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ON

EMPLOYMENT POLICY AND

STRATEGY FOR KENYA

MINISTRY OF LABOUR, SOCIAL SECURITY AND SERVICES

FOREWORD

Kenya aspires to become a globally competitive country offering high quality of life to all her citizens by the year 2030. Indeed, the social, economic and political pillars of the *Kenya Vision 2030* are anchored on existence of a skilful, productive, competitive and adaptive human resource base. Further, the Constitution advocate for decent work, whereby freely chosen productive employment is promoted simultaneously with fundamental rights at work, adequate income from work, representation and the security of social protection.

Employment Policy is an invaluable tool in facilitating the creation of decent, productive and sustainable employment opportunities, stimulating economic growth and socio-economic development. This is consistent with the conviction that promotion of adequate, productive and sustainable employment opportunities can best be achieved on the basis of an integrated policy agenda that brings together the goals of rights at work, employment, social protection and social dialogue in a coherent, development-oriented and gender-equitable manner.

This Policy is anchored on the understanding that Kenya has to achieve her national goals and international commitments to realize meaningful progress in socio-economic development. This largely depends on the extent to which the country is able to create and nurture a competitive and adaptive human resource base to meet the requirements of a rapidly industrializing and globalizing economy. In this respect, this policy seeks to promote productivity, national competitiveness and economic growth; creation of decent employment opportunities; creation of green jobs; build a pool of skilled, adaptive, self-reliant and enterprising labour force; and pursue short, medium and long-term employment creation and poverty reduction strategies. It also aims at improving labour market efficiency, strengthening the labour administration system and social dialogue, and promoting public-private partnership in employment creation.

It is important to point out, however, that developing and implementing a policy are two different things. Achieving sustainable change envisioned in this policy will invariably depend on the extent to which it is implemented, monitored and evaluated. I, therefore, call for support and close collaboration between government, social partners, private sector, development partners and other stakeholders in ensuring effective implementation of this policy. At the onset, I wish to pledge the commitment of the government in ensuring full and effective implementation of the policy.



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PREFACE

The Kenya government has continuously articulated the need to create sufficient employment opportunities to absorb the country's growing labour force. Various short, medium and long-term employment creation measures have also been undertaken. However, unemployment, underemployment and the working poor continue to be Kenya's difficult and persistent problems.

Kenya's employment challenge is manifested in terms of a 12.7 per cent open unemployment rate, 21 per cent underemployment and a working poor estimated at 46 per cent of the employed. The employment problem is compounded by rapid population growth, a growing youth population estimated at 67 per cent of the adult population, low and un-sustained economic growth, and structural rigidities. Besides these, the past interventions have also been piecemeal in nature, lacked focus, were poorly coordinated and implemented, and based on weak institutional and legal framework. The country also lacked a specific policy to anchor all the employment creation efforts.

This Sessional Paper on Employment Policy and Strategy for Kenya identifies and proposes integrated interventions that take a holistic view of the economy while recognizing Kenya's regional and international commitments. The strategies include cascading the implementation of the *Kenya Vision 2030* to county levels; promoting accelerated and sustained economic growth through implementation of prudent macroeconomic and sectoral policies; deepening the use of cluster and sectoral development strategies as a means of employment creation; mainstreaming productivity in all sectors of the country's economy including the informal and *jua kali* sector; and exploitation of the employment creation potential of the social and solidarity economy, and the micro and small scale enterprises. Others are improving the linkage between demand and supply sides of the labour market while taking cognizance of the national, regional and global labour market dynamics, and formulating and implementing a wage policy that guarantees a robust, flexible, equitable, predictable and sustainable wage system.

As a departure from the past, the employment creation strategies contained in this Policy document shall be integrated in the Medium Term Plans, county and sector plans as well as the national macroeconomic policy framework. To promote effective implementation and monitoring of the policy, sector-specific employment creation targets will be developed and implemented within the mechanism of the *Kenya Vision 2030*. Policy monitoring and evaluation will be undertaken regularly under the National Integrated Monitoring and Evaluation System. A National Employment Authority will be established to act as a lead employment promotion agency in the country.

Overall, regular consultation and collaboration between government and non-state actors, public-private partnership, inculcation of a national values system that promote positive attitude towards work, leadership and integrity will constitute the critical pillar of this policy. The ultimate goal is to guarantee creation of productive and sustainable jobs, rapid economic growth, and access to freely chosen employment ensuring high quality of life for Kenyans.



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Table of Contents

FOREWORD	ii
PREFACE.....	iii
ABBREVIATIONS AND ACRONYMS	vi
CHAPTER ONE.....	1
INTRODUCTION	1
1.1 Background.....	1
1.2 Rationale for Developing an Employment Policy and Strategy for Kenya	2
1.3 Vision, Mission and Goals of the Policy.....	2
1.3.1 Vision.....	3
1.3.3 Policy Goals.....	3
1.3.4 Policy Objectives	3
1.3.5 Principles of the Policy	3
CHAPTER TWO.....	4
SITUATIONAL ANALYSIS	4
2.1 Global Employment Agenda and Trends.....	4
2.2 Past Employment Creation Interventions in Kenya.....	5
2.2.1 Employment Creation Interventions in 1963-1979.....	5
2.2.2 Employment Creation Interventions in 1980-1989.....	6
2.2.3 Employment Creation Interventions in 1990 to Present	7
2.3 Employment Creation Interventions in Other Countries	8
2.4 Economic and Social Dynamics	8
2.4.1 Economic Performance.....	8
2.4.2 Employment.....	9
2.4.3 Social and Solidarity Economy.....	11
2.4.4 Unemployment.....	11
2.4.5 Productivity and Technological Development.....	12
2.4.6 Human Capital Development.....	12
2.4.7 Population Dynamics	13
2.4.8 Working Age Population	13
2.4.9 The Youth	14
2.4.10 Child Labour	14
2.4.11 Gender.....	14
2.4.12 Other Special Interest Groups	15
2.4.13 Migrant Workers.....	15
2.4.14 Trafficking in Persons.....	15
2.4.15 HIV and AIDS at the Workplace	15
2.4.16 Social Protection	16
2.4.17 Industrial Relations, Labour Market Institutions and Regulations	16
CHAPTER THREE	18
EMERGING ISSUES AND CHALLENGES	18
3.1 Slow and Un-sustained Economic Growth	18
3.2 Limited Growth and Development of the Micro and Small Enterprises.....	18
3.3 Un-exploited Potential of Social and Solidarity Economy	19
3.4 Low Levels of Productivity and Competitiveness	19
3.5 Technological Gap.....	20
3.6 Weak Linkage Between Education and Training Institutions, and Industry.....	20
3.7 Non-integrated Industrial Training and Attachment System	21
3.8 Lack of Up-to-date Labour Market Information.....	21

3.9	Weak Framework for Provision of Employment Services	22
3.10	Rapid Population Growth.....	22
3.11	Uncoordinated Administration of Labour Migration.....	23
3.12	Gender Inequality.....	23
3.13	Weak Framework for Elimination of Child Labour.....	24
3.14	Lack of a Policy Framework on Trafficking in Persons	24
3.15	Weak Integration of HIV and AIDS Issues in Workplace Programmes.....	24
3.16	Absence of a Comprehensive Wages Policy.....	25
3.17	Weak Labour Administration Systems	26
3.18	Inadequate Health and Safety measures at Workplace	27
3.19	Non-Comprehensive Social Protection System	27
CHAPTER FOUR.....		28
EMPLOYMENT STRATEGIES AND INTERVENTIONS FOR KENYA.....		28
POLICY IMPLEMENTATION, MONITORING AND EVALUATION.....		39
5.1	Rationale for Effective Policy Implementation and Coordination.....	39
5.2	Institutional Framework.....	39
5.3	Monitoring and Evaluation	39
5.4	Financing of the Policy	40
5.5	Policy Review	40
5.6	Implementation Matrix	1
Appendix 1: Reinforcing Policy, Institutional and Legal Framework.....		1
	Policy	1
	Institutional Framework.....	1
	Legislation.....	1

ABBREVIATIONS AND ACRONYMS

ADR	Alternative Dispute Resolution
AWC	Agricultural Wages Council
BDS	Business Development Services
CBA's	Collective Bargaining Agreements
CBK	Central Bank of Kenya
CBOs	Community Based Organizations
CDF	Constituency Development Fund
COTU	Central Organization of Trade Unions
CSOs	Civil Society Organizations
CT-OP	Cash Transfer for Older Persons
CT-OVC	Cash Transfer for Orphans and Vulnerable Children
NITA	n National Industrial Training Authority
EAC	East African Community
ECA	Employment Creation Analysis
FBOs	Faith Based Organizations
FKE	Federation of Kenya Employers
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GWC	General Wages Council
HIV and AIDS	Human Immune Virus and Acquired Immune Deficiency Syndrome
IA	Industrial Attachment
ICT	Information Communication Technology
IGAs	Income Generating Activities
IHRDS	Integrated Human Resource Development Strategy
ILO	International Labour Organization
ILO/IPEC	International Labour Organization/International Programme for Elimination of Child Labour
IPC	Investment Promotion Center
IRC	Industrial Relations Charter
ITs	Institutes of Technology
KAM	Kenya Association of Manufacturers
KAPEA	Kenya Association of Private Employment Agencies
KEPSA	Kenya Private Sector Alliance
KIHBS	Kenya Integrated Household Budget Survey
KIPI	Kenya Intellectual Property Institute
KIRDI	Kenya Industrial Research Development Institute
KNBS	Kenya National Bureau of Statistics
KNFJKA	Kenya National Federation of Jua Kali Associations
KYEP	Kenya Youth Empowerment Programme Enterprise Project
M&E	Monitoring and Evaluation
M&ED	Monitoring and Evaluation Directorate
MDGs	Millennium Development Goals
MFI's	Micro Finance Institutions
OAGDJ	Office of the Attorney General & Department of Justice

MoAL&F	Ministry of Agriculture, Livestock and Fisheries Livestock & Fisheries
MoEST	Ministry of Education, Science and Technology
MoEW&NR	Ministry of Environment and Natural Resources
MI&ED	Ministry of Industrialization and Enterprise Development
NT	National Treasury
MoLSS&S	Ministry of Labour, Social Security and Services
MoDP	Ministry of Devolution and Planning
MSEs	Micro and Small Enterprises
MSEA	Micro and Small Enterprise Authority
MTP	Medium Term Plan
NACC	National AIDS Control Council
NACOSH	National Council for Occupational Safety and Health
NCIC	National Cohesion and Integration Commission
NCPWD	National Council for Persons with Disabilities
NCST	National Council for Science and Technology
NEA	National Employment Authority
NEB	National Employment Bureau
NESC	National Economic and Social Council
NGOs	Non-Governmental Organizations
NHIF	National Hospital Insurance Fund
NIMES	National Integrated Monitoring and Evaluation System
NLB	National Labour Board
NMDC	National Manpower Development Committee
NMS	National Manpower Survey
NPs	National Polytechnics
NSSF	National Social Security Fund
NYS	National Youth Service
OP	Office of the President
OPM	Office of the Prime Minister
OVC	Orphans and Vulnerable Children
PSC	Public Service Commission
PUCs	Polytechnic University Colleges
PWDs	Persons with Disabilities
SAPs	Structural Adjustment Programmes
SEZ	Special Economic Zones
SHGs	Self Help Groups
SPF	Social Protection Fund
SRC	Salaries and Remuneration Commission
SSE	Social and Solidarity Economy
TIP	Trafficking in Persons
TIVET	Technical, Industrial, Vocational Education and Training
TTCs	Teacher Training Colleges
TTIs	Technical Training Institutes
UNDP	United Nations Development Programme
VDS	Vision Delivery Secretariat
WEF	Women Enterprise Fund

YEDF
YESA
YPs

Youth Enterprise Development Fund
Youth Employment Scheme Abroad
Youth Polytechnics

CHAPTER ONE

INTRODUCTION

1.1 Background

Kenya aspires to become a globally competitive country offering high quality of life to all her citizens by the year 2030. Attainment of this aspiration hinges on the extent to which the country is able to create and nurture a competitive and adaptive human resource base responsive to the rapidly industrializing and globalizing economy. The economic, social and political pillars of the *Kenya Vision 2030* are anchored on existence of a skilful, productive, competitive and adaptive human resource base. Creation of productive, decent and sustainable employment opportunities is, therefore, at the core of achieving the country's Vision.

The Constitution of Kenya reaffirms the government's commitment to employment issues. Article 41 of the Constitution grants all persons the right to fair labour practices. It also guarantees every worker the right to: fair remuneration; reasonable working conditions; form, join or participate in trade union activities and programmes; and undertake strike action. Article 43 of the Constitution provides for economic and social rights, which includes the right to social security. The Constitution also provides for equality in access to employment opportunities. The Constitution, therefore, advocates for decent work, where freely chosen productive employment is promoted simultaneously with fundamental rights at work, adequate income from work, representation and the security of social protection.

Unemployment, underemployment and the working poor have been identified as one of Kenya's most difficult and persistent problems. Unemployment in this context is taken to mean a situation where a person of a working age who is able, willing and ready to work at the prevailing wage rate is searching for work but is not able to get one. Along the same lines, underemployment refers to employment at less than desired or normal working hours while the working poor are those who work but earn wages that cannot accord them a bare minimum standard of living as measured by the poverty line.

The Kenya government has continuously articulated the need to create sufficient employment opportunities to absorb the country's growing labour force. The country has formulated and variously implemented three broad types of employment-targeted policy interventions. These interventions have been structural in nature, labour-oriented, and macroeconomic based. The structural policies involved Kenyanization policies, rural development, agricultural and industrial promotion, infrastructure development, productivity promotion and informal sector development. The labour-oriented policies focused on tripartite agreements, wage restraints, provision of labour market information, education and training, and public works programs. The macroeconomic-based policies targeted promotion of economic growth, macroeconomic management, and legal and legislative reforms. The broad policies were augmented with various short-term interventions aimed at addressing particular issues in employment generation.

Despite the employment creation measures taken by the government, creation of adequate, productive and sustainable employment opportunities continue to be the greatest challenge for Kenya. The country's employment challenge is manifested in terms of a 12.7 per cent open unemployment rate, 21 per cent underemployment and a working poor estimated at 46 per cent

of the employed. It is also reflected in growth of working age population that surpasses the rate of job creation. Kenya's working age population (15-64 years) increased from 7.40 million persons or 48.38 per cent of the population in 1979 to 20.68 or 53.57 per cent of the population in 2009. The greatest leap in the working age population was witnessed in 1989/1999 inter-census period when it increased from 48.80 per cent of the population in 1989 to 52.73 per cent in 1999. The country's labour force participation rate eased marginally from 73.6 per cent in 1998/1999 to 73 per cent in 2005/2006. The implication is that a large proportion of the country's working age population are labour market participants, thereby exerting pressure on the labour market.

In contrast, total employment in Kenya increased from 1.16 million in 1979 to 10.96 million workers in 2010. The contribution of the formal sector to total employment reduced considerably from 84 per cent in 1979 to 18.8 per cent in 2010. The implication is that the informal sector has continued to account for the greatest number of jobs in the country. The proportion of informal sector employment to total employment increased from 16 per cent in 1979 to 81.2 per cent in 2010. The marked decline in the contribution of formal sector to total employment may be mainly attributed to: slowdown in creation of new employment; reduction in the number of existing employees; closure of companies; and employment freeze implemented by public sector and some private sector organizations.

It is noted, however, that the informal sector jobs are precarious in nature. The sector's employment is characterized by job insecurity, poor wages and terms and conditions of employment and absence of institutionalized social protection mechanisms. Other manifestations of decent work deficits in the sector are weak workplace safety and health standards, and low job tenure. Even though informal sector employment has been a key driver to reducing unemployment in Kenya, informality remains a major productivity trap in the country. Thus, without targeted interventions, the informal sector cannot be relied on to effectively address the country's employment problem and poverty reduction goals.

