

THE INFORMAL SECTOR

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Coverage

- The 2009/10 UNHS survey had a module on informal sector
- Objective was to established the current status and the extent of informal sector.
- 5 questionnaires were designed to cover:
 - Agriculture & Fishing
 - Forestry
 - Manufacturing, Mining & Quarrying
 - Trade & Services
 - Restaurants

Coverage ctd

- Information was collected on:
 - General information about the business
 - Credit and Market Information
 - Capital Expenditure
 - Employment
 - Expenditure and Income

Findings

Structure of the Informal sector

Households with Businesses

**21% hh with
Businesses
(1.3 million)**

**Rural
(87%)**

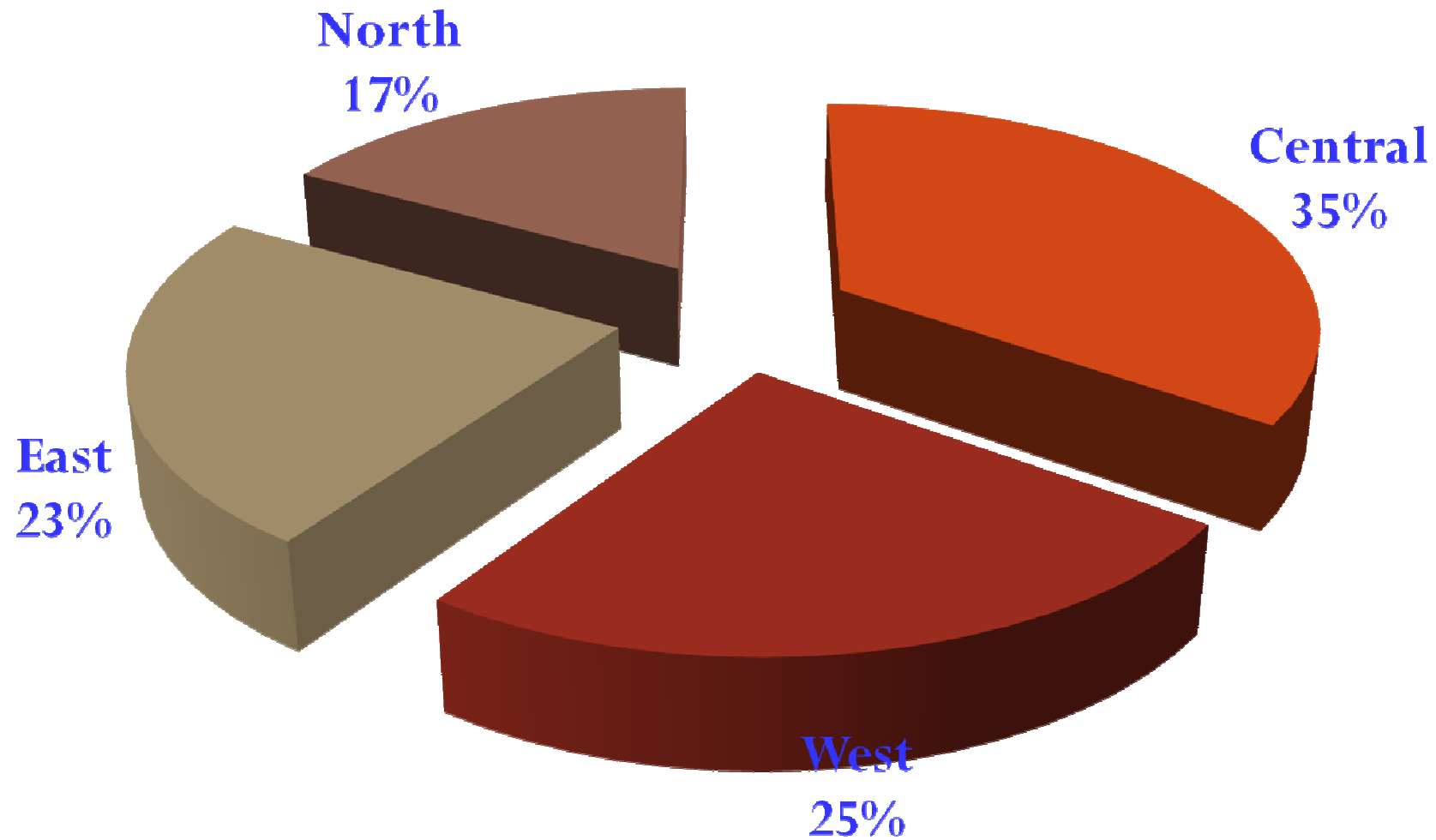
**Urban
(13%)**

**79% hh without
businesses
(4.9 million)**

**Rural
(80%)**

**Urban
(20%)**

HH with businesses by region



- There were a total of 1.8 million informal businesses
- 86% were household based



