

InfoBrief

January 2018, IB-01/18



Youth unemployment in Kenya: *What must be done...*

By
Raphael Obonyo
Convener
The Youth Congress

1. Summary

The government has identified social economic pillars that will guide the country's growth in the coming years. One of the key areas of focus that has been the country's greatest challenge is on how to tackle the problem of the high level of unemployment among the youth. The country has witnessed

huge infrastructural transformations recently to spur growth and create new jobs. This has not achieved the expected results as the level of unemployment among the youth continues to escalate. What are the missing links that must now be found to address the problem of joblessness as the country lays ground for the next frontier of growth?

2. Introduction

Kenya has grappled with the problem of unemployment since the country got independence in 1963. Successive governments have all made many attempts to address the problem but most of the programmes they have put forward have failed to confront the problem amicably.

According to the United Nations in the Human Development Index (HDI) 2017 report, the rate of unemployment in Kenya is the highest in the East African region hitting a new high at 39.1 percent. The problem is compounded further by the high population growth and an economy that has not recorded impressive increase to economically absorb the rising numbers. Unemployment is today the single most serious monster that the youth in Kenya are facing.



Kenya's population has doubled over the last 25 years, to over 40 million people, and rapid population growth is set to continue. This is a result of high fertility in the previous decades, a reduction in mortality rate, which has been attributed to the improvement in health facilities and also an increase in life expectancy.

There is no denying the fact that youth unemployment is a major threat to the social economical structure of the country particularly the achievement of Kenya's Vision 2030, the country's long term development blue print.

The high level of the unemployment has also posed a serious challenge to the country's stability due to political machinations young people not meaningfully engaged in any serious

economic activities face in a politically and volatile divided country.

Joblessness among the youth is something that both the national and in particular the county governments must put a lot of focus on considering that youth is the most productive constituent that can spur the country's economic growth.

Kenya faces a growing problem of what has been referred to as the 'youth bulge', with 80 percent of its population under 35 years old. The youth, aged 15–34 years, which form 35 per cent of the population, have the highest unemployment rate of 67 percent.

Both the county and national governments have not been able to put in place comprehensive measures to meaningfully create jobs. Although efforts have been put in place to promote education and training the same cannot be said on creating opportunities to absorb those leaving the institutions of learning.

About 50,000 graduates are churned out of public and private universities in Kenya every year piling onto the number of unemployed youth in the country which is estimated at 2.3 million, according to the ministry of Education. These graduates, especially those from less fortunate backgrounds, are now forced to engage in menial jobs to survive.

Looking at the programmes the successive governments have put in place to check unemployment, it is clear a workable formula has been elusive since the formative years of Kenya as a nation. A number of policies, programmes and initiatives have been crafted to try to address youth unemployment, but none has been consistent.

Assessing the results of all these initiatives, it is clear they have been crafted without deep analysis of the problem at hand. Research and collection of data identifying numerous and specific interventions to tackle joblessness across the entire country is needed before any serious interventions are done since unemployment problems and opportunities facing various facets of the population are unique.

For instance, economic opportunities available to a youth in a pastoralist community is completely different from those facing an urban youth or one from Eastern Kenya.

Citing a few examples, there is serious need to relook at how we develop and nurture programmes to tackle unemployment. The history is harsh. National Youth Service (NYS) is perhaps the most elaborate programmes that the country has ever unveiled to prepare the youth for job market.



Created in 1964 through an Act of parliament, it was initially designed as a paramilitary service that was meant to provide an organised and disciplined human resource pool through which the youth would be involved in national development programmes and later be absorbed into the job market. This noble initiative took off well but the services slowly went down due to poor resource allocation, poor management, lack of focus and corruption. It created a bad precedent that many other programmes have followed suit including the recent attempt to give it a new face.

Youth Polytechnics, Youth Empowerment Centres, Youth Enterprise and Development Fund (YEDF) and Kenya Youth Empowerment Project (that included Kazi Kwa Vijana-KKV), were also well-conceived but they have failed to have huge impact. Others are the National Youth Policy, National Action Plan on Youth Employment and the recent presidential directive which requires youths to take about 30 percent preference of government procurement opportunities.

The positive side is that there has been political goodwill to address the problem of youth unemployment in the country except that the country has lacked a strategy.

A powerful article by the former President of Ghana, Mr John Mahama, and UN official Siddharth Chatterjee, "Promise or Peril: Africa's 830 million youth by 2050", states that youth unemployment could be an economic disaster and might cause a major migrant crisis for the West.

