

PARLIAMENT OF KENYA**THE SENATE****THE HANSARD****Wednesday, 19th June, 2013**

*The Senate met at the Kenyatta International
Conference Centre at 9.00 a.m.*

[The Temporary Speaker (Sen. Ongoro) in the Chair]

PRAYERS**QUORUM CALL AT COMMENCEMENT OF SITTING**

The Temporary Speaker (Sen. Ongoro): Order, Hon. Senators! We need to determine if we have a quorum. It seems we do not have a quorum. I order that the Division Bell be rung.

(The Division Bell was rung)

(Several hon. Senators entered the Chamber)

Order, Senators! We now have quorum. Let us proceed.

NOTICE OF MOTION**APPROVAL OF SENATORS TO MEMBERSHIP OF SENATE COMMITTEES**

The Senate Majority Leader (Sen. (Prof.) Kindiki): Madam Temporary Speaker, I beg to give notice of the following Motion:-

THAT, pursuant to Standing Order Nos.175, 177 and 178, the Senate approves the following Senators nominated by the Rules and Business Committee to be Members of the respective committees as indicated below:-

**STANDING COMMITTEE ON ENERGY, ROADS AND
TRANSPORT**

Sen. David Musila to replace Sen. Johnson Muthama.

SESSIONAL COMMITTEE ON DELEGATED LEGISLATION

Sen. (Dr.) Boni Khalwale to replace Sen. David Musila.

SESSIONAL COMMITTEE ON IMPLEMENTATION

Sen. Johnson Muthama to replace Sen. Boy Juma Boy.

Sen. G.G. Kariuki: On a point of order, Madam Temporary Speaker. Is it not fair for this House to hear from the Senate Leader of the Majority the reason this is happening? He should not just give a report.

The Temporary Speaker (Sen. Ongoro): Hon. Senator, while your concern is valid, this is just a Notice of the Motion. He can still give reasons when moving the Motion

MOTIONS

ESTABLISHMENT OF LEVEL FIVE HOSPITALS IN ALL 47 COUNTIES

THAT, aware that in the last fifty years the best equipped public hospitals were established in certain regions in Kenya to the exclusion of other regions; appreciating that the introduction of the devolved system of government, through the Constitution of Kenya 2010, was aimed at equalization of development across the country; concerned about the high maternal, infant and child mortality rates in Kenya mainly caused by lack of primary and secondary health services; the Senate resolves that the government establishes a Level 5 hospital in each of the 47 counties and Level 4 hospital in every sub-county, before the expiry of the term of the current government and provides annual reports on the development of the hospitals to the Senate through the Senate Standing Committee on Health, Labour and Social Welfare.

(Sen. (Dr.) Machage on 18.6.2013)

(Resumption of Debate interrupted on 18.6.2013)

The Temporary Speaker (Sen. Ongoro): We have 20 minutes remaining for this Motion. We shall now call upon the Mover to reply.

Sen. (Dr.) Machage: Thank you, Madam Temporary Speaker. Allow me to donate five minutes of my time to Sen. (Prof.) Anyang'-Nyong'o.

The Temporary Speaker (Sen. Ongoro): It is allowed.

Sen. Anyang'-Nyong'o!

Sen. (Prof.) Anyang'-Nyong'o: Thank you very much, Madam Temporary Speaker.

I would like to support this Motion and congratulate my colleague, Sen. (Dr.) Wilfred Machage, for bringing it to the House. I support it for the following reasons. Before I left the Ministry of Medical Services, I had actually proposed to the Cabinet that we establish 22 referral hospitals across the nation to add to those which already exist. Indeed, what we are going to have ensures that every county has a referral facility. This is because under my watch we tried to improve certain heavy volume district hospitals like Kericho, Kisii, Kitale, Bungoma, Meru and many other towns. But the cost of improving

these hospitals to the level that they can become effective referral facilities is quite substantial. The current Constitution envisages that Level 5 hospitals downwards will be handled by the county. But those resources put under disposal of the counties to ensure that these hospitals really become viable referral facilities are currently very low if you consider the battle over the Division of Revenue Bill. Therefore, the nation must decide whether we are going to devolve these hospitals to the counties without ensuring that they perform or work responsively and effectively or we are going to capacitate these hospitals before we leave them in the hands of the counties. This is a very important question. What Sen. Machage has brought to the House is extremely important.

Madam Temporary Speaker, further, we did do a baseline survey and found that if we are going to upgrade our facilities to modern standards, to deliver healthcare effectively, we need Kshs85 billion every year for five continuous years to improve our facilities, purely in terms of infrastructure and capital, leave alone training. This is because hospitals are not just buildings and equipment, but training institutions. With the onset of non-communicable diseases, increasing exponentially and given the cost of treating non-communicable diseases, both in terms of medical expertise and equipment, we have an extremely important responsibility in the health sector. I think that when this Motion is brought here, it should be passed by this House. But subsequently, this House, probably, through the Committee on Health, should pursue the implementation of this Motion very systematically. We must ensure that in the final analysis, we do something realistic to alleviate the health problems of our people in this nation.

Madam Temporary Speaker, with those few words, I beg to support this Motion and thank Sen. (Dr.) Machage for bringing it to the House.

Sen. (Dr.) Machage: Madam Temporary Speaker, could you, please, allow the Senator for Kajiado three minutes of my time?

The Temporary Speaker (Sen. Ongoro): Granted. You still have 12 minutes.

Sen. Mositet: Madam Temporary Speaker, I rise to support this Motion. In my county, my people really suffer. I have a constituency called Loitoktok which is about 300 kilometres from Nairobi where the nearest referral is, that is, Kenyatta National Hospital (KNH). Kajiado Hospital has no morgue and laboratory. It has a few doctors and other medical personnel. Most of the time, you will only find one doctor. Kajiado Hospital is in Kajido Central. It is about 100 kilometres from Nairobi. It experience the same problems like other parts of this country. Kajiado West is also about 100 kilometres from Nairobi. All these constituencies depend on a health centre in Magadi. So, for me, I find that the Mover of this Motion thought carefully. If, indeed, the Jubilee Government can implement this, the people of this country will get proper medical services closer to them.

Madam Temporary Speaker, for me as a delegate from Kajido County, I rise to support this Motion.

Sen. (Dr.) Machage: Madam Temporary Speaker, thank you for having allowed me to donate a few of my minutes to my colleagues. I only have a few minutes to reply. I realize many hon. Senators wanted to contribute more, but let me take the remaining few minutes to make a few clarifications.

Madam Temporary Speaker, noting that the numbers might not be adequate for taking the vote on this Motion, I request that the vote be deferred to this afternoon. As I thank the Senators for making contributions to this Motion and acknowledging their

sense of knowledge, there are a few things I have to clarify in order to build on the Motion.

It has come to my notice that Senators may not understand the classification of hospitals in terms of grades. I will have to attempt to give the norms that are used for service delivery at Levels 4 and 5 and, maybe, also remind Senators on what Level 6 entails. Level 4 hospitals as service delivery norms entail focus on appropriate accretive care and constitute the principal referral level for all interventions. The functions provided at Levels 2 and 3 serve 10,000 to 30,000 persons, respectively who refer their patients to Level 4. Level 4 hospitals also provide the following services: Clinical supportive supervision to lower level facilities and activities provided include referral level, patient care, in-patient services, emergency obstetric care, oral health services, surgery on in-patient basis, surgery on out-patient basis, client health education, specialized laboratory tests and radiology services. It also gives proper care management of referral cases through the provision of the four main clinic specialties of internal medicine, surgery, gynecology, paediatrics and obstetrics. It also gives technical service which includes proper counter referral, providing logistical support to lower facilities and coordination of information flow to the facilities.

Level 5 hospitals entails a broader spectrum for specialized referral clinical services that ensure a wide scope of potential health needs of the communities they serve. In addition, Level 5 also include training facilities for cadres of health workers such as doctors on internship. It also includes all the services in Levels 4, 3, 2 and 1. May I mention that we have a few facilities for Level 6 which offer super specialized services. For example, Level 6 is our national referral hospitals, which include Kenyatta National Hospital (KNH), Moi Teaching and Referral Hospital and specialized Level 6 facilities such as Mathari Mental Hospital and National Spinal Injury Hospital.

Madam Temporary Speaker, we have changed from the previous nomenclature of just calling hospitals dispensaries, health centres, district, provincial and national hospitals because these names had no meaning in terms of facilitation. We picked on the levels type of nomenclature because when we term a hospital to be Level 5, then it must have certain facilities to qualify for that level. The same applies to Levels 4, 3, 2 and 1. Level 1 is medical health care at community level. Level 2 is a dispensary level. Level 3 is what we used to call health centres. Level 4 is what we used to call district level and Level 5 is the provincial level.

Certainly these facilities might not be built in every area because there are counties which already have Level 5 hospitals. So, they do not need to demand facilitation for that construction. Counties that have the former provincial hospitals, those were already Level 5 hospitals. So, we do not need to recreate new Level 5 hospitals. It is also important to note that in heavily populated counties, you could have more than one Level 5 hospital just by upgrading in terms of facilitation of the existing hospitals in those counties. That answers questions raised by Sen. (Dr.) Khalwale who said that in his county which has 12 constituencies, there is need to have more than one Level 5 hospital. This was also raised by the Senator for Kiambu. So, it does not mean that you can only have one Level 5 or Level 4 hospital in a particular area.

If need be and if resources are available, a region can have more than one level 5 hospital. A region can even improve their Level 5 hospitals to Level 6 hospitals. So, the levels as envisaged in the nomenclature in the hospital at this time, we talk of services

and not just names for houses. That is an important point that I wanted to raise and appreciate that all the political parties in this country had this as a major agenda in their manifesto.

My own political party, ODM, had health services as a major issue. Since we have a Jubilee Government, I have some extracts of their own manifesto. The manifesto says that they intend to achieve free primary health care for all Kenyans by increasing financing from 6 per cent to 15 per cent which is actually in the Abuja Declaration. They intend to increase the number of physical facilities at the community and increase mobile health clinic services which I have just tabled as a Motion to be considered by this House. Apart from the intention to improve the formation of National Hospital Insurance Fund (NHIF), they intend to achieve free primary health care for all Kenyans by increasing health funding from 6 per cent to 15 per cent and increase the number of physical facilities at community level. So, what I have moved in this House is not my own imagination, but a demand by the people of this country. They need to have improvement of their health care facilities at that level. Of course, the best intervention for medical care is looking at the primary health care as was proposed yesterday by Sen (Dr.) Khalwale. That is the focus; prevention is better than cure.

Madam Temporary Speaker, the population of Kenya at Independence was Seven Million, but we are now at 42 million. This is an exponential type of explosion of population. Therefore, the facilities that were actually put in place at that time are totally inadequate. So, we just have to increase those facilities to be in tandem with the population increase. So, facilitating the improvement of these facilities must not be done by putting up new buildings, but improving what already exists. There are some areas where these facilities were never put up like in Turkana and Mandera which does not have one consultant. We really need these facilities to be put in place so that the lives of all Kenyans everywhere in this country are equal. That is a constitutional requirement.