**The Central region had
the majority of informal
businesses, 36%**

Region	Businesses ('000s)	%
Central	643	36
West	469	26
East	424	24
North	254	14
Total	1,791	

Each hh had at least 1 business

Structure ctd

- 51% of business were less than 6 years old
- However, 13% of the businesses had been in operation for more than 20years
- 33% of the businesses were operated at home with no special working space
- Hawkers accounted for only 1% of the businesses
- 94% of the businesses were sole proprietorships

Businesses by Industry

Industry	No. ('000s)	%
Manufacturing, Mining & Quarrying	523	29.2
Agriculture & Fishing	497	27.7
Trade	436	24.3
Hotels & Restaurants	153	8.6
Services	126	7.0
Forestry	56	3.1
Total	1791	100



EMPLOYMENT

**Data provided includes both household
and non-household based businesses**

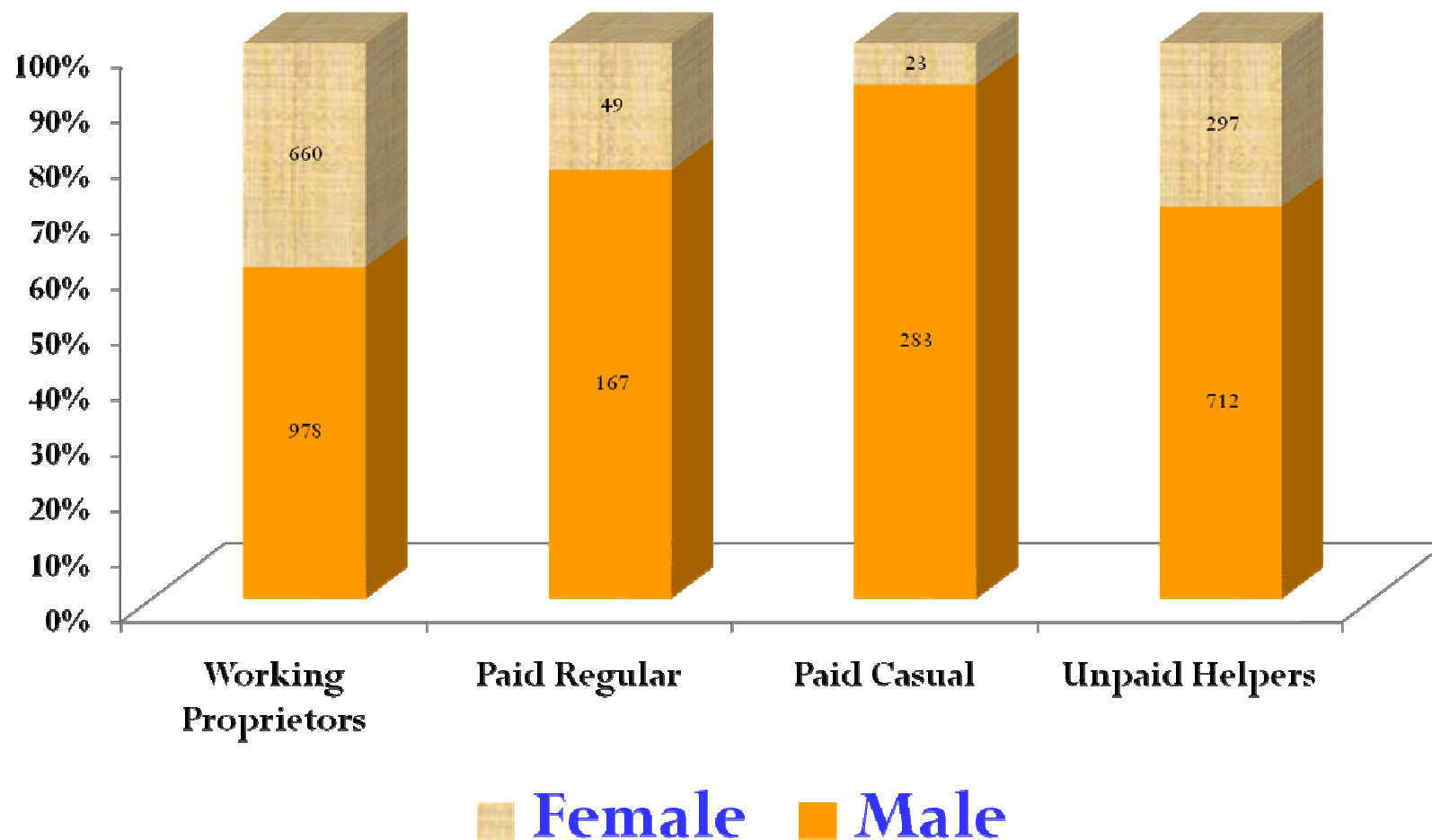
Employment

