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KENYA COUNTRY REPORT FOR THE 2014 MINISTERIAL CONFERENCE ON YOUTH EMPLOYMENT

HOW TO IMPROVE, TROUGH SKILLS DEVELOPMENT AND JOB CREATION, ACCESS OF AFRICA'S YOUTH TO THE WORLD OF WORK

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YOUTH EMPLOYMENT IN AFRICA
(ICQN/ TVSD)

POLICIES, MECHANISMS AND SCHEMES FOR INTEGRATION OF YOUTH INTO THE WORKFORCE AND JOB CREATION

KENYA
COUNTRY REPORT

PREPARED BY

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EXECUTIVE SUMMARY

Introduction

This report presents policies and mechanisms targeting youth employment in Kenya. The drafting of this report has been commissioned by the Association for Development of Education in Africa (ADEA) as an input into the forth coming conference of African Ministers responsible for skills development and youth employment set to take place in Ivory Coast this July 2014. The conference is being organized by the Inter-Country Quality Node for Technical and Vocational Skills Development (ICQN/TVSD) secretariat for its member states.

Youth demographics

Youth (15 – 34 year olds), who form 35% of the Kenyan population, have the highest unemployment rate of 67%. Over one million young people enter into the labour market annually without any skills some having either dropped out of school or completed school and not enrolled in any college. A further 155,000 join the labour market annually after completing training in TVET or at the university. A total of over 1.3 million new employment places have to be created annually to meet this demand. It is also noted that, the skills acquired by the college and university graduates often do not meet the expectation of employers. There is therefore urgent need for the Government to strengthen and scale up successful measures targeting quality skill development and employment creation for the youth.

Youth and labour market in Kenya

The Kenyan labour market is one that is characterized by inadequate employment opportunities against a large and growing population of unemployed people especially the youth. It is dual in nature, presenting a small formal sector alongside a large informal sector. Over the 30% of those on wage employment are casuals. Youth with primary education are in formal employment (4%), informal employment (54%), students (14%) and unemployed (14%). Those with secondary education are in: formal employment (12%), informal employment (40%), students (26%), and unemployed (15%). While those with tertiary education are in: formal employment (31%), informal employment (9%), and unemployed (8%).

Difficulties contributing to youth unemployment

Youth face many challenges while seeking for employment. These include few available employment opportunities against a fast growing pool of employment seekers; lack of requisite skills sought by industry due to mismatch of TVET acquired skills and industry expectation; and poor access to information on available opportunities. Other measures are: gender and cultural biases; ethnicity and corruption; unfavorable geographical distribution of jobs; and limited career guidance. Job seekers cite limited financial resources, lack of relevant skills and experience as major obstacles.

Measures for TVSD and Employment Development

The GOK has put in place measures for TVSD aimed at enabling young people access employment. These include an investment of KES 30 B in expansion and modernization of TVET and a further KES 10 B in expansion and modernization of universities over the last five years. Major reforms in TVET are currently underway including a new policy and legal framework that will create a TVET Authority to oversee curriculum reforms to CBET and strengthened role of industry in TVET. In the long-term the Government is investing in Science, Technology and Innovation (STI) and refocusing the universities to undertake targeted Research, Development and Innovation (RDI) in strategic sectors.

Measures for job creation

The Government of Kenya has put in place measures to create jobs for youth. In the long-term the Government is putting massive investment in infrastructure development to lower cost of business, attract investors, grow the economy and create jobs in the formal sector. In the short- and medium-term the GOK in partnership with the private sector has invested in enhancing internships for college leavers. Other measures are integration of ICT in TVET; programmes for employing youth in the labour-intensive construction industry; and provision of low cost credit to youth.

Experiences with potential for sharing with other countries

The Youth Enterprise Development Fund is perhaps the major short-term measure taken by Kenya to create jobs for the youth. Under this programme youth are provided with low cost credit from a revolving fund standing now at about KES 6 Billion (USD 70 Million). The funds are channeled through commercial Financial Intermediaries. The initial results are very encouraging: 0ver the period 2007 to 2012, over 157,000 enterprises received funding, 200,000 youth were trained, and over 300,000 jobs were created. This project has great potential for scaling up. However, the lessons learnt in managing of credit specifically for unemployed youth need to be observed.

Conclusion

Kenya has developed and implemented programmes aimed at developing skills and creating employment for young people. The GOK, with the support of development partners, has invested over KES 30 billion in the expansion and modernization of TVET over the last ten years. University education has witnessed major expansion in the last five years, with a corresponding large growth in enrolment. Measures for job creation in the formal sector have concentrated on massive investment in transport, communication and electricity infrastructure. The aim of this intervention is to lower the cost of doing business, attract investors, spur economic growth and generate new jobs for the youth. The Government has also invested in generating employment in the MSEs and informal sector. The focus of this measure is to provide youth with low cost credit to enable them start enterprises and generate employment. The KYEDP and the recently launched UWEZO fund are examples that may be replicated in other African countries. Indeed several countries have send delegations to Kenya to learn from these experiences. Kenya has also benefitted from the experiences that these countries have shared.

In conclusion, the challenge posed by youth unemployment is common to all African countries. It therefore important that governments share their experiences and define what works and what doesn’t. This will guide the development of programmes that support cross border mobility of skills’ development and jobs.

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Harry L. Kaane

ACRONYMS AND ABBREVIATIONS

ADEA	Association for the Development of Education in Africa
ICQN	Inter Country Quality Node
GOK	Government of Kenya
HIV	Human Immuno-deficiency Virus
AIDS	Acquired Immune Deficiency Syndrome
NACADA	National Authority for Campaign against Alcohol and Drug Abuse
HHE	House Hold Enterprises
UNDP	United Nations Development Programme
UN	United Nations
GDP	Gross Domestic Product
ICT	Information Communication Technology
TVET	Technical and Vocational Education and Training
TVSD	Technical and Vocational Skills Development
MOYAS	Ministry of Youth and Sports
KNBS	Kenya National Bureau of Statistics
KIHBS	Kenya Integrated Household Budget Survey
MOHEST	Ministry of Higher Education, Science and Technology
MoEST	Ministry of Education Science and Technology
KQF	Kenya Qualification Framework
CBET	Competence Based Education and Training
CoE	Centers of Excellence
KICD	Kenya Institute of Curriculum Development
LIWA	Linking Industry with Academia
HFCK	Housing Finance Company of Kenya
IMF	International Monetary Fund
AGPO	Access to Government Procurement Opportunities
LPO	Local Purchase Order
BPO	Business Process Outsourcing
KACE	Kenya Agricultural Commodity Exchange
YPs	Youth Polytechnics
KEPSA	Kenya Private Sector Alliance
KIRDI	Kenya Industrial Research Development Institute
KKV	Kazi Kwa Vijana
TTIs	Technical Training Institutes
ITs	Institutes of Technology
NPs	National Polytechnics
KESSP	Kenya Education Sector Support Programme
TIVETA	Technical, Industrial, Vocational and Entrepreneurship Training Authority
NGO	Non-Governmental Organization
INGO	International Non- Governmental Organization
NYS	National Youth Service
TA	Traditional Apprentice
SIDA	Swedish International Development Agency

ILO	International Labour Organization
KYEP	Kenya Youth Empowerment Project
YEDF	Youth Enterprise Development Fund
STRYDE	Strengthening Rural Youth Development through Enterprise
FIs	Financial Intermediaries
MFIs	Micro Finance Institutions
IYF	International Youth Foundation
NYDA	National Youth Development Agency
C-YES	Constituency Youth Enterprise Scheme
D-YEDFC	Divisional Youth Enterprise Development Fund Committees
KYBT	Kenya Youth Business Trust
YBI	Youth Business International
YWE	Young Women Enterprise
YCI	Youth Career Initiative
KU	Kenyatta University
JKUAT	Jomo Kenyatta University of Science and Technology
MKU	Mount Kenya University
MFIs	Micro Finance Institutions
SACCOS	Savings and Credit Cooperative Societies
MAM	Machinery, Automobiles and Mechanization
TEC	Telecommunication Electronics and Computers
ADEA	Association for the Development of Education in Africa
ICQN	Inter Country Quality Node
EIIP	Employment Intensive Investment Programme
IBM	International Business Machines
CISCO	Computer Information Systems Company
KYEDP	Kenya Youth Enterprise Development Project
KYEMP	Kenya Youth Employment Marshall Plan
NMS	National Manpower Survey

1. INTRODUCTION

1.1 Country Profile

Location
Kenya is a sovereign state in the African Great Lakes region of East Africa. Its capital and largest city is Nairobi. Kenya lies on the equator with the Indian Ocean to the south-east, Tanzania to the south, Uganda to the west, South Sudan to the north-west, Ethiopia to the north and Somalia to the north-east. Kenya covers 581,309 km^2 and has an estimated population of 44 million.

Climate
The country enjoys a varied climate ranging from the tropical to the temperate. The range of climatic conditions is wide due to the variation in altitude. The highlands above 1,500 meters (5,000 feet) have a temperate climate, but temperatures drop so low as to limit cultivation above 2,700 meters (5,500 feet). Average temperatures at sea level are 26 degrees Celsius and decline by an average of 1.7 degrees for each 300 meters (600 feet) rise above sea level. Kenya is affected by the global climate change resulting in extreme conditions of elnino and lanina. There are two periods of rain, the long rains in March to May and the short rains in September to October (Kenya Meteorological Department, 2007).

