

# Context

Kenya has a population of roughly 53.7 million people,<sup>[1]</sup> with 72% living in rural and 28% living in urban areas.<sup>[2]</sup> Approximately 54% of the workforce is employed in the agricultural sector.<sup>[3]</sup> This sector together with forestry and fisheries represent roughly 34% of Kenya's GDP.<sup>[4]</sup>

Agriculture plays a vital role in both Kenya's rural and national economy. It provides the livelihood for a large part of the Kenyan population.<sup>[5]</sup> For the rural population, the agriculture sector directly accounts for 70% of all jobs.<sup>[6]</sup>

The top produced crops in Kenya are sugar cane, fresh cow milk, maize, potatoes and bananas.<sup>[7]</sup> Kenya's top exported products in terms of quantity are tea, wheat bran, palm oil, avocados and sorghum.<sup>[8]</sup>



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#### \_ Wages

#### Minimum wage

The minimum wage rate in Kenya is set by the government by area, age and skill level. For agricultural workers the minimum wage varies from 7,545 Kenyan shilling (58 EUR) for an unskilled worker to 13,610 Kenyan shilling (104 EUR) for a farm clerk or foreman.<sup>[9]</sup>

#### Living wage

Living wages are based on the costs of a decent standard of living for a family in a specific area or region, hence living wages vary from one area to another. To date, the Global Living Wage Coalition has carried out two living wage studies in Kenya. The estimated living wage in Lake Naivasha (non-metropolitan urban Kenya) is 32,488 Kenyan shilling (253 EUR) per month<sup>[10]</sup> while the estimated living wage in Mount Kenya (rural Kenya) is 13,943 Kenyan shilling (108 EUR) per month.<sup>[11]</sup> Despite the large differences between living wage estimates, the highest minimum wage in the agricultural sector is still below both estimates. Agricultural workers are the most commonly underpaid workers in Kenya.<sup>[12]</sup>

# Working conditions

In 2015, over 80% of jobs in Kenya were in the informal sector.<sup>[13]</sup>The main employers in the informal economy areagriculture (mainly tea and coffee production), forestryand fishing.Workers in the informal sector lack most government social protections. As the agricultural sector becomes more competitive, permanent contracts are being replaced with temporary contracts or informal labour, which leads to increased labour insecurity.<sup>[13]</sup>

Most work-related accidents happen in the agricultural sector in Kenya. For example, roughly 10,000 workers fall sick per year due to unsafe and unhealthy working conditions on Kenyan flower farms.<sup>[13]</sup>

The ITUC Global Rights Index, which assesses workers' rights violations, gives Kenya a score of 4 out of 5, which stands for systematic violations of labour rights. The ITUC index describes the **legal impediments** to the freedom of association, the right to <u>collective bargaining</u>, and the right to strike in Kenya. Similarly, **in practice**, barriers to unionisation and collective bargaining in Kenya exist due to complicated procedures and requirements, and in some cases, due to verbal intimidation from the

government. Kenya is among the 85% of countries that have violated the right to strike. Court orders were used to stop strike actions several times.<sup>[14]</sup>

Labour laws are set nationally to protect workers' rights and define employers' obligations and responsibilities. To better understand the labour, social security and human rights legislation in Kenya visit **NATLEX**, a database developed by the International Labour Organization (ILO). Similarly, the WageIndicator Foundation provides detailed information about **Kenya's labour law** and examples of**collective bargaining agreements** used by different corporations in Kenya.

### What's happening

#### RESOURCE

Updated living wage Benchmark, Lake Naivasha Area

Updated living wage estimate for floriculture workers to be able to afford a basic but decent liviing in the Lake Naivasha area.

#### RESOURCE

Living wage Benchmark, Mount Kenya Area **2** 

Living wage estimate for floriculture workers to be able to afford a basic but decent liviing in the rural Mount Kenya area.

#### RESOURCE

#### Living wage Benchmark, Lake Naivasha Area 💿

Living wage estimate for floriculture workers to be able to afford a basic but decent liviing in the Lake Naivasha area.

RESOURCE Towards a Living Wage Ø

An analysis by True Price on how to close the living wage gap of workers producing roses in Kenya, Ethiopia and Zambia.

#### INITIATIVE

#### Kenya Decent Work Programme 🛛

The International Labour Organisation's (ILO) main instrument for cooperation to achieve decent and secure working conditions in Kenya.

#### RESOURCE

#### Creating Shared Value in the Rose Supply Chain **O**

The business case for a living wage rose from Naivasha in Kenya to a Dutch florist, by True Price.

#### INITIATIVE

# Improving Productivity of Smallholder Coffee Farms 🛛

A program by the International Finance Corporation to increase productivity, improve coffee quality and farmers' livelihoods in Kenya.

# Footnotes

1. World Bank. (2020). https://data.worldbank.org/indicator/SP.POP.TOTL?locations=KE

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