- A total of 3.5 people were engaged in informal businesses
- Paid Employees were 2.4 million
 - Working Proprietors (78%)
 - Casual Paid employees (13%)
 - Regular Paid Employees (9)
- Unpaid Employees were 1.1 million
 - Family workers/helpers

Employees by industry ('000s)

Industry	Paid	Unpaid	Total	%
Manufacturing & Mining	660	205	866	24.6
Agriculture & Fishing	777	672	1449	41.3
Trade	493	171	664	18.9
Hotels & Restaurants	199	69	267	7.6
Services	170	11	181	5.2
Forestry	64	20	84	2.4
Total	2363	1149	3512	100.0

Male employees were more likely to work on casual terms than their female counterparts

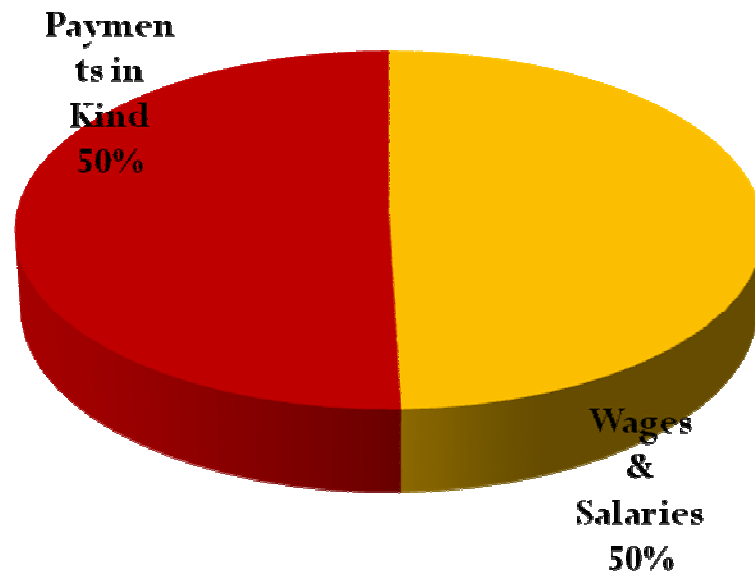


Age of Employees

- 67% of the employees were adults (aged 18+)
- 985 thousand employees worked for more than 25 days each month
 - Of this, 50% were working proprietors
 - Information may imply that a majority of the informal employees work almost all the days in a month

