



REPUBLIC OF KENYA

MINISTRY OF LABOUR

Sessional Paper No. 2 of 1985

ON

UNEMPLOYMENT

(Price—KSh. 5)

SESSIONAL PAPER ON UNEMPLOYMENT

1. This Sessional Paper is the Government's response to the Report of the Presidential Committee on Unemployment, 1982/83, which was appointed by His Excellency the President to examine the problem of unemployment and to recommend both short- and long-term strategies for its alleviation. Specifically the Committee was required to consider and recommend measures which would stimulate economic growth in both the public and private sectors, disperse employment opportunities to areas of greatest need, promote labour-intensive methods of production, reduce the growth of the labour force and its migration to urban areas, improve the relevance of training and education with a view to alleviating the school-leaver problem, initiate and expand programmes with a high employment content and at low cost, and suggest measures which would enhance the contribution of public and private sector institutions to employment creation,

2. The Committee completed its work and presented the Report to His Excellency the President in May, 1983. The Report contains the unanimous finding and recommendations that are discussed in the fourteen chapters that make up the Report. The Government wishes to record its appreciation to the members of the Committee and its secretariat for the perceptive Report, which reflects considerable research and thought. The Government has since studied the Report and this Sessional Paper constitutes the official response of the Government to the findings, observations and recommendations contained in that Report.

3. In the sections that follow, the Government outlines its reactions to the general theme of the Committee's Report as well as its own views on measures of employment creation.

4. The Sessional Paper is divided into four sections. The first section presents an overview of Government's approach to the problem of employment generation, and creates the context in which its comments on the Wanjigi Report should be read. Section II comments on the Wanjigi Report's analysis of the nature and characteristics of the unemployment problem and the conditions under which it persists. Section III deals with the specific measures suggested for creating more employment opportunities, sector by sector.

SECTION I

Government's Approach to Employment Creation

5. Before embarking on a discussion of the Wanjigi Report itself and giving Government's response to the major recommendation, it will be useful to reiterate the Government's general approach to employment creation, as articulated in the Development Plan, 1984-1988 and earlier documents. This will provide a general framework for the specific proposals and Government responses discussed in later sections.

6. Employment generation is one of the critical linkages between economic growth and an equitable distribution of income as the Wanjigi Report stresses, rapid job creation can come only from rapid economic growth, so all measures to renew Kenya's growth contribute directly to new employment opportunities. At the same time, the benefits of rapid growth can be widely shared only if additional goods and services are produced by labour intensive means, so that for any given amount of investment, more jobs are available. Productive work is an essential form of participation in development and a basic requirement for the long-term alleviation of poverty.

7. The Wanjigi Report correctly sets employment in the larger context of poverty alleviation. Government's proper concern is not simply the creation of jobs, let alone jobs in the modern or formal sector. Rather, it is for the enhanced productivity of all workers—those without jobs who want them; those with jobs that produce little and pay poorly; and even those with jobs paying decent incomes who look forward to further improvements in their family's welfare. Thus the discussion could equally well centre on enhanced productivity and higher income for all. Job creation is one essential means to this end. But many other means should be employed to raise productivity, especially of low-income farmers, rural labourers, and workers or the self-employed in the informal sector of our cities and towns.

8. Because complementary resources of all kinds—land, capital, foreign exchange, skilled workers and managers—are scarce in Kenya, they must be used efficiently to create employment and enhance labour productivity. It is no use spending large amounts

of capital to create a few jobs, because others will then go unemployed when the supply of savings is exhausted. Nor should Government legislate new jobs. Forcing employers to hire unneeded workers, for that only decreases the saving required for investment that alone can employ more people productively in the long run, and makes Kenya's products less competitive in its own and in overseas markets.

9. Although Government is, and will continue to be the single biggest wage employer in the economy, its greatest leverage over employment creation can be exercised through measures to stimulate and guide the private sector. It is firms of all sizes, individual entrepreneurs, and large established firms in all fields that must bear the brunt of economic expansion and employment creation. Government's critical role is to adopt policies and supporting programmes that help make this expansion possible.

10. There is a range of Government policies that will affect employment over the short, medium and long term. In the short term, one to two years, the only way to increase employment dramatically would be to expand aggregate demand by increasing government expenditure and/or reducing taxes, and expanding credit and the money supply. Unfortunately, in an open economy like Kenya, a large fraction of this stimulus would spill over into imports and quickly deplete reserves to the point where drastic deflationary measures would be required. Alternatively, Government might control imports, but then demand would spill over into rapid inflation. Either way, short-term job creation would soon turn into sharp recession. Little would have been accomplished, and the prospects would be dim for resumption of long-term growth.

11. In the short run, the major contribution of Government must be to lay the groundwork for medium- and long-term growth. This implies a continued policy of fiscal and monetary restraint, while prices and other incentives are restructured to encourage productive, employment-generating investment. The price and incentive structure will be geared to encourage—

- (a) increased productivity and output from farms, especially small farms, which utilize more workers per hectare than large ones;

- (b) orientation of agricultural production towards those crops that earn or save foreign exchange most efficiently, including food crops, traditional exports and new exports;
- (c) growth of regional centres that serve rural areas as marketing centres and absorb under-employed rural workers, diverting them away from Nairobi and Mombasa;
- (d) manufacturing for export to all parts of the world, with emphasis on labour-intensive, high valued-added industries;
- (e) import substitution when it can be done efficiently, with modest protection;
- (f) development of efficient markets for all goods and services, with considerable freedom of entry for small firms;
- (g) greater saving by all segments of the community; households, farms, large and small firms;
- (h) continued development of effective financial institutions to attract and channel those savings to the most productive private investments;
- (i) search for, development and adoption of technologies that efficiently utilize domestic resources in all lines of production, especially technologies that are labour-using.