Economy
Kenya is the regional trade hub of East Africa, for financial, communication and transport services. Kenya's economy is market based, with a few state owned enterprises and maintains a liberalized external trade system. The country's Gross Domestic Product (GDP) grew by an average rate of 3.7 per cent annually since 2002, reaching 7 per cent in 2007, then falling back to 4.4 per cent in 2011, owing to several reasons including inflation tightening of monetary policy stance up to mid 2012, unfavorable weather conditions and socio-economic challenges arising from post election violence from a disputed 2007 general election. In 2013 the economy is estimated to have grown by 4.6 percent. Increased credit to the private sector, low inflationary pressure and improved weather conditions have contributed to this economic success.

Economic prospects for 2014 are positive with an expected GDP growth of above 5%. This is largely because of expansions in tourism, telecommunications, transport, construction and recovery in agriculture. Agriculture is the second largest contributor to Kenya's gross domestic product (GDP), after the service sector (Kenya economic report, 2013).

1.2 Problem Statement

Youth account for a third of Kenya's population yet they have the largest percentage of unemployment. When youth are unemployed for long periods they are likely to engage in anti-social behaviour including drug and alcohol abuse, unsafe sex, criminal activities including terrorism. Youth unemployment in Kenya is compounded by substantial levels of underemployment and poor quality jobs in the informal sector. Coupled with this, there are rising concerns over increasing poverty, HIV/AIDS and prostitution, drug and substance abuse (NACADA), engagement in extremist activities among the youth, youth are misused and turned into political ponds by politicians and group- up and idling tendencies. This situation presents youth as needy, helpless and unprepared to make any contribution to national development affairs. Consequently, they are marginalized in national state policies and have a weak legal position (Abbink et al, 2005).

1.3 Purpose of the report

The Inter Country Quality Node for Technical and Vocational Skills Development (ICQN/ TVSD) is organizing a conference of African Ministers responsible for Youth and Employment. In preparation for this conference, the Association for Development of Education in Africa (ADEA) is facilitating the preparation of individual country reports on Training, Employment and Job creation policies and schemes. This report presents the Kenyan situation.

The report discusses the employment situation of young people in Kenya and provides information on the Kenyan labour market. In conclusion, the report presents Kenya's most significant experience of facilitating young peoples' access to employment and analyzes the factors determining the efficiency and success of the mechanisms used for this purpose.

1.4 Organization of the report

This report is organized in eight chapters. Chapter 1 presents the Kenyan country profile, the problem statement and the purpose of this report. Chapter 2 deals with the employment situation in Kenya with particular reference to the young people and training opportunities and pathways for youth. Chapter 3 analyzes the labour market situation in Kenya with focus on employment per sector, urban and rural employment, formal and informal employment and wage and self-employment. Chapter 4 presents the difficulties facing youth in accessing employment and mechanisms for improving school-to-work transition. Chapter 5 and 6 discuss planned or implemented measures for skills development and job creation respectively. Chapter 7 presents a case study of a significant experience involving school-to-work transition. The report is concluded with chapter 8 on partnerships and co-operation with other countries.

2. YOUTH SKILLS DEVELOPMENT AND EMPLOYMENT SITUATION

2.1 Skill Development Opportunities for the Youth

Youth acquire skills through different pathways depending on their level of education. Figure 1 below shows the available pathways for youth to acquire education and skills in Kenya.

Based on the recent national population census (Kenya population census 2009) and records of the Ministry of Education, Science and Technology (MoEST), (Sessional Paper No. 14 of 2012 on Reforming Education and Training Sectors in Kenya), approximately 1.5 million children attain the age of 6 years for enrolment in class one but only 1.3 million actually enroll. There are 10.5 million primary school age (6-13 years) children out of which 10 million are currently attending school. Further there are 4.5 million Secondary school age (14-17 years) children out of which 2 million are actually in school. At the tertiary level, there are approximately 5 million young people aged 18 - 23 out of which 0.5 million are attending either university or college education and training.

The current annual entrance into the employment world is made of different groups namely: 200,000 who never attend primary school; 300,000 children who drop out of primary school; 250,000 who complete primary education but never join secondary school; 180,000 secondary school drop outs; 250,000 who finish secondary school and never join any tertiary institution; 45,000 who drop out of tertiary institutions; and 155,000 who complete tertiary education and training. Figure 2 shows these figures as segregated into male and female. 89% of all those entering the labour market have no formal training and hence lack any skills. These untrained youth remain idle, are unskilled workers or are undergoing on-the-job training.

Analyses of the tables show that 800,000 young people enter the youth age group without any skills. At age 18, the end of formal school and beginning of the adult age group, about 1.2 million youth enter the labour market without any formal training or skills. At the age of 24 only 11% of this age have had formal training.

FIGURE 2.1: OUTLINE OF THE EDUCATION AND TRAINING SYSTEM FOR KENYA

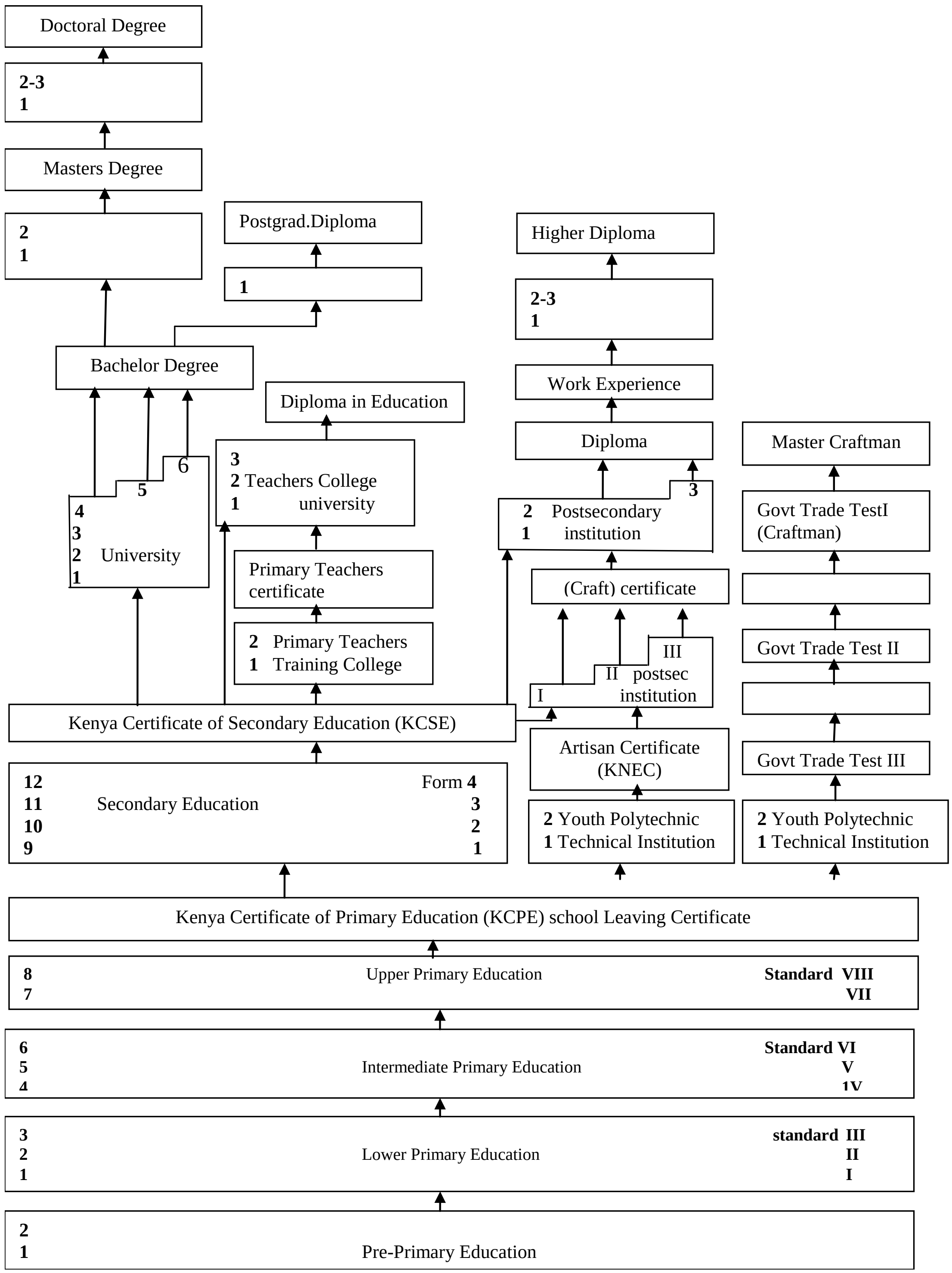
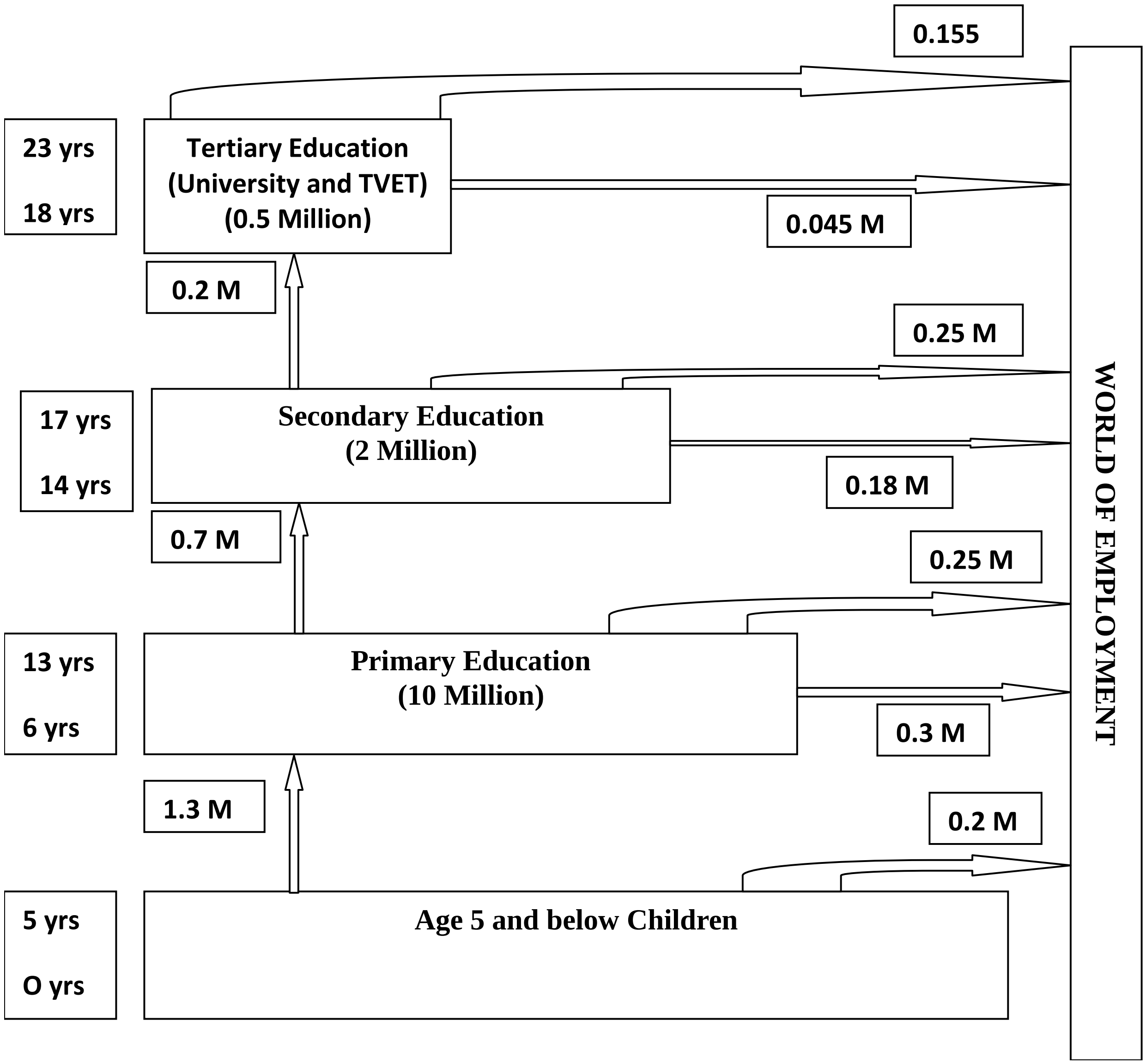


