

UTAFITI SERA (POLICY – RESEARCH COMMUNITY)

**1ST FORUM ON WAGE EMPLOYMENT CREATION IN AGRICULTURE AND AGRO-
PROCESSING IN THE CONTEXT OF INCLUSIVE GROWTH**



CROWNE PLAZA HOTEL, NAIROBI

JUNE 7TH 2016

Table of Contents

i.	Abbreviations and Acronyms.....	4
ii.	Acknowledgements.....	5
1.	Introduction.....	6
1.1.	Context.....	6
1.2.	Opening Remarks	7
1.3.	Unpacking Utafiti Sera for Employment Creation in Agriculture and Agroprocessing - The Framework and Objectives.....	8
1.3.1.	The wage employment challenge.....	9
1.3.2.	Expected Results.....	10
2.	Presentations and discussion.....	11
2.1.	Beyond Enabling Environment: The Role of the State in Agricultural Transformation for Wage Employment. Issues, Challenges and Prospects for Policy.....	11
2.1.1.	The public and private sector in transformation of agriculture	12
2.1.2.	Policies, Strategies and Programs for Structural Transformation.	12
2.1.3.	Challenges.....	14
2.1.4.	Prospects.....	14
2.1.5.	Reactions and recommendations.....	14
2.2.	Policies, Legislation and Business environment for Employment Creation in Agriculture and Agro-Processing. <i>Issues Challenges and Prospects</i>	15
2.2.1.	Issues and challenges	15
2.2.2.	Prospects.....	17
2.2.3.	Reactions.....	17
2.3.	Tapping the Potentials in Agribusiness for Youth Employment Creation: <i>Issues Challenges and Proposals for Policy and Programme Implementation</i>	18
2.3.1.	Issues	18
2.3.2.	Challenges.....	18
2.3.3.	Prospects.....	18
2.3.4.	Policy Recommendations.....	19
2.3.5.	Reactions.....	19
2.3.6.	Experience Sharing on Youth Employment Creation.....	20

2.4.	Taking Research Evidence on Wage Employment Creation in Agriculture and Agro-Processing for Policy Engagement and Uptake in Kenya	20
2.5.	The Role of County Governments in Local Employment Creation: Experience Sharing from Nyandarua and Kiambu Counties.....	21
2.5.1.	Experience Sharing from Nyandarua	21
2.5.2.	Experience Sharing Kiambu County	22
2.6.	Research Evidence on Wage Employment in Agriculture and Agro-processing: Synthesis of existing studies from Kenya.....	22
4.	Annexes.....	26
	Annex 1: Forum Agenda	26
	Annex 2: List of Participants.....	27

i. Abbreviations and Acronyms

AFFA	Agriculture Fisheries and Food Authority
AgGDP	Agricultural Gross Domestic Product
ASDS	Agriculture Sector Development Strategy
CAADP	Comprehensive African Agriculture Development Programme
CANIS	Centre for Agricultural Networking and Information Sharing
DfID	Department for International Development
IDRC	International Development Research Center
IDS	Institute of Development Studies
IFPRI	International Food Policy Research Institute
ILRI	International Livestock Research Institute
INCLUDE	Knowledge Platform on Inclusive Development Policies
KALRO	Kenya Agricultural and Livestock Research Organization
KIPPRA	Kenya Institute for Public Policy Research and Analysis
NESC	National Economic and Social Council
PASGR	Partnership for African Social and Governance Research
PPP	Public Private Partnerships
ReSAKSS	Regional Strategic Analysis and Knowledge Support Systems
SRA	Strategy for Revitalizing Agriculture

ii. Acknowledgements

The Partnership for African Social and Governance Research (PASGR) and Agrisk Research and Advisory would like to unreservedly express sincere gratitude to all the participants for their enlightened contribution to the forum agenda and discussions. We acknowledge support from the Development Partners, National Governments Ministries /Agencies and County Governments (Nyandarua and Kiambu), Research Organizations, Farmer Organizations and Civil Society Organizations (CSOs). We are indeed grateful to all presenters and discussants for sharing knowledge, experiences and insights into this exciting development agenda.

We would like to especially express appreciation to the Knowledge Platform on Inclusive Development Policies (INCLUDE), for the technical and generous financial support for the conceptualization and eventual actualization of the Utafiti Sera Initiative. We recognize the Department for International Development (DfID/UKAID) and International Development Research Center (IDRC) for the continued support to PASGR.

Last but by no means the least, special appreciation is extended particularly to PASGR Secretariat under the leadership of the Executive Director, Prof. Omotade Akin Aina, and Research Director, Dr. Nicholas Awortwi, for the guidance and facilitation of the Utafiti Sera Forum.

The forum reporting was made possible by Ms. Lucy Adoyo, a Research Associate at the Centre for African Bio-Entrepreneurship (CABE). Her efforts are truly appreciated.

1. Introduction

1.1. Context

On 7th June 2016, the Partnership for African Social Governance Research (PASGR), with support from the Knowledge Platform for Inclusive Development Policies (INCLUDE), IDRC and UKAID) organized a forum bringing together 38 participants to discuss current and pertinent issues on Wage employment in Agriculture and Agro-Processing in Kenya. Membership to the forum followed a stakeholder analysis carried out to identify institutions having power, interest, motivation and capacity to influence policies and programs in agriculture and agro-processing in Kenya.¹

Despite high levels of economic growth in many African countries, the continent's wage employment figures remain low. This pattern of jobless growth makes a dent on the dictum 'Africa rising' as growth has not been inclusive. Growth is inclusive if it provides high levels of employment and rising wages to the citizens, and further enables them to have a say on the orientation of the growth process. In the midst of jobless growth, many researchers have examined the constraints to wage employment creation in different sectors but it remains unknown how much of this has informed and influenced existing employment policies and programmes in African countries.

