



“ECONOMIC PAPER FOR DECISION MAKING IN TRADE UNIONS IN KENYA”

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1.0 INTRODUCTION

The Central Organization of Trade Unions, COTU (K) remains the center of excellence in trade union issues in Kenya and beyond. COTU (K) impacts positively in the social and economic outcomes following its worthy contributions to policy.

As the most representative and outgoing trade union center in Africa, COTU (K) remains committed to upholding internationally recognized labour standards, recommendations, conventions and procedures that are critical in delivering the ILO agenda and the United Nations global dream coupled with Kenya's social and economic aspirations.

It is these concerns that push COTU (K) to closely monitor the labour market outcomes and emerging issues domestically, regionally and globally. This is the background upon which our monthly economic papers are grounded.

In this regard, this April Economic Paper Issue focuses on decent work as we plan to celebrate the 2016 International Labour Day in which the Kenyan theme is “**Stop Outsourcing! Create Decent Jobs for Posterity!**”

The paper gives an overview of the economic performance over the initial stages of 2016; a brief analysis of the Consumer Price Indices and Inflation Rates for the month of March 2016; a guideline to the minimum wage demands for 2016, a brief overview of the global, regional and national labour market concerns of March 2016 and concludes with policy recommendations geared towards promoting decent work in Kenya.

2.0 OVERVIEW OF ECONOMIC PERFORMANCE

The World Bank has hinted that Kenya is one of Africa's economic growth hotspots. That Kenya is best placed to beat its peers because of cheap oil, relatively stable agricultural sector (Tea, Coffee and Horticulture) and massive infrastructural development underway. Moreover, prudent monetary policy interventions spearheaded by the Central Bank of Kenya has not only shelved Kenya from domestic shocks but has also reduced its vulnerability to the international shocks.

To this end, the Kenya shilling remains relatively stable against major currencies, while the interest rates as well as inflation rates are falling amidst contained economic growth (5-6 % range).

Notable as well is that Consumer Price Index was 165.92 in March 2016 while the overall inflation rate stood at 6.45 per cent.

It is as well necessary that we take stock of some indecent aspects of Kenya's social, economic and political environment. This environment is characterized by denial of trade union dues especially KUPPET and KNUT; massive retrenchments; massive closure of businesses; unprecedented closure of banks; crumbling health sector; Massive corruption scandals; unmet revenue targets by the Kenya Revenue Authority; planned sacking of employees, loopholes in the laws as well as existence of a ballooning unemployed youth. These aspects spell doom to the shining Kenya. However, the future of Kenya clearly depends on how key institutions handle these socioeconomic challenges. Further, these aspects calls for Kenya to get back to the fundamentals of reviewing our developmental policies, plans and strategies including institutional transformation to deliver Kenya to the Vision 2030

3.0 BRIEF ANALYSIS OF THE CONSUMER PRICE INDICES FOR MARCH 2016

The CPI decreased by 0.76 per cent from 164.67 in February 2016 to 165.92 in March 2016. Increased costs of house rents, water services and kerosene fueled the cost of Housing, Water, electricity, gas and other fuels by about 0.58 per cent. Moreover, the food and non-alcoholic drink index went up by 1.39 per cent following increases in prices of key food items such as cabbages among others.

It is however notable that the transport index went down by 0.34 per cent as a result of the reduction in prices by the Energy Regulatory Commission (ERC)

The Consumer Price Indices for the last 14 months are as shown in the table 1 that follows (February 2009=100)

Table 1: Kenya's Consumer Price Indices for the period February 2015 to March 2016

Month	Consumer Price Indices						
	Kenya	% change from previous month	Nairobi Lower Income Group	Nairobi Middle Income Group	Nairobi Upper Income Group	Nairobi Combined	Rest of Urban Areas
February 2015	154.14	0.46	156.51	136.25	136.66	150.87	154.14
March 2015	155.86	1.12	158.81	137.09	137.07	152.75	155.86
April 2015	158.70	1.82	161.85	137.74	137.67	155.12	158.70
May 2015	159.98	0.81	162.09	138.95	138.93	155.63	159.98
June 2015	160.46	0.3	162.47	140.70	139.25	156.34	160.46
July 2015	160.57	0.07	162.74	141.17	141.35	156.72	160.57
August 2015	160.90	0.21	162.78	141.66	143.53	156.96	160.90
Sept 2015	161.33	0.27	163.13	142.04	143.35	157.30	161.33
Oct 2015	162.13	0.50	164.26	141.93	143.05	158.07	162.13
Nov 2015	162.97	0.39	166.02	141.75	142.70	159.29	162.97
Dec 2015	164.72	1.07	167.48	145.22	143.34	161.20	164.72
January 2016	165.37	0.39	167.60	144.24	144.30	161.09	165.37
February 2016	164.67	-0.42	166.90*	143.63*	143.69*	160.41*	164.68*
March 2016	165.92	0.76	168.17*	144.72*	144.78*	161.63*	165.93*