Figure 2.2: Pathways to the World of Employment (idle, unskilled workers, on-the-job training)



Notes:

The figures correspond to the number of children or youth in each cycle or those transiting to the next level

Important parameters: Birth rate: 38; Death rate: 9; Childhood mortality rate: 73

Table 2.1: Number of youth transiting annually to the world of employment per education level

	Education level	Total	Female*	Male*
	Basic education			
1	Never attended primary education	200,000	100,000	100,000
2	Primary education drop-out	300,000	148,000	152,000
3	End of Primary education	250,000	123,581	126,419
4	Secondary school drop-out	180,000	83,536	96,464
5	End of secondary education	250,000	116,022	133,978
	Sub-total	**1.18 million**	**571,139**	**608,861**
	Tertiary education			
1	Completed TVET	95,000	38,475	56,524
2	Completed University education	50,000	21,849	28151
3	Tertiary education drop-out	45,000	18,225	26,775
	Sub-total	**190,000**	**78,549**	**111,450**
	Grand total	**1.37 million**	**649,688**	**720,311**

Source: MOEST – National Education Sector Plan (2015) for enrolment data,

* *The segregation into male and female has been derived using male to female enrolment ratios*

2.2 Employment Situation of the youth in Kenya

Table 2.2: Distribution of youth per activity

Item	Age-group	Total population (Millions)	In school / college (Millions)	Employed (Formal) Millions	Employed (Informal) (Millions)	Unemployed** (Millions)
1	15 - 17	3.5	2.0	0.23	1.12	0.15
2	18 - 23	5.4	0.5	0.67	3.29	0.94
3	24 - 34	6.3	0*	0.96	4.69	0.65
	Total	**15.2**	**2.5**	**2.16**	**10.54**	**1.74**

* Many Kenyans in this age group do undertake further studies, mainly in the evenings, but they are not included in this table.

** Unemployed includes those that are on-the-job-training in formal and informal sectors

Youth represents an important cohort of Kenya's population. The number of youth almost tripled from 4.94 Million in 1979 to 13.67 Million in 2009. Kenya's population is projected to be 46.33 Million in 2015 and 65.93 Million by 2030. Youth will be 35.35% in 2015 and 35.18% of population by 2030. The proportion of youth as share of adult population is high: 66.6% in 2009

Youth may be involved in: employment (formal/informal); job search (unemployed); home-maker; full time studies; and other economically inactive chores. Youth with no education are mainly in: informal employment (45.6%); job search (26.2%); home-making (17.6%); and economically inactive chores (8.2%). Policy intervention therefore seeks to transform jobs in informal sector from precarious outfits to decent and increase absorptive capacity of Labour Market.

Youth with primary education are engaged in: in informal sector (54.29%); full time students (16.93%); unemployed (14%); and in formal sector (3.95%). This means that 15 – 20 year old youth are either in school or in informal sector. The proportion of full time students decreases in the 20 -24 age bracket.

Youth with secondary school level education are engaged in informal sector employment (40%), formal sector employment (12%), unemployed (15%) and full time studies (25.5%). Entry of these youths into the labour market becomes visible at age 21 years. Unemployment problem for these youths are severe at 19-26 years of age.

Youth who have attended tertiary education and training are mostly not found in formal and informal employment or active job search until age 20 years since the they require 1-2 years for the lowest certificate qualification in TVET. Representation of such youth in the formal sector mainly starts at age 21 after qualifying with a diploma or degree. This increases with age until it reaches the cut-off age of 35 years. 30.5% are in formal employment, 9.2% in informal employment, 7.7% are unemployed; 1% are home-maker, 1.3% in other categories. Emphasizes importance of education and training in enhancing employability

Table 2.3: The status of youth transiting from education and training

Item		**Age group**			
		15 - 35	**15 - 18**	**18-24**	**24 - 35**
1	% unemployed	17	20	15	17
2	% NEETs	1	39	0	1
3	% in TVET and University	3	0*	9	0
4	% getting employed after TVET	40	0*	40	40
5	% in apprenticeship?	NA	NA	NA	NA
6	% joining formal economy	31	2	31	7
7	% joining informal economy	9	50	9	43

NA: Data not available

***	Post secondary TVET only (excludes those under 18 yrs)**

2.3 General employment Situation in Kenya

Unemployment and underemployment have been identified as Kenya's most difficult and persistent problems (SP NO. 4 on employment policy and strategy for Kenya, 2013). 12.7% of the working age population is unemployed. About 67% of Kenya's unemployed are youth between 15 and 34 years of age. The highest unemployment rates are for people around 20 years old at 35%. This makes unemployment in Kenya a youth problem. It is noted that the Kenyan labour market, just like in other countries, is always in a state of flux with people leaving and changing jobs while others are joining.

In 2005/06, overall unemployment was 12.7 per cent with urban and rural areas having unemployment rates of 19.9 per cent and 9.8 per cent, respectively (KNBS, 2007). 57 % of women and 86 % of men age 15-49 are categorized as currently employed. The proportion of women currently employed increases with age up to 44 years and then declines slightly for those in the 45-49 age groups (KNBS & ICF Macro, 2010). With regard to employment, the target for total job creation in 2008 was 425, 000. Actual employment creation was 467, 300 which was above the target by 42, 300. Out of the 467, 300 new jobs created in 2008, the bulk, 433, 500 were in the informal sector, 33, 700 were wage employees in modern establishments and 100 were self employed (Kenya, 2010).