Box. 1 It is now acknowledged that there is a wealth of knowledge on employment creation and inclusive growth in Africa. The challenge is to make that knowledge work for policy-makers and practitioners. Currently, PASGR and INCLUDE are supporting studies on productive employment in Kenya among other countries. The research project on wage employment creation in agriculture and agro-processing sectors in the context of inclusive growth with focus on sugarcane and sugar milling, and floriculture is about to be completed. In addition to these studies, PASGR is cognizant of the fact that a lot of research has already been undertaken in the country. However, the frustration that researchers often encounter is getting policy actors to take forward their research findings. It is on this basis that PASGR is facilitating the establishment and implementation of Research Policy Community of Practice (Utafiti Sera) on agro-processing employment. Utafiti Sera will play a crucial role in bringing together practitioners, policy makers and researchers to build collaborative partnerships that will ensure that there are appropriate policy actions and uptake that will benefit different social groups in the country.

The objective of the initiative is to establish and sustain a vibrant policy research and advocacy community of practice that will effectively engage key policy makers and practitioners in policy debates and workshops so as to catalyze generation of new research

¹ The stakeholders were identified after a stakeholder analysis based on institutional or individual's power, interest, motivation and capacity to influence employment creation policies and programmes.

evidence and; synthesize existing relevant research evidence including studies supported by diverse institutions such as IDS, KIPPRA, PASGR, INCLUDE and other stakeholders on employment creation and inclusive growth and make them available to policy makers and practitioners through policy briefs, newspaper articles, short and precise reports, among other forms of communication.

During the forum various presentations on employment creation policy experiences within the country were given and discussed in six thematic areas enumerated above and had plenary discussions to allow participants to interact with the presentations on the various thematic areas and make contributions on the various topics.

1.2. Opening Remarks



The Executive Director PASGR, Prof. Tade Aina introduced the main objective of *Utafiti Sera* Platform, noting that due to and explained that the platform is the main mode of driving evidence into policy action; it being an inclusive process of enhancing and mobilizing resources in agriculture and employment in Kenya. The process takes research evidence to the

context of policy analysis. This takes cognizance of the complex nature of the policy space and the need for a negotiated settlement for communities to appreciate and internalize these complexities to yield meaningful actions.

The purpose of the forum was to provide an opportunity for researchers, policy makers and practitioners to navigate through current and emerging issues on employment creation in the two sectors in Kenya that need policy attention.

Box 2: To achieve its objectives, the forum discussions were arranged around the six thematic areas namely;

- i. Wage employment creation in agriculture and agro-processing value chain
- ii. The role of the state in wage employment creation in agro-processing value chain
- iii. Policies, legal and business environment on wage employment creation,
- iv. The role of county governments in wage employment creation in agro-processing value chain at the local level
- v. Towards agro-industrial value chain policy in Kenya and
- vi. Youth employment creation in agri-business.

The expected outcomes were to:

- a. Anchor *Utafiti Sera* on employment creation established and members identified for early buy-in and ownership of its objectives;
- b. Identify activities that will culminate into policy uptake on research evidence and follow-up action drawn;
- c. Create better understanding on how *Utafiti Sera* can inform and influence policy making and programming of employment creation in Kenya; and
- d. Identify a clear path towards implementation of *Utafiti Sera* programme, with clear roles of the members of the community of practice.

1.3. Unpacking *Utafiti Sera* for Employment Creation in Agriculture and Agro-processing - The Framework and Objectives

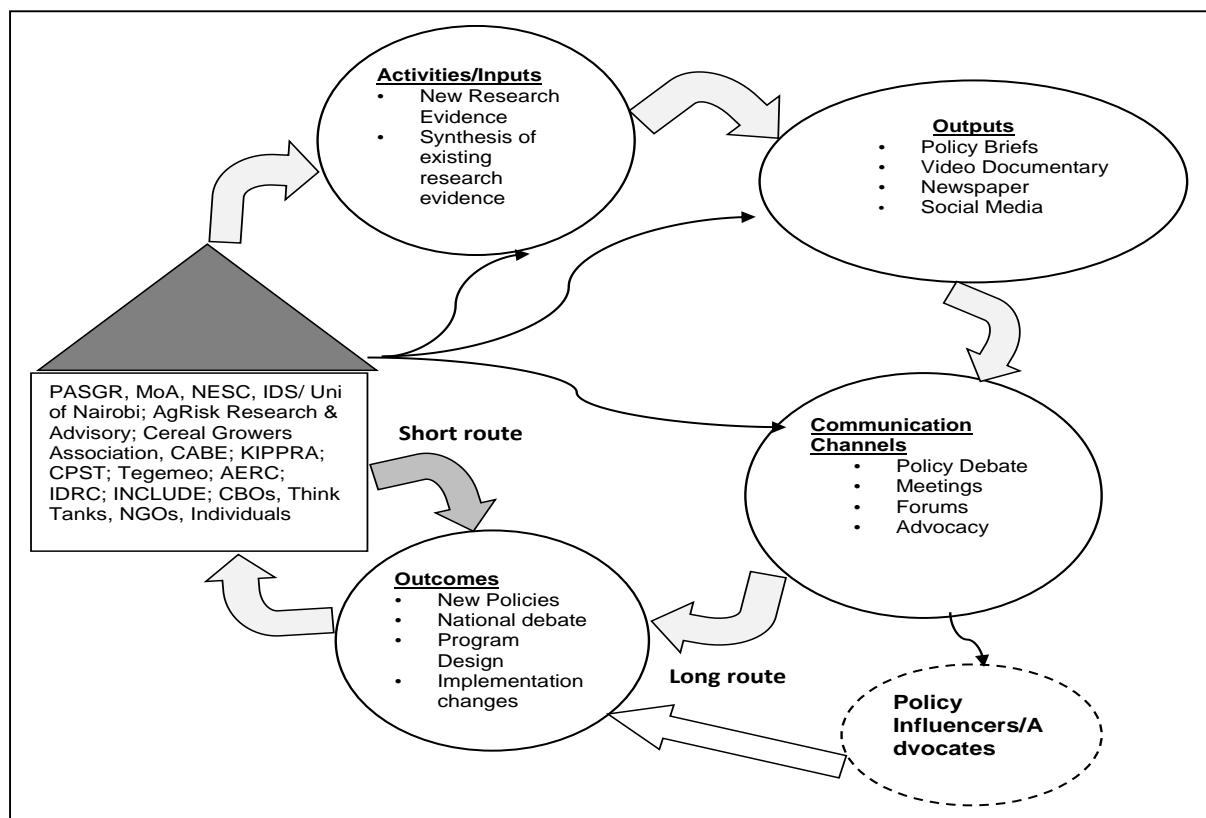
PASGR Research Director, Dr. Nicholas Awortwi introduced the framework and objectives of Wage Employment Creation noting that the motivation is anchored and driven by the paradox in the “Africa Rising” narrative. Whereas Africa’s economic growth between the 1980’s and 90’s averaged at 5%, there is still high levels of poverty, civil wars and high dependency on foreign aid. Despite the positive economic growth indicators, wage employment remains disappointingly low, with GDP growth between 2004 to 2012 at about 6% and labour force employed in wage paying jobs increased by only 0.4%. Moreover economic growth has not been inclusive, with increased unemployment, income inequality though rising middle class; and women have adversely affected, thus being exposed to vulnerable employment in the informal sector. Although having greatest potentials for economic transformation and promotion of wage employment, agriculture and agro-Industries have paradoxically, not promoted meaningful wage employment and income growth in Africa, and the envisaged stylized structural transformation has not been realized.

