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I. Introduction

Distinguished Participants, Ladies and Gentlemen, I am pleased and indeed humbled, for the opportunity to participate and address the Knowledge Platform Workshop on *Knowledge activities for Inclusive Development in Africa*. I have learnt that Knowledge Platform was established by the Dutch Ministry of Foreign Affairs in June 2012 to bring together researchers and experts, private sector players, Government, Civil Society organizations from Europe, Africa and international organizations to develop strategies for realizing *more inclusive development* and sustainable long-term economic growth in Africa. It is acknowledged that Knowledge Platform has adopted the strategy of pooling of expertise from the North and South to enhance achievement of its goals. It is further recognized that the Platform has already identified three thematic areas of research, namely: (1) Promoting productive and sustainable employment; (2) identifying and supporting strategic actors for inclusive development; and (3) Social protection. These thematic areas are within the purview of the mandate of the Ministry of Labour, Social Security and Services in Kenya. The Ministry is therefore is a strategic actor for inclusive development in Kenya.

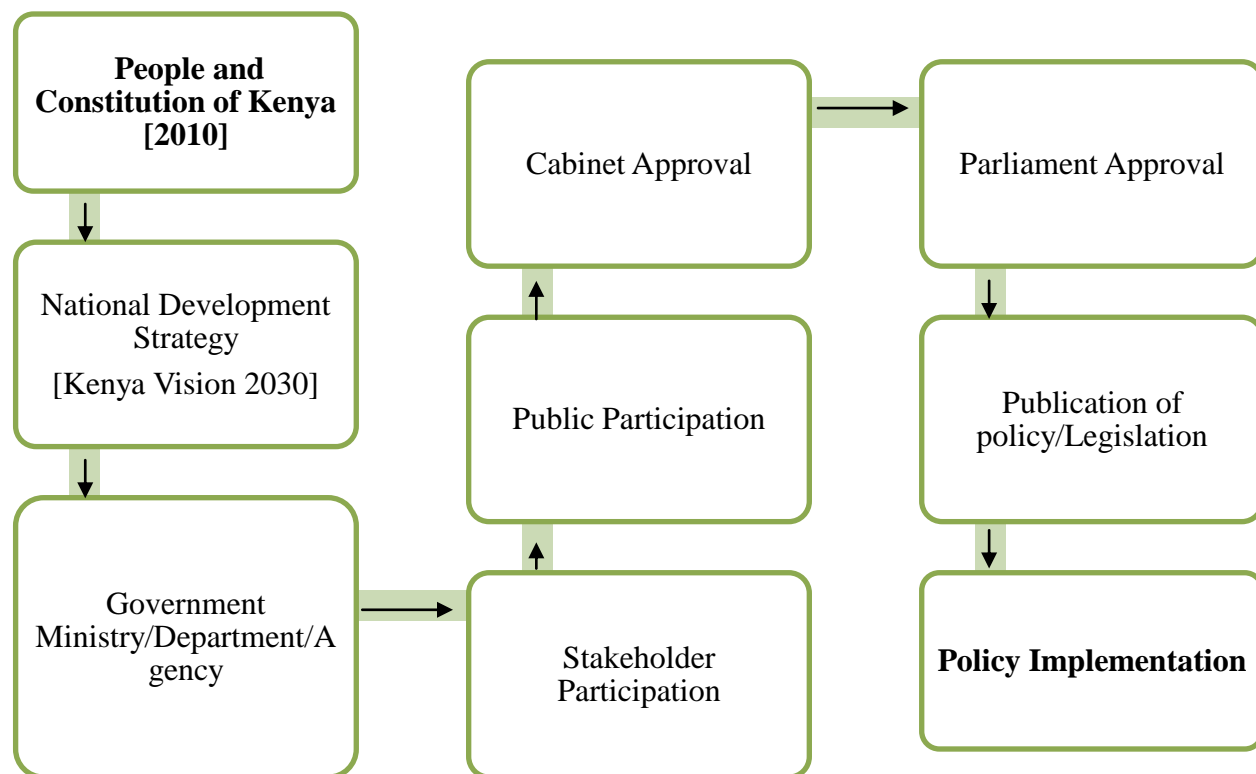
2. Overview of policy making process in Kenya

Policy making process in Kenya is explicitly **anchored** in the Constitution (2010). Article 19 (1) under Chapter 4 on Bill of Rights provides that *“The Bill of Rights is an integral part of Kenya’s democratic State and is the framework for social, economic and cultural policies”*.

Policies are initiated by Government Agencies responsible for specific “policy areas” and developed in a participatory manner involving stakeholders (State and non-state actors). Specific policies to be developed are usually identified and outlined in the country’s 5-year Medium Term Plans (MTPs) of Kenya’s long-term development strategy (The Kenya Vision 2030).

