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REPUBLIC OF KENYA



NATIONAL ASSEMBLY

ELEVENTH PARLIAMENT- THIRD SESSION

THE DEPARTMENTAL COMMITTEE ON LABOUR AND SOCIAL WELFARE

REPORT ON

SESSIONAL PAPER NO. 4 OF 2013 ON THE NATIONAL EMPLOYMENT POLICY AND
STRATEGY FOR KENYA

*Paper laid
by the chair,
Labour and
social welfare
committee,
Hon. David Mwir
on Tuesday
7/7/2015
L.S.*

CLERK'S CHAMBERS
PARLIAMENT BUILDINGS
NAIROBI.

JULY, 2015

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1.0 Preface

On behalf of the Departmental Committee on Labour and Social Welfare, it is my pleasure and duty to present the Committee's report on the Sessional Paper No. 4 of 2013 on The National Employment Policy and Strategy for Kenya.

The Sessional paper seeks to promote full employment as a priority in national, economic and social and to enable the economically active population to attain and secure sustainable livelihood through full, productive and freely chosen employment.

1.1 Mandate of the Committee

As set out in standing order 216 (5), the Committee is mandated to:

- *Investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments.*
- *Study the programme and policy objectives of ministries and departments and the effectiveness of the implementation.*
- *Study and review all legislation referred to it.*
- *Investigate and inquire into all matters relating to the assigned ministries and departments as they may deem necessary and as may be referred to them by the House.*
- *Vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on Appointments); and*
- *Make reports and recommendations to the House as often as possible, including recommendation of proposed legislation.*

1.2 The Committee Membership

The Departmental Committee on Labour and Social Welfare was constituted on Thursday 16th May 2013 and comprises the following members:

1. Hon. David Were, MP - Chairperson
2. Hon. Tiyah Galgalo, MP - Vice Chairperson
3. Hon. Janet Teyiaa, MP
4. Hon. Peris Tobiko, MP
5. Hon. John Ndirangu Kariuki, MP
6. Hon. Winnie Karimi Njuguna, MP

7. Hon. Janet Nangabo, MP
8. Hon. John Serut, MP
9. Hon. Samuel Gichigi, MP
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23. Hon. Silvanice Onyango Osele, MP
24. Hon. Mustafa Idd, MP
25. Hon. Nyasuna Gladys Wanga, MP
26. Hon. John Owuor Onyango Kobado, MP
27. Hon. Mwanyoha Hassan Mohammed, MP
28. Hon. Mlolwa Jones Mwagogo, MP
29. Hon. Ferdinand Waititu, MP

1.3 Committee Sitings

The Committee held two sittings on 26th and 27th June, 2015 in which the Principal Secretary Ministry of Labour, Social Security and Services and the relevant officials were invited by the Committee in considering the Sessional Paper after being laid in the House on 3rd Dec 2013.

1.4 Adoption of the Report.

The following Members of the Departmental Committee on Labour and Social Welfare, pursuant to Standing Order 199 adopted this report and affixed their signatures to affirm their approval and confirm its accuracy, validity and authenticity on 2nd July, 2015 without any amendments.

- 1) Hon. David Were, MP - Chairperson

- 2) Hon. Tiyah Galgalo, MP - Vice Chairperson
- 3) Hon. Peris Tobiko, MP
- 4) Hon. Winnie Karimi Njuguna, MP
- 5) Hon. John Serut, MP
- 6) Hon. Elijah Lagat, MP
- 7) Hon. Abdi Noor Ali, MP
- 8) Hon. Daniel Wanyama, MP
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- 13) Hon. Omondi John Ogutu, MP
- 14) Hon. Patrick Wangamati, MP
- 15) Hon. John Owuor Onyango Kobado, MP
- 16) Hon. Mwanyoha Hassan Mohammed, MP
- 17) Hon. Mlolwa Jones Mwangogo, MP

1.5 Acknowledgements.

1. The Committee wishes to sincerely thank the Offices of the Speaker and the Clerk of the National Assembly for the necessary support extended to it in the execution of its mandate.
2. The Chairperson of the Committee takes this opportunity to thank all Members for their useful contribution in the production of this report which enabled the Committee to complete the task within the stipulated period.

