POVERTY, EMPLOYMENT AND EDUCATION IN KENYA:

A COUNTY LEVEL ANALYSIS

By:
GARDINER ERASTUS MUANGE X74/3648/2008
CHEGE PAUL MOSES MURITHI X74/3688/2008
NJERU SIMON WACHIRA X74/3711/2008
MAINNA SAMUEL NYAGA X74/3630/2008
BAARIU CAROLYNE KARAMBU X74/3603/2008

Research Paper Submitted to the School of Economics in Fulfillment of the
Requirements for XEA 402: Research Paper

13th July, 2012
Abstract

The study aims at establishing the degree of correlation between poverty, education and employment. It seeks to assess the statistical significance of education and employment in explaining poverty rates. The paper analyses poverty in Kenyan counties using secondary data and OLS regression technique with poverty as the dependent variable and employment and education as the independent variables. The findings of the study show that secondary education and average urban employment are negatively correlated with poverty. There is also a positive relationship between secondary education and average urban employment. The study analyses Kenyan Counties in line with the new constitution which seeks to establish counties after the elections. This is major departure from the district system under the previous constitution. The study has several implications key among them being that education is the single most important determinant of poverty rates.