12. The essential elements of such an incentive structure are already being put in place by the Government. They include—

- (a) domestic agricultural prices with the appropriate relation to world prices, which encourage farmers to produce efficiently for domestic consumption and for export;
- (b) programmes of land consolidation and registration, as well as agricultural credit, that support the intensive utilization of land in small farms;
- (c) public investment in the infrastructure of potential regional urban centres other than Nairobi and Mombasa and the encouragement of private investment in those towns;
- (d) an exchange rate that adequately rewards exporters and efficient import substituters, one that maintains its real incentive value despite inflation;

- (e) additional incentives for exporters when necessary and the removal of hindrances to the development of new exports;
- (f) gradually reduced protection in the form of declining tariff levels and freer access to imports;
- (g) recognition of the crucial importance of the informal sector in creating employment and training potential entrepreneurs;
- (h) encouragement of private sector competitors in certain markets dominated by private or public monopolies;
- (i) interest rates that promise an adequate return on saving net of inflation and encourage borrowing only by those with highly productive ways to invest their capital;
- (j) wage rates that offer workers an adequate reward for increased productivity but that also encourage employers and investors to adopt labour-using technologies and methods;
- (k) price controls that compensate firms for uncontrollable cost increases and reward them for productivity gains, but also restrain firms from taking full advantage of monopolistic positions; and
- (l) fiscal and monetary policies that help to smooth out externally caused fluctuations in Kenya's economy and to restrain inflation, creating a stable environment for investment and growth.

These policies should begin to bear fruit in the medium term, say two to five years. Their success depends in many ways on favourable weather and good external markets, since in Kenya any growth strategy would be vulnerable to those factors. If, maintained in the long run, these policies should gather force, propelling sustained growth through rising productivity and increasing employment. There is already evidence that Government policies have raised the amount of new employment generated by a given rate of economic growth over the past several years, although too much of this increase has been due to Government's own hiring. A stable policy environment is crucial: Government must convince investors that if they invest in the activities described above,

under the price incentive system also described, they will be able to earn reasonable profits over the life of their investment.

13. Of course, Government itself will also invest in employment creation. It will do so by establishing infrastructure, agricultural research and extension, credit and marketing institutions, and other facilities that support private sector growth. Moreover, Government will continue its efforts to make its own investments more efficient and productive, and thus to generate additional jobs through its own budget. But those jobs must produce services needed by the public, and produce them efficiently.

14. In the long-run, the employment problem requires more fundamental solutions. As the Wanjigi Report emphasizes, the most basic of these long-run solutions lies in reduced family size, for Kenya's rapid population growth not only generates a work force too large for foreseeable job opportunities, but also drains potential saving from job-creating investment into consumption and rudimentary basic needs. Development and urbanization are themselves crucial factors leading parents to have fewer children, so that population question is a circular one. Government is prepared, through education, health care and family planning, to help and encourage parents to have fewer children. Reforms of the educational system, of which several are recommended by the Wanjigi Report, may produce a more appropriately trained work force with job expectations better attuned to reality. Improved health care, better housing, improved nutrition and more water supplies will not only improve the basic standard of living, but should contribute to worker productivity, especially among the poorest members of society. Government will continue to provide for these basic needs as best as it can within stringent resource constraints. This is essential for the well-being of Kenya's people in the short-run. But its impact on employment, especially of the poor, will not be seen for some time, and then only if the Government's short- and medium-term economic policies are successfully continued.

15. It is in the context of this broad and comprehensive approach to employment creation that the Government offers comments on the Report of the Presidential Committee on Unemployment.

SECTION II

The Nature and Causes of the Problem

Definition of Unemployment

16. The Wanjigi Report argues that the problem of unemployment is basically one of lack of access to income-earning opportunities. It follows that many people who are otherwise considered to be employed, but whose productivity, output and income are unacceptably low, should in fact be regarded as unemployed. In this respect, the Report reinforces and amplifies the concept of poverty which was advanced by the International Labour Office (ILO) 1972 Report on Unemployment in Kenya. The Government continues to accept the ILO Report as a basis for employment policy.

17. The Wanjigi Report identifies several factors which are the major causes of unemployment in the country. They include rapid growth of the population and the consequent growth of the labour force; the inability of the economy to grow at a rate that would stimulate enough employment creation to absorb all job seekers; job selectivity among school leavers; seasonality of jobs; skills imbalance which has resulted in vacancies co-existing with surplus labour, inappropriate technological applications; and failure of development programmes to focus more sharply on areas with the greatest employment creation potential.

Population Growth

18. Kenya's annual population growth rate is estimated at 3.8 per cent and has swelled the labour force to a level that the economy simply cannot absorb. In addition, the structure of the population is such that the proportion of young persons who have not reached productive age has grown very rapidly and now stands at nearly 49 per cent of the entire population.

19. The projected labour force and employment over the current Development Plan period is shown in Table I, which indicates that by the end of the Plan period about 14.6 per cent of the

labour force will still be unemployed. This disturbing estimate allows for those who are handicapped and unable to work, those who are attending school and those who are underemployed and work as low productivity. These workers, who are often referred to as the working poor, are evident in both the rural and urban areas. The employment projection figures will not change significantly through the implementation of the committee's recommendations because, first, those recommendations affect largely those people who are underemployed, who are already considered "employed" in Table I; second, the policies on which these projections were made were similar to those recommended by the Committee; and, third, the Committee's recommendations are basically long term, with delayed impacts on employment generation.

20. Since the absorptive capacity of the economy is not expanding fast as the increase in the labour force, surplus labour will continue to burden society. This will tend to accentuate the dependency problem and its undesirable effect on investment levels because resources must be directed to the provision of basic services for the unemployed and working poor, often at the expense of investments which would generate more employment opportunities.

21. The Government fully agrees with the Committee's analysis of the problems related to population growth. The recently established National Council for Population and Development will address and direct its activities to these issues. However, since those who will be entering the labour force now until the end of the century have already been born, population policies cannot have any impact on the size of the labour force for some time.

Economic Growth

22. Employment creation will continue to depend on our ability to achieve sustained economic growth. On this, the Committee's views and analysis concur with those of Government. Although our performance since independence has on the whole been impressive, there have been lapses in the recent years mainly due to external factors beyond the control of the country, though internal constraints have also retarded economic growth.

23. While it is accepted that external factors may continue to aim the prospects for rapid and sustained economic growth, the Government will continue to adopt policies designed to eliminate internal constraints to economic growth such as mismanagement of resources, poor project selection and implementation, under-utilization of capacity and the slow growth of labour productivity. Thus in the short run the Government's policies will be geared towards stabilizing the economy, which is a precondition for renewed investment, structural adjustment and growth. Price policy will also play a leading role both in stimulating investment and in guiding it increasingly towards labour-intensive technologies in all sectors. Wages, interest rates, exchange rates and commodity prices will be set with employment-creating growth as a major goal. Efforts in this direction have already been initiated and will continue to be implemented vigorously.

Job Selectivity

24. The Report argues that there is need to re-orient youth from a desire for white collar jobs in urban areas. The search for these insufficient or non-existent employment opportunities has tended to draw most of the school-leavers to the urban areas, thereby raising the numbers of openly unemployed persons. The Government's response to the Committee's specific recommendations on educational restructuring, which generally have medium to long-term effects, are given in section IV of this paper.