With those few remarks, I beg to move.

The Temporary Speaker (Sen. Ongoro): Sen. (Dr.) Machage, you consulted with me earlier and you had requested that we take the vote in the afternoon. You have forgotten to officially to do so.

Sen. (Dr.) Machage: Madam Temporary Speaker, indeed, that was my opening statement. I may repeat it as per the Standing Order Nos.51 and 56. I do request that the Chair does consider the putting this Question in the afternoon.

The Temporary Speaker (Sen. Ongoro): As requested, I give direction that we take the vote in the afternoon at 3.00 p.m. because this Motion affects counties and voting will be by delegation.

Next Order.

ESTABLISHMENT OF GRADUATES ENTERPRISE FUND

Sen. Nabwala: Madam Temporary Speaker, I beg to move:-

THAT, aware that the level of unemployment among youths in Kenya is over 70 per cent and rising; concerned that the formal sector is unable to generate sufficient formal employment for college graduates, resulting in far reaching ramifications to the economy and society across all counties in Kenya; noting that the youths are unable to venture into

private enterprises because of lack of access to affordable credit; the Senate urges the Government to take urgent and immediate steps to ensure legislation is enacted to provide for the establishment of a Graduates Enterprise Fund to offer revolving interest-free loans to unemployed graduates in all the 47 counties.

Madam Temporary Speaker, my Motion is very clear. In the inaugural speech by the President, it caught his eye because of the concern that the country has towards our youths who are out there on the streets and who have been involved in many activities that are against the morals of the society. Therefore, this Motion seeks to find solutions to the problems of unemployment among the youth in all counties in Kenya. It specifically responds to the question: What does it feel like to produce graduates whose employment is not guaranteed? Graduate employment and under-employment imply that investments in education and training are not yielding the desired results as the products of these investments are not being put into productive use, leading to lack of or low earnings, poverty, a reduced taxation base and high welfare cost since the unemployment graduates are forced to rely on their families for support.

The establishment of the Graduates Enterprise Fund (GEF) in all the 47 counties is a realistic and practical intervention in addressing the problem of youth unemployment in Kenya. Past initiatives, including the Youth Enterprise Fund which was launched in 2006 by the central Government to address the rising youth unemployment in the country as well as provide youth entrepreneurs with capital for business startup did not create the number of jobs and businesses that were envisioned.

Madam Temporary Speaker, this Motion is very clear and when you educate your child, you expect him or her to go through the education system. At the end of it when they graduate, there should be some sort of employment or business for that youth to engage in. That will enable them avoid the idleness that we are now seeing around the country.

The parents and the community and even the national Government spend a lot of resources to educate these children. For instance, you find poor parents selling part of their land and animals and even committing themselves to loans, so that they can raise the school fees of their children. At the end of the day, their farms are auctioned because they are not able to repay the loans. So, it is a pity that, at the end of the fourth year in the university, this graduate is not assured of employment. This means that he is of no use to himself and also to the community. He cannot even support his family.

Madam Temporary Speaker, the Government through the High Education Loans Board (HELB) gives loans to students so that it can take them through education. But we find that after the students finish the college education, they are unable to repay these loans. They cannot get jobs to enable them repay the loans. How do you repay a loan if you are not able to get a job? That also touches on their Curriculum Vitae (CVs). Their CVs cannot meet the conditions as set out by the Government and private organizations in order for them to be employed. They ask for five years experience. How do our youth get that experience if they have never worked?

Former students are told to clear their loans before they are considered for employment. How does an individual clear the loan if he or she has never been given an opportunity to work? It has been used as a symbolic and lip service organ by the Government to please the unemployed youth without meaningful structures and

budgetary commitments. For example, if you look at the 2006 statistics, we had Kshs4.2 billion which was disbursed to the Youth Enterprise Fund. Out of that Kshs4.2 billion, a sum of Kshs3 billion was disbursed as loans and Kshs1.2 billion as administration costs. In my county, I do not think the youths who have graduated are aware of the existence of such a fund in the Government. Some of them do not know what corridors they should walk to get access to this money.

Madam Temporary Speaker, for easy accessibility of the fund to our young graduates, this money should be devolved to the counties. We should have a hand in it because we can mobilize those youths within the county who are graduates and who have gone through colleges with diplomas, because that is even the worst. When someone with a diploma asks you to help them get a job, I do not know where to start. Even some graduates lack the specialized skills. For those who have specialized courses like medicine, engineering and so forth, it is easier to get employment. But there are those who do the general degrees. Those are the people who really have a problem. We, as leaders, should look at this critically because we are sitting on a time bomb.

When we look at the push factor according to the Economic Survey 2013, you find that at primary level we are admitting about 10,000 children. At the Form One level, we are admitting over 2,000 children. At the university level, we are also assimilating over 60, 000. I have not considered the private universities because they also have their statistics. At the end of the day, you will find that unless we engage our youth into active employment or absorb them in informal sectors, it is sad that our youth will start to get old and yet they are not engaged in any useful employment. As a parent, if your child has gone through school and graduated, but is not able to get a job, it is a big risk. He may resort to other means in order to get money. This child could even pickpocket you as a parent. The child pickpockets you for some little money to go and take alcohol and relieve some stress. That is why some of our children are involved in drug abuse. But who finances the purchase of these drugs? We do not know that we are the ones doing it indirectly.

If your child is not working and he or she asks you for Kshs1, 000 and, of course, as a parent you love your child, you would easily give that money to the child so that he or she does not go without money. But what happens is that they walk out there and buy *marijuana* and other drug substances and take alcohol with their friends. In the process, they plan what they can do to make more money. Some of these plans are learnt on television. In the past, robbers never used to kill anybody. Nowadays, they are exposed to the internet and are idle. They watch these movies and then put them into practice. Early this month, some youth were lynched in Kiminini because they had resorted to burglary and thuggery as a way of making a living. As a parent, when your child is not engaged in employment and goes out and in the evening he comes back with “fat pockets”, one should get concerned.

Madam Temporary Speaker, I have looked at this Motion very critically and it touches on the lives of every family out there. I was so touched by a story in the newspaper of a student who has done a degree in Sociology, lives in Mathare and has resorted to selling water. This is a human resource that the Government and parents have spent money on. So, we should not let our children go to the dogs. Some children have even become *manambas* or *boda boda* riders which is very low for somebody who has a university degree or even who has gone to college because these polytechnics impart

skills in their students. Since they lack the startup capital, they opt for *boda boda* business.

I came across a parent who had educated his child who came to Nairobi to look for a job. After some months, this girl gave up and said: "I will go back home even if it means going to dig our *shamba*." That is how desperate our children are out there. They are looking at us, as leaders, to find solutions for them. I think this is an opportunity for us, Senators, to look at this problem. If this fund is set up, it is us who will go to our counties and look for names of our youth who have training and collect their CVs. If it is walking them to the Governors' offices, we can do so and demand that they benefit from that fund.

Madam Temporary Speaker, the objective of this Motion is to awaken the responsibility of the State to address the gross problem of unemployment amongst graduates by providing them with funds to venture into micro and macro-enterprises in the various counties. It is to establish the GEF that will be administered through the county governments to provide grants for revolving and interest-free loans to applicants.

Why am I saying that it should be based at the counties? This is because we cannot have our children coming all the way from Turkana or Trans Nzoia to look for these HELB loans or the YEF money. They do not even know where it is based. Devolution is new. We have new Cabinet Secretaries. These children may be coming from the "wrong" counties so that when they walk into the offices of the Cabinet Secretaries, they may not look at some of these children positively. That is why they should go through their leaders because their leaders will make an impact. But if you send a child to the office of a Cabinet Secretary to seek money from the YEF, it is unlikely that this youth will achieve his set goals.

Madam Temporary Speaker, the fourth reason is to co-ordinate, advise and support those seeking employment in the public and private sectors as well as provide free career and counseling services. This point also hinges on our universities and even the Form Fours. I think we should have a curriculum introduced, so that as a child prepares to go out, and particularly those who are taking general degrees, know what they are really going to do. You really do not want to take a child through a degree, for example, in Sociology and when they go out there, they find that the market is saturated. The Government cannot employ them because the qualifications they want are very tight. Unless you have experience, you will not be employed. So, I think the Government should be mandated to ensure that the qualifications they are seeking are a bit relaxed, so that they can be friendly to the young graduates.

The fifth point is to encourage parents to take their students to institutions of higher learning. If we continue educating our children and, at the end of the day, they cannot find a job, it even discourages a parent. What solution can a parent offer to the children? To restore hope to these graduates, I think the most realistic thing would be for the Government to set up a GEF which will cater for graduates and those with diplomas at the county level because they can easily be accessible. They can be monitored by Senators to make sure they get employment or are given tools to be absorbed into the informal sector.

The President, in his inaugural speech, touched on Kshs6 billion which had been set aside in the Budget to cater for women and youth issues. However, it is not clear whether the Kshs6 billion in the Budget is only what we will get because I feel it is not

enough. If the money is still there, since it had been set aside in the 2011/2013 Budget for a run-off, I am suggesting that it be used to jump-start the kitty for the GEF.

Under Article 55(c) and (d), it is the responsibility of the national Government to ensure that the youth receive education, are fully trained and have access to employment. So, this Motion is constitutional because it is the Government's responsibility to see that our youth are fully engaged and are diverted from what they are doing currently which is dealing in drugs, alcohol abuse and prostitution which makes them get infected by the HIV/AIDS virus and other diseases. If we capture our youth, we will have improved the poverty levels at the county level.

My other point is that trained graduates should be empowered by being assimilated into the workforce. They should be taken through inductions for one week. If we create jobs, particularly in the informal sector, these will also cater for our unskilled labour. Unskilled labour is also a very big problem in our counties because these are people who are idle and who have not been trained. Every morning, when you wake up, you find them standing in market places talking, but you cannot know what they are talking about. Probably, that is when they plan on how to get themselves drunk or get involved in crime. It is high time that we, as legislators, came to their rescue.

Another point is about preparing the youth and filling the gap between the youth, the aged and the middle managers. You will find the Government calling retirees to come back and take up certain positions in the Government and yet, we have our youth whom we have spent so much money on in terms of loans. Parents and communities also spend a lot of money educating these youth. Some of them are educated by the community because they are from very poor backgrounds. Why can we not absorb these youth in the system so that we train them?

When Senators retire, we should have "dot-coms" coming here who are well versed with the Standing Orders, the Constitution and who understand devolution. Some of us are new. However, being new does not mean that one cannot learn. I have been learning about the Standing Orders and the Constitution. I want to encourage ladies that we are in this House by virtue of a good Constitution and, therefore, must represent our people who voted for us. We should have full participation even if we will make mistakes. There is nothing wrong in making mistakes because devolution is new to everybody. So, nobody has an upper hand over the other, except my learned friend.

The Senate Minority Leader (Sen. Wetangula): She is not my learned friend.

The Temporary Speaker (Sen. Ongoro): Order, Senate Minority Leader. That is not parliamentary language. Of course, she is learned only that she is not a lawyer.

