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# Kenya's Domestic Services Sector

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# KENYA'S DOMESTIC SERVICE SECTOR

## EXECUTIVE SUMMARY

**I**     In Kenya the service sector is very important in that, for example in 1990, it accounted for more than 50 per cent of total wage employment and more than 40 per cent of total earnings. In terms of GDP the service sector contributed more than 40 per cent in 1994.

The service sector covers both public and public sectors as well as monetary and non-monetary sectors. The public sector covers Central Government, local authorities and parastatal organizations.

The main elements in the service sectors are Tourism which covers hotel and immigration statistics; transport and communications; finance, insurance, real estate and business services; ownership of dwelling units; and other service which include among others administration, defense, education and health service in public sector as well as community and social services in the private sector.

**II**     Data in the domestic service sector are collected using various methods. Hotel statistics and national parks and game reserves statistics are collected using mail questionnaires. Migration Statististics are collected through migration cards records completed by visitors at the time of arrival or departure at the border points. Education statistics, transport statistics and some financial statistics are collected through mail questionnaires. Some financial data, for example, that from insurance companies are processed from returns submitted to the commissioner of insurance.

Data on ownership of dwelling units in-the municipalities and townships are collected from randomly selected households. The information is collected by enumerators.

Having said this, it safe to say that for primary data we normally use either mail questionnaires or enumerators. For secondary data we use routine records.

The major surveys which at one time or another have been used to collect services data are:-

- Hotel statistics survey
- Visitors expenditure survey
- National parks survey
- Rental survey
- Informal sector survey (urban areas)
- Distribution and services
- Business expectation enquiries

Due to various constraints, some of these survey have not been carried out lately and so we normally estimate the figures.

III    In most case the data are first edited manually before they are computerized. After computerization the data are then summarized in worksheets. After this the analysis is done.

The dissemination of the information is normally through publications, the main ones being the annual Economic Survey and the Statistical Abstract which is also, published annually. Sometimes, on request, the information is disseminated through correspondence. The Central Bureau of Statistics also has a library which is used extensively by the researchers.

IV    The major problems encountered in collection processing and dissemination of data are caused by lack of funds. Many of CBS vehicles are grounded because of lack of funds to repair them. This constraint adversely affects the data collection.

Most of our computers are old and so they need regular servicing or replacement. CBS has no enough funds to replace them and this problem affects data processing. Even when the data have been processed, there is not enough funds for publishing and again this affects dissemination of data. We would like to revise SNA but we have no funds to do so.

V    Central Bureau of Statistics coordinates with other national institutions in data collection, processing and dissemination. This is done through secondment of officers to these institutions by the CBS. Sometimes CBS conducts, processes and analyses surveys on behave of these institutions.

VI    Depending on the availability of funds, there are plans to revive some of the surveys which have stalled. Among the surveys we intend to revive are informal sector survey (urban) and rental survey among others. There is also a possibility of extending the informal sector survey to rural area which at the moment do not cover.

# SERVICES IN THE DOMESTIC ECONOMY

## I.   BACKGROUND

The International Standard of Industrial Classification (ISIC) Rev 2 which Kenya uses to classify economic activities, in some cases lacks guidelines as to how to classify goods and services. In the absence of such guidelines, countries like Kenya have been left to make internal arrangements for defining the services sector.

In Kenya the services sector is very important to the economy. For example, it accounted for more than 50 per cent of total wage employment and more than 40 per cent of total earnings in 1990. In terms of GDP, the services sector contributed more than 40 per cent in 1994.

The services sector covers both public and private sectors as well as formal and informal sectors. The public sector covers  the Government, local authorities and parastatal organizations.

The main elements in the service sector are as follows.

1.-   Tourism

2.-   Transport and Communication- In this sub-sector we cover such organization as Kenya Railways, Kenya Airways, other airlines, Kenya Ports Authority and major bus companies