Seasonal Employment

25. Employment in the agricultural sector and to some extent in the tourist industry is seasonal. This helps to explain under-employment in those sectors and the search by workers for alternative employment, especially in the non-farm sector, during the low activity season. Although seasonality is conspicuous in agriculture and tourism, there are other sectors, such as construction and manufacturing, which experience the same problem to a smaller extent. The Government agrees with the Report that seasonality of jobs can be tackled through diversification of economic activities, especially in the rural areas. The preferable projects and programmes are those that will raise productivity levels and thereby

incomes, particularly for those who are underemployed. The recently launched District Focus for Development will be an important instrument for achieving these policy objectives. Planning for widespread urban development, with an aim to multiplying smaller centres of employment serving rural areas, receiving renewed attention by the Government.

Skills Imbalance

26. The Committee concludes that the education system has created imbalances in the supply and demand for skills in the labour market. While our country has enjoyed considerable success in educational expansion and quality improvement, the need to develop relevant job-related skills has not advanced at the same rate. Thus, the economy is short of certain skills, adversely affecting some strategic sectors of the economy which have great investment and employment-creating potential.

27. Although re-orientation of education will have a bearing on skills development, it is not expected that this alone will solve the problem of unemployment. First, it requires more than education to develop useful skills: on-the-job experience, which necessarily takes time, is equally important. Also, skills development is more relevant and directly related to manpower utilization. Because of this, the Government has, over the years, undertaken manpower studies to determine areas of surpluses and deficits. Currently, the Ministry of Finance and Planning is preparing a report on the 1982/83 National Manpower Survey whose results will facilitate policy formulation on manpower development and utilization over the next few years. In addition, the Government has recently established a National Manpower Committee in the Office of the President to co-ordinate all activities in manpower development and utilization.

Technology

28. The choice of technology in the production process is a major determinant of the extent of labour absorption. Capital-intensive methods of production, although they increase labour productivity, also inhibit employment. The Government generally agrees with the Committee's analysis of technology in Kenya and

the potential benefits of increasing employment opportunities through the application of labour-intensive technologies. Many of the projects being executed by the Government, such as dam and road construction, have been designed to maximise the use of labour. The Government has already established the Kenya Industrial Research and Development Institute (KIRDI) to spearhead development of appropriate technologies for use in our production processes. Such technological development includes both indigenous and adopted or imported technology. Since the development of appropriate technology requires large outlays, as are clearly seen in the more developed countries, the Government will develop a formula through which the investors who are the main beneficiaries of this research will share the cost with Government. Government policies on wages, interest rates, the exchange rate and key commodity prices will continue to move in directions that create a profitable climate for the private sector to invest in labour-using technologies and lines of production.

Rural-Urban Imbalance

29. In the past, Government policies and investments in infrastructure reinforced the strong tendency of private investors to locate in large cities. As urban employment grew, in cities—especially Nairobi and Mombasa—it attracted increasing numbers of migrants who sought urban jobs that paid two to three times the wage of available rural jobs. Soon there were more migrant job-seekers than new jobs, and urban unemployment rose even as more were employed in the cities.

30. The removal of allowances on investments in Nairobi and Mombasa municipalities was meant to attract investments into other municipalities, thereby generating employment elsewhere and relieving the pressure on Nairobi and Mombasa. As a result of the introduction of District Focus for Development, more resources, more evenly distributed, will be made available to the districts which in turn will mean a wider latitude for planning at the district level. District planning, together with central government investment policy, will develop a widely dispersed urban infrastructure. This, coupled with carefully selected fiscal incentives, can

stimulate the rise of many market centres and their eventual development into service and industrial centres. Those small but growing cities, spaced around the country, should be capable of absorbing increasing amounts of surplus labour from nearby rural areas. A strategy of dispersed urban development is necessary to cope with labour force growth over the next two decades.

SECTION III

Specific Proposals

31. The Wanjigi Report contains over 800 specific proposals, which are summarized at the end of the Report. This sector discusses Government's responses to the main recommendations.

National Philosophy

32. The Report argues forcefully that the national philosophy and employment issues are inextricably related. Issues of development and equitable distribution are embodied in our African Socialism and Harambee Spirit that culminates in the Nyayo Philosophy which seeks to build a stable and progressive society on the strengths of mutual love, peace and unity.

33. The Report argues that there is need to recapture and strengthen the spirit of nationalism which characterized our society at independence. The Report, therefore, recommends that efforts should be made to teach and popularize the concept of democratic African Socialism and its application in Kenya.

34. The Government agrees entirely with the Report's observations and recommendations on how to strengthen Kenya's nationhood through stronger encouragement of the values enshrined in our national philosophy. Indeed, measures introduced by both, the ruling party KANU and the Government during the past year will go a long way towards meeting this goal.

Education System

35. The Report divides the education sector into pre-school, primary, secondary, special and adult education. The Government sees its role in the education system at all these levels as complementary to the following and not as making school a replacement for the home.

Pre-School Education

36. The Committee correctly argues that the physical and mental foundations of every human being are laid during the pre-school years and any serious disability suffered at that stage can persist throughout one's life. The Committee, therefore, recommends that—

- (i) the Government should formally adopt pre-school education into the Ministry of Education;
- (ii) the Government should design a national syllabus to be used in pre-school institutions throughout the country to include the best of traditional African values, national anthem, flag and emblems;
- (iii) vernacular should be taught as a subject in nursery schools and the first three years in primary schools except in the urban areas;
- (iv) pre-school institutions should be used as centres where preventive medical care is provided;
- (v) the Government should consider establishing nursery schools in the precincts of all the existing and proposed primary schools; and
- (vi) the Government should design a national programme for the training of teachers for this level of education.

37. The Government finds favour in these recommendations, some of which however have great financial implications. Indeed, a large number of the recommendations constitute the present Government policy on pre-school education. For example, the day care centres have to a large extent been used to provide preventive medical care among other services. The Government, through the Kenya Institute of Education, has already prepared and printed a national syllabus for use in pre-school education institutions throughout the country. The new syllabus has accommodated the views expressed in the Report's recommendations. It is, however, not feasible at this stage to adopt pre-school education at full-scale because it would involve heavy public expenditure which the country cannot support in its present financial situation.