Sen. Nabwala: Thank you, Madam Temporary Speaker, for coming to my rescue. I was going to tell my party leader that I may not be learned in that field, but there is a field that I am qualified in and experienced. So, I can challenge him in that field.

I will request Dr. Boni Khalwale to second.

Sen. (Dr.) Khalwale: Thank you, Madam Temporary Speaker. It is my honour and privilege to be given the opportunity to second this Motion, which is an indication of the quality of nominated Senators, especially from the FORD (K) Party led by my brother, Sen. Wetangula, that we have.

I hope that when the Government will be responding to this Motion, we will see that this House has decided to work together, irrespective of whether Senators come from the ruling side of Government or not, they are out to give assistance. This distinguished

Senator is trying to help the President meet his pledge on the Kshs6 billion that would have been spend to fund the second round of the Presidential Election, so that it is given to the youth. All that this Senator is doing is to give an opportunity or create a vehicle that the Government can use to achieve what was in their pledge. I would like to support and inform hon. Senators that this is not the first time that the Government is attempting to create this revolving fund.

We all know of the existence of the YEF and the WEF. The truth is that these Funds are not as helpful as they should have been because the uptake of these loans is very poor across the whole country; be it with regard to the YEF or the WEF. Probably, this is a time for us to start a national conversation, so that the fears that potential users to these Funds have can be laid to rest so that they realise that these Funds are interest free.

In fact, when you talk to the youth, you will realise that they fear going for money from these funds because of the words, “you have to pay back.” Kenyan youth must realise that to be given a loan interest free is like being given a grant. This culture of people wanting to be given free things is the one that makes our country live on the dependency mentality; the beggar mentality.

This is now amazing. I remember a few days ago when I was driving from Westlands at 1.00 a.m. going to my home; when I got to Mombasa Road, outside Nyayo Stadium, there was a traffic snarl up. I saw a boy there, who was standing and selling groundnuts. When I looked at him, I found that he was dozing. That meant that something went wrong; when the boy moves away from his mother--- According to me, this was a first class entrepreneur; a boy of about 12 years selling groundnuts at 1.00 a.m. He is an entrepreneur only that he has been asked by his mother to go and do it. If only this kind of brain could be taken care, of not through little things like free laptops, but proper education, he can become a real entrepreneur. Now the President wants to give him a lap top worth Kshs30,000, but he is selling groundnuts so as to make ends meet. We should have his problems solved so that instead of selling groundnuts, he can be in class in the morning, doing his homework. These are the potential entrepreneurs that this Fund can assist.

Whereas some people may say, “why introduce a GEF when we have the YEF”, I would like them to see the difference. Graduate youth have special needs which are unique. I have in mind, for example, a graduate engineer. A graduate engineer may want funds to set up a practice either as a contractor or whatever engineers do when they are in private practice.

A graduate of medicine degree may want money to put up a medical practice. Imagine a situation where we have five doctors coming together; an ophthalmologist, a gynecologist, a surgeon, a physician and want to set up a special medical practice at the county headquarters. If they did that, we would have removed the pressure on Kenyatta National Hospital and the Nairobi Hospital. We can get these specialized services at the county level instead coming here in Nairobi, Mombasa, or Kisumu.

It is through this kind of GEF that young graduate doctors will actualize their talents in business. You can think of the veterinary doctors. Upon graduation, veterinary doctors are not guaranteed employment and yet their services are really needed. If these young people were given money, then Artificial Insemination (AI) that used to be very successful in the 1970s when we were in primary schools, then the quality of our animals

and quality of the milk that they produce and our beef would improve because doctors would be having their own practices in the countryside.

Think about the surveyors. They need some money to practice. Think about young advocates who sometimes are smarter than their older learned friends. They even find it difficult when they have to work at the whims of their senior colleagues for a very long time before they move on.

Madam Temporary Speaker, I remember when I had a petition, during the last Parliament. My lawyer was Orengo and Company Advocates. Orengo, because of being a Minister could not manage to come to court even once. However, a young girl, Julie Soweto, saved me. Otherwise, I would have been thrown out of politics for 10 years, courtesy of the old Constitution.

A young girl stood her ground in court, faced very senior lawyers like Stephen Mwenesi and literally defeated them on all points apart from one which forced me to go back to a by-election. This got me thinking that if these young people had money, then they would not be working under Sen. Orengo. Needless to say, I was represented by Julie Soweto and my son who is also a lawyer. I wish I had money to help him set up his own practice. Since I do not seem to be fairing on well with the old issues, let me just acknowledge because of old accountants in this House, that even young accountants would like to start accountancy firms.

Madam Temporary Speaker, before I conclude, I would like to urge the Mover of this Motion; that you have yet another opportunity to bring a Bill. If, in the wisdom of this Senate, this Motion goes through, do not wait for the Government to provide that legislation. Just take the Motion and proceed to draft the Bill. Otherwise if it goes to the Government, they will put it on the shelves and nothing will happen. We will sit together so that we draft a Bill. We will convert the Motion into a Bill. Once the Bill assumes its own life and it is attractive, I can assure you that the Cabinet Secretary will call you to his office and tell you that he wants to take up the Bill, and almost run away with the credit. So, you still have a lot of room in which you can express your talents by converting this into a Bill.

Finally, Madam Temporary Speaker, I want to use this opportunity to urge our youth to take up the YEDF. At the district headquarters in Kakamega South in Malinya Town, I have gone twice to the Youth Office, and the young man sits there reading newspapers – nobody bothers; the youth do not bother to go to the office – filling crossword puzzles and playing games on his laptop. I am not saying that he is an idler, but he has nobody to serve.

I want to urge our youth to come out and go for that education. I saw something with the hon. Member of Parliament for Mvita today and I said “how I wish I had done this for my last five years that I was an hon. Member of Parliament.” He actually called all his youth and educated them on how to take these loans and broaden their thinking in areas where these investments can be. If you, Senators, think that the education in Kakamega South is laughable, then do not laugh at Kakamega South. I have gone through the statistics and I have found that as poorly taken as it is in Kakamega South, I have found that it is only Nairobi and the former Western Province where the uptake of these loans is highest. So, if a place I think they are doing very badly is being placed second, then where are you in Nyeri? It might even be worse. It is very bad. So, we have to tell our youth.

The other area where the Government should, probably, play a small role is, again, the amounts of money they are giving our youth. The youth have to start with Kshs50,000 and then slowly graduate on. By the time they reach Kshs350,000, which is reachable, it is a very long time. You can imagine a project of Kshs50,000 which brings together 10 youth; what is it that 10 youth can do with Kshs50,000 that can translate into profits? There are funny jokes like buying a grade cow; a grade cow for ten people? Fine, you will get a good heifer for Kshs50,000; but think about it. If one cow takes nine months of gestation, then it remains with milk together with the nine months of gestation, it takes around three years before it calves again. It means that you need 30 years to have 10 calves to go around the ten boys, girls or women. Are you going to ask the ten people to queue for 30 years before each of them gets a share of a calf? So, this money we are giving is meaningless. Either the Government wants to support our women and youth through enterprise funds or it does not. If it wants, the issue of lip service and double speak to poor Kenyans should stop. The President should say "I have resources; I am going to step up the enterprise funds by that much," so that the money actually passed over to the people is reasonable. The money is there. I can give them an example of where to get the money from. The Kshs68 billion, for example, which is being given to the Ministry of Devolution; that is money which is going to be wasted in hotels doing conferences, breakfast talks and stuff like that by that Ministry. It will add nothing to devolution. That money can be taken and be put into the enterprise funds and it will be used to change the way of life of our people. The young lady who was given the privilege of being the Cabinet Secretary for Devolution can be given some other little job in the Ministry so that, that job is left for governors, because we have confidence in them---

The Temporary Speaker (Sen. Ongoro): Order, Senator! While I appreciate your contribution, are you implying that young girls do not have the capacity to handle big jobs? Could you clarify?

Sen. (Dr.) Khalwale: Not at all, Madam Temporary Speaker. In fact, if you care to know, God has been so kind to me that every time I would go to the labour ward to receive a baby from my wives, they were usually girls. So, I have so many girls and I would not speak ill of a girl. I know they are capable.

(Laughter)

But wait a minute; we were not given a chance to participate in vetting. If a Committee of this Senate had been given a chance, I would have really remembered some of the things I saw with the Cabinet Secretary who is now in charge of devolution when she was in charge at Treasury. She was in charge of something called Integrated Financial Management Information System (IFMIS). For more than five years, IFMIS has been unable to take off in the country. The so-called "takeoff" of IFMIS that is on only captures one side of revenue; it does not capture both revenue collection and revenue expenditure. So, if she was unable to get IFMIS working, I would have told her that, probably, she was not going to manage a Ministry. But thank God, she has got an irrelevant Ministry that governors will be doing what she is supposed to do; with all due respect to that.

Madam Temporary Speaker, having said those many words, I want to support---

Sen. Mositet: On a point of order, Madam Temporary Speaker. Is he in order actually to mystify or maybe just to show that the lady is not capable and she already has the employment, while even the enterprise funds he is talking about are in that Ministry of Devolution?

The Temporary Speaker (Sen. Ongoro): So, what is out of order?

Sen. Mositet: Madam Temporary Speaker, first of all, let me say that he was indicating that enterprise funds are not in the Ministry of Devolution. He was saying that the Ministry of Devolution was given Kshs68 billion and it will just go into conferences.

Sen. (Dr.) Khalwale: Madam Temporary Speaker, I want to thank the Senator for pointing out that I was out of order; but, maybe, that is a point of information. I have taken your point of information as being a point of counter argument to what I have said. But my dear brother, the issue of governance is what I am speaking to. It is going to take more than friendship, ethnic loyalty and political party loyalty for us to get the issue of governance right. We must give criticism on condition that it is positive criticism.

I thank you.

(Question proposed)

Sen. (Prof.) Anyang'-Nyong'o: Madam Temporary Speaker, I rise to support this Motion. But while supporting this Motion, I want us to rid our minds of such myths; the myths that have clouded thinking in developing countries for a long time and which has made it very difficult to have what I call "integrated industrialization" in our nation. You cannot talk of industrialization where there is a big disjuncture between agriculture and industry. In other words, agriculture and industry are part and parcel of the economy. You cannot just deal with industry separately from agriculture, mining or infrastructure. We must see employment being created in all these sectors of the economy. The people to be employed in these sectors are the youth. The youth are defined as any human being below the age of 35. This is where the majority of employed people come from in developing economies.

Madam Temporary Speaker, if you go back into history, you will find that the Industrial Revolution succeeded because of exploitation of young people, particularly children. If you read the history of the cotton factories in Manchester and that of mining of coal - if you remember the book we read in intermediate or high school, *Tom Brown's School Days* - it was about the excessive exploitation of young people in the Industrial Revolution. I do not advocate for that kind of barbaric exploitation of the youth in our economies today, but I am only using it to remind ourselves that employment of young people must come within the economic structure of a particular nation. This Motion although is intended to give credit to youth to do something, must go a step further. Even if you gave the credit to youth, what are they going to do in this kind of economy, the way it is structured? What will they go and do? We always say, again very much romantically, that the youth will go into the informal sector. But the informal sector is an aberration by its very nature; it is an admission that the economy is not moving, in effect, ironically; people have to do certain things to survive. When you try to incorporate the informal sector into the main economy without restructuring that economy, you go nowhere.

