# MAPPING STUDY LEARN4WORK KENYA PROGRAMME-PHASE II

# UPDATED COUNTRY SITUATIONAL REPORT 2012

**SUBMITTED TO:**

**The Coordinator -Learn4work**

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## Abbreviations and Acronyms

| | |
|---|---|
| AfDB | - African Development Bank |
| AIDS | -Acquired Immuno Deficiency Syndrome |
| EFA | -Education For All |
| GoK | -Government of Kenya |
| IT | - Institute of Technology |
| KESSP | - Kenya Education Sector Support Programme |
| MDG | - Millennium Development Goals |
| MoHEST | - Ministry of Higher Education Science and Technology |
| PRSP | - Plan for Implementation of the Poverty Reduction Strategy Plan |
| STI | - Science, Technology and Innovation |
| TIVET | - Technical, Industrial, Vocational and Entrepreneurship Training |
| TIVETA | - Technical, Industrial, Vocational and Entrepreneurship Training Authority |
| TTI | - Technical Training Institutes |
| TVET | - Technical and Vocational Education Training |
| UNESCO | -United Nations Educational, Scientific and Cultural Organisation |
| YP | - Youth Polytechnics |

## Study Synopsis

| | |
|---|---|
| **Project Name** | **Mapping Study L4W 2012** |
| **Country** | Kenya |
| **Project Duration** | 40 working days |
| **Project Start/End Date** | 30th August 2012 - October 2012 |
| **Project Status** | Final Submission |
| **Contracting Authority**<br>Contact person:<br>Address: | **Edukans Foundation, Netherlands**<br>H.M Pronk<br>Coordinator- Edukans L4W Programme |
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| **Overall Objective** | Provide a starting point for the second phase of Learn4Work to prioritize focus areas for the L4W in Kenya. A similar study had been undertaken in 2009 hence this study aimed to update the available information. It was expected that the study results would function as a guide for development of partnership proposals that address key issues and best approaches in the Kenyan TVET sub-sector. |
| **Key Result Areas** | i. Description of the sectors playing important roles in enhancing food security; contribute to economic development and employment opportunities for the youth. The sectors were to be prioritised, including identification of problems, strengths, weaknesses, opportunities and threats and lessons learned for these sectors, related to employment opportunities and skills / training demand<br>ii. Description of the policy environment and the current situation regarding TVET, as well as to identify the performances, problems, strengths, weaknesses, opportunities and threats, lessons learned and options for (coordinated) support for the TVET sector. Analyze key opportunities for the Learn4Work programme; taking into account the relation between the world of work (result 1) and TVET sector (result 2)<br>iii. An overview and analysis of organizations that could sustainably host the local coordination of Learn4Work |
| **Key Deliverables** | i. Answers to specific questions related to the L4W objectives, as formulated under ANNEX 2 of the ToR<br>ii. An overview of key priorities (sectors / skills demand / TVET issues / geographical area) which Learn4Work should focus on in Kenya<br>iii. An annotated bibliography; an overview of existing key documents / studies / publications relevant to the Learn4Work programme, including a short summary of the documents<br>iv. An overview and assessment of the results of the validation workshop and a reflection on these results |

# 1.0 INTRODUCTION AND BCKGROUND

## 1.1 Introduction

**The goal of education** as articulated by Freire P (1995)[1] is the transformation of communities and societies. Education plays a central role and responsibility in social transformation, understanding and confronting challenges like poverty and sustainable development. Education is a tool for transforming and empowering individuals, communities and society. Deployed effectively, education can enable the vulnerable (youth, women and disadvantaged members of communities) gain skills, knowledge and attitudes that empowers them to be productive members of the society and escape poverty. Education as a social phenomenon does not take place in a vacuum or isolation; it takes place in the society starting normally from the family level (social institutions) and continues in the life span of individuals as they encounter change. Education contributes to sustainable development and in Kenya, it is prioritized as a development intervention as reflected in various policy documents. The Government of Kenya has developed key policy documents over the last ten (10) years; Poverty Reduction Strategy Plan (PRSP) of September 2002 and its successor the Economic Recovery Strategy Programme (ERS) of 2003, and the latest blue print Vision 2030 of 2008 that have all emphasized the importance of education in development.

Atchoarena & Delluc (2001) broadly define **Technical and Vocational Education (TVET**) as that education which leads participants to acquire practical skills, expertise and understanding, and necessary for employment in a particular occupation, trade or group of occupations. Such practical skills or know- how can be provided in a wide range of settings by multiple providers both in the public and private sector. According to Bennell (1999), the role of TVET in furnishing skills required to improve productivity, raise income levels and improve access to employment opportunities has been widely recognized. Developments in the last three decades have made the role of TVET more decisive; the globalization process, technological change, liberalization/increased competition have necessitated need for higher skills and productivity among workers in all sectors(private and public sector) whether formal or informal sectors. Skills development encompasses a broad range of core skills (entrepreneurial, communication, financial and leadership) so that individuals are equipped for productive activities and employment opportunities (wage employment, self-employment and income generation activities).

**The Learn4Work (L4W) Programme** focuses on improving access to and quality of Technical Vocational Education and Training (TVET) in Africa and its relevance for the labour market. The L4W aims at offering employment opportunities to youth in Africa to participate in society; contribute to economic development, ensure a stable income that leads to enhanced food security. The program started in 2008 coordinated by Edukans with phase two (2) starting in May 2012, the focus being on skills demand of the private sector with implementation by different partnerships in five countries: Kenya, Ethiopia, Rwanda, Uganda and Ghana.

The overall long-term objective of Learn4Work is *"To contribute to substantial and sustainable income for youth/young people and particularly those who are marginalised for one reason or the other"*

[1] Freire, P. (1995). *The Pedagogy of the Oppressed* (20th ed., M. B. Ramos, Trans.). New York: Continuum Publishing Company. (Original work published 1970)

The objective in the mid-term is *"to realise access to improved quality vocational education in Africa, which ensures its relevance for the labour market"*. To achieve this main objective, the programme has four operational objectives:

(i) To improve access to vocational education and training in Africa
(ii) To enhance the quality and relevance of vocational education to the demands of the labour market
(iii) To sustainably embed good practices at institutional level of TVET providers
(iv) To include new actors into development cooperation, the education and private sector in particular and strengthen the Learn4Work network.

**TVET can be provided in many different forms**. TVET can be anything between short training courses and multi-annual education programmes, and can lead to a diversity of formally accredited qualifications to informal certificates. All these different training courses can be relevant for preparing people for inclusion in the labour market and the diversity in TVET on offer might be accessible for different stakeholders. Both the formal and non-formal vocational education is part of the Learn4Work programme.

## 1.2 Rationale for the Study

The Bonn Resolution of October 2004 on learning for work Citizenship and Sustainability, argued that; *since education is considered the key to effective development strategies, technical and vocational education and training (TVET) must be the "master key" that can alleviate poverty, promote peace, conserve the environment, improve the quality of life for all and help achieve sustainable development*. **Skills development is important for economic growth, food security, poverty alleviation, youth and women's empowerment and social inclusion**. Several countries across the globe socially in Europe, Americas and Asia have adequately financed TVET. As a result, students undergo vocational training and a culture of scientific investigation and application at an early age. For instance in Europe, about 50 % of students in upper secondary education pursues some form of technical or vocational education; the figure is 35-40 % in China, India and South East Asia whereas in Africa it is less than 20 %.

**TVET still constitutes a marginal sub-sector in the education system of most developing countries**. Kenya's policy documents recognize importance of TVET in development, but the contradiction is inability of both Government and development partners to commit sufficient funds to develop the human capital. In the previous decade, the TVET sector tends to generate little attention or budget provision, resulting in poor infrastructure and facilities, and a low status overall. Poverty Reduction Strategies (PRSPs) and donor policies have preferred to focus on primary and higher education, with the implication that youngsters, in particular those from marginalized groups, who complete primary education have limited access to relevant further secondary or vocational schooling. It is important for Kenya to reorient itself towards sustainable development using TVET as a vehicle for socio-economic and technological transformation.

**Youth unemployment is a problem in many African countries, Kenya included**. Youngsters deal with lack of job opportunities and opportunities to start a business of their own. This not only negatively affects the individual level, but also the social and economic development at community and national level. A labour force with technical and vocational skills is a prerequisite for economic development in a country. Available jobs and demand for qualified staff are often lacking. However, in several cases, there is a demand for staff and market opportunities for starting new viable enterprises exist. However, in order to be of interest to the labour market and to be able to make use of these opportunities, the youth has to have relevant and high quality skills to offer. Therefore, one of the main reasons for their unemployment is the lack of access to relevant and high quality vocational education and training.

**The poor link between vocational education (formal or non-formal) and the labour market** may indicate that education is not perceived to be highly relevant in developing countries such as Kenya. Moreover, youngsters who do complete their education encounter difficulties when integrating into the labour market, as their qualifications and skills do not match companies' requirements. An important role in making TVET relevant for the labour market is creating skills demand for the private sector. The skills demand from the local private sector forms the starting point for Learn4Work interventions in order to bridge the gap between demand from the world of work and the supply of TVET providers. The private sector stakeholders have specific needs and requests for their skilled labour force. They need to be actively involved in communicating these demands to the training providers in order to adjust the TVET to the skills demand of the labour market.

According to the Mapping Study L4W Kenya 2009, **it is feasible for the Kenyan Government to collaborate with the private sector** and use TVET in overcoming the inherent development challenges of increased unemployment, poverty, food insecurity and environmental degradation through development of a broad partnership with all stakeholders. The Learn4Work Programme promotes self-employment and entrepreneurship within the L4W projects, as this forms a high potential for youth to enter the labour market and enhances economic activity in the area. Additionally, the Learn4Work programme helps improve skills training specifically in sectors contributing to enhanced food security. **There is need to identify and prioritize potential employment sectors and opportunities arising for TVET with aim of profiling specific skills demand for sustainable economic growth, food security, poverty alleviation, youth and women's empowerment and social inclusion.**

## 1.3 Purpose and Objectives of the Mapping Study

The study aimed at providing starting point for the second phase of Learn4Work to prioritize focus areas for the L4W in Kenya. The study had the character of a fact-finding and identification study in search of potential areas of support with the lead in private sector skills demand. It was expected that the study results would function as a guide for development of partnership proposals that address key issues and best approaches in the Kenyan TVET sub-sector. Specifically, the mapping study aimed to:

(i) Describe the sectors playing important roles in enhancing food security; contribute to economic development and employment opportunities for the youth. The sectors were to be prioritised, including identification of problems, strengths, weaknesses, opportunities and threats and lessons learned for these sectors, related to employment opportunities and skills / training demand

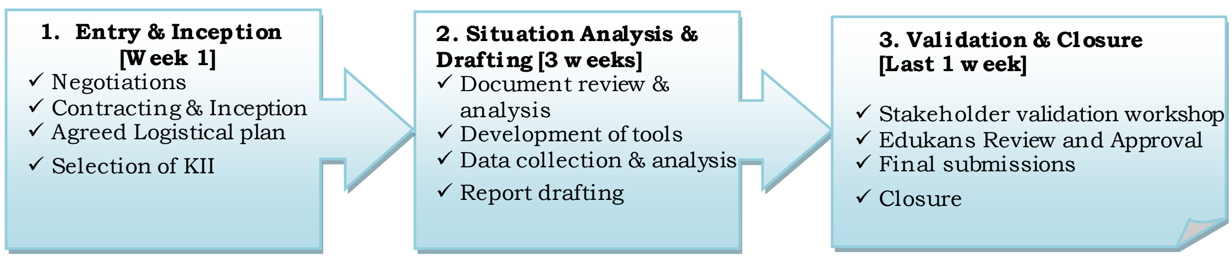
(ii) Describe the policy environment and the current situation regarding TVET, as well as to identify the performances, problems, strengths, weaknesses, opportunities and threats, lessons learned and options for (coordinated) support for the TVET sector. A similar study having been undertaken 2009, this study was to generate input to update the available information

(iii) Analyze key opportunities for the Learn4Work programme; taking into account the relation between the world of work (result 1) and TVET sector (result 2)

(iv) Make an overview and analysis of organizations can sustainably host the local coordination of Learn4Work.

## 1.4 Approach to the Mapping Study

The approach was that of identification nature while updating and searching for potential areas of support. The study had a mixed design to generate quality information/facts and assessment regarding specific questions outlined in ToR (Annex I). To deliver on the specific objectives, the study was in three stages as shown below.




The Inception reporting entailed; tool development, data collection, review of methodology, scoping of literature/sectors and identification of key informants to be interviewed and finalisation of the work plan and making contacts with the key informants to be interviewed.

The study identified secondary data, analysed sub-sector policies and programmes comprising the TVET Sector. Specifically, the study analysed relevant literature, assessed the TVET sector and reviewed the L4W Mapping Study Report (2009) and workshop report of September 2011. It considered the status of government policy, regulatory framework on education in Kenya and sectoral reviews based on Kenya's Vision 2030. The Information generated helped in answering research questions outlined in the ToR while updating facts about TVET (L4W) situation in Kenya.

Finally, a key stakeholders' workshop was held on October 9th 2012 at the Nairobi Safari Club. The workshop participants from targeted TVET Sector were given an opportunity to validate the draft Study Report. The stakeholders commented on the draft report whose results enriched compilation of this final report.

## 1.5 Summary of Kenyan Demographics, Context and Economic Sectors

### 1.5.1 Geography

Kenya occupies an area of 580,370 sq km and is situated on the Eastern coast of Africa along the Indian Ocean sharing common borders with five (5) countries; Somalia (East), South Sudan and Ethiopia(North), Uganda (West) and Tanzania (South). The Capital city is Nairobi with the second biggest town being the port of Mombasa. The people (over 52) of Kenya are from diverse ethnic ancestries that include Africans, European, Arab and Indian ancestries inhabit the country.

### 1.5.2 Demographics

The population increased exponentially as reflected in the 2009 Kenya Population and Housing Census to 38,610,097 million people (19.4Million - 50.26% women) and (19.2Million - 49.7% men), an increase of 35 % from the 1999 census. It revealed an increase in Inter-censal growth rate from 2.9% (1989-1999) to 3.0 %( 1999-2009).The population is growing by an average of 1.2 million persons annually making the 2012 estimate to be 42 million people. The census revealed that 43% the population was below 15 years (entering the reproductive age in the next 10 years), females in the reproductive age (15-49) constituted 48.3 % of population. The population structure is that of young people, feeding the momentum for rapid population growth.

The population distribution is uneven with concentration in three clusters; around Lake Victoria-Western highlands, Nairobi north to mount Kenya-Central/Eastern Highlands, and along the Coast of the Indian Ocean. Majority (90%) live in rural areas putting pressure on land (17% of land is arable making land scarce and causing conflicts) and other natural resources. With the high fertility ratio, the population density will increase from 66 persons per $KM^2$ in 2009 to 146 persons per $KM^2$ by 2040. Regions with high population pressure have developed coping mechanisms to meet livelihood needs that include; adoption of modern agricultural technologies, intensification of agriculture activities, and investment in children's education resulting in reduction of family sizes. The most widely spoken languages are Kiswahili, English, Sheng[2] (a hybrid of Swahili/English and other indigenous languages) and various indigenous languages. The country is predominantly Christian with the main Religion(s) being: Protestant 45%, Roman Catholic 33%, Islam 12% and indigenous beliefs 10%.

