



Position Paper

Proposed Actions to Youth Unemployment in Kenya

Introduction

The youth who constitute about a third of the population, account for about 40% of the working age population. This reality of the youth bulge in Kenya is also evident in the annual numbers, 800,000 of the youth that enter the labour market annually. Indeed, they comprise the largest unemployed demography, presenting a youth unemployment challenge, which if not well addressed would result to enormous consequences for the country. Notably even for those who are employed, majority are absorbed in the informal sector which is characterized by low quality and vulnerable jobs. These challenges in Kenya are however not for lack of policies and initiatives towards youth empowerment and entrepreneurship.

Specifically, youth policies are either tied to demand side of labour market including youth employment and empowerment programmes or the supply side of labour interventions including skills development through Technical and Vocational Education and Training (TVET). Given that the youth unemployment challenge has been pervasive, there is need to evaluate and assess policy coherence, smoothness in implementation and effectiveness of these interventions and whether they meet accountability requirements.

Youth employment and empowerment Policy Interventions

- **Fragmented youth policies and lack of co-ordination for the institutional set up**

The government has made commendable strides towards establishment of various policies towards youth employment and empowerment programmes. To implement these policies, a number of laws were enacted and institutions set up. Majority of these institutions are based at the national government level. Nevertheless, their effectiveness is undermined by emerging implementation hurdles attributed to a number of factors including, lack of coherence of some of the policies and weak institutional coordination. For example, responsibility of running TVET initially straddled three Ministries, Youth; Higher Education and Labour resulting to implementation gaps. Granted part of this problem will be addressed by establishment of National Employment Authority.

Furthermore, there is evidence of overlapping mandates and duplication of initiatives such as the Youth Enterprise Development Fund (YEDF) and the National Government Affirmative Action Fund,

for example. As a result, there is need for review of these policies and strengthening coordination between the national and county governments for improved results.

- **Knowledge gaps on the effectiveness and impact of youth initiatives**

Youth Employment Marshal Plan –Kazi Kwa Vijana (KKV) and YEDF have provided jobs, albeit menial for young people and cumulative grants of over Ksh 3.8 billion in the last decade for the youth to establish enterprises respectively. Equally numerous youth have been supported with business development services from YEDF, about 63,770 in 2018/19. This notwithstanding, overall uptake of YEDF has been low due to complex lending procedures. Proposed merger of YEDF and other Funds, Uwezo and Women Enterprise Development Fund into Biashara Fund is telling but then again there is no evidence to suggest that this move will yield better results.

On the other hand, for TVET, despite increased enrollment rates attributed to increase in the number of facilities, overall, these figures are low relative to the number of youth exiting the school system. For Access to Government Procurement Opportunities (AGPO), only 7.71% of the 30% available tenders' worth over Ksh 5 million were awarded in 2017, without clear understanding of why a small proportion of special interest groups benefited. The common thread for all these initiatives is lack of evidence, whether through tracer studies for TVET and so on to assess their effectiveness and inform any reforms and redesign in the future.

- **Mismanagement of funds and overall accountability questions**

In the recent past the government has intensified its efforts in the fight against corruption and it has specifically been enhancing accountability checks on the youth initiatives. This notwithstanding the National Youth Services (NYS) and most of the other youth initiative programmes have reporting recurring accountability and audit queries. For the NYS, a number of senior officers were sacked and there are on-going court cases but the biggest challenges are low success rate on prosecution. Even where some embezzled funds not only regarding youth initiatives have been recovered, this is low relative to the full quantum of recoverable funds. The weak links include lack of follow up on implementation of audit findings and weak legislative oversight.

- **Meaningful youth participation in design and formulation of youth policy**

The Constitution of Kenya, 2010 in Articles 27, 33 and 35 and other legislations including the Public Finance Management Act, 2012, and the County Government Act, 2012 provide an elaborate legal framework on public participation. This is complemented by existing guidelines and mechanisms. However, media and anecdotal reports show that youth participation in the design and formulation of the various youth empowerment and employment policies even though a number of these initiatives were established before the promulgation of the Constitutions and the aforementioned legislations. Going forward there is need to ensure that design and reforms of youth policy should reflect input and participation of the youth as provided for in the law.

- **Politicization of youth initiatives**

Political participation in youth initiatives and programmes is positive and a reflection of good governance. The motive and the general perceptions is that the politicians are interested in gaining legitimacy and buy their loyalty from the youth especially in regard to initiatives such as the YEDF and the NYS. Political interference has a way of undermining implementation not only biasing beneficiaries but also adversely affecting accountability and sustainability of these programmes. It is therefore critical that these programmes are insulated from political interference.

Proposed action/Solutions

- **Position 1:** Beyond the establishment of the National Employment Authority, the National and County Government should enhance coordination of youth empowerment and employment policies to improve implementation and realize better results.
- **Position 2:** Effectiveness and impact of youth targeted programmes is not clear despite growing public investment and therefore the national government should institutionalize monitoring and evaluation to inform implementation and future design of related initiatives.
- **Position 3:** Youth participation in the design and formulation of youth targeted programmes is low and less meaningful. No youth initiative including the proposed merged Biashara Fund should be approved without the input from the youth.
- **Position 4:** Negative politicization and zero tolerance to corruption in youth targeted programmes should not be tolerated and therefore these programmes require stringent accountability and governance structures for sustainability.

Conclusion

There seems to be a mismatch between the evolution of the various demand side and supply side youth intervention policies, their effectiveness and impact on addressing the chronic youth unemployment challenge. Evidence reveal emerging gaps as a pointer of the required reforms and call for action. Two things stand out. The first is the need to understand the political economy of youth policy initiatives and the second is the need for institutionalization of clear monitoring and evaluation of their effectiveness and utilization of results to inform implementation and redesign where applicable. Overall given the duality of the economy, disproportionately informal sector where most of the youth are absorbed, clearly call for policy makers to put in place urgent policy measures for incentivizing the formalization of the informal sector. Equally and relatedly investment in quality education and skills development is imperative for better labour outcomes.

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