Let me give you examples of economies that have succeeded in dealing with this structural crisis in developing economies in the third world. Brazil, for a long time, was going up and down trying to find a solution to this underdevelopment crisis until 1988, when the Brazilians passed a new Constitution that completely structured both the politics and the economy. They realized that the big industrial firms, like aeronautics was an important element of up-jacking the economy and creating downward trends in the economy that could create employment from below. It was at that same time that Brazil now started expanding its social welfare programme of giving these cash transfers and so on. There were major industries that could absorb labour generated by these families to which cash was transferred to feed the families, make them capable to seek employment, take children to education institutions and so on. I am giving these examples because as the Minister for Planning, National Development and Vision 2030 from 2003 to 2005, when we established the Economic Recovery Strategy (ERS), which actually breathed a sigh of relief in the economy; took this economy from intensive care unit. We started developing from two per cent, to five per cent, to seven per cent in a matter of five years. What we did was to say; look, let us, first, wake up agriculture industrially. That is when the dairy industry and KCC were revived. The price of milk, I remember, jumped from about Kshs5 per litre to about Kshs17 per litre in no time. Farmers were then able to employ youths to look after cows, grow napier grass and drive the gallons of milk to the Kenya Co-operative Creameries (KCC). If then at that point in time you get youths credit to buy bicycles or jericans to go and pick up milk from farmers and take it to KCC, it would make sense.

Madam Temporary Speaker, yes, let us pass this Motion, but it will not go anywhere if we do not in this Senate also discuss the restructuring of our economy and see how this credit will be used by the youth to get employment in agriculture and industry and produce agricultural commodities that will go to the industry, which will link agriculture to industry and create jobs for the youth. In the example that I have just given, jobs could be created for the youth because farmers are producing milk and they want it to be taken to KCC. A young person with a bicycle and jericans could then find a job transporting milk from the farmer to the industry. If you give him credit to buy a bicycle and jericans to carry that milk, it makes sense. At the moment, we may speak of giving this money to the youth, but if we do not think of how they are going to use it, it will just rest on paper. In fact, what usually happens in our economies, especially the money given to the WEDF and the YEDF, is that it is a once and for all credit which cannot reproduce itself. This is because somebody gets credit and gets stuck on how to use it. They then go to the traditional way that people know. For example, with the WEDF, what will women do? She will say: "I want to rear chicken." So, everybody begins rearing chicken. Then, disease comes and kills all the chicken and you cannot pay back your loan. This is because you are rearing chicken, but the veterinary department has not been revamped to ensure that there is some kind of support service for these chicken farmers. Chicken can be reared in an atmosphere where if they are sick, somebody comes in and gives them vaccination, so that they survive. The man who gives vaccination is also given a job. All I am saying is that let us think organically.

Madam Temporary Speaker, going back again to the ERS, it was successful in the sense that for the first time after so many years, the Government spent more money in health and education. By giving free primary school education, many children who could

have been idle in the countryside went to school. Going to school is a kind of an occupation. You are not there to bother your parents. Your parents are also urged to get some more money to support you in school. So, they become innovative on how to get some money by selling their commodities from the garden, to support you in school. That creates jobs for some people. People never realize how free primary education system between 2002 and 2005 created a lot of jobs. Therefore, by the Government putting more money in social welfare--- Neoliberal economies think that when you put more money in social welfare it is wastage because it is not connected directly to production, but putting more money in social welfare creates a lot of work. For example, if you create more money in the health system, you will employ many more nurses who are now lying idle after being trained.

Madam Temporary Speaker, so, the idea of creating jobs in our type of economy should not be confined just to credit availability to the youth. That credit availability must be connected to some kind of philosophy or concept on how agriculture, industry and other services are going to grow in our economy, so that these youths with credit will find an economy in which to invest that credit. But even now I see the kind of populist theories being bandied around in the so-called new economics, which do not make sense. Therefore, I definitely support this Motion, but I want this Senate, maybe in a study group, to begin guiding this nation on where we go from here in terms of developing a much more organic economy, where agriculture, industry, manufacture and infrastructure are articulate together. At the moment, I am afraid, we may be seeing this enormous growth in infrastructure, but there is tremendous social decay in them. One example is the one that Sen. (Dr.) Khalwale has just given, of these children trying to earn money at 1.00 a.m. in the night. There is tremendous social deprivation and decay in our nation and that is why there is also so much insecurity. Somehow, we must think of how investing heavily in infrastructure by itself, can also help deal with issue of social deprivation. We need at the same time to invest heavily in social welfare, health, education and housing, where jobs will be created, so that those children who go to sell groundnuts at 1.00 a.m. will find jobs lifting buckets in construction sites. Therefore, by evening they will be too tired to sell groundnuts, but have some money to take home and feed themselves.

Madam Temporary Speaker, I beg to support.

Sen. Elachi: Thank you, Madam Temporary Speaker. I also stand to support the Motion.

Madam Temporary Speaker, I know that in this country we have had to open up many funds. One of the challenges that we have always faced is that we have never gone back to do research and ask ourselves how many people have benefited from WEDF? Today even if we ask the county governments or Senators to tell us how many women have benefited, I know that many will say that not many have benefited. I know that we have many who have benefited from the Fund. I will give an example of Kericho County – Ainamoi Women SACCO. I know that today they are the ones who receive the funds and distribute to their members.

Madam Temporary Speaker, yes, we have a challenge of unemployment, but the Government, indeed, has put in line a framework of an agricultural programme all over the country, especially in the semi-arid areas where we are going to have irrigation. An example is in Kerio Valley which is partnering with Mumias to start a one-million acre sugarcane project. We do not just have graduates who have finished universities. Where

do we leave the diploma graduates and young people whose parents have tried their best to take them through polytechnics and now have skills? Therefore, the fund has to expand and look at all those categories because we will have challenges with all our youth. One of the challenges that we faced when we were opening the YEDF is that some youths could not access the fund, especially those in the marginalized areas. This is because they could not understand the process. Therefore, as we think of the fund, we should know also that when the policy comes in, it brings other challenges.

Madam Temporary Speaker, I would request the Senate also to look at employment at a different level. I support what the Senator for Kisumu has just said; that we need to look at agriculture. I will give an example of Khwisero where we have a fish pond. Today we harvest 1,000 fish. While my Senator for Kakamega would say that a calf will stay for 30 years before all 30 youth get his. Women groups have waited for less than 30 years. We have waited for very few years and it works. It is how you agree. Therefore, the youths are not crazy to enter into a group and say that they will wait for 30 years for one cow. It does not work. The other day I saw on *K24* television a very good programme of hustlers. This young man started a project with Kshs1,000 and now he has six cows. Therefore, we need to ask ourselves how we can bring in skills where our young people will not be thinking of only white collar jobs, but start going into the real jobs that have money. Agriculture has money and I think that we need to now insist that it is time that our young people invest in it. We shall be looking at food security at that time and how to make money in one month. I know of a young man in Kerio Valley who sells mangoes in Nakuru. He told me that he makes Kshs8 million per month on mangoes. That is why I say that it is good to do research. When I went to Kerio Valley I was shocked. I saw a mango tree with more than 1,000 mangoes. The only challenge they face is that they cannot export the mangoes because they have a lot of *madoadoa*. But I believe that we can make juice. Therefore, if you open a juice processing factory there, you will have employed the young people there. I was told that you can hire one acre for one year for Kshs5,000. Therefore, also we need to ask: Is it time to go back to the counties? That is why devolution came.

Madam Temporary Speaker, we need to reopen the county governments and look at devolution in a better perspective, but not looking at it in terms of opening up funds to help the graduates. You will give the funds to the graduates, but we know the challenge and pressure that the youths are facing also. The moment they get the money, first of all, they will want to feel young. We used to do that even in the universities when we got “boom.” So, it is something that we need to ask ourselves. But I believe that the Government is committed. We, as leaders, need to follow up whatever implementation that is needed. We also need to give the Cabinet Secretaries support. When we talk of devolution, I believe that the Cabinet Secretary did so well, especially given the Economic Stimulus Package (ESP) at that time. Indeed, sometimes we look at that and can challenge also the Members of Parliament at that time and ask: What did you do with your ESP? Were you able to open up industries and markets, because there was a programme also?

Madam Temporary Speaker, when you go back to most of those constituencies, you will notice that even the fish ponds that we have were part of the ESP. Some of the constituencies picked them and some did not. Therefore, when we blame each other, let us do it knowing that we were also leaders in some capacity. We should ask ourselves:

Did I do well at that time? Was I able to deliver economically to my people? At that time, you will be able to evaluate yourself and know where we failed. Was it because of the governance issues that we are talking about? If that is the challenge, then, definitely, even the Governor is going to face the same challenge. How do we support, as Senate, the Governors to ensure that even these programmes that are coming in do not have challenges of governance? When we talk of governance, we are talking of, for example, a county where you have a serious cosmopolitan area, where even now within their political leadership, they are having challenges. When you devolve resources, we also need to ask ourselves; are they going to be able to agree or face challenges of governance? Therefore, we need to relook at all the funds.

Madam Temporary Speaker, I know that there is a fund also for the elderly. I would wish the Senate also to look at that. When we passed the fund, did we look at how the counties are benefiting? Are the old benefiting within that fund or is it also just a fund on paper and nobody is benefiting? I think that, that is one thing also that the Government is trying to relook at. That is why I think that we need to support the Cabinet Secretary for Devolution and Planning because all those funds have now been returned to her. I think that it is time that we worked with her so that we also benefit the counties. This is because even if we do not work with her, she will move on. Therefore, it is important for the Senate, if indeed, we are looking at the interests of the county governments, to work with her and support her. We should tell her to look at the counties differently. There are some which have benefited and others which have not.

Therefore, I beg to support and believe that we will bring in some amendments.

The Senate Minority Leader (Sen. Wetangula): Madam Temporary Speaker, I congratulate Sen. Nabwala for bringing this Motion. I hope that upon its passage, either herself or the relevant Committee can move on to draft the relevant legislation. I do not believe that we can pass it and leave it to the Government to bring the Bill. I also want to congratulate the Senate. I think all of you Senators have conducted yourself in utmost dignity and decorum in the politics of this country. Whatever we try to do here Kenyans are watching, appreciating and can see that in your able hands, there is some future.

Madam Temporary Speaker, the issue of youths and youth unemployment is definitely a ticking time bomb in this country. We are not trying to re-invent the wheel. It has been tackled elsewhere. I do believe that Sen. Nabwala in defining “graduate”, she is not limited to graduates of universities, but graduates from tertiary colleges as well. We have graduates from polytechnics, medical training colleges and other institutions that require the same help. We also live in a country where there is very heavy stereotyping which does not sometimes help. The distinguished nominated Senator, called Sen. Beatrice Elachi, has made a very important point. When the Government set up fish ponds, it does look like sometimes people who sit and plan do not even know what planning is all about. You wake up one morning and you say the best thing for Kenyan youths are fish ponds and you start sinking money into fish ponds. When you do so in Wajir or Mandera where evaporation rate is 90 per cent; you build a fish pond there and put fish in that water. If you fly across the country, I had a privilege of flying all over looking for votes for my coalition, there are so many fish ponds in these dry areas. This is because somebody came up with the idea of fish where money was poured in every direction, even in places where you can use small streams and keep fish, they were

spending money digging ponds. So, billions of shillings were sunk into that enterprise and it got lost. We have these monies for women---

Sen. (Dr.) Khalwale: On a point of order, Madam Temporary Speaker.