### 1.5.3 Economy

Kenya has the largest and most diversified economy in the Eastern African region with a Gross Domestic Product estimated at USD 33.62 Billion by 2011. Kenya's economy is market-based, with a few state-owned enterprises and a liberalized external trade system. It is perceived as the Eastern and Central Africa's hub for financial, communication and transportation services. The economy has being growing after a period of decline as reflected below. The economy is agricultural based (accounting for 24 % of GDP and 70 % of the labour force) but slowly transitioning into agri-service based. Kenya is the largest import market for food and agricultural products in East Africa with majority preferring white corn flour to produce "ugali" as part of their daily food intake, which on average makes 50% daily caloric intake.

The economy has recorded mixed growth because of recent resurgence of activity in the tourism sector and resilience in the building and construction industry before and after the 200/2008, post election experiences as summarized in Table 1.

[2] Sheng is a slang that combines Swahili and English languages and originating in the early 1970s from Eastlands (Slums/ghetto/suburb). It dominantly spoken by youths, touts, matatu (taxi) drivers across the region, and the popular media and has assumed a status of first language in urban areas just like *Pidgin*. It is also influenced by many of the languages spoken in the region, hence has variants of word meaning in all the regions – hence very dynamic

| Table 1: Kenya Economic Growth 2007-2011 | |
|---|---|
| **Year** | **% growth** |
| 2007 | 7.0 |
| 2008 | 1.5 |
| 2009 | 2.7 |
| 2010 | 5.8 |
| 2011 | 4.4 |

Kenya's nominal GDP grew from Ksh 2.5 trillion (US $32 million) in 2010 to Ksh 3.0 trillion in 2011 (US $ 34 million), the economy expanded by 4.4 % in 2011 and is expected to maintain a growth but at a decelerated rate of between 3.5 and 4.5 % in 2012. The risks expected to affect the economic growth include; delayed/insufficient rainfall, high interest rates constraining credit to productive sector, increased Government expenditure (relating to implementation of the new constitution/elections), political climate due to electioneering cycle and high oil prices.

**1.5.4 Poverty, Gender, Environment and Food Security**

According to UNDP Kenya Release of January 2011 observed that Kenya had made tremendous efforts in implementing the MDGs since September 2002. It further noted that while the country was on course to achieve universal primary education due to the introduction of the free public primary education and reduction of HIV/AIDS[3], other MDGs still lagged behind. Poverty levels remained almost stagnant at 46.9% as of 2007/08. Although gender issues are being addressed by the new Constitution (2010) that states women and men have the right to equal treatment including the right to equal opportunities in politics, economic, cultural and social spheres, actual implementation still remains a challenge. However, the Government has pledged at least 30% of all Government appointments to go to women as part of the affirmative action to address the gender gap.

Although Kenya prides of regional economic leadership, it ranks 128th among 169 low-income countries in the UNDP's Human Development Index.4. With 79 %, the population living rural areas and relying on agriculture for most of its income, over 48% of country's 40 million people are poor, or unable to meet their daily nutritional requirements. A widening income gap has eroded gains in education, health, food security, employment and income. There are strong linkages between poverty, food insecurity and environmental degradation, particularly poor water management, soil erosion, declining soil fertility and land degradation.

Kenya is endowed with some of the world's richest natural resources and ecosystems. The country has a complex environment providing habitats to thousands of unique plants and animal species. The natural heritage is however threatened by increasing demands of a fast growing population and development. The country is facing enormous challenges related to management of waste water and solid waste including hazardous waste, Air quality in many urban areas is declining. In addition, the effects of climate change are undermining an already fragile resource base and have contributed to declining agricultural yields over the past decades. This is evident from recent year's incidences of perennial droughts in parts of Kenya. For instance, the climatic episodes of 2009 and 2011 generated food emergencies, while flooding in 2010 severely affected some parts of the country. Tribal affinities are a source of considerable conflict with diverse ethnic groups competing since independence for land, financial resources and political power. However, the new push by Government that each individual landowner should put at least 10% of land acreage under forest cover, and the aggressive conservation initiatives in the Mau Forest

[3] As a result of the introduction of free antiretroviral (ARV) drugs in Government health facilities hence improving the survival rates of people living with HIV

[4] UNDP- HDI measures development in terms of life expectancy, educational attainment and standard of living

and the Aberdares Range show commitment towards the achievement of Goal number 7 target of reversing rate of deforestation and ensuring environmental sustainability.

The Ministry of Agriculture formulated the Strategy for Revitalizing Agriculture (2004-2014) and developed a Strategic Plan (2008-2012) both of which put forward elaborate interventions that could contribute very substantially to improved agricultural productivity at the household level thereby touching positively the food security of the poor. National initiatives such as Njaa Marufuku Kenya, Kilimo Biashara and others under the Economic Stimulus Package aim at achieving higher levels of food sufficiency among participating households. These initiatives target to increase growth in agriculture to 10% in the medium term. Enhancing food availability and security interventions therefore remain a major priority for Kenya.

### 1.5.5 Transport and Communication Infrastructure

Kenya's transport facilities include aviation, roads, railways and seaports that are currently undergoing major expansion and modernization. Highlights of recent (2009-2011) developments in the sector are presented below:

The Jomo Kenyatta International Airport (JKIA)[5] has been undergoing infrastructure expansion since 2006 with the goal of being a regional hub. The three largest airports have recorded increase in passenger and cargo traffic to over 7 million passengers and over 283,000 tonnes of freight a year. The Kisumu International Airport (KIA) was expanded and inaugurated in 2011.

Kenya is in the process of developing a second transport corridor to connect a new port in Lamu to Ethiopia, Sudan through a project referred to as the Lamu Port - South Sudan- Ethiopia Transport, and Economic Development Corridor (LAPSSET). The project is a crucial Kenya Vision 2030 flagship project expected to transform regional economies through increased trade, integration and interconnectivity spanning South Sudan and Ethiopia with first time land bridge across the middle of Africa to Cameroon on the Atlantic Ocean Coast. It will be three times the size of Mombasa port[6] and suitable for the post-"Panamax" vessels. The project has potential to transform the economic status of the entire region (coast) with increased employment opportunities and better social amenities (schools, health facilities, water and energy) for the benefit of the people in the region. This will trigger employment and economic activities never witnessed since independence in Kenya and will more than double Kenya's Gross Domestic Product (GDP).

Kenya has an extensive connecting most parts of the country. Paved roads connect all major commercial centres. Majority of roads have been unmaintained, and deteriorated to the point where they are largely unusable. Nevertheless, the Government has invested in construction and building of roads and bridges across the country under its various agencies such as the Kenya Roads Board (KRB), Kenya Urban Roads Authority (KURA), Kenya Rural Roads Authority (KeRRA), Kenya National Highways Authority (KeNHA). Notably, the new state of art Nairobi-Thika Super Highway and Bypasses are some of the flagship projects accomplished under this sib-sector.

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[5] JKIA is the largest aviation facility and the busiest airport in Eastern Africa and considered the 6th busiest airport in Africa

[6] The principal seaport (Mombasa) is one of the most modern ports in Africa and serves the landlocked neighboring countries

The Government of Kenya plans to build a new railway link from Juba through Northern parts of Kenya up to Kenya's coastal town of Lamu where second sea port is expected to be build. The planned Lamu - Southern Sudan railway link is expected to open up and boost trade not only to the two countries but also in the region. The Lamu-South Sudan Railway line is part of the Lamu-Southern Sudan-Ethiopia Transport (LAPPSET) corridor meant to open up Northen Kenya and stimulate economic and social development in the region, Southern Sudan and Ethiopia. Other projects under LAPPSET project includes the proposed modern port in Lamu, road, pipeline and a fibre optic cable linking Kenya with Ethiopia, South Sudan and Sudan. In the long-term, the Lamu Corridor will interface with the other corridors from countries sharing territorial borders with above-mentioned Kenya, Southern Sudan and Ethiopia. The Nairobi Commuter Train network was recently launched and plans to roll out all mapped inter-modal connections are underway.

The country has a well-established communication system. Kenya Posts and Telecommunications Corporation provides international direct dialing and subscriber trunk dialing, mobile telephones, telex, facsimile, data communication and related services. Substantial investment for the expansion of these facilities is under way. Various Internet Service Providers have very recently started up in Kenya. The number of registered mobile telephone operators (MTOs) has increased from two to four: Safaricom, Airtel, Orange and Yu Mobile. All the four operators provide mobile banking products and services with Mpesa and Airtel Money being the most popular.

### 1.5.6 Industry

The bulk of Kenya's industry activities are manufacturing except construction, mining and quarrying activities. Most of the industries are located in urban and peri-urban areas whereas the raw materials for these industries are sourced from rural areas. The concentration of industries in peri-urban areas has resulted to lack of dispersion of industries to rural areas, leading to regional disparity in development, rural-urban migration and under utilization of natural resources.

The Kenyan industrial sector comprises of the following sub-sectors:

- Agro-processing industries comprising of food, biotechnology, textile, leather, beverages and tobacco, paper, wood and wood products
- Metal, metallurgy and construction comprising of foundries and forges, secondary steelmaking facilities, pipes and tubes, wire and wire products, general metal fabrication, machine tools and allied, plant and machinery manufacture, body building and motor vehicle assembly and accessories.
- Electricals, electronics and ICT comprising of electronics machinery appliances, ICT software and hardware development, electrical components
- Chemicals comprises of petrochemicals, fertilizers, industrial chemicals, coatings and adhesives, catalysts, industrial solvents and gases, resins, plastics, agrochemicals and pharmaceuticals.
- Mining and quarrying comprises of gemstones and precious minerals, industrial minerals, heavy minerals and building stones

Kenya's manufacturing sector is mainly agro-based. The top three manufacturing subsectors account for 50 per cent of the sector GDP, 50 per cent of exports, and 60 per cent of formal employment. Nearly 50 per cent of manufacturing firms in Kenya employ 50 workers or less. Most manufacturing firms are family-owned and operated. In addition, the bulk of Kenya's manufactured goods (95 per cent) are basic products such as food, beverages, building materials and basic chemicals. Only 5 per cent of manufactured items, such as pharmaceuticals, are in skill-intensive activities. The sector makes an important contribution to the Kenyan economy and currently employs about 254,000 people, which represents 13 per cent of total employment with an additional 1.4 million people employed in the informal side of the industry. The sector is mainly agro-based and characterized by relatively low value addition, employment, and capacity utilization and export volumes partly due to weak linkages to other sectors. According to the Kenya Vision 20301, the manufacturing sector is among the key productive sectors identified for economic growth and development because of its immense potential for wealth, employment creation and poverty alleviation. In addition, the sector will continue to provide impetus towards achievement of Millennium Development Goals (MDGs) both in the medium and long term particularly goal one on Eradication of extreme Poverty and hunger and goal eight on Global Partnerships for Development.

## 1.6 Recent Performance of Kenya's Key Sectors

The five biggest contributors to the Kenyan economy in recent times have been the agriculture, wholesale and trade, transport and communication, manufacturing and education industries. In 2009, these industries collectively contributed about 59.9 % of the country's GDP.

The agriculture sector is the biggest contributor to GDP averaging 23 % between 2006 and 2011. The sector contributes more than 60 % of export earnings and directly influences overall economic performance and periods of high economic growth rates have been synonymous with increased agricultural growth.

**Table 2: Main Sources of Growth 2007-2011**

| Sector | Average growth (%) |
|---|---|
| Transport & Communication | 20.0 |
| Wholesale & Retail trade | 18.5 |
| Manufacturing | 10.3 |
| Education | 8.5 |
| Financial Intermediation | 6.8 |

Other industries with significant contribution to GDP include financial services, real estate and construction, public finance etc. Between 2007 and 2011, five key sectors have contributed to the economic growth as depicted in Table 2.

All the major sectors of the economy decelerated in growth between 2010 and 2011 as depicted below:

**Table 3: Performance of Key Sectors 2010-2011**

| Sector | Key Performance Indicators |
|---|---|
| 1. Agriculture | The sector recorded a lower growth of 1.5 % in 2011 compared to 6.4 % in 2010. The slower growth in 2011 was primarily due to; erratic weather conditions, high cost of agricultural production and global forces |
| 2. Manufacturing | Manufacturing grew by 3.3 % in 2011 compared to 4.4 % in 2010 due to; increases in price of primary inputs and fuel costs, depreciating currency that increased cost of imported intermediate inputs and unfavorable weather conditions that led to reduced availability of raw materials to agro-based industries |
| 3. Money, Banking and Finance | The financial sector grew at 7.8 % in 2011 influenced by rise in credit available to private sector. The sector faced challenges like; high inflation |

Table 3: **Performance of Key Sectors 2010-2011**

| | |
|---|---|
| | and interest rates, large interest rate spreads between lending and savings/deposits rates (13.05%) |
| 4. Inflation | Annual inflation increased to 14.0 % in 2011 due to; sharp increase in oil prices, inadequate rainfall and the weakening of the Kenya currency against major currencies |
| 5. Tourism | Tourism earnings rose by 32.8 % from Ksh 73.7 billion in 2010 to Ksh 97.9 billion in 2011 with international visitors increasing by 13.3 % in 2011. The contributing factors were the; promotion, repositioning, political stability and improvements in security and infrastructure. |
| 6. Building and Construction | The sector recorded a growth of 4.3 % in 2011 spurred by loans and advances to the sector from commercial banks and 34.4% growth in expenditure by the Ministry of Roads. |
| 7. Transport, Storage and Communication | Transport and Communication sector recorded a growth of 4.5 % in 2011 and is reflected through more new vehicles registration and increase in mobile subscriber base from 20.1 million in 2010 to 25.3 million as at June 2011. The number of mobile money transfer subscribers increased from 10.6 million in 2010 to 17.4 million in 2011. |
| 8. Environment and Natural Resources | The quantity of fish landed increased by 5.9 % in 2011 and forest plantation stocking increased by 2.4 %. |
| 9. Employment | The year 2011, the labour market recorded half a million (520,000) new jobs, an increase of 4.7 %, but real average earnings declined by 8.1 per cent due to inflation. A total, 74,000 new jobs were created in the modern sector in 2011, which was 14.3 % of total jobs created. Most of the modern sector jobs created was in building and construction, Energy, tourism, Transport and financial services. The informal sector, which constituted 80.8 % of total employment created 446,000 jobs |

## 1.7 Role of Private Sector in the Economy

The private sector plays a significant role in the Kenyan economy. Kenya National Bureau of Statistics figures show that about 87 % of GDP contribution in 2009 came from this sector. The five (5) biggest contributors are agriculture, wholesale and retail trade, manufacturing, transport and communication, and financial services industries with their collective contribution accounting for about 60 % of GDP. The sector is dominated by production of a few commodities categorized as cash crops (tea, coffee, and horticulture), food crops (maize, wheat, and rice) for local consumption, and livestock.