Source: KNBS

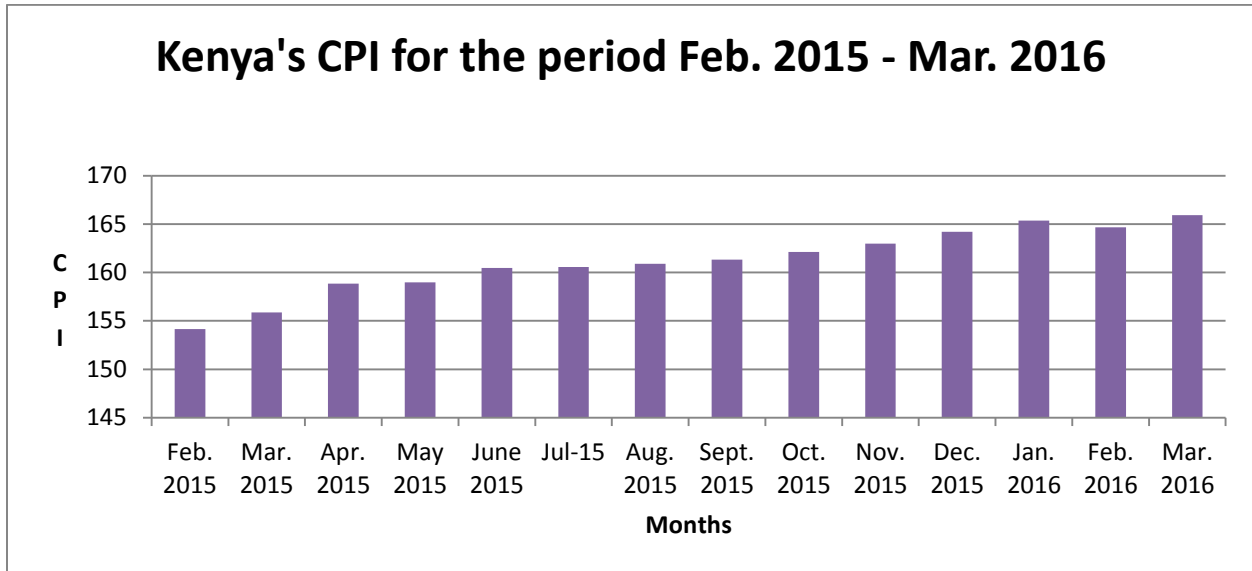
Notes: 1. * Authors' estimates based on overall change in the CPI

2. Nairobi Lower Income Group are households that spent less than Kshs. 23,670 in October 2005; Nairobi Middle Income Group are households that spent between Kshs. 23,671 to Kshs. 119,999 in October 2005 while Nairobi Upper Income Group are households that spent above Kshs. 120,000 in October 2005. The Rest of urban areas

are Mombasa, Malindi, Machakos, Nyeri, Thika, Nakuru, Kisii, Kisumu, Eldoret, Nyahururu, Garissa and Bungoma.

The graphical representation of the CPI for the 14 months is shown in figure 1 that follows

Figure 1: Kenya’s CPIs for the period February 2015- March 2016



Source: Author’s construction based on KNBS data

The data presented on table 1 and figure 1 show almost a steady trend of CPI for the last fourteen months, February 2015 to March 2016. The overall CPI increased by 0.76 per cent from 164.67 in February 2016 to 165.92 in March 2016.

The trends show that the little leverage gained in February has since been consumed by increasing prices and that the cost of living retains its rising trend. The rise in the CPI shows that the cost of living will continue to rise as the purchasing power of the workers go down month by month.