The Temporary Speaker (Sen. Ongoro): Yes, Senator. What is your point of order?

Sen. (Dr.) Khalwale: Madam Temporary Speaker, the tradition of the House is that when a Member makes a factual statement he should make full disclosure. The hon. Senator was a Minister in the Government that dug these ponds. Could he give a full disclosure on how a decision was reached to dig fish ponds in Turkana and the semi arid areas, so that we can know how they were doing it? He is a prospective presidential candidate. If he was party to that kind of thing, we would have our reservations about making him our president.

The Temporary Speaker (Sen. Ongoro): Please, stick to your point of order.

The Senate Minority Leader (Sen. Wetangula): Madam Temporary Speaker, you have rightly observed that it was not a point of order.

I am just giving examples of how we mismatch our programmes. Look at a country like Thailand. They came up with a policy called “one village, one product” so that each village cuts out a niche product for the market. Thailand has made tremendous progress. Look at a country like Vietnam. Vietnam was nearly bombed to extinction by Americans in the 1960s but in the last 15 years, Vietnam has been recording 20 per cent to 30 per cent economic growth with a population of about 70 million in the last 15 years. They are 98 per cent connected to water and power. Right now Vietnam is at par with Brazil in coffee production. That is coffee that they pick from Kenya as Ruiru 11. They are now the second largest producer and exporter of coffee in the world after Brazil. These are examples we can pick from. No economy can generate employment without focusing on three things; agriculture, industrialization and construction. Those are the areas where economies generate employment.

I am not talking about the current Government because it has been in power for a very short time. I am talking about successive governments. They constantly pay lip service to agriculture. They constantly pay lip service to industrialization. They constantly mismatch and mismanage our priorities. I think we have reached a level where as we try to give meaning to a good nation like this, we need to look at countries that have made a difference like Brazil, Malaysia, South Korea and so on. How have they succeeded? Sometimes, you look at the statistics being channelled out of Africa and you keep asking yourself a question. World Bank statistics show that of the 10 fastest growing economies in the world today, six are from Africa. These include Ethiopia, Angola, Nigeria, Ghana, Algeria, but Kenya is not among them. When you look at Africa, are these statistics matching with social transformation? We are told an economy is growing because they have discovered oil and exporting it to the international market. The poor are growing poorer by the day. Look at the great nation of Nigeria. This nation has been a top oil exporter in the world for the last close to 30 years but is there any social transformation in Nigeria? I say “no”.

Look at a country like Botswana; some of its citizens have gone to the international court of justice to demand their rights to learn while Botswana is one of the major lenders of money to the World Bank. People are still living in Stone Age dens. Look at around us. Even in my own county and other counties like Kakamega, the

majority are poorer than they were at Independence yet we have a rich country. *Forbes Magazine* says that the richest man in Africa comes from Kenya. We can easily say that the poorest man from Africa is probably Kenyan.

The Senate Majority Leader (Sen. (Prof.) Kindiki): On a point of order, Madam Temporary Speaker.

The Temporary Speaker (Sen. Ongoro): Leader of Majority, what is out of order?

The Senate Majority Leader (Sen. (Prof.) Kindiki): Madam Temporary Speaker, could the Senate Leader of Minority substantiate the authenticity of the information he is giving us about the richest and the poorest people coming from Kenya. Is he in order to give information which he cannot substantiate?

The Senate Minority Leader (Sen. Wetangula): First, he has not challenged me to substantiate; secondly I quoted *Forbes Magazine* which is a respected international magazine that published statistics showing the richest man in Africa is Kenyan and I said “probably” the poorest person in Africa is also Kenyan. That does not need any statistics. This is an opinion and I am entitled to it. My learned junior should know that.

Madam Temporary Speaker, giving credit to young people in this country must be accompanied by very clear programmes. The only problem in this country is that the average Kenyan does not believe that the right to borrow has a corresponding duty to pay back and especially when you avail money in grant form. You will find that out of every 20, probably only one will pay back the money and the rest will look at it as gifts, especially if the money is given around campaign time. Everybody will think that it is a slush fund for politics and they take it and never pay back. So, I would want the current Government to borrow a leaf from the very positive manifesto of CORD where we said that we will avail money to the youths, women and everybody but the fundamentals must be right. We should have a crash programme tailored by our institutions to teach the young people how to handle credit, how to handle money, how to keep a ledger book, how to keep an account, how to know what is profit and what is loss and how to know how to grow what you have borrowed, then you can avail money to these great Kenyans.

Madam Temporary Speaker, I am sure if this is done, it will make a big difference. Sen. (Dr.) Khalwale gave examples of doctors and lawyers that need money to start practices; but what about those that he forgot? We have out there in the rural areas, labour-based contracts in road construction. If you give these young people credit to just buy a tractor, a trailer and a few implements and so on for doing labour-based contracts to do roads, 10 kilometres of a murrum road will pay back that loan in three months. These are areas that we should focus on; instead of encouraging youths to go and hang overnight in the high seas looking for fish, give them money to start a fish processing plant so that they can be able to get fish, process it and go to the market where they will withstand the vagaries of weather without getting spoilt. If you go to Bungoma or Kisii, you will see women who carry bunches of bananas in their hand at the market who go running after every vehicle that stops from morning to evening. We want credit to go and build for them huge storage facilities with cold rooms. So, if you take your tomatoes to the market whether you sell them or not, there is a place you leave them by 5.00 p.m. Currently, there will be “hawks” waiting around knowing that you cannot climb the hill of Nyambene with tomatoes on your head. So, you have to sell your tomatoes at a lower

cost than the expected market price. This happens in Chwele Market in Bungoma, Karatina, Luanda and so on.

Examples show that with proper planning we can be able to do this. That is why I agree with those who are saying that the Ministry of Devolution and Planning is misplaced. The funds we are putting there could have done better. The Cabinet Secretary knows that this is the custodian and the protector of devolution. Has she taken a moment to visit the Senate to talk to the Senators about devolution? If we are to work together and if she is truly the Minister for Devolution, this should be the starting point. Has she called a meeting between Governors and Senators to talk about defending and protecting and enhancing devolution? She has not because she is not the Cabinet Secretary for Devolution. She has just been mis-described as the Cabinet Secretary for Devolution. We must have our priorities right and that Kshs68 billion should be sent to the governors. The other day I was shocked to hear that the National Government wants to hire 30 nurses per constituency. Health services are devolved services. Why is the National Government hiring nurses when we have governors in the counties? It is the same graduates that we are talking about in this Motion that I want to be recruited. Why are we not taking the money to the governors? The other day you saw; we are talking about agriculture for growing the economy. The National Government is struggling to procure fertilizer and yet agriculture is a devolved activity. Why are we doing this? These are the big questions that everybody must ask.

Madam Temporary Speaker, there are so many services that the centre is holding on so hard because they involve money. You cannot devolve a system where you send governors just to be paying salaries and nothing else. We must create jobs. If we are crying about rural-urban migration – I saw some statistics that show that in Africa in the next ten years, our population will move from 22 per cent urban up to close to 50 per cent urban with no corresponding services, jobs, security or anything. Devolution is supposed to arrest these urban migrations. If we get these funds right and keep our young people to develop Laikipia, Nyandarua, Kilifi, Bungoma and even Tharaka Nithi and stop chewing miraa and focus on things that are more productive, it will make a big difference.

I laud Sen. Nabwala. Sen. Nabwala in her earlier life, was a consummate banker at Barclays Bank and I am sure she has this background in mind that she wants to bring this Motion and I urge her to liaise with the relevant Committee to draft a Bill after this; to do a broad spectrum of what we can do with our youth.

The Senate Majority Leader (Sen. (Prof.) Kindiki): Thank you Madam Temporary Speaker for this opportunity. I am really at a loss on how to phrase my contribution so that it is understood in the total context. However, let me say that I also rise to make my contribution to this Motion.

The reason why I am saying that I am a little bit confused is because this is a great Motion in the sense that it tries to solve part of our problems in this country. In my view, the most serious problem is the issue of the youth and empowerment of young people so that they can carry on their responsibilities as proud citizens of our country. But at the same time, notwithstanding the importance of this Motion, all the speakers who have spoken before me, including the Mover, have cited numerous contradictions and other issues that make it impossible for us to proceed with this Motion in the manner in which it appears.

Madam Temporary Speaker, first, this Motion is about giving money to graduates to enable them access credit. In fact, it says:-

“Noting that the youth are unable to venture into private enterprises because of lack of access to affordable credit, the Senate urges Government ---“

So, this Motion is about access to credit but only with regard to graduates. The question is: Is this not part of the scattered and asymmetrical policy formulation and implementation that has bedeviled this country since Independence? Is this Motion not trying to perpetuate the same asymmetrical and scattered way of formulating and implementing legislation in this country? The problem that we are having in this country and much of it has been highlighted by those who have spoken before me is about inequity. Even when we talk about access to credit, in certain parts of the country, it is easy to access credit even among young people for various reasons that are associated with policies that have been in place since Independence.

For example, Sessional Paper No.10 of 1965; a brilliant piece of economic policy statement, is actually part of our problem in this country because it simply said what you do. It concentrates on high potential areas – whatever that term means. That single phrase in that policy paper whereby attention in terms of infrastructure and availability of credit and business development was concentrated on a small part of Kenya above Malindi Town, just below Tana River, Meru, all the way to Mt. Elgon downwards. If you look at the map of Kenya, that is like a third of the country. That is where you find most of the infrastructure, industries and everything else. That is why today we are staring at a crisis in this country of inequity.

Madam Temporary Speaker, it is for that reason I am saying that if you create a Bill that only seeks money for graduates and yet there are so many youth who are not graduates – in fact, the overwhelming majority – what do we do with them? In other words, I would rather we tackle head on the question of youth economic empowerment. We should tackle it holistically in one legislation as one way of putting our young people together and as one way of departing from this notion that you have to go to a college or a university to be useful in life. So, are we not perpetuating the same kind of division and class struggle that we have created, not only through our education system but also through our response to the problems that bedevil various sectors of our society?

I want to agree with Sen. (Prof.) Anyang'-Nyong'o's observation that giving people money without educating them on what to do with it is useless. A young man will get this money and go and marry a second wife and is unable to repay the money and will ask Senators to help him repay that loan. Secondly, the question of linking agriculture, manufacturing and infrastructure which are the basics of our economy, with the secondary sectors of financial services and ICT needs to be relooked at. What I do not agree with are the remarks that have been made here, trying to actually make the informal sector look like a sector which has no value in our economic model as a country. I think that view is wrong and it is part of the problem we have. There is a lot of good work happening in the informal sector. All we need to do is to enable artisans and other people-- Actually, there are innovators. If you look at our Industrial Property Law; the law on intellectual property on patents, *et cetera*, the conditions that have been put for a person to claim intellectual property and, therefore, attract royalties when they have made an invention in the informal sector are extremely stringent. This is because of this Western concept of what amounts to patentable innovations.