1.3.1. The wage employment challenge

Whereas in the 1980's to the 90's, economic stagnation coupled with inadequate capital investment, poor technology and inadequate rainfall were attributed as the main challenges to employment creation, income growth and equity, recent studies facilitated in Ethiopia, Kenya and Nigeria show that political economy and settlements which entrench irrational resource allocation to satisfy the pursuit of narrow interest of minority stakeholders are the major blockages to employment creation potentials of the agro value chain. Consequently, policy implementation favours large scale farmers, importers of processed goods and agro-industries at the expense of small resource poor farmers.

It is now acknowledged that despite there being a wealth of knowledge on employment creation and inclusive growth in Africa, there is equally a challenge in making this knowledge adequately packaged for policy-makers and practitioners. This often leads to a discernible frustration of research emanating from inability of getting policy actors to take forward their research findings.

It is on this basis that PASGR is facilitating the establishment and implementation of Policy Research Community of Practice (*Utafiti Sera*) on agriculture and agro-processing employment creation. *Utafiti Sera* will play a crucial role in bringing together practitioners, policy makers and researchers to build a large coalition of interest groups and providing opportunities for negotiated political settlements among key stakeholders with the potential for deepening uptake of research evidence into policy formulation and address blockages of



wage employment creation. This collaborative partnership that will ensure that there are appropriate policy actions and uptake that will benefit different social groups in the country.

Utafiti Sera provides an opportunity to explore new ways of thinking using research evidence approach and provide policy support; from research to policy action, mobilizing a community of practice.

This is achieved by

- i. Generating new research evidence from policy challenges in creating wage employment in agriculture and agro-processing sectors, and making it available to policy actors and practitioners.
- ii. Engaging key policy actors and practitioners through policy advocacy and the use of champions to share the evidence of policy into action with parliamentarians during breakfast meetings

1.3.2. Expected Results

It is envisaged that would be new policy documents in agriculture sector, new laws on wage and employment, new research evidence - commissioning new studies, production of policy briefs, journal articles, video documentaries, new employment opportunities and importance of policy action decision making, social media actions in addressing employment, policy debates, meetings, and advocacy that take research evidence for action and movements composed of policy champions, lobbies, influencers that have access through to the policy makers. Thus, it is necessary to identify these people- through *Utafiti Sera* forum.

Utafiti Sera will be a demand driven process, which belongs to the people and the community, and involves all actors in the policy arena, including government research think tanks, civil society, farmer organizations and development partners.

Subsequent to its constitution the 'Utafiti House' is expected to undertake the following activities:

Box 3: Activity timeline from April to November, 2016

- a) Host a forum to elaborate the objectives of the community;
- b) Synthesize and package new and existing relevant research on research evidence on agro-processing value chain employment creation;
- c) Organize forums on topical issues on the promotion of agriculture structural transformation for employment creation
- d) Develop policy briefs and info-graphics;
- e) Organize breakfast meetings with different stakeholders in legislative houses on employment creation;
- f) Provide a virtual platform for active knowledge exchange on employment creation issues in the country; and
- g) Create space for policy advocacy and uptake.

2. Presentations and discussion.

2.1. Beyond Enabling Environment: The Role of the State in Agricultural Transformation for Wage Employment. Issues, Challenges and Prospects for Policy.

Presenter- *Dr. Julius M. Muia, Secretary National Economic and Social Council, Office of the President.*

The role of the government was discussed in the perspectives of: (a) Exploring the enabling environment for agricultural transformation; (b) What the state can do differently and or complementary to fast track transformation in agriculture; and (c) New policies and programmes needed in Kenya to promote structural transformation and their prospects for success.

Exploring the enabling environment for agricultural transformation highlighted the paradox of agriculture in Kenya. Though an acknowledged contributor to key economic indicators viz., supporting about 75% of Kenya's population, offering 18% of formal and 60% of informal sector employment, directly contributing 24% of GDP to the economy, accounting for 65% of exports; support to the sector does not mirror this. Budgetary allocation is a paltry 4% of the national budget despite commitment to) and access to credit (a meagre 3.5% of all credit targeting agriculture).

The agricultural sector is also considered as a “*slave sector*” for reasons that; the national budget allocation at 4%, is below the threshold of 10% stipulated by Maputo declaration for a durable agricultural transformation. On the other hand, in as much as 67% of the population living in the rural areas is supported by agriculture, and 84% of total employment is provided by the sector, agriculture only contributes 24% of the GDP. Moreover, the sector has inadequate access to credit, since only 3.5% of bank loans are given to the sector, portraying the inequalities of institutions. The policy frameworks in agriculture are weak and wage earnings in agriculture remain low. An enabling environment for agriculture to thrive is

created when there are synergies between internal and external environment including input supply, infrastructure, markets, finance, policy and regulations.

2.1.1. The public and private sector in transformation of agriculture

The Public Sector can play a key facilitative role in transforming agriculture and agricultural processing, first, by providing political guidance and orientation --positioning agriculture as an important sector in the economy and a driver of growth, source of employment and a lead sector in driving growth. Through focused national planning and strategy formulation, supporting legal framework (laws and regulations) including legal institutions; public resource allocation allowing prioritization for agriculture; standards setting; monitoring and evaluation; facilitating research and innovation; and developing public utilities and infrastructure that are important in agriculture. The private sector owns and manages the productive resources and business process, will have the necessary enablers to improve productivity for job creation and growth.