## 1.8 Economic Governance

### 1.8.1 Transition from Centralized to Devolved Governments

Currently there are over 41 ministries created and run under the Coalition Government. Key ministries, due to their critical functions, can be said to include; Finance, Planning/Development, Local Government, Internal Security, Agriculture, Health, Defense, Tourism, Trade, Roads, Environment/Natural Resources, Communication, Co-operatives and Labour. Cabinet ministers (political head) and permanent secretaries (technical head) run the ministries. The Prime Minister coordinates the operations of ministries with the support of a permanent secretary that is designated as secretary to the cabinet, the President is the chair of the cabinet whose members function is to aid and advise the President in the matters affect the management of each ministry.

Kenya is in transition after the enactment of the new Constitution (2010). Section 152 (1) allows the President to appoint no fewer than 14 and no more that 22 Cabinet Secretaries in a Cabinet that also includes the President, Deputy President and the Attorney General. Currently there are 41 ministries as part of the 2008 power sharing deal and is expected that after the March 2013 elections, the ministries shall be merged and functions restructured to meet the demands of the Constitution. The Cabinet secretaries will not hold elective political seats. It is expected in future key ministries could be (excluding the President, Deputy President and the Attorney General) that of;

1. Agriculture,
2. Home Affairs,
3. National Security,
4. Local Government and Devolution,
5. Foreign Affairs,
6. Roads and Public Works,
7. Trade and Industrialization,
8. Gender, Children, Youth and Sports,
9. Lands and Housing,
10. Labour and Public Service,
11. Environment and Natural Resources,
12. Education,
13. Finance & Planning,
14. Health,
15. Transport & Communication (ICT, etc)
16. Energy

Apart from the above sixteen, depending on the priorities of the government of the day, some ministries may be split provided they do not exceed the 22 prescribed by the constitution.

### 1.8.2 Key Economic Policies

Over the past 15 years, Kenya has developed and implemented a number of policies. They include Structural Adjustment Programs (SAPs), Poverty Reduction Strategy Paper (PRSP) of 2001, Economic Recovery Strategy (ERS) of 2003 and the Vision 2030 of 2008. The SAPs, PRSP and ERS were well documented in the Mapping Study L4W Kenya Report of 2009. In this section, the 2012 Mapping Study therefore discusses status and emerging policy issues relevant to TVET with regard on the Vision 2030 especially under the new Constitutional dispensation.

**The Kenya Vision 2030** aims to transform Kenya into a "middle-income country providing a high quality life to all its citizens by the year 2030" as is to be implemented in successive five-year Medium-Term Plans, with the first such plan covering the period 2008–2012, 2012 to 2017, and so on until 2030. As the country makes progress to middle-income status through these MTPs, it is expected that it will to meet its Millennium Development Goals (MDGs) by 2015. The key foundations to realization of V2030 were identified to be; Macro-economic stability for long-term development, Continuity in Governance reforms, Enhanced Equity and wealth creation opportunities for the poor, Infrastructure, Energy, Science, Technology and Innovation (STI), Land Reform, Human Resources Development and Security.

The Vision is founded on the following three (3) pillars under which specific interventions are outlined in form of flagship projects/initiatives:

(i) *Economic Pillar*- aims to improve the prosperity of Kenyans through economic development programme covering all the regions of Kenya. It aims to achieve an average GDP growth rate of 10% per annum beginning in 2012. It addresses the informal economy employing 75% of the country's workers to raise productivity and distribution and increase jobs, owner's incomes and public revenues. Others critical problems being addressed include poor infrastructure and high-energy costs. There are six key sectors to be prioritized key growth drivers for achievement of the economic vision; Tourism, Value increasing in Agriculture, better and an inclusive wholesale/retail trade sector, Manufacturing for the regional markets, BPO and Financial Services

(ii) *Social Pillar* - aims at building a just and cohesive society with social equity in a clean and secure environment. The Key sectors to help in this are Education & Training, Health System, Water and Sanitation, Environment, Housing and Urbanization, Gender, Youth and Vulnerable Groups and Equity and Poverty Elimination.

(iii) Political Pillar –vision for 2030 is "a democratic political system that is issue-based, people-centered, result-oriented and accountable to the public". An issue-based system is one in which political differences are about means to meet the widest public interest.

Kenya promulgated a new Constitution in August 2010, which provides for extensive devolution in policy-making, public resource management and revenue sharing through devolved funds. The transformation will be achieved through initiatives that will enhance ; Rule of Law, Electoral & Political Processes, Democracy and Public Service Delivery, Transparency and Accountability and Security, Peace building and conflict management. While Vision 2030 depends on general growth for most of its impact, it also articulates a range of actions in six specific sectors, which the government has begun to implement. It is expected that the sector specific programmes will create the additional growth over the 10 % growth in order to address the formal sector job deficit. The six sectors are tourism, business processing outsourcing (BPO), manufacturing, agriculture, finance, and the wholesale/retail sector.

The specific policy measures for each of these sectors are numerous but tend to focus on improving efficiencies and enhancing growth, with the expectation that over time the growth will lead to structural change in the economy. For the most part the policies do not directly address employment and equality issues. In what follows we present a limited analysis of the policies' effects on employment and inequality and examine whether they mitigate the impacts revealed through our simulations. Let us begin by stating that with relation to growth our reading of the proposed policies is that they will be positive in this respect.

In general, in all the sectors the focus on improvements in efficiency will be good for growth and employment. The question is really how much growth will be created in the formal sector to absorb the vast pool of reserve labour that exists. In the four sectors where employment is specifically mentioned and quantified – tourism, manufacturing, BPO and agriculture – the concern is that the levels of job creation would be insufficient to substantially decrease the pool of reserve labour found in the rural and informal sectors. This would hold even if the new jobs were additional to those created by a general 10 per cent rate of growth. Let us start with the tourism sector. The key aim here is to become a top ten long-haul destination by 2030.

According to the Vision, this involves increasing the number of visitors by five times the present amount. This would be an increase of 7.2 million visitors from the present 1.8 million to 9 million a year. The Vision points to tourism's impressive growth of 12.5 per cent annually between 2002 and 2007 – an increase of 800,000 visitors. This growth resulted in a 3 per cent per annum growth in employment in the industry (a gross employment elasticity of 0.24) or 26,000 new jobs. Assume for a moment that this employment creation was due only to the growth in international visitors. Assuming 800,000 new visitors create 26,000 jobs, then it takes approximately 31 visitors to create one new job. Therefore, an increase of 7.2 million as envisaged in the V2030 will result in the creation of 223,000 jobs between 2008 and 2030. This would be roughly 10,000 jobs a year. This sector represents 10 per cent of the economy (GOK, 2008). If, as argued in the Vision, tourism has a higher labour intensity than other sectors, this level of expansion will have little effect on the formal sector job deficit, which our simulations put at just over 700,000 per year. In fact, even if we were to assume that the entire economy produced jobs at this rate, we would still be short some 660,000 jobs a year.

The second key sector is manufacturing. In the period 2003–2007 manufacturing grew at 5.5 per cent per annum with employment growth being 2.6 per cent per annum. A 10% rate of growth would therefore result in a 4.7 per cent growth in employment assuming present technology. This would roughly translate into just over 12,000 jobs a year. This would be larger, by over 20 per cent, than the number of jobs created in tourism but would still have little impact on the pool of reserve labour.

The other major areas in which there is direct mention of employment creation are the BPO sector and the agriculture sector. The BPO sector is a sector of potential promise in Kenya, particularly given the large availability of a relatively well-skilled, English proficient labour force and more recently the emergence of a small but sophisticated sector of software programmers. Given the capital-intensive nature of this sector, however, even though it produces significant foreign exchange earnings it will create limited employment. The government expects only 20,000 new jobs from this sector over the duration of the Vision. In agriculture, via the construction of fishponds, the expectation is that 120,000 new jobs are to be created over the life of the Vision (Ministry of Finance, 2009).

The final economic driver is the potential contribution of the wholesale/retail sector to direct employment creation. One challenge here is to convert the numerous informal sector jobs to formal sector jobs. The plans for creating permanent markets for traders will assist in this. It is difficult to quantify how many informal jobs will be formalized, however. Much of this depends on where the markets are placed. Past attempts in Nairobi, for example, to place markets away from the street traffic hawkers depend on have been resisted, sometimes violently.

Overall, if you were to assume that the rates of job creation in manufacturing or tourism would be the average rate of yearly job creation across the economy you would have a rate that would be higher than that in our simulation. Even so, this rate would still not be sufficient to accommodate the yearly entrants into the job market.

Kenya is undergoing major governance changes but it is envisaged that the economic blue print of Vision 2030 will inform the structural reforms. The constitution requires a devolved structure with the central government having on 23 ministries in place after the election of March 2013.

The six sectors are tourism, business processing outsourcing (BPO), manufacturing, agriculture, finance, and the wholesale/retail sector

## 1.9 Important Semi/Non- Governmental Actors

The key actors identified capable of linking industry to business are numerous due to the key sectors that are driving the economy. Below are a few that have national stature.

### 1.9.1 National Industrial Training Authority

The National Industrial Training Authority (NITA) is a state corporation under the Ministry of Labour. Formerly referred to as the Directorate of Industrial Training (DIT), it operates under the Industrial Training Act Cap 237(Amendment) of the Laws of Kenya (November 2011). NITA is mandated to spearhead industrial training for all engaged in industry to enhance governance, transparency, and improved quality of service delivery of training. It runs various training schemes that cover; Management /Supervisory, apprenticeship, Craft and Technicians. It is responsible for supervision of skill upgrading, National Industrial Attachment, Curriculum development, Trade testing and certification. NITA also undertakes inspection of training providers; Administration of Industrial Training Levy Fund and Administration of the four Industrial Training Centres (Kenya Textile Training Institute). Other functions include; Processing Applications for Local Management/ Supervisory and Overseas courses; Registration of new trainers; Reimbursement of training expenses; Collection and utilization of levy fund; Advising employers on procedures and benefits of registering with NITA for training purposes; Coordinating of all NITB committee meetings. Its key partners are the Central Organisation of Trade Unions (COTU) and Federation of Kenyan Employers (FKE) in the tripartite arrangement.

### 1.9.2 Kenya national chamber of commerce and industry (KNCC&I)

The Kenya national chamber of commerce and industry, was established in 1965 and like many public institutions in Kenya is "unitary" in character and is the umbrella organization of businessmen and industrialists in the country.
The chambers purpose was to create a strong private sector apex body to collaborate with the government in creating a vibrant economy and united country. The supreme authorities of the chamber are its members through the GOVERNING COUNCIL. The chamber has always worked closely and identified itself with the Kenyan government’s development policies.

### 1.9.3 Kenya Private Sector Alliance (KEPSA)

The Kenya Private Sector Alliance (KEPSA) was formed in 2003 as an umbrella organization of over 200 private-sector organizations. Its objectives include; enabling the private sector to have a strong impact on socio-economic development through a collective effort; creating a harmonized approach to cross-sectoral issues; ensuring formulation of policies that encourage both domestic and foreign investment and pursuit of regional, continental and international economic opportunities.

### 1.9.4 Federation of Kenya Employers (FKE)

Federation of Kenya Employers (FKE) is registered under the Trade Unions Act (January 1959) as an association representing the collective interests of employers. Its major objectives are to harmonize and defend employers’ interests and to raise the social consciousness of employers to enable them realize the full potential of their enterprises by promoting increased labour productivity, sound management techniques, better industrial relations, fair labour practices, effective work organization and stronger staff motivation. FKE as leading employers' organization focuses on advocacy, industrial relations, employment laws and related value-add services through management, consultancy and training. It represents employers' interest both locally and internationally and is repositioning to continue championing employers' interests and strengthening partnerships with other stakeholders that include the International Labour organization (ILO).

### 1.9.5 Kenya Association of Manufacturers (KAM)

The Kenya Association of Manufacturers (KAM) is the leading organization of industrialists in Kenya. It was constituted in 1959 to unite industrialists under a powerful umbrella organization to encourage investment, uphold standards, and represent their views and concerns to the Government. Ordinary membership is restricted to persons, firms and companies directly engaged in manufacturing, processing or any other productive method. Associate membership is extended to other companies and firms that, by the very nature of their business, have a direct interest in the expansion of industry, including financial institutions, insurance companies and consulting firms.

### 1.9.6 Kenya National Federation of Jua Kali Associations[7]

The Kenya National Federation of Jua Kali Associations (KNFJKA) was registered in 1992 as an umbrella organ serving more than eight hundred (800) primary Jua Kali Associations countrywide. Its members are artisans engaged in the production of various goods and services in the various sub-sectors with network in the counties. The sector small scale enterprises are clustered into various sub-sectors of; woodworkers/carpentry, Wood-crafts, Metal and Metal works, soapstone crafts, ceramics, plastic / plastic products, leather production, Textile products, Clay/Pottery crafts, Beekeeping, Mechanical Engineering, food processing and Electrical/electronic sectors among others.

### 1.9.7 Eastern Africa Association (EAA)

Established in 1964, the EAA has a membership of companies from India, South Africa, the United Kingdom and the United States, among others. Headquartered in London, it acts as a communication channel between investors and regional governments through interpretation of policies/objectives of governments to its members. It also explains the views and needs of investors, prospective investors and foreign businesses to governments and has a strong presence in the East African Community (EAC).

### 1.9.8 East African Business Council (EABC)

The East African Business Council is the umbrella organization for businesses in East Africa. It has three categories of membership. Category 1 comprises of chambers of commerce, manufacturers' associations, employers' federations and organizations in the banking, tourism, insurance, agriculture, and transport sectors. Categories 2 are investment promotion centers, export promotion councils and EPZs and Category 3 are companies.

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[7] Under the auspices of the Ministry of Industrialization;

a. Small and Medium Enterprise Support, East Africa (SMES,EA)
b. East Africa Confederation of Informal Sector Organizations (EA-CISO)
c. Kenya National Federation of Jua Kali Associations (KNFJKA) Executive MBA, Leadership and International Business Development at Inorero University

### 1.9.9 National Economic and Social Council (NESC)

The National Economic and Social Council (NESC) was formed to serve as an advisory body to the Government (provide channels through which stakeholders can provide feedback to the Government on its implementation record and strengthen partnerships among government, business and civil society). The Council provides timely, accurate and independent economic and social advice with a view to improving the management of the economy. It also provides a consultative platform that can improve coordination between the Government and the private sector through ongoing engagement. Specific responsibilities of the Council include;

1. Creating forums for government, business and labour unions to identify, discuss policy issues and make recommendations consistent with the development
2. Appraise programmes/activities of Government in the light of policy.
3. Seek improvements targeting and addressing strategic objectives with a focus on the most critical social and economic needs.
4. Utilize private sector and civil society capacities and synergies through collaboration, engagement and networking to promote efficiency and effectiveness in economic planning.

## 1.10 Sectors with Potential for Learn4work

From the policy analysis presented in Sections 1.6 (recent performance of key sectors) and 1.8 (Vision 2030 highlights), six sectors may be identified as potential for L4W programming in Kenya in order of priority, namely: Agriculture, Manufacturing, Transport & Communication (ICT), Wholesale/retail, Tourism, and Finance. Table 4 summarizes justifications and proposed areas of investment (products).