Emoluments

Total emoluments were 2.0 trillion shillings



Wages & Salaries	1,014
Payments in Kind	1,032
Total Emoluments	2,046

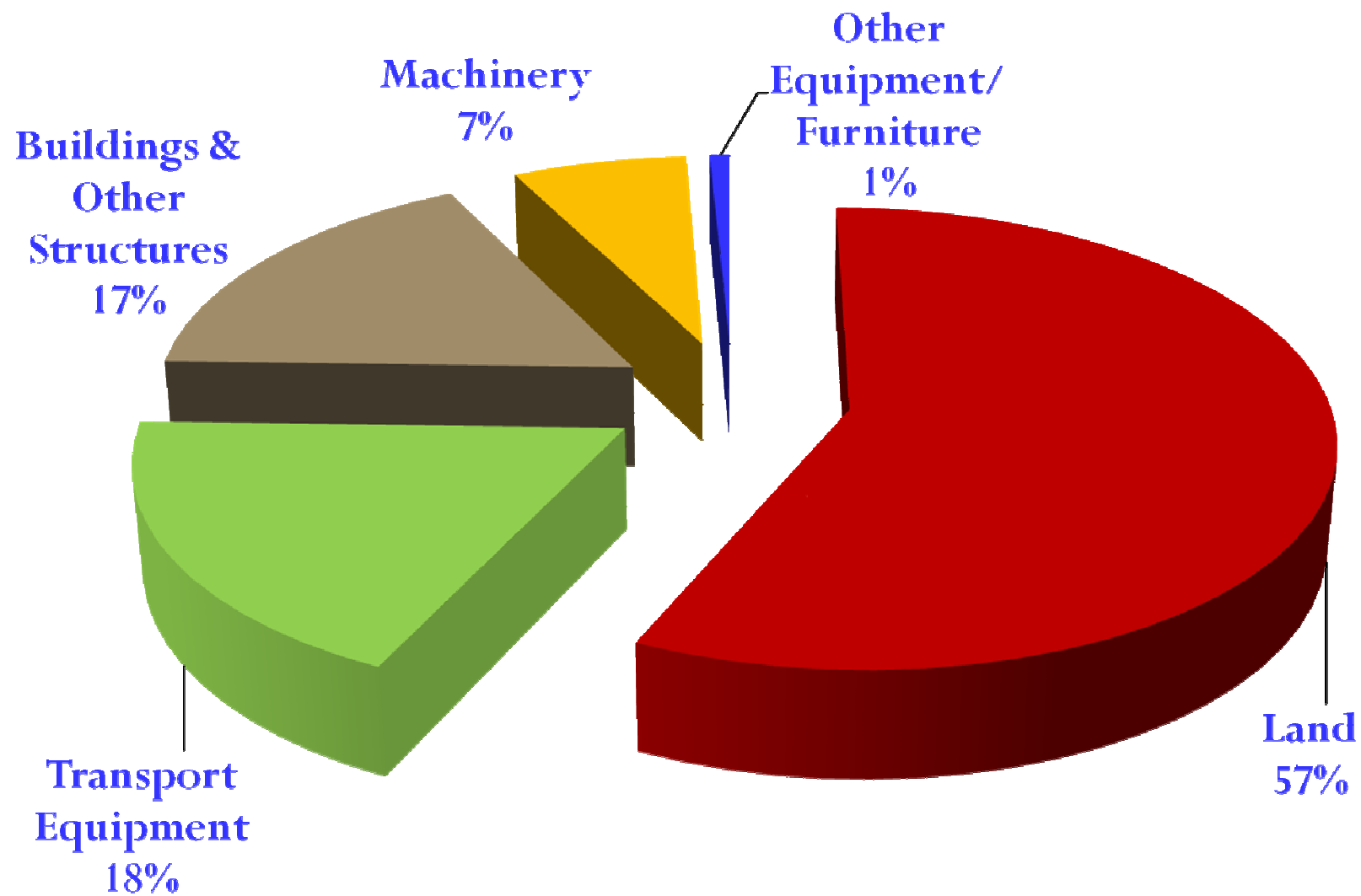
Average monthly earnings were 49 thousand shillings per employees