1.2 Rationale for Developing an Employment Policy and Strategy for Kenya

A strong, dynamic and responsive labour and employment sector is critical in catalyzing and driving the transformations required for the attainment of the *Kenya Vision 2030*. One of foundations of the Vision is strong human resource base. Similarly, the Constitution advocates for decent work in accordance with the human rights conventions. However, high unemployment currently estimated at 12.7per cent remains a major challenge. Employment creation interventions in the country have to be comprehensive, coordinated and robust enough to significantly contribute to employment creation. This requires an integrated policy framework based on focused strategies and strong institutional and legal foundation. It is for this reason that the government, social partners, private sector and other stakeholders have developed this Employment Policy and Strategy for Kenya.

1.3 Vision, Mission and Goals of the Policy

The following are the vision, mission, goals, objectives and principles of the Employment Policy and Strategy for Kenya.

1.3.1 Vision

Sustainable livelihoods through productive employment and decent work

1.3.2 Mission

Develop and promote comprehensive strategies and interventions for creation of productive employment and decent work

1.3.3 Policy Goals

Promote full employment as a priority in national, economic and social policy and to enable the economically active population to attain and secure sustainable livelihood through productive and freely chosen employment by the year 2030.

1.3.4 Policy Objectives

This policy seeks to:

- (i) Promote creation of decent employment opportunities
- (ii) Ensure creation of green jobs for sustainable livelihoods
- (iii) Build a pool of skilled, adaptive, self-reliant and enterprising labour force
- (iv) Pursue short, medium and long-term employment creation and poverty reduction strategies
- (v) Improve labour market efficiency
- (vi) Strengthen the labour administration system and social dialogue
- (vii) Promote public-private partnership in employment creation

1.3.5 Principles of the Policy

To accomplish the desired results, this policy will be mainstreamed, coordinated and implemented within the framework of the national economic and social policy. It is, therefore, consistent with the overall national development strategies as articulated in the Constitution, *Kenya Vision 2030*, the Medium Term Plan, Millennium Development Goals and other relevant policy documents.

The principles underlying this policy are:

- (i) Employment is multi-dimensional and cuts across all sectors of the country's economy
- (ii) Participation of the private sector is critical for sustainable employment creation, economic growth and development.
- (iii) Culture shift from "job seekers" to "job creators" and self employment
- (iv) Sound collective bargaining, fundamental principles and rights at work, social and solidarity economy and social dialogue
- (v) Coordinated linkages and dialogue between government, education, research and training institutions and the private sector
- (vi) Effective labour market information system
- (vii) Transition to a green economy as a provider of human well-being, source of new decent jobs and supplier of sustenance for poor households
- (viii) Transformative capacity building of institutions and organizations towards employment creation

CHAPTER TWO

SITUATIONAL ANALYSIS

2.1 Global Employment Agenda and Trends

As early as 1964, the International Labour Organization (ILO) developed the *Employment Policy Convention* (No. 122 of 1964). The Convention requires member countries to prioritize and pursue an active policy designed to promote full, productive and freely chosen employment. In 1999, the ILO launched the decent work agenda whose pillars are employment opportunities, worker rights, social protection and representation. In 2000, world leaders committed themselves to achievement of Millennium Development Goals (MDGs) as a way of freeing people from extreme poverty and multiple deprivations. Goal 1 of the MDGs seeks to eradicate poverty and hunger through full and productive employment and decent work for all. In 2009, the ILO member states adopted the Global Jobs Pact to forestall prolonged global increase in unemployment, poverty, inequality and continued distress faced by enterprises. At the regional level, Africa's regional economic communities have identified strengthening of the capacities of the member states to create gainful and durable employment opportunities. This is seen as one of the effective ways of elevating people out of poverty. Within the East African Community (EAC), promotion of freely chosen employment has been set as a core policy priority. These commitments underscore the need to have a coordinated policy to strengthen efforts for creation of full, productive, sustainable and freely chosen employment that guarantees the rights of workers and employers.

Globally, creation of productive and sustainable employment opportunities is part and parcel of basic policies on economic growth, poverty reduction and development. Global employment trends show that annual employment growth has declined over time. It declined from 1.9 per cent in 2001-2006 to 1.8 per cent in 2007 before dipping further to 1.5 per cent in 2008. In 2009, the world employment grew by 0.7 per cent. It is estimated that global employment grew by 1.3 per cent in 2010. The subdued growth in global employment, especially in 2009 was attributed to slowdown in world economic growth rate as a result of global recession. The highest average growth rates in employment, over the period, were reported in Sub-Saharan Africa (2.94 per cent), Middle East (2.92 per cent), North Africa (2.76 per cent), South Asia (2.44 per cent) and Latin America and the Caribbean (1.96 per cent).

Trends in sectoral shares in global employment show that the share of agriculture in world employment decelerated from 40.8 per cent in 1998 to 33.5 per cent in 2008. The share of industry in world employment increased gradually from 21.1 per cent to 23.2 per cent over the same periods. Consistently, the share of the services sector in global employment also increased, albeit at a declining rate, from 38.1 per cent to 43.3 per cent over the period 1998-2008. The trends in sectoral contribution to global employment are consistent with economic theory. It is argued that with increased levels of development, labour will flow from agriculture and other labour intensive primary activities to industry and finally to the services sector.

Sub-Saharan Africa, however, remained the region with the highest level of agricultural employment dominance at 64.14 per cent of total employment during the period 1998-2008. It was also the region with the least concentration of workers in industry (9.8 per cent) and services

sector (26.04 per cent). The implication is that agriculture continues to be the dominant player in provision of employment within the region. However, the productivity of agricultural sector jobs remains low and cannot facilitate achievement of the goals of poverty reduction through employment unless targeted interventions are taken.

World unemployment rate increased marginally from 6.1 per cent in 1998 to 6.3 per cent in 2009. It is estimated that the global unemployment rate stood at 6.2 per cent in 2010. From a regional perspective, North Africa had the highest average rate of unemployment at 11.43 per cent. This was followed by Middle East (10.61 per cent), Central and South-Eastern Europe (10.12 per cent) and Sub-Saharan Africa (8.17 per cent).

The global trends in unemployment show that women continued to bear the greatest brunt of unemployment at an average of 6.45 per cent as compared to males at 5.88 per cent. The youths were disproportionately represented in global unemployment. Youth unemployment stood at 12.6 per cent in 2010 compared to adult unemployment rate of 4.8 per cent. The global youth unemployment rate could even have been underestimated given that majority of the youth could have been discouraged from actively searching for work. A 2011 report by the ILO indicated that there were 1.7 million fewer youths in the labour market, in 56 countries where data was available, than expected based on longer term trends. This, the ILO argued, depicted an increase in the number of youth discouraged by long spells of unemployment. The implication is that besides focusing on increased employment for the adult population, the global employment challenge also involves how to facilitate equitable access to employment opportunities by women and the youth.

2.2 Past Employment Creation Interventions in Kenya

Kenya's employment problem dates to the early decades of political independence in 1963. The government has made various policy pronouncements aimed at addressing the country's employment challenge. In this respect, the country has moved through three distinct employment policy intervention periods. These were in 1963-1979; 1980-1989; and 1990 to present.

2.2.1 Employment Creation Interventions in 1963-1979

The key employment creation measures implemented during this period included short-term interventions such as Kenyanization, tripartite agreements and public works programs. The Kenyanization policy (1963-1972) aimed at increasing employment opportunities for Kenyans. The strategies that were used to achieve this included exclusion of foreigners in rural trade, use of work permits to limit employment of expatriates, redistribution of large agricultural farms and increased investment in human capital formation. Tripartite agreements were used in 1964, 1970 and 1979 as emergency measures of employment creation. They were entered into between government, employers and workers. The agreements aimed at increasing employment levels by at least 10 per cent during the period of the agreement. In return, workers and their trade unions were to observe a wage freeze and refrain from strikes or any other form of industrial action. The public works programs were expected to provide mass employment in labour-intensive areas such as road construction.

The short-term measures of employment creation were augmented by wage policies, which initially targeted payment of high wages (1964-1972) before a reversal to a wage restraint in

1973. While the high wage policy was meant to cushion workers against unfair labour practices and trigger productivity growth, it was realized that it was unsustainable. The government thus, in 1973, resorted to wage restraint implemented through minimum wage regulation and wage guidelines. During the period, the government also implemented long-term employment creation interventions. These measures aimed at promoting economic growth, education and training, and infrastructure, agricultural and industrial development. Others were promotion of informal sector growth, productivity promotion and improvement in labour market information systems.

Mixed results were realized from the strategies adopted under broad policy framework of Kenyanization. Between 1964 and 1972, wage employment increased by approximately 2.8 per cent per annum. Most of the jobs were, however, created by the government, then playing the role of an employer of last resort. Consequently, overall employment within the public service increased. Between 1964 and 1971, for example, the percentage of Africans in the public service increased from 14.6 per cent to 97 percent in 1971, a direct result of the Kenyanization policy. Another outcome of the employment creation interventions adopted during the period was a 2.9 per cent annual increase in labour productivity of wage employees and a 6.8 per cent increase in capital-labour ratio. The implication is that the economy grew more capital intensive contrary to a desired labour intensive one given the labour surplus nature of the Kenyan economy.

The Kenyanization was successful in increasing the level of absorption of native Kenyans into wage employment sector. This did not, however, translate into creation of new jobs as it involved a mere replacement of non-citizens with citizens. The emergency measures of employment creation pursued in 1964, 1970 and 1979 did not also create substantial employment opportunities. While workers and their trade unions generally observed restraint in industrial action and wage increase freeze, employers failed to increase employment by the agreed minimum of 10 per cent as envisaged. Instead, majority of employers opted to convert their existing casual, contractual and temporary workers into permanent workers. Thus, the tripartite intervention only had marginal and temporary effect as they tended to “force” instead of “facilitating” employment creation. In general, the measures did not have an inbuilt mechanisms for ensuring accountability as monitoring and evaluation mechanisms were absent.

2.2.2 Employment Creation Interventions in 1980-1989

In 1980-1989, the government deepened the use of active labour market policies as a means of employment creation. The active labour market policies sought to address the rapid growth of the labour force, mis-match in skills, inadequate labour market information, and the problem of job selectiveness particularly amongst the youth. The measures were augmented by interventions targeting wage restraint, macroeconomic management and general economic growth. Others were interventions aimed at promoting infrastructure development, agricultural development, informal sector growth, education and training, and productivity promotion.

One of the active labour market policies that have been implemented by Kenya government is provision of public employment services. This mandate is being undertaken by the National Employment Bureau (NEB). A number of private employment agencies have also come up over time. Some of the private employment agencies are galvanized under the Kenya Association of Private Employment Agencies (KAPEA) while others, particularly the fairly well established are not under the association.

Employment data for the period 1980-1989 shows that formal sector employment increased from 1.191 million persons in 1980 to 1.796 million persons in 1989. This depicted an annual average growth rate of 5.6 per cent. The proportion of formal employment to total employment declined from 84.5 per cent in 1980 to 76.2 per cent in 1989. During the period, formal employment grew at an average rate of 3.49 per cent per annum compared to 9.03 per cent per annum for informal sector employment. At the same time, the economy grew at an average of 4.31 per cent per year. The implication is that while the rate of creation of jobs in the formal sector almost mirrored the rate of growth of the economy, the subdued economic growth rate led to a greater expansion in informal sector employment.

Active labour market policies generally contribute to a highly effective supply of labour by ensuring that the unemployed part of the labour force is actively seeking jobs and has the qualifications needed to fill new positions. Thus, though fronted by the government as employment creation measures, they are not meant to directly create more jobs. The policies are useful in providing important pre-conditions for creation of jobs, such as enhancing the link between the supply and demand sides of the labour market.

2.2.3 Employment Creation Interventions in 1990 to Present

The period from 1990 to present has seen the government emphasize use of short, medium and long-term measures as a means of employment generation. The short and medium term measures have included public works programs such as the *Kazi Kwa Vijana* (jobs for youth), foreign employment, and infrastructure and rural development. Others have been promotion of youth and women employment through Youth Enterprise Development Fund (YEDF), Kenya Youth Empowerment Programme (KYEP), Youth Employment Scheme Abroad (YESA) and Women Enterprise Fund (WEF).

The medium and long-term measures have targeted sectoral growth and development through formulation and implementation of sectoral policies. These include the Agricultural Sector Development Strategy (2010-2020), the National Industrialization Policy Framework for Kenya (2011-2015) and the Kenya National Youth Policy (2007). Other measures are macroeconomic management for renewed and sustained economic growth, development of the informal sector, industrial promotion, agricultural development and promotion of private sector investment and participation in the economy. Others were promotion of industrial harmony and productivity, liberalization of the labour market, formulation of labour and employment policies, reforming education and training systems to vocational and technical training areas, and legislative reforms.

The outcomes of the employment policies implemented in the 1990s to 2000s were varied. Formal sector employment shrunk from 74.4 per cent of total employment in 1990 to 18.8 per cent in 2010. The informal sector employment grew by 17.40 per cent per annum compared to 1.97 per cent per annum for the formal sector. Marked growth in informal sector employment was recorded in 1990-1999 at 27.67 per cent per annum as compared to 8.06 per cent in 2000-2010. The country's employment elasticity diminished from 1.28 in 1992-1996 to 0.5 in 2004-2008, implying low responsiveness of employment to growth. The decline in employment elasticity is partly explained by slow improvements in productivity growth over the period. Overall, the employment trends reveal the shifting relative importance of the formal and informal sectors to employment in Kenya, and the low employment yield of economic growth.

Though a major contributor of jobs in Kenya, the informal sector suffer from decent work deficits. The informal sector jobs are characterized by job insecurity, poor wages and terms and conditions of employment, and absence of institutionalized social protection mechanisms. Others are weak safety and health standards, low job tenure and lack of representation. More importantly, informality remains a major productivity trap in Kenya and cannot, therefore, guarantee creation of decent jobs.

The employment creation measures that have been designed and/or implemented by the government have, in most part, been good. However, the employment promotion interventions have been piecemeal in nature, poorly coordinated and non-integrated with the larger economy. In addition, implementation of the interventions has not been effective, consistent and efficient. In cases where implementation of the employment oriented measures has been undertaken, it has not been all inclusive to enlist the participation of relevant stakeholders. While there are a number of stakeholders in the labour and employment sector, the stakeholder efforts have not been properly harnessed to facilitate effective exploitation of synergy. Furthermore, the employment creation measures were not anchored on a coherent policy, institutional and legal framework to provide the required impetus in their implementation.

2.3 Employment Creation Interventions in Other Countries

Different countries have used various interventions to address unemployment. The range of interventions have aimed at achieving one or more of these objectives: (i) Making the labour market work better (ii) Improving chances of entrepreneurial skills development and job creation (iii) Facilitating skills training, both during and after formal education (iv) Address training market failures (v) Improving labour market regulations (vi) Facilitating overseas employment (vii) Putting in place comprehensive approach to tackle unemployment and (viii) Facilitating general programmes such as voluntary national service programmes.

The most common type of intervention in most regions of the world is post-formal schooling skills training programmes, which seeks to enhance employability of the labour force. In most countries, the interventions mostly target the vulnerable groups such as low-income persons, poorly-educated persons, and persons with disabilities. The interventions have tended to be relatively more successful in countries with greater labour market flexibility. This implies that rigidity of employment protection laws reduces the likelihood of an employment-targeted programme to yield positive employment benefits.

2.4 Economic and Social Dynamics

2.4.1 Economic Performance

Kenya experienced erratic performance in her economic growth for most of the years since independence in 1963. The country transited from a high growth path in the first decade of independence to a low growth path up to early 2000s. This trend was reversed in 2003 when the economy realized a growth rate of 2.9 per cent up from 0.5 per cent in 2002. The country's economic growth performance peaked at 7 per cent in 2007 before declining to 1.5 per cent in 2008. In 2010, the economy grew by 5.6 per cent as compared to 2.6 per cent in 2009. The slump in the country's economic performance in 2008 and 2009 was attributed to the 2007/2008 post election crisis, global credit crunch and escalation in oil prices. As part of the broad policy

framework, Kenya aspires to scale up her economic growth rate to 10 per cent per annum to be sustained to the year 2030.