**Table 4: Sectors with Potential for L4W**

| Sector | Justifications & Products | Partner | | Size |
|---|---|---|---|---|
| | | Local | International | |
| **Agriculture** | • Kenya economy was 23% agriculture based as of 2011<br>• Agri-business is a key driver to achieving the main objectives of L4W TVET; self-reliance and food security in Kenya.<br>• Bee keeping in arid areas; horticulture in small-holder farms; commercial tree planting/harvesting; dairy and poultry farming; etc | • Micro-finance institutions<br>• Relevant Line Ministries- Agriculture, Youth, Labour, etc<br>• Kenya Investment Promotion Centre<br>• Primary Cooperatives | • World Fair Trade | Large |
| **Tourism** | • Has reported the highest labour elasticity trends in the recent past with wide export markets<br>• GoK stepped up promotion, repositioning, political stability and improvements in security and infrastructure<br>• Hand crafts from soapstone, bones, waste paper, batiks, etc | • Kenya Tourist Board<br>• Brand Kenya<br>• KEFAT<br>• Individual/ Fair trade affiliates<br>• Numerous curios<br>• Eco Tourism | • World fair Trade | Large |
| **Transport &** | • GoK investing in infrastructure- | • Youth Polytechnics, | • Telecom/ | Large |

**Table 4: Sectors with Potential for L4W**

| | | | | |
|---|---|---|---|---|
| **Telecommunications** | ports, rail, and roads; number of second hand cars imported has been steadily rising; etc<br>• Driving skills and artisan automobile mechanisms are on the demand<br>• ICT is an enabler of informal and business development<br>• Cyber cafes; repair of computers, mobiles, electronics, etc | • Vocational Training Centres<br>• Matatu Owners Association<br>• Telecom/ Internet firms | Internet firms | |
| **Manufacturing** | • Existence of umbrella organization of informal traders-Jua Kali products<br>• Value addition enterprises; home appliances; construction equipment; etc<br>• Demand for solar and alternative sources of energy | • KNFJKA<br>• KIRDI/WIPO/Mo Industrialization<br>• Manufacturing firms | • EAC Investment Centres | Large |
| **Finance** | • The number of registered mobile telephone operators (MTOs) has been increasing<br>• Mobile banking products and services-Mpesa, Airtel, Yu, etc | • MFIs<br>• MTOs/Telecom firms/Banks | • MFIs<br>• MTOs/Telecom firms/Banks | Large |
| **Wholesale/retail** | • The emergence of business process outsourcing – demand for supplies from third-parties<br>• Dealership/Distributorship of cosmetics, office supplies, farm inputs, etc | • MFIs<br>• Private sector | • | |

# 2.0 TVET SECTOR IN KENYA

## 2.1 Overview

Technical, Industrial, Vocational and Entrepreneurship Training (TVET) well executed, promotes lifelong education, life skills and training for self-reliance. The programmes provide opportunities for individuals to learn the practical, social and personal skills that enables them function in workplaces and productivity members of society. The use of TVET in Kenya encompasses technical training institutions, MSE training and demonstration centers, youth polytechnics, national youth service skills development centers and National Industrial Training (NITA) programmes. TVET programmes are offered in Youth Polytechnics (YP), Technical Training Institutes (TTIs); Institutes of Technology (ITs), National Polytechnics and NITA. There are also other institutions that offer TVET programmes spread across government ministries as well as private institutions.

TVET institutions award Certificates and Diplomas in various disciplines. Currently two national polytechnics; The Kenya and Mombasa polytechnics have been upgraded to university colleges offering degrees in TVET disciplines and will continue to offer certificate and diploma programmes.

Kenya's general election crisis of December 2007 highlighted the problems of a large population of unskilled, unemployed youth amidst growing poverty. To address some of the underlying causes of the restlessness among youth, the government made initiatives for skills development. These include investment within the framework of the Kenya Education Sector Support Programme 2005-2010 (KESSP).

KESSP states the aims and purpose of TVET in Kenya to include:

(i) Involvement of stakeholders in the development of a national skills training strategy
(ii) Establishment of mechanisms and appropriate incentives to promote private sector investments in the development of TVET for increased access
(iii) Provision of loans and bursaries to enhance access to TVET taking special account to marginalized groups, such as female students and the physically challenged
(iv) Establishment of a national coordinating body, the Technical, Industrial, Vocational and Entrepreneurship Training Authority (TIVETA) for TVET institutions in order to provide relevant programmes and effective management and governance
(v) Mobilization of resources to rehabilitate facilities in public TVET institutions to ensure quality training

Kenya's education system has put emphasis on the formal academic education which has been the main setback for TVET sector. In figure 1 below, innovations in the current Education and Training Organization have been proposed in the Sessional Paper No. 1 of 2005. This is intended to offer learners equal opportunities to advance to the highest level of learning either through the academic or TVET channel. Though this is a move in the right direction, it is clear that the informal sector (apprenticeship etc) has not been clearly fitted into the education structure. The TVET's informal sector is still spearheaded by NGOs (Undugu Society of Kenya, Don Bosco and AIC church) with no clear plan developed for the sector by the government.

Overall delivery of TVET education is not strongly coordinated; the formal TVET programmes are at four levels;

I. Artisan in Youth Polytechnics and other similar technical training institutions;
II. Craft in Technical Training Institutions and Institutes of Technology;
III. Diploma/Technicians in National Polytechnics, Technical Training Institutes and Institutes of Technology;
IV. Higher Diploma (higher-level technicians) also in National Polytechnics and Technical Teacher Training Colleges.

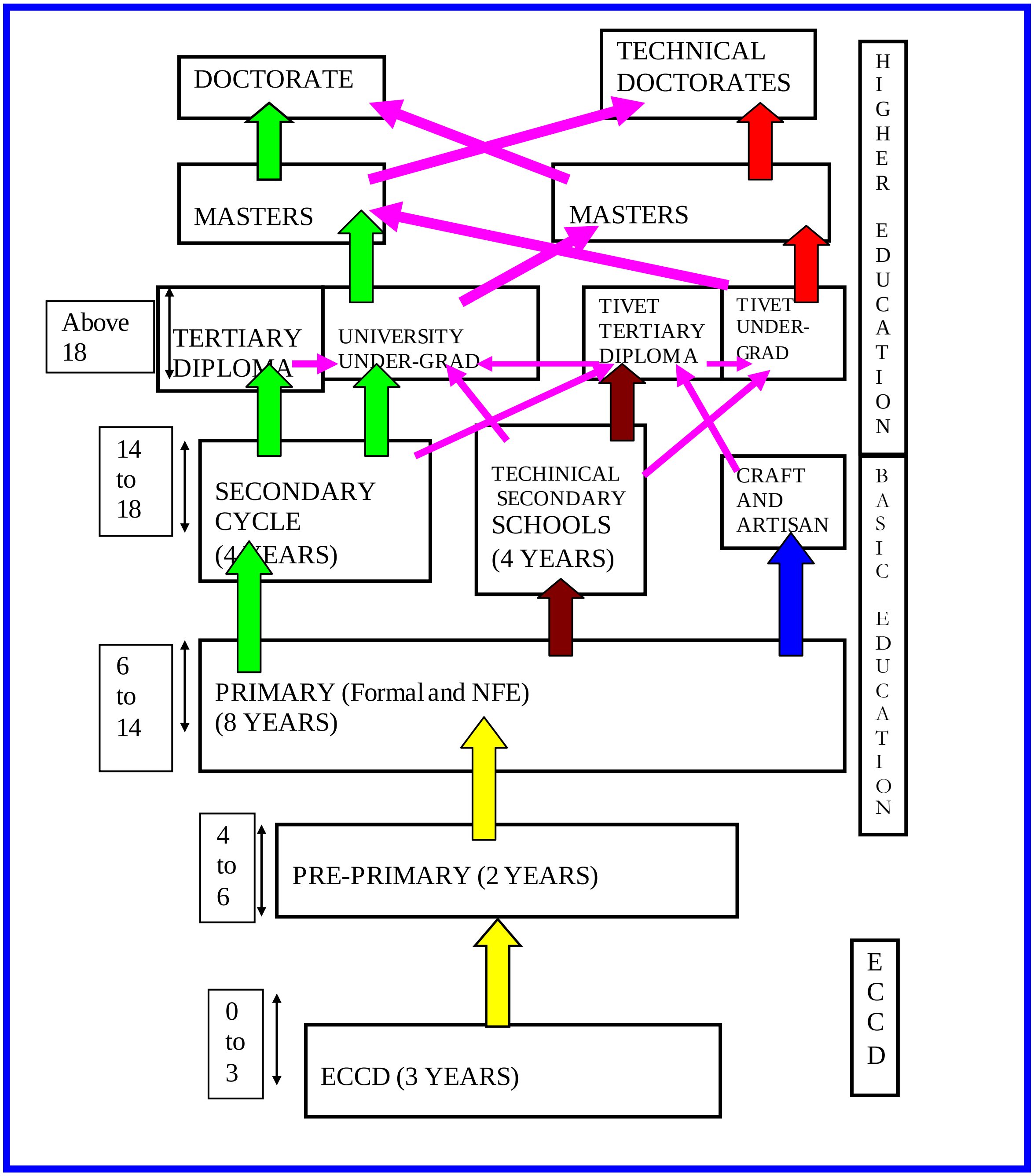


**Figure 1: Structure and Organization of Education and Training.**

Source: Ministry of Education (2005)

Public Technical, Vocational, Entrepreneurship and Training does not emphasize on imparting of high technology skills. The programmes are taught, examined and certificated by the Kenya National Examinations Council (KNEC).

In general TVET is offered at various levels; Artisan level in Youth Polytechnics and on-the-job training in the formal sector and informal sector (Jua Kali apprentices); Craft level in Technical Training Institutes (TTIs) and Institutes of Technology (ITs); Technician level in National Polytechnics (NPs) and a few selected TTIs and ITS; and Technologist in National Polytechnics and University. Most of the institutions lack appropriate equipment and skilled tutors.

There are several non-formal institutions run by government and parastatals as well as private institutions and universities. In total there are about 1,600 TVET institutions offering a wide range of programmes. They include Agricultural Colleges, Kenya Railway Training Institute, Kenya Institute of Mass Communication, the National Youth Service, Industrial Training Centers, YMCA Vocational Training Centers and Christian Industrial Training Centers. There are also TIVET institutions run by private individuals, NGOs and religious institutions. In the informal sector, trainees undergo apprenticeships with experienced artisans and craftsmen prior to venturing on their own (ILO, 2001).

Majority of Institutions are concentrated within urban (with high population and low poverty levels) than in the rural areas. Institutions in the rural areas have low enrolments due to poor infrastructure and low average incomes among the population and negative attitude towards TVET institutions. About 50% of institutions are private sector, communities or civil society operated with majority being in the category of Youth Polytechnics. The rest are public institutions spread across several government Ministries and departments. Other factors affecting rural institutions are; income levels, convenience due to location and transport facilities

In the absence of government provision of TVET for adult learners, training is done by the informal and private sectors through on-the-job training. Churches, NGOs and private-for-profit training providers have emerged to provide business skills and traditional apprenticeship system. Most of the technical training in the Jua Kali sector is carried out through the traditional apprenticeship system, particularly in manufacturing and services. Approximately 40% of all trainees acquire their skills through apprenticeship but apprenticeship programmes.

## 2.2 Facts and Figures

TVET sector training institutions target students at the post-basic (primary) education, who do not proceed to secondary and higher levels (Tertiary) of education. Historically, perceptions are that TVET is not a preferred option of acquiring skills (Government in policy papers emphasize TVET but budgetary allocation demonstrate otherwise). Out of the approximate 700,000 graduates of primary education, about 66% (520,000) proceed to secondary schools (Economic Survey, 2012). Kenya has over seven (7) public and fourteen (14) private universities with an enrollment of over 60,000 students annually. Annually, over 80% the total university student population enrolls in public universities, while 20% attend private universities. The existing capacity in mid-level colleges absorbs 60,000 students. The middle-level colleges cater to a variety of post-secondary career courses leading to certificate, diploma, and higher diploma awards. At the end of the secondary cycle, the middle level colleges and TVET institutions whose existing capacity is inadequate cater for over 300,000 school leavers.

The country has two (2) Polytechnics University Colleges, two (2) National Polytechnics, fourteen (14) Institutes of Technology, one (1) Technical Teachers' Training College, twenty six (26) Technical Training Institutes and over 636 youth polytechnics (village polytechnics) distributed throughout the country8. According to the Ministry of Youth and Sports there are over 600 youth polytechnics receiving Government assistance in 2012. The private sector operates close to 1,000 commercial colleges that offer courses in computers and non-technical areas of training.

The Economic Survey (KNBS 2012) indicates (table 5) that enrolment in public TVET institutions increased by 26% from 75,516 (2007) to over 104,173 (2011), with females constituting 49 % the total enrolment. The female students' enrolment has been consistently high over the years in youth polytechnics and lowest in national polytechnics. Between 1999 and 2011, female enrolment in youth polytechnics has been over 50 % reaching 55% in 2011 of the total number of students enrolled.

[8] TVET education in Kenya is offered at four levels;

1. Youth Polytechnics, on-the-job training (formal sector) and Jua Kali apprentices informal sector - **Artisan level**
2. Technical Training Institutes (TTI's) and Institutes of Technology (IT's) - **Craft level**
3. National Polytechnics (NPs) and a few selected TTIs and Its - **Technician level**
4. National Polytechnics and University. **Technologist**

**Table 5: Enrollment in TIVET institutions between 2005 and 2011**

| INSTITUTION | 2005 | | 2006 | | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gender** | **M** | **F** | **M** | **F** | **M** | **F** | **M** | **F** | **M** | **F** | **M** | **F** | **M** | **F** |
| **National polytechnics** | | | | | | | | | | | | | | |
| Kenya Polytechnic University College | 6410 | 3549 | 6405 | 3329 | 6521 | 3401 | 6602 | 3546 | 2642 | 1156 | 2904 | 1357 | 2360 | 4512 |
| Mombasa Polytechnic University College | 3111 | 2631 | 3265 | 2710 | 3285 | 3012 | 3456 | 3543 | 3518 | 2152 | 2041 | 3276 | 3558 | 1794 |
| Kisumu polytechnic | 1349 | 619 | 1410 | 710 | 1489 | 824 | 1768 | 1022 | 2276 | 1472 | 1798 | 781 | 1990 | 936 |
| Eldoret polytechnic | 1759 | 820 | 1834 | 832 | 1894 | 858 | 1996 | 987 | 1949 | 1302 | 1903 | 1718 | 3132 | 2145 |
| **Sub-Total** | 12629 | 7619 | 12914 | 7581 | 13189 | 8095 | 13822 | 9098 | 10385 | 6082 | 8646 | 7132 | 11040 | 9387 |
| **Other TVET institutions** | | | | | | | | | | | | | | |
| Technical Training Institutes | 9846 | 8684 | 9925 | 8731 | 10818 | 9517 | 12132 | 98876 | 12514 | 9923 | 12908 | 9970 | 16719 | 13255 |
| Institute of Technology | 4904 | 3943 | 4961 | 4104 | 5407 | 4473 | 5807 | 4768 | 5920 | 4813 | 5035 | 4858 | 10179 | 8607 |
| **Sub-Total** | 14750 | 12627 | 14886 | 12835 | 16226 | 13390 | 17939 | 14644 | 18434 | 14736 | 18943 | 14829 | 26898 | 21862 |
| Youth polytechnics | 8691 | 14196 | 8741 | 14210 | 9528 | 15489 | 12154 | 17543 | 13222 | 18122 | 14384 | 18720 | 15648 | 19338 |
| **TOTAL** | 36070 | 34442 | 36541 | 34626 | 38942 | 37574 | 43915 | 41285 | 42041 | 38940 | 41973 | 40680 | 53586 | 50587 |
| **GRAND TOTAL** | 70512 | | 71167 | | 76516 | | 85200 | | 80981 | | 82653 | | 104173 | |

Source: Economic Survey 2012- Ministry of Higher Education, Science& Technology/Ministry of State for Youth and Sports

There is lack of information relating to the non-formal sectors of TVET, lately initiatives of regulating them to ensure quality having been started as they train large numbers of students for the sector. Due to the limited places available in TVET institutions, only a small proportion of eligible school leavers are absorbed. Every year less than a half of those graduating from the primary schools either join the Youth Polytechnics for artisan training or enroll directly for apprenticeship training within the 'Jua Kali' sector. There is need to develop quality skills development programmes, through TVET institutions, that target this group, to enable them to engage in productive employment either directly or enter the informal sector.

