Kenya - Small and Medium Enterprises (MSME) Survey 2016

Kenya National Bureau of Statistics

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Overview

Identification

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Version

VERSION DESCRIPTION

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2016-06-27

Overview

ABSTRACT
The MSME sector in Kenya has over the years been recognized for its role in provision of goods and services, enhancing competition, fostering innovation, generating employment and in effect, alleviation of poverty. The crucial role of MSMEs is underscored in Kenya's Vision 2030 - the development blueprint which seeks to transform Kenya into an industrialized middle-income country, providing a high-quality life to all its citizens by the year 2030. The MSME sector has been identified and prioritized as a key growth driver for achievement of the development blue print.

The measurement of the size of the sector in terms of employment as well as its contribution to Gross Domestic Product [GDP] and the generation of income is of major importance. This is not only because of their usefulness in the design of appropriate policies and programmes but also in understanding their dynamics in terms of income, wages, growth patterns, sector and their evolving nature among others. MSMEs tend to be dynamic: the structure and their operations change considerably within a short time. The last comprehensive study is the 1999 National Micro and Small Enterprise (MSE) Baseline Survey. The 2016 National MSME Survey was therefore, designed to respond to the existing data gap and sought to provide data at national and county levels. The unit of observation was the establishments and the survey targeted those that engaged at most 99 persons. The terms establishment, enterprise and business are however, used interchangeably in this report.

KIND OF DATA
Census/enumeration data [cen]

UNITS OF ANALYSIS
i) National

ii) Counties and

iii) Urban and rural residence

Scope

NOTES
The Micro, Small and Medium Enterprises (MSMEs) are considered as sources of employment generation, economic growth, and social transformation. A significant proportion of the MSMEs are formal, while majority fall within the informal economy based on their size, location, ownership, status of formality and economic activity, together, as major job providers, they produce a significant share of total value added, and provide a large segment of the poor and middle-income populations with affordable goods and services. There is however limited or outdated data to inform MSME policy formulation and implementation.

Coverage

GEOGRAPHIC COVERAGE
i) National

ii) Counties and

iii) Urban and rural residence

Producers and Sponsors

PRIMARY INVESTIGATOR(S)

Name	Affiliation
Kenya National Bureau of Statistics	Ministry of Planning and National development

FUNDING

Name	Abbreviation	Role
Kenya National Bureau of Statistics	KNBS	Funding of Operational Cost

Metadata Production

METADATA PRODUCED BY

Name	Abbreviation	Affiliation	Role
Kenya National Bureau of Statistics	KNBS	Ministry of Planning and National Development	Documentation of the Study

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Sampling

Sampling Procedure

Survey Design
The previous MSE studies used the household-based approach to identify businesses/establishments. However, the 2016 MSME survey, in addition to the household-based approach, interviewed businesses/establishments identified from business registers maintained by county governments. The 2016 MSME survey was cross-sectional and was designed to provide estimates at national and county levels. The survey used a representative probability sample design aimed at producing estimates at the following domains;
· National
· Counties and
· Urban and rural residence (For Unlicensed businesses only.

The survey adopted a stratified random sampling method for the establishment-based sample in which a systematic random sample of establishments was drawn using equal probability selection method. For the household-based sample, a two-stage stratified cluster sampling design was used where the first stage involved selection of 600 clusters (354 in rural and 246 in urban) with equal probability. In the second stage, a uniform random sample of 24 households in each cluster was selected using systematic random sampling method.

Weighting

Data Weighting
Weighting of the data was necessary since the selected samples were not self-weighting due to varying probabilities of selection across different strata. Separate weights were, therefore, computed for the various sets of data. The design weights for the licensed establishments incorporated the probabilities of selection of the establishments from the establishments sampling frame. The weights were further adjusted to cater for nonresponses.

Household weights were used for the unlicensed establishments as the latter were operating from the household. These weights incorporated the probabilities of selection of the clusters from the census EAs database into the NASSEP V sampling frame, the probabilities of selection of the MSME clusters from the frame and the probabilities of selection of the households from each of the sampled clusters. These weights were then adjusted to cater for household and individual non-response.

Questionnaires

Overview

One Enterprise questionnaire

Data Collection

Data Collection Dates

Start **End** **Cycle**

Data Collection Mode

Face-to-face [f2f]

Questionnaires

One Enterprise questionnaire

Data Collectors

Name	Abbreviation	Affiliation
Kenya National Bureau of Statistics	KNBS	Ministry of Planning and National Development

Data Processing

Other Processing

Data Capture and Processing
The 2016 MSME survey data was collected using tablets/CAPI. The data capture program was developed using SurveyCTO. This software was considered mainly due to its simplified user interface. It also has a random audio audit which records surveys as they are being conducted to ensure collection of high quality data. In addition, SurveyCTO allows export of data directly to spreadsheets and other statistical packages. The designed program also incorporated inbuilt data skips and check procedures to minimize data collection errors. The tablets were internet-enabled for real time data transmission to a central server. Once all the data was transmitted to the server, it was downloaded and merged into two distinct data files; the establishment-based and household-based data files. In each of the files, data cleaning such as checking for duplicates, missing records and outliers was carried out based on the developed editing specifications.

The final phase of processing was data outputs generation guided by a tabulation plan. This document guided the data processing team to produce outputs which sought to address survey objectives. Both STATA and SPSS softwares were used for data analysis.

Data Appraisal

No content available