

EMPLOYMENT POLICY AS A CRITICAL ASPECT OF SOCIAL POLICY: THE  
CASE OF KENYA

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## 1.0 Introduction

A number of attempts have been made by the government of Kenya to address the employment policy issue. In 1965 sessional paper on African Socialism and its application to planning in Kenya focused on ignorance, poverty and diseases as the main challenges that needed attention.

The assumption was that increasing employment and income generating opportunities would reduce poverty. The same thinking was reflected in subsequent employment policy documents such as 1972 sessional paper on employment income and inequality: The 1985 sessional paper unemployment and the 1991 report of the presidential committee on employment.

Sessional paper no. 1 of 1986 on renewed growth and the current ERS for Wealth and Employment Creation.

Vision 2030 under the theme a global competitive and prosperous nation with high quality of life is anchored on three pillars namely:

- Economic aspirations
  - Sustained economic growth of 10 per cent per annum
- Social Aspirations
  - A just and cohesive society enjoying cognizable social development in a clean and secure environment.
- Political aspirations
  - Issue based people-centred results oriented and accountable democratic political system.

The assumption in the vision is that sustaining economic growth of 10 % will propel Kenya into a medium developed and with a per capita income of over US\$740.

## 2.0 Social Policy and Employment Policy

Kenya does not have an employment policy by now but a draft has been completed by the ministry of labour and human resource development.

However, in the ERS paper it is stated that the broad objectives of the social sector is to reduce poverty and narrow inequality through employment, empowerment and improving

access affordability and quality of social services. The ERS recognizes that employment creation is critical to poverty alleviation and narrowing of inequality in Kenya.

The Economic Recovery strategy notes that labour force is a major contributor to output growth in all societies yet in Kenya there is a massive underutilization of these productive assets. There are about two million unemployed persons, mostly young and with no skills and this has direct impact in poverty levels and social problems such as crime and insecurity.

### **3.0 Challenges to Employment Creation**

The NARC government promised Kenyans the creation of 500,000 jobs annually. However, it was later explained that the government was to create an enabling environment for these jobs to be realized. These are several factors that hinder rapid investment to ensure that these jobs are realized.

- a) Insecurity
- b) Poor infrastructure
- c) Corruption
- d) Energy Costs
- e) Skills development and mismatch between the skills required by the industry and skills available in the labour market
- f) Globalization

### **4.0 Main Streaming Employment Creation in Social and Economic Policy**

For a long time, employment has remained critical to social policy. At the world summit for social dimensions in 1995, employment was recognized as fundamental to the fight against poverty and social exclusion. The African Union head of state and governments at the extraordinary summit on employment creation and poverty alleviation in 2004 unanimously agreed to centre stage employment creation in growth and sustainable policies and programmes at the onset of their formation. Employment policy is therefore a critical component of social policy because of the four main underlying principles of employment policy.

- The first principle is the promotion of decent work
- Equality in employment opportunity
- The principle of participation recognizes the need to synergise the efforts of all stakeholders in the labour market. The stakeholders including development partners

are therefore involved in policy formulation, implementation, monitoring and evaluation of the strategies. It also recognizes social dialogue among social partners in policy formation.

- The last principle of sustainability where labour market information is used to monitor, evaluate performance and implementation of employment policies and programmes to facilitate appropriate interventions.

#### 4.1 Decent Work

The principle of decent work involves opportunities for work that is productive and delivers a fair income, security in the work place and social protection for families, better prospects for personal development and social integration freedom for people to express their concerns organize and participate in the decision that affect their lives and equality of opportunities and treatment for all women and men.

The employment policy should therefore seek to create jobs within the contest of decent work. Evidently there is deficiency of decent work in the informal sector and export processing zones a situation that should be addressed by our employment policy.

#### 4.2 Wage System

Arising out of decent work good employment policy should address equitable distribution and fair wage rates. The minimum wages setting for the low income earners should be to deliver a fair income. A level of income that guarantee basic needs for workers and their families. In Kenya for example, the unions demand a minimum wage of Kshs. 22465 above which the social partners would negotiate wage levels.

Employment policy should promote productivity especially labour productivity through skills development and productivity campaign.

Lastly on income and wages policy which should be part of employment policy should ensure equitable distribution of income. The integrated labour survey conducted in 1998 / 1999 by the central bureau of statistic (CBS) revealed that the bottom 20% of Kenyans receive 2.5% of the total income with the top 20% receive more than 50%.

There was also a remarkable difference in incomes between genders. The incomes of women are not only low but also their activities are not reflected in the national statistics.

There is therefore an urgent need for promotion of gender equality. The government has stated that 30% of the employees must be women.

#### **4.3 Labour Productivity**

Labour productivity improvement is a sure way of enhancing employment and incomes. The government and social partners should organize productivity campaign as part of employment creation but ensure that the benefits from increased productivity are fairly shared between capital labours. Bonus schemes and worker ownership could lead to change in mind set of investor and workers.

#### **4.4 Micro and Small Enterprise**

Over 70% of jobs created in Kenya are in the informal sector. Decent work principal is lacking in the sector and there is a need to formalise the sector to improve the working environment and conditions. The ministry of labour should enforce occupational health and safety in the sector.

#### **4.5 Industrial Relations**

The promotion of the fundamental principles and rights at work and the application of the core labour standards are key in promotion of decent work. The enactment of the proposed labour bills should also boost decent work.

Social dialogue in all industrial; relations matters should be promoted and the ministry of labour role in inspections and enforcement of labour laws should be strengthened in the employment policy.

#### **4.6 Social Security**

An employment policy should include a social protection scheme for the poor. The policy should make provision for adequate social security schemes which should include health insurance and income. Specific proactive measures must be implemented to deal with the HIV/AIDS pandemic malaria and tuberculosis.

#### **4.7 Conclusion**

Employment policy must be a critical aspect of social policy as it is the only sure way of addressing poverty and social exclusion. Although we have challenges from the globalized world and economic reforms safety nets should be enshrined in the employment policy to ensure decent work equitable distribution of productive resource and social inclusion. This will propel the Kenya economy towards the attainment of vision 2030.