3. The Committee wishes to record its appreciation for services rendered by the staff of the National Assembly attached to the Committee, their efforts and input made the work of the Committee and compilation of this Report possible.
4. On behalf of the Departmental Committee on Labour and Social Welfare it is my pleasure and duty to present the Committee's observations and recommendations on the Sessional Paper No. 4 of 2013 on the National Employment Policy and Strategy for Kenya.

1.6 Committee Observations and Recommendations

1.6.1 Committee Observations

Having interrogated the principal secretary Ministry of Labour, Social Security and Services and the relevant Heads of Departments while scrutinizing the policy paper, the Committee made the following observations;

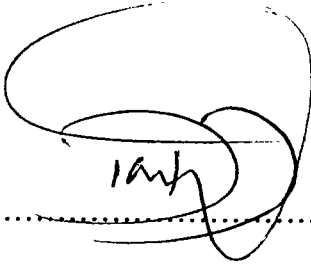
- 1) A strong, dynamic and responsive labour and employment sector is critical in catalyzing and driving the transformation required for the attainment of the Kenya Vision 2030.
- 2) The Constitution advocates for decent work in accordance with the human rights conventions however, high unemployment rate currently estimated at 12.7 per cent which is a major challenge.
- 3) Employment creation interventions in the Country have to be comprehensive, coordinated and robust enough to significantly contribute to employment creation.
- 4) There is need for an integrated policy framework based on focused strategies and strong institutional and legal foundation which should be a mandate of an established Authority to deal with Employment issues.
- 5) The Ministry proposes for the establishment of the National Employment Authority to be a leading agency in coordinating and actualizing the policy.
- 6) The policy to place more emphasis on minimizing the employment of foreigners particularly in sectors where skills are readily available locally.

1.6.2 Committee Recommendations

The Committee recommends that;

1. The House adopts the Sessional paper No.4 of 2013 on the National Employment Policy and Strategy for Kenya.
2. The Ministry of Labour, Social Security and Services should;
 - a) develop a policy implementation plan specifying Sectoral and annual employment creation targets, responsible institutions, reporting mechanisms and timelines.
 - b) develop a National Time Bound Action Plan for Implementation of the Employment Policy and cascade the policy to the County Levels
 - c) Place more emphasis on minimizing the employment of foreigners particularly in sectors where skills are readily available locally.

SIGNED.....



DATE.....

02-07-2015

Hon. David Were,MP(Chairperson)

Departmental Committee on Labour and Social Welfare.

2.0 CONSIDERATION OF SESSIONAL PAPER NO. 4 OF 2013 ON THE NATIONAL EMPLOYMENT POLICY AND STRATEGY FOR KENYA.

The Principal Secretary Ministry of Labour, Social Security and Services Mr. Ali Noor Ismail appeared before the Committee on 26th and 27th June, 2015 and briefed the Committee on the aforesaid sessional paper as follows;

2.1 Background

1. Aspirations of Kenya Vision 2030 is dependent on ability of the country to create/nurture a competitive and adaptive human resource base. All the 3 pillars of Kenya Vision 2030 are anchored on existence of skilful, productive, competitive and adaptive human resource base. Creation of productive employment opportunities is central to achieving Vision 2030 goals
2. The Kenya Constitution 2010; ILO Convention 122; Goal No. 1 Target 1B of the Millennium Development Goals; ILO Global Jobs Pact of 2009; and EAC Common Market Protocol all advocate for creation of full, productive and sustainable employment opportunities.
3. Kenya has had many employment creation interventions. Despite this, unemployment, underemployment and working poor remain a challenge. Kenya's employment challenge is manifested in terms of: 12.7% open unemployment rate, 21% underemployment, 46% working poor 750,000 New entrants in labour market
4. Rapidly growing youth population estimated at 67% of the adult population. Together with rapid population growth and slow rates of job creation have exerted a lot of pressure on labour market thus there is need for urgent intervention to address the pressure.

3.0 ANALYSIS OF THE NATIONAL EMPLOYMENT POLICY AND STRATEGY FOR KENYA

3.1 Formulation of the policy

The Policy was formulated through;

- a) Technical Support provided by ILO.
- b) Consultations involving stakeholders.
- c) National Steering Committee (NSC)– Comprising of Permanent Secretaries

- d) Technical Working Group (TWG) – comprising of technical officers – (Drafting Team)
- e) Consultant that Backstoped the team

3.2 The goal of the policy

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 full, productive and freely chosen employment.