Data from the government's annual economic surveys show that formal sector employment growth has been on the increase but at a very slow rate. On the other hand, informal sector employment increased by 10 per cent between 1998 and 2002, 6.4 percent between 2002 and 2005, and 12.3 per cent between 2006 and 2008. This was attributed to minimal growth in both public and modern sector employment, which forced many young people into the informal sector. The fact that only 1.5 per cent of the unemployed youth have formal education beyond the secondary school level and over 92 per cent have no vocational or professional skills training worsens the situation and limits their chances of fully participating in the formal sector. Hence, even though the earnings received in the informal sector are inadequate to put people above the poverty line, the 'working poor' cannot afford not to be engaged in some activity.

In the financial year 2010/2011, 503, 500 new jobs were generated both in the formal and informal sectors as compared to a total of 502, 900 jobs created in 2009. The formal sector generated 62, 600 new jobs in 2010 compared to 56, 300 jobs created in 2009 representing a 12.4 per cent of total jobs generated (Kenya, 2012). It is also interesting to note that the informal sector, which represented 80.6 per cent of the total employment, generated an additional 440, 900 jobs. There are major shifts at the work place and it is important to study the job market to find out the kind of jobs that will be available for our graduates in the post industrial era (Amimo, 2012).

Kenya's gross domestic product by sector is agriculture (22%), services (62%) and industry (16%).This suggests that most jobs are available in the service sector (World Bank, 2010 as quoted in Amimo 2012).

3. BASIC INFORMATION ON THE LABOUR MARKET

The Kenyan labour market is one that is characterized by inadequate employment opportunities against a large and growing population of unemployed people especially youth aged between 15-34 years. It is dual in nature, presenting formal sector alongside the informal sector. Long term trends and dynamics of employment in Kenya show a declining number of jobs being created in the formal sector as compared to the informal sector. It is faced by a number of challenges key among them being:

The country's economy is not creating enough jobs; 743,000 new jobs were created in 2013 against almost 2 million job seekers and another over one million new entrants into the labour force.

There is mismatch between education and training and labour market requirements. A large number of people entering the labour market every year have no skills at all.

3.1. Distribution of employment by economic sector (primary, secondary, tertiary)

3.1.1 Primary Sector

The primary sector of the economy extracts or harvests products from the earth. The primary sector includes the production of raw material and basic foods. Activities associated with the primary sector include agriculture (both subsistence and commercial), mining, forestry, farming, grazing, hunting and gathering, fishing, and quarrying. The packaging and processing of the raw material associated with this sector is also considered to be part of this sector.

3.1.2. Secondary sector

The secondary sector of the economy manufactures finished goods. All of manufacturing, processing, and construction lies within the secondary sector. Activities associated with the secondary sector include metal working and smelting, automobile production, textile production, chemical and engineering industries, aerospace manufacturing, energy utilities, engineering, breweries and bottlers, construction, and shipbuilding.

3.1.3. Tertiary Sector

The tertiary sector of the economy is the service industry. This sector provides services to the general population and to businesses. Activities associated with this sector include retail and wholesale sales, transportation and distribution, entertainment (movies, television, radio, music, theater, etc.), restaurants, clerical services, media, tourism, insurance, banking, healthcare, and law. In Kenya growing proportion of workers are devoted to the tertiary sector.

Table 3.1: Employment projections 2013-2017('000) – against the primary, secondary and tertiary sectors.

	2008-2012(MTPI)		2013	2014	2015	2016	2017	2013-2017(MTPII)	
	TOTAL	AVERAGE	PROJECTIONS					TOTAL	AVERAGE
TOTAL EMPLOYMENT	2,557	511	723	821	1,000	1,194	1,432	5,170	1,034
FORMAL	**334**	**67**	**108**	**164**	**250**	**418**	**573**	**1,513**	**303**
AGRICULTURAL	15	3	31	48	93	153	221	546	109
INDUSTRY	52	10	22	34	54	92	136	338	68
SERVICES	267	53	55	83	103	174	216	631	126
INFORMAL	**2,223**	**445**	**615**	**657**	**750**	**776**	**859**	**3,657**	**73**
AGRICULTURAL	591	118	165	173	173	190	200	901	180
INDUSTRY	340	68	102	122	159	175	212	770	154
SERVICES	1291	258	348	360	396	411	448	1,963	393
RATIO OF FORMAL TO TOTAL EMPLOYMENT			0.15	0.2	0.25	0.35	0.4	0.29	
RATIO OF INFORMAL TO TOTAL EMPLOYMENT			0.85	0.8	0.75	0.65	0.6	0.71	

Source: Second Medium Term Plan 2013-2017(Ministry of Devolution and Planning, the National Treasury*).*

3.2 Distribution of employment by formal /informal sector (urban plus rural)

Kenya has a dual economy including a large and growing informal sector and a relatively small formal and modern jobs sector. The vast majority of Kenyan workers, including 90% of employed youth, work in the agricultural and non-farm informal sectors. Distribution of employment among young workers (15-34) among the farm and informal non-farm sectors is 48% and 42% respectively (World Bank 2012b). The remaining 10% of youth are employed in the formal non-farm sector.

Service jobs account for the majority of work in the informal sector. Trade, restaurants and hotels and other services account for 44% and 29% of non-farm informal sector jobs, respectively. Manufacturing and construction account for 10% of jobs. The structure of the informal sector points to numerous possibilities for skills development programs. Notably, several jobs in the formal sector (e.g. trade, transport, building, agriculture) correspond with the jobs in the informal sector which suggests that workers in the informal sector can transition to formal sector work, (World Bank, 2012b).

3.3 Distribution of employment by category (wage employment, free-lance, self employment, household workers)

3.3.1 Wage Employment

The number of casual workers in wage employment increased from 18 per cent in 2000 to 30 per cent in 2010, (Omolo 2010). Most employers in Kenya, including the public sector ones have resorted to the increasing use of casual, temporary, part-time, contract; sub-contracted and outsourced workforces to ostensibly reduce labour costs achieve more flexibility in management and exert greater levels of control over labour.

Within agriculture, statutory minimum wages vary by age and occupation. In addition, for the general order, minimum wages also vary by location, distinguishing three separate urban areas with different minimum wage levels. These geographical areas are: Nairobi and Mombasa, other municipalities, and other towns. These minimum wages only apply to workers aged 18 years or older. Within occupation and locations, minimum wages increase with the skill level and with city size. Despite the many values of the minimum wages, relative minimum wages have been kept constant by virtue of multiplying all minimum wages by the same growth factor. Therefore, different minimum wages across occupations have not contributed to modify relative wages across occupations or locations.

Regarding those in work, one in four workers is self-employed, 33.6 percent are paid employees and a large majority of employed workers are in unpaid work (43 percent). Out of those in salaried jobs, one quarter is in the informal sector, 55 percent lived in urban areas, 14 percent were engaged in agricultural activities and 30 percent are public sector employees. About 24 percent of the salaried workers in agriculture and 17 percent of salaried workers in non-agricultural activities in urban areas earned monthly wages below the statutory minimum. The distribution of wages for formal workers lies mostly at the right of the minimum wage for general laborers, (Omolo and Omitti, 2004).

Minimum wages are found to have a marginal effect on informal salaried employment.

Figure 3.1: Employment trends in Kenya ('000)

Source: *Republic of Kenya, Economic Survey 2009*

3.3.2 Household Workers

Household workers are those who report that their occupation is "cleaner/domestic worker" or that their sector of employment is "domestic services". A survey by WIEGO (2011) records a total of over 160,000 household workers in urban areas, of whom 82 per cent are women. Expressed differently, 14 per cent of employed urban women are household workers, compared to 2 per cent of men. There are only small differences across the different urban areas in the prevalence of domestic work. Additionally, household workers record extremely low wages, equivalent to only about a third of the average earnings of all informal urban non- agricultural workers.

A study conducted by UNDP (2013) showed that House Hold Enterprises (HHEs) do significantly contribute to employment. In 2004/5, 1.7 million households owned at least one household enterprise, i.e. 25% of all families had a HHE. The majority of all HHEs can be found in rural areas. Most enterprises are involved in services, are constrained by precarious workplaces and lack access to credit. If owners and employees are counted together, HHEs provide around 5 million jobs. Many poor households are among those who own HHEs, but not all enterprises are owned by poor households.

Youth are significantly involved in running HHEs. Although the majority of enterprises is owned by adults, some 37% are owned by youth, more in urban than in rural areas. Among the youth, those in the age group 30 to 34 have the largest share; in urban areas also the group aged 25 to 34 is significantly involved. The peak of HHE ownership is just before 30 years in urban and after 35 years in rural areas.

The great majority of HHEs is involved in services, followed by agriculture. Youth are underrepresented in agricultural activities, possibly because they lack access to land and assets. Enterprises owned by young people tend to be more often located in mobile, roadside or other unsettled locations, whereas adult owned businesses are more likely to be located in commercial locations.

The income potential from household enterprises increases with age. This is also related to the fact that enterprises owned by older people tend to be more likely located in commercial areas and local markets where profits are highest. However, in urban areas even a young enterprise owner will usually gain a better profit than what he would earn as an employee in the informal sector. Self-employment in the informal sector pays off, even at younger age. HHEs owned by poor people are generally not generating as much profit as those owned by people from richer households.