The future of any nation lies in investment in its youth. Integration of youth in development and governance will tap into their creative abilities and ideas to push the country forward. That is why it is important for the government to have Kenya's interests at heart by working with the youth.

3. How to address youth unemployment

i. Invest in labour intensive sectors

The government's recent emphasis on promoting manufacturing sector as one of the ways to create new job opportunities for the youth is good but if not anchored on a strong policy framework, it will not yield good results. During its first term in office, the Jubilee government put great focus on the development of the infrastructure projects across the country, which must be applauded.

It has now identified four pillars that will guide its second term agenda and Kenyans will be keen to see how the two levels of governments will leverage on the infrastructural projects created to bring promised jobs. On its manufacturing pillar, the government has already set its eyes on four labour intensive areas- blue economy, agro-processing, leather and textile industries.

If any meaningful gain will be achieved on these areas as envisaged, there must be strong collaborations and consultations between the central and county governments, in spite of any differing political inclinations.

The relationship between the two in the last five years of devolution has not been rosy bringing disastrous results in tackling economic issues.



To begin with, the two levels of government should collaborate and collect data in all the counties to be able to get a clear view of the prevailing situation of unemployment. Although this is well documented in urban areas, where the government, development partners and many non-governmental organisations have carried numerous studies on the subject, the same cannot be said of the counties, now the country's economic growth frontiers. Various counties have comparative advantage for various economic activities and there should be deliberate effort to develop economic policies that create jobs for the youth.

The five years of experience and experimentation of devolution offers vital lessons of how this can be done by the county governments. One of the key lessons is that relying on the national government's allocation will take time to spur growth of the devolved units and should not be a strategy to rely on to address the problem of joblessness among the youth in the counties. The national government has devolved most of the critical economic activities to the counties that are already financially overwhelmed.

County governments must identify youth unemployment as a key component of development in their counties. They must devise innovative ways of independently creating wealth that can spur growth in their counties without relying on the national government.

The law does not bar them from forging partnership with other entities, including foreign ones to create markets for goods or even for capital injection. A good example of such an initiative is in Nyeri County where the previous regime sought to market the county coffee directly. Although the initiative faced some teething challenges, the prospects looks good for the future of the coffee industry in the county.

On the contrary is the Cashew nuts sector in coastal region, an example of how things could go wrong if good policies are not created by the county governments. This is a labour intensive sector. Prior to devolution, the national government had established a multi sectoral approach to revive the sector after a decade of decline. Export of raw cashew nuts was banned in 2009 in order to provide local factories with raw materials to utilize a huge capacity they had created and also create new jobs.

The revitalization programme intended to among other things increase the production by increasing number of trees and improving crop husbandry. When the new county governments came in place, all the cashew nuts producing counties failed to embrace what had already been started by the multi-sectoral approach. Today, the cashew nuts industry, with potential to create many jobs is in its death bed.

The national government, owing to the huge responsibilities placed on the county governments, should consider increasing the amount allocated to the county governments. The county governments on the other hand need to prioritize creation of employment in their agendas, something that has consistently lacked in the first five years of devolution. The county governments should also embrace cost cutting measures and seal all corruption loopholes and enhance revenue collection in order to generate more money for capital injection.

The Standard Gauge Railway (SGR) line, one of the biggest infrastructural projects the country has ever undertaken, passes through counties that have huge potential that remains

underutilized relegating them to marginalized counties. Also the government has constructed a number of roads, which have opened the country. With close collaboration between the county and national government, many counties can be made economic hubs. They have huge agricultural potential but poverty has been blamed for low productivity.

As demonstrated by a few agricultural projects that have successfully been supported by the development partners, especially in Coast, Eastern and Western regions, it is worthwhile for the county governments to provide the lacking support to increase production- such as provision of extension services, access to affordable capital, facilitate certification to access international markets, provide supportive infrastructure such as storage facilities, irrigation kits and supporting value addition measures. Considering the colossal amount of money that has been sunk in various infrastructural projects and the need to get value for money, counties must create economic roadmaps that can gain from the developed projects.

Already, special economic zones, which are supposed to open new jobs, are in the pipeline and they will not give expected outcomes unless the two levels of the governments work closely and complement each other.

ii) Reform Education

A report released recently by the Ministry of Education showed that employers in Kenya have increasingly shunned away graduates from public universities because of the poor quality of courses being offered.