Primary Education

38. The Report makes a series of recommendations on how primary education should be restructured to make it relevant and responsive to employment requirements in the labour market. The specific recommendations on primary education are that—

- (i) primary education should continue to aim at the highest levels of academic excellence by teaching those subjects which will lead to professions required in the economy and which will help our people to adjust to rapidly changing technologies;
- (ii) primary education should be made a terminal form of education by introducing pre-vocational subjects which would assist those who do not go to secondary schools to enter into further vocational training or engage in self-employment;
- (iii) teaching aids should be based on local products;
- (iv) schools should introduce obligatory extra-curricular activities;
- (v) factors contributing to poor examination performance should be removed;
- (vi) a more realistic balance should be struck between book learning and empirical observation and experiment; and
- (vii) the primary school syllabus should include such subjects as civics, African arts and crafts, traditional dancing and music, religion, ethics, history, and spatial and cultural geography.

39. The Government agrees with the views expressed in the Committee's recommendations. The syllabus which has been developed for Standard 8 has taken into account the full development of students abilities in terms of academic potential, skill appreciation, originality and creativity. This is necessary in developing the appropriate manpower for the country's future economic and social development.

Secondary Education

40. The Government agrees with the Report's observation that the tremendous expansion in primary education since independence has in turn generated a large demand for secondary school facilities. As a result, both physical and teaching capacity are overstretched, resulting in some cases in poor quality education and hence poor performance in examinations. To rectify this and other problems relating to secondary education, the Report recommends that—

- (i) character training started at the primary level should be extended and intensified at the secondary school level;
- (ii) the existing technical secondary schools be converted into post secondary technical institutions where training would enable the students to engage in employment straight after finishing their courses;
- (iii) the absorptive capacity of the National Youth Service be expanded; and
- (iv) the National Student Service Scheme, which would require one year of mandatory service, should be used to expose the students to the social and economic realities of their country and to prepare them for their eventual participation in all socio-economic activities.

41. The Government agrees with the Committee's recommendation that the character and attitude training and orientation started at primary school level should be extended and intensified at secondary level. Indeed, the Government has already introduced a pre-university national service for all university entrants and, resources permitting, this would be extended to other students who join training institutions after their secondary education. The main objective is to provide a linkage between the formal education system and the situation under which the youth will live and work after they leave school. In addition, resources permitting, the existing National Youth Service will be expanded to increase its absorptive capacity.

42. Examination results show a marked variance between regions and among schools. This mainly reflects the quality of teachers and teaching equipment. The Government accepts that in the older and Government-aided schools a strong base and tradition has been established over the years, producing better results. In order to remove the apparent imbalance, the Government will give increased support to the newly established schools, including Harambee Institutes of Technology and particularly those which are situated in remote rural areas. It will support private initiatives provided that they are in line with national needs and not merely understaffed, inadequately equipped institutions that have been picking up students who can pay fees but have not the demonstrated capacity of profiting from secondary education.

Special Education

43. The negative attitude of both public and private organizations towards the ability of disabled persons to make a contribution to society has been the major factor impeding their employability. Another is the lack of facilities, especially in places where the handicapped would work. A third factor is lack of appropriate and adequate training facilities.

44. The Committee has addressed itself to these factors and the Government accepts their recommendations. Consequently, the Government will increase allocations to special education as well as introducing legislation requiring building designs to include appropriate facilities for the handicapped.

Adult Education

45. The Government notes the Committee's view on adult education. Although it may not have a direct effect on employment, ability to read may enable farmers to take greater advantage of the work of extension officers, with consequential increases in output.

46. The Department of Adult Education, Kenya Institute of Education and the Jomo Kenyatta Foundation will co-ordinate the production of appropriate materials for adult education.

Training

47. Training at the various levels is a culmination of formal education. The country has a number of skill development facilities both in the public and private sectors. However, due to lack of co-ordination, there has been an element of underutilization resulting in wastage which the country can ill afford. The Committee's view on this matter concurs with that of the Government and appropriate steps have been taken to rectify the situation through the establishment of the National Manpower Committee.

Teachers

48. An adequate number of teachers for the various levels of education is a prerequisite for proper education. Because of this, the Government has established desirable student/teacher ratios. However, it has not been possible in most areas to meet these ratios. To rectify the situation, the Government has recently established several new teacher training colleges and more are planned for the future. The development of teacher's skills and teachers' colleges are discussed in the current five-year Development Plan.

Employment and Labour Market Policies

49. The Report's recommendations on labour market policies are based on the analysis and evaluation of the existing Government policies which influence the functioning of the labour market and, therefore, affect the patterns of employment and unemployment. In this regard, the Committee examined Government policies relating to the matching of labour supply with the demand for it through the operations of the Government employment services; industrial relations; the Kenyanization of personnel in the private sector; Government short-term unemployment relief programmes; labour output and productivity; and policies relating to the structure of incentives within the labour market.

50. Resulting from this analysis, the Report recommends that—

- (i) Government should strengthen and improve its employment service machinery;

- (ii) recruitment into the public service of unskilled workers should be done through the employment exchanges;
- (iii) the Government should vigorously enforce Legal Notice No. 156 of 1977 which makes it mandatory for all employers to report vacancies;
- (iv) a network of labour tribunals should be established, including extensive use of labour officers for trade disputes;
- (v) the Government, in conjunction with the co-operative societies and trade unions, should strengthen the organization of farmers and workers to be able to rationalize working hours with a view to increasing output of both cash and food crops;
- (vi) the Government should encourage industries to adopt multiple shifts and to utilize idle capacity to increase output and employment;
- (vii) the Government should continue vigorously to enforce Kenyanization programmes;
- (viii) in order to speed up Kenyanization, an interministerial committee should be set up and charged with the responsibility of laying down guidelines in issuing work permits;
- (ix) the Government should consider increasing work permit fees;
- (x) the Government should as far as possible avoid tripartite agreements on employment;
- (xi) minimum wage regulations should be vetted by the Industrial Court before they are published;
- (xii) the public and private sectors should pay their workers on a fortnightly basis;
- (xiii) large employers including the Government should as a matter of policy provide their employees with suitable housing; and
- (xiv) appropriate action be taken by the Government.

51. The Committee's views on labour market policies are in line with Government thinking. During the last few years comprehensive studies have been undertaken on the policies and operations of the labour market. Arising from those studies, the Government in 1977 through Legal Notice No. 156 amended the Employment Act. It is now clear to the Government that there is need to review labour laws in general and in particular as they relate to the employment service machinery, due to changed circumstances during the intervening period.