4.0 BRIEF ANALYSIS OF THE INFLATION RATES FOR MARCH 2016

The overall inflation rate for March 2016 has been stated as 6.45 by KNBS. This is a 5.70 per cent decline from the February 2016 inflation rate of 6.84 per cent

The inflation rates for the last 14 months are as shown in the table 2 that follows (February 2009=100)

Table 2: Kenya's Inflation Rates for the period February 2015- March 2016

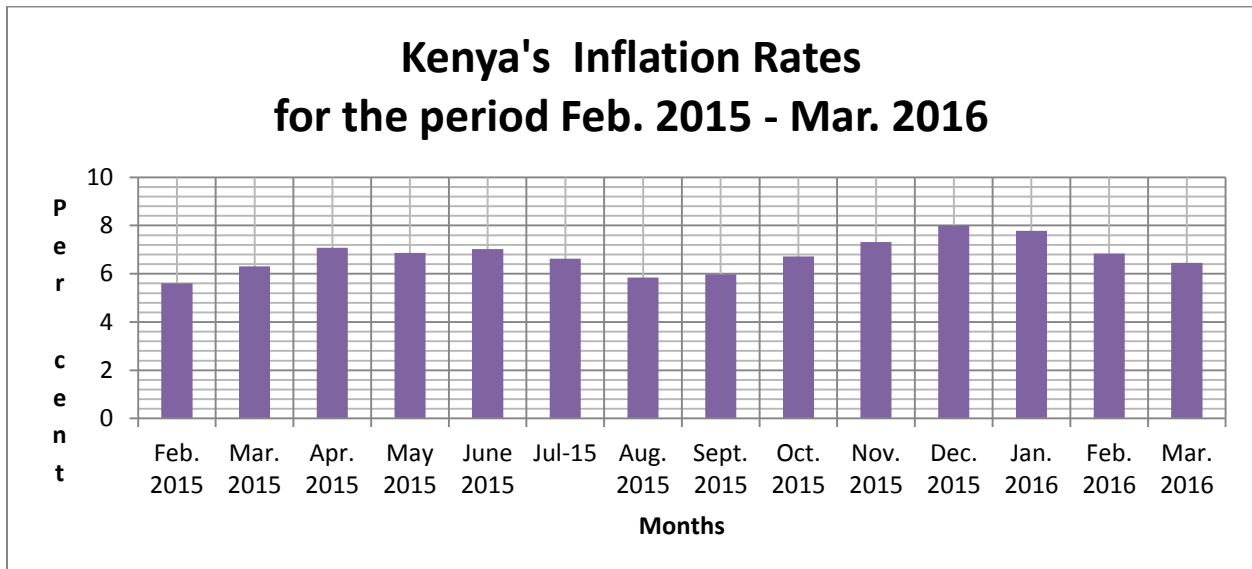
Month	Inflation Rates (%)						
	Kenya	% change from previous month	Nairobi Low Income Group	Nairobi Middle Income Group	Nairobi Upper Income Group	Nairobi Overall	Other Urban Areas
February 2015	5.61	1.45	5.22	3.23	1.74	4.66	6.26
March 2015	6.31	12.48	6.32	3.24	1.81	5.48	6.88
April 2015	7.08	10.88	7.49	3.39	1.90	6.39	7.55
May 2015	6.87	-2.97	6.98	3.76	1.86	6.09	7.39
June 2015	7.03	2.33	7.32	4.63	1.77	6.53	7.38
July 2015	6.62	-5.83	7.26	4.22	2.95	6.44	6.75
August 2015	5.84	-11.78	6.03	4.34	2.56	5.54	6.05
Sept 2015	5.97	2.23	6.18	4.84	2.79	5.77	6.10
Oct 2015	6.72	12.56	7.23	4.87	3.50	6.58	6.82
Nov 2015	7.32	8.93	8.60	5.03	3.38	7.63	7.12
Dec 2015	8.01	9.43	8.70	7.09	4.83	8.21	7.87
January 2016	7.78	-2.87	7.68	5.91	5.44	7.22	8.16
February 2016	6.84	-12.08	6.75*	5.20*	4.78*	6.35*	7.17*
March 2016	6.45	-5.70	6.37*	4.90*	4.51*	5.99*	6.76*

Source: KNBS

*Author's estimate based on overall change in inflation

The graphical representation for the Inflation rates for the 14 months is shown in figure 2 that follows.