2.1.2. Policies, Strategies and Programs for Structural Transformation.

- The Economic Recovery Strategy for Wealth and Employment Creation (ERS) and Strategy for Revitalization of Agriculture (SRA)

The "Economic Recovery Strategy for Wealth and Employment Creation (ERS) was launched in 2003, to jumpstart the economic badly battered by long-term stagnation and underperformance. It emphasized equitable growth and employment creation and recognized acceleration of growth in the agricultural sector as one its major pillars. Consequently its implementation was anchored on the Strategy for Revitalization of Agriculture (SRA) 2004-2014 which was launched as National Policy document for steering development in Agriculture.

- The Kenya: Vision 2030, the Government economic blueprint for economic transformation seeks to transform Kenya into 'a newly industrializing middle income country providing a high quality of life to all citizen in a clean and secure environment' high quality of life. Published in 2008, it has three pillars deemed necessary for the envisaged transformation namely:
 - *Economic Pillar* that aims to achieve and sustain a 10% economic growth rate annually to the year 2030.
 - *Social Pillar* seeking to create a just, cohesive and equitable social development in a clean and secure environment
 - *Political Pillar* for the realization of issues based, people-centered, results oriented and accountable democratic system.

The economic pillar recognizes agricultural transformation as integral for the delivery of the 10% annual economic growth rate, with specific goals of raising incomes in agriculture, livestock and fisheries.

The proposed delivery architecture for vision 2030 ('to deliver on this ambitious process of national transformation requires a fundamental shift from multiple often uncoordinated levels of decision making to centralized implementation process) would appear to be at variance with the new devolved governance paradigm. This poses a challenge and the need to align the legislation and retrofit implementation with devolved governance structures.

- The Agriculture Sector Development Strategy, (ASDS) and the CAADP Compact are complementary policy initiatives that recognize the challenges to durable agricultural transformation at national and regional space, and seek to address achievement of food security, poverty reduction, transformation of agriculture from subsistence to commercial farming and agribusiness incorporating markets, efficiency in input use and agricultural credit. The overriding goal is to achieve a progressive reduction in unemployment and poverty among other challenges taking cognizance of the central position of agriculture's contribution to accelerated economic growth. Indeed the ASDS is the government's plan for implementation of the CAADP Compact

Such policies and programmes should of necessity address the ease of doing business in agriculture to improve supply, economies of scale, reduce costs and stimulate demand. This has the capacity to enhance competitiveness of the agricultural and agro-processing sector by addressing inefficiencies in value chain for competitiveness, such as the cost and profit distribution among value chain actors.

Box 4. A baseline survey for the Development of Markets Infrastructure Policy Framework undertaken by NESC (2013) in the tomato value chain revealed that a farmer gets 18% of the final retail price as profits yet production costs are 26% of the retail price, furthermore there are many actors along the value chain and the benefits are widely distributed, with the middle toll stations reducing the profit margins.

A study undertaken by KIPPRA in 2010 therefore recommends that these constraints be addressed through implementation of cluster development. This should be supported by value chain studies to identify gaps for appropriate intervention; and inform a cluster development strategy in order to actualize the benefits envisaged in clusters.

Enabling the Business of Agriculture

entails ensuring good regulatory practices for factor and product markets. This would lead to efficiencies and affordability of input access structures, including registration, harmonization of laws and adequate safeguards for quality.

Similarly, it is important to ensure efficiencies in good regulatory systems in output markets through robust phytosanitary protection framework, including national surveillance activities, pest lists, pest risk analysis and domestic and import quarantine procedures; efficient and affordable requirements to export major agricultural products, including membership, licensing and pre-shipment documentation; and laws that do not obstruct the production or sale of agricultural goods domestically and a legal environment that facilitates the establishment and commercial operations of farmers' organizations.

- a. Public Private Partnership in agricultural production and processing
- b. Providing incentives for enforcement of laws and regulations in agriculture
- c. Fast track the mindset change from subsistence or informality in agriculture to commercial agriculture.

2.1.3. Challenges

- i. Land tenure system is adversely affected by subdivision of land
- ii. The tradition mindset in farming persists, causing lack of specialization while dwelling on subsistence farming culture, and traditional pastoralism
- iii. Climate change is unpredictable and the situation is worsening
- iv. Low uptake of crop and livestock insurance
- v. Farming not a preferred occupation.

2.1.4. Prospects

- i. Supportive political will in agricultural transformation
- ii. Over-arching long term planning framework-Vision 2030
- iii. Financial sector can provide many types of products
- iv. Skilled labour and agricultural entrepreneurship
- v. Development Partners, Researchers and Civil Society Organisations, can influence policy without restrictions
- vi. Urbanisation creates demand for food and frees up land

2.1.5. Reactions and recommendations

- a. Undertake a survey to analyse existing policies in agriculture, to identify their relevance in creating employment, their implementation status and gaps.
- b. Disaggregate policies from the national level to the county levels for implementation.
- c. Undertake a Mid-Term Review in wage employment also evaluating how competitive Kenya is in producing raw materials for agro- processing
- d. Evaluate the competitiveness of agriculture as a sector in development
- e. Explore how public private partnerships (PPPs) can transform wage employment in agriculture.