52. Since the Industrial Court was established, its workload has increased in scope and complexity. Consequently, the waiting time for cases to be adjudicated has increased considerably. The Government, therefore, accepts the Committee's recommendation that labour tribunals should be established to deal with some of the simpler cases now going before the Industrial Court. The Government, however, rejects the recommendation that Government officers should be made partly to a voluntary machinery for the resolution of industrial disputes.

53. The Committee's recommendation that agricultural working hours should be restructured to productivity and generate more employment has merit. However, since there is no quantitative evidence to support this view, the Government will undertake studies before this recommendation can be implemented.

54. The Committee's recommendation that industries should adopt multiple shifts in order to optimize industrial production has merit. There are however other factors which must come into play if such a recommendation is to be realized. These factors include the stimulation of demand for the increased output and the availability of raw materials. These issues are not adequately discussed in the Report, but the Government's thinking on them is articulated in the current development plan and elsewhere in this Paper.

55. Kenyanization of both the economy and its personnel has been one of Government's principal objectives. Kenyanization of personnel in the public sector is virtually completed while in the private sector it is still distance away. Studies which have been undertaken to determine the factors inhibiting faster Kenyanization

of personnel in the private sector identify lack of high level manpower, investment and work permit policies. The Government, therefore, agrees with the Committee's recommendation that existing Kenyanization programmes should be vigorously pursued, including the re-activation of the interministerial Kenyanization Committee which would formulate guidelines on the issuance of work permits, including fixing appropriate fees to be charged, among other related responsibilities.

56. The Government fully shares the view of the Committee on the issue of tripartite agreements as a form of employment generation. In future, therefore, the Government will focus more sharply on those measures which will ensure employment growth on a sustained basis. These are spelt out elsewhere in this Paper.

57. The Government agrees with the Committee that there is need to harmonize wages determined through the collective agreements and those fixed by Wages Advisory Board. The Government, however, rejects the proposal that minimum wages should be scrutinized by the Industrial Court before they are effected because the secretariat of Industrial Court is a member of the Wages Council. Such a move would only bring about unnecessary delays through duplication. However, the Government accepts in principle the recommendation that the system of paying wages on a fortnightly basis be effected for both the public and private sector. Indeed, this is being practiced in some private sector firms.

58. Housing has for a long time been considered an important incentive for increased productivity. Both the public and private sectors have to a certain degree been able to provide some form of housing. However, this falls short of the numbers and quality required. The Government, therefore, agrees with the Committee's recommendation that there is need to look into ways to provide housing for the majority of workers. Builders, public and private, will have to seek innovative ways to use building materials in order to reduce costs substantially. Otherwise budget constraints will thwart any massive supply of housing. Further, much of the housing should be built in towns serving rural areas, consistent with a policy to disperse employment away from the large cities and more evenly around the country.

59. Government agrees with the recommendation on casual workers and will taken this up as part of a general review of the labour laws.

Employment in Agriculture

60. Agriculture continues to lead other sectors of the economy in its contributions to gross domestic product, employment and export earnings. The labour absorption capacity of agriculture is related to many other factors which include land use patterns, land tenure, crop and livestock mixes, and access to markets, among others. The Committee's specific recommendations on each of these factors are that—

- (i) a land commission be appointed to study and advise the Government on how to evolve a long-term land policy consistent with the country's long-term national goals;
- (ii) a long-term programme for large- and small-scale irrigation and drainage schemes be initiated;
- (iii) the Government continue to encourage controlled and organized sub-division of large farms in the high potential areas;
- (iv) increased use should be made of the National Youth Service and mass media to train and propagate special soil conservation programmes all over the country and farmers' extension services should be administered from a centralized point to ensure efficiency;
- (v) the Agricultural Finance Corporation should be constituted into an agricultural development bank with credit to farmers being differentiated from that of industry and commerce with a broadly based agricultural insurance programme to cover not only crops but also livestock;
- (vi) the Government should initiate measures to bring into use idle but potential productive land for growing grains, continue to use the Agricultural Development Corporation for seed development, and free the movement and sale of maize once the national strategic reserves have been met;

(vii) the Government should encourage increased acreage under tea, the manufacture of coffee, and greater use of chemicals including fertilizers;

(viii) the Government should encourage rural schemes for both the large and small estates;

(ix) the Government should encourage increased use of irrigation and mechanization in cotton growing;

(x) the Pyrethrum Board should be offered soft loans to support a minimum level of strategic stocks;

(xi) the Horticultural Crops Development Authority should be re-organized to make it more developmental in character;

(xii) tea crop research should be undertaken;

(xiii) a combination of crash artificial insemination and zero grazing programmes should be introduced to be supported by a national livestock insurance scheme and a widespread programme of simple milk collecting facilities;

(xiv) the Agricultural Development Corporation should be strengthened in order to undertake ranch development and livestock marketing including the establishment of abattoirs in strategic areas:

(xv) the pig and poultry industry should be developed more intensively; and

(xvi) the co-operative movement should be strengthened both at the primary and national levels.

61. The Report's recommendations reiterate the Government's strategy on employment generation in the rural areas through the intensification and diversification of farming and related rural-based activities. However, as far as the proposal in the Land Commission is concerned, the Government, through the Ministry of Lands and Settlement, has already and will continue to carry out the necessary reviews in land tenure, land sub-division, etc.

62. Irrigation and drainage schemes have merit as ways to increase productivity of both land and labour. Unfortunately, these schemes are highly capital intensive and divert substantial resources

from other agricultural investments that are important generators of rural income and employment. Thus irrigation and drainage projects must be evaluated in comparison with the opportunities available to create more agricultural jobs through other means.

63. The Agricultural Extension Service is an important instrument of improving farming systems and transferring new knowledge to farmers on a personal basis. However, since there are at present several organizations providing similar services, the existing system suffers from duplication and inadequate quality of programmes and personnel. The Government, therefore, agrees with the Committee that there is need to co-ordinate and improve the quality of the services. To this end, the necessary measures have been initiated to improve the quality of extension staff and to avoid duplication.

64. Provision of credit to farmers has an immediate bearing on the ability of farmers to adopt new technologies and farming practices, resulting in increased production. A number of credit facilities have been or are currently in use. They include the Guaranteed Minimum Returns (GMR), which was abolished some years ago, and the Seasonal Crop Credit under the aegis of the Agricultural Finance Corporation (AFC). These facilities have certain limitations which to some extent arise from the operations and organization of these institutions.