Management of TVET is in different Ministry's that include the Ministries of; Higher Education, Science and Technology; Labour and Human Resource Development and Ministry of State for Youth Affairs.[9] This makes coordination of activities and maintenance of standards challenging. The number of institutions run by private operators is also increasing making it more complex. Individual ministries and the private sector (with limited capacity to assure quality and high standards) provide supervision of the TVET institutions.

[9] National Polytechnics and Technical training institutes are under the authority of the Ministry of Higher Education, Science and Technology; the Ministry of State for Youth Affairs oversees Youth Polytechnics; Ministry of Labour and Human Development is responsible for National Industrial Training Centres.

With the implementation of the devolved governance structures in 2013, there are initiatives made to create County Education Boards with broad functions that shall include; collaboration with appropriate authorities in the management of TVET institutions, registration and maintenance of county TVET institutions data banks, monitor curriculum implementation/examination and appointment of Board members to provide governance and oversight

Table 6 shows that whereas the Government of Kenya has shown commitment towards investments in the TVET sector, it has been slow in implementation. Table 2 shows a summary of total costs and projections over 5 years for TVET investment programme totaling approximately Kshs. 6.3 billion. A budget of over Ksh3.4 billion is indicated to have been spent by 2008 on issues of transition from primary, development of skills strategy and enhancement of ICT within the sector among others. These processes are yet to be realized because they have remained at planning level. For instance, the youth polytechnics that were started in villages to enhance trainings are still un-operational due to dilapidated structures and un-functional systems and structures.

**Table 6: Total Costs For TVET Investment For 5 years (in Million Kshs)**

| | **INVESTMENT PROGRAMMES** | **05/06** | **06/07** | **07/08** | **08/09** | **09/10** | **TOTAL** |
|---|---|---|---|---|---|---|---|
| 1 | Harmonization and enhancement of TVET system (Development of National Skills Strategy) | 100 | 100 | - | - | - | 200 |
| 2 | Enhancing transition from primary to TVET: Revitalizing youth polytechnics | 5 | 120 | 355 | 355 | 345 | 1180 |
| 3 | Enhance access and quality of TIVET: Establishing centers of excellence | 150 | 565 | 715 | 505 | 470 | 2405 |
| 4 | Skills enhancement of automation and computer integration in industry (ICT) | 50 | 55 | 55 | 55 | 55 | 270 |
| 5 | Bursary awards programme | 125 | 285 | 340 | 340 | 340 | 1430 |
| 6 | Creation of industrial incubators (Previously: Technological Development Transfer for Self-employment) | 20 | 189 | 190 | 205 | 204 | 808 |
| | Totals | 450 | 1314 | 1655 | 1460 | 1414 | 6293 |
| **BUDGET FOR GENERAL CAPACITY BUILDING (MANAGEMENT/ICT) – Not TVET specific** | | | | | | | |
| | | 34 | 33 | 43 | 43 | 33 | 186 |

Source: KESSP 2005 – 2010

Table 7 depicts the comparative investment commitment to different levels of education in Kenya up to 2015.

**Table 7: Summary of cost projections (Education Sector) in Ksh Millions, 2011 - 2015**

| Levels | | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|
| 1 | Administration | 17,352,810,620 | 26,046,923,044 | 36,088,799,966 | 28,172,351,965 | 29,299,246,043 |
| 2 | ECDE | 53,153,362,457 | 54,986,464,007 | 56,848,281,146 | 58,739,023,269 | 66,475,476,788 |
| 3 | Primary | 84,506,547,211 | 119,888,773,450 | 93,337,432,200 | 99,391,717,462 | 110,214,407,965 |
| 4 | Secondary | 79,787,659,599 | 105,034,933,805 | 95,403,414,417 | 96,618,986,124 | 97,546,505,121 |
| 5 | Special Needs | 551,400,000 | 2,067,270,348 | 2,111,248,904 | 2,156,841,860 | 2,204,124,562 |
| 6 | Adult Education | 14,429,700 | 1,196,976,995 | 1,244,859,194 | 1,294,653,562 | 1,346,439,705 |
| 7 | Technical Education | 10,357,200,000 | 10,771,488,000 | 11,202,347,520 | 11,650,441,421 | 12,116,459,078 |
| 8 | University Education | 41,304,000,000 | 42,956,160,000 | 44,674,406,400 | 46,461,382,656 | 48,319,837,962 |
| **TOTAL** | | **287,027,409,586** | **362,948,992,648** | **340,910,789,747** | **344,485,398,318** | **367,522,497,224** |
| **% age change** | | - | **26%** | **-6%** | **1%** | **7%** |
| **% investment in TVET** | | **4%** | **3%** | **3%** | **3%** | **3%** |

Available data for TVET financing is those of the public sector and depicts inadequacies. Expenditure on technical education as a percentage of total education sector was 2.8 percent in 2009/10 and 0.002 % of GDP. Much of this expenditure on TVET goes to salaries, which consume an average of 76 per cent of total expenditure on TIVET. Similarly, only 0.12 % of the GDP is allocated for TVET. On the other hand, unit costs for TIVET are high due to the low student teacher ratio, expensive training equipment and costly training materials.

The TVET sub-sector has various programmes that include completing stalled projects, creation of centers of excellence, upgrading of TTIs into National Polytechnics and National Polytechnics into university colleges and the rehabilitation of TIs that require substantial funding.

With the constrained public spending on TVET, the government has not been able to mobilize funds through private sector inducement due to lack of a policy framework to guide the partnerships. Involvement of enterprise/employers in supporting TVET is evident in many countries is done through social partnerships and NITA's role is critical in realizing such an approach.

In Kenya, few medium and large enterprises have shown interest in training, but with ongoing initiatives by NITA, this should change. Other partners in TVET sectors include government, Civil Society Organizations, enterprises, labour representatives and the educators (educational institutions). Such partnerships should be involved in developing and administering curriculum, providing internships/apprenticeships, as well as devising financing mechanisms.

## 2.3 Policy and Legal Framework

The need for momentum to reform TVET provision has increased dramatically, particularly in Africa, partly because of advent of the structural adjustment programmes and the decline of donor support for TVET (Altinyelken, K.H 2004). Additionally, increasing unemployment among TVET graduates due to economic and financial crisis, technological changes in the production system and the labour market, the end of the guaranteed access to public sector employment and deterioration of the rate of return have contributed to the impetus for reform.

In Kenya, the impression observed during the TVET mapping process is that the sector is undergoing policy overhaul. This may imply that the government is awakening the sector's development needs and seeks to realign it with the global socio-economic direction; the sector has been operating with very minimal policy direction. For instance a national symposium held in November 2003 reviewed the current TVET status and made key recommendations that included:

i. The establishment of a National Training Authority to over-see TVET development and co-ordination;
ii. The development of a National Skills and Training Strategy;
iii. Incentives to strengthen involvement of industry in financing skills training;
iv. Promotion of centers of excellence and nurturing of creativity and innovation; and
v. Promotion of a national qualification framework to enhance multi-entry points between technical, non formal and formal academic education and training.

Most of these recommendations are yet to be implemented.

One policy document that addresses the issues of education is the 2003-2007 Kenya Education Sector Support Programme. It takes a wide lens on education and training that includes all sub sectors. It balances the need to expand and revitalize the secondary, TVET and even the public university system with the hugely important requirement to chart out generous yet transparent pro-poor pathways. One of KESSP's target areas includes the development of the national training strategy for TVET in 2005 and ensuring that TVET institutions are funded and equipped adequately by 2008.

Vision 2030 proposes among others; intensified application of Science, Technology and Innovation (STI) to raise productivity and efficiency (GOK 2007) through, government's commitment to provision of resources for scientific research, enhancement of technical capabilities of the workforce and the raising of the quality of teaching mathematics, science and technology in schools, polytechnics and universities. Other steps include the establishment of new technical training institutions, as well as the enhancement of closer collaboration between industry and training institutions.

The legal framework for TVET has been reviewed (TIVET Bill 2008) to provide for the establishment of a TVET Authority to oversee the TVET systems (GOK 2008). This is intended to strengthen the mechanisms for the implementation of the necessary TVET reforms aimed at enhancing the capacity of the sub-sector. Though the establishment of the authority may play a regulatory role in TVET, the stakeholders in TVET are skeptical that this may lead to duplication of roles within the mother ministry or it is likely to increase the state bureaucracy in handling TVET related issues leading to further delays in programme implementation.

The Gender Policy in Education is another government document that addresses issues of increased enrolment, retention, transition and achievement in the TVET sector, especially for girls and women. The National Youth Policy is at cabinet level for debate, it addresses the issues of gender disparity though there is no legal framework that will guide the process.

Whereas the government has made these recommendations in policy documents, they have not been implemented or there is no documented evidence to show progress. For instance there is no clear indication that TVET in rural areas has benefited from the policies formulated at the national level. A visit to Loita division in Narok South district, which is a marginalized area, indicated that since independence, there has been no effort from the government to develop the TVET sector to promote the Maasai informal sector through skills development that can enhance their livelihoods. This scenario is replicated in most of the marginalized communities.

The GoK has formulated various policies on TVET backed by strategies that revolve around, among others; promotion of partnerships among TVET stakeholders, provision of incentives to promote creativity and innovations, capacity building of staff, equity in access and linkages and promotion of relevant skills development that meet the needs of the market. Past experience has however shown that the government has come up with well designed strategies for development but lack of political good will and viable implementation roadmaps has been the main set back. For instance, the government has been setting development targets for the past two decades without achieving any (e.g. Kenya being industrialized by 1990, 2015, 2020 and now 2030).

### 2.4 Education Sector Plan

The Ministry of Education, initiated a Rapid Appraisal (RA) on the status of TVET in Kenya in June 2003 for Education, Science and Technology as the first step towards the sub-sector's reform process. The process was meant to appraise the entire TVET system in Kenya, in line with the December 1995 Cabinet decision to develop a national training strategy, which would produce adequate and appropriate skilled human resources for the formal and informal sectors of the economy. The rapid appraisal was intended to provide baseline data to be used during the development of the national training strategy.

One of the key recommendations of RA was that the Government should establish as a matter of urgency, a national steering committee with a secretariat to spearhead the development of a national skills training strategy with a clear vision and mission for the entire TVET system. The training strategy was to be backed with an appropriate legislation in line with the current National Development Plan and the December 1995 Cabinet decision and guided by the terms of reference approved by key stakeholders in October 1996. In order to achieve the national development aspirations, on its part, the Ministry of Higher Education Science and Technology (MoHEST) has undertaken reform initiatives on the TVET system. The initiatives undertaken include:

i. Reviewing and analyzing sub-sector performance through the rapid appraisal of the TVET system.
ii. The restoration of technical subjects in the secondary school curriculum with a view to expanding their reach to cover all secondary schools. (The abolishing of the technical subjects both at primary and secondary level by the government was a major set back to TVET in the country. The present scenario in primary schools is that any technical subjects are not examined in the national exam. This has led to less interest in the subject

by both the learners and students hence not only poor performance but also negative attitude towards the subject. This is also being felt in secondary schools.)

iii. Organizing a stakeholder's forum where a consensus was reached on important areas to be addressed during the ongoing TVET reforms.
iv. Preparation of Sessional Paper No.1 of 2005 on Education, Training and Research.
v. Undertaking to upgrade Kenya Polytechnic and Mombasa Polytechnic to start awarding technology degrees.
vi. Formulation of six TVET investment programs under KESSP.
vii. Undertaking a situation audit of infrastructure, equipment and staffing for TTIs and Institutes of Technology ITs.
viii. Undertaking a study on the skills needs for the TVET sub-sector in relation to industry with the aim of developing a national skills inventory plus curriculum framework for dynamic skills provision.

It is observed that the conversion of Mombasa and Kenya polytechnics to university colleges, may in the long run compromise TVET programmes in the country. It is clear that for TVET to be meaningful for the development, the emphasis should be on practical orientation. By making these two institutions universities colleges only reinforces the teaching paradigm of embracing academics rather than practical skills.

According to a draft report (2010), the MoE is reviewing the TVET program to align the design to the goal of industrialization by the year 2020 and Kenya Vision 2030 that aims at transformation the country to a newly industrialized, middle-income country.

### 2.5 Transition from Primary to TVET

To enhance transition from primary to TVET, the Government set the objective of enhancing access to TVET programmes through improved infrastructure and training. A five-year investment programme to revitalize youth polytechnics has been proposed. Selected youth polytechnics are to be provided with funds to for purchase of equipments, enhancement of physical facilities at an estimated cost of Kshs. 1.2 billion in a 5 - year period as shown in Table 8:

**Table 8: Estimated Costs for Enhancing Transition from Primary to TVET**

| | ACTIVITY | COST (MILLION KSH.) Total | | | | | |
|---|---|---|---|---|---|---|---|
| | | 05/06 | 06/07 | 07/08 | 08/08 | 09/10 | |
| 1 | Baseline study on youth polytechnics | - | 10 | - | - | - | 10 |
| 2 | Infrastructure improvement for Yps | - | 20 | 150 | 150 | 150 | 475 |
| 3 | Equipment upgrading | 5 | 50 | 150 | 150 | 150 | 505 |
| 4 | Development of Teaching and learning resources | - | 10 | 15 | 15 | 15 | 55 |
| 5 | YP staff in- service and skills enhancement | - | 30 | 40 | 40 | 30 | 140 |
| | **Total** | **5** | **120** | **355** | **355** | **345** | **1180** |

Source: KESSP 2005 – 2010

### 2.6 Kenya's Concept of Inclusive Education

**The Development of Education, National Report of Kenya** (GOK 2008) asserts that Kenya has embraced inclusive education that provides quality education to all children, youth and adults through targeted support to specific or vulnerable groups; moving away from the traditional view of inclusive education as "providing education for children with special needs". Beyond inclusion, education is considered a fundamental right to every citizen and is provided free of charge in primary; and secondary levels. A curriculum has recently been developed to cater for learners who attend non-formal schools where science laboratories and other science education facilities are not in place. To support inclusive education in TVET sector, the government:

1. Is providing incentives to promote private sector investments in the development of TVET facilities
2. Has an increased bursary budget to enhance access to TVET taking into account marginalized groups, such as female students and the physically handicapped.