- f. Explore the ease of doing business in Kenya and specifically, the positioning of agriculture.
- g. Address issues of low budget allocation to agriculture which is far below the Maputo Declaration by advocating for an additional budgetary allocation and adequate financing. On the other hand there is need for moral persuasion of the banking industries to increase funding in agriculture- to generate and improve wage employment
- h. Formulation of appropriate policy to diversity in crop production where current focus pay's attention to less marketed products such as maize which contribute less than 3% I.e. Maize which is a wrong target in a competitive market.
- i. Emphasize on practicing agriculture as a business by motivating all actors involved in agriculture to change mindset from subsistence to commercial agriculture by showing them where opportunities exist; and treat agriculture as an investment venture where there a concern in keeping books of records
- j. Identify the most appropriate enterprise in each cluster to promote cluster development- and promote different areas economically.
- k. Address the many tolls involved in doing business in agriculture where middlemen/brokers thrive on, probably through the chain management.
- l. Address Land policy to promote commercial agriculture

2.2. Policies, Legislation and Business environment for Employment Creation in Agriculture and Agro-Processing. *Issues Challenges and Prospects*

Presenter- *Mr. Kamau Kiringai, Programme Leader, Centre for Agricultural Networking and Information Sharing (CANIS); University of Nairobi.*

The presentation gave a concise background of the policy, legislation and business environment for employment creation by identifying the existing policies and actors that support agriculture. These included the Kenya Constitution (2010), Kenya Vision 2030, Second Medium Term Plan (MTP II), Agricultural Sector Development Strategy, Kenya CAADP Compact among others. The main sectors/actors in-charge of agricultural-based legislation were identified as agriculture, livestock, fisheries, finance, water, industrialization, environment, education, food safety, research, extension, trade, security, energy and ICT. It was thus acknowledged that the value chain approach is a key driver for agricultural legislation, and therefore the need to have an organizational framework that aligns actors.

2.2.1. Issues and challenges

It is noteworthy that there is still discord out of non-alignment of the national policies and strategies with the devolved realities. Moreover there is a discernible unwillingness by both levels of government to engage in dialogue to break the impasse despite structures for in

place for this dialogue. This is occasioned by the rapid transfer of functions without ascertaining adequate capacity strengthening of the devolved units to handle the added functions.

Areas of focus that require immediate attention are;

- a) A critical issue identified in agricultural legislation as a limitation, is the lack of policy alignment with devolution. The central and county government policies are not aligned, and the understanding of policies at the different levels of governance is not clear. It is also important to align the productive sectors and the political environment by involving actors that can think agri-innovatively beyond the political environment.
- b) There is low private investment made in agriculture since there is a notion that agriculture has to be funded by the government. There is need to change this mind-set since innovation only comes when an investment has been done, hence requiring ownership from other actors other than the government. It is thus important to identify the existing public-private partnership and their effectiveness and make it more practical.
- c) Employment creation in agriculture and agro-processing is hindered by the limited traditional training acquired from learning institutions, yet agriculture is continuously evolving. This necessitates examining the source of learning that anchors employment opportunities in agriculture and identify the areas for relearning and retraining to fit into the prevailing agricultural environment. Focusing on youth employment needs practical post- class mentorship for students through an internship based learning system in an agribusiness enterprise; and use of ICT in agricultural innovations.
- d) Systems of land tenure and land fragmentation work against innovative systems on productive agriculture. This necessitates the need to enhance laws of land aggregation to promote agricultural innovations, such as mechanization



2.2.2. Prospects

- a. University of Nairobi internship-based value chain learning in agricultural extension offering an opportunity to acquire practical skills and life-skills from farms.
- b. Integration of ICT for agriculture and development; and agri-entrepreneurship in learning.

- c. Design thinking and open data orientation to innovation. Creating entities that collect data accurately
- d. Market and investment-linked thinking in governments both at national and county levels.
- e. Create space for agricultural professionals and position them appropriately for effective access and delivery of technological knowledge. In this respect, policy analysis nodes such as the Regional Strategic Analysis and Knowledge Support Systems (ReSAKSS) and strengthening of local SAKSS node would be facilitative in providing analytical support to the relevant consumers of evidence including the Utafiti Sera forum.

2.2.3. Reactions

- Assess policies that promote agriculture and rural development, that fit into the current situation and become more practical in agriculture.
- Need for a baseline to bench-mark agricultural-based legislation.
- Strengthen coordination mechanism, identify and support priority value chains while setting realistic targets commensurate with resource endowment.
- Establish an effective monitoring and evaluation system to report feedback of the impact of the good policies in agriculture.
- Revolutionize how people view agriculture through a call for change in mindset. This could be facilitated through benchmarking with successful agri-entrepreneurs.

2.3. Tapping the Potentials in Agribusiness for Youth Employment Creation: *Issues Challenges and Proposals for Policy and Programme Implementation*

Presenter: *Dr. Joy Kiiru – Senior Lecturer School of Economics, UoN*

The presentation borrowed from a study “*Youth and Women Empowerment through Agriculture in Kenya*” funded by the Ford Foundation through the VSO. Study findings show that in 2005/06 youth unemployment was estimated at 70%, a significant workforce that has the potential to contribute to the economy; but most of it remains unutilized. The results of the study also show that failure to exploit the opportunities provided by the “youth bulge” not only shuts down a key economic window to national development, but predisposes society to political and social instability

2.3.1. Issues

The study reveals that in as much as Vision 2030 positions the agricultural sector as a key driver for delivering the 10 per cent annual economic growth rate envisaged under the economic pillar of Vision 2030, the full potential of youth and women has not been fully exploited, yet can be key drivers of change.

Furthermore, despite long hours of toil by women in rural areas, women do not get an equitable return on their work and effort as compared to men. On the other hand, youth in many rural areas are characterized by underemployment, idling, and often, alcohol abuse, but still agriculture has largely remained unattractive to young people.

2.3.2. Challenges

- a. There is weak school-to-work transition among the youth, where the school curricula have generally tended to alienate the youth from careers in agriculture. Thus, agriculture is considered to be an occupation of last resort.
- b. Due to low returns on time and input investments: The traditional staples which are slow to mature; Seasonality of incomes with production that is tied to rainfall and harvest cycles; imply long waiting periods to earn income. Thus, agriculture has remained unattractive to the youth
- c. There is insufficient innovations in the sector leading to reliance on traditional and arduous labour-based production techniques that are not preferred by youth.
- d. Youth are attracted to new innovations using ICT yet, ICT for agricultural production and market information remains underutilized to be visible enough to pull the youth.
- e. Youth have no land and little control over the available land, which makes it difficult for them to make reasonable agricultural investments.

2.3.3. Prospects

- a. Women, the youth and the underutilized land potential provide some of the supply side opportunities that can spur the growth of vibrant enterprises in small holder agricultural sector.