Kenya's economic growth trend is reflected in the rates of growth of some of the key sectors of the economy. The rate of growth of the agricultural sector declined from an average of 4.6 per cent per annum in 1964-1973 to 1.2 per cent in 1996-2000. The sector recovered slightly to grow at an average of 2.5 per cent per annum in 2001-2005. It, however, realized a slump to record negative growths of 4.1 per cent in 2008 and 2.6 per cent in 2009. In 2010, the sector grew by 6.3 per cent.

The performance of the manufacturing sector has also been cyclical. It moved from an average growth rate of 10 per cent per annum in 1974-1979 to a low of negative 0.5 per cent per annum in 1996-2000. In 2000-2006, the manufacturing sector grew at an average rate of 3.3 per cent per year. The rate of growth of the sector improved marginally to 3.5 per cent in 2008 but declined to 1.3 per cent in 2009. The manufacturing sector grew by 4.4 per cent in 2010. Similar cyclical growth trends were exhibited in other sectors such as building and construction, and tourism.

Contrary to the cyclical growth trends exhibited by the other sectors, the Information Communication Technology (ICT) sector has emerged as a critical driver of productivity, economic growth and employment in Kenya. The sector grew at an average of 23 per cent per annum over the period 2000-2010 and accounted for 13 per cent of the growth in the country's Gross Domestic Product (GDP) over the last decade. The sector contributes directly and indirectly to employment creation and has considerable indirect effects on the economy by creating efficiencies in other sectors of the economy.

The trends in GDP growth show that Kenya has not been able to attain and sustain high growth rates both at national and sectoral levels. Periods of high growth rates have been interspersed with periods of low growth rates, which have at times decelerated into negative growth rates. The subdued and volatile nature of the country's economic performance is partly attributed to low productivity consciousness, high cost of production relative to comparator countries, limited value-addition and weak competitiveness of the country's goods and services. The erratic and generally low economic growth rate has negative effects on employment creation.

2.4.2 Employment

Long term trends and dynamics of employment in Kenya reveal a declining number of jobs being created in the formal sector as compared to those in the informal sector. Total employment in Kenya increased from 0.804 million workers in 1972 to 10.96 million workers in 2010. Up to 1992, the formal sector was the greatest provider of jobs in Kenya, accounting for 53.1 per cent of the jobs down from 89.6 per cent in 1972. The contribution of the informal sector to total employment creation grew from 10.4 per cent in 1972 to 81.2 per cent in 2010. Over the last three decades to 2010, formal sector employment in Kenya grew at an average of 2.8 per cent per annum as compared to 14.3 per cent for the informal sector.

Even though the informal sector accounts for the largest proportion of the country's jobs, the labour absorptive capacity of the sector is fast approaching saturation point. The number of new jobs created by the sector appears to have leveled off at an average of 463 thousand jobs per year

since 2000. This is reflected in the slowdown in the employment growth in the sector that has dwindled from an average of 27.7 per cent per year in the 1990s to 8.1 per cent per annum in the period 2000-2010. Recent trends in employment show long-term recovery in formal sector employment growth.

From a sectoral perspective, community, social and personal services stands out as the key provider of wage employment in Kenya. The role of the sector in wage employment grew for most of the years from 28.8 per cent in 1977 to 40.95 per cent in 2010. Over the period 1977-2010, the proportion of wage employment accounted for by the sector averaged 40.5 per cent. However, the importance of the agricultural sector in providing wage employment has waned over time. The proportion of wage employment attributable to the sector declined from 32.65 per cent in 1977 to 16.69 per cent in 2010 or an average of 20.30 per cent. The contribution of the manufacturing sector to wage employment has been constant at about 13 per cent. This is reflective of the sector's contribution to GDP that has remained almost constant at about 10 per cent over the last 30 years. The other sectors that contribute to wage employment in Kenya are wholesale and retail trades, restaurants and hotels (8.77per cent); transport and communication (5.51per cent); building and construction (4.91per cent); and finance, insurance, real estate and business services (4.68per cent). Mining and quarrying sector continues to be the least contributor of wage employment at about 0.3 per cent.

Other wage employment dynamics in Kenya show that the proportion of women in wage employment increased marginally from 26.2 percent in 1995 to 29.5 percent in 2000, but remained constant at 29.6 percent in the period 2001-2004. It then increased marginally to average 30.2 percent over the 2006-2008 but thereafter declined to 28.7 per cent in 2010. The trends in total employment and share of women in wage employment reveal inequities in access to wage employment by women. It shows that even though there was some growth in formal sector employment averaging 1.98 per cent per annum in 1995-2010, the employment opportunities were not accessed equally by women and men as would be expected under the decent work agenda. The negative impact of such inequity in access to wage employment is worsened by the fact that on average, the mean monthly earnings from paid employment for males are about 1.5 times that of females.

Kenya has been experiencing shifts in forms of employment. This is depicted by casualization of work, contract engagement, outsourcing of jobs, subcontracting and temporary employment. The proportion of casual workers in wage employment increased gradually from 17.9 per cent in 2000 to 21.2 per cent in 2005. The proportion of employees on casual terms increased thereafter to reach an all time high of 32.2 per cent in 2008 before declining marginally to 30.1 per cent in 2010. The increase in formal sector employment between 2002 and 2003 was, for example, wholly attributed to the increase in the number of casual workers. Between 2009 and 2010, the number of workers on casual terms of employment increased by 5.4 per cent as compared to 2 per cent for employees on regular terms.

Casualization of jobs and other contemporary forms of employment more often than not do not facilitate the workers to enjoy the fundamental rights at work. Such rights include freedom of association and collective bargaining, right to paid leave, and the right to social protection as provided under the National Social Security Fund (NSSF) and the National Hospital Insurance

Fund (NHIF). Even though the NSSF and NHIF have expanded their membership base to include casuals and other workers, only a few of the workers may have joined the schemes. Such forms of employment if not well checked, impair labour relations and erode worker protection. They also transfer additional responsibilities, such as social and trade union protection, job security, and wage negotiations to the worker. This may, however, be at the expense of productivity, national competitiveness and employment creation.

2.4.3 Social and Solidarity Economy

A key characteristic of the Kenyan economy is existence of a strong and vibrant Social and Solidarity Economy (SSE). The SSE is the sector in between the formal and informal sectors. It has grown to be an important component of the country's economy. The SSE is a dynamic and evolving group of actors that promote and run economic organizations that are people centered. They include cooperatives, mutual benefit societies or self help groups (*chamas*), associations and social enterprises. The SSE is found in rural and urban areas and all other sectors of the country's economy with majority being in agriculture and informal sector.

Much of the rural sector products are marketed through the SSE in the form of cooperative societies and producer associations. The cooperative societies and producer unions mostly serve small holder farmers. The main crops marketed through these SSEs are coffee, pyrethrum, cotton, milk, tobacco and sugarcane. The diversity in the forms of cooperative societies and unions shows their significance as a marketing channel strategy for the small holder farmers. The SSE enterprises also have the unique ability to extend social protection and social services to people and communities that are either covered or not covered by the formal social security systems. The SSEs, therefore, complement employment creation, poverty reduction and have the potential to contribute towards attainment of the goals of decent work agenda.

2.4.4 Unemployment

The employment challenge in Kenya has grown over time. The level of open unemployment in the country increased from 6.7 per cent in 1978 to 14.6 percent in 1998/1999 before easing to 12.7 percent in 2005/2006. In 2005/2006, Kenya had a disguised or under employment rate of 21 per cent and a working poor of 46 per cent of the employed. The unemployment data reveal considerable variations amongst different age cohorts. The open unemployment rate amongst the youth cohorts 15-19; 20-24; 25-29; and 30-34 averaged 28 per cent, 24.75 per cent, 11.15 per cent and 5.75 per cent, respectively over the period 1978-2005/2006.

In Kenya, the 15-19 years youth cohort represent the entry node of the labour market. The relatively high rates of open unemployment amongst the entry group emphasize the magnitude of the country's employment problem. Majority of the unemployed youth do not possess appropriate skills. Primary and secondary school graduates account for 82 per cent of the unemployed youth, while university graduates account for about 1.4 percent. Out of the total unemployed youth, 92 percent have no job training other than formal schooling. This means that youth unemployment in Kenya is not just about limited employment opportunities but also lack of employable skills.

The incidence of Kenya's open unemployment also varies according to gender, regions, type of job sought, season and the job search methods used. In 2005/2006, the level of open unemployment amongst females was relatively higher (14.3per cent) than that of males (11.2per cent). Similarly, the rate of open unemployment in urban areas was 19.9 per cent compared to 9.8 per cent for the rural areas. The comparative figures for 1998/1999 were 25.1 per cent and 9.4 per cent for urban and rural areas, respectively. The gender variation in the rate of unemployment is a manifestation of decent work deficits in the country while the regional variation shows the imbalances in growth and development, and the negative effects of rural-urban migration.

In terms of seasons, highest rates of seasonal unemployment occur in mid-July to September, and December to February. In respect to the type of jobs, up to 94 per cent of the unemployed in 1998/1999 were looking for paid employment. Only 3 per cent were searching for entrepreneurship related jobs. The implication is that while the rate of creation of formal jobs has reduced over time, the mindset of majority of job seekers is still fixed on paid employment. It also shows the deep rooted culture of job-seeking instead of job creation and self employment amongst most job seekers.

The 1998/1999 Kenya Integrated Household Budget Survey (KIHBS) showed that the most common job search approach used by job seekers is friends and relatives (41per cent). This is followed by direct approach to the employer at 32 per cent. Only 2 per cent of the job seekers used public and private employment services. The low utilization rate of the employment services may be attributed to limited outreach of the services, lack of awareness on the part of the job seekers on the existence of such facilities, and real or perceived ineffectiveness of the public and private employment services as a job search model.

2.4.5 Productivity and Technological Development

Kenya is faced with low productivity levels. The country's total factor productivity index is less than one. In 2009, labour and capital productivity indices were estimated at 0.84 and 0.46, respectively as compared to benchmark of at least 5 required for global competitiveness. Kenya is also faced with low levels of technological adoption. This is mainly attributed to the high cost of technology and low prioritization of research and development. In Kenya, public spending on research and development stands at 0.3 per cent of the GDP compared to a global best practice of at least 1 per cent. The low levels of total factor and partial productivity, and weak framework for technological adoption and development implies weak levels of competitiveness and low capacity for creation of productive and sustainable jobs.

2.4.6 Human Capital Development

In Kenya, human capital development is undertaken within the framework of formal and non-formal education and training systems. The key education sub-sectors are early childhood education; primary education (formal and non-formal); secondary education; Teacher Training Colleges (TTCs); Technical, Industrial, Vocational Education and Training (TIVET) and universities. As of 2010, there were 27,489 pre-primary and primary schools, 7,308 secondary schools, 363 TTCs, 818 TIVET institutions and 32 universities. The TIVET institutions consist of Youth Polytechnics (YPs), Institutes of Technology (ITs), Technical Training Institutes (TTIs), National Polytechnics (NPs) and Polytechnic University Colleges (PUCs).

Enrolment in primary schools increased from 7.2 million in 2003 to 9.4 million in 2010. The rapid increase in primary school enrolment may be attributed to increased population and the effects of free primary education. As of 2009, primary school completion rate was 83.2 per cent and primary to secondary school transition rate of 64.1 per cent. The implication is that those pupils who fail to complete primary school and transit to secondary school may still find their way into the labour market, albeit at a lower age. This is more so for those in the 15-19 age bracket. Enrolment in secondary schools increased from 1.03 million in 2006 to 1.7 million in 2010 while that of TIVET institutions stood at 82,843 in 2010 up from 71,167 in 2006. Majority of students in the TIVET institutions were in the YPs. This shows the critical role of YPs in promoting skills acquisition. The university enrolment has also seen a marked increase over time. It increased from 112,229 in 2006/2007 to 180,978 in 2010/2011. The increase in university enrolment may be attributed to the rapid expansion in the sector in terms of the number of universities, programmes and intake.

2.4.7 Population Dynamics

Kenya has been confronted with strong demographic pressures. The country had a population of 5.4 million in 1948. This increased to 8.6 million in 1962; 10.9 million in 1969; 15.3 million in 1979; and 21.4 million in 1989. In 2010, the country's population was 39.8 million up from 38.6 million in 2009 and 38.3 million in 2008. The population is projected to reach 66 million by 2030.

Kenya's population growth rate increased from 2.5 per cent in 1948 to 3.8 per cent in 1980s. This period marked the highest population growth rate phase in the country's history. The country's rate of population growth then entered a declining phase, moving from a growth rate of 3.7 per cent per annum in 1985 to 2.6 per cent year in 1998. The Kenya National Bureau of Statistics (KNBS) estimates that the country's inter-censal growth rates remained constant at 3.4 per cent in 1969-1979 and 1979-1989 periods but declined to 2.9 per cent in 1979-1989 period. It then increased marginally to 3 per cent in 1999-2009. Despite the variations in the population growth estimates, the country's population growth rate remains high. This has led to a youthful labour force and high rates of unemployment, particularly of the youth.

2.4.8 Working Age Population

Kenya's population dynamics shows that the country's working age population increased from 15.9 million persons in 1989/99 to 19.8 million persons in 2005/2006. The greatest increase in the working age population over the period was recorded among the youth. Available data also shows that an increasing proportion of the country's working age population are inactive. Inactive labour consists of all those persons within the working age who are outside the labour market. Their stay out of the labour market may be voluntary (persons who prefer to stay at home or still in school/college) or involuntary (prefer to work but discouraged and give up searching for jobs). The proportion of the inactive labour force to the working age population increased from 22.6 percent in 1998/99 to 26.6 percent in 2005/2006. Majority of the inactive population were between the ages of 15 to 19 years. Kenya's labour force increased from 12.3 million persons in 1998/1999 to 14.6 million persons in 2005/2006. This represents 18.2 per cent increase over the period. Over the period, females exhibited a lower labour force participation rate than males.

2.4.9 The Youth

Kenya has a youthful population. In 1969, the youths constituted about a third (30.38 per cent) of the country's population. This increased to 32.25 per cent of the population in 1979 and to 35.39 per cent of the country's population in 2009. These trends show that Kenya is facing a youth bulge. The youth bulge increased from 62.67 per cent of the adult population in 1979 to 66.6 per cent of the adult population in 2009. It averaged 63.71 per cent of the adult population over the 1979-2009 inter-censal periods.

Though a youthful population is a resource, job selectiveness remains a challenge in addressing youth unemployment. The youth need to be engaged in productive ventures for sustainable growth and development, otherwise they become a liability. Experience has shown that large youth cohorts if not well addressed do develop a generational consciousness and act collectively to form illegal youth movements causing social and political unrest. The youth bulge coupled exacerbates unemployment, prolongs dependency, and diminishes self-esteem.

2.4.10 Child Labour

Child labour is a global problem with regional, sub-regional, national and local variations. The 2005/2006 KIHBS Report showed that the total number of working children in Kenya declined from 1.9 million in 1999 to 1.01 millions in 2005/2006. This represents a drop of 46.8 percent. The determinants of child labour are multifaceted in nature. They range from family disintegration, a growing shortage of affordable housing and food in the urban settings due to rising unemployment that keeps many families and individuals in extreme poverty. The nature of employment of the household head may also have an effect on the incidences of child labour. Children of the self employed informal sector workers are more likely to engage in harmful child labour activities than those from households whose heads are in formal employment. This shows the critical link between family income and child labour.

2.4.11 Gender

Gender equity and women empowerment is a key component of decent work agenda. Trends in wage employment show that the proportion of women in wage employment increased marginally from 26.2 percent in 1995 to 28.7 per cent in 2010. Women are still under-represented in major decision-making levels within Government. There also exist large wage gaps to the disadvantage of women. Historical trends, however, show a gradual increase in women's participation in politics and high-level decision-making. In the 10th parliament 21 of 222 Members of Parliament were women as compared to 10 out of 210 elected Members of Parliament in 2002. However, this is still relatively low when compared to countries like Rwanda and South Africa that have 56 per cent and 33 per cent women representation, respectively.