Figure 2: Kenya’s Inflation rates for the period February 2015- March 2016



Source: Author’s construction based on KNBS data

The data presented on table 2 and figure 2 shows almost an S-shaped trend of inflation for the last fourteen months, February 2015 - March 2016. The overall inflation reduced by 5.70 per cent from 6.84 per cent in February 2016 to 6.45 per cent in March 2016. This small relief in inflation resulted mainly from small decreases in prices of food and stagnated cost of electricity from the month of February 2016.

The S-shaped trend of inflation shows that the disposable income of the workers is still not controlled but depends on economic outcomes of the day. Leaving workers’ spending power in the hands of market outcomes exposes their vulnerability to any harsh economic conditions. The market outcomes are therefore directly reflected in the cost of living of the workers.

5.0 A GUIDE TO THE MINIMUM WAGE ENTITLEMENTS FOR MAY 2016 LABOUR DAY IN KENYA

5.1 RATIONALE FOR MINIMUM WAGE SET UP IN KENYA

Minimum wage policies empower the workers and shield them from labor market shocks that drain their earnings. In this regard, different countries have set minimum wage rules whose aim is to allow workers access at least a minimum living standard. These rules are drawn from Article 23 of the Universal Declaration on Human Rights, on whose basis workers should access just and favorable remuneration. Moreover, minimum wages elevate workers' purchasing power thereby shielding them from labor market malpractices.

In Kenya, the minimum wage policy has been in place from the pre-colonial period and has been used often to protect workers. Currently, the minimum wages are set by the wage councils. Kenya has five wage councils: General services; Agriculture; Building and Construction; Protective and Security Services and Floriculture. These wage councils are tasked with setting limits that guide remuneration in different sectors and occupations. Notably, only two wage councils are active in Kenya, though they meet less frequently. These are the General Services Council and the Agricultural Wage council.

Over time, Kenya has been adjusting minimum wages from the colonial period. These adjustments focus on attaining at least a minimum living standard for the workers. Indeed, the adjustments are based on the cost of living, productivity and the ability of the employers to pay.

Due to social and economic dynamics, several changes occur that affect the cost of living, productivity and the employers' ability to pay. More importantly, Kenya has been hit by a lot of social and economic challenges ranging from inflation to high interest rates to insecurity, among other economic challenges that push the cost of living higher and higher, worsening the wellbeing of the Kenyan workers.

On May 1st 2015, the Government announced a minimum wage increase of 12 per cent for the minimum wage workers covered by the Regulation of Wages (General)

(Amendment) Order and the Regulation of Wages (Agricultural Industry) Order. However, between May 2015 and April 2016, several economic and social factors have greatly eroded the workers' welfare enhanced by the minimum wage increases. Indeed, there have been increases in poverty levels, increases in consumer prices as well as widening of the wage gaps between the minimum wage earners and the negotiation wage earners. It is on this basis that this section provides a guide for minimum wage adjustment for the minimum wage workers to cover for the losses in welfare as well as improve it in totality.

In this regard, this section seeks

1. To compute the desired minimum wage compensation entitlement for the minimum wage workers under the (General) (Amendment) Order, and
2. To compute the desired minimum wage compensation entitlement for the minimum wage workers covered by the Regulation of Wages (Agricultural Industry) (Amendment) Order, and
3. To draw policy recommendations on the basis of the computed compensation entitlement for the minimum wage workers for the year 2016.

5.2 OVERVIEW OF MINIMUM WAGE FIXATION PARAMETERS

The minimum wage entitlement in this paper is based on the needs of employees and their family members; the changes in the cost of living and the wage differential index.

5.2.1 The needs of the employees and their families.

The basic need of the employees is measured by the poverty line. The latest poverty lines in Kenya are drawn from the 2005/2006 Kenya Integrated Household Budget Survey (KIHBS). The survey stipulates that the overall poverty line for Rural areas is Kshs. 1,562 while for Urban areas is Kshs. 2,913.