3.-   Finance, Insurance, Real Estate and Business Services. In this category we cover financial institutions such as banks, insurance companies, real estate companies and
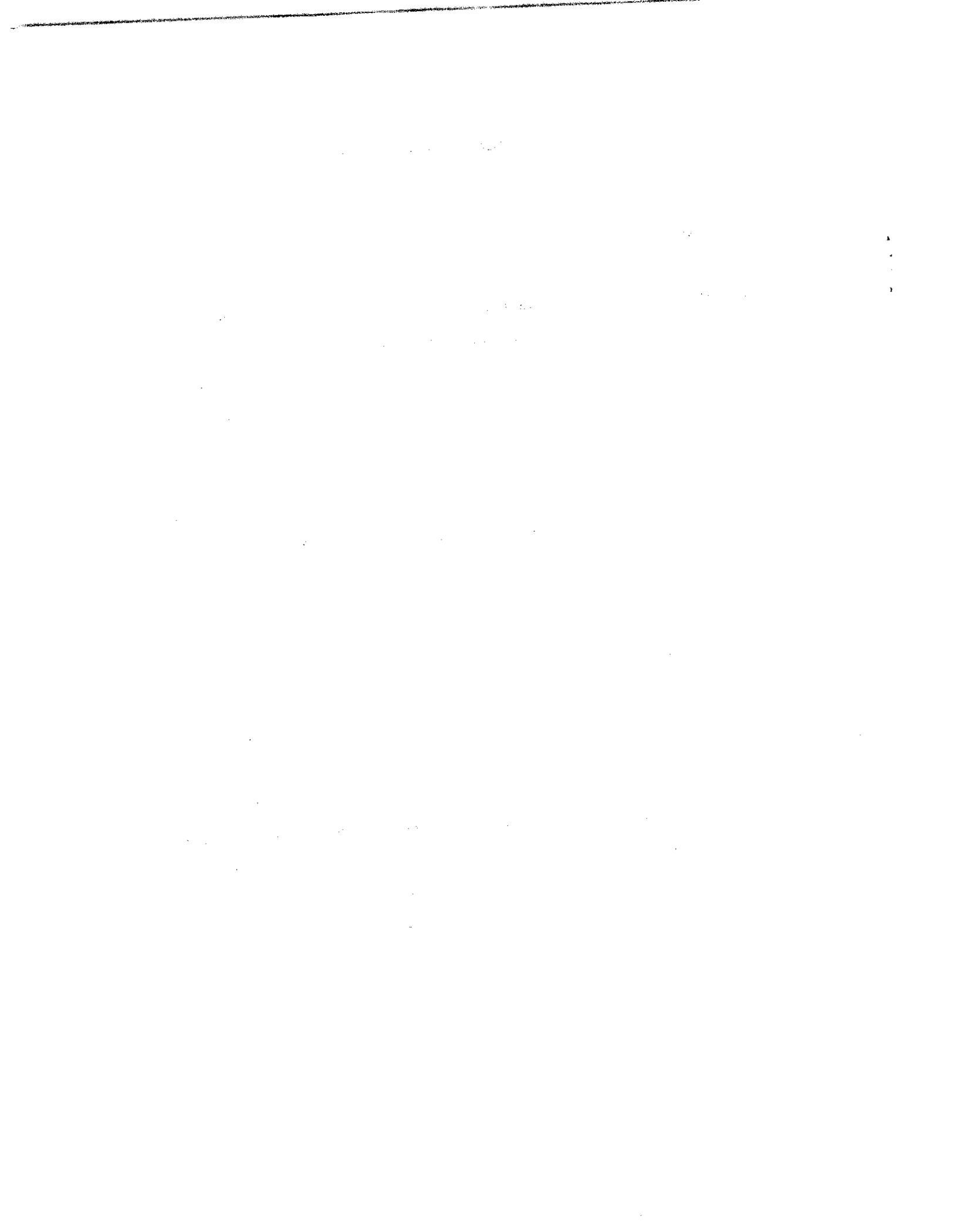
## II. METHODOLOGY OF DATA COLLECTION

The different sub-sectors of the service sector use different methods of data collection.

### Tourism

This sub-sector has three components namely hotel statistics, migration statistics and game parks and game reserves statistics. For hotel statistics we use postal questionnaires which are sent to hotels and lodges which meet a minimum set of standards. Migration statistics are collected through the Immigration Department at the country's entry points. As is the practice worldwide, the travellers are required to fill departure or arrival immigrations cards as the case may be. These cards are collected to a central point where they are processed and analysis done.

As for the game parks and reserves statistics, we again use postal questionnaires. These questionnaires are sent to game warders who fill in the details and then forwards the returns to CBS. Tourism earnings are collected from Central Bank of Kenya.

### Transport and Communications

In this sub-sector we also use postal questionnaires which are sent to the selected companies and organizations. The coverage is for both public and private sectors.

## Finance, Insurance, Real Estate and Business Services

Here we use two modes of collection. We send mail questionnaires to the relevant companies requesting them to fill in the required information. We also process the returns of such organization like insurance companies which are regularly submitted to the Commissioner of Insurance.

## Ownership of Dwelling Units

In the modern sector, that is in municipalities and townships clusters are selected at random. Within the selected clusters, households are also selected at random. These selected households are then interviewed by trained enumerators who fill in the details into a questionnaire.

In the non-monetary sectors, the statistics are obtained through estimation. The basis of estimation is a survey carried out in the 1970s which established the number of the existing huts. It is assumed that the number of huts increases by 3.3 per cent per annum. The value of the huts is then imputed.

## Other Services

In this sub-sector we have the public sector component and private sector component. The public sector component covers the Central Government, local authorities and parastatal organizations. For the Central Government and local authorities, the information is extracted from published Government expenditure and revenue accounts. These accounts contain actual, estimates and provisional

data on expenditure and revenue. Local authorities data on capital formation is collected through a mail questionnaire.

Parastatal organizations data are collected by various sections of the Central Bureau of Statistics. Mail questionnaires are sent at the end of each year requesting for information such as expenditures and revenues.

The information for the private sector component is collected in several ways. For the monetary sector the main method is the mail questionnaire. For the non-monetary sector we use enumerator or interviewers to collect the data. For example, the information on ownership of dwelling units is collected by enumerators who visit selected households in some selected clusters. The informal sector services such as shoe-shining are also covered by enumerators who use systematic sampling methods when such surveys are carried out.

The major surveys for collecting service sector data used to be the following:-

- Survey of employment and earnings
- Hotel statistics survey
- Visitors expenditure survey
- National Parks Survey
- Rental survey
- Informal sector survey
- Distribution and services survey
- Business expectation enquiries

Due to various constraints some of these surveys have not been

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