The government established Women Enterprise Fund in 2007 to promote women empowerment and entrepreneurship. There also exist Self-Help Groups (SHGs) that have been supported to undertake productive Income Generating Activities (IGAs) through community development programmes. These are aimed at creating employment and improving the livelihoods of communities. The SHGs serve as important entry points for any development assistance such as provision of self help grants to boost community development initiatives. The ultimate goal is to transform these groups into Savings and Co-operative Societies to facilitate mobilization of savings and access to credit and other financial services. These efforts will be enhanced with the

implementation of the Constitution, which emphasizes promotion of gender equity and empowerment.

2.4.12 Other Special Interest Groups

It is estimated that there are 4 million Persons with Disabilities (PWDs) in Kenya. To promote empowerment of the PWDs, the Disability Act of 2003 was enacted and the National Council for Persons with Disabilities (NCPWD) established. A National Development Fund for Persons with Disabilities was also established in 2010. The Fund is meant to facilitate employment of the PWDs, provide income maintenance, improve choices and opportunities for PWDs by enhancing opportunities in educational, training and rehabilitation institutions. The Fund also aims at taking care of the accessibility needs of the PWDs.

The number of Orphans and Vulnerable Children (OVC) is escalating in the country. Although no countrywide census has been undertaken, it is estimated that there are more than 2.4 million orphans in the country, of whom about 1.2 million are orphaned by HIV and AIDS. The number of older and ageing persons has also increased over time. The population of persons aged 60 years and above increased from 0.7 million in 1979 to 1.9 million or 5.04 per cent of the population in 2009. Kenya also has a growing number of street families. The growing number of the special interest groups calls for an effective and integrated social protection system to leverage their likely burden on the active segment of the labour force.

2.4.13 Migrant Workers

Migration is a worldwide phenomenon. Much of migration in the world happens for the purpose of work. According to the ILO, 50 per cent of the currently estimated 214 million migrants worldwide are workers. Economically active migrants and their families comprise 90 per cent of the total migrant population. Kenya has a number of migrant workers who are in almost all sectors of the country's economy. The country also has a number of her citizens working in many parts of the world. Effective management of labour migration would contribute positively to addressing the employment problem in Kenya.

2.4.14 Trafficking in Persons

One of the emerging labour market problems in most countries is trafficking in persons (TIP). Trafficking in persons is not only a problem of organized crime but also involves broader relationships between workers, employers, recruiting agencies and governments. It is estimated that up to 12 million men, women and children are trafficked annually across the globe. Kenya is source, transit and destination country for victims of TIP. Kenya enacted the Counter-Trafficking in Persons Act in 2010 to provide the legislative framework for dealing with TIP issues. It is expected that the legislation will be effectively enforced so as to reduce the negative effects of TIP. Trafficking in persons undermines human resource utilization and affects attainment of decent work goals.

2.4.15 HIV and AIDS at the Workplace

HIV and AIDS affects labour productivity and contributes to high labour costs. The national adult HIV and AIDS prevalence rate in Kenya reduced from 10 per cent in 2004/2005 to 5.1 per cent in 2005/2006. The prevalence rate rose to 7.8 per cent in 2007 but eased to 6.3 per cent in 2011. HIV and AIDS prevalence continues to be high amongst the most active segment of the

labour force. The spread of HIV and AIDS is increasingly having an adverse impact on the operations of many organizations in Kenya, their employees, and households. The high prevalence of HIV and AIDS poses a threat to the country's productivity, competitiveness and employment creation.

Labour market data, however, shows that HIV and AIDS issues have not been effectively integrated in workplace discussions. This is confirmed by the low number of Collective Bargaining Agreements (CBAs) that contain HIV and AIDS clauses. In 2005, for example, only 2 out of 275 CBAs had HIV and AIDS clauses. The numbers of CBAs with HIV and AIDS clauses has continued to be low at 3 out of 344 in 2006; 3 out of 317 in 2007; 4 out of 297 in 2008 and 3 out of 324 in 2009. The weak integration of HIV and AIDS issues in workplace programmes may undermine the efforts towards reducing the HIV and AIDS prevalence and its negative effects of productivity and employment.

2.4.16 Social Protection

Kenya has numerous and un-integrated social protection interventions. These are broadly categorized into state social safety nets and, community and family safety nets. The government operates the NSSF to provide social security protection to workers in formal and informal sectors of the economy. It also operates the NHIF to cater for the healthcare needs of the members and their families. The number of workers registered by the NSSF increased marginally from 3.1 million in 2006 to 3.4 million in 2010. This represents a paltry 31 per cent of the total employment in 2010. As for the NHIF, the membership increased from 1.65 million in 2006 to 2.7 million in 2010. The low levels of membership of the NSSF and NHIF signals lower coverage.

Other social protection schemes include the Orphaned and Vulnerable Children (OVC), and Old Age cash transfer programmes. These schemes are managed under the Social Protection Fund (SPF). The Cash Transfer for Orphans and Vulnerable Children (CT-OVC) was started on a pilot basis in 2004 with an initial target of three districts and it has since been rolled out in 145 districts. In 2010/2011, direct cash disbursement under the programme stood at Ksh. 766.9 million. The direct cash disbursement under the Cash Transfer for Older Persons (CT-OP) increased considerably from Ksh. 1.2 million in 2007/2008 to Ksh. 394 million in 2010/2011. There also exist occupational social security schemes that provide for pension, medical and insurance needs of the workers. Social protection schemes are important in protecting citizens from vulnerability and destitution, and easing off the dependency burden on the employed.

2.4.17 Industrial Relations, Labour Market Institutions and Regulations

Kenya has a fairly well established industrial relations system that dates back to the colonial period. The industrial relations mechanism is anchored on the Industrial Relations Charter (IRC), five sets of labour laws, workers' and employers' organizations, and institutions of social dialogue. The IRC was first developed in 1962 and provides a framework for co-operation and consultation between government, employers and workers for enhanced industrial harmony, productivity and efficiency.

The labour laws were enacted in 2007 to govern operations within the country's labour market. The laws are Employment Act (2007), Labour Relations Act (2007), Occupational Safety and Health Act (2007), Work Injury Benefits Act (2007) and Labour Institutions Act (2007).

In Kenya, trade unions are organized along industrial and craft lines. Majority of the unions are affiliated to the Central Organization of Trade Unions (COTU) while some employers are affiliated to the Federation of Kenya Employers (FKE). Both COTU and FKE are recognized as the most representative workers' and employers' organizations.

The institutions of social dialogue include the National Economic and Social Council (NESC), National Labour Board (NLB), Industrial Court, National Council for Occupational Safety and Health (NACOSH), General Wages Council (GWC), Agricultural Wages Council (AWC) and other sector-specific wage councils. Other social dialogue institutions are the Labour Administration and Inspection, Alternative Dispute Resolution (ADR) mechanism and the Employment Agencies.

The industrial relations machinery provides for collective bargaining, and resolution of trade disputes through conciliation and industrial court adjudication process. It also encompasses labour inspectorate services aimed at facilitating implementation and enforcement of the labour legislations, and adherence to international labour conventions and standards. Sound industrial relations and effective labour market institutions, inclusive of institutions of social dialogue, are important for promoting creation and maintenance of decent jobs.

CHAPTER THREE

EMERGING ISSUES AND CHALLENGES

A strong, dynamic and responsive labour and employment sector is critical in actualizing the goals of the *Kenya Vision 2030*. Despite several policy interventions, unemployment, underemployment and the working poor remain key challenges in Kenya. The constraints to creation of sufficient gainful and sustainable employment in Kenya include slow and un-sustained economic growth, limited growth and development of the Micro and Small Enterprises (MSEs), unexploited potential of Social and Solidarity Economy, low levels of productivity and competitiveness, technological gap and weak linkage between education and training, and labour market demands. Others are non-integrated industrial training and attachment system, lack of up-to-date labour market information, rapid growth in population, un-coordinated labour migration system and gender inequality. Coupled with these is inadequate integration of HIV and AIDS issues in workplace discussions, lack of a comprehensive wages policy and weak labour market institutions and enforcement mechanism. At operational level, inadequate coordination of employment creation interventions; weak implementation; and absence of a policy, institutional and legal framework to anchor the employment creation initiatives have all inhibited employment growth in Kenya.

3.1 Slow and Un-sustained Economic Growth

Kenya's employment policy landscape has consistently revealed reliance on economic growth to drive employment creation. Data on GDP growth and employment shows that there exists a close nexus between GDP growth and creation of formal jobs. From mid-1980s, for example, slowdown in economic growth has been associated with declining formal employment while growth spells have witnessed acceleration in formal jobs. Kenya's employment elasticity declined from 1.28 in 1992-1996 to 0.5 in 2004-2008. In the high growth period of 2002-2007, the country's employment elasticity averaged 0.43, which is low compared to Kenya's past, African standards and a benchmark of 0.7 for developing countries aspiring to attain a middle-income country status.

The Medium Term Plan (MTP, 2008-2012) envisages GDP growth rates of 9.4 per cent in 2011 and 10 per cent in 2012-2030. However, past performance has been below targets. The low and volatile growth rates have also been exhibited in key sectors of the country's economy. Overall, Kenya has not been able to attain and sustain a high economic growth rate. Whenever the country attained a relatively high economic growth rate, the same has not been sustained over time to trigger substantial employment creation. Studies have, however, shown that employment targeted growth require a GDP growth rate of at least 7 per cent per annum sustained over decades.

3.2 Limited Growth and Development of the Micro and Small Enterprises

The MSEs constitute a key component of the informal sector. The sector is a major contributor of employment in Kenya accounting for about 81 per cent of the total jobs in 2010. However, the labour absorptive capacity of the MSE sector is fast approaching saturation point. The jobs created by the MSE sector are precarious in nature. This is manifested by their insecurity, which

is attributed to high mortality rates of the enterprises, absence of social security and weak framework for safety and health in the workplaces.

The subdued job creation by the MSE sector and the limited durability of the jobs is contributed by the limited vertical growth of the MSEs which inhibits them from graduating to medium and large enterprises; low levels of productivity within the sector; lack of credit and finance; inhibitive legal and regulatory framework; lack of markets and market information; and limited linkages between MSEs and medium and large enterprises.

The Sessional Paper No 2 of 2005 on *Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction* was passed by Parliament in 2005. The Micro and Small Enterprise Act was enacted in 2012. It proposes establishment of the National Council for Small Enterprises and an MSE Fund.

3.3 Un-exploited Potential of Social and Solidarity Economy

Kenya has a strong and vibrant SSE with considerable potential for creation of employment and improvement in livelihoods. However, the employment creation and income generating potential of the SSE has not been fully exploited. The sustainability of the cooperatives, mutual benefit societies or self-help groups (*chamas*), producer associations and other social enterprises largely depends on their effectiveness in undertaking their mandates. These include effectiveness in marketing and facilitating prompt payments to farmers for their deliveries in the case of producer cooperatives/societies/unions. In some cases, management failures of the organizations lead to their collapse, hence limiting their employment creation and income generating potential.

3.4 Low Levels of Productivity and Competitiveness

Productivity is an important ingredient for competitiveness and employment creation. Kenya's productivity level is low relative to those of comparator countries and the emerging economies of South East Asia, and some Sub-Saharan African countries. The country's total factor productivity is less than unity while its labour and capital productivity was at 0.84 and 0.46, respectively in 2009. This is compared to a global benchmark of at least 5 required for competitiveness.

Kenya's global competitiveness has been low and mostly declining. In 2011-2012, it ranked 102 out of 142 based on the Global Competitiveness Index (GCI). The country's GCI ranking for 2011-2012 would still be 102 if it were to be based on the 2010 countries. In terms of basic requirements such as institutions, infrastructure, macroeconomic environment and health and primary education, which are critical for competitiveness of factor-driven economies such as Kenya, the country ranks position 118. In 2010-2011, Kenya was ranked 106 out of 139. This is compared to position 98 out of 134 in 2009–2010 and 93 in 2008-2009.

Within East Africa, Kenya is way below Rwanda but marginally ahead of Tanzania and Uganda in terms of global competitiveness. In Africa, Kenya is ranked behind South Africa, Mauritius, Morocco, Botswana and Egypt. The country also lags far behind the South East Asian countries that it aspires to benchmark itself with.

Kenya's low productivity and competitiveness is attributable to poor work culture, attitudes and ethics; poor infrastructure; numerous and cumbersome licensing procedures; high tax rates; costly credit; low prioritization of research and development; absence of a productivity policy and strong institutional and legal framework, and productivity champion. The low levels of productivity and competitiveness has weakened the country's capacity to create adequate decent jobs to match the growing labour force.

3.5 Technological Gap

Increasing global competition and the drive for global competitiveness requires re-orientation by economies to keep pace with global technological challenges. There exists a technological gap in Kenya. This is mainly attributed to low prioritization of research and development, which has in turn led to low levels of innovation and inventions. The low prioritization of research and development is reflected in low funding for research and development activities. For example, public spending on research and development stands at a mere 0.3 per cent of the GDP compared to a global best practice of at least 1 per cent. In addition, there exists weak linkage between the productive sectors and research institutions to inform on research needs and a system for absorbing the research outputs.

Kenya also experiences slow pace of technological adoption. The slow pace in technological adoption is attributed to inadequate institutional capacity to support adoption and absorption of modern technology, high cost of technology, lack of information on existing technology and its potential in increasing productivity and competitiveness, and weak linkage and partnership between research institutions and industry. Even where research and innovation is undertaken, the extent of their commercialization remains limited, thereby inhibiting employment creation. Further, patenting/intellectual property is weak and this limits the benefits from research and development, innovation and the capacity to create jobs and wealth. These constraints also negatively impact on the efficiency and competitiveness of organizations.

3.6 Weak Linkage Between Education and Training Institutions, and Industry

Effective coordination between education, training institutions, and industry is critical for development of appropriate skills and resultant employability of the labour force. In Kenya, there exist limited linkages and collaboration between education and training institutions, and industry. This is reflected in the development and implementation of education and training curricula, which is mostly done without effective consultation and collaboration with relevant stakeholders. Kenyan tertiary institutions have, for example, continued to develop training programmes, which are supply driven rather than demand driven.

Minimal coordination also exists between government, employers, training providers and policy research institutions. This hampers development of curricula that is in synch with national, regional and global labour market requirements. In addition, there exist a gap between the level of technology used by industry and those used by the education and training service providers to undertake training. While the industry has fairly progressed towards use of modern technology, the education and training institutions have not kept pace. This poses a challenge in regard to the practical applications of the skills acquired by the graduates and their resultant employment. This is compounded by the fact that education and training institutions hardly conduct tracer studies to

gauge the labour market absorption rate of their graduates and the extent to which the skills acquired by the graduates are utilized by the labour market.

The rapidly changing nature of employment and work requirements, the skills mismatch and technological gap between industry and education and training institutions necessitates retraining of the workforce for increased efficiency and productivity. However, there has been increased conversion of middle-level colleges, especially national polytechnics and technical institutions into public universities without much effort to establish or upgrade other institutions to fill the void. This has continued to weaken the skill upgrading nexus between secondary, tertiary institutions, universities and industry with negative effects on employment.

At the institutional level, while the National Manpower Development Committee (NMDC) was established to provide a platform for interaction between training providers and industry, it remained largely moribund. Even though the mandate of the NMDC is to be performed under the newly established NLB, this component is yet to become fully operational. Overall, the weak linkage between education and training service providers and industry has contributed to a mismatch in skills and existence of educated unemployed amidst skill shortages in other areas.

3.7 Non-integrated Industrial Training and Attachment System

An integrated industrial training is important in facilitating acquisition of practical skills necessary for the world of work. Industrial training incorporates Industrial Attachment (IA), which creates opportunities for trainees to improve skills relevance to the labour market.

Industrial training and attachment in the country is undertaken within the framework and guidelines that are independently developed and operated by the public sector, private sector and informal sector. It is also done without a clear policy and regulation. This leads to disharmony of training standards and requirements at national, regional and global levels. Further, the form of a candidate's evidence for attachment is not clarified by the country's examination and assessment bodies. In addition, even though most training institutions send their students for attachment, they do not have a specific industrial attachment curriculum to be followed during the attachment period. Where such curricula exist, the institutions do not strictly enforce the curriculum requirement on attachment as it mostly doesn't count in the final award and certification.

The National Industrial Training Authority (NITA) is mandated to streamline industrial training and attachment in the country. However, the institution is faced with operational challenges.