4. DIFFICULTIES EXPERIENCED BY YOUNG PEOPLE IN GAINING ACCESS TO EMPLOYMENT

4.1 Diagnosis of youth employment and difficulties experienced by youth in finding employment

Youth unemployment is attributed to several factors including: limited opportunities for employment; large number of youth seeking employment due to high birth rates; lack of requisite skills; little or no experience; gender and cultural biases; poor access to information on available opportunities; unfavorable geographical distribution of available opportunities; and ethnic considerations. These factors are discussed briefly in the following sections.

a. Limited Employment Opportunities

The Kenyan economy has been growing at a relatively low rate (below 5%). The projected double digit growth has not been achieved. As a result the formal sector has failed to generate sufficient employment opportunities to match the number of new young entrance into the labour market.

Recommendation: The government should promote fast growing sectors that have potential for creating many jobs in the formal sector. These include the telecommunication, electronics and computers (TEC), machinery, automobile and mechanization (MAM) industries.

b. High birth rate and population growth among the youth

The youth population in Kenya is one that keeps growing everyday with numbers of unemployed youth increasing daily too. There is need therefore for the Government to increase effectiveness of the family planning interventions.

c. Lack of requisite skills and mismatch of skills acquired and the those needed at the workplace

The Kenyan labour market is one that is characterized by dynamics in terms of the needed skills and most youth are locked out of the employment circle due to their lack of the much needed skills. Most institutions of higher learning equip the students with theoretical knowledge and fail to understand that the demands of the job market are changing with time. This is further reflected in the requirements that most employers put up as prerequisites for some appointments in the sense that they look for people of higher ages and or with experience. This automatically locks most youths out since they shy away from such companies.

Most of the youth end up applying for different jobs since they lack the required skills to work in line with their career choices. A good number of them end up in jobs that they are not trained in for the simple fact that some sectors are bigger employers than others. A case of the Banking and Insurance sectors for example has paid homage to multitude of youths since these sectors mostly need little or no experience and also do on the job training for their newly hired employees.

Different institutions of higher learning also have different learning models and there are sharp contrasts between the different youths trained by different institutions.

Recommendations: Institutions of higher learning should regularly update their curriculum to fit the requirements of the labour market. On the same note, they should upgrade the content of the courses offered to ensure that students don't end up with valueless education. The courses in this sense should be informative and relate to the issues in the contemporary economy. Institutions of higher learning should also incorporate as part of the major courses industrial attachment for the students so that they can gain skills and experience in what they are training for. In this sense the training offered by these institutions should be one that encompasses ***skills, experience and attitude***

d. Poor access to information on available opportunities

Lack of information or the imperfect flow of information poses a challenge in finding employment. No other platform with a wide reach exists for networking, dissemination of information and awareness creation to support the youth job seekers and to help potential employers attract and recruit more youth from urban and rural areas. Kenya lacks up-to-date labour market information or a national skills inventory. Such inventory would contain labour market data such as stock, types and distribution of skills; the types and levels of skills supplied by the education and training institutions; the skill levels available in the economy; the skill needs by industry; and the trend variations in the skills needs by industry.

A National Manpower Survey (NMS) undertaken by the Kenyan government in 2011-2012 reveals that the country has been relying on piecemeal and ad hoc surveys to inform human resource planning, development and utilization. There is also lack of a labour market information system. This hampers generation of high quality labour market information. The lack of labour market information system also hinders establishment and maintenance of a one-stop database of job seekers and employers. Such database would contain information on all facets of the job seekers' educational and professional qualifications, and past and current employment records. For employers, the database would contain information on the type of skills and employment dynamics that is crucial inputs for job search. The database would be useful in reducing the cost of hiring, job search and spells of unemployment. Overall, the lack of a policy on labour market information has hampered capacity building interventions and in-depth labour market analysis required to facilitate employment creation.

e. Little experience among youth

Employers demand experience for most jobs. Youth who have just come from college or dropped out of school have no prior experience and hence cannot access such quality jobs. However, on the job training would help solve this difficulty. Unfortunately, most industries do not invest in training as they can easily recruit from the crowded market or from other countries.

f. Gender and cultural biases

Female unemployment is higher than that of their male counterparts. In the rural areas of Kenya, young women account for large numbers of the unemployed and the situation is the same in the urban areas where females have the highest rates of unemployment as well. This trend can be attributed to the fact that most communities in Kenya prefer to educate the boy child as compared to the girl child.

Some organizations and companies also prefer the male employees to the female ones due to their biological dispensation especially in high ranking positions and positions that require much energy and this automatically puts the females at a disadvantage. Women face various structural constraints on their effective participation in economic activities (Okojie, 2003). These include poor customary laws and norms which impede women to greater extent than men from obtaining land, credit, productive inputs, education, information, and health care. Regardless of these poor customary laws and norms, labor market also exhibit discriminatory policies, structural barriers and other prejudices that inhibit majority of female youth from entering and staying in the job market.

Recommendations: More awareness campaigns should be carried out to enlighten communities on the need to give their children equal treatment in terms of education. There should be laws that govern employment in the different sectors of the economy to ensure that gender parity is observed. Labour laws should also be more considerate and give a balance between work and family life. Employment policies need to be designed with a focus on gender as this will reduce the rates of female youth unemployment in the country.

g. Ethnicity and corruption

Lack of enough jobs has fuelled bribery and corruption in the labour market. As more youth struggle to get decent employment each passing day, prospective employers have taken it up as their business to take bribes from the already suffering group. This is done in many different ways but in the end it is still the same in purpose. Agencies or bureaus have pitched camp in different towns and cities offering job placement services to the youth at different rates. In addition, many youths lack the networks to access the available though limited opportunities. The ***'who do you know'*** syndrome is still very much alive and thriving in Kenya and those who lack '***god fathers'*** end up being discouraged and in the long run continue to bulge the unemployment basket.

h. Unfavorable geographical distribution of available opportunities

The opportunities also vary depending on the geographical predisposition of the individual in the sense that the youth in Kenya's rural area has fewer opportunities than his counterpart in the major towns and cities of the country.

i. Absence of other means and resources

The youth employment situation in Kenya is also aggravated by the absence of resources among the millions of youth who remain to be jobless in the country and unable to cater for their economic/ financial needs. In their search for job opportunities, the youth tend to suffer mostly due to inadequate resources or at times no resources at all. Most of the young people in pursuit of decent means of survival use a lot of money in their search. They need more than they can afford and this has discouraged quite a number of them and made them resort to getting the money through unscrupulous means.

Recommendations: The government should come up with a strategy that will link up the youth with employment opportunities for instance by setting up a resume bank in the institutions of higher learning and from the pool of resumes prospective employers could pick their desired candidates and hire them after they graduate.

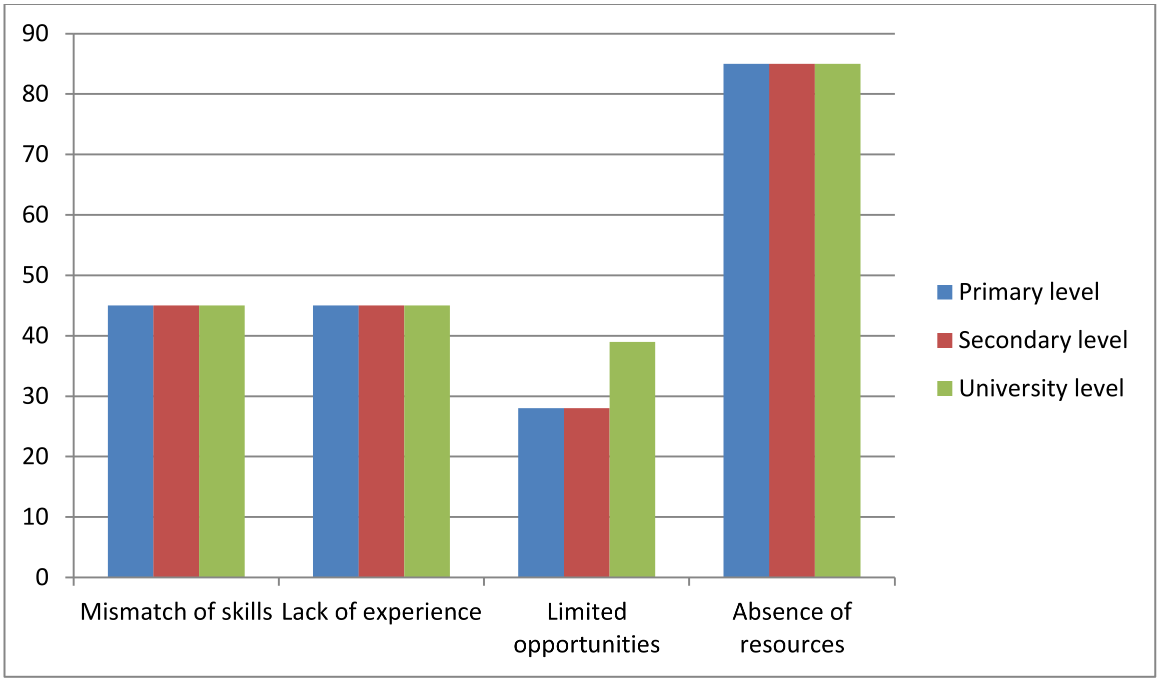
j. Limited career counseling, guidance and role models

There is lack of proper labour market information given to the youth to facilitate the school –to work transition. Educated youth are not being prepared on how to market themselves and are unaware of potential job openings which increase the likelihood of these youth being unemployed for longer periods and resorting to less secure employment. The provision and availability of good quality, independent careers advice for young people, whilst in compulsory education or training is crucial in enabling them to make sound choices about their futures. Independent Career Advice Providers may be less likely to engage more isolated areas of the country, where economies of scale are more difficult to achieve. There are also concerns that advisers will have insufficient knowledge of local economies, local labour markets and the range of employment, education and training opportunities available within rural areas.