So, I stand to say here with regard to the informal sector, in fact, the future of Kenya, in my view, lies in a system that recognizes the informal sector and tries to tap the immense talent and opportunity and economic potential that lies in that sector. While we are here, I am glad Kenyans are following the Senate notwithstanding the turbulence that we are going through, Kenyans are sending messages and they are saying that it is good to talk about young people, but also remember us because we are also university graduates and we have been out of school. Could we also get a waiver so that we do not pay the HELB loan? I think that tells you the crisis that we have in various ways that pertains to young people. In my opinion, the only thing that we should accept as a nation is that it is not right to ask a young man or woman who left school five years ago and is not yet employed to pay a loan, failure to which they attract a Kshs5, 000 per month interest or penalty. That is unacceptable.

So, I think these are some of the things that will need a holistic approach to take into consideration all the youth. The issue of paying back should remain there because that is the only way you can show you are patriotic enough to allow future generations to get public education at a affordable or subsidized rates. Therefore, in the circumstances, although this Motion is well intended, it is a perpetuation of the piecemeal approach to solutions. I am saying this because I know that in the Jubilee Manifesto, we have very concrete plans on the youth economic empowerment arrangement. We have made clear and very articulate objectives. I am actually liaising with the relevant Ministries to introduce comprehensive legislation on youth economic empowerment. So, when we start having Bills and laws scattered all over; one is about polytechnic students, another one is about casual labourers *et cetera*, then you lose the big picture. How, for example, should this thing be linked to our objective under the social or economic pillar of Vision 2030? If you asked the Mover of this Motion, they will not tell you. My own suspicion is that, perhaps, this is a good Motion and looking at it, I think it is lifted from some of the things the minority party wanted to do if they were lucky to have won the election, but I urge them to be patient and we sit down together because the elections are now behind us, so that both the majority and the minority can input and come up, not even with a Motion, but a proper law in a couple of months, working through the relevant House Committees and produce a legislation that can be holistic on the youth question.

Madam Temporary Speaker, I want to disagree with my good friend, the Senate Leader of the Minority who has just left. His ambition is that one day he will be the leader of many. He has just left. The information he has given about disparities can be damaging. For example, when you stand here and say that the richest man in Africa or in the world is Kenyan and this appears in magazines in some racist capitals--- We will not allow that kind of situation here. That sets the society apart for no apparent reason. Our policy is simple. Our countries are equal. You cannot start saying that the person with all the money is here and the person with no money is also here. That is trying to incite the society against itself. So, let us be modest.

I am afraid that this is a friend of mine who has been in Government all along. He has been in successive Governments and has been a Minister of almost everything. So, he should be the last person to start bringing statements which can inflame negative passions in our society. No research has been done. We have not had bank accounts of people audited to show who has the most money and who has the least amount of money. In any

case, Forbes Magazine is not the Bible or the Quran. I do not even know where they get their information from.

The last two points I want to make, Madam Temporary Speaker, have to do with the economic growth of this country. That is why I am passionate. I think that the issue of youth empowerment or economic empowerment can be tackled. I believe, very strongly, Kenya can grow at either 20 per cent or 30 per cent, leave alone the double digit that the Coalition promised. Why is this? This is because other countries are doing it successively. We can grow but we need to have a comprehensive way of doing it. Secondly, we need to tap the missing links.

This Motion is just about giving people loans to start businesses. Period! Is that not very helpful? I am saying that with full awareness that the urgency of helping graduates and young people so as to make it in life, in business and in their careers exists. We need to look at other issues, some of which have been highlighted here like alternative ways of transforming agriculture into a business sector as opposed to the subsidiary industry that we have. The Senate Deputy Leader of Majority talked about people from Kerio who have a lot of mangoes and yet have nowhere to sell them. There are also plenty of fish ponds but without freezers, the fish have no market. Two, without a freezer, the fish goes bad very quickly. So, these are the things we need to tackle even as we look at this. Even as we empower young people to do business, then we should ask where they dispose of whatever they produce. What infrastructure do we want to demand through legislation to ensure that they get the market for their produce?

The other final issue is about vital sanitary standards. If we focus on agri-business and value addition in agro-business, then we have to tackle the issue of vital sanitary standards. That is the missing link, if you ask me. The reason why fish from Lake Victoria, leave alone fish from fish ponds cannot access the European Union market is because it does not meet the vital sanitary standards. This is the same case with mangoes. The *madoadoa* that the Chief Whip was talking about should not be seen, going by the standards set by the World Trade Organization (WTO). The standards set by the WTO and other trade organizations are quite stringent and we need to tackle that and empower institutions like the Kenya Plant Health Inspectorate Service (KEPHIS) to assist us in that regard.

I am pained to look at such a good Motion, which in my view, should delay a little bit to empower us to bring a more comprehensive approach. That is not a very heavy price to request. As leaders, we must tell our people that at times, it is not the number of Motions or legislations that we pass that matters but how comprehensive the laws are and how self executing the law is because of the mechanisms that have been put into the legislation to ensure that it is implemented.

That is my contribution.

The Temporary Speaker (Sen. Ongoro): Senator, you have not come out clearly to tell us whether you support the Motion or not.

The Senate Majority Leader (Sen. (Prof.) Kindiki): I support the Motion subject to fundamental amendments.

Sen. Mositet: Thank you, Madam Temporary Speaker. This is a good Motion that tackles the major problems that this nation is facing. As the Senate Leader of Majority has indicated, it has some gaps. Personally, coming from a pastoral county, I can see that even though I will be happy to see graduates access the funds, I am looking at my very

able young people who did not have a chance to go to school. However, they are very good when it comes to their enterprising skills. These people are very well known.

Our Government has not given the livestock sector the major inputs it requires noting that countries like Botswana have their economies pegged on livestock. From the size of the pastoral areas of this country and the people living in the land, I find that our situation is far much better than Botswana. Our Government should come out and assist the youth. Our funds are structured in a way that an individual cannot go to borrow. People must come up with societies and groups so as to borrow. However, if our Government allowed our youth to borrow individually, this would step up our economy. It would also allow our people to do well. Just like the Senate Majority Leader said, I would be happy to see this Fund not only being used by graduates but anyone else who is not a graduate and even those who have not gone to school.

I remember when we were going round during the campaigns, we told our people that our Government would come up with a scheme where our youth would be getting loans individually so that they borrow and apply the same amount of money into the skills that they have so that they can do well.

My county has suffered a lot through the Agricultural Finance Corporation (AFC). When you hear of pieces of land being sold in Kajiado, you should know that this is not usually on a willing buyer, willing seller basis. The AFC has participated in this. When the previous Government was waiving loans related to the agricultural sector, especially coffee and tea, those people with livestock were left to continue suffering. Our people had borrowed money from the AFC and owing to drought, they did not manage to service their loans properly. The AFC would sell their land even without giving them time to recover.

I would be happy if the Mover of the Motion, which is a good Motion, would allow some time for all of us to contribute to it so that we see how our youth can get funds individually and whether they should be graduates or not without specifically putting boundaries.

On the other hand, we need to look at some institutions as the Senate, for example, the Kenya Industrial Research and Development Institute (KIRDI) which is supposed to assist people who come up with innovations. These are people who come up with projects and who are talented. Young people who are talented can come up with industries. I remember that one time, a group of some young people came up with an idea of making bricks at Kibiku. Owing to lack of funds, they could not. They had come up with a super project on how the whole thing would work. The raw materials would be found locally but they did not get funding.

You also have to look at simple projects like crashing of ballast. That does not necessarily require a lot of funds. If some groups of young men and women were allowed to come up with such projects and funded by the KIRDI, they would have good crashing plants and sell ballast. In my constituency, we have a lot of raw materials for ballast. This is not just in my county. I know many others. If you go to arid areas, you will find that they are very rocky and you will even think that there is nothing that can be grown there. However, for any infrastructure to come up, the rocks, which are raw materials, would be required.

There are some institutions which I feel, as the Senate, we need to talk about and see whether we can come up with laws so that our young people can access loans from those institutions. I support the Motion but with amendments.

Sen. Chelule: Thank you, Madam Temporary Speaker. I stand to support the Motion but with some amendments. I believe that the Mover of this Motion is aware that there are already structured enterprise funds that take into consideration the issue of youth and women. I would suggest that we amend this Motion. I do not think, as Government, that we should continue to establish various enterprise funds while we already have some. We already have the Women Enterprise Fund and the Youth Enterprise Fund. There have been challenges in executing these funds. What we should do, as leaders, is to look at the challenges that these Funds have been facing so that we come up with modalities of addressing the challenges.

I support Sen. Elachi who talked about conducting research on particular activities that exist. The only problem we have with regard to these funds is that there was no proper arrangement on how to sensitize the community. We need to do proper and adequate sensitization as leaders. I request hon. Nabwala to allow room for amendments. She should probably give room to other youth. When you talk of graduates, what do you do with them? What of those who do not get a chance to go to school and they are all youth; what do we do with them? We need to embrace them; all of them are youth despite their educational standards. What do we do with them? Because I know a graduate is somebody who has undergone---

(Sen. Kivuti stood up in his place)

The Temporary Speaker (Sen. Ongoro): Sen. Kivuti, your point of order is granted.

Sen. Kivuti: Madam Temporary Speaker, I do not know if it is in order for an hon. Senator to say “we are supporting a Motion with amendments” without moving that amendment?

Secondly, Madam Temporary Speaker, we need directions; if you differ with a Motion, then you should not say you support it; you should say you oppose it so that the correct Motion can be brought into the House.

I seek your indulgence, Madam Temporary Speaker.

Sen. Nabwala: On a point of order, Madam Temporary Speaker,

The Temporary Speaker (Sen. Ongoro): What is your point of order, Senator Mukite?

Sen. Nabwala: Madam Temporary Speaker, is it in order for the Senator to say that I am insinuating in my Motion that the other age group are not being catered for, because we are aware that the President has given out Kshs6 billion which is going to cater for these youth and women? But like I said in my Motion and in my opening remarks, these are the youth that have been trained and we spent money on them. Why do we not give them that preference and engage them in activities so that they are not idle?

Thank you, Madam Temporary Speaker.

(Applause)

Sen. (Dr.) Kuti: On a point of information, Madam Temporary Speaker.

The Temporary Speaker (Sen. Ongoro): Are you informing the Mover or who do you want to inform?

Sen. (Dr.) Kuti: I want to inform the Mover, Madam Temporary Speaker.

The Temporary Speaker (Sen. Ongoro): Catherine, do you wish to be informed?

Sen. Nabwala: Yes, Madam Temporary Speaker.

The Temporary Speaker (Sen. Ongoro): Okay; proceed, Sen. (Dr.) Kuti.