All these challenges negatively affect acquisition of practical work skills and employability of the labour force. Compounded by the fact that most employers put experience as part of minimum qualification requirement for entry into a job, the non-integrated industrial training and attachment system is a major limitation to employment in Kenya.

3.8 Lack of Up-to-date Labour Market Information

Kenya has continued to pursue active labour market policies as a means of facilitating employment creation. One of the critical ingredients of active labour market policies is existence of up-to-date labour market information. Timely and reliable labour market data is crucial for employment creation, job search and matching of job seekers with employers. Labour market

information not only helps in influencing the occupational choices of trainees and job seekers but also directs them to employment opportunities.

Kenya lacks up-to-date labour market information or a national skills inventory. Such inventory would contain labour market data such as stock, types and distribution of skills; the types and levels of skills supplied by the education and training institutions; the skill levels available in the economy; the skill needs by industry; and the trend variations in the skills needs by industry. The government undertook a National Manpower Survey (NMS) in 2011-2012. This follows the surveys of 1986-88, 1972, 1967 and 1964. The implication is that since the survey of 1986-88, the country has been relying on piecemeal and *ad hoc* surveys to inform human resource planning, development and utilization.

The country also lacks a labour market information system. This hampers generation of high quality labour market information. The lack of labour market information system also hinders establishment and maintenance of a one-stop database of job seekers and employers. Such database would contain information on all facets of the job seekers' educational and professional qualifications, and past and current employment records. For employers, the database would contain information on the type of skills and employment dynamics that is crucial inputs for job search. The database would be useful in reducing the cost of hiring, job search and spells of unemployment. Overall, the lack of a policy on labour market information hampers capacity building interventions and in-depth labour market analysis required to facilitate employment creation.

3.9 Weak Framework for Provision of Employment Services

An effective employment service is important in facilitating job search, job matching and reducing unemployment spells. Public employment services in Kenya are provided through the National Employment Bureau (NEB) while private employment services are provided by the private employment agencies.

The NEB, however, lacks the requisite institutional capacity to effectively discharge its mandate. This has resulted in considerable negative impact on the effectiveness and outreach of the NEB services. There exist a number of private employment bureaus with about 120 being accredited by the government. However, the bureaus are mostly concentrated in the main urban centres leaving many parts of the country without such services. In addition, the operations of the private bureaus are not well coordinated, thereby limiting the effectiveness of their complementary services in providing labour market information and facilitating matching of job seekers with employers.

3.10 Rapid Population Growth

Kenya has been confronted with strong demographic pressures since independence in 1963. Although the country's population growth rate declined over time from a peak of 3.8 per cent in 1980s to an estimated 3 per cent in 2009, the pressure persists. The strong population dynamics has meant faster growth in the labour force, particularly the youth cohort. The youth bulge has increased from 62.67 per cent of the adult population in 1979 to 66.6 per cent in 2009. Together with the other cohorts of the labour force, these groups have continued to put pressure on the labour market. This is more so as a result of the sluggish rate of job creation by the economy and

job selectiveness. Further, the demographic pressure as expressed in the labour market have generated the perception among the labour force, especially the youth that the labour market is not responding to their needs and that it will continue to be tight. This feeling induces more pressure on the labour market. The rapid growth in population and the labour force may only be considered as an opportunity if strategic measures are put in place to exploit their potential, otherwise it remains a challenge.

3.11 Uncoordinated Administration of Labour Migration

Migrant workers contribute to prosperity and human development in countries around the world. However they often face adverse living and working conditions and sometimes serious human rights violations. The vulnerability of migrant workers to exploitation and abuse in the workplace is compounded by the fact they are often fearful of calling onto the authorities for redress. This is particularly so if their entry/stay in the country is irregular. Information on some migrant workers are hardly accessible. This makes it difficult to regulate the inflow, outflow and working conditions of both emigrant and immigrant workers.

In Kenya, labour migration issues are handled by at least four state agencies. The NEB does the licensing or accreditation and regulation of the foreign employment recruitment agencies. The Department of Labour in the Ministry of Labour, Social Security and Services deals with attestation of foreign contracts of services while the Ministry of Planning and Devolution (MoDPMODP) facilitates youth employment abroad through private employment agencies. The Ministry of State for Immigration and Registration of Persons deals with issuance of passports and travel visas while the Ministry of Foreign Affairs ensures protection of the welfare of Kenyan citizens in the diaspora. The uncoordinated and scattered administration of foreign employment in various Government Ministries and Departments inhibits effective protection of Kenyans who seek work abroad.

Internally, immigrant workers are required to acquire work permits before taking up jobs in the country. However, in some cases, such work permits are granted without due consideration of existence of the required skills in the country. In addition, there is lack of structured understudy programmes to ensure transfer of skills to the nationals. The uncoordinated labour migration system, therefore, increases unemployment, weakens industrial harmony, worker protection, and promotes inequality.

3.12 Gender Inequality

The Constitution prioritizes gender equality in national development. Gender disparities create inefficiencies, hamper growth and lower the potential well being of the society. The government has over the period formulated and implemented policies and programmes to mainstream and promote gender equity in the country. However, gender bias still persists in the labor market, thereby contributing to decent work deficiencies. Further, gender based violence continues to thrive while retrogressive social and cultural practices that prohibit equal participation and access to productive resources and opportunities by both men and women are still common. Gender differences also exist in skill acquisition thereby inhibiting effective participation of men and women in the labour market. The inadequacy of gender disaggregated data has also constrained the integration of gender issues in formulation and implementation of national development

policies and programmes. These undermine achievement of the affirmative action provided for in the Constitution.

3.13 Weak Framework for Elimination of Child Labour

Child labour, notably in its worst forms, remains a challenge in Kenya. It has negative consequences on socio-economic development and the quality of the country's future labour force. A number of interventions have been taken towards addressing child labour. These include ratification of ILO Conventions 138 and 182 on Minimum Age of Employment and Worst Forms of Child Labour, respectively. Other measures include legislation and implementation of the Children's Act (2001), formulation and implementation of Time Bound Programme on the Elimination of the Worst Forms of Child Labour, a National Plan of Action, and other programmes aimed at tackling child labour through education.

The key challenges facing efforts towards elimination of child labour are lack of updated and comprehensive information on the size and structure of child labour, absence of child labour policy and weak institutional framework to guide and facilitate coordination of interventions for elimination of child labour.

The lack of up-to-date data on child labour has often led to conflicting estimates, inconsistent intervention measures and poor targeting. Other factors are poverty, increased number of orphans especially due to HIV and AIDS, high levels of unemployment, limited income generating opportunities and inadequate awareness, especially amongst parents on the benefits of eliminating child labour.

3.14 Lack of a Policy Framework on Trafficking in Persons

Trafficking in Persons (TIP) has become a global problem that presents one of the worst forms of labour exploitation. In Kenya, internal and international TIP has increased due to high incidences of poverty, unemployment and general deprivation. Trafficking in persons has also grown due to inadequate and/or weak enforcement of labour standards and regulations, and the growing obstacles to legal migration. The challenges faced in tackling TIP in the country include absence of a policy framework; inadequate awareness amongst workers, employers and the public on the forms, manifestations and effects of TIP; inadequate employment and income generating opportunities; and the 'good life syndrome', particularly amongst the youth.

3.15 Weak Integration of HIV and AIDS Issues in Workplace Programmes

HIV and AIDS continue to be a workplace challenge. It has a marked impact on workers, their families, dependants, enterprises and the national economy. It reduces labour supply, increases employee absenteeism and staff turnover, lowers productivity and increases the cost of production.

Kenya has put in place policy, institutional and legal frameworks to deal with HIV and AIDS issues. Majority of employers and workers are also generally sensitized on broad issues regarding HIV and AIDS. This is especially in terms of its impact on the workplace, households and general livelihoods. Some organizations in the public and private sectors have, in consultation with workers or their trade unions, developed and are implementing workplace policies and programmes on HIV and AIDS. However, there are other organizations that have

not yet put in place any HIV and AIDS policies nor programmes in their workplaces. Equally, majority of workers, trade unions and employers in Kenya still work within the assumption that workplace HIV and AIDS issues can be addressed within the purview of Occupational Safety and Health Act (2007). In the whole, HIV and AIDS issues have not yet been fully integrated and mainstreamed in workplace programmes and activities. For example, only a few Collective Bargaining Agreements (CBAs) negotiated by trade unions and employers have integrated clauses on HIV and AIDS. The weak integration of HIV and AIDS issues in workplace programmes and activities is a major impediment to the fight against the scourge and employment creation.

3.16 Absence of a Comprehensive Wages Policy

Kenya operates four wage determination approaches. These are minimum wage regulation, administered, collective bargaining, and flexible or near-market approaches to wage fixing. Minimum wage regulation provides the statutory rates of pay and is enforceable in all sectors of the county's economy. The administered and collective bargaining approaches are practiced in the Kenyan public sector, while collective bargaining and flexible approaches are applicable in the private sector.

The minimum wage setting approach, however, faces design, enforcement and coverage challenges. It is based on general, agricultural and 15 sector-specific wage councils, majority of which are dormant. In addition, the general and agricultural minimum wages orders prescribe between 10 and 45 different minimum wage standards. The numerous minimum wage standards create implementation and enforcement challenges. Further, the occupations in the minimum wage orders are outdated and not in line with the new and emerging occupations. This compounds the challenges of implementing and enforcing the minimum wage laws. At the same time, minimum wage coverage is low at less than 20 per cent of the total employment as the enforcement of the regulation is confined to the formal sector only. Other challenges of minimum wage fixing include lack of clarity and measurement of minimum wage adjustment parameters, absence of consensus on the frequency or periodicity of minimum wage adjustments and the non-inclusive nature of the minimum wage fixing system. The low coverage and weak enforcement of the minimum wage regulations undermines its impact as a socio-economic tool.

The administered and collective bargaining wage determination approaches are used in the public sector. However, their effectiveness is undermined by lack of harmony in implementation and weak coordination. The lack of comprehensive wage determination framework has made the government to engage in piecemeal salary reviews targeting specific professional groups or categories of employees at the expense of others. This has perpetuated differentials in pay and benefits within the service, spiral agitation for wage increases and frequent threats of or actual industrial action. The other outcome has been leap frogging of wages and industrial disputes. Similar wage determination challenges are faced in the private sector where wage formation is through minimum wage regulation, collective bargaining and a flexible approach hinged on the prerogative of the board of company directors.

Common to all the wage determination mechanisms is the absence of productivity mainstreaming. This is despite the existence of wage guidelines that recognizes productivity as an additional factor for wage compensation. The absence of productivity based pay system has

led to a rigid wage system that is not responsive to labour market dynamics, and wage awards that are out of step with productivity and economic performance. The wage determination system has led to low levels of competitiveness, deterioration in workers' real wages, decline in standards of living and increase in the proportion of the working poor. All these have dampened investments, employment creation and improvement in the standards of living of workers and that of their families.

Article 230 of the Constitution establishes the Salaries and Remuneration Commission (SRC) to set and review the remuneration of all state and public officers. Even with the SRC in place, the country would still need a wages policy to provide the policy framework for determination and administration of wages.

3.17 Weak Labour Administration Systems

Kenya has a fairly well established industrial relations system that encompasses labour laws and regulations, institutions of social dialogue, and labour market institutions. However, the potential of the established industrial relations system in promoting industrial democracy and harmony, and employment creation is inhibited by capacity limitations and weak enforcement of regulations.

Both the Ministry of Labour, Social Security and Services and her social partners do not have the requisite financial and organizational capacity to effectively implement and enforce the existing laws and regulations. The budgetary allocation for the Ministry of Labour, Social Security and Services remains at less than one per cent of the national budget. In terms of human resources, the staff capacity of the then Ministry of Labour stood at only 35.9 per cent of the authorized establishment in 2011. Specifically, the labour inspectorate staffing levels has declined persistently from 116 in 1996 to 90 in 2010. Consequently, the inspectorate staff-employment ratio has worsened from a favourable position of 1:37,284 in 1996 to 1:121,752 in 2010. This is against the international benchmark of 1:40,000 for developing countries such as Kenya. A similar situation applies to other inspectorate services such as for safety and health, and industrial training.

The overburdened nature of the inspectorate staff makes them to shift away from programmatic inspections to a less effective and inefficient worker-initiated inspections. In addition, the inspectorate services are non-integrated and non-modernized to embrace the use of ICT. The trade unions and employers organizations are also faced with financial and human resource constraints to effectively undertake social dialogue.

Further, the key labour market institutions do not conduct comprehensive and integrated surveys to assess the impact of labour market regulations on employment and other labour market outcomes. Such surveys would be crucial in informing the optimal balance between the need for economic efficiency and enterprise competitiveness, and protection of workers. Capacity limitations, weak enforcement of regulations and absence of data based assessment of effectiveness and impact of regulations have impaired organizational competitiveness and employment creation.

3.18 Inadequate Health and Safety measures at Workplace

Improvement in working conditions and promotion of occupational health and safety in the workplace represents an important strategy for ensuring, not only the health of workers, but also improved productivity of enterprises. One of the major problems faced by the country in the areas of occupational health and safety is the lack of capacity to effectively respond to emerging challenges of globalization and liberalization. This is largely due to the continued application of laws and regulations, which are outdated and hence, not responsive to the changing socio-economic environment. The protection of workers against work-related sickness, diseases and injury is therefore, an essential priority if the goal of creating decent, productive and sustainable jobs is to be achieved.

3.19 Non-Comprehensive Social Protection System

Kenya operates numerous social protection interventions. The state social safety nets are provided through core poverty programmes, constituency funds, direct cash transfers in form of social assistance and social insurance, and in-kind transfers. The social assistance and social insurance operated include the provident fund and old age pension under the NSSF, occupational pension schemes operated by both public and private sector employers, and the health insurance scheme managed under the NHIF. However, the coverage of these schemes are limited thereby exposing the growing majority of Kenyans to great levels of vulnerability and destitution. This also puts a strain on the active labour force, particularly the employed. The draft Social Protection Policy will address some of these issues.

CHAPTER FOUR

EMPLOYMENT STRATEGIES AND INTERVENTIONS FOR KENYA

Labour and employment sector is one of the foundations or enablers of the *Kenya Vision 2030*. A strong, dynamic and responsive labour and employment sector is critical in catalyzing and driving the social, economic and political transformations required for the attainment of the goals of the *Kenya Vision 2030*. Indeed, the economic, social and political pillars of the *Kenya Vision 2030* are anchored on *human resource development; enhanced equity and wealth creation opportunities for the poor*. Thus, creation of productive and sustainable employment opportunities, promotion of decent and freely chosen employment, and strengthening of the policy, institutional and legal capacities required for sustained employment creation is of priority to Kenya.

Employment creation interventions in the country, however, have to be re-energized if it has to contribute in actualizing the national, regional and international aspirations. This will require re-evaluation of the employment creation measures, and renewed commitment by government, social partners, workers, employers, private sector, other stakeholders and all Kenyans in general. Continuous consultations and dialogue amongst all the players, effective implementation of the employment policy interventions, and monitoring, evaluation and reporting on the achievements of the same will be of significance. The following are the strategies and interventions that will be pursued to promote employment creation:

4.1 Accelerate and Sustain High Rates of Economic Growth

There is a clear nexus between economic growth and employment. However, Kenya's economic growth has been low and volatile hence high unemployment. To address this, the Government will continue to implement the macroeconomic measures outlined in the *Kenya Vision 2030* such as the creation of resort cities and ports. Interventions aimed at promoting productivity and economic growth will be taken to increase the country's employment elasticity to the desired level of 0.7 by 2013. Measures will also be taken to reduce the cost of doing business, reduce macroeconomic risks, keep political risks low and improve governance. In addition, simplification of business registration processes, improvement in physical infrastructure and curtailing crime will be top priority of the government.

In this respect, development of infrastructure; enhancement of the supply, efficiency and affordability of energy; promotion of science, technology and innovations; and ICT will be accorded priority. In addition, public sector reforms and transformation; land reforms; and security, peace building and conflict management will also be pursued given their significance and catalytic role in promoting national competitiveness and employment creation. Environmental management will remain critical as a means of promoting creation of green jobs for sustainable livelihoods.