Recommendation: Universities and TVET institutions should establish career centers where students can learn about their aptitudes and interests, course offerings and make comparisons with market demands. Such programs should also help students on job related experiences- job search, writing vitas, and preparing for interviews.

4.2 Relative contribution of various factors to difficulties facing youth in accessing employment

Figure 4.1: **Proportions of difficulties to accessing employment according to the level of education.**



Source: KEPSA-KYEP evaluation of youth employability in Kenya

4.3 Mechanisms planned/ in progress to improve the processes of school-to work transition for young people

Kenya's labour market is dual in nature, presenting a growing informal sector employment characterized by precarious jobs with a subdued growth in formal sector employment. Thus, even though the formal sector jobs are relatively preferred, they are few and cannot match the demands of the growing labour force. The Kenya government has, overtime, pursued a number of structural reforms to support formal employment particularly within the private sector (Kulundu 2003). These include reviewing the tax regime, simplification of licensing procedures, and implementation of programs for strengthening the business environment, including enforcement of competition policies. However, these structural reforms have not been effectively and/or completely implemented to make meaningful impact on the youth unemployment crisis. While some significant improvements in the formulation of national development policies have been made, implementation has not been satisfactory, effective, consistent and efficient.

Government interventions to deal with youth an employment may be categorized into policy and legal instruments and financial mechanisms. The government has formulated different policies and enacted laws for enhancing youth transition into employment. Financial mechanisms have been deployed as a major intervention to enhance employment. These include:

a. Introduction of free and compulsory primary education and free day secondary education to increase the number of youth with basic education;
b. Provision of loans and bursaries to students from poor backgrounds to enhance enrolment and retention in colleges and universities to increase the number of youth with basic skills;
c. Low cost credit to youth to enable them establish enterprises for self-employment and to employ others;
d. Provision enabling working spaces for youth in informal sector: shades close to markets; access roads; water and electricity supply;
e. Affirmative action to access markets by reserving one third of all public contracts for youth;
f. Reduction of the public wage bill and redirecting the money into development that is expected to create more jobs for the youth; and
g. Funding youth apprenticeship and internship programmes.

Table 4.1 gives the policy instruments that have been formulated to address the plight of youth employment.

Table 4.1 – Programmes and Policies to address Youth Unemployment in Kenya

	Programme/Policy Title	Area(s) addressed
1	The Kenya National Youth Policy	Youth employment; Youth empowerment and participation; Education and training; ICT; Youth and health, crime and drugs; Youth and environment; Youth and leisure, recreation and community service; and Sports promotion and development.
2	Kazi Kwa Vijana (Jobs for the Youth)	Youth employment; and Skills development.
3	Youth training and skills development a) National Youth Service (NYS) b) Youth Polytechnics	Education and training
4	Youth Enterprise Development Fund (YEDF)	Youth employment; and Youth empowerment by offering low-cost credit facilities.
5	Youth Empowerment Centers	Education and training; and youth empowerment.
6	Youth Employment Scheme – Jobs for Unemployed and Marginalized People (YES – JUMP)	Skills development; Apprenticeship; Technical and financial support; Sustainable livelihoods; and Strengthening of SMEs and youth co-operatives.
7	Entrepreneurship training for youth out of school	Youth empowerment; and Youth participation in economic affairs.
8	Youth and ICT	Youth employment and empowerment.
9	Sports and recreation programmes	Youth participation; and Youth empowerment.
10	The National Youth Talent Academy	Youth empowerment through identification, development and nurturing of youth talent to enable them earn livelihoods from their talents.
11	Affirmative Action Policy for Youth	Youth employment; and Youth participation in National affairs.
12	UWEZO Fund	Youth employment; and Youth empowerment.

5. PLANNED/IMPLEMENTED MEASURES CONCERNING TVSD

5.1 Reforms planned to modernize existing training systems

The Constitution of Kenya 2010 has enshrined youth access to quality education and training as a basic right. The Government formulated and is implemented Sessional Paper No. 14 on to align education and training to the constitution. The current policies are directed at:

a. Making the curriculum relevant; assuring quality of learning outcomes and equitable access to education and training;
b. Expanding opportunities through construction of more institutions and expanding existing ones;
c. Encouraging private participation in financing education and training for those who are able;
d. Rebranding TVET to make it more attractive to youth through implementation of a competence based curriculum;
e. Integrating ICT in education and training;
f. Providing equipment to technical institutions;
g. Enacting law to establish the Kenya Qualification Framework; and.

Four laws were enacted in the last three years to operationalize the policy framework. These are:

a. The basic education act;
b. The universities act
c. The TVET act; and
d. The Science, Technology and Innovation Act

5.2 Training systems planned or implemented to train youth for the strategic and growth sectors

TVET is part of the education and training system given in figure 2.1. The TVET sub-system consists of 700 youth polytechnics, 60 Technical Institutes and Institutes of Technology, 10 National Polytechnics and 3 Technical Universities. These institutions offer a variety of programmes from artisan, craft, and diploma to degree level. The major challenge to TVET include low funding resulting in use of absolute equipment for training; mismatch between training outcomes and industry expectation, and poor image of the sub-sector as a preserve for failures.

The Government has planed major reforms of the TVET sub-system, including:

a. Implement the National Skills Development Strategy;

b. Establish a dedicated Authority to coordinate all TVET;

c. Rebranding of TVET;

d. Establishing a dedicated agency for TVET curriculum development, assessment and delivery;

e. Modularization of TVET curricula and shifting to Competence Based Education and Training;

f. Creating clear pathways in vertical transition from certificate to degree level of training;

g. Establishing Centers of Excellence (COE) to develop skills for strategic and growth-oriented sectors;

h. Introducing the Factory in College model borrowed from China; and

i. Partnering and collaborating with foreign countries.

5.3 Measures for building skills of informal sector entrepreneurs and apprenticeship managers

Most youth in Kenya develop their skills on the job training in the informal sector. This is particularly popular because the youth do not pay fees nor need to have excelled in school examinations. During the on-job training the youth earn some money to support them purchase food and other personal items. Traditional apprenticeship (TA) training is provided by master craftsmen in the informal sector. Several interventions have been undertaken by the Government and Development Partners to enhance the quality of the training in the informal sector. These include the following:

a. Training of Trainers programmes financed by the Government and the World Bank targeting the informal sector;
b. Providing financial incentives to entrepreneurs in the informal sector to train the youth through award of contracts;
c. The ILO has, with the support of the Swedish International Development Agency (SIDA), launched an integrated small enterprise management training programme “Improve Your Business”. Essentially, the package consists of a handbook and a workbook. The material can be used without an instructor as an analytical and counseling tool as well as for group learning;
d. One approach in training which has been applied by the ILO is action learning to improve management performance for small enterprises. Accordingly, an action-learning programme consists of setting up groups of entrepreneurs, each of whom identifies

problems in his enterprise and works to reduce or cure these problems, meeting together periodically to discuss progress and plan further action.

5.4 PARTNERSHIPS FOR INVOLVING ECONOMIC AGENTS IN YOUTH TRAINING CURRICULUM DESIGN

Effective coordination between education, training institutions and industry is critical for skills development and the resultant employability of the youth and the entire labour force. In Kenya, however, there exist limited linkages and collaboration between education and training institutions, on one hand, and industry, on the other hand. This is reflected in the development and implementation of education and training curricula that do not meet the expectation of industry.

The Government has taken several measures to strengthen the participation of economic agents in the development and implementation of youth training curriculum. Some of these include:

a. The Kenya Institute for Curriculum Development (KICD) is responsible for curriculum development for the TVET. The KICD is supported by course/subject panels composed of persons from industry and training institutions.

b. Establishment of Government-Private-Academia partnerships. The LIWA (Linking Industry with Academia) is one such initiative. This tripartite arrangement is headed by the Kenya Private Sector Association (KEPSA). Its objective is to promote the involvement of industry in training institutions.

c. The Housing Finance Company of Kenya (HFCK) has the mission to develop both residential and commercial buildings. The HFCK has entered into a collaboration with the MOEST attach TVET students to their construction projects for the purposes of developing skills. The programme aims at attaching one million trainees over a period of five years.

d. The Kenyan Youth Empowerment project (KYEP), coordinated by the Ministry of Devolution and Planning, provides training and internship opportunities in the private sectors for vulnerable youth who do not have other opportunities for long or short term employment. The program aims at improving employability of the youth by placing in the formal or informal sectors. The management of the project is been given to the KEPSA.

e. Amiran Kenya Ltd, in partnership with the Government through the YEDF, supports young farmers in acquiring green houses and global compliant agricultural inputs that present a shift from traditional farming methods to modernized ones.

f. TechnoServe is partnering with the MasterCard Foundation to help rural young women and men in East Africa transit to economic independence. The Strengthening Rural

Youth Development through Enterprise (STRYDE) program delivers a comprehensive package of services including skills training, business development and mentoring to young people ages 18 to 34.