- b. There are emerging opportunities that can help accelerate the transformation of agricultural activities into viable businesses which include: rapid urbanization, a growing middle class in Kenya, increased access to international markets for fresh and production of high quality agricultural products which is an opportunity the youth can tap into.
- c. The decentralization process envisaged in the current constitution offers new investment resources in rural areas that can lead to development of new infrastructure, value chain services and emergence of new markets that can stem the tide of rural-urban migration which is often characterized by youth.
- d. Emergence of new agricultural technologies and intensification of some of the agricultural sub-sectors such as horticulture, aqua-culture, dairy and poultry farming requiring less land, more intensive labour and management skills are new opportunities in agriculture.

2.3.4. Policy Recommendations

- i. Rebranding as the new unexplored frontier for growth in business opportunities
- ii. Offer innovative financing packages which are attractive to the youth
- iii. Re-direct and train youth to specialize at different levels of the value chain instead of trying to carry out all activities in a value chain.
- iv. Investment in value addition through processing, branding, quality enhancement, shelf life improvements would lead to higher prices, new jobs and eventually increased aggregate incomes in the rural areas that would be attractive to the youth.
- v. Sufficient investment in irrigation and other water harvesting technologies to facilitate full time engagement of the youth and shorter waiting time for economic returns
- vi. Adopt a comprehensive approach where county governments make a deliberate effort to involve youth, women and the private sector
- vii. Integrate ICT and digitization of agricultural production and marketing information into web-based resources to promote wider outreach in extension, where youth could actively participate in the generation, posting, management and utilization of this information.

2.3.5. Reactions

The plenary engaged the participants in discussion that focused on a wide array of issues. It was generally agreed that capacity development for policy formulation is a major challenge. Efforts to reverse this status is therefore urgent.

- Consolidate studies on value chains in a repository and share with the counties.
- Learning Institutions should reconsider agriculture to be part of the curriculum from the foundations levels primary schools.

- Encourage experience learning among students where the host communities enjoy services offered during practicals to appreciate agriculture and have a positive mindset.
- Facilitate a forum where youth share views in agriculture and create a network.
- Disaggregate the different interventions where youth can take part
- Undertake a disaggregated policy gender gap analysis study
- Re-orient agriculture among youth- offering more practical solutions and moving the forum forward.
- Identify policy spaces for agri-entrepreneurship, document successes and failures and identify the opportunities to interest the youth in agribusiness.
- Explore opportunities to supply the raw materials to agro-industries, transport, agro-processing to make agriculture attractive

2.3.6. Experience Sharing on Youth Employment Creation

Discussant-*Mr. David Maasai: Head, Strategy and Business Development, Industrial Development Bank Capital.*

Based on the discussions around youth employment creation, it was evident that there are opportunities for youth in production, transport, processing and even other levels of the agricultural chain. Thus there is need to:-

- i. Identify the specific level of the agricultural chain where youth participate effectively.
- ii. Identify agricultural space for youth where they have ownership of enterprises
- iii. Provide policy advisory services that are pro-youth
- iv. Empower youth with productive assets
- v. Make land accessible for youth to use
- vi. Enhance mentoring and coaching, as well as experience sharing among the youth
- vii. Make youth enterprise funds available, giving them opportunity to invest in agribusiness enterprises of their interest.

2.4. Taking Research Evidence on Wage Employment Creation in Agriculture and Agro-Processing for Policy Engagement and Uptake in Kenya

Presenter - *Prof. Nyokabi Kamau, Director - Center for Parliamentary Studies and Training*

This session synthesized the challenges and issues in policy engagement from the plenary discussions, and provided proposals and guidance on how to engage policy makers in addressing pertinent policy issues in agriculture and agro-processing.

- It was pointed out that the political establishment is a conduit for development, and therefore the need to avail synthesized proposals that are ready for implementation. However, at the county level the conversation focuses on supply chains and value

addition and therefore policy advisory must include practical solutions that can be translated into laws.

- Land tenure challenges are specific to counties and solutions need to be tailored according to need. This calls for research on land tenure and access arrangements with a view to having useful engagement.
- Agricultural policies are complex, there is need for engagement with the policy makers to create universal understanding and buy in. It is therefore desirable to engage the relevant parliamentary committees in agriculture with well synthesized information for decision making.

2.5. The Role of County Governments in Local Employment Creation: Experience Sharing from Nyandarua and Kiambu Counties

2.5.1. Experience Sharing from Nyandarua County

Presenter: *Mrs. Agatha W. Thuo: County Executive Member for Agriculture*

Devolution and creation of devolved structures has created opportunities and allows for increased grass-root participation in policy discourse. It is therefore possible to set priorities including relevant value chain programming for rational resource allocation. This focus enables counties to concentrate resources to support value chains that generate the most income and provide opportunities for employment.

Successful cases include Irish potato and dairy value chains in Nyandarua County. Irish Potato

production earns the county about Ksh22 billion and another Ksh10 million through diversification into seed multiplication and distribution to other counties. New varieties with for processing with longer shelf life have been adopted. The enterprise has thrived well due to infrastructure development including roadside markets and establishment of diffuse light storage facilities. This has attracted more entrepreneurs for gainful participation and employment creation in the potato value chain.



Reflections from the counties: Employment Creation has to happen in the Counties where the people are. Nyandarua County Executive member for Agriculture Mrs. Agatha Thuo.

Similarly the Dairy value chain benefits from the impact of organized production and marketing structures (registered cooperative unions) which adding value through innovation and technology. The innovations include decentralized Artificial Insemination services, digital payment services, and rehabilitation of dips, ensiling machines, feed mills and milk vending machines. This creates employment opportunities at different points of the dairy value chain.

2.5.2. Experience Sharing Kiambu County

Presenter: *Ms. Josephine N. Kiritu, County Director, Monitoring and Evaluation, Kiambu County*

In addition to the dairy enterprise, Kiambu County has uniquely adapted to diminished land sizes by engaging in rabbit keeping, aquaculture, chicken and pig farming which is able to absorb youth. This kind of innovation which incorporates three-stair farming involving keeping of chicken, pigs, and fish all in one structure maximizes the use of limited land. Forums held at the county level has empowered youth to engage in value addition such as rabbit meat processing.