3.3 Objectives of the Employment Policy

This Employment Policy seeks to:

- a) Propose comprehensive strategies to counter unemployment
- b) Promote full, productive and decent work that will to enable those willing to work secure jobs
- c) creation of decent employment opportunities
- d) Build a pool of skilled, adaptive, self-reliant and enterprising labour force
- e) Improve labour market efficiency
- f) Strengthen the labour administration system and social dialogue
- g) Promote public-private partnership in employment creation

3.4 Emerging Issues and Challenges.

- a) low and Un-sustained economic growth
- b) Limited growth and development of the micro and small enterprises
- c) Unexploited potential of the Social and Solidarity Economy
- d) Low levels of productivity and competitiveness, and Technological gap
- e) Weak linkage between education and training institutions, and industry
- f) Non-integrated industrial training and attachment system
- g) Lack of up-to-date labour market information
- h) Weak framework for provision of public and private employment services

- i) Rapid population growth
- j) Uncoordinated administration of labour migration
- k) Gender inequality; Weak framework for elimination of child labour; and Trafficking in Persons
- l) Occupational Safety and Health in Workplaces
- m) Absence of a Comprehensive Wages Policy
- n) Weak labour administration system
- o) Absence of a national values system
- p) Problems of policy coordination and integration of employment creation in macroeconomic policies

3.5 Proposed Interventions

- a) Accelerate and sustain high rates of economic growth
- b) Re-energize sectoral growth
- c) Enhance growth and development of the micro and small enterprises
- d) Exploit the potential of the Social and Solidarity Economy
- e) Promote productivity and competitiveness
- f) Improve linkage between education, training and research institutions, and industry
- g) Develop and implement an integrated industrial training and attachment system
- h) Establish and maintain a labour market information system
- i) Strengthen the framework for employment services
- j) Develop and promote youth targeted employment programmes
- k) Streamline Foreign Employment Administration
- l) Enhance population control measures
- m) Mainstream and promote gender equity

- n) Strengthen framework for elimination of child labour, and trafficking in persons
- o) Implement integrated approach to dealing with Occupational Safety and Health
- p) Develop and implement a Wages Policy
- q) Strengthen Labour Administration
- r) Establish and implement a comprehensive social protection system
- s) Nurture and promote a national values system
- t) Scale up Best Practice from Past Employment Creation Interventions
- u) Establish a National Employment Authority that should deal with matters of actualizing the policy.

3.6 Policy Issues.

(1) Slow and Un-sustained Economic Growth

Policy Issues	Strategies
<ul style="list-style-type: none"> • Kenya's employment policy landscape is hinged on economic growth-led employment • Kenya has not been able to achieve high and sustained economic growth rate • GDP growth-led employment requires growth rate of at least 7% sustained over a long period of time • Kenya's employment elasticity low at 0.4 compared to a benchmark of 0.7 	<ul style="list-style-type: none"> Promote productivity and economic growth and increase employment elasticity to 0.7 per cent. Enhance job content of economic growth Re-energize sectoral growth

(2) Limited Growth and Development of Micro and Small Enterprise (MSEs)

Policy Issue	Strategies
<ul style="list-style-type: none"> MSEs key component of employment Contributes 81% of jobs But jobs created are precarious <p>MSEs suffers from:</p> <ul style="list-style-type: none"> Limited vertical growth High mortality rates Low productivity Inhibitive legal framework Limited linkages with Medium & Large enterprises Lack of strong institutional and legal framework 	<ul style="list-style-type: none"> Implement Sessional Paper No. 2 of 2005 Establish MSE Fund Remove Regulations that impede MSE growth Consolidate MSE functions under one body Develop and implement industrial incubation policy Integrate entrepreneurship training and M&E in all MSE interven Promote linkages between MSE, medium and large enterprises

(3) Low Levels of Productivity and Competitiveness

Policy Issue	Strategies
<p>Productivity is a key enabler of competitiveness and employment</p> <p>Kenya's productivity level is low:</p>	<ul style="list-style-type: none"> Promote Science, Technology and Innovation Strengthen intellectual property rights and patenting Promote commercialization of innovations Increase budgetary provisions for R&D Promote co-financing of R&D activities by both public and private sector Strengthen capacities of national and private research institutions Encourage research institutions to partner with industry to promote demand-driven technological development