Based on these poverty lines, we assume a household composed of six members, that is, the father, mother and four children staying together. In this regard, the poverty line for the six member household is Kshs. 9,372 if they are rural dwellers and Kshs. 17,478 if they are urban dwellers. Notably, this household will require Kshs. 9,372 and Kshs. 17,478 per month to remain at the poverty lines while residing in rural and urban areas

respectively. This paper compares these poverty lines with the current wages so as to arrive at the expected compensation for 2016.

5.2.2 Changes in the Cost of living

The wage guidelines (2005), currently in use in Kenya provides for the restoration of the eroded purchasing power of the employees. In fact, the wage guideline allows for 100 per cent compensation to the employees, measured by the Nairobi Lower Income Group CPI since the most recent revision of wages. The last review of minimum wages in Kenya was in May 2015, which implies that compensation period is from May 2015 to April 2016.

5.2.3 Wage differentials

We refer to the Wage guideline No. 1 of 2005 which requires that the wage differentials between the statutory minimum wage earners and the lowest unionized wage earners are fair enough. The comparison is done with a view to reducing wage differentials, thereby ascertaining the fairness criterion.

5.3 COMPUTATION OF MINIMUM WAGES ENTITLEMENTS FOR 2016

5.3.1 Entitlement based on the Needs of the employees and their families

We compute compensation based on the minimum and average statutory wages prescribed under the Regulation of wages (General) (Amendment) Order, 2015 and the Regulation of Wages (Agricultural Industry) (Amendment) Order, 2015. We compare the minimum and average statutory wages with the poverty lines as stated in 5.2.1 above.

Table 3 gives statutory wages for workers under the General Services Order for the year 2015

Table 3: Statutory wage rates of workers under the General Services Order 2015

Type/Area	Cities	Municipalities	Other Areas
Minimum Wage (Kshs.)	10,954.70	10,107.10	5,844.20
Average Wage (Kshs.)	17,200.00	15,979.51	13,592.75,

Source: Author's computation based on Regulation of Wages (General) (Amendment) Order, 2015

From table 3, the lowest minimum wage ranged from a monthly statutory minimum wage of Kshs. 5,844.20 to Kshs. 10,954.70 in 2015. On average, considering all the 15 occupations, the average statutory wage earnings ranged from Kshs. 13,592.75 to Kshs. 17,200.00 per month in 2015.

In table 4, we give the statutory minimum wages based on the Regulation of Wages (Agricultural) (Amendment) Order, 2015

Table 4: Gazetted Statutory Minimum Wages (Agricultural Industry) Order, 2015

No.	Occupation	Monthly Rate (Kshs.)	Daily Rate (Kshs.)
1	Unskilled Employee	5,436.90	228.30
2	Stockman, Herdsman, Watchman	6,278.80	265.90
3	House Servant or Cook	6,206.50	236.30
4	Farm Foreman	9,808.10	414.50
5	Farm Clerk	9,808.10	414.50
6	Senior Foreman	6,349.50	270.00
7	Farm Artisan	6,498.30	276.30
8	Tractor Driver	6,891.00	292.70
9	Combined Harvester Driver	7,591.50	322.10
10	Lorry Driver or Car Driver	7,966.80	337.70
	Average	7,283.55	305.83

Source: Legal Notice No.116: Regulation of wages (Agricultural Industry) (Amendment) Order, 2015

From table 4, the least paid minimum wage worker in the Agricultural Industry earned a minimum statutory monthly wage of Kshs. 5,436.90 while the highest paid earned a minimum wage of Kshs. 9,808.10 per month. The daily minimum statutory wages ranged between Kshs. 228.30 to Kshs. 414.50. On average, the statutory minimum wage rates in the Agricultural sector for the year 2015 stood at Kshs. 7,283.55 and Kshs. 305.83 per month and per day respectively.

We compare the data sets in tables 3 and 4 with the overall monthly household poverty lines of Kshs. 9,372 and Kshs. 17,478 for rural and urban areas respectively. We assume that the cities and the municipalities are in urban areas while other areas and the agricultural industries are in the rural areas. The computation of the compensation entitlements are shown in table 5 that follows

Table 5: 2016 Compensation entitlements based on the needs of the workers and their families

Item		Rates (Kshs)	Poverty line (Kshs.)	Entitlement (%)
Cities	Minimum	10,954.70	17,478	59.55
	Average	17,200.00	17,478	1.62
Municipalities	Minimum	10,107.10	17,478	72.93
	Average	15,979.51	17,478	9.38
Other Areas	Minimum	5,844.20	9,372	60.36
	Average	13,592.75	9,372	-31.05
Agricultural Industry	Minimum	5,436.90	9,372	72.38
	Average	7,283.55	9,372	28.67

Source: Author's computation based on poverty lines and data from minimum wage orders, 2015.