According to the report, there is a mismatch between knowledge, skills and competencies required in the market and what the universities offer. The quality of education in universities does not provide students with the necessary information and education that is needed for the job market, creating a total disconnect between the education system and the job market.

Due to lack of proper grooming by their universities, graduates remain unemployed, lacking the skills and knowledge needed to traverse the job market. In addition to a lack of labour market information, there exists limited linkages between employers and training institutions. The research also shows that the number of students graduating from degree programmes every year has increased from 23,523 in 2012, to 49,020 in 2015.

The ministry’s report said that there’s a growing demand from the labour market for an increased level of skills and competencies for a modern, globally competitive and knowledge-based economy, something the current education system lacks.

It is time to keenly analyse how learning is conducted in our universities to tie the loose ends between academia and industry. That would partly address the issue by ensuring that Kenya’s graduates are job market-ready. Kenya needs to align key economic policies to the fight against unemployment. To get a job in Kenya today needs not only to have education but also relevant skills. The institutions offering formal education are numerous and the institutions offering skilled based training must be scaled up.

The Medium Term Plan (MTP 2008–2012), for example, noted that the training being provided by the Technical, Industrial, Vocational, Entrepreneurship Training institutions ‘has been hindered by inadequate facilities and inappropriate curriculum, hence most graduates at this level lack appropriate skills’ (Republic of Kenya, 2008 Republic of Kenya. 2008).

Kenya Vision 2030: First medium term plan (2008–2012), Nairobi: Republic of Kenya. Skill based curriculum must be developed in an integrated approach so that it can impart knowledge that rhymes with the labour requirements and demands.

Technical Vocational Education and Training (TVET) will be a critical component of education in Kenya if the country is focusing on creating more jobs for the youth. TVET ACT 2013 was designed to address the job skills issue and, more so, to ensure an increased and sustained enrolment ratio of 20% by the year 2030. There is need to integrate the TVET programmes with the private sector. One such measures would be to offer incentives to the local companies who will adopt mentorship programmes that integrate on-the-job training and lifelong learning. This will shape the rethinking and give those mentored room for creativity.

Manufacturing sector must be vigorously involved in the planning and design of TVET programmes to include a global perspective of manufacturing trends, in line with the country's unique needs and strengths.

iii) Reform Youth Empowerment Programs

The government has already created youth empowerment programmes that include Youth Enterprise Development Fund, Uwezo Fund and the 30 % access to government procurement opportunities. Though noble, these programmes have failed to give the envisaged results and need to be restructured to fit in the emerging trends.



As the country now lays focus on the manufacturing as its new jobs frontier, it also needs to create a culture of entrepreneurship among the youth by giving them skills and training on the subject. This should also be supported by access to the capital and linkage to export markets. This way, the country will place youth's destiny in their own hands. The Constitution in Article 55 is clear that the State has an obligation to empower the youth by ensuring access to relevant education, training and employment.

More importantly, Parliament must enact laws that guide the country in creating more opportunities for the youth. Though the August House passed a National Youth Employment Act in 2016 largely meant to address youth unemployment, the law has not been implemented. Instead, and in total disregard of the Act, the government plans to create a Youth Development Council.

The youthful leaders in parliament and in the counties have their work cut out, and must work with the Kenya Young Parliamentarians Association, the National Youth Council and a host of youth serving organizations including the Youth Congress and the Youth Agenda to ensure that youth unemployment is brought to the fore of the country's political conversation.



The YEDEF, Uwezo Fund and Women Fund were designed to address the challenges of youth owned enterprises. The objectives of the fund are; provide loans to youth owned enterprises, attract and facilitate investment in micro, small and medium enterprises oriented commercial infrastructure such as business or industrial parks, markets or business incubators that will be beneficial to youth enterprises; support youth oriented micro, small and medium enterprises to develop linkages with large enterprises; facilitate marketing of products and services of youth enterprises in both domestic and international markets; provide business development services/entrepreneurship training to youth enterprises and facilitate employment of youth in the international labour market.

YEDF was the first to be created in 2006 and transformed into a corporation in 2007. Owing to the level of the unemployment facing the country today and the scaled allocation to the beneficiaries with a significant number not qualifying for a repeat loan, the impact of YEDF in addressing unemployment needs rethinking.

The role of these funds is very broad compared to the financial allocation to the fund. There is need to remodel the fund since financing of the youth projects for over 10 years has not been felt much. More funds are needed for these programmes. Apart from provision of capital, there are many other forces that makes a business to succeed or fail.