### 2.7 Main actors

In Kenya, several key actors are involved in the TVET sector (formal and informal sectors); they undertake activities that include curriculum development and implementation, industrial training, internship, industrial attachments, funding and donation of equipment and teacher/lecturer exchange. The key actors are

1) The Government: The government has about 13 ministries that have direct involvement in TVET sector (this has been mentioned elsewhere in the report)
2) Regulatory and professional bodies
3) Examination bodies like Kenya National Examination Council
4) Training institutions: Polytechnics, TTIs, YP
5) Local authorities
6) Publishers both private and public
7) Private sector like KEPSA
8) Civil society: NGOs
9) Artisans

This web of actors needs to be regulated and a clear operational plan set; current engagement of these actors has led to duplication of responsibilities, inefficiencies in management and coordination, wastage of resources among other problems. The government needs to have a well defined mechanism that will streamline and guide the actors towards a desired direction that does not upset sector. There is need to have a clear link between actors in the informal and formal sectors so that meaningful synergy is developed.

### 2.8 Key Donors and their Interventions

Many donors currently channel the majority of their aid for education into achieving the Universal Primary Education and Gender Parity. For instance, DFID allocates about 80% of its aid for education to basic and primary levels while USAID allocated 72% of total education funding to basic education (King et al 2007). The World Bank's position on TVET has changed radically in the past two decades. Lending priorities shifted from TVET projects (nearly 30% of its total lending to the education sector by late 1970s) to basic education -reducing the share of TVET in total education sector lending to 5% by 1994 (Altinyelken, 2004).

The governments and other stakeholders have engaged other development partners in realizing donor interventions. The Ministry of Science and Technology in Kenya formally requested for technical and financial assistance from the Netherlands Government to strengthen TVET in the country. In view of this request the state agency for International Business and Cooperation, and part of the Dutch Ministry of Economic Affairs, awarded Devotra B.V. the assignment to execute a feasibility study under the Dutch PESP Programme (Programme for Economic Co-operation Projects).

The African Development Bank (AfDB) Group in 2008 approved a 25 million Units (equivalent to US$ 37.2 million) loan to Kenya to help finance a TVET Project in the country. The programme aims at improving access, quality and relevant skills development. Implementation of the KESSP-TVET Investment aims at ensuring; development of a National Skills Training Strategy, enhancing transitions from primary and secondary to TVET, establishment of TVET centers of excellence, skills enhancement for automation and computer integration in industry, development of a bursary awards programme, creation of industrial incubators and provision of equipment to polytechnics to enable them offer degree-level courses. Other donors' areas of intervention include:

i. Curriculum development - Petroleum Institute of E.A
ii. Curriculum development and implementation - Catering Levy Trustee
iii. Business plan competition – KCB, UNIDO, UNDP, KIE
iv. Providing construction infrastructure – GOK, Italian Government, KIDDP
v. Construction of workshops, Classrooms – GOK, KIDDP
vi. Training of instructors (SMASSE) – JICA and Italian Government
vii. Supply of tools and equipments – GOK, Italian government., JICA
viii. Preparation and launch of ICT plan, supply of computers - Microsoft
ix. Salary top-up – GOK.

**2.9 Demand and supply**

Kenya's TVET sector has mismatches between supply and demand for skilled labour, widespread underemployment in the informal sector and low productivity. This requires that technical and vocational education and training be responsive to demand and promotes an enterprise culture capable of offering a wide range of employment opportunities to the youth.
There is need for a national skills inventory, backed by an efficient labour market information system, which ensures training driven by demands in the wage employment sector and promotion of self-employment. There is need for frequent needs assessment and tailoring of TVET curriculum to meet the changing technological needs. It is critical therefore, to make sure that what TVET institutions trainings align to needs and opportunities in the labour market since education or training do not create jobs on their own.

Under-investment in skill training for institutions such as Youth Polytechnics has resulted in understaffing, lack of physical infrastructure (workshops) and tools leading to low quality of education, not synchronized with what the labour market or local livelihoods require. Thus, graduates from TVET institutions tend to be excluded from the world of work because they lack productive skills. Core values and attitudes, which translate into positive work ethics, are also lacking as they tend to be given passing recognition within the institutional setting. Disconnect between the institution and the work situation is a challenge that TVET policy-makers must confront and resolve.

### 2.10 Key Emerging Issues

Existing TVET curriculum is weak, not flexible enough to meet the technological changes and diverse needs of different clients. Furthermore, the quality of TVET graduates has declined in recent years due to poor instructional methods, outmoded/inadequate training equipment and lack of meaningful work experience and supervision during attachment. The graduates of TVET have experienced technology shock when they finally enter the job market. Enrolment in the traditional engineering and building course is dwindling very fast while enrolment in applied sciences and business/commerce oriented courses is growing steadily.

Trainers lack necessary industry-based technological skills updated through industrial attachment. KTTC has shifted from its original mandate as a producer of trainers and is now competing to offer programmes similar to national polytechnics. This largely compromises quality of education especially when resources are lacking. It has been observed that teachers in the technical institutions rarely go for refresher courses, which put them at the mercy of their students who are more technologically exposed.

Dramatic budget cuts adversely affected public TVET systems largely. For instance, in Sub-Saharan Africa, because of budget cuts, curtailed investments in TVET systems made facilities and equipments decay. Recurrent budget reductions have also negatively affected the number, qualifications, pay, morale and motivation of teachers and administrators. Most of the TVET institutions were grossly underfunded resulting to poor service delivery and poor image. Majority of trainees enrolled in TVET institutions are self-sponsored with very few receiving any financial support from donors, government or other charitable organizations.

Life skills education is lacking in Kenya’s education systems. Teaching of life skills in early stages of learning may enhance quality of work among learners and this will prepare them for industry and life expectations at an early stage of schooling.

In Kenya TVET has always been associated with those who have failed in academics. The colonial education system trained Africans who were considered weak in class in skills so that they could provide cheap labour; there has been no improvement after independence. The technical subjects were awarded fewer marks than the other subjects. Today, the notion of TVET being preserve for the less bright learners still holds and with the new developments of the polytechnics being turned into the universities, it is feared that the government policy may be confirming this attitude.

In Gichira (2002), most of the private training institutions are faced with almost the same problems as those encountered by the public institutions. The quality of TVET in the Entrepreneurial Education private training institutions is affected further by:

- Over concentration on "light: vocational skills, business, commercial and service courses because of the high investment associated with technology based courses.
- Employment of part-time instructors; paid less, burdened with large classes with less facilities.
- Enrollment of students left out by the public institutions.
- Proliferation of unregistered institutions likely to offer low quality training.

Non-targeted skills development is a major weakness of TVET in the country. Programmes are supply-driven and not designed to meet the projected and observed demand of the labour market.

There is also no framework for TVET institutions to track their graduates in the labour market. This leads to lack of opportunities for trainees to give their feedback on quality of training attained and relevance to labour market, which would otherwise be used to review the curriculum and training packages. TVET institutions do not undertake trace studies institutions are not able to improve the relevance of their training programmes.

# 3.0 LABOUR MARKET IN KENYA

## 3.1 Overview

According to Manda & Odhiambo (2003), Kenya's labour force is estimated at 11 to 12 million, about 37% of the total population. Kenya's labour has been expanding fast, due to a rapid increase in the country's population and a high rate of school dropouts. It is estimated that about 500,000 youth join the labour force annually; most of who remain unemployed or end up in subsistence agriculture, the informal sector and self-employment. The share of urban employment in the informal sector is at around 75%.

It is considered that both unemployment and informal sector employment to be important links between poverty and labour markets. Unemployment in Kenya is a serious problem. Average unemployment is currently at 23%, and is even higher for youth that drop out of school and for women, averaging 25% in both cases. In Kenya, earnings in the informal sector are typically low and not enough to alleviate people out of poverty. There is thus a possibility that some of the people working in the sector may actually be poor. It has also been observed that graduates of TVET in both formal and informal sectors are exploited by their employers (paid below standard wages) since the government does not enforce regulations on wages as indicated in Labour Acts.

The developmental impact of training is compromised its lack of relevance to skills needed in the labor market and the poor quality of training programmes. The objectives and outputs of a training system need to be oriented to the economic and social requirements. The participation of industries in the curriculum development is still lacking and therefore the training institutions are not informed of the labour market expectations. There is need for tracer studies to determine industry needs for tailoring training to specific labour market requirements.

Kenya needs a well skilled labour force that will propel the country to achieve the desired development as articulated in various economic policies. The country's education system needs to rethink the emphasis of learning for work/life skills. Training should not aim at only youth empowerment, it should include enhancement of levels of productivity and contribute to fighting poverty.

## 3.2 Facts and figures

Kenya's labour force was to increase from 9.5 million in 2001 to over 14 million by the year 2011. This requires the economy create 4.5 million more jobs in a decade. If this additional labour force has to contribute effectively to economic development, then there is an urgent need to streamline the TVET system.

**Employment**

As shown in table 9 below, the number of people engaged outside small-scale farming and pastoralist activities went up by 74%(14% annually) from 8,504 thousand in 2005 to 11,475 thousand in 2011. The informal sectors contribution to new job creation is at 85.7% in 2011

**Table 9**: Total Recorded Employment, 2005 – 2011

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|
| Modern establishments - Urban /Rural Areas: | | | | | | | |
| Wage employees. | 1,809 | 1,860 | 1,910 | 1,944 | 2,000 | 2,059 | 2,128 |
| Self employed /unpaid family workers | 66.8 | 67.2 | 67.5 | 67.4 | 67.8 | 69.8 | 75.4 |
| Informal sector | 6.628 | 7,049 | 7,502 | 7,943 | 8,389 | 8,826 | 9,272 |
| **TOTAL** | **8,504** | **8,976** | **9,450** | **9,954** | **10,457** | **10,955** | **11,475** |

Source: Economic Survey of 2008 & 2012

**Employment in the Modern Sector**

The 2012 economic survey indicates that wage employment in the modern sector went up by 3.3% in 2011. The private sector accounted for 67.2% of the total employment in 2007 compared to a share of 65.1% in 2006. Table 10 gives the summary of wage employment by industry and sector.

**Table 10**: Wage employment by industry and sector, 2005 – 2011

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | % change |
|---|---|---|---|---|---|---|---|---|
| **PRIVATE SECTOR:** | | | | | | | | |
| Agriculture and forestry | 272.3 | 280.3 | 289.0 | 289.7 | 288 | 292 | 293 | 0.4 |
| Mining and quarrying | 5.1 | 5.3 | 5.6 | 5.9 | 5.8 | 7.9 | 8.1 | 2.5 |
| Manufacturing | 217.3 | 224.1 | 238 | 237 | 239 | 242 | 248 | 2.1 |
| Electricity and water | 1.9 | 1.9 | 2.2 | 2.3 | 2.2 | 2.2 | 2.3 | 4.5 |
| Building and construction | | 57.9 | 61.2 | 64.9 | 73.5 | 82 | 89.8 | 9.5 |
| Wholesale, retail trade & Hotels | 169.2 | 179.6 | 189.8 | 196 | 209 | 221 | 232 | 5.3 |
| Transport and communications | | 90.9 | 117.8 | 121 | 124.7 | 132 | 138 | 4.4 |
| Finance, Insurance, Real estate & business services | | 75.5 | 79 | 81.9 | 84.3 | 88.4 | 94 | 6.3 |
| Community, Social and Personal services | 285.5 | 294.4 | 299.2 | 307. | 320 | 332 | 342 | 2.9 |
| **TOTAL PRIVATE SECTOR…** | **1,154.5** | **1,209.9** | **1,281.7** | **1,306** | **1,347** | **1,400** | **1,447** | **3.4** |
| **PUBLIC SECTOR:** | | | | | | | | |
| Agriculture & forestry | | 54.3 | 50.9 | 51 | 52.3 | 52 | 52.9 | 1.7 |
| Mining & quarrying | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0 |
| Manufacturing | | 30.8 | 26.9 | 26.9 | 27.8 | 27.9 | 28.1 | 0.7 |
| Electricity & water | | 17.7 | 16.8 | 17 | 17.4 | 18.1 | 18.4 | 1.7 |
| Building & construction | | 22.0 | 20.1 | 19.9 | 19.9 | 19.2 | 19.2 | 0 |
| Wholesale & retail trade | 6.2 | 6.3 | 6.0 | 6.0 | 6.3 | 6.2 | 6.4 | 3.2 |
| Transport & communications | | 39.9 | 36.1 | 36.9 | 18.7 | 19.2 | 19.4 | 1.0 |
| Finance, Insurance, Real estate & business services | | 16.8 | 14.3 | 12.6 | 12.9 | 12.6 | 13.3 | 5.6 |
| Community, Social & Personal services | 465.5 | 461.4 | 456.3 | 467 | 498 | 504 | 523 | 3.8 |
| **TOTAL PUBLIC SECTOR** | **654.2** | **649.9** | **628.1** | **638** | **654** | **660** | **681** | **3.3** |

Source: Economic Survey of 2008 &2012

### 3.3 Policies

Industrial relations systems regulate employment in the modern sector through implementation of labour laws. The laws cover labour administration, employment and working conditions. The Kenyan government enacted revised labour laws in 2007 consistent with ILO's conventions and recommendations. The laws include:

**The Employment Act No. 11 of 2007; -** defines the fundamental rights of employees, provides basic employee conditions and regulates employment of children. The Act protects workers from unfair dismissals, except for procedural disciplinary and available remedies supported by the industrial court.

**The Labour Institutions Act No. 12 of 2007;** regulates the establishment of labour institutions to provide for their functions, powers and duties. The act also provides for the establishment of a National and subordinate Labour Courts as well as a National Labour Board to advice the minister on labour legislation matters.

**Work Injury Benefits No. 13 of 2007 Act;** deals with compensation to employees for injuries suffered, occupational diseases contracted in the course of employment, insurance of employees and related matters. The law introduces compulsory insurance of employees and related matters.

**The Labour Relations Act No. 14 of 2007;** deals with the registration, regulation, management and democratization of trade unions, to promote sound labour relations through protection and promotion of freedom of association, the encouragement of orderly and expeditious dispute settlement, conducive social justice and economic development and related matters.

**The Occupational safety and Health act No. 15 of 2007;** provides for the safety, health and welfare of persons employed, all persons lawfully present at work places and related matters. It also provides for shop floor committee of Occupational Safety and Health to report any non-compliance with the law without any reprisals by the employer.

