	-0.165*** (0.030)	-0.101*** (0.032)	-0.190*** (0.030)	-0.120*** (0.032)	-0.0950*** (0.032)
Secondary		0.762*** (0.029)	0.756*** (0.029)	0.508*** (0.032)	0.497*** (0.032)	0.416*** (0.032)	0.347*** (0.034)
Tertiary or above		2.055*** (0.049)	2.048*** (0.049)	1.554*** (0.060)	1.339*** (0.058)	1.235*** (0.063)	1.084*** (0.061)
Age	0.0845*** (0.008)	0.0734*** (0.008)	0.0655*** (0.008)	0.0667*** (0.008)	0.0628*** (0.008)	0.0539*** (0.008)	0.0539*** (0.008)
Age squared		-0.000840*** (0.000)	-0.000722*** (0.000)	-0.000637*** (0.000)	-0.000671*** (0.000)	-0.000622*** (0.000)	-0.000516*** (0.000)
Marital status (1 = married)			0.122*** (0.034)	0.0663** (0.033)	0.0661** (0.033)	0.0466 (0.032)	0.0397 (0.033)
Mining and quarrying				0.699*** (0.157)		0.665*** (0.152)	0.751*** (0.177)
Manufacturing				0.665*** (0.062)		0.565*** (0.073)	0.356*** (0.069)
Electricity				1.637*** (0.151)		1.296*** (0.141)	1.054*** (0.138)
Water supply				0.628*** (0.185)		0.380* (0.197)	0.105 (0.149)
Construction				0.515*** (0.061)		0.483*** (0.068)	0.508*** (0.075)
Wholesale and retail trade				0.484*** (0.056)		0.357*** (0.060)	0.275*** (0.062)

	Raw/ Unadjusted GPG	Adjusted GPG					All
		Personal characteristics only	Personal + marriage	Personal + sector	Personal + occupation	Personal + sector + occupation	
Transportation and storage			0.473*** (0.059)		0.344*** (0.074)	0.367*** (0.079)	
Accommodation and food service activities			0.434*** (0.073)		0.364*** (0.082)	0.216*** (0.076)	
Information and communication			0.846*** (0.182)		0.499*** (0.154)	0.361*** (0.129)	
Financial and insurance activities			0.973*** (0.128)		0.588*** (0.135)	0.364*** (0.129)	
Real estate activities			0.592** (0.274)		0.286 (0.282)	0.182 (0.256)	
Professional, scientific and technical activities			1.303*** (0.116)		0.874*** (0.100)	0.602*** (0.100)	
Administrative and support service activities			0.335*** (0.061)		0.199*** (0.061)	-0.0315 (0.064)	
Public administration and defence			1.115*** (0.061)		0.833*** (0.073)	0.437*** (0.072)	
Education			0.694*** (0.050)		0.329*** (0.064)	0.0841 (0.061)	
Human health and social work activities			1.151*** (0.076)		0.763*** (0.082)	0.463*** (0.086)	
Arts, entertainment and recreation			1.037*** (0.241)		0.757*** (0.266)	0.579** (0.227)	
Other service activities			0.476*** (0.101)		0.377*** (0.108)	0.263*** (0.095)	
Activities of households as employers			-0.0501 (0.053)		-0.0361 (0.055)	-0.0163 (0.059)	
Activities of extraterritorial organizations and bodies			0.892*** (0.304)		0.476 (0.353)	0.164 (0.344)	
Professionals					-0.0843 (0.081)	-0.0704 (0.082)	

	Raw/ Unadjusted GPG	Adjusted GPG					All
		Personal characteristics only	Personal + marital + marriage	Personal + sector	Personal + occupation	Personal + sector + occupation	
Technicians and associate professionals					-0.342*** (0.079)	-0.275*** (0.086)	-0.252*** (0.081)
Clerical support workers					-0.0826 (0.096)	-0.101 (0.100)	-0.177* (0.093)
Services and sales workers					-0.828*** (0.080)	-0.739*** (0.080)	-0.575*** (0.074)
Skilled agricultural, forestry and fish workers					-1.232*** (0.099)	-0.839*** (0.104)	-0.823*** (0.105)
Craft and related trades workers					-0.741*** (0.088)	-0.768*** (0.094)	-0.560*** (0.096)
Plant and machine operators and assemblers					-0.703*** (0.087)	-0.617*** (0.095)	-0.573*** (0.092)
Elementary occupations					-1.047*** (0.078)	-0.802*** (0.080)	-0.638*** (0.076)
Armed forces					0.0708 (0.187)	-0.171 (0.216)	-0.139 (0.166)
Informal worker							-0.678*** (0.033)
Constant	4.037*** (0.020)	1.605*** (0.148)	1.756*** (0.152)	1.653*** (0.150)	2.882*** (0.165)	2.547*** (0.167)	3.161*** (0.181)
Observations	9,291	9,291	9,290	9,290	9,290	9,290	7,905
R-squared	0.005	0.288	0.29	0.358	0.358	0.388	0.459

Source: Authors' own calculations. Weights used accordingly.

Note: \*, \*\* and \*\*\* represent statistical significance at the 10%, 5% and 1% levels, respectively. Standard errors given in parentheses. Results robust to heteroskedasticity.

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