It must be appreciated that businesses supported by these funds need to be nurtured by getting other support such as offering entrepreneurial skills, linkage to the market, tax holidays, access to more financing and so on.

Also, various programmes that have been started to empower youth must be integrated so that they can feed each other. Being the biggest consumer in the economy, government should prioritize procuring from the entity started by the youth and should also create partnership with financial institutions that can provide more capital when it is needed.

iv) Support innovation

Kenya has created the necessary soft infrastructure for innovation since the first policy on the same was launched in 2006 with the implementation of the Vision 2030 initiative. The Vision 2030 centered on institutional reforms, human resource development, and enhanced research and development as well as improved science and technology infrastructure. The Ministry of Education, Science and Technology was created to spearhead capacity



Other key institutions created to support innovation, include the National Commission for Science, Technology and Innovation; the Kenya National Innovation Agency; and the National Research Fund. There is also Kenya Education Network, which facilitates the sharing of educational and research resources through a government-subsidized national broadband network; it also serves as the National Research and Education Network.

In 2009, a comprehensive policy on Science, Technology, Innovation Policy and Strategy (STIPS) was created. STIPS sought to mainstream the application of science, technology, and innovation in all sectors and processes of the economy to ensure that Kenyans benefit from all available capacities and capabilities in order to achieve the objectives of Vision 2030.

All these initiatives will yield fruits if they are integrated. A deliberate policy need to be crafted so that the innovations that are made by the learning institutions can be made commercial by promoting cooperation between researchers and private sector. There is need to increase spending on research and development.

v) Review youth policy

The review of the policy must be guided by an appreciation that there is a lot that needs to be done to exploit the existing opportunities and tackle the main challenges. Undoubtedly, we need a focused policy that can create a solid foundation to genuinely address the needs, aspirations, and concerns of the youth. The government's intention to empower the youth has been good. Unfortunately, none of these efforts appreciates the history of the youth in this country.

Coming from a marginalized background, an element of affirmative action is needed if the country is to reverse the existing situation. The revised youth policy should not only aim at empowering young people economically, but should also engage them in public life. Former UN Secretary-General Kofi Annan once said: "Any society that does not succeed in tapping into the energy and creativity of its youth will be left behind."

Indeed, young people have an important role in the country's development, especially in the realisation of Vision 2030, which seeks to turn Kenya into a middle-income economy. They are doing competently in the private sector.



4. Beyond short term measures

Empowerment does not simply mean launching a youth program. It means making the youth have their destiny in their own hands. Kenya must develop elaborate plans to create sustainable jobs commensurate with the gravity of the problem of joblessness among the youth.

About The Youth Congress

The Youth Congress (TYC) is a youth serving Non-Governmental Organisation (NGO) providing young people in Kenya with a platform to articulate their issues, explore opportunities for youth participation and leadership to effectively address their interests and concerns and engage young people in social, economic and political development. The organization has four main programmes:

1. Research, Policy and Advocacy

The programme aims to realise meaningful participation of youth in policy-making and implementation. Its expected outputs are: improved knowledge on existing policies and their effect on the youth; one stop information centre on the state of the youth in Kenya; coordinated advocacy initiatives on youth issues; and increased youth participation in policy making and advocacy.

2. Youth and Leadership

The programme aims to realise meaningful youth participation in leadership and governance processes, and to build next generation of youth leaders with vision and values. Its expected outputs are: youth in leadership positions and processes; increased awareness and capacity of youth to engage in leadership and governance processes; and youth actively promoting ethical leadership.

3. Youth Entrepreneurship, Talent and Innovation

The programme aims to realise an empowered youth population benefiting from available opportunities and utilizing their skills and talents for economic development. Its expected outputs are: young people equipped with entrepreneurial skills; young people linked to financial opportunities and markets; talent realization and utilization by the youth; and partnerships and alliances built to advance youth economic development.

4. Institutional Development

The programme aims to realise an effectively governed and managed organization with adequate resources to deliver its programmes. Its expected outputs are: adequate resources for smooth and effective implementation of activities; a staff complement that is competent, passionate, determined and responsive to youth values and agenda; functional partnerships and networks; and inclusive, participatory and gender responsive programmes, policies and strategies.

THE YOUTH CONGRESS,

P.O. Box 44427-00100 Nairobi, Kenya

Phone: (+254) 799-863-696/737-483-065/770-254-864

Email: info@theyouthcongress.org

Website: www.theyouthcongress.org