5.5 PARADIGM SHIFT IN TVET and YOUTH EMPLOYMENT

Kenya plans a major paradigm shift in TVSD under the banner "Rebranding TVET". A set of major reforms are planned whose goal is to produce a competent graduate capable of meeting the job challenges of technologically dynamic industry. The current TVET produces graduates who need to be e-trained in industry. The essence of the paradigm shift is to reform TVET through provision of the state of the art training equipment and competent lecturers and instructors. This together with strengthened partnerships with the industry is expected to change the image of TVET from a last resort for failures to be the most preferred form of training that attracts the best performers.

Measures that have been taken to realize the paradigm shift include:

a. Formulation of the TVET strategy

b. A new policy on education and training, including TVET

c. Enactment of the TVET Act

d. Establishment of the TVET Authority

e. Establishment of the TVET curriculum development, assessment and certification Council; and

f. Well equipped Centres of Excellence

5.6 OTHER MEASURES FOR ENHANCING THE EFFECTIVENESS TVSD

In addition to the measures highlighted in section 5.5, ICT integration in TVET has been given great emphasis. TVET institutions are collaborating with market leaders in this sector including CISCO, IBM, and Microsoft in ICT integration. The Government has invested in last mile fiber optic connection to all public TVET institutions. ICT is used at three levels: as an information management tool for staff and student management; to support learning and training; and as course for all trainees.

Entrepreneurship training has been integrated in the training programmes of all TVET institutions. The aim of this measure is to prepare the graduates for self employment in both the formal and informal sectors of the economy.

6. MEASURES PLANNED /IN PROGRESS TO PROMOTE JOB CREATION

6.1 Measures for building the occupational skills of economic agents

The Government has no major interventions aimed at supporting economic agencies build their skills as a means of creating jobs for the youth. The agents however make their own efforts with support from agencies like the IMF to develop own capacities for business expansion and hence job creation. Unfortunately these interventions are not specific to youth.

6.2 Incentives for encouraging businesses to hire young people

There are no specific incentives given to firms to hire young people. However, the Government with financial support of the World Bank launched a programme to place youth in private firms for purposes of skill development and enhancing their chances of securing a job. The programme is being implemented by the Kenya Private Sector Alliance (KEPSA). In this programme businesses train young people for which the firm is paid KES 3,000 (USD 35) per month for every youth on internship in their company.

6.3 Investments for developing occupations and jobs in strategic sectors

There are no investments specific to strategic sectors for the purposes of creating jobs. However, investments in the infrastructure (transport and communication) and energy sectors have immensely increased for the purposes of creating an enabling environment or lowering the cost of doing business for all industries. Unfortunately the government has yet to come up with clear policies on how youth may be integrated for the purposes of building local capacity. There are individual efforts by universities and TVET institutions to attach students on such projects.

6.4 Support provided to young people start up or develop activities

The government of Kenya has in the recent past been focusing on dealing with the youth unemployment problem and in its leadership agenda this has been a priority. It has been able to offer both financial and human support through the public as well as private sector and international bodies like the IYF-International Youth Foundation.

To address the youth challenges, the Youth Enterprise Development Fund (YEDF) was introduced in 2006 and later formed into a State Corporation on 11thMay, 2007. The Fund has engaged in partnership with 32 Financial Intermediaries (FIs) to enable the youth access funds directly either as individuals or as organized entities. Apart from the on-lending component of the fund through financial development of young people and developing and coordinating the implementation of the Integrated Youth Development Plan and Strategy for the country, the NYDA activities have propelled young people to reach their personal goals and develop their full capacity. Numerous young people have been assisted since the NYDA's establishment including: Disbursing loans to microfinance enterprises, disbursing Small and Medium Enterprise loans, disbursing Business Consultancy Services Vouchers and engaging youth under the National Youth Service Programme. In Kenya, the YEDF loan targets all forms of youth owned enterprises whether individual, companies, groups, cooperatives or otherwise and the loan is accessible to any youth owned enterprise operating within the country.

A second component is the Constituency Youth Enterprise Scheme (C-YES) that funds enterprises of youth groups in all constituencies. The Divisional Youth Enterprise Development Fund Committees (Divisional YEDFC) have been formed to effectively identify and recommend viable youth group enterprises for loans. Through these programmes, youths have managed to start and sustain viable businesses, and attain financial independence and stability.

The recent addition to the youth empowerment / employment creation kitty is the Uwezo Fund that was launched by the Government in 2013. This is also another government initiative that is aimed at giving financial support to the youth to assist them in venturing into entrepreneurship as a possible way of enhancing financial independence and sustainability. The Government has set aside USD 70 Million for this purpose.

The government in partnership with Jamii Bora Bank offers finance to women and youth executing public contracts under the 30 % procurement allocation, to support women, youth and persons with disabilities for infrastructure and agri-business projects on a county and national level. In this line, the bank registers and pre-qualifies enterprises owned by youth, women under the Access to Government Procurement Opportunities (AGPO) programme. Jamii Bora offers various financial instruments such as LPO financing and invoice discounting to this enterprise alongside other institutions such as UWEZO Fund and Women Enterprise Funds. The bank also re-finances all UWEZO Fund beneficiaries who demonstrate outstanding repayments records and strong management capabilities guaranteeing the beneficiaries after their businesses outgrow the UWEZO Fund.

Other initiatives providing financial support to youth include:

- The Kenya Youth Business Trust (KYBT) is an initiative of Youth Business International (YBI). The programme was launched in 2003 to assist Kenya's large youth population in overcoming unemployment through entrepreneurship. KYBT focuses on socially and economically disadvantaged youth who want to start up their own businesses. It works with disadvantaged youth aged 18 to 30 years by providing start-up capital for those with viable business propositions but who are unable to find finance elsewhere and also provides successful applicants with volunteer business mentors and full access to the organization's local and national business support network.

- Over the past four decades, TechnoServe has built the capacity of hundreds of farmer associations and more than 500 small- and medium-sized enterprises in Kenya. TechnoServe is currently helping thousands of smallholder livestock and horticulture producers to boost their incomes and connect to broader markets, including over 200,000 dairy farmers, about 37,000 fruit farmers, 12,000 poultry farmers and 6,000 coffee farmers. In addition, TechnoServe is promoting sustainable mobile solutions for agriculture development and implementing three youth-focused programs to enhance the livelihoods of more than 1 million young Kenyans during the last two years.

- The Young Women in Enterprise (YWE) program seeks to empower economically disadvantaged adolescent girls and young women in Nairobi slums, both in-school and out-of-school, by facilitating their entry into safe and productive economic opportunities. The program introduces girls ages 14 to 24 to entrepreneurship concepts, financial literacy life skills and employability. In partnership with the Nike Foundation, TechnoServe has reached over 4,000 girls through YWE since 2006, 35 percent of whom have started small businesses and 25 percent of whom have been linked to wage employment.

- The International Youth Foundation also offers human support to young people in need. IYF works with hundreds of companies, foundations and civil society organizations to strengthen and ‘’scale up’’ existing youth employment programmes that are making a positive and lasting difference in young lives. It focuses on training on core work skills and strengthening youth leadership.
- The Youth Career Initiative (YCI) is a six –month programme that mobilizes the human, financial and technical resources of the hotel industry in order to provide young people in developing countries with valuable life and vocational skills, which would be difficult to acquire elsewhere. The YCI combines life skills with vocational training.

6.5 Clusters of innovation and incubators for young people

Business incubation has been recognized as an important measure in preparing young people to succeed in business. In Kenya, there are a number of institutions that have established business incubators for young people. Notable example here is the FabLab at the University of Nairobi. The university works with TVET institutions and MSEs to develop their innovations and designs to commercial level.

The Kenya Industrial Research and Development Institute (KIRDI) has the oldest incubator programme in the country. The institute support youth in both formal and informal sectors to develop their business ideas into commercial projects through training covering 3 – 6 months. They work in the areas of leather and leather products, textile and garments, metal fabrication and metal products, glass blowing and ceramics, electrical equipment, renewable energy technologies and ICT.
Many university and TVET institutions have also established incubators targeting both MSEs and their own students. Notable interventions are from Jomo Kenyatta University of Agriculture and Technology, Kenyatta University, Strathmore University and Mount Kenya University.

There are also other community based and small business incubator in Kenya. Some of these include:

- The **Work Away home**, a registered community based organization in Kenya that is run & managed by local youths with a mission to nurture, empower and transform local young people to be self-reliant and independent.

- **Social enterprise incubator program** involves training & coaching local young people on business, vocational and life skills thus volunteers assist in facilitating the training, supervision and follow ups. Volunteers are involved in developing training manuals, training on business & life skills, developing marketing strategy, field visit to collect data and supervision.