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Figure 1: Policy Making Process in Kenya



The Ministry of Labour, Social Security and Services in Kenya is responsible for development and implementation of policies on: Labour and industrial relations, occupational safety and health, employment promotion, human resource development and utilization, productivity management, social development and children services. The Ministry’s Strategic Plan (2013-2017) recognizes roles of various stakeholders in achievement of its mandate. The Plan among others identifies the critical role played by academic and research institutions as major stakeholders in conducting research, publishing and dissemination of research findings on the Ministry’s service delivery areas.

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3. Policy makers’ perspectives on the demand for Knowledge

(i) Employment Creation Analysis

(a) Employment numbers and sectors involved:

Sustainable employment creation has been a major concern for Kenya and other African countries. In 2013, the country’s formal sector employment accounted for 2.3 million jobs representing 16.8 percent of total recorded employment while the informal sector accounts for 11.2 million jobs or 82.6 percent of total recorded employment.

However, the quality of jobs in the informal sector is poor. The problem is compounded by lack of easily accessible financial capital for business expansion, low skills and productivity of enterprises which hinders meaningful transformation for growth.

What is causing stagnation of formal sector employment? What is causing increased informal activities sector over time? Is it good for the country economically, why? What can be done to improve the situation? Answers to these pertinent questions need be supported by empirical evidence.

(b) Is transformation of informal sector into formal sector an option?

Transforming the large informal sector into formal sector is more likely to yield positive multiplier effects on the economy. This include, increase in number of tax compliant entities, broad tax base, increased tax revenue, increased number domestic funded development projects, increased employment and so forth.

How can such transformation be achieved? Which informal sector industries can be targeted? What can be the size of gains?

(c) Value-addition agriculture

Value-addition agriculture, large scale mechanized farming and adoption of scientific farming practices and labour-intensive programmes are likely to generate sustainable job creation particularly in rural areas.

How can these interventions be realized?

(d) Country-business environment:

Formal sector jobs creation has stagnated. Enterprises also face various challenges including high cost of energy; claims of high cost of doing business; competition from cheaper imported substitutes. Increased outsourcing tendencies by some lager enterprises, use of contracted labour,

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and casual labour pose risks on decent work norms. These features of employment have adverse implications on remuneration, stability and growth of employment, and productivity.

Using empirical evidence, how does Kenya’s business environment compare with that of neighbours? What can be done to improve?

(e) Timely evaluation of policy impacts on employment and unemployment

In Kenya, rising unemployment has a long history. It dates to the implementation of Structural Adjustment policies which resulted in massive job losses particularly in 1980s and 1990s due to increased liberalization of the economy.

Can policy impact be quantified and measured? What are the results? What can we learn?

(f) Data

Lack of up-to-date data on the nature and extent of unemployment compounds the problem of designing appropriate interventions in Kenya, and many African countries. Manpower surveys provide useful information on skills available and in demand. This helps in addressing issues of skills demand and supply mismatch, training requirements and exact interventions required. Lack of funds to carry out such surveys has resulted to data unavailability and uncoordinated implementation of training programmes. Kenya and African countries should focus in regular data collection for timely policy interventions. How best can this be achieved now and in the future?

(g) Use of ICT

The Ministry is in the process of establishing an interactive Labour Market Information System as a cost effective approach in facilitating human resource planning and development. Design and implementation of an ICT platform that enables employers to report available vacancies and job matching and linking mechanisms can help in addressing the existing information gap between job seekers and available opportunities. In Kenya, this is currently being addressed through establishment of employment promotion Centres across the country.

How can this effort be enhanced to achieve desired outcomes?

(h) Effects of current employment promotion interventions

Research on employment creation strategies implemented should aim to shed light on effects of specific policies/interventions on employment, in the short run (2-3 years), medium term (3-5 years) and in the long-run (over 5 years). Cost benefit analysis as well as forecasting of observed

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trends in employment and other labour market outcomes can help governments to identify priorities for funding.

(i) Impacts of Social protection intervention programmes

Kenya is currently implementing various social protection programmes: Cash Transfer to: Vulnerable Children (since 2004); Old Persons (since 2010); People with Severe Disabilities (since 2010). There are currently 253,000 beneficiaries under Cash Transfer to Vulnerable Children, 164,000 older person (65 years and above) beneficiaries and 27,200 persons with severe disabilities receiving financial support. Implementation of these interventions is guided by the *Kenya National Social Protection Policy* (2011).

Has implementation of Kenya’s social protection programmes achieved positive results? Statistics published by World Bank indicate that average life expectance for Kenya has been increased from 57 percent in 2009 to 59 percent in 2012 for male and from 60 percent to 63 percent for female during the same periods. Therefore there is possibility that there will be more older people requiring social protection interventions in future.

Design and implementation of an observational research study is needed to shed more light on the effects of cash transfer programmes on various outcomes.

4. Conclusion

In a nutshell, the Knowledge Platform on *Knowledge activities for Inclusive Development in Africa* is a commendable and innovative idea which should be supported to realize inclusive development goal.