There exists a national wage policy whose objective is to; assure wage earners equity, promote a harmonious and just relationship in different sectors and being responsive to the demands of the economy. The wage guidelines revised in November 2005 continues to be an important Government's employment policy and crucial in the promotion of harmonious industrial relations. The guidelines have also provided a basis for negotiations of terms and conditions of employment as well as arbitration and settlement of trade disputes. The policy implemented through government issuance of statutory minimum wages and negotiated wages.

### 3.4 Formal / Informal Economy

According to King et al (2007), evidence from East Africa has shown that those with higher levels of education in the informal economy are more likely to start enterprises and employ others. The government in Sessional paper No. 1 of 1965 identified relevant and quality education as a means of eliminating poverty, disease and ignorance while Sessional paper No. 1 of 2005 indicates that education is not only a welfare indicator, but also a key determinant of earnings and therefore, an important exit route from poverty.

The latest Economic Survey report (2012) on the other hand presents socio-economic highlights of the economy for 2011 and the last four years. According to the Kenya economic survey report

(2012), the Global economy recorded a growth of 3.8% in 2011 compared to the 5.0% growth registered in 2010. Africa's economic growth is estimated to have declined marginally to 5.2% in 2011 compared to 5.4% in 2010. Despite stable growth of the economies, the disadvantaged, poor, youth and women have not effectively benefited from opportunities presented by the economic environment. They suffer marginalization and out of the mainstream economic development.

In the Vision 2030, the government's focus is to eliminate poverty and empower Kenyans to enjoy quality and decent livelihoods. Education is a key component in the social pillar of the Government's strategy of Vision 2030 (GoK 2007). The first Medium-Term Plan 2008-2012 aims at significantly reducing the number of Kenyans living in poverty from 46% to 28% and raising average annual incomes from US$ 650 to US$992 by 2012. Vision 2030 appreciates the necessity of dealing with the informal economy that employs 75% of the country's workers. The informal sector is to be supported in order to enhance productivity and distribution, increase number of jobs and income and boost public revenues. Emphasis in most of the Kenya's Government policy papers and strategies are on improvement of access and equity in education. While efforts to improve access and equity are laudable, these on their own are not sufficient to address poverty alleviation without factoring in the relevance of the education offered to labour market. Policies do not specifically acknowledge importance of TVET.

**Employment in the Informal Sector**

The International Labour Organization (ILO) in its Kenyan mission report introduced the concept of the informal sector in 1972. The sector referred to as the 'jua kali' continues to play an important role in the labour market. There are an increasing number of people, who are in the sector by preference irrespective of whether they are able to join the formal sector. It is labour intensive, exploits adaptive technology, acquires skills outside formal sector and operates in unregulated and competitive markets. However, in most cases the jobs are lowly paid and lack security. As shown in table 11 below, employment in the informal sector has consistently been above 5 % since 2007. According to the Economic survey, the rural economy contributes majority of job creation (over 60%) as compared to urban (40 %).

**Table 11:-Number of persons engaged in the informal sector by province, 2003 – 2011**

| Province | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|---|---|
| Nairobi | 1,384.6 | 1,487.3 | 1,601.4 | 1,702.3 | 1,824.5 | 1,945.1 | 2,061.1 | 2,178.5 | 2,299.2 |
| Central | 905.3 | 976.5 | 1,049.4 | 1,116.0 | 1,187.2 | 1,256.4 | 1,326.7 | 1,395.4 | 1,465.4 |
| Nyanza | 673.2 | 731.4 | 783.5 | 833.6 | 878.4 | 920.9 | 968 | 1,011.7 | 1,055.5 |
| Western | 415.9 | 445.4 | 480.4 | 510.4 | 548.5 | 586.2 | 621.9 | 658.3 | 695.9 |
| Rift valley | 1,081.8 | 1,167.5 | 1,254.4 | 1,334.4 | 1,417.5 | 1,498.2 | 1,581.1 | 1,661.6 | 1,743.4 |
| Eastern | 522.6 | 570.4 | 609.7 | 648.9 | 680.4 | 709.8 | 744.4 | 775.4 | 806.3 |
| Coast | 707.1 | 760.4 | 818.3 | 869.8 | 930.7 | 990.5 | 1,048.8 | 1,107.2 | 1,167.2 |
| North Eastern | 25.9 | 29.3 | 31.3 | 33.3 | 35.4 | 35.4 | 36.9 | 38.1 | 39.2 |
| **TOTAL** | 5,716.4 | 6,168.2 | 6,628.4 | 7,048.7 | 7,501.6 | 7942.5 | 8,388.9 | 8,826.2 | 9,272.1 |
| Of which | | | | | | | | | |
| Urban | 1,889.1 | 2,030.9 | 2,585.1 | 2,749.0 | 2,925.6 | 3,100.3 | 3,276 | 3,441 | 3,614.8 |
| Rural | 3,827.3 | 4,137.3 | 4,043.3 | 4,299.7 | 4,576.1 | 4,842.2 | 5,112.9 | 5,385.2 | 5,657.3 |

Source: Economic Survey 2008 and 2012.

The distribution of employment in the informal sector by activity is in table 12 below. The largest share of persons employed in the sector was in wholesale and retail trade, hotels and restaurants industry accounting for over 55% to 60% of total informal sector employment.

**Table 12: Number of persons engaged in the informal sector by activity 2005 – 2011**

| Sector | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|---|---|---|---|---|---|---|
| Manufacturing. | 1,434 | 1,532.4 | 1,562 | 1,644.2 | 1,711 | 1,781 | 1,829 |
| Building and Construction | 190.2 | 204.2 | 202.8 | 211.4 | 217.5 | 224.5 | 243.3 |
| Wholesale, Retail , Hotels & restaurants | 3,891 | 4,131.6 | 4,446 | 4,719 | 5,004 | 5,279 | 5,593 |
| Transport and Communication | 197.9 | 209.8 | 228.8 | 243.5 | 259.4 | 274.6 | 287.6 |
| Community, Social and Personal Services | 614.2 | 650.6 | 715.4 | 763 | 815.3 | 865.1 | 900.8 |
| Others. | 301.2 | 320.1 | 341.3 | 361.4 | 381.9 | 401.8 | 418.1 |
| **TOTAL** | **6,628** | **7,048.7** | **7,501.6** | **7,942.5** | **8,389** | **8,826** | **9,272** |

Source: Economic Survey 2008 & 2012.

### 3.5 Employment / Unemployment Rates - Focus on Youth and Gender

According to the Central Bureau of Statistics (national statistics 2007), youthful persons (persons aged 50 years and below) comprise approximately 85% of Kenya's population. Over 70% of this group are aged 45 years and below. The category of 15-49 years of age comprises of about 65% of the country's population.

A report by the World Bank published in the Daily Nation newspaper on 1st November 2007, (*Titled bitter harvest …*) states in part that 90% of Kenya's population controls only 58% of the country's wealth, and 42% of the country's wealth/resources are owned by a paltry 10% of the population. Youth unemployment is a serious development issue in Kenya as estimates show 64% of unemployed persons are youth. Interestingly only 1.5% of the unemployed youth have formal education beyond secondary school level, the remaining over 92% have no vocational or professional skills training and the majority are in rural areas. Due to inadequate employment and livelihood opportunities in rural areas, the tendency is to migrate to urban centers to look for such opportunities.

In reality, the high unemployment rate among youth who have completed basic education has become a sizable social problem requiring re-evaluation of the education policy with reference to labor and industrial policy needs to be undertaken. The government envisages an intervention that involves a cross-section of existing TVET institutions and provision of a new technical training institute in each of the country's original eight (8) provinces.

### 3.6 Main actors (private sector, supporting agencies)

There are different initiatives in Africa to support the TVET sector, one of which is that of forging partnerships. It is through both local and international partnerships that Kenya can build a vibrant TVET sector. Within Kenya, the key stakeholders involved include:

a) **The Government; as a** provider of training services through technical institutions, curriculum development, and staff payments among others.
b) **Civil societies/ Non-Governmental Organizations;** is vibrant and participate in TVET by lobbying the government to implement recommendations related to the sector; take

part in curriculum development; direct service promotion among others. They also implement TVET in the informal sector

c) **Business sector;** acts as a link between institutions and the industry. Some of the key players in the business sector include; Federation of Kenya Employers, Kenya Private Sector Alliance and the Kenya National Chamber of Commerce.
d) **International Labor Organization;** the ILO for a long time has ensured that Kenya conforms to international labour laws and standards and that it is signatory to international labour protocol and conventions.
e) **Labour Organizations (Central Organization of Trade Unions);** COTU is an amalgamation of several trade unions that protects the dignity and rights of all employees in Kenya.

### 3.7 Transition - School to work and existing Approaches to Improve Transition

**Creation of Industrial Incubators:**

The objectives of this initiative is to create industrial incubators in order to inspire and enable TVET graduates set up small innovative growth oriented business enterprises for self-employment and enhance transfer of technology for industrial development. TVET as an occupational field will provide the foundation for productive and satisfying careers and at the same time offer specialized preparation for initial employment including self-employment. The programme will address the linkage between technical skills, entrepreneurial skills, labour market needs and employable skills.

**Investment strategy:**

The Government has proposed a 5-year investment programme for the establishment and development of business and technology incubation centres. The key role of the centres will be to nurture creative talent and assist in the identification of relevant technology for adoption by TVET graduates in establishing business enterprises for self-employment. The centres will be sited close to existing TVET institutions and be provided with reasonable capacity to offer the services. The centres will undertake capacity building for effective technology development services, design and production of simple production tools fixtures and equipment to sell to TVET graduates and the Jua Kali sector. Provision is made for TVET graduates to acquire small tool kit loans for business start-ups. Equipment and physical facilities are to be upgraded to capacitate incubators for business development. The TVET institutions will rent equipment and machine time to start-ups within the allied/adjacent incubators. The total estimated cost for creation of industrial incubators will be Kshs. 808 million in a 5-year period as shown in Table 13.

**Table 13: Estimated Costs for Creation of Industrial Incubators (Million Kshs.)**

| | Activity | Cost (Million Ksh.) | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | 05/06 | 06/07 | 07/08 | 08/08 | 09/10 | |
| 1 | Purchase of pool equipment for incubators | 6 | 79 | 55 | 55 | 55 | 250 |
| 2 | Infrastructure development for incubators | 6 | 34 | 50 | 30 | 30 | 150 |
| 3 | Skills upgrading for business creation and technology management | 3 | 12 | 13.5 | 12 | 15.5 | 56 |
| 4 | Technology innovation research fund | - | 20 | 25 | 30 | 40 | 115 |
| 5 | Tool kit loan fund | - | 35 | 35 | 70 | 50 | 190 |
| 6 | Technology congress and awards | 5 | 12 | 9.5 | 10 | 10.5 | 47 |
| | Total | 20 | 189 | 190 | 205 | 204 | 808 |

Source: KESSP 2005 – 2010

Other means of transition from training to work include apprenticeship, internships, mentorship and volunteer ship particularly in informal sector and attachment in the formal sector.

### 3.8 Demand and Supply - The Labour Market

Kenya has focused keenly on producing human resources suited to labor market demand. A number of the trainees lack effective/ appropriate training required by the labour market. Kenya like a number of Sub-Sahara Africa desires to place investments in tertiary education despite the fact a large proportion of the economy comprising the informal sector. Labor market surveys conducted sporadically look at the formal sector, meaning that the government excludes a sizable portion of the domestic economic in proposing effective policy.

In Kenya, the education and industry sectors exist separately from each other, while the importance of the school-to-work transition of students is advocated; discussion of these matters fails to probe deeper, resulting in a lack of realistic policy linking school education to the labor market.

Another reason for the low rate of people reaching employment through technical and vocational education is the commonly held belief that technical and vocational education is lower in value than academic courses.

However, the government's role in TVET sector is not limited to the management of vocational training schools. To the contrary, in order that human resource effectively contributes to industrial development, only the government has the capacity to carry out the establishment of laws, policies, systems and assistance to private human resource development institutions to deliver on the onerous task. It is important that government lay the framework and incentives for private sector participation to make impact.

### 3.9 Key Emerging Issues

Some of the emerging issues are:

- Mismatch of labour production and the market requirements; need to enhance employability through practical hands-on exposure to actual work settings by integrating TVET in the various phases of internship or attachment.

- The changing trends globally particularly in ICT and increasing production costs has left the Kenya lagging behind in the training demands of the graduates. TVET sector in the country needs to keep pace with the dynamics in the market for it to remain relevant and cost effective for TVET graduates to be productive in the market. This calls for a well coordinated industrial exposure programme for trainees in TVET institutions. The investments in ICT – Fiber optics and Techno Villages by the government will enhance communication in rural areas that will give more opportunities for TVET expansion.

- The curriculum should go a step further and support entrepreneurship. Most graduates of TVET do not have business skills and expect to be employed (formal or informal sectors) despite the opportunity for self – employment.

- Quality orientation and creativity in TIVET, both at micro and macro levels is important if the sector is to produce competent labour for both local and international market. There is need to invest in technologies and exposures that will make these institutions meet international standards. Employers are yet to appreciate the need for well trained Human resources; Directorate of Industrial Training has reviewed its policies but not many employers are taking up the incentives as should be.

- Restructuring of the Ministry of labour to revamp institutions like NITA and creation of Productivity Centre are positive steps to focus on labour demand and supply issues

- Need to encourage partnerships between private sector (i.e. Federation of Kenyan Employers, KEPSA, KAM etc) and universities through policies that enhance planning and implementation of training programmes.

- Employment opportunities are only growing in the informal sector dominated by unskilled labour.

- Unemployment rate is high among the youth (this presents a crisis- time bomb – given the political environment and affinity of idle youths to engage in crime and tendencies for opportunistic violence).

- There needs to be a national skills inventory - backed by an efficient labour market information system.

# 4.0 LESSONS LEARNT & PRACTICAL POLICY CHALLENGES

## 4.1 Best Practice

The NGOs, among them Undugu Society of Kenya (USK) has a programme where street children are rehabilitated through identification and training in different informal skills and supporting them set up businesses. Some of the challenges still facing TVET include inadequate facilities and capacities to cater for the large numbers of those who complete primary and secondary education and wish to undertake TVET. AIC church also has TVET programs spread across the country targeting the urban and rural poor. Don Bosco church program also has similar TVET programs targeting especially the boys.

## 4.2 Challenges

TVET programs have had impacts but they are limited in scale due to challenges such as:

(i) Lack of co-ordination of training leading to disproportionate duplication in the production of skilled personnel across the entire sector. This results in mismanagement of scarce resources, conflicts of jurisdiction and under-utilization of available training facilities. There is need to train more staff and upgrade equipment and physical facilities to cope with the dynamic technological development. The National Skills Training Strategy and the revised legal framework will strengthen mechanisms for the implementation of the necessary TVET reforms.

(ii) Weak/absent research and documentation in TVET sector as available data is either outdated or inadequate.

(iii) Antiquated curriculum; TVET curriculum covers from certificate level to degree level making it hard to initiate and follow up the curriculum review processes. It leads to the curriculum being reviewed course by course at all levels hence becomes slow. In addition, the TVET sub sector in Kenya is facing challenges posed by an inflexible and outdated curriculum, a mismatch between skills taught and those demanded by the industries, an inadequate quality assurance mechanism, inadequate physical and learning resources and low participation of the private sector, which is necessary to bridge the school- work gap.