- **MTAA YANGU** involves creating platforms for local young people to be involved in decision making and development of the local community. Volunteers are involved in organizing, fundraising, sensitizing and report writing.

6.6 Labour-intensive construction projects supporting jobs for young people

The Kenyan government launched the Kazi Kwa Vijana (KKV) [Employment for Youth] programme in April 2009. This is a nationwide public works programme that aims to employ between 200,000 and 300,000 young people annually in rural and urban areas in labour-intensive public works projects (Republic of Kenya, 2010). The programme is implemented by different government ministries (Office of the Prime Minister, 2011).

KKV projects last between three and six months. The KKV creates employment by implementing manual-based small projects in communities. In rural areas these activities include building dams and irrigation, repairing boreholes and access roads, clearing bushes, sowing organic fertilizers and seeds and planting trees. In urban centers, they include building and operating water kiosks, trees for jobs, rehabilitation of irrigation schemes, Nairobi River Basin rehabilitation and restoration, developing and implementing waste management systems and repairing and maintaining access roads. The KKV uses low wage rates as self-targeting criteria for young people, allowing for task-oriented and daily payments. According to the KKV Manual, daily wages are based on national minimum wage guidelines issued by the Ministry of Labour, while the task rates are pegged at Kshs 250 per task for the KKV employees in cities and municipalities and Kshs 150 for those in all other areas.

6.7 Other measures taken to promote job creation for youth

The Government of Kenya has taken an affirmative action to create employment for the youth. One third of all contracts for supply or construction must be given to the youth. For this to happen the youth organize themselves to groups and register with relevant government agencies as legal entities. The Public Procurement & Disposal Act was amendment in June 2013to provide legal backing for the intervention. This measure is still in its infant stages but is promising to help create jobs for the youth.

ICT as a tool has played a great role in the economic empowerment and job creation of the youth. Youth work in business process outsourcing (BPO) as customer care agents, data entry clerks, transcribers and online researchers. Outside the BPOs, youth work as cyber café attendants and mobile phone and computer technicians. On mobile based agricultural support and market research, youth are involved mainly in the production side and work with planting, crop management, parking, mechanics and driving.

Services such as Safaricom's mobile money transfer (M-Pesa), mobile banking (M-Kesho) and information on agricultural produce markets (411 Get It) have increased job opportunities for rural youths as the demand for local agents increases. Currently, Safaricom prides itself of 78,000 M-Pesa agent outlets countrywide. The SMS-based '411 Get It' service, a joint venture between Safaricom and the Kenya Agricultural Commodity Exchange (KACE) provides farmers with information on agricultural produce and market prices, enabling them to identify favorable markets and cut out middle men. With the profits from their farms, farmers are able to open an M-Kesho business, allowing community members to make deposits from their M-Pesa accounts into an Equity Bank account where they earn interest. This is an incentive for rural youths to engage in farming.

7 KENYAN EXPERIENCE INVOLVING THE SCHOOL-WORK TRANSITION

7.1 Project Title

The Youth Enterprise Development Fund (YEDF) Programme

7.2 Project description

To address the youth challenges, the Youth Enterprise Development Fund (YEDF) was introduced in 2006 and later transformed into a State Corporation in 2007 as a strategic move towards arresting unemployment among the youth.

The introduction of the Youth Enterprise Fund was a creative strategy toward job creation and income generation for the youth, especially in rural areas. In the absence of opportunities in the formal labour market, many young people are engaged in the informal sector which is largely unregulated and are subjected to hazardous conditions for low earnings and long working hours, without any formal contract.

Fund features

a. Fund accessible to any youth enterprise in Kenya
b. The loan is managed by financial intermediaries
c. The loan attracts interest of 8% (commercial interests are in the range of 18%)
d. No collateral required
e. Loan amount determined by nature and size of business
f. Maximum loan set at KES 500,000 (USD 6,000)

7.3 The target group

The target beneficiaries of the fund are youth aged 18 – 35 years both male and female and both rural and urban.

7.4 The Objectives

The fund was established to achieve the following:

a. Provide loans to existing micro-finance institutions (MFIs), registered non-governmental organizations (NGOs) involved in micro financing and savings and credit co-operative organizations (SACCOS) for on-lending to youth enterprises;

b. 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;

c. Support youth MSEs to develop business linkages with MLEs;

d. Facilitate marketing of products and services of youth enterprises in both domestic and international markets; and

e. Provide business development services/entrepreneurship training to youth enterprises.

7.5 Dedicated Resources

Financial resources

An initial allocation of 1 Billion Kenya Shillings (USD 12 million) was set aside for the fund. A similar amount has been committed by the Government to the fund annually. The fund is a revolving loan facility with some funds (USD 12,000) set aside for each of the 290 constituencies in Kenya. KES 690 Million (USD 8 Million) was initially channeled through the FIs.

Human resources

The Fund is managed by a central Secretariat supported by two officers in every constituency to help the youth at the grassroots.

7.6 The Key Players

The Government is the main implementer of the programme. The government lends the funds through financial intermediaries including banks, MFIs, and Cooperatives.

7.7 Implementation Mechanisms

The Government has engaged in partnership with 32 Financial Intermediaries (FIs) to lend funds to youth either as individuals or in organized groups.

Youth may access the funds either directly from the YEDF or through the financial intermediaries. In the latter case the Fund has partnered with 36 financial intermediaries from which the youth access funds to start or expand viable businesses. The Financial Intermediaries manage funds which the youth will access either as individuals or as organized entities. Through this component youth can access up to Kshs. 1 million (USD 12,000). The loan attracts an interest of 8% per annum. For any loans above Kshs. 1 million the financial intermediary must seek authority from the Fund.

The programme also supports a credit guarantee scheme and an LPO financing and performance bonds.

The divisional Youth Enterprise Development Fund committees (Divisional YEDF) are responsible for identification and recommendation of viable youth group enterprises for loans. 10 regional offices countrywide provide the link between the central office and the local units at constituency level.

7.8 Initial Results

The KYEDF achieved the following results over five years (2007 – 2012):

a. Financed 157,000 youth enterprises to a tune of KES 5.9 Billion (USD 59.4 Million);

b. Trained over 200,000 young people;

c. Created over 300,000 jobs;

d. Supported 6000 youth to take up jobs oversees through its Youth Employment Scheme Abroad Programme;

e. Supported 1,800 youth enterprises to market their products in local trade fairs;

f. Supported 32 enterprises exhibit in other African nations;

g. 2,500 youth trained on how to procure from public sector; and

h. 10,000 youth trained through participation in two business plan development competitions.

7.9 Potential for Scaling-Up

This intervention has been successful. It has potential for scale up and indeed the Government has established a related Fund “the UWEZO Fund” that targets the youth, women and persons with special needs. UWEZO will enable these vulnerable groups access interest free loans (but 3% charged for loan administration) for creating or expanding enterprises hence create jobs and employment. The UWEZO fund allows a six month grace period.

The following interventions proposed by the KYEDF, if implemented, will go a long way to support scaling up of the fund.

- Bigger loans to youth whose enterprises have potential for employing many more youth and creating jobs;
- Support partnerships with formal well established business for franchises and sub-contracting;
- Develop (in collaboration with research institutions) an inventory of investment / businesses with potential for success; and
- Sensitize youth at community level on available opportunities

8 CONCLUSION

Kenya has had a long experience with several initiatives aimed at linking youth to employment. Some of these interventions have been locally generated and some have come from both multi-lateral and bi-lateral development partners. It is also noted that the private sector interventions in the ICT, telecommunication and financing sectors has played a major role in creating jobs for the youth. These experiences, both success and failure, present an opportunity for sharing with other African states. Kenya still has a big challenge posed by youth unemployment and will equally benefit from other successful or failed experiences of others.

Few cross-country programmes have been developed involving Kenya and other countries. The Government has developed programmes for the national scene. However, development partners have initiated similar interventions in several countries. Experiences from these countries may be shared with others.

Several countries have visited Kenya to learn from KYEDF model. Kenya has also benefitted from the experiences that these countries have shared. Among these countries include Uganda, Rwanda, South Africa, Zambia and Namibia, Burundi, Botswana, Britain and Malawi. The UN Economic Commission for Africa and the Commonwealth have shown interest to replicate Kenya's model elsewhere.

The KYEDF programme has generated some lessons that will guide future development and may be shared with others. These include:

a. Youth have a lot of individual differences which must be taken into account when designing programmes. One omnibus programme may not address all the needs of the youth;
b. Partnership with private sector unlocks extra resources, as has been the case in partnering with financial institutions, some of which have leveraged the Fund's resources;
c. Working with communities improves service delivery ;
d. Working with youth requires dynamism, quick decision making and empathy;
e. It is not enough to make funds available for the youth; they need to be empowered with entrepreneurial skills; and
f. A supportive policy and legal frameworks are necessary to support the flow of funds, transparency, accountability and repayment of the loans.

In conclusion, the challenge posed by youth unemployment is common to all African countries. It's therefore important that governments share their experiences and define what works and what doesn't. This will guide the development of programmes that support cross border mobility of skills' development and jobs.

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