Sen. (Dr.) Kuti: Madam Temporary Speaker, being the first Minister of State for Youth Affairs and Sports, I would like to state here that the Youth Enterprise Development Fund (YEDF) that is being applied to the counties and constituencies covers youth aged between 18 to 35, whether they are graduates or not; whether they are educated or not; and I think it is very important that, that information is available to all.

The Temporary Speaker (Sen. Ongoro): Before we proceed, most of the points that you have raised are valid and we had given an earlier direction to all those who intended to move amendments to consolidate them so that, probably, we have one comprehensive amendment. But, of course, again, we have to follow due process and we are waiting for them to notify the Speaker of that intention within the stipulated time.

So, I am of the opinion that we allow those who want to move amendments to have one platform so that we do not have parallel amendments, and then you move them on time so that we do not have what we suffered yesterday, where we had intention to move but then, again, we were time barred on that Motion.

So, we will proceed with the Senator who was on the Floor while we give further directions.

Sen. Chelule: Thank you, Madam Temporary Speaker. In this matter, because we already have an existing YEDF in the structure of our Government, we were only alerting ourselves that why should we have another parallel establishment of Graduates Enterprise Fund? Another thing that I want to talk about is the issue of the Cabinet Secretary for Devolution. The Cabinet Secretary is already employed; she has already been appointed. I would suggest that there is no need for us to actually antagonize that Ministry and that Cabinet Secretary. Instead, we need to work with her as Senators. We need to support her and we need to improve what we think. We need to tell her this is what she is supposed to do and this is where she is supposed to go or to do. Ours is to advise her instead of antagonizing her. She is a Cabinet Secretary who is already appointed, and she is in office. It would be very bad for us, as Senators, to antagonize a Cabinet Secretary who has already been appointed. We need to stand and to be there to also advise and support her, if we are really serious leaders.

So, Madam Temporary Speaker, I would request my fellow Senators that instead of antagonizing such an officer and she has already been appointed, I think it is better for us to work with her.

Madam Temporary Speaker, Sen. (Dr.) Khalwale was talking about the young children working along the streets, even until very late at night. This has been happening for many years. It never started in January when the Jubilee Government came into power. They have been there for many years. What we are supposed to do also, as Senators again, is to come up with a modality of how to address the same issue. They never came in the other day. I mean these children have been in the streets and we even had street families. This has been there from a long time ago. So, I think it is also our

duty as Senators to come up with a modality or a way on how to address the problem facing these people.

Otherwise, Madam Temporary Speaker, I do not see any need for the establishment of this fund because we already have a fund with the same effect. Probably, we can improve on what we have. We already have the YEDF. Kindly, we can improve on that one.

With those few remarks, may I beg to---

The Temporary Speaker (Sen. Ongoro): You have to state whether you support the Motion or not.

Sen. Chelule: Madam Temporary Speaker, I am not supporting because we already have a fund that is similar to this. So, there is no need to have a parallel fund.

The Temporary Speaker (Sen. Ongoro): Okay.

Sen. Adan: Thank you, Madam Temporary Speaker. I stand here to oppose this particular Motion simply because of the following reasons. First, the way this Motion is crafted, it will not be a solution to the youth issues in this country. The reason I am saying this is because of other sentiments made by my colleagues. First, we have established so many funds in this country, but as my colleague, Sen. Beatrice, has said, we have never gone back to check why these funds are not helping the youth. So, the most important and critical thing that we need to do in this country before establishing another fund is to find out why we are not getting it right. Over the years, youth issues have been taken as a political tool. Everybody who is coming into power say they are going to establish youth fund to empower youth. But I think as a country right now, we really need to help the youth, and for us to address the issues of youth, we really need to go back to the drawing board and find out why the funds that are created are not helping the youth. That way, we will be able to help the youth in this country.

Secondly, Madam Temporary Speaker, is the issue of enacting other legislations. We have enacted so many legislations in this country and most of them are not enforceable. As this Motion is intending to come up with a Bill, I think this is not the right direction to take. Let us, first, evaluate why the YEDF or the Women Enterprise Development Fund (WEDF) are not addressing the issue of youth and women, then from there, we can think of legislating. But the legislations that we have to date have not been addressed and they have not helped address the issues of the youth. Most of them are not enforceable. So, when it comes to the enforceability of those legislations, it becomes difficult. So, it is not good to have a piece of legislation just for the sake of saying that we are going to help the youth.

The other point I wanted to raise is that most of the speakers here have talked about the issues of agriculture. I think as a person who comes from the pastoral community, it is important also to look at the youth in pastoral areas. We need to look at the livestock markets and other products that come from those parts of the country and see how we can help the youth in pastoral communities, especially in improving livestock markets and see how youth can benefit from that.

Lastly, condemnation of the current Cabinet Secretary for Devolution at this particular time is wrong because she hardly has been in the office for one month. There are people who have spoken here who have served various governments and they have never managed to address the issues of the youth in this country. So, it is wrong for an elected representative of this country to stand here and condemn a particular officer.

There are better forums that can be used to address issues. If she is not delivering, yes, we can use due process and due procedures in condemning a particular person. But at this particular time, it is wrong for her to be condemned.

With those few remarks, I beg to oppose this particular Motion.

Thank you, Madam Temporary Speaker.

Sen. (Dr.) Zani: Thank you, Madam Temporary Speaker. The long term development strategy that led to Vision 2030 was very critical in establishing the YEDF. Catherine's Motion is very different. She is proposing for a Graduates Enterprise Fund. The range of youth is very, very amorphous and one fund does not necessarily negate the use of another fund.

(Applause)

I find that the distinction in the youth that Catherine is talking about is because we have youth. For example, the Kenyan educational system tends to have transition rates at various points for various reasons. This is the reason why the 8-4-4 system of education was introduced in this country. It was to ensure that, for example, at the various levels and specifically, at year 8, pupils are able to be taught technical skills; at Form Four, they would have different sort of skills, and after university – and this is also linked with the whole thing of relevance in education – ensuring that graduates have the right type of education so that they would be able to come out and become self employed. Now, that dream has not happened and that is not why, in a sense, the 8-4-4 System has continued to exist, but more in terms of policy and application rather than the principles for which that particular educational system was put into place, leaving us with a problem that at each of the transition points, we have different sorts of people with different sets of needs. In fact,

I would expand this Motion and say let us even have catered funds for the various categories because, surely, you cannot compare a Standard 8 graduate, for example, with the Form Four one or the university one. The university one has particular type of skills. He probably needs a different set of income and impetus for them to grow. The YEDF, if it is run, for example, like other funds in Small and Medium Term Enterprises (SMEs) using a Gramin effect, where you need to come up with a group; that is why, for example, in the literature of SMEs, women have had problems with those funds; not because those funds are not useful to them, but because the process of getting those funds, utilizing them and refunding those funds becomes very difficult because they are operating in a group, and it is the same concept.

I think what I would go ahead and say that for this Motion, where we need to start is to look at this Motion and think about what dynamic differences should such a Graduates Enterprise Fund have? What sort of money are we advancing, for example, to the graduates, because I think this will be different? By no means am I underscoring the need, for example, for technical training for those with blue collar jobs. I think they can be addressed at different levels with different funds. I think Catherine's idea was actually to target graduates, who are very, very distinct. We could have the YEDF running as it is, but the realization is that at the university level, after the graduates have left, they have the skills and the content, but then they do not have a market that is ready to absorb them. They probably do not have the network skills that are necessary for them to come

together, or they do not want the complications of having to come together so that they can actually be able to access those funds as a group. So, it is really to look at this particular group; what are their needs and how can those needs be enhanced? The whole idea is to have it as an interest free fund so that they can actually be able to pay back; and it has already been raised in this House. There is not going to be a question of just picking these funds. It is a question of actually putting these funds to work and like you have seen, for example, with the Higher Education Loans Board (HELB) where penalties have been put into place for not paying back the money. It is possible for Kenyans to have an impetus to pay back. These are graduates who are being given a lifeline because they have not been able to get any employment. Therefore, I think they will take up to that very, very well.

Madam Temporary Speaker, the problem at hand that we are discussing is so critical. We are talking about 70 per cent unemployment rate among the youth; and we are talking about a group that is so vibrant, even in the literature of elections, for example. Generally, in society, the youth are vibrant, have ideas and want to explore. It is true that the definitional aspect of youth makes it a bit complicated to know who to put where, because most of the literature will cover the youth as people who are 15 to 35 years old. In certain cultures if somebody is 12 years old and they have a child, they will not be described as youth, but an adult all together. So, the dynamics of youth are very critical. I think that it is very critical that we do not lump them all together as people with specific needs, common problems and solutions. I do not see the reason we would not even go to develop more funds apart from the Youth Enterprise Development Fund. Across the line, for example, organizations like the Higher Education Loans Board (HELB) have done it in giving funds to university students. Also, various scholarships are given for various students to process their university education. We can have specific sorts of funds. I think that this fund is very specific and would support it purely to be on its own rather than mix it with any other fund.

Madam Temporary Speaker, if this problem of unemployment is not addressed now, it is going to create a lot of problems. Of course, we have all the other inequalities that we talk about. We have inequalities at the level of women and the disabled, but for the youth, it becomes very critical for this to be addressed. I think that other speakers have already addressed the reasons in terms of why there is such high unemployment. I think that, that feeds into the look, even as we develop such a fund; to think about what other problems lie therein and how they can be sorted out. For example, there is the whole issue of training and linking this to the job market. This is because we do not want a situation where you are just given funds and people are getting the adequate training and process exactly what they need to process.

Madam Temporary Speaker, the whole educational expansion has been very useful in Kenya, right from primary, secondary and university. But the process seems to be feeding many students into the tunnel and many of them are coming out. The economy has not developed as fast as educational expansion has taken place and, therefore, putting us into this particular situation. Population expansion, again, can also be taken into account. I think that the issue of the rural/urban divide has been raised. It is important to think about it in terms of the opportunities that are there, either in the rural or urban sector. There is also the issue of the gender divide in terms of realizing that sometimes it is more female than male who end up not being employed.

Madam Temporary Speaker, the issue of agriculture manufacturing has been brought into interplay. But I think also that one of the things that have caused such high levels of unemployment is the notion of white collar jobs *vis-à-vis* blue collar jobs. The *Jua Kali* sector is being under looked at various points. It is also important for that impetus to be put in place for them to be able to proceed and want to progress in those particular areas.

Madam Temporary Speaker, the issue of regional disparities has already been brought to the fore and, therefore, that is very important. If we are going to save the youth from unemployment, it is also critical to look at the situation that they are in. For those who have been employed, most of them are employed on the low end and it is very unfortunate that sometimes you will find even university graduates working in sectors that traditionally they would not be working in, because of the whole situation of unemployment. So, I think that it is critical for us, as the Senate. An initiative that is really going to make a difference for our graduate students is very important and key. The whole idea would be in the long-run to ensure that, that self-employment is sustained and this money paid back. They should actually project and ensure that they are able to create industries in the crucial areas. Embracing technology will help in the long-run because that is the driver of development. As much as they might have the technological knowhow, they need to be given the capacity to use it. Then there is the capital and skilled labour and the whole idea about increasing capital formation. Without that, it is impossible to move and spur this country into proper development.