To enhance the job content of economic growth, employment creation analysis will be put as one of the targets of macroeconomic and sectoral policy interventions. This will be integrated in the second Medium Term Plan (2013-2017) and subsequent plans, and all the sector and county plans. Reviews of progress of achievement of such measures will be undertaken regularly within

the framework of implementation and monitoring of the *Kenya Vision 2030* and annual progress reviews for the MTP and county plans.

4.2 Re-energize Sectoral Growth

Agriculture, industry and service sectors are key drivers of employment creation in Kenya. However, the contribution of agriculture to total employment has declined over time while that of the industrial sector has remained almost constant.

To re-energize sectoral growth, the government in collaboration with sector players and other stakeholders will continue to implement the agricultural productivity enhancing strategies outlined in the Agricultural Sector Development Strategy (2010-2020). Specifically, measures will be taken to address the mismatch in incentives within the agricultural sector as well as to re-orient agricultural production towards agri-business. Livestock and horticulture sub-sectors will be targeted for stimulation due to their high employment creation potential. Further, tax and non-tax incentives will be provided to encourage adoption of sustainable agriculture and water management practices. These will include deepening the use of efficient irrigation systems, promoting greenhouse farming, use of organic fertilizers and drought resistant seed varieties. The government will also promote and provide incentives to encourage private investments in agro-processing and other value-adding agricultural activities.

To promote industrial development and national competitiveness, the government in collaboration with the private sector, research institutions, development partners and other stakeholders will implement the cluster development strategy. The cluster-oriented industrial development framework will be guided by a policy on cluster development strategy that will be formulated and implemented. At the same time, the government in collaboration with the private sector and development partners will continue to implement the National Industrialization and Policy Framework for Kenya (2011-2015). Other measures will be to develop and improve infrastructure; attract local and foreign industrial investment; intensify research and development; promote science, technology and innovation; and enhance access to financial services and markets.

Further, technical, production and managerial skills of the labour force will be upgraded to enhance their efficiency. The government will also put in place mechanisms to harness and exploit the country's natural resources, and implement the proposals that aim at promoting 24-hour economy. At the institutional level, the Kenya Intellectual Property Institute (KIPI), Copyright Board and the Kenya Anti-Counterfeit Agency will be strengthened so as to effectively undertake their mandates. Measures will also be put in place to promote and integrate environmental management in all employment creation endeavors.

4.3 Establishment of Special Economic Zones (SEZs)

To contribute towards the transformation of the country's economic base in order to realize high sustained growth, employment creation and poverty reduction, Special Economic Zones will be established. The zones will promote value addition, attract both local and foreign investment, increase utilization of regional resource, foster balanced growth, expand and diversify goods and services, promote local entrepreneurship and enhance technological development and innovation.

4.4 Employment Creation Analysis

In the past investment programmes and projects in the country did not have an impact analysis on employment creation. This has made it difficult to assess the employment creation potential associated with implementation of the programmes and projects. In addressing this weakness there will be a requirement for Employment Creation Analysis (ECA) on all major projects and programmes prior to and during implementation. Guidelines for the ECA will be developed.

4.5 Enhance Growth and Development of Micro and Small Enterprises

The MSEs provide an important industrial base, employment and means of livelihoods to majority of Kenyans both in the rural and urban areas. However, full growth and employment creation potential of the sector as well as its contribution to green economy and green jobs has not been realized due to a number of constraints. These include limited vertical growth of the MSEs; high mortality rates of the MSE businesses; low levels of productivity; limited access to credit and finance; weak framework for environmental management; and inhibitive legal and regulatory framework. Others are inadequate markets and market information; and limited linkages between MSEs and the medium and large enterprises.

To address these constraints, the government and sector players will expedite the enforcement of the MSE Act I; remove regulations that impede the establishment, operation, vertical growth and survival of the MSEs; establish an MSE Fund to provide financial assistance to the MSEs and put in place a credit guarantee scheme to enable the MSEs to access finance. Further, measures will be put in place to promote and integrate environmental management in all MSE activities.

To provide the institutional and policy framework for effective operation of the MSEs, the government has established the Micro and Small Enterprise Authority (MSEA) and consolidate all MSE activities, functions and statutory requirements under one body. Other measures would be to establish entrepreneurial centres of excellence in all constituencies to provide business development services for the MSEs; develop and implement an industrial incubation policy; encourage MSEs to adopt a cluster development strategy; and provide incentives for the private sector to invest in areas that enhance linkages between MSEs, and medium and large enterprises. Large enterprises will be encouraged to act as markets and incubators for MSEs. As a priority, entrepreneurship training and monitoring and evaluation will be integrated in all MSE interventions.

4.6 Develop and Promote Youth Targeted Employment Programmes

Kenya is facing a youth bulge problem. This puts pressure on the labour market and generates perceptions that the labour market is not responsive.

To absorb the growing number of youth into the labour market, the government will develop and implement short, medium and long-term employment programmes relevant for youth with different skill levels. In this respect, the government will provide tax and non-tax incentives to promote investments in labour intensive areas such as agri-business, business process outsourcing, services, manufacturing, tourism and infrastructure development. Measures will be taken to assess the job contents of such programmes. An inbuilt screening and targeting mechanism will also be put in place to facilitate effective targeting of the poor and disadvantaged youth in the labour intensive programmes. Further, an exit strategy will be developed to promote

transition of the youth from the short and medium term employment programmes to long-term employment ventures. The strategy would also seek to protect the beneficiaries of the labour intensive programmes shifting back to unemployment.

Further, a youth and informal sector survey will be undertaken to assess the relative ease or difficulty of the youth's transition from school-to work-life, and their perception of informal sector employment. This will provide the entry point in designing and implementing all youth targeted employment programmes. A National Internship Policy will also be developed and implemented to promote acquisition of practical skills and work experience by the youth.

Priority will be accorded to interventions that target enhancement and promotion of youth entrepreneurial potential. These interventions will be integrated with schemes to promote youth training and skills upgrading, savings and investment culture, and linkages between youth enterprises with medium and large firms. Mentoring programmes, entrepreneurial exchange initiatives, and exhibitions to promote markets and market information will also be promoted. The government will also develop strategies to harness sports and the creative industry for employment creation, income generation and national development.

Other interventions will be aimed at changing the attitude and perception of the society and the youth about the informal/*jua kali*, agricultural sectors, and creative industry. A culture shift from job-seekers to job creators and self employment will also be promoted. The government will also expand and establish the National Youth Service (NYS) in all counties. The NYS programmes will be reoriented to facilitate provision of life skills, culture change and promotion of voluntarism amongst the youth. Further, the use of ICT as avenue for employment creation and an instrument of job search will be deepened. Overall, the youth employment interventions will be integrated with national employment policies for effectiveness.

4.7 Promote Productivity and Competitiveness

Productivity is a key driver of competitiveness, employment creation and economic growth. Kenya's level of productivity and global competitiveness is low relative to those of comparator countries.

To promote productivity and competitiveness, the government in collaboration with the social partners, private sector, development partners and other stakeholders will promote science, technology and innovation, strengthen intellectual property rights and patenting, and promote commercialization of innovations. In this regard, the government will increase the budgetary provisions for research and development to at least one percent of the national budget. Measures will also be taken to promote co-financing of research and development activities by both the public and private sector, and strengthen the capacities of national and private research institutions. In addition, research institutions will be encouraged to partner with industry to promote demand-driven technological development.

To ensure a comprehensive and integrated approach to productivity and competitiveness, a policy on cluster development strategy will be developed and implemented. Within this framework, productivity and competitiveness enhancing measures will be undertaken. This will include strengthening of institutions, infrastructure development, sustaining macroeconomic

environment, credit guarantee schemes, harmonizing and streamlining licensing procedures and favourable tax regimes among others.

As part of the institutional framework for productivity promotion, a National Productivity and Competitiveness Council will be established. The proposed Authority will provide a more effective and broad-based institutional framework for coordination, development of linkages, implementation, monitoring and evaluation of all productivity, competitiveness and employment promotion efforts in the country. To provide the necessary legislative framework to anchor the productivity and employment interventions, the government in consultation with the social partners, private sector, stakeholders and development partners will draft and enact a Productivity and Competitiveness Authority Act.

4.8 Promoting Adoption of Technology

The slow pace of technological adoption in the country is attributed to inadequate institutional capacity, high cost of technology, lack of information on existing technology, and the weak linkage and partnership between research institutions and industry. This limits the country's potential to create employment opportunities and hampers its competitiveness. Measures will be taken to accelerate the adoption of new technologies in all sectors of the economy. In addition patenting and commercialization of technological innovations will be promoted to create employment and generate wealth especially amongst the youth.

4.9 Improve Linkage between Education and Training Institutions, and Industry

Effective linkage and coordination between education, training and research institutions, and industry is critical for development of market-oriented skills and employability of the labour force. In Kenya, there exist weak linkages and collaboration between education and training institutions, and industry. Increased conversion of middle-level colleges into public universities, and absence of tracer studies, especially by public education and training institutions has continued to weaken the skill upgrading nexus between secondary, tertiary institutions, universities and industry. This has often led to mis-match of skills and imbalance in the managerial-technical-support staff mix.

To address this, the government in collaboration with the education and training service providers, research institutions, social partners, private sector, development partners and other stakeholders will formulate and implement an Integrated Human Resource Development Strategy (IHRDS). The IHRDS will provide the policy framework for aligning the development of human resources to labour market needs, curricula review and career guidance and counseling. Further, the government in collaboration with the social partners, training service providers and the private sector will design and implement a dual TIVET system that integrates work-based and school-based learning. To guarantee success of this system, measures will be put in place to build the capacity of TIVET instructors. Checks and balances will also be put at the national, county, sectoral and enterprise levels to ensure that the short-term needs of the employers do not distort the broader educational and economic goals of the system. Further, an institutionalized research capacity that integrates TIVET institutions, public and private research institutes, and universities will be put in place to support research and development, continuous innovation, competitiveness and employment creation.

The government, with the support of the private sector and development partners, will also expand and modernize TIVET institutions and other non-formal, non-standardized employment-oriented skills development initiatives. Further, the government will increase budgetary allocation for TIVET institutions, and provide tuition subsidies for those attending TIVET in formal and non-formal institutions, including the *jua kali* mastercraft training. Measures will also be put in place to standardize testing and accreditation within all the TIVET systems. The industrial training levy scheme will be reviewed to be in line with these developments.

In addition, the government will promote Public-Private Partnerships (PPP) to encourage public-private investments in education, training and research. At the same time, the government in collaboration with the private sector and other stakeholders will promote learnership, apprenticeship and in-service training as a source of skill acquisition. Demand-driven, industry-responsive training will also be provided to employees and the youth who lack appropriate skills.

To provide the policy dialogue platform, the government will strengthen the National Labour Board. In addition, the Board will be required to undertake school-to-work transition surveys, periodic skill gap analysis and systematic monitoring and evaluation, and coordination to ensure that outputs of the education and training system corresponds to national, regional and global labour market demands. Education and training institutions will also be required to involve workers' and employers' organizations and other relevant stakeholders in curricula development. In addition, they will be encouraged to undertake tracer studies to gauge the skill utilization levels and appropriateness of their programmes.

4.10 Develop and Implement an Integrated Industrial Training and Attachment System

An integrated and effective industrial training and attachment system is essential in promoting acquisition of practical skills necessary for the world of work. Industrial training and attachment in Kenya is non-integrated and weakly coordinated, thereby limiting its impact in promoting acquisition of practical skills and work experience.

To address the challenges facing industrial training and attachment in the country, the government in collaboration with the stakeholders will establish and implement a framework for industrial training and attachment, facilitate integration of industrial training and attachment in education and training curricula, promote effective coordination of stakeholder efforts in industrial training and attachment, and promote access to industrial training and attachment.

A National Internship Policy will be developed and implemented to facilitate acquisition of practical skills and work experience. The national internship programme will be integrated in the national education and training system.

4.11 Establish and Maintain a Labour Market Information System

Timely, reliable and comprehensive labour market data is crucial for understanding the nature of the unemployment problem. Effective labour market system also facilitates employment creation, occupational choices, job search and matching of job seekers with employers. Kenya lacks up-to-date labour market information or a national skills inventory. The country also has weak employment services. This inhibits generation of high quality labour market information, lengthens the period of job search and increases the proportion of discouraged job seekers and overall unemployment.

To address this constraint, the government will carry out periodic National Manpower Surveys to take stock of the existing skills in the country and provide information for national human resource planning. In addition, the government through the Ministry of Labour, Social Security and Services and in collaboration with the KNBS, policy makers, researchers, social partners and other stakeholders will establish and maintain a labour market information system. The government will also provide policy guidelines on data collection to feed into the national labour market information system.

Mechanisms will also be developed to intensify the use of ICT and e-based data collection and capture methods. To promote the effectiveness of the system, workers, employers, public and private sector organizations, and the general public will be sensitized on the significance of providing and collecting labour market information. Ultimately, a one-stop-database with profiles of job seekers in terms of their qualifications and employment records, and that of employers in respect of their skill requirements, vacancies and other aspects of the job will be established. This is expected to reduce the cost of job search, recruitment and unemployment spells.

4.12 Strengthen the Framework for Employment Services

Kenya operates public and private employment services as part of active labour market policies. However, the effectiveness of the system is hampered by weak institutional framework.

To promote employment services, the government will strengthen public and private employment service providers to play a more important role in administration and implementation of active labour market policies; promote access to guidance and counseling, and internet based job-seeking services; and use of labour market information in job search. In this regard, the government in collaboration with the social partners and development partners will establish and strengthen employment offices and youth empowerment centres in all counties. The government will also spearhead an amendment of the Employment Act (2007) to require employers to undertake their recruitment through the public employment services. Companies will be encouraged to use public employment services in filling vacancies. Further, job fairs that brings together employers, job seekers and other labour market players will be organized to facilitate exchange of information on available employment opportunities, skills required, recruitment procedures and other workplace dynamics. As part of the institutional framework, the functions of the NEB will be transferred to the National Employment Authority (NEA). All the employment service functions, including foreign employment administration, coordination, legislations, policy and institutional framework will be anchored on the National Employment Authority.

4.13 Streamline Foreign Employment

In Kenya, administration of foreign employment is scattered in various government Ministries and Departments. This inhibits effective coordination, sourcing for jobs and protection of Kenya workers both locally and abroad.

To streamline foreign employment administration, the government will harmonize and place all the foreign employment functions and activities under the National Employment Authority. Further, the Government will post employment attachés to its key and strategic missions abroad.

The attachés will be expected to play a more active role in sourcing for jobs outside the country. In addition foreign employment orientation and re-entry programmes will be developed to prepare and sensitize Kenyans on the nature of jobs abroad, their terms and conditions; the rights, obligations and remedies of the workers in case of violations; and pre-departure preparations for the job seekers. The Government in collaboration with the social partners, private sector and other stakeholders will also review and enforce regulations for issuance of work permits to streamline employment of foreigners, and put in place structured understudy guidelines. Programmes will be developed to mainstream the Diaspora in the country's development agenda.

4.14 Mainstream and Promote Gender Equity

A number of policy, institutional and legal interventions have been made towards mainstreaming and promoting gender equity in Kenya. However, gender inequality still persists. Gender bias is also reflected in the labour market particularly in terms of differences in access to employment opportunities.

To mainstream and promote gender equity, the government will ensure effective implementation of the Constitution and specific provisions of the labour laws that seek to promote gender balance in employment. In addition, the government in collaboration with the CSOs, CBOs, FBOs, NGOs and other partners will undertake empowerment programmes to address gender based violence and the retrogressive social and cultural practices that prohibit equal participation and access to productive resources and opportunities by both men and women. Measures will also be put in place to encourage both male and female genders to engage in all areas of skill acquisition and occupations without any gender prejudice. The government, through the KNBS and relevant government Ministries and Departments, and the private sector will promote collection, analysis and dissemination of gender disaggregated data.

4.15 Strengthen Framework for Elimination of Child Labour

Child labour, particularly its worst forms, remains a challenge for effective development and utilization of the labour force. Efforts towards elimination of child labour have been hampered by lack of updated and comprehensive child labour information, absence of child labour policy and lack of an effective coordination mechanism.