Reactions

- The county is proactive regardless of the challenges in limited land. The innovation in three stair farming can be adopted, best practices documented and replicated in other counties facing similar challenges.
- Identify and synthesize capacity needs for each county and provide feedback back to the counties

2.6. Research Evidence on Wage Employment in Agriculture and Agro-processing: Synthesis of existing studies from Kenya

Presenter: *Mr. Matthew Muma - Policy Analyst, KIPPRA*

This provided a synthesis of various studies undertaken on wage employment in agriculture and agro-processing. The recurring themes in Employment Creation in Agriculture and Agro-processing include:

- Economic growth and stability including mechanisms and linkages with other sectors; public resource allocation to agriculture
- Agricultural growth and productivity discussing issues around agricultural transformation, productivity, income, employment and poverty reduction
- Private sector role in agricultural development
- Regional, foreign markets, trade and consumer preferences
- Policy, legal and institutional frameworks
- Institutional arrangements and coordination

- Development and sustainable management of natural resources



Looking at policies from different perspectives: NESC Secretary Dr. Julius Muia and George Makateto of Ministry of Industrialization and Enterprise Development comparing notes during health break

Major Challenges identified in the various studies concluded that there is inadequate incentives to attract foreign and local investors including land tenure issues, property ownership laws, acquisition of business permits, poor transport, lack of post-harvest infrastructures, lack vocational skills for commercial agriculture, ease of doing business and security challenges.

The analysis therefore identifies major recommendations of the

various studies as: (i) Creating conducive environment for greater investment and wealth creation, developing structures and mechanisms for engaging the private sector in legal and regulatory reviews, identify the extent to which private sector participation occurs; (iii) Continuous review regional trade policies affecting agricultural trade and employment in the EAC region, COMESA and SADC as well as internationally; (iv) Review of policy, legal and institutional frameworks of policy and regulatory agencies in view of complex institutional reforms, multiple laws, regulations and potential overlap of mandates and laws national agencies, and levels of governments. Aligning laws, and regulations to investment in a liberalized environment and complete privatization process; and (v) Initiate a policy of educating the public regarding benefits that the country can tap by adopting biotechnology.

3. Discussions and Way Forward

The platform shall strive to create an environment for coherent policy discourse. This of necessity calls for rationalization of policies & strategies through adequate policy dialogue space for all stakeholders. This then becomes a precursor for a durable coalition for agrarian revolution through empowering small landholders capable of increasing agricultural productivity for structural transformation. Moreover support to agricultural transformation requires urgent policy alignment with devolution, adoption of value chain approach & ownership at the county level.

It is imperative to deepen understanding and adoption of the existing and promising priority cluster value chains, which together with integrated policies and strategies for agro-

processing value chains would hasten the transformation process and create a conducive environment for employment creation. In this regard, it is desirable to commission short-term studies on these and other specific wage employment policy relevant issues. A case in point is to interrogate the draft Agricultural Policy and identify the extent to which it contributes to pertinent employment creation issues.



Which way Utafiti Sera? Dr. Songporne Tongruksawattana, Program Officer at Development Economics Partnership for Economic Policy, and Dr. Flaubert Mbiekop, IDRC Kenya, Program Officer for Supporting Inclusive Growth (SIG), seem to ponder

This initially calls for among other initiatives:

- i. Taking stock of policies and programmes, and identify those that work
- ii. Use appropriate media to catalyze discussions and facilitate a mindset change among young graduates, to view agriculture as a business opportunity. Moreover, there is need for extension modeling and integration of youth, guided by successful initiatives that

youth can emulate

- iii. Explore and document success stories in agricultural public private partnerships and their implications to employment creation.
- iv. Develop policy briefs on youth employment in agriculture and share them during breakfast meetings. Similarly engage intensively with the relevant stakeholders such as media, clergy, government and CSOs to ensure communication for broad based awareness creation.
- v. Undertake studies to synthesize value chains, identifying demographics of different participants to tease out how best to integrate youth in agriculture value chains.
- vi. Document case studies on counties to share success stories and best practices and identify best strategies for successful interactions with county governments.
- vii. Explore how cross border trade has influenced investment in agriculture
- viii. Harmonize variations in taxes at the county and national government and how these affect productivity and employment creation.
- ix. Interrogate with a view to simplifying agribusiness regulations to interest more entrants.
- x. Support generation of good data to load in agri-statistic in the counties, which shall be shared with National Bureau of Statistics, and use these statistics to link different initiatives.

Facilitate establishment of relevant working groups to dissect pertinent policy concerns. In this regard, it was recommended that a multidisciplinary team be constituted to synthesize the deliberations of the workshop discussion and come up with clear points of actions.

Initial guide to the immediate action point is given in the following activity timeline.

Issue in Employment Creation	Follow-up Policy Action					
	Workshops meetings		Policy Briefs	Documentaries		Studies
	Forums	Breakfast		Video	Newspaper	
Elaboration of Utafiti Sera						
Youth employment						
Agriculture PPP successes						
Value chains synthesis						
Agri-Taxation						
Regulations and impact						
Explore cross-border trade						
County case studies						
County Agri- Statistics						
Catalyze mindset change						

As an immediate plan for the way forward, further elaboration of the Utafiti Sera model is necessary. Consequently, two additional forums on specific policy agenda related to wage employment creation will be hosted to deepen understanding of the role of the platform in developing and sustaining the community as a platform for policy dialogue and to deepen buy-in. Similarly two breakfast meetings with relevant parliamentary select committees and key policy-makers, will be held to create the necessary awareness for these important institutions.

Subsequently, policy briefs and info-graphics will be developed to inform policy actors and legislators to facilitate deepened understanding that would catalyze uptake. In addition, relevant media articles will be produced in furtherance of this course.