(4) Weak Linkage Between Education and Training Institutions, and Industry

Policy Concern	Strategies
Poor coordination between government, education and training service providers and industry is important for skills development	<p>Formulate and implement Integrated Human Resource Development Strategy</p> <p>Design and implement dual Technical, Industrial, Vocational Education and Training system that integrates</p> <p>Establish institutionalized and integrated research capacity to support dual TIVET system with checks and balances</p> <p>Promote PPP in training and skills development</p>
Weak linkages and collaboration between supply/Demand/Regulators/Research	<p>Expand and modernize TIVET and other non-formal skills development institutions</p> <p>Standardize Testing and Accreditation in all TIVET systems</p>
Most middle-level colleges converted to public Universities	<p>Strengthen Social Dialogue through the National Labour Board</p>

3.7 Implementation, Monitoring and Evaluation

For successful implementation, monitoring and evaluation, the following were deemed necessary;

- a) Successful implementation of the employment creation strategies will require involvement and active participation of all stakeholders
- b) The proposed National Employment Authority will take a central role in coordination of the actors
- c) The employment creation strategies proposed in the policy will be integrated in the Medium Term Plans and future plans at National and County levels
- d) A logical framework will be developed to highlight broad policy objectives, specific strategies, targets and timelines
- e) Tools for monitoring and evaluation, and reporting systems will also be developed and implemented; joint monitoring and evaluation exercises will be promoted.

4.0 COMMITTEE OBSERVATIONS

Having interrogated the principal secretary Ministry of Labour, Social Security and Services and the relevant Heads of Departments while scrutinizing the policy paper, the Committee made the following observations;

1. A strong, dynamic and responsive labour and employment sector is critical in catalyzing and driving the transformation required for the attainment of the Kenya Vision 2030.
2. The Constitution advocates for decent work in accordance with the human rights conventions however, high unemployment rate currently estimated at 12.7 per cent which is a major challenge.
3. Employment creation interventions in the Country have to be comprehensive, coordinated and robust enough to significantly contribute to employment creation.
4. There is need for an integrated policy framework based on focused strategies and strong institutional and legal foundation which should be a mandate of an established Authority to deal with Employment issues.
5. The Ministry proposes for the establishment of the National Employment Authority to be a leading agency in coordinating and actualizing the policy.
6. The policy to place more emphasis on minimizing the employment of foreigners particularly in sectors where skills are readily available locally.

5.0 COMMITTEE RECOMMENDATION

The Committee recommends that;

1. The House adopts the sessional paper No.4 of 2013 on the National Employment Policy and Strategy for Kenya.
2. The Ministry of Labour, Social Security and Services should;
 - d) develop a policy implementation plan specifying Sectoral and annual employment creation targets, responsible institutions, reporting mechanisms and timelines.
 - e) develop a National Time Bound Action Plan for Implementation of the Employment Policy and cascade the policy to the County Levels
 - f) place more emphasis on minimizing the employment of foreigners particularly in sectors where skills are readily available locally.

MINUTES OF THE 40TH SITTING OF THE DEPARTMENTAL COMMITTEE ON LABOUR AND SOCIAL WELFARE HELD AT NEW MEMBER LOUNGE ON 2ND JULY, 2015 AT 10.00A.M

PRESENT

1. Hon. David Were, MP - Chairperson
2. Hon. Tiyah Galgalo, MP- Vice Chairperson
3. Hon. Elijah Mosomi Moindi, MP
4. Hon. Dan Wanyama, MP
5. Hon. Mwanyoha H. Mohammed, MP
6. Hon. Jones Mlolwa, Mp
7. Hon. John B. Serut, MP
8. Hon. Kinoti Gatobu, MP
9. Hon. Peris Tobiko, MP
10. Hon. Abdinoor Mohamed Ali, MP
11. Hon. Wesley Korir, MP
12. Hon. Winnie Karimi, MP
13. Hon. John Omondi Ogutu, MP
14. Hon. Elijah Lagat, MP
15. Hon. Patrick Wangamati, MP
16. Hon. James Onyango K'oyoo, MP
17. Hon. John Owuor Onyango Kobado, MP

ABSENT

1. Hon. Mustafa Idd, MP
2. Hon. Samuel Gichigi, MP
3. Hon. Cornelly Serem, Mp
4. Hon. John Ndirangu Kariuki, MP
5. Hon. Silvançe Onyango Osele, MP
6. Hon. Janet Teyiaa, MP
7. Hon. Regina Nyeris, MP
8. Hon. Gladys Wanga, MP
9. Hon. Janet Nangabo, MP
10. Hon. Rose Museo Mumo, MP
11. Hon. Ferdinand Waititu, MP
12. Hon. Aisha Jumwa Karisa, MP