To effectively address child labour, the government will undertake measures to strengthen the framework for the elimination of child labour. This will involve development of a child labour policy, and establishment of a National Council for the Elimination of Child Labour. The Council will be expected to coordinate all stakeholder efforts and interventions on child labour. To enhance these measures, the government through the KNBS, Ministry of Labour, Social Security and Services and in partnership with the ILO, social partners and other stakeholders will undertake periodic child labour surveys. Mechanisms will also be put in place to ensure periodic collection, analysis and dissemination of information on all the facets of child labour.

4.16 Formulate and Implement Trafficking in Persons Policy

Trafficking in Persons constitutes one of the worst forms of labour exploitation. Kenya is a source, transit and destination country for trafficking in persons. In 2010, the government enacted an Anti-Trafficking in Persons Act. To step up the efforts towards addressing trafficking

in persons, the government in collaboration with social partners, private sector, development partners and other stakeholders will develop a Trafficking in Persons Policy. In the short and medium term, the government will, together with the stakeholders continue with awareness raising and sensitization programmes on the forms, manifestation and effects of trafficking in persons. Other measures will include training of law enforcement agencies on how to deal with cases of trafficking in persons. At the same time, the Anti-Trafficking in Persons Act will be enforced.

4.17 Implement Integrated Approach to Dealing with HIV and AIDS

HIV and AIDS continue to be a workplace challenge with significant implications on employee productivity, enterprise competitiveness, economic growth and employment creation. Even though Kenya has put in place measures to deal with HIV and AIDS issues, the interventions are not effectively integrated with workplace programmes and activities.

To address this challenge, employers and workers through their trade unions will be encouraged to develop and implement workplace HIV and AIDS policies, including integrating salient provisions of the policies in CBAs. In this respect, COTU and FKE would be encouraged to make follow-ups with their members on the need to integrate HIV and AIDS issues in their CBAs. Workers and employers in all sectors of the economy will also be sensitized on the contents of the ILO/COTU/FKE/ Ministry of Labour, Social Security and Services Booklet on HIV and AIDS. This would be important in disseminating and raising the general awareness of the parties about the existence of such important guide, and emphasize to the parties their roles and obligations in making effective HIV and AIDS interventions in the workplace. All employers will be encouraged to establish and strengthen HIV and AIDS Committees in all workplaces. Further, the government will, in collaboration with the social partners and the National Aids Control Council (NACC) undertake periodically studies and surveys on the impact of HIV and AIDS on the labour market.

4.18 Develop and Implement a Wages Policy

Kenya lacks a comprehensive, consistent and sustainable wages policy. The country's labour market is affected by a rigid and less predictable wage formation and administration system, and imperfect information flow. This has hampered productivity promotion, employment creation and improvements in the standards of living of majority of workers and their families.

To address this, the government in collaboration with the social partners, private sector, ILO and other development partners will formulate and implement a wages policy. The key features of the wages policy will be to introduce and inbuilt predictability and flexibility in the wage determination system while at the same time cushioning workers against deterioration in their purchasing powers and standards of living. The wages policy will aim at promoting economic growth with jobs; productivity based pay system; fair remuneration; industrial harmony; regional integration; positive labour management partnership; and overall labour market flexibility. It will emphasize on a wage structure that is robust, flexible, equitable and sustainable. Overall, the wage determination system, inclusive of periodicity and wage adjustment parameters will be made more predictable to control against leapfrogging, spiral agitation for wage increases and industrial unrest.

4.19 Establish a Comprehensive Social Protection System

Kenya operates numerous social protection interventions. However, the coverage and the range of benefits of these schemes are limited thereby exposing majority of Kenyans to great levels of vulnerability and destitution. It also puts a strain on the active labour force, particularly the employed.

To address this, the government in collaboration with all the stakeholders will develop a broad based and comprehensive Social Protection Policy. This policy will provide the required framework for putting in place a universal social protection system for all. The policy will also seek to streamline and harmonize operations of social security providers in the country besides enhancing their coverage and benefits. In the short and medium-term, the NSSF and the NHIF will undertake awareness and sensitization campaigns to enlighten the public of their products and services for increased membership. The youth and informal sector operators and employees will be specifically targeted in the campaigns.

4.20 Nurture and Promote a National Values System

National value system and positive values in particular are important for a country's social, economic and political development. Ethical behavior which includes positive work culture and attitudes provide important foundations for productivity growth, competitiveness, employment creation and improvement in livelihoods. Kenya lacks a set of national values that workers, employers, their representatives, policy makers, leaders and ordinary citizens may subscribe to. This has hampered productivity promotion, competitiveness and employment creation.

To nurture and promote a national values system, the government in collaboration with stakeholders will fast track the finalization and implementation of the policy on national values system for Kenya. Further, the government will work out modalities to re-introduce national youth service programmes as a part of pre-labour market entry requirement. This would facilitate inculcation and nurturing of national values and ethics, work ethics, attitude change and spirit of nationhood.

4.21 Scale-up Best Practice from Past Interventions

A number of interventions have been undertaken in the past to promote employment creation in Kenya. However, no systematic evaluation has been undertaken to assess the impact of the interventions, and identify lessons learnt. Nevertheless, anecdotal assessments show that the past employment creation interventions yielded limited impacts due to their piecemeal nature, poor coordination, weak implementation and absence of a policy, institutional and legal framework to anchor the initiatives. While employment is multi-dimensional in nature, the employment creation interventions were not integrated with other social and economic policies and programmes.

To scale up employment creation, a comprehensive evaluation of the impact of past policy interventions will be undertaken and key lessons drawn. The outcome of the study will be used to enhance implementation of this Employment Policy and Strategy.

4.22 Exploit the Potential of Social and Solidarity Economy

The Social and Solidarity Economy (SSE) constitutes an important component of the Kenyan economy. However, the employment creation and income generation potential of the sector has not been fully exploited. Full exploitation of the potential of the sector has been constrained by poor management practices, inappropriate technology, limited access to credit and finance and limited information base.

To address this, the government in collaboration with the cooperative societies, producer unions, mutual benefit associations and self help groups will undertake training, basic education and professional qualification courses on the officials and employees of the organizations. In addition, the government will partner with private sector organizations and development partners to offer technical advice and assistance for the establishment, incubation and consolidation of enterprises within the SSE. To promote access to credit and finance, the government will partner with banks and microfinance institutions to facilitate access to solidarity credit and financing. In addition, the government will work with the Community Based Organizations (CBOs), Non-Governmental Organizations (NGOs), Faith Based Organizations (FBOs) and Civil Society Organizations (CSOs) to support local communities to create networks and collective projects. Such interventions will also target integration of disadvantaged groups such as the youth without appropriate skills, the PWDs and women into the mainstream of SSE.

4.23 Mainstream and Cascade Employment Creation

Employment creation will be mainstreamed as a national agenda in all the sectors of the economy and, in recognition of the devolved system of government, cascaded to county levels. This will require sectoral plans and strategies on employment creation as well as mainstreaming employment creation in County Development Plans.

4.24 Reinforcing Policy, Institutional and Legal Framework

The goals and objectives of this Employment Policy and Strategy for Kenya will only be realized if other supportive policy, institutional and legal frameworks are in place. A number of reinforcing policies, institutional and legal frameworks have been identified. These policies, institutional and legal frameworks are either existing or non-existent. Where the reinforcing mechanisms exist, they would need to be effectively implemented so as to serve the required complementary role in employment creation. Where they do not exist, it would be crucial that the policies be designed and implemented; the institutions established and operationalized; and the legislations enacted and enforced. A list of the policies, institutions and legislations is given in the appendix.

CHAPTER FIVE

POLICY IMPLEMENTATION, MONITORING AND EVALUATION

5.1 Rationale for Effective Policy Implementation and Coordination

Weaknesses in the implementation of past policies and development programmes have largely been attributed to weak political will, lack of an effective implementation framework and capacity gaps. The government is committed to full and effective implementation of this Policy. To achieve the outcomes set out in the Policy, it is important to have an effective implementation, monitoring and evaluation framework that will facilitate assessment of progress while at the same time allowing for learning from any implementation or strategic pitfalls. This framework envisages establishment of a National Employment Authority. The Authority will be the lead agency to undertake coordination of the policy implementation and all productivity promotion and employment creation interventions in the country. The Government further recognizes that successful implementation of the strategies and activities identified in this blueprint will require involvement and active participation of virtually everybody in the society. Key among them are the social partners, private sector, civil Society, Non-Governmental Organizations (NGOs), Community Based Organizations (CBOs), Faith Based Organizations (FBOs) and development partners.

5.2 Institutional Framework

The Government shall take the overall responsibility for the implementation of this policy. In this context, implementation of the Policy will require that all Government agencies consciously integrate in their policies and programmes, the relevant policy principles and interventions that maximize productive employment and the improvement of the general working conditions. In particular, the National Employment Authority will be the lead agency in coordinating the actualization of the policy. It will draw membership from line Ministries responsible for Labour, Education, Planning, Finance, Trade and Industry, Youth Affairs and Immigration and registration of persons. Other members will be drawn from COTU, FKE, NGO Council, Youth Associations, MSE Associations, Research Institutes, Universities, Training Institutions and Private Employment Agencies. Detailed account of the roles and responsibilities of each of the institutions will be undertaken as part of the policy implementation mechanism.

5.3 Monitoring and Evaluation

Monitoring and evaluation of the progress of implementation of this policy will be undertaken within the framework of the NIMES. The National Employment Authority in collaboration with the Monitoring and Evaluation Directorate (M&ED) in the Ministry of Devolution and Planning, and Vision 2030 will develop a comprehensive logical framework to guide the policy implementation process at national, county, sector and enterprise levels. The logical framework will spell out the broad policy objectives, strategic interventions and expected output in each of the outlined employment creation initiatives. In addition, the logical framework will contain clear targets and the time frame for each of the identified strategic interventions.

The National Employment Authority and M&ED will further develop ECA and M&E tools for each of the identified interventions and facilitate the development and institutionalization of an inbuilt M&E mechanism within the systems of other relevant stakeholders.

The National Employment Authority, M&ED, social partners, private sector, civil society, and development partners will undertake joint monitoring and evaluation exercises. Progress Reports on implementation will be produced and shared amongst the stakeholders.

5.4 Financing of the Policy

The National Employment Policy and Strategy for Kenya will be financed through an integrated approach involving the Government of the Republic of Kenya (national and county levels), private sector stakeholders, development partners and other labour market support institutions.

5.5 Policy Review

Given the dynamic nature of the national, regional and global labour markets, and integration of this Policy with the national broad development framework as outlined in *Kenya Vision 2030*, review of this policy will be done on a regular basis. Annual reviews will be undertaken at the end of every phase of the MTP.

ANNEX 1: IMPLEMENTATION MATRIX

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
Cascade the <i>Kenya Vision 2030</i> to County levels	Develop and implement County Medium Term Plans	County governments, Vision Delivery Secretariat, NESC, MoDP,	2013
	Deepen implementation of <i>Kenya Vision 2030</i> foundations for national transformation	County governments, Vision Delivery Secretariat, NESC, MODPMODP, line Ministries, SAGAs, private sector, NGOs, CSOs	2013-2030
	Integrate environmental management in employment creation	MoEW&NR, County governments, Vision Delivery Secretariat, NESC, MoDP,SAGAs, line Ministries, private sector, NGOs, CSOs	2013-2015
Accelerate and sustain high rates of economic growth	Implement <i>Kenya Vision 2030</i>	Vision Delivery Secretariat, NESC, MoDP, County governments, Government line Ministries, private sector, NGOs,CSOs, other stakeholders	2012-2030
	Put employment creation as a target in macroeconomic and sectoral policies/interventions	MoDP,	2013
	Reduce the cost of doing business	All Government Ministries and Departments	2013
	Promote productivity growth	Productivity Centre of Kenya, COTU, FKE, private sector, All Government Ministries and Departments, SAGAs, County governments	2013
	Keep political risks low	NCIC, OAGDJ, Political parties, County governments	2013
	Simplify business registration processes	County governments, NT, Vision Delivery Secretariat, NESC,	2013-2014
	Improve physical infrastructure	County governments, NT, Ministry of Transport and Infrastructure, Government Ministries and Departments, Private sector, stakeholders	2013-2015
Re-energise sectoral growth	Implement Agricultural Sector Development Strategy (2010-2020)	MoAL&F, Government line Ministries, Private Sector, Development Partners	2013-2020
	Implement National Industrialization Policy Framework for Kenya (2011-2015)	Ministry of Industrialization and Enterprise Development, Government line Ministries, Private Sector, County governments, Development Partners	2013-2015

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
	Implement cluster development strategy	Ministry of Industrialization and Enterprise Development, County governments, Government line Ministries, Private Sector, County governments, research institutions, private sector, Development Partners	2013-2015
	Remove mis-match in incentives in agricultural sector	MoAL&F, County governments	2013
	Stimulate growth in livestock and horticulture sub-sectors	MoAL&F, Ministry of Livestock Development, County governments, Private Sector	2013-2014
	Harness and exploit natural resources for employment creation	County governments, Ministry of Environment water and Natural Resources, Vision Delivery Secretariat, NESC, MoDP, Government line Ministries, private sector, NGOs, CSOs, SAGAs	2013-2030
	Encourage private investment in agro-processing and value-addition	MoAL&F, NT, County governments, IPC, KAM, FKE	2013-2015
	Adopt sustainable agriculture, water and environmental management practices	County governments, MoEW&NR, Ministry of Environment water and Natural Resources, Vision Delivery Secretariat, NESC,, Government line Ministries, private sector, NGOs, CSOs, SAGAs	2013-2014
	Intensify research and development	MoEST, NCST, KIPI, Country governments, research institutions, universities, development partners, private sector	2013-2014
	Promote science, technology and innovation	NCST, KIPI, research institutions, County governments, universities, development partners, private sector	2013-2014
	Strengthen KIPI, Copyright Board and Kenya Anti-Counterfeit Agency	Ministry of Industrialization and Enterprise Development, Cabinet, National Assembly	2013-2015
	Improve infrastructure	Relevant Government Ministries and Departments, development partners, private sector	2013-2030
	Promote access to financial services	CBK, NT, MFIs, development partners, private sector	2013
	Implement the proposals towards the 24-hour economy	NESC, County governments	2013
Enhance growth and development of the MSEs	Implement Sessional Paper No. 2 of 2005	MoLSS&S, Ministry of Industrialization and Enterprise Development, NT, KNFJKA, MSE associations	2013 and Continuous

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
	Remove regulations that impede growth and development of MSEs	MoLSS&S, NT, Ministry of Industrialization and Enterprise Development, County governments	2013-2015
	Establish the National Council for Small Enterprises	MoLSS&S, NT, Cabinet, National Assembly, private sector, development partners, MSE associations	2013
	Establish MSE Fund	MoLSS&S, NT, Cabinet, National Assembly, County governments, private sector, development partners, MSE associations	2013-2015
	Establish and operate a credit guarantee scheme for MSEs	MoLSS&S, NT, Cabinet, National Assembly, private sector, development partners, MSE associations	2013-2015
	Consolidate MSE functions/statutory requirements under one body	MoLSS&S, Ministry of Industrialization and Enterprise Development.	2013
	Promote and integrate environmental management in all MSE activities	MoEW&NR, MSE associations, MoLSS&S, Ministry of Industrialization and Enterprise Development, County governments, Vision Delivery Secretariat, NESC, MoDP, Government line Ministries, private sector, NGOs, CSOs, other stakeholders	2013
	Establish entrepreneurial centres of excellence in all constituencies	MoLSS&S, Ministry of Industrialization, NT, CDF Board, Parliamentarians	2013-2015
	Develop and implement industrial incubation policy	Ministry of Industry, Cabinet, National Assembly, MSEs, stakeholders	2013
	Encourage MSEs to adopt cluster development strategy	MoLSS&S, Ministry of Industrialization and Enterprise Development, County governments, private sector, development partners, MSE associations, research institutions	2013-2015
	Mainstream productivity and technological adoption in MSEs	MoLSS&S, Ministry of Industrialization and Enterprise Development, County governments, KIRDI, research institutions, BDS providers, private sector, development partners, MSE associations	2013
	Promote linkages between MSEs, and Medium and Large enterprises	MSEs, MSE associations, KAM, FKE, KEPSA, private sector, MoLSS&S	2013-2015
	Integrate entrepreneurship training and M&E in all MSE interventions	MSEs, MSE associations, KAM, FKE, KEPSA, private sector, MoLSS&S development partners, MSE training providers, M&IED	2013-2015