65. The Government, therefore, agrees with the Committee's observations and recommendations that there is definite need to restructure the existing credit institutions to make them more responsive to farmers' needs. The restructuring includes converting the AFC into a self-sustaining financial institution and incorporating a farming insurance scheme. A study in this direction has recently been commissioned to determine how an agricultural insurance scheme can best be implemented and operated.

66. The Report's analysis of agricultural development and its contribution to employment generation is focussed on the following broad categories: cash crops, horticulture, tree crops and livestock.

67. Cash crops, which include maize, wheat, coffee, tea, sugar, cotton and pyrethrum, are produced on both large and small farms and all of them except wheat are labour intensive. Employment effects arising from these crops are realized through increased production, whether for self sufficiency or for exports; increased use of farm outputs by local manufacturers; increased demand by farmers for locally manufactured farm inputs; and the increased requirements for local marketing organizations to handle both higher farm output and more farm inputs.

68. The Government agrees with the Committee's analysis of the agricultural sector. Indeed, most of the recommendations appear in the current development plan and have also been covered in detail in the various relevant policy papers prepared by the Government. These papers include National Food Policy and Livestock Development Policy, which continue to guide Government endeavours in the sector.

69. The co-operative movement has played a very important roll in the development of our country, particularly in the rural areas. Recently the co-operative movement has emerged as a successful organ in the mobilization of resources through its savings and investment plans in the various co-operative savings societies. The Government, therefore, accepts the Committee's recommendation that legislation be enacted to strengthen the role and powers of the Kenya National Federation of Co-operatives and those of the Ministry of Co-operative Development in order to achieve a closer and improved inter-agency and inter-ministerial co-ordination.

Employment in Forestry, Fisheries and Mining

70. The Government agrees with the Report's assertion that a country's prospects for a rapid economic development greatly depends on her endowment of natural resources and the extent to which they are exploited efficiently.

71. The Report notes that although the direct contribution of Kenya's natural resources to the Gross Domestic Product is relatively small, they contribute substantially to the growth of other

sectors of the economy through the supply of vital inputs. In order to raise the contribution of our natural resources to gross domestic product and employment generation, the Committee recommends that—

- (i) afforestation should be expanded to all catchment areas supported with clearly defined, community-based agro-industrial programmes;
- (ii) in order to facilitate proper exploitation of forest resources, the Government should construct forest roads, review the licensing system and strengthen the law enforcement machinery;
- (iii) a Forest Products Authority should be established to oversee proper exploitation of the forest resources, through modernization of saw milling, Kenyanization of logging, and increased utilization of saw milling by-products;
- (iv) the Government should lead in the development of other wood industries requiring complicated and expensive technology;
- (v) a Fisheries Development Authority should be established to oversee the exploitation of the country's fishery resources by providing the necessary support, such as the establishment of boat-making industries, establishment of a credit scheme, and engaging in the collection, processing and marketing of fish and fish products;
- (vi) the Government should construct "fish roads" in the high potential fishing areas to boost production and marketing;
- (vii) the Government should establish appropriate training programmes for extension officers and for the thousands of jobless school-leavers who could become fishermen;
- (viii) the Mining Act of 1934 be reviewed in order to update it;
- (ix) a National Mining Corporation should be established;
- (x) training of mining technicians should be expanded and if necessary trainees could be sent to foreign training institutions.

72. The Government agrees with the Committee's observation that there is scope for increased employment and revenue earning through the exploitation of these natural resources. However, in order to survive as a nation, we must ensure that the exploitation of our resources does not destroy our environment and ecological balance. A properly planned exploitation and development is, therefore, required.

73. Recommendations to establish a Forest Products Authority, Fisheries Development Authority and National Mining Company will be considered in the context of Government established policy to reduce the role of parastatals in areas where private initiative can do as well or better. The Government accepts that the existing mining laws should be updated as it has recently done on the Oil Exploration legislation. In each case, Government will consider the extent to which the private sector can be called upon to develop each sector. Parastatals roles, if any, would be to facilitate private sector development and to ensure that social costs (external costs) of exploitation are taken into account by private producers.

Employment in Manufacturing

74. In the recent past, the manufacturing sector's capacity to generate employment has ceased to grow because of immediate past and current economic difficulties. To revive the economy, the Report argues that in future, the pattern of industrial development should put more emphasis on production for export and on use of locally produced raw materials for intermediate and capital goods production. These measures would generate employment, earn foreign exchange through exports and save foreign exchange through import substitution.

75. The Committee specifically recommends that—

- (i) the Government should vigorously pursue policies of export promotion and rationalization of tariffs;
- (ii) the Government should encourage industries which use local materials, and labour-intensive methods of production;
- (iii) the Government should support further Kenyanization of industry.

The Government endorses these policies and has made them a central feature of the current Development Plan.

Employment in the Building and Construction Industry

76. The building and construction industry both generates its own employment and facilitates the establishment of vital infrastructural facilities such as roads and buildings, which in turn stimulate employment growth in other sectors of the economy.

77. The Committee's recommendations on the sector are that—

- (i) the Government should establish a National Housing Bank;
- (ii) the Government should step up construction of houses for its staff;
- (iii) housing by-laws should be amended to permit use of local building materials, require tanks for rain water, and require installation of solar water heating facilities;
- (iv) preference in awarding building tenders should be given to indigenous Kenyans;
- (v) the building industry should be Kenyanized;
- (vi) more resources should be directed to the development, through labour-intensive means, of unclassified and rural access roads;
- (vii) university and polytechnic engineering students should be required to work as supervisors on rural works programmes in order to gain practical experience; and
- (viii) on these projects, Government should consider the use of inmates serving sentences up to six months.

78. The Government shares the feelings of the Committee on most of its recommendations. However, on the proposal to establish a National Housing Bank, the Government feels that the existing financial institutions are sufficient to serve the sector's needs. The Government intends to follow its present policies on Kenyanization because it believes they are working well. However, since Kenyanization itself is a dynamic process, these policies will be constantly reviewed to ensure that they are in harmony with other policies and goals.

79. The country has over the last few years been experiencing severe economic and financial constraints. As a result, the building and construction industry has been adversely affected. The Government's outlay in this sector has declined substantially. It is, therefore, unlikely that the sector will in the short run contribute significantly to employment creation.

Employment in the Service Sector

80. The service sector, as defined by the Report, includes tourism, commerce, money, banking and insurance, energy, transport, and communication, health, water and mass communications. These activities contribute to employment creation in varying degrees.