(iv) Imbalance between rural and urban areas; few training institutions exist in rural areas as compared to urban centers. This is because TVET institutions heavily depend on infrastructures like electricity, water, good transport and communication networks hence they are more concentrated in towns or near major towns. This leaves the persons in rural areas with fewer opportunities to access the TVET facilities hence underdevelopment. The education system's philosophy has rendered the TVET education sector less favorable. University (academic) education is more valued in Kenya than TVET irrespective of the quality of graduates from the two sectors of Education.

(v) Low transition; though there has been marked achievement towards realizing universal primary education in the country, realization of the MDGs and EFA continue to experience a number of challenges such as low transition rates from primary to secondary and underutilized capacity in TVET sub sector leading to high wastages. Given that TVET can take so many different forms, in different settings, of different lengths in different countries, and be under so many different ministries, comparative data on TVET systems are difficult to compile. Where compilation is available, it needs cautious reading as what is classified, as TVET in one country is not necessarily the same in another.

(vi) Management structure and poor coordination; overall, the management of TVET institutions is spread across 10 ministries. For instance, apart from the MoHEST, other Government Ministries that operate TVET institutions include Ministries of Home Affairs, Office of the President, Agriculture, Health, Water Resources Management and Development, Roads and Public Works, and Labour and Human Resource Development, among others and the private sector. This makes co-ordination of their activities and maintenance of training standards difficult as the supervision of most of these institutions are left to individual ministries and private sector that often lack the capacity to assure quality and high standards of training.

(vii) Lack of a clear legal framework for the TVET sector - The absence of a legal framework for regulating the governance of TVET has resulted in weak, fragmented and ineffective mechanisms for supervision and coordination of TVET programmes that are characterized with unnecessary duplication and poor resource utilization of resources.

# 5.0 SWOT OF KEY ACTORS OF TVET AND LABOR MARKET

## 5.1 Government of Kenya

| Strengths | Weaknesses |
|---|---|
| • Availability of feasible plans to steer the TIVET sector in poverty reduction<br>• Can easily access funds for TIVET development<br>• Is responsive to training needs of the youth<br>• Can control TIVET functions through statutory bodies | • The spread of TIVET across too many ministries compromise quality and supervision of services<br>• Too much bureaucracy that slows down progress of programmes<br>• Key challenge in documentation and dissemination of information |
| **Opportunities** | **Threats** |
| • Willing development partners to support TIVET in the country | • Withdrawal of development partners' support |

## 5.2 TVET Training Institutions

| Strengths | Weaknesses |
|---|---|
| • Have trained members of staff<br>• Popular with girls at lower levels | • The tools that they use are obsolete, not maintained<br>• They have run down buildings<br>• Negative image towards (YPs) – Inferior<br>• Lack of investment in the capacities of staff<br>• Not labour market oriented (linkage between training institutions and industry lacking) |
| **Opportunity** | **Threats** |
| • The existence of graduates from primary and secondary schools provides sufficient number of students for TIVET programmes in the country<br>• Reforms in the government to support TIVET present opportunities for the Training institutions to implement their programmes. | • Introduction of degree programmes may make middle level courses lose popularity among students<br>• Unavailability of funds<br>• Education systems and philosophies that make TIVET look like is for academic failures hence low enrolment |

## 5.3 Development Partners

| Strengths | Weaknesses |
|---|---|
| • Financial strength to support TIVET programmes. | • The shift of interest from Post Basic Education to basic education due to lack proper direction about PBE in the MDGs. |
| **Opportunity** | **Threats** |
| • The Government's commitment towards promotion of TIVET in the country gives chance for strategic partnerships between the government and the development partners<br>• Presence of qualified human resource pool that has the capacity to steer ahead TIVET programmes | • Socio-economic dynamics that may compromise the trust and service delivery of key actors in the sector |

## 5.4 Private sector

| Strengths | Weaknesses |
|---|---|
| o Are well organized with clear policy guidelines and strategies<br>o Have industries that can offer transition services of trainees from training institutions to work<br>o Are well organized with clear policy guidelines and strategies<br>o Have industries that can offer transition services of trainees from training institutions to work | o Not supportive of learn for work as a way of supporting TIVET (question of profit margin) |
| **Opportunities** | **Threats** |
| o Availability of competent and skilled labour that increase efficiency and production<br>o Not supportive of learn for work as a way of supporting TIVET (question of profit margin) | o Political conflicts that interfere with the operations of the sector<br>o Unfavourable economic trends like financial recessions, High taxes |

# 6.0 OPPORTUNITIES AND WAY FORWARD

## 6.1 Opportunities for Improved Harmonization of Different Actors

The TVET sector has a variety of actors with a mixture diverse of interests and levels of complexity both in the private and public (from CBO's, local/international NGOs and Government) sectors. It is important therefore to create a dedicated linkage (institution) to co-ordinate TVET institutions, labour market and donor organizations for realization of the specific objective of food security. Such proposed institution should design the linkages;

(i) Between training institutions and the private sector to enhance transition from learning to work through NGOs already supporting placement programmes in food security areas
(ii) Develop capacity building intervention programmes tailored to specific Training Institutions in rural areas and the marginalized parts of the country in addressing food security needs specific to target groups
(iii) The institution to enhance sector Research and documentation focused on food security
(iv) Influence and coordinate implementation of policy reforms that make the informal sector focus towards realization of the objective of enhanced food security.
(v) The underlying broad objective of food security is attainable through linkages to the drivers of Kenya Vision 2030, focusing on the key sectors identified as Agriculture, Manufacturing, and ICT and more so through creation of value addition opportunities and synergies that enhance linkages among identified sectors.

To achieve the harmonization as stated above, Edukans should adopt in its institutional framework (*Structure)*, or identify and capacitate a *focal point (Institution)* in Kenya solely focused on driving the agenda of attaining food security through TVET. This structure will support efficient and effective intervention of Edukans in monitoring, evaluating and enhancement of the programme for greater impact.

## 6.2 The Way Forward: From Understanding to Practical Support.

Based on the feedback and deliberations in the validation workshop held in October 2012, it was imperative to align practical support to specific sectors (identified in Kenya's Vision 2030) for them to be relevant and appropriate. The key sectors fall under the Economic Pillar of the Vision 2030 of; Tourism, Broad Agriculture (includes livestock &fishing), Wholesale, Retail and International Trade, Manufacturing, Business Process Outsourcing and Financial Services. The following four sectors were identified to directly impact food security;

I. Agriculture (with emphasis to Agribusiness),
II. Manufacturing – emphasizing value addition of agricultural products),
III. ICT –cross cutting to enhance market access and relate to Business Process Outsource support like software development that would enable the linkage between the informal sector and formal sector and
IV. Tourism services - skills development to create linkage and support to the sector formal sector (Beauty, Health/Wellness Spa's & related Aesthetics, Cultural tourism and related services).

These four sectors would productively absorb and engage the army of youths that annually graduate (approximately 800,000) from the education system.

The session reiterated the important role TVET provides in dealing with youth unemployment thereby enhancing food security by enabling them engage in gainful activities.
It was therefore resolved that there is need to:

(vi) Strengthen the partnerships between the Government of Netherlands and the TVET sector in Kenya by enabling transfer of value addition skills and depth of experiences from the people of Netherlands. This requires establishment and facilitation of a focal point that links TVET intervention and food security.
(vii) Identify a model TVET institution in existing administrative provinces (particularly in marginalized areas), build their capacity to cascade the benefits to reach other institutions for up scaling to the rest of the institutions within a province.
(viii) Initiate exchange programmes for actors in the sector to share ideas, learn and improve the sector both within the country and externally.
(ix) Periodically undertake tracer studies to inform revision of technical, industrial and vocational education and training (TVET) curriculum to reflect changing needs of industry/labor markets and evaluate impact.
(x) The proposed Focal point to develop a framework to engage, link and promote partnerships with the private sector and development partners to address food security through TVET.
(xi) Work with the Government of Kenya to continually undertake research leading to deepening understanding of issues affecting the TVET sector and enhance the role of the regulator- NITA - rather than providing training itself.
(xii) Diversify vocations to provide for new students entering the work force and expose them to a range of skills and experiences for self employment and entrepreneurial development that lead to enhanced food security in both households and Nationally.
(xiii) The focal point to establish and coordinate linkages between TVET and other emerging sectors to address the challenges created by cultural and image barriers associated with TVET occupations and develop strategies for overcoming the barriers.
(xiv) The Focal point to develop and implement a strategy that can enhance the role of communities, non state actors and the private sector (Don-Bosco, AIC, USK, Chamber of commerce, NITA etc and their work on the informal sector) to guarantee pro poor and life skills interventions in the TVET sector

**6.3 Recommendations and Niches.**

There is need to continually review content of Technical, Industrial, Vocational Education, and Training (TVET) to reflect the needs of industry/labor market and incorporate food security as a perquisite for any successful TVET intervention program. Specifically, Kenya should apply the lessons of an exhaustive study on the experiences with TVET in Kenya, which include:

(i) Ensuring that the government plays a strategic role as an enabler and facilitator of TVET rather than as a service provider;
(ii) Strengthening the linkage between the private sector, NGOs, and Government to be efficient and responsive in providing TVET thus bridging the gap between the demand and supply sides;

(iii) Constantly review TVET skills requirement to reflect the market needs in the emerging and informal sector labor markets and to contribute to enhanced productivity and descent incomes for participants in all sectors of the economy.

To enhance the value of technical and vocational education, deliberate efforts should be made to promote partnerships between the private and public sectors. The partnerships should focus on private sectors need for competitiveness and support it through provision of incentives, avail a pool (database) of human capital with requisite skills (based certification systems) and supported by ICT for decentralized/easy access by the private sector. The role of government should be to regulate the market rather than providing training itself except where, Government's intervention is towards enabling disadvantaged groups (the unemployed, from ASALs) access skills to enable the people enhance their food security.

It is widely recognized that the work environment undergoes rapid changes in skill set requirements enabling small businesses (driven by technology) to emerge as the main creators of employment opportunities in a rapidly globalizing/integrating work space in search of competitive advantages. This demands that the traditional view of work/vocation, undergoes a transformation and TVET be dynamic to provide market driven skills for specific vocations, occupations, self-employment and entrepreneurship.

For the private sector to be competitive, traditional understanding of TVET requires re-thinking to take into consideration the emerging skills requirement. The private sector would contribute to food security if the skills in the key sectors identified above, become entrepreneurial and responsive to the forces of globalization, add value and be customer oriented

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ANNEXES

***Annex 1– Guidelines on the Mapping Study***

The mapping should provide a first narrowing of the objectives of the Learn4Work programme. Starting point should be the skills demand of the relevant private sectors. The mapping should provide information about the private sector and the TVET sector on two levels: a) facts and figures providing insight into the current situation; and b) an assessment of these facts and figures: threats and opportunities, potentials for linking TVET to the private sector, priorities of how Learn4Work can contribute.

The mapping report should provide:

**1) Information (facts ánd assessment) regarding:**

- Demographics and context (main political, social-cultural or economic issues)
    - Country
    - Population
    - Population growth
    - Main languages
    - Food security situation
- Economic data:
    - GDP, GDP per sector. Regional divisions
    - Inflation rates
    - Economic growth
    - People vs labour force
    - Employment rates, labour force by occupation, youth employment
    - Poverty level (use one poverty level definition)
- Transport facilities
- Communication facilities
- Natural resources
- Industries
    - Primary/secondary/tertiary / commodities (specify per region, size)
    - Define per industry key products (e.g. agriculture --> tobacco, rice, etc)
    - Identify per industry its relevance for enhancement of food security
- Governance (economic):
    - Main ministries / authorities and their role and responsibilities, including possible cooperation between them
    - Most important and relevant policies and acts over the last 15 years, including focus areas and an assessment of their implementation (efforts-inputs and outcomes)
        - Policies to stimulate economic growth
        - Actions to stimulate entrepreneurship or regulations hindering entrepreneurship
- Most important semi- / non- governmental actors:
    - Chamber of commerce, branch organisations, agencies linking industry to business, including an assessment of their roles and functioning

- Assessment of sectors with most potential for Learn4Work (potential in addressing skills gaps through TVET, providing employment opportunities for youth, contributing to food security) (min.4, max. 6)
    - For each sector indicate:
        - Size
        - Region
        - Key products
        - Level of organisation within sector, how is it organised
        - Most important stakeholders (profit / non-profit)
        - Link with TVET
        - Link with food security
        - Employment potential
        - Possible links with Netherlands
        - Current threats and weaknesses
        - Current strengths and opportunities

*Within these prioritised sectors:*

- Most important private companies (national / international)
- Assessment of labour force (level of skills, percentages of trained staff)
- Assessment of sense of ownership skills problem: do the companies feel ownership for the issues regarding lack of skilled labour force and the importance of TVET? Do they recognise a role for themselves in addressing these issues?
- Existing actors / programmes within this sector linking to TVET
- Existing actors / programmes within this sector linking to Netherlands (Dutch donors or organisations)

**2) Information (facts and assessment) regarding:**

- TVET sector:
    - Education system: overview of all varieties of TVET, including entry requirements, certification, length of training. For each TVET version indicate:
        - Number of student enrolment
        - Number of graduates
        - Number of TVET providers (specified according to different versions of TVET identified in first point)
        - Attendance by different groups (gender, wealth etc)
        - Finances (costs, who pays, involvement of government)
    - Link non formal and formal education
- Governance:
    - Main ministries / authorities and their role and responsibilities, including possible cooperation between them
    - Most important and relevant policies and acts over the last 15 years, including focus areas and an assessment of their implementation (efforts-inputs and outcomes)
- Main non-government stakeholders:
    - Organisations / agencies / institutes linked to TVET (eg labour market committees)

    - Assessment of their role and functioning, including efforts and outcomes
- Relevance of curricula and training:
    - availability of updated curricula (plus mechanisms to continuously update),
    - theoretical vs practical oriented education and training, including adjusted assessment techniques
    - Institutionalised cooperation with the labour market (for formal and non-formal training, eg. at government level)
- TTC's:
    - Overview of existing TTC's, including an indication of:
        - Location
        - Quality
        - Number of people trained
        - For what kind of education are they trained
        - How are they financed
        - Possibility of ToT for teachers on the job
- Other relevant initiatives linking TVET to the labour market
- Main donors and their programmes related to TVET and labour market development, including an assessment of the relevance and effectiveness.

**3) Analysis of world of work in relation to TVET sector**

*Bringing together the answers to the questions under 1) and 2):*

- How can TVET best contribute to the labour market demands identified under the prioritised sectors?
- What would be the key opportunities for the Learn4Work programme to focus on?

**4) Suggestions local coordination Learn4Work**

- list potential organisations where Learn4Work could place its local coordinator (Potential organisations could be governmental/semi-governmental or non-governmental bodies)
- how would this organisation ensure sustainable embedding in the national TVET/Labour market institutions
- what could be potential strengths and opportunities when placing a Learn4Work coordinator in this organisation
- what could be potential weaknesses and threats when placing a Learn4Work coordinator in this organisation