

AN ANALYSIS OF THE VARIATION IN  
MODERN SECTOR EARNINGS AMONG THE  
DISTRICTS AND MAJOR URBAN CENTRES  
IN KENYA.

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ABSTRACT

The paper analyses a large body of unpublished data collected by the Annual Enumeration of Employees. Occupational and industrial wage differentials are examined at the national level and then the technique of standardization is employed to explain inter-district and inter-town average modern sector earnings differentials.

These differences are attributed to the occupational and industrial "mixes" of the districts and town and to the "area effect" the extent to which similarly classified occupations and industries pay different wages in districts and town. The latter effect is taken as a measure of the extent to which labour markets are segmented, and is found to be particularly important in modern sector district labour markets.