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
Exploit the potential of SSE	Undertake training, basic education and professional qualification courses	Ministry of Industrialization and Enterprise Development, BDS providers, SSE officials and employees, SSE organizations	2013-2015
	Provide technical advice and assistance for establishment, incubation and consolidation of enterprises within SSE	Ministry of Industrialization and Enterprise Development, BDS providers, SSE officials and employees, SSE organizations	2013-2013
	Promote access to SSE credit and financing	Ministry of Industrialization and Enterprise Development Commercial Banks, Microfinance Institutions, Association of Microfinance Institutions, Central Bank, private sector, development partners	2013-2015
	Create networks and collective projects	Ministry of Industrialization and Enterprise Development , BDS providers, SSE organizations, Youth Groups, Women Groups, Self-Help Groups	2013-2015
Promote productivity and competitiveness	Finalize and implement National Productivity Policy	MoLSS&S, Cabinet, National Assembly, FKE, COTU, private sector, stakeholders, development partners	2013-2015
	Establish a National Employment Authority	MoLSS&S, Cabinet, National Assembly, NT, FKE, COTU, private sector, stakeholders, development partners	2013-2015
	Enact Productivity and Employment Management Act	MoLSS&S, Cabinet, State Law Office, National Assembly, NT, FKE, COTU, private sector, stakeholders, development partners	2013
	Increase budgetary provision for research and development to at least 1per cent of the national budget	NCST, , NT, Cabinet, National Assembly, County governments, research institutions, private sector, development partners	2013
	Enhance partnership between research institutions and industry	Ministry of Industrialization and Enterprise Development, MoLSS&S, County governments, NCST, KIRDI, KEPSA, KAM, FKE, COTU, private sector, development partners	2013-2015
	Develop and implement a policy on cluster development strategy	MoLSS&S, Ministry of Industrialization and Enterprise Development, County governments, Government line Ministries, Private Sector, County governments, research institutions, private sector, Development Partners	2013 -2015

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
	Establish R&D Fund in all Counties	NCST, NT, Cabinet, National Assembly, County governments, research institutions, private sector, development partners	2013-2015
Improve linkage between education and training institutions, and industry	Develop and implement IHRDS	MoLSS&S, MoEST, , Universities, research institutions, private sector	2013
	Design and implement dual TIVET system	MoLSS&S, MoEST, Cabinet, National Assembly, County governments, TIVET institutions, Universities, research institutions, private sector, training service providers	2013-2015
	Build capacity of TIVET instructors	MoLSS&S, MoEST, Cabinet, County governments, National Assembly, TIVET institutions, Universities, research institutions, private sector, training service providers	2013-2015
	Establish institutionalized and integrated research capacity to support dual TIVET system	MoLSS&S, MoEST, County governments, Universities, research institutions, private sector	2013
	Promote PPP in training and skills development	MoLSS&S, MoEST, Universities, research institutions, private sector, training service providers, TIVET institutions	2013
	Expand and modernize TIVET and other non-formal skills development institutions	MoLSS&S, MoEST, Cabinet, National Assembly, Universities, research institutions, private sector, training service providers, TIVET institutions	2013-2015
	Increase budgetary allocation for TIVET institutions	MoLSS&S, MoEST, NT, Cabinet, National Assembly, TIVET institutions	2013
	Provide tuition subsidies for those attending TIVET in formal and non-formal institutions, including <i>jua kali</i>	MoLSS&S, MoEST, NT, Cabinet, National Assembly, TIVET institutions	2013-2030
	Standardize Testing and A in all TIVET systems	MoLSS&S, MoEST, Cabinet, National Assembly, TIVET institutions, KNEC, NITA	2013
Review Industrial Training Levy Scheme	MoLSS&S, NITA, NT, FKE, COTU, Cabinet, National Assembly, State Law Office, private sector	2013	

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
	Strengthen NLB	MoLSS&S, FKE, COTU, private sector, development partners	2013
Develop and Implement an Integrated Industrial Training and Attachment System	Finalize and Implement Industrial Training and Attachment Policy	MoLSS&S, MoEST, NT, Cabinet, National Assembly, County governments, universities, research institutions, TIVET institutions, FKE, COTU, training service providers, stakeholders, development partners, private sector	2013-2030
	Develop and implement a National Internship Policy	MoLSS&S, MoEST, Cabinet, National Assembly, County governments, universities, research institutions, TIVET institutions, FKE, COTU, training service providers, stakeholders, development partners, private sector	2013
	Implement Industrial Training (Amendment) Act 2011	MoLSS&S, DIT, FKE, COTU, County governments, private sector, stakeholders, development partners	2013-2030
Establish and maintain a Labour Market Information System	Finalize and disseminate results of the NMS	MoLSS&S, KNBS, stakeholders	2013
	Establish and maintain LMIS	MoLSS&S, KNBS, research institutions, universities, policy makers, FKE, COTU, development partners, private sector	2013
	Establish and maintain a one-stop-database on job seekers and employers	MoLSS&S, KNBS, County governments, KEPSA, KAM, FKE, COTU, research institutions, universities, policy makers, FKE, COTU, development partners, private sector	2013-2015
	Undertake regular labour market surveys	MoLSS&S, KNBS, County governments, research institutions, universities, policy makers, FKE, COTU, development partners, private sector	2013-2030
	Enhance enforcement of regulations that guide data collection and dissemination	MoLSS&S, KNBS, County governments, research institutions, universities, policy makers, FKE, COTU, development partners, private sector	2013-2015
	Strengthen public and private employment services	MoLSS&S, KAPEA, research institutions, universities, policy makers, FKE, COTU, development partners, private sector	2013
	Establish and strengthen public employment offices and youth empowerment centres in all counties and constituencies	MoLSS&S, NT, , CDF Board, Cabinet, National Assembly, parliamentarians, county governments, development partners, private sector	2013-2017

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
	Intensify use of ICT in data collection and capture	MoLSS&S, KNBS, County governments, research institutions, universities, policy makers, FKE, COTU, development partners, private sector	2013-2015
Strengthen the framework for employment services	Promote the use of internet based job seeking services	MoLSS&S, ICT Board, , County governments, universities, TIVET institutions, KEPSA, private sector	2013
	Amend Employment Act (2007)	MoLSS&S, NLB, FKE, COTU, Cabinet, National Assembly, State Law Office, KAPEA	2013
	Organize Job Fairs in all counties	MoLSS&S, County governments, KAPEA, FKE, COTU, KEPSA, KAM, private sector, development partners, universities	2013
	Transfer all employment service functions to National Employment Authority	MoLSS&S, , FKE, COTU, KAPEA, stakeholders	2013
	Establish and strengthen employment offices and youth empowerment centres in all Counties	MoLSS&S, NT, County governments, private sector, development partners	2013-2014
Develop and Promote Youth Targeted Employment Programs	Continue to implement the National Youth Policy and Master Plan	County governments, stakeholders	2013-2030
	Encourage investments in labour intensive public works programmes	All Government Ministries and Departments, OPM, private sector, stakeholders, development partners	2013-2030
	Deepen use of ICT as an avenue for job creation and job search	ICT Board, MoLSS&S, KEPSA, FKE, COTU, private sector, stakeholders, development partners, research institutions, universities	2013
	Assess job contents of all public works programmes	OPM, MoLSS&S, National Employment Authority	2013-2030
	Establish and implement inbuilt mechanism for targeting poor and disadvantaged youths in public works programmes	OPM, MoLSS&S, National Employment Authority	2013
	Develop and implement an exit strategy in all public works programmes	OPM, MoLSS&S, National Employment Authority	2013
	Undertake youth and informal sector surveys	KNBS, County governments, MSE associations, universities, research institutions	2013

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
	Promote youth mentoring programmes and entrepreneurial exchanges	All Government Ministries and Departments, KEPSA, FKE, COTU, KAM, private sector, stakeholders, development partners	2013-2015
	Undertake measures to change attitudes and perceptions about informal sector/ <i>jua kali</i>	All Government Ministries and Departments, KEPSA, FKE, COTU, KAM, private sector, stakeholders, development partners	2013
	Encourage culture shift from job seekers to job creators and self employment	All Government Ministries and Departments, KEPSA, FKE, COTU, KAM, private sector, stakeholders, churches, youth groups, development partners	2013
	Integrate youth employment interventions in national employment policy	MoLSS&S, MoDP	2013
Streamline Foreign Employment Administration	Harmonize and place all foreign employment functions under the National Employment Authority	MoLSS&S, Ministry of Interior and Co-ordination of National Government, Ministry of Foreign Affairs, Cabinet, National Assembly, State Law Office, Foreign Employment Agencies, KAPEA, private sector	2013
	Post employment attachés in key and strategic Kenya Missions Abroad	MoLSS&S, National Employment Authority, Ministry of Foreign Affairs,	2013-2015
	Undertake foreign employment orientation and re-entry programmes	MoLSS&S, Ministry of Interior and Co-ordination of National Government , Ministry of Foreign Affairs, Foreign Employment Agencies, KAPEA, private sector	2013 and Continuous
	Review and enforce work permit regulations	MoLSS&S, Ministry of Foreign Affairs, Foreign Employment Agencies, KAPEA, private sector	2013
Enhance population control measures and leverage on the growth	Formulate and implement effective population control policies	National Coordinating Agency for Population and Development, Ministry of Health , County governments, stakeholders, development partners	2013 – 2030
	Develop strategic measures to exploit opportunities that arise from large and rapidly increasing population	National Coordinating Agency for Population and Development, County governments, MoDP, VDS, NESCC, stakeholders, development partners	2013-2015
Mainstream and promote gender equity	Implement the Constitution	All	2013 and Continuous
	Empower women for socio-economic change	All	2013 and Continuous

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
	Undertake empowerment programmes and address gender based violence and retrogressive cultural practices	Ministry of Devolution and Planning, CBOs, CSOs, FBOs, NGOs, County governments, stakeholders	2013-2015
	Collect, analyze and disseminate gender disaggregated data	Ministry of Devolution and Planning	2013
Strengthen framework for elimination of child labour	Develop and implement child labour policy	MoLSS&S, NLB, FKE, COTU, MoDP, Cabinet, National Assembly, County governments ILO, research institutions, universities, private sector, development partners, stakeholders	2013 and continuous
	Establish a National Council for the Elimination of Child Labour	MoLSS&S, NLB, FKE, COTU, Cabinet, National Assembly, County governments, private sector, development partners, stakeholders	2013
	Collect, analyze and disseminate data on all facets of child labour on a regular basis	MoLSS&S, KNBS, NLB, FKE, COTU, Modp, Cabinet, National Assembly, County governments ILO, research institutions, universities, private sector, development partners, stakeholders	2013 and continuous
Step up efforts towards anti-trafficking in persons	Develop and implement anti-trafficking in persons policy	MoLSS&S, NLB, FKE, COTU, MoDP, Cabinet, National Assembly, County governments ILO, research institutions, universities, private sector, development partners, stakeholders	2013
	Undertake awareness raising and sensitization programmes	MoLSS&S, NLB, FKE, COTU, County governments ILO, research institutions, universities, private sector, development partners, stakeholders	2013
Implement integrated approach to dealing with HIV and AIDS	Develop and implement HIV and AIDS policies in all workplaces	NACC, Ministry of Health , MoLSS&S, NLB, FKE, COTU, all trade unions, County governments ILO, research institutions, universities, private sector, development partners, other stakeholders	2013-2015
	Integrate provisions of HIV and AIDS policies in workplace programmes and activities, including CBAs	NACC, Ministry of Health , MoLSS&S, NLB, FKE, COTU, all trade unions, County governments ILO, research institutions, universities, private sector, development partners, other stakeholders	2013
	Establish and strengthen HIV and AIDS Committees in all workplaces	NACC, MoLSS&S, NLB, FKE, COTU, all trade unions, County governments, private sector, development partners, other stakeholders	2013

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
	Undertake and disseminate studies on the impact of HIV and AIDS on the labour market	NACC, MoLSS&S, NLB, FKE, COTU, all trade unions, County governments, private sector, research institutions, universities, KNBS, development partners, other stakeholders	2013-2015
Develop and Implement a Wages Policy	Develop and implement a wages policy	MoLSS&S, NLB, FKE, COTU, MoDP, Cabinet, National Assembly, County governments, ILO, research institutions, universities, KEPSA, private sector, stakeholders	2013
Strengthen labour administration	Prioritize MoLSS&S functions in government ranking	MoLSS&S, OP, OPM, Cabinet National Assembly	2013-2015
	Increase budgetary allocation for MoLSS&S	MoLSS&S, NT, Cabinet, National Assembly	2013
	Increase efficiency of MoLSS&S staff, and staffing levels	MoLSS&S, NT, PSC, National Employment Authority	2013
	Mobilize funds and build capacity of tripartite partners	MoLSS&S, NT, ILO, FKE, COTU, development partners	2013-2014
	Integrate and modernize all the inspectorate functions within MoLSS&S	MoLSS&S, NT, ILO, FKE, COTU, private sector, development partners	2013
	Undertake integrated survey to assess the impact of labour market regulations on employment and other labour market outcomes	MoLSS&S, NLB, FKE, COTU, KNBS, research institutions, universities, ILO, development partners, private sector	2013-2014
Establish a Comprehensive Social Protection System	Develop and Implement a Social Protection Policy	MoLSS&S, MoDP NT, Cabinet, National Assembly, County governments, ILO, UNDP, stakeholders, development partners	2013
Nurture and promote a National Values System	Finalize and implement National Value System Policy	NESC, OAGDJ, VDS, all Kenyans	2013
	Re-introduce compulsory NYS as part of pre-labour market entry requirement	NYS, NESC, VDS, Cabinet, National Assembly	2013
Scale-up Best Practice from past interventions	Undertake a comprehensive evaluation of the impact of past employment creation interventions	MoLSS&S, NLB, FKE, COTU, KNBS, research institutions, universities, ILO, development partners, private sector	2013

OBJECTIVES	STRATEGIES	RESPONSIBLE AGENCIES	TIMEFRAME
Strengthen the Implementation, Monitoring and Evaluation mechanisms	Develop M&E framework and tools	MoLSS&S, M&ED, National Employment Authority, FKE, COTU, private sector, development partners, stakeholders	2013-2030
	Produce and disseminate M&E Reports	MoLSS&S, M&ED, National Employment Authority, FKE, COTU, private sector, development partners, stakeholders	2013-2030
Strengthen the institutional framework for co-ordination of Employment issues	Establish National Employment Authority	MoLSS&S, Public Service Commission, MoDP	2013-2014

Appendix 1: Reinforcing Policy, Institutional and Legal Framework

Policy

1. Kenya Vision 2030
2. Agricultural Sector Development Strategy (2010-2020)
3. National Industrialization and Policy Framework for Kenya (2011-2015)
4. Sessional Paper No. 2 of 2005
5. National Youth Policy (2007)
6. 24-Hour Economy
7. National Productivity Policy
8. Integrated Human Resource Development Strategy
9. Dual TIVET System
10. Industrial Training and Attachment Policy
11. National Internship Policy
12. Industrial and Incubation Policy
13. Child Labour Policy
14. Trafficking in Persons Policy
15. National Value Systems Policy for Kenya
16. Diaspora Policy
17. Occupational Safety and Health Policy

Institutional Framework

1. Micro and Small Enterprise Authority (MSEA)
2. MSE Fund
3. National Employment Authority
4. National Council for Elimination of Child Labour

Legislation

1. Kenya Constitution, 2010
2. Industrial Training (Amendment) Act, 2011
3. Review of Industrial Training Levy Scheme
4. Review of Employment Act, 2007
5. Productivity and Employment Management Act
6. Micro and Small Enterprise Act, 2012
7. Industrial Court Act, 2011