Based on the computations shown in table 5, despite the minimum wage increases of 2015, all the minimum wage rates still leave households below the respective overall poverty lines. In this regard, we can infer that the minimum wages payable to the minimum wage workers under the Regulation of Wages (General) (Amendment) Order, 2015 and the Regulation of Wages (Agricultural Industry) (Amendment) Order, 2015 are below the overall poverty levels.

Accordingly, the data in table 5 shows that in order for a general labourer to be at the urban poverty line, his minimum wages have to be raised by 59.55 per cent. Similarly, the general worker in the urban municipalities would require a minimum wage increase of 72.93 per cent to be on the urban poverty line of Kshs. 17,478 per month. For the general workers in other areas, there is a need to boost their minimum wages by 60.36 per cent to lift them to the rural poverty line. Moreover, the unskilled workers in the Agricultural industry require a 72.38 per cent minimum wage boost to be at the current overall rural poverty line of Kshs. 9,372.

Analysis of the data on table 5 on the basis of average wages reveals that the average wages paid to the minimum wage workers in the cities should be raised by 1.62 per cent

to be at the overall urban poverty line. Similarly, the average wages of the minimum wage workers in the municipalities should be increased by 9.38 per cent to move them to the urban poverty line. Further, the data shows that the average wages of the minimum wage earners in other areas is higher than the rural poverty line by 31.05 per cent while that of the unskilled workers in the Agricultural Industry need a wage boost of 28.67 per cent to get to the rural overall poverty line.

5.3.2 Entitlements based on the Changes in the Cost Of Living

We refer to the Wage Guidelines (2005) 2(a)(i) and compute the compensation entitlement under the Regulation of wages (General) (Amendment) Order based on Consumer Price Indices (CPIs) of the Nairobi Lower Income Group. For the minimum wage entitlement for the workers under the Regulation of wages (Agricultural Industry) (Amendment) Order, we compute the compensation based on the CPI of other urban areas combined.

Table 6 that follows gives a summary of the CPIs for the period May 2015 to April 2016

Table 6 : 2016 Workers Compensation Entitlement based on the Cost of Living

Income Group	CPI , May 2015	CPI, April 2016*	Entitlement (% increase in CPI)
Nairobi Lower	162.09	171.88	6.04
Other areas combined	159.98	169.72	6.09
Kenya CPI	159.98	170.79	6.75

*projected

Table 6 reveals that the minimum wage earners covered by the Regulation of Wages (General) (Amendment) Order are entitled to a 6.04 per cent wage compensation as a result of erosion of their purchasing power caused by the rise in the CPIs. On the other hand, minimum wage earners covered by the Regulation of Wages (Agricultural Industry) Order require a 6.09 per cent boost in their wages to compensate them, given the rise in the CPIs. And on average, the Kenya minimum wage workers are entitled to a 6.75 per cent wage compensation as a result of the increased CPIs that has reduced their purchasing power during the period May 2015 to April 2016.

5.3.3 Entitlements based on Wage differentials

In order to arrive at the wage differentials, we compute the differences between the average statutory minimum wages and the average negotiated wages in the year 2015 for both the Agricultural industry and the general services. This computation is in line with the Wage Guidelines of 2005 that aspires to reduce the wage difference between the lower unionized workers and the minimum wage earners.