4. Annexes

Annex 1: Forum Agenda	
8.30-9.00	Registration
9.00-9.10	Opening Remarks Prof. Omotade Akin Aina, Executive Director, PASGR
9.10-9.30	Introducing <i>Utafiti Sera</i> (Research Community) - The Framework and Objectives Dr. Nicholas Awortwi, Research Director, PASGR
Moderator: Kenneth Ayuko, Lead Expert, AgRisk Research and Advisory Presentations and Discussions on Employment Creation in Agriculture and Agro-Processing	
9.30-10.30	Beyond Enabling Environment: The Role of the State in Agricultural Transformation for Wage Employment. Issues, Challenges and Prospects for Policy Presenter: Dr. Julius M. Muia, Secretary, National Economic and Social Council, (NESC) Office of the President Discussant: Dr. Paul Kamau, Research Fellow, Institute of Development Studies, University of Nairobi Plenary:
10.30-10.50	<i>Health Break</i>
10.50-11.30	Policies, Legislation and Business environment for Employment Creation in Agriculture and Agro-Processing. Issues Challenges and Prospects Presenter: Mr Kamau Kiringai, Programme Lead, Centre for Agricultural Networking and Information Sharing (CANIS), University of Nairobi Discussant: Dr. Ephraim Mukisira, MBS, OGW, Country Representative, ILRI Plenary:
11.30-12.20	The Role of County Governments in Local Employment Creation: Experience Sharing from Nyandarua County Presenter: Mrs Agatha Thuo, County Executive Member for Agriculture Experience Sharing from Kiambu County Presenter: Ms. Josephine N. Kiritu, County Director, Monitoring and Evaluation Plenary
12.20-13.00	Tapping Potentials in Agribusiness for Youth Employment Creation: Issues Challenges and Proposals for Policy and Programme Implementation Presenter: Dr. Joy Kiiru, Lecturer, School of Economics, University of Nairobi Discussant: Mr. David Masai, Head, Strategy and Business Development IDB Capital Plenary
13.00-14.00	Lunch Break
14.00-14.45	Research Evidence on Wage Employment in Agriculture and Agro-processing: Synthesis of Existing Studies from Kenya Presenter: Mathew Muma, Policy Analyst, KIPPRA
14.45-15.45	Taking Research Evidence on Wage Employment Creation in Agriculture and Agro-Processing for Policy Engagement and Uptake in Kenya Discussant: Prof Nyokabi Kamau, Director for Parliamentary Studies and Training Plenary Session: Chair, Nicholas Awortwi, Research Director, PASGR
14.45-16.00	Way Forward and Other Utafiti Activities for 2016
16.00-16.15	Closing Remarks: Dr. Beatrice Muganda, Director Higher Education, PASGR

16.15	Tea/Coffee and Nibble Discussions
-------	--

Annex 2: List of Participants			
#	Name	Designation	Institution
1.	Dr. Julius M. Muia	CEO/Secretary	National Economic and Social Council (NESC)
2.	Dr. Ephraim A. Mukisira	Country Representative	International Livestock Research Institute (ILRI)
3.	Mr. David Masai	Head: Strategy and Business Development	IDB Capital
4.	Dr. Flaubert Mbiekorp	Program Officer, Supporting Inclusive Growth	IDRC Kenya
5.	Dr. Joy Kiiru	Senior Lecturer	School of Economics, University of Nairobi
6.	Ms. Leah Aywah	Senior Principal State Counsel	Office of the Attorney General and Department of Justice
7.	Dr. Joseph Karugia	Regional Coordinator	Regional Strategic Analysis and Knowledge Support Systems (ReSAKSS-ECA)
8.	Mrs. Agatha Thuo	CEC Agriculture	Nyandarua County
9.	Mr. Anthony Kioko	Chief Executive Officer	Cereal Growers Association
10.	Ms. Elsie Kangai	Program Manager	Centre for African Bio-Entrepreneurship (CABE)
11.	Dr. Mathew Muma	Policy Analyst	Kenya Institute of Public Policy Research and Analysis (KIPPRA)
12.	Mr. Joseph Opiyo	Research Associate	Tegemeo Institute of Agriculture Policy and Development
13.	Prof. Nyokabi Kamau	Director	Center for Parliamentary Studies and Training
14.	Dr. Obadia Maroro	Assistant Knowledge Manager	African Economic Research Consortium (AERC)
15.	Ms. Elizabeth Kimulu	Director, Social Sector	National Economic and Social Council (NESC)
16.	Mr. Geoffrey Nyamota	Head of Market Engagement	Farm Africa, Kenya Country Office
17.	Mr. Steve W. Gitao	Government Relations Director	One Acre Fund
18.	Mrs. Anna M. Mutinda	Principal Agricultural Officer	Ministry of Agriculture, Livestock and Fisheries
19.	Dr. John Mburu	Chairman	Department of Agricultural Economics, University of Nairobi
20.	Mrs. Audrey M. Makaka	Project Officer	Rural Outreach Africa/AJFAND

21.	Dr. Paul Kamau	Research Fellow	Institute of Development Studies (IDS), University of Nairobi
22.	Ms. Mary Mwangi	Director	Jeddiah Naturals
23.	Mr. Kamau Kiringai	Program Lead	Centre for Agricultural Networking and Information Sharing (CANIS),
24.	Dr. Songporne Tongruksawattana	Program Officer	Development Economics Partnership for Economic Policy
25.	Ms. Angela Wauye	Livelihoods Consultant	SEATINI, Kenya
26.	Dr. Andrew Dibo	Technical Assistance Consultant	Agricultural Sector Development Support Program (ASDSP)
27.	Mrs Josphine N. Kiritu	County Director, M&E	Kiambu County
28.	Mr. Nicholas Thairu	Assistant Director	NEPAD, Kenya Secretariat
29.	Mr. George Makateto	Deputy Director	National Productivity and Competitiveness
30.	Ms. Davilyne Busuru	Policy Analyst	Kenya Private Sector Alliance (KEPSA)
31.	Ms. Lucy Adoyo	Research Associate	Centre for African Bio-Entrepreneurship (CABE)
32.	Kenneth Ayuko	Lead Expert	AgRisk Research and Advisory
PASGR SECRETARIAT			
33.	Prof. Omotade Akin Aina	Executive Director	
34.	Dr. Nicholas Awortwi	Director of Research	
35.	Dr. Beatrice Muganda	Director of Higher Education	
36.	Ms. Wanja Njoga	Communication Officer	
37.	Ms. Pamellah Lidaywa	Program Assistant	
38.	Ms. Olive Aseno	Intern	