Tourism

81. Tourism is Kenya's third most important industry in terms of gross foreign exchange earnings (behind coffee and transportation, with tea fourth), and is a major generator of employment. In order to promote tourism and disperse its benefits, the Committee recommends that—

- (i) the Government should increase its grants to the Kenya Tourism Development Corporation (KTDC) to invest with indigenous Kenyans in small-scale, decent hotels in appropriate rural areas where the potential for tourism lies;
- (ii) Government increasingly use small tourist hotels up-country to promote local operators;
- (iii) Government design appropriate training programmes for operators;
- (iv) Government strengthen regulatory and monitoring systems for collecting foreign exchange which accrues from tour and travel operations in the country.

82. The Committee's analysis and recommendations on the sector are generally in agreement with current Government thinking and Government, therefore, accepts them. Indeed, a number of the recommendations have recently been implemented.

Commerce

83. The commerce sector is important in terms of employment creation, directly and indirectly contributing to economic growth and diversification, and its potential for earning foreign exchange. In order to enhance its contribution, the Report recommends that—

- (i) Kenyanization of commerce should be a high priority national objective;
- (ii) in order to enhance Kenyanization, increased use should be made of legislation, credit facilities, training, urban plot allocation, and regulatory policies.

Kenyanization in general and in commerce in particular has been repeatedly articulated as a foremost national objective. Although much progress has been made in this direction, there is still much scope for widening Kenyan participation and growth in this important sector. The Committee's recommendations touching on trade, credit, business education, competition, efficiency and external trade are generally in line with Government thinking, and are therefore accepted.

Money, Banking and Insurance

84. The Committee observes that appropriate fiscal and monetary policies are a necessary pre-condition for sustained economic growth which in turn stimulates employment generation. The Report, therefore, recommends that—

- (i) banks should plough back into rural areas a proportion of savings generated therein;
- (ii) appropriate incentives should be created in the rural areas to attract establishment of banking institutions;
- (iii) measures should be undertaken to ensure that credit is widely spread in the rural areas;
- (iv) the stock market should be used as an instrument to enhance Kenyanization;
- (v) insurance companies must also be made to invest substantial portions in the rural areas.

85. Financial institutions play an important role in the overall development of the economy. They mobilize savings and investment from and to the various sectors of the economy. Over the years, Government's fiscal and monetary policies have encouraged these institutions, to increase their participation and contribution to rural development and agriculture in particular.

86. The Government accepts the Committee's recommendations on financial institutions including insurance companies and will continue providing the necessary guidelines and incentives to facilitate their participation in the development of the rural areas, especially now that the Government has shifted focus of development to the district level.

87. The Government also agrees with the Committee's recommendation that policies and guidelines should be formulated to make the stock market a tool of Kenyanization of the economy.

88. Financial management is a specialized area and the Government agrees with the Report that, due to shortage of qualified manpower in the area, a school of business studies should be established. The relevant training committee under the auspicious of the Industrial Training Council will prepare the necessary groundwork.

Energy

89. The effects on our economy of oil price rises of the last decade is sufficient evidence of the central roles of energy in national development. The Committee's recommendations on energy are based on the need to draw up guidelines on the conservation of energy, its distribution, manpower development for the sector, exploitation of mini-hydropower and geothermal, power and the development of renewable sources of energy.

90. The Committee's concern for energy diversification, conservation, distribution and use concurs with the Government's thinking. Already, some of these measures are in operation and the others will be progressively implemented.

Transport and Communications

91. The transport and communications sector contributes to employment, both directly and indirectly, and is the nation's second most important means of earning foreign exchange. A well co-ordinated and integrated transport and communications system is essential for sustained economic growth, and its expansion and improvement can create substantial employment opportunities. The Committee's recommendations are centred on licencing, monopoly, safety, mode and types of vehicles.

92. The Report's specific recommendations on the sector are that Government—

- (i) remove monopolistic franchises to allow free entry by small transport operators;
- (ii) devise efficient systems to allow proper monitoring and control of matatus and taxis;
- (iii) encourage the use of cycles and handcarts;
- (iv) extend railway services to other areas of great potential;
- (v) devise proper and efficient usage of railroad, services; and
- (vi) extend telecommunications services, including construction of infrastructure, in order to generate employment.

93. The Government agrees with the Committee's recommendations on railway and water transport, although some of them have far-reaching financial implications. Since the Government's deficit is projected to increase in the coming years, it will, regrettably, not be possible to implement these recommendations in the short-run.

94. The recommendations on the telecommunications services are in line with Government plans and are, therefore, accepted.

Health Services

95. The Committee's recommendations on the health sector are not basically employment-oriented but rather focus on preventive medicine, so that people become productive through better health.

Some recommendations are generally in agreement with the Government thinking and are, therefore, accepted. However, the Government does not think it opportune to introduce fees for Government medical services.

Water Development

96. Water is important as a service to people both in the generation of employment and the saving of time which would otherwise be spent by people travelling long distances for water. Its importance is reflected in the heavy investment undertaken by both the Government and wananchi in development of water supplies. Although the existing facilities are serving people well, there is scope for improvement. However, such improvement is inhibited by lack of appropriately trained personnel in the areas of plumbing, mechanics, and pump maintenance.

97. The Government accepts the proposal that appropriate training should be provided to facilitate the day-to-day maintenance of the schemes by the local populace. To this end, the established training facilities will be increasingly used to mount appropriate short courses for operators. In addition, the Government will continue to provide wananchi with water in accordance with stated Government policy through the increased use of surface and ground water.

Mass Communications

98. Mass communications, properly devised and oriented, is a useful tool to foster development. The Report covers radio, television, newspapers, films, books and the performing arts. All these have a common objective and are therefore complementary. The Committee's recommendation, that both radio and television should be made more powerful for domestic and external reception with a variety of relevant programmes aimed at activating development, is consistent with Government policy.

99. The Government concurs with the Committee's recommendations on the print media.

Employment in the Informal Sector

100. The Report reiterates and amplifies policies which were proposed by the ILO in 1972 and accepted by the Government through the Sessional Paper No. 10 of 1973 on Employment. Sufficient information on the sector has now been collected and analysed the results indicate that it has a great potential for employment creation and is a vast training ground for indigenous entrepreneur. Consequently, the Government will encourage the informal sector to expand and create new employment opportunities. Government's greatest contribution will be to remove any remaining barriers to informal sector activities, giving it room to grow. Beyond that, the Government will consider more active steps, such as ways to provide credit, technical and marketing assistance, and other aids to entrepreneurs in the informal sector.