In this regard, we consider the general service to be made up of all industries a part from Agriculture, Forestry, Hunting and Fishing. This allows industrial classification and compares to the Regulation of Wages (General) (Amendment) Order and the Regulation of Wages (Agricultural Industry) (Amendment) Order. Notably, a desired wage differential should not exceed 1.5 times. Thus we reduce this difference by 50 per cent in order to allow comparable wage differences. We however, finally settle for a 30 per cent basis to further limit the wage differentials. The comparison is presented in table 7 that follows

Table 7: 2016 Entitlement based on wage differentials of 2015

Industry	Average Negotiated Wage (Kshs.)	Average Minimum Wage (Kshs.)	Difference (%)	Modified (%)	Entitlement (%)
Agriculture, Forestry, Hunting and Fishing	21,165.97	7,283.55	190.60	140.60	30
All other Industries	29,143.31	15,979.50	82.38	32.38	30

Source: Author's computation based on negotiated and minimum wages 2015

5.4. POSSIBLE MINIMUM WAGE ENTITLEMENTS FOR 2016

A summary of the computed minimum wage entitlements for the minimum wage workers is shown in table 8 that follows

Table 8 : Summary of 2016 minimum wage entitlements

Case/Criteria	Workers' needs (%)	CPI (%)	Wage Differential (%)	Total Entitlement (%)
General Wages Order				
Least Case	59.55	6.04	30	95.59
Best Case	72.93	6.75	30	109.68
Agricultural Industry Order				
Least Case	28.67	6.09	30	64.76
Best Case	72.38	6.75	30	109.13

Table 8 shows the entitlements to the minimum wage workers on the basis of the basic needs of the workers and their families; the erosion of their purchasing powers due to price increases and the need to regulate the wage differentials.

On the basis of table 8, we are justified to conclude that the workers under the Regulation of Wages (General) (Amendment) Order are entitled to compensation in the range 95.59 per cent to 109.68 per cent for the period beginning May 1st 2016. On the other hand, the workers under the Regulation of Wages (Agricultural Industry) (Amendment) Order are entitled to compensation of between 64.76 per cent and 109.13 per cent. These notwithstanding, higher compensation could be more necessary to shield minimum wage earners from plunging back to poverty given their high vulnerability to the harsh economic shocks.

6.0 LABOUR MARKET CONCERNS IN MARCH 2016

In March 2016, regional and global economies experienced varied labour market conditions paving way for critical policy formulation in order to contain the market. Some of the concerns in Kenya include:

6.1 KENYA'S BANKING SECTOR

The banking sector has in the last nine months seen 3 banks go under receivership. This has drastically reduced workers' confidence in the banking system as well as

losses to businesses and individual workers who could not access their hard earned cash deposited in the affected banks.

It is serious to learn that financial prudence and discipline has been lacking in our banking sector. To this extent, insider lending to the tune of Kshs. 6.9 billion to the directors could be revealed while a whopping Kshs. 8.7 billion could not be accounted for in the official financial reports of the fallen Chase Bank.

As a regulatory measure, the Central Bank put Chase Bank under receivership. Following this initiative, the Central Bank of Kenya received numerous interested parties ready to take up the fallen Chase Bank! *The concern here is..... Should there be a scramble for a fallen bank? And Why?. What has so far happened to the Imperial Bank and the Dubai Bank?....*

Such questions continue to boggle the minds of workers, who are worried of their income that passes through the banking system. As such, effective financial policies should be in place to cushion the workers from any possible unethical financial behavior of the banking practitioners.

I believe that if the CBK has managed to contain the interest rates and inflation rates within the limits, then there is a possible window to bring back the banking sector into its initial glory.

Meanwhile, the CBK has shown that the Chase bank will reopen on 27th April 2016, we appeal that the rights of the shareholders of the Chase Bank will be protected and not overtaken by KCB, the group that has injected cash into the fallen bank.

Notably, we welcome consolidation as a possible policy initiative to strengthen the operation base of the banks. However, mechanisms should be put in place to allow the financial markets to clear without unnecessary controls. Perhaps this initiative could be preferred since banks serve several sectors with varied needs.

6.2 URGENT CALL FOR TRADE UNION SOLIDARITY

The current labour market trends are so adverse that trade unions have to wake up to the call for solidarity. The era of denying trade unions their dues has come! The era of massive retrenchment, contracting, outsourcing and casualization is here! It is time for

trade unions to stand up in solidarity to bring to an end such impunity in the labour market and bring a fair playing ground upon which the decent work agenda can be delivered. It is unacceptable to send 600 workers home at ago!