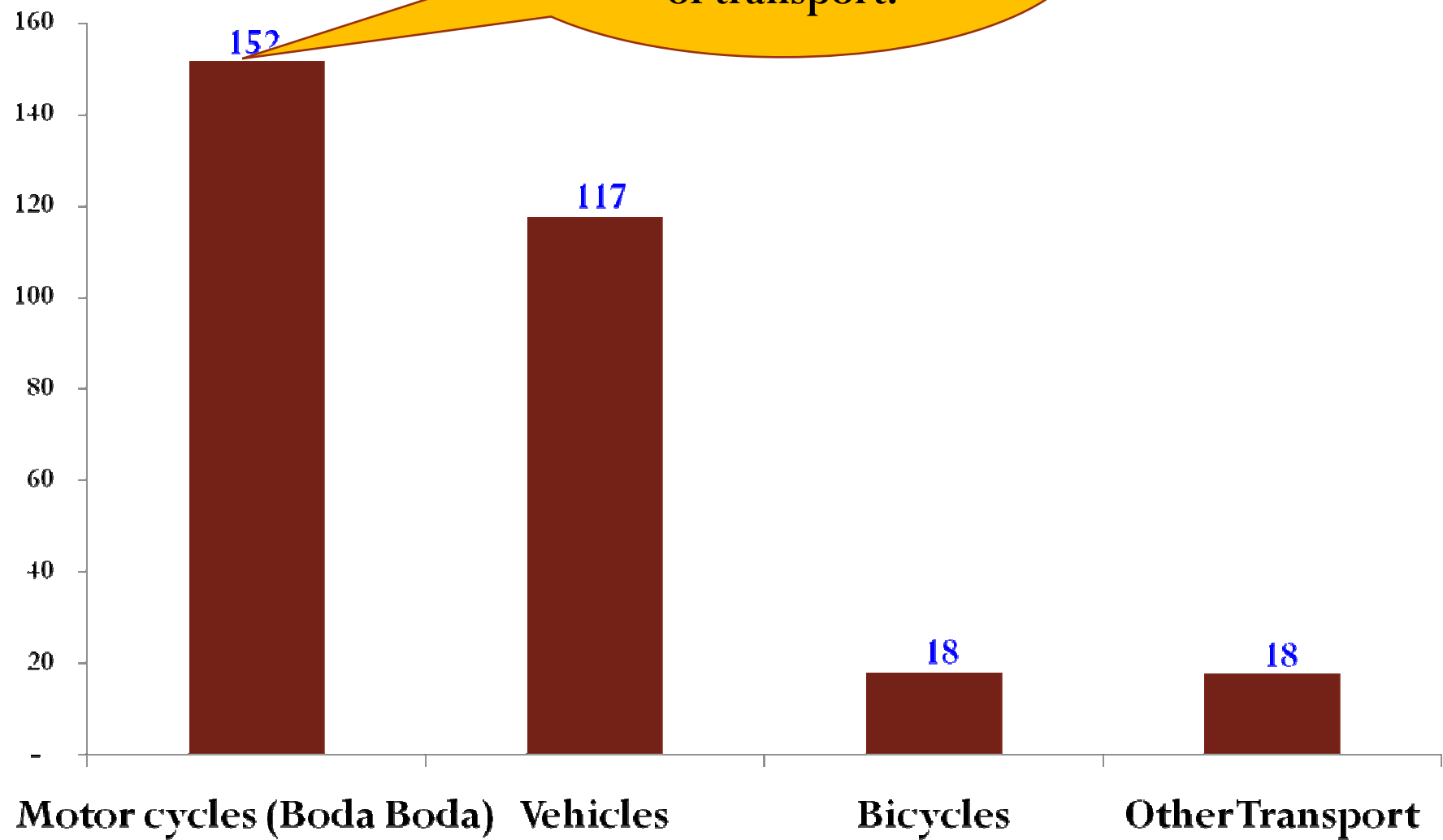
Industry	Wages & Salaries (bill shs)	Payments in Kind (bill shs)	Total (bill shs)	Average Earnings (‘000shs)
Agriculture & Fishing	305	447	752	43.3
Trade	160	355	515	64.6
Hotels & Restaurants	39	57	96	29.9
Services	281	80	361	165.8
Forestry	12	2	13	13.4
Manufacturing & Mining	217	91	308	29.7
Total	1014	1032	2046	48.5

NON CURRENT ASSETS (NCA) or FIXED ASSETS (FA)

Non Current Assets (NCA)

- These include:
 - Land
 - Buildings
 - Other Structure
 - Transport Equipment &
 - Other Office Equipment
- The NCA owned by informal businesses were valued at 1.64 trillion
- Land was the most valued NCA accounting for 57% of the total value
- Other equipment was the least valued at only 1% of the total value





ACCESS TO CREDIT

- 10% of the informal businesses used own savings to start and run a business
- 8% obtained loans
 - Starting a business-29 billion shillings
 - Running a business-12 billion shillings
- Main source of loans
 - relatives
 - commercial institutions (MFIs)
- Main security for the loans was land

CONCLUSION

- Other detailed information on informal sector is in the report
- However, a comprehensive report for the informal sector shall be produced after the completion of the Census of Business Establishments (COBE), currently on-going
- This will provide additional information informal non-household based businesses
- Report expected in the first quarter of 2011



THANK
YOU