The Role of the Public Sector

101. Success of the foregoing recommendations will depend very much on positive and active participation by the Government through its established institutions. The Government will, therefore, ensure a climate conducive to orderly development. In this connection, the Government will continue to promote and safeguard social and political stability, widen the role of the private sector, and remove those internal constraints which may hinder orderly development of the economy. Its general policy framework was described in section I of this Sessional Paper.

TABLE 1.—PROJECTED LABOUR FORCE AND EMPLOYMENT 1984-88

	1981 Reported	1984 Estimated	1988 Target	Annual percentage increase 1984-1988
	'000's	'000's	'000's	
1. Population of productive Age (15-59)	6,598	7,337	8,452	3.6
2. Labour Force (89%) ..	5,608	6,537	7,522	3.6
Employment:				
3. Modern Sector	1,024	1,113	1,435	4.9
4. Small-scale Agriculture and Rural non-Farm	3,493	3,896	4,327	2.2
5. Pastoralists	345	385	428	2.2
6. Urban Informal	157	190	227	6.4
7. Total Employment	5,019	5,584	6,417	—
8. Residual (Row 2 less Row 3)	589	953	1,105	3.0
9. Residential asper cent of Labour Force	10.5	14.5	14.6	—

LONG-TERM	MEDIUM-TERM	LONG-TERM
64, 179, 193, 194	54, 56, 71, (i, ii, iii) 176, 178, (i) 180, 190 (i, ii), 191.	175, 178 (ii), 181, 184, 192.
225, 226, 249, 250, 261, (i, ii, iii), 265, 266 (i, ii), 267, 270, 272.	201, 205, 207, 208, 230, 237, 239, 240, 248, 255, 256, 259, 278, 284.	195, 207, 217, 218, 276
290, 295, 297 (i), 298, 300, 301, 302, 306, 307 309, 311, (i, ii), 315(i, ii), 316(i, ii), 319, 320 321, 322.	288, 292, 297 (ii), 311, (ii), 313(iii), 317, 318, 323.	
324(i), 328(i, ii), 331, 339, 343 (i, ii).	325, (i, ii, iii, iv), 327, 330, 344, 347 (i, ii), 348, (i, ii), 355, 356, 357(i, ii) 358, 359, 373, 375, 379, 381, (i, ii, iii), 382, 387, 388 (i).	349, 354, 365, 383, 384, 388 (ii).
409, 418, 419, 420, 422 (i, ii, iii), 458, 470.	400, 403, 432 (i, ii, iii, iv), 433 (iv), 446, 448, (i, ii, iii), 449, 450, 451, 452, 453, (i, ii), 455 (i, ii), 456, 459, 460, 469.	389, 392, 448 (iv).
471, 530 (i), 544, 546, 549, 550.	474, 475, 477, 479, 480, 488, 489, 505, 506, 507, 509, 512 (i, ii), 517, 520, 521, 522, 524 (i, ii), 525, 526, 530(ii), 539, 545 (i, ii).	487.
554, 5619(i), 575, (i), 576, 582, 603, (i), 607, 611, 626, 629, 634, 635 (i, ii), 636, 638, 640, (i, ii, iii), 679, 699 (i, ii), 701, (i, ii), 704 (i, ii, iii), 705, (i) 736, 741, 754 (i, ii), 756, 780, 789, 790 (ii) 792, 793, 795, 796, 801 (i), 801 (ii).	556 (i, ii), 557, 561 (ii) 578, 579, 581, 589, 590, 597, 603, (ii), 608, 614, 615, 641, 647 (i, ii), 650, 659, 660, 661, 622, 663, 664, 667, 680, 684, (i, ii), 689, 691, 705 (ii) 717, 718, 720, 725, 726 (i, ii), 727, 728 (i, ii), 729, 730, 735, 737, 739, 740, 742, 743, 776, 790 (i) 806 (i, ii).	653, 721, 733, 738, 807.

POLICIES WHICH HAVE MAJOR FINANCIAL IMPLICATIONS

I. EDUCATION AND TRAINING

Rec. 175

Government adoption of the pre-school education would mean increased cost of providing for more teachers (salaries and training) and physical facilities.

Rec. 180

Additional funds have to be spent in order to provide cheap nutritional supplements such as milk, vitamins, etc., to pre-school institutions. The number of pre-school children is currently 4.0 million and is projected to reach 4.6 million in 1988.

Rec. 184

The cost of running all the existing and proposed nursery schools, within the precincts of all existing and proposed primary schools, would be prohibitive under current budgetary circumstances.

II. EMPLOYMENT AND LABOUR MARKET POLICIES

Recurrent and capital cost of establishing a network of labour tribunals would be significant.

III. EMPLOYMENT IN AGRICULTURE

Rec. 290

The cost of small- and large-scale irrigation and drainage schemes is on average about KSh. 12,000 per hectare.

Rec. 295

The cost of subsidizing self-help soil conservation groups with tools and equipment would be substantial.

Rec. 309

The cost of converting the 400,000 hectares of land in the Rift Valley to be suitable for wheat production is estimated at KSh. 5,000 per hectare for land preparation and more for bush clearing.

IV. FORESTRY, FISHERIES AND MINING

Rec. 349

The cost of constructing the forest roads within forest plantations is estimated at over K.Sh. 500,000 per kilometre.

Rec. 383

Cost of constructing fish roads in high potential fishing areas is not less than K.Sh. 500,000 per kilometre.

V. BUILDING AND CONSTRUCTION INDUSTRY

Rec. 446

The cost of establishing and operating a National Housing Bank would be substantial.

VI. MONEY BANKING AND INSURANCE

Rec. 561 (iii)

The cost of establishing a school of Business Studies is substantial.

VII. TRANSPORT AND COMMUNICATIONS

Rec. 646

The cost of constructing railway lines in the mentioned areas, namely, Kerio Valley, Nanyuki-Meru-Embu-Sagana and Kisii-Sotik, is over K.Sh. 500 million per kilometre.

Rec. 653

The cost of establishing and operating a second port would be huge.

Rec. 659

The cost of establishing and operating a National Shipping Line would be large.

VIII. MASS COMMUNICATIONS

Rec. 738

Cost of providing a cinema van in all districts would be substantial.

CONCLUSION

Rec. 807

The cost of establishing and running a National Development Corporation would be great.

NOTE.—The degree of implementation of each one of the recommendations will determine the actual cost.