National Assembly Secretariat

1. Mr. Erick Nyambati -Third Clerk Assistant
2. Ms. Ella Kendi Mwenda -Third Clerk Assistant

3. Mr.Abdirahman Gele Hassan -Third Clerk Assistant.
4. Mr.Donald Manyala -Research Officer

Minute No.101 /2015 Preliminaries

The meeting was called to order at 10.20 a.m. and prayers were said by the Chairperson.

Minute No.102 /2015 Confirmation of the Minutes.

Confirmation of the Minutes of the previous sitting was deferred to the next meeting.

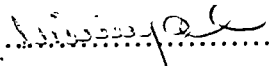
Minute No.103/2015 Adoption of the reports on the Sessional Papers.

The Committee unanimously adopted the reports on the following Sessional Papers without any amendments;

1. Sessional Paper No. 2 of 2014 on the National Social Protection Policy
2. Sessional Paper No. 2 of 2013 on the National Industrial Training and Attachment Policy
3. Sessional No. 3 of 2013 on the National Productivity Policy
4. Sessional No. 4 of 2013 on the National Employment Policy and Strategy for Kenya.

Minute No.104/2015/Adjournment

There being no any other business to transact, the meeting was adjourned at 11.40a.m

Signature.....

Hon. Tiyah Galgalo Ali, Mp (Vice Chairperson)

Date.....

DEPARTMENTAL COMMITTEE ON LABOUR AND SOCIAL WELFARE

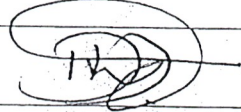
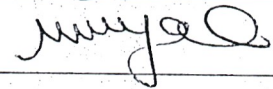
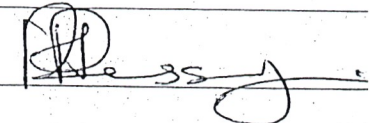
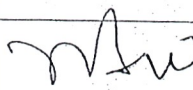
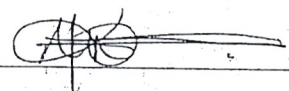
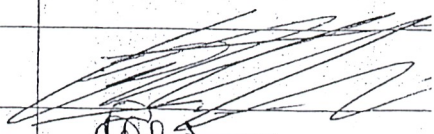

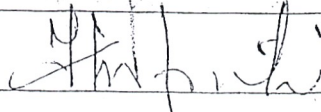
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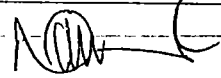
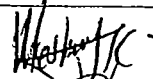
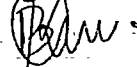
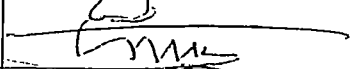
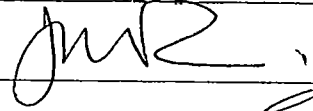
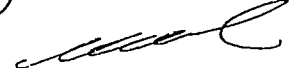

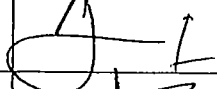
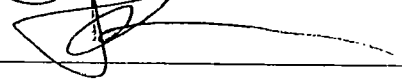
Date: 2nd July, 2015

Venue: New Members Lounge

Agenda: Consideration and adoption of the Reports on the following;

1. Sessional Paper No. 2 of 2014 on the National Social Protection Policy
2. Sessional Paper No. 4 of 2013 on the National Employment Policy and Strategy for Kenya
3. Sessional Paper No. 2 of 2013 on the National Industrial Training and Attachment Policy
4. Sessional Paper No. 3 of 2013 on the National Productivity Policy

No	NAME	SIGNATURE
1	Hon David Were, Mp -Chairperson	
2	Hon. Tiyah Galgalo, Mp- Vice -Chairperson	
3	Hon Janet Teiyaa, Mp	
4	Hon. Peris Tobiko, Mp	
5	Hon. John Ndirangu Kariuki, Mp	
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27.	Hon. Omondi John Ogutu, MP	
28.	Hon. Aisha Jumwa Karissa, MP	
29.	Hon. Ferdinand Waititu	

ERIC NYAMBATI

FOR CLERK NATIONAL ASSEMBLY