



COTU-K

“Economic Position Paper, may 2018”

**COTU (K) RESPONSE TO MINISTRY OF LABOUR
AND SOCIAL PROTECTION STATE DEPARTMENT
FOR LABOUR**

General Wages Advisory Council (WWAC) and Agricultural
Wages Advisory Council (AWAC)

By Noah Chune
Central Organization of Trade Unions-Kenya
3/8/2018



1.0 INTRODUCTION

Major Economic indicators show the soundness of the Kenya Economy. Among the areas of growth, are the Gross Domestic Product (GDP), Employment and welfare of the working population and their families.

2.0 ECONOMIC PERFORMANCE

- The Kenyan Economy grew at the rate of 5.8% in 2016-2018. The country's real gross domestic product rose from Kshs 3.04 in 2012 to estimated Kshs 3.81 trillion in 2016. The country achieved GDP of an average Kshs 3.41 trillion during same period.
- Although the Economic growth showed remarkable expansion it fell below the 10% forecasted by the vision 2030. In order to accelerate inclusive economic growth higher income and standard of living better, Education and health care increased job creation particularly for youth - thereby having sustainable economy and reduction of poverty levels.

Employment

- Employment grew by 4.5% 2016 -2018. Employers have always been required to create Employment given that wages guidelines allows Employers to keep 25% to create additional Employment. Workers of this country have worked very hard to keep the economy going, thereby influencing its growth.

WORKING ENVIRONMENT

- It has been acknowledged that working conditions have been poor. Workers have been employed in sub contacted arrangement.

Workers have been subjected to unsuitable work conditions such as outsourcing, casualization and temporary employment which are not, an act that we all should desist from and never try to support at any one time.

- It is not only wages that are poor and hence contaminated the work place, but also exposure to dangerous chemicals slippery floors poor equipment and working tools.
- Kenya has laws that regulate industrial relation but they have not been complied with. Many employers do not comply with the said laws on grounds that it is a costly burden they don't want to carry and the government complain of reduced resource allocation from the treasury on the other hand – thus explaining the failure to enforce the compliance with the labour laws.
- The Labour laws are not enforced due to lack of adequate budgetary allocation and qualified staff. There are no inspections at workplaces. The unions have also not played their part because they should push for safety committee and works committees Occupation health and safety education is not conducted and use of protective clothing is usually ignored.

3.0 LABOUR PRODUCTIVITY

- Kenya has created the Kenya Productivity Centre. The Centre is expected to generate statistics to be used in Collective Bargaining. Workers are happy to participate in Productive improvement but the mode of sharing the gains should be clear. Last year Labour productivity grew by 2.76%.



- Labour productivity is dependent on several other factors. Besides the efforts of workers three are skills, training experience investment in capital equipment technology customer focus, work environment, time use, and national policy and institutions.

4.0 AVERAGE WAGES

- Average wage is pushed through Collective Bargaining process and through legislation. This is possible through the activities of Social Partners. These wages lag behind inflation widening the gap between the lower income earners and the high income workers.
- Despite compensation for inflation there is a feeling among trade unionist to use a living wage during the negotiations and establishing the minimum wages.
- The needs of employees and their families are provided for under various social security schemes. Trade unions will call upon the government to cover everybody to ensure that Kenyans will have access to health care and pension.

5.0 RECOMMENDATIONS

- In view, the forward going workers of this country have increased their efforts in production of goods and services. Workers of this country should be rewarded through better terms and conditions of work. Economic growth of 5.8% was impressive.



- The tripartite partners should strongly support employment creation and decent jobs.
- Productivity improvement should be undertaken to make Kenya internationally compliant to Labour Laws. This is important in creating decent jobs through the enforcement of competence and compliance of Labour Laws.
- All the labour institutions should be revived and be operationalise to provide the needed services. These include wage councils, NITA, Labour Board & productivity centre .Trade Unions should intensify training of workers on their rights and obligation.
- Trade Unions should demand representation on all Labour institutions. Living wage should be used in compensation of minimum wages.