In summary, the following concerns results to a call for more vibrant solidarity in the trade union movement to deliver the decent work in Kenya and beyond:

- Massive and unnecessary summary dismissals not cognizant to Section 44 of the Employment Act 2007.
- Formal employment is highly reducing
- Corruption is becoming so rampant while democracy is shrinking
- Massive unemployment especially among the youth give more window to radicalization
- High costs of living among the workers
- Several judicial (through the Employment and Labour Relations Court) awards to the workers and the trade unions are turned down by the employers and the government.
- Extreme forms of repressive employer actions against workers including the use of violence, increased cases of redundancy and punitive punishment to workers.
- The need to enhance trade union density
- Resistance against unionization of unionisable employees by some companies/employers in disregard to Section 4 of the Labour Relations Act 2007.

6.3 RETHINKING DECENT WORK IN KENYA

The 2016 Labour Day theme “Stop Outsourcing! Create Decent Jobs for Posterity!” is an extension of the decent work campaign COTU (K) has been undertaking. The hash tag for the campaign is **#jobdecent** while the slogan is “**Job decent Maisha poa kwa Vijana**”

The ILO promotes decent work country programs. The benefits of decent work include:

- Decent work supports quality and productive work;
- Decent work combines economic growth with equity;

- The youth are vulnerable to indecent labour market practices;

It is on the basis of these benefits that the following objectives are drawn

- i. Employment creation. By embracing decent works, we advocate for creation of quality and productive jobs in the economy;
- ii. Decent work foresees protection, promotion and safeguarding of the basic rights and fundamental freedoms of workers;
- iii. Decent work enhances Social protection, Safeguards and underpins health, and
- iv. Decent work aims at strengthening Social dialogue through inclusive tripartism.

There is therefore a critical need that Kenya embraces decent work towards the achievement of the Vision 2030.

7. POLICY IMPLICATIONS AND THE WAY FORWARD

A review of the labour market conditions in March and the first Quarter of 2016 calls for the following five point policy implications implied by COTU (K) with the view to achieve the decent work agenda in Kenya.

- Firstly, the massive youth unemployment can be absorbed through value added agro-processing. Kenya's agricultural sector being the main primary export and GDP contributor provides a better opportunity to catapult and sustain massive, quality and productive employment. Statistics have shown that African countries spend up to \$30 billion to import processed food and that transformation of the mineral export volume by just 5 per cent would create 5 million jobs. This is an innovative path towards creating quality, productive and sustainable employment opportunities.
- Secondly, from a development policy perspective, it is high time that a well calculated decent work oriented review of Kenya's development plans and strategies be actualized. This will enable Kenya to identify clear, consistent and coherent policies and interventions that are Country and County specific. The best set up for such a review should be inclusive of key stake holders including

the Government, workers representatives, employers representatives, civil society and the private sector as well.

- Thirdly, Kenya's economy has suffered immensely through resource leakages from corruption scandals to unmet revenue targets. In this regard, an overhaul of the public Integrated Financial Management Information System (**IFMIS**) should be carried out while building strong institutional partnerships and leveraging the limited public resources aimed at mobilizing investments in line with National and County priorities.
- Fourthly, for trade union solidarity, the government should remember that it is through active trade unionism that was deliberated from colonialism. National and county policies and strategies should be in solidarity with the trade unions goal of delivering a better worker with a better welfare for posterity! On the other hand, for the trade unions, let us get back to the fundamentals of organizing, recruitment, collective bargaining and promotion of decent work through constructive industrial relations in solidarity.
- Lastly, from the World Bank pulse report 2016, Kenya has experienced the least adverse impact on its currency compared to its peers in Africa. Learning from this report and the current policy initiative from the Central Bank of Kenya, it is prudent that Kenya steps up and capitalizes on recent gains by creating opportunities for social change, social justice and democracy as well as human capital investment in education and skills continuous innovative research and development.

CONCLUSION

Globalization and regional integration are critical development concerns today! Therefore, as we continue to endeavor Kenya's socioeconomic and political diversity, it is the most opportune time to adopt a learning-by-doing approach through sharing and learning from external and internal best practices as well as from experience. As we build, strengthen and transform key institutions, close monitoring and review of development and decent work oriented policies is a sure way to Kenya's second

socioeconomic deliberation. I believe this transformative path will soon redefine Kenya as another reference point for Singapore, Taiwan, South Korea including our neighboring Rwanda in their development paths.

Finally let us celebrate the 2016 Labour day with zeal and stand in solidarity as we ***stop outsourcing! While Creating Decent Jobs for Posterity!***

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