Madam Temporary Speaker, for us what we need to discuss is the management of the fund, to ensure that it does not create a sense of despondency and “let-me-wait, I will just get money and give it back.” I think that what we need to do is look at the Motion and enhance it in terms of putting in the details that will help. This is because from my perspective graduates are a completely different component with very clear indicators of the situation and how such a fund would help them. It will be very critical to ensure that, that fund has guidelines and policies. This is because I think that if we look at the Youth Enterprise Development Fund, it has been there for a long time. One may ask: “Why has it been there for a long time and yet, we have so many youths who are so needy? What has gone wrong? What needs to be inputted so that we just do not go along the line of clamping together with the Youth Enterprise Development Fund---

Sen. (Dr.) Kuti: On a point of order, Madam Temporary Speaker. Is the Senator in order to say that the Youth Enterprise Development Fund has not worked, when, in fact, she knows when it was started and there is statistics of how many have benefitted; given the magnitude of the problem and how much funds and time would be required to address the magnitude of the problem that is ahead of us?

The Temporary Speaker (Sen. Ongoro): While that is a valid point of order, this is a Motion and she is giving her views. You are free to come to the Floor of the House when given the chance, to refute every claim that she has raised on the matter.

Sen. (Dr.) Zani: That notwithstanding, please, do not misquote me. I did not say that the Youth Enterprise Development Fund has not been useful or attained its goals. It has but with many problems, otherwise, we would not have so many youth who are still unemployed. That means that we need to go back, assess what is happening there and use that information to build up an even better fund.

Madam Temporary Speaker, I support Sen. Catherine in this Motion. Please, as Senate, let us enhance it, so that we can save our unemployed, especially the graduates who I think she was targeting in this Motion.

The Temporary Speaker (Sen. Ongoro): I realize the interest that this Motion is generating. Everybody wants to speak to this Motion, but I think that it is in our collective interest to hear from one who has held that docket of the Minister of State for Youth Affairs and Sports.

Sen. (Dr.) Kuti: Thank you, Madam Temporary Speaker. I would like to congratulate the effort made by the Mover. But I would like also to contribute not just as a former Minister for Youth Affairs and Sports, but share my thoughts about how I am observing the trend that the Senate is taking.

Madam Temporary Speaker, this is a House of very competent and respectable people, elected by their respective counties and also parties based on their capabilities. Coming here, I think we contribute by creating policies that will eventually address issues affecting our country in a broader way. The Motions that are coming are, first, very specific in their nature and are in piecemeal, while the problems facing us are of major magnitude. I agree fully that youth unemployment is a time-bomb. You cannot kill an elephant with a *rungu* or pistol. You have to apply the same opposite force to be able to overcome the challenge that is facing you. So, I am thinking of marshal plans. Unless we have a marshal plan for the problem of youth unemployment and youth empowerment, I do not think bringing very piecemeal policies in a very disorganized manner from various policy-making organs, will really address the problem. What we need is a marshal plan; a marshal plan that encompasses not just the fund but the whole facet of this problem.

When I say all its facets, I am talking about right from education, upbringing of these young people and so on. We have a problem where the root is so far deep but we are only seeing the end result of it. We are having young people being brought up in circumstances where they are more influenced by the media, social media, televisions and very little parental, little social and communal guidance where they become so individualistic. Most countries have programmes to inculcate virtues, patriotism and values into their young people through the National Youth Service, military training and so on but we do not have that here. From the television and the maid influence, the children proceed to secondary schools and then to universities. Our universities are structured in such a way that cramming is normal and the aim is passing the last exam which is done while one has been drinking or peddling drugs. So, just passing that last exam is what is only required for one to go to the next level. Obviously, there are a few marks here and there for Continuous Assessment Test (CATs), then additional marks from the main exams and one is ready for the market. When one is out here, the economy has not prepared itself because there is no industrialization to tap that skill even when one acquired it through cramming. There is no innovativeness that is inculcated in the universities. All universities are commercial or a factory producing numbers without quality.

These are the marshal plans that I am talking about. Right from the beginning, we really need to bring up young people properly. I would like to refer to our pastoral communities like the Samburu, the Maasai and so on which up to now are looking after their young people by involving them in various activities of their lives as they grow. So, the young ones grow up knowing that they are part of this community and have

responsibilities. Therefore, they have to be truthful and honest. All these virtues are lacking right now. It is a time bomb. So, we need a marshal plan for our people. If it is funds, we should not have funds for various educational levels.

The Youth Enterprise Development Fund has contributed whatever it was able to do. In any case, the magnitude of the problem *vis-a-vis* the amount provided is not the type that you can say it will create a lot of change at this point. This youth fund requires a marshal plan. What the Head of State or the Executive need to do is to pool together experts and analyze this fund and make sure that all its facets are put there at various levels and not this piecemeal policies and Motions that come here, just for our own personal interest, that I have put a Motion here. This would not help us. We are leaders and we need to think broadly. Therefore, as a Senate, we need to discuss this issue in such a way that what kind of Motion or Bill should come here that has a revolutionary impact and not a piecemeal impact.

Madam Temporary Speaker, these populist Motions should stop. They are always followed by populist comments here. This will reduce the status of this Senate. As leaders we need to come up with revolutionary policies that will really address the challenges of this country.

Madam Temporary Speaker, when I say marshal plans, the same applies to agriculture. We have our highly productive land being wasted because we have these small *shamba* systems where land keeps on being divided from five acres when the old man was there and now he has five children and each one of them must get one acre. These will also have children and the land will reduce to a half an acre. So, where are we heading to? We need a marshal plan for agriculture. We need policies that are revolutionary. It might be initially painful but eventually will lead to real results. This must also go hand in hand with industrialization. If you move people out of this *shamba* system and you create large-scale mechanized agriculture, then you must also have a serious marshal plan for industrialization to absorb the people you are moving out of this space. So, what we need is a marshall plan. We need revolutionary policies. We need revolutionary thinkers to be brought together by our leaders so that we can get the greatest opportunity at this particular time. We have gone through a peaceful election and we have seen what some piecemeal approaches to development like infrastructure by Kibaki's Government can do. We can learn from that to start revolutionary and marshall plan policies that can now take us to the next level. That is the way we should address these issues and I would like all of us to arise to these things.

With those few remarks, I beg to oppose because these are just cheap small policies. We need to be broader.

The Temporary Speaker (Sen. Ongoro): While you have exhausted your time, please use your parliamentary language.

Sen. G.G. Kariuki: Madam Temporary Speaker, first of all, I would like to congratulate the Mover of this Motion and I believe her Motion is not cheap as it has just been described because it has given us an opportunity to say what most of us have said. I do not think there was any other forum where one would have stood up here and started speaking aimlessly unless there is a Motion of this nature. There I think I need to thank her once again. However, having said that, I think Senators are going round and round because they are not sure whether to oppose or to support the Motion. I think the message has gone to the Mover that this Motion may not go through because several Senators

have given their own views and they are unlikely to support the Motion. So, I think it is up to her, perhaps to decide whether she wants to proceed or not. She could postpone it and perhaps get another opportunity of making it broader as the Senators have requested.

Madam Temporary Speaker, this matter is very involving. First, we do not know where the figure of 70 per cent of unemployed youth came from because I do not think that we have that figure. We have never had the correct figure in this country. We cannot say exactly how things are. Seventy per cent is a very huge number. We should look at this problem differently. You can provide the youth with a lot of money and also give money to women enterprises but you should ask yourself, under which environment are these youth going to develop their businesses? The country is confronted with a very serious problem of insecurity and that is why you see people concentrating in Nairobi and other urban areas where they can at least feel a little bit secure. For example, if this country had enough security to protect our people, these youth would have gone all over the country to look for jobs. But because of insecurity, they cannot move.

We have to change the attitude of our politics. For the last many years, we have concentrated on cheap politics; just wanting to feel that our brother or sister is now the President or a Member of Parliament. We have forgotten that we have a bigger responsibility. We can have as many Presidents as you wish coming from your area, but if there is no security and the politics of the country is not stable, then you are not going to attract anyone. If you want to get more money for this kind of development, who is going to invest his money so that the youth can get whatever is left out? Where do we collect this money to the tune of Kshs6 billion? These billions are coming from the people who pay tax. Do we have enough people to pay tax and why do we not have them? These are questions we need to ask ourselves.

Madam Temporary Speaker, first of all, we need to create political and economic stability in this country. How do we achieve economic stability? This is when you become fair and when you have strategies for the future of this country knowing very well that you are swimming in a very deep sea. We have to make sure that our youth will be able to swim out of this dangerous sea that we are all swimming in.

Several questions need to be asked by us as Senators; why are we in this situation? Has it just happened because we came here as Senators? Has it not been there for all these years and why has it never been confronted by the politicians? If you ask those questions, you will find that politicians in this country have been so naïve. They have been thinking of themselves more than the country. These are questions that need to be asked by any responsible leader. How did we come to this situation? We should not just keep saying that this country should have been like Japan or the Far East, because if you look at the political history of the Far East, they developed faster than us because when we had the Cold War, a lot of money was being spent to defend the interests of the Far East countries such as Korea, Singapore and the rest. They did not spend their money on anything else on their development because they were protected internationally. Therefore, they spend their money well.

Madam Temporary Speaker, another thing we need to understand is that they got into the democratic system very fast when Kenyans were just slugging. In 1974, we were at par with the Far East countries. In fact, we were better than Korea and others. But something happened that this country started having problems from 1963 when some politician wanted this country to go into devolution and some politicians were strong

enough to say no to it. We are now going back to what we rejected in 1963. So, a war of leadership and superiority started. But where did we go? That is what we are harvesting now that our youth are becoming impossible to manage. During that crisis, we did not tell our women and men not to procreate. They continued to give birth and those are the benefits you are reaping.

We have to be extremely clear in our minds whether we are here to play or to please anyone. We created this Constitution with a purpose and that purpose was for the Senate to sit down and come up with laws that would be for this nation like the masterplan that my brother has just mentioned. It is a very progressive idea, but the question is: Would it have happened without the new Constitution? I think condemning a lady who just got a job the other day is superfluous. We should leave this lady alone. I even do not know her but I think she got a job like you and I and, therefore, she should not be condemned for nothing. If we think that she cannot carry forward the devolution portfolio, you know who to ask. They can replace her because they are here for the betterment of this nation.

Madam Temporary Speaker, the other thing we have always known to forget is the structure of our economy. How has our economy been structuralized? If you have uncontrolled capitalism, that everybody must get as much as they can; it does not matter how much you steal as long as you have not been discovered, you go on stealing and then we expect to have a good economic system. I think time has come when we must ask ourselves how far we can allow one person to move in that direction. He could be encouraged to do whatever he is doing but he should be taxed to his nose so that that money which perhaps might have been stolen will go back to the people. That is the only way one can deal with this kind of a situation.

I suggest that the Mover of this Motion withdraws it before we defeat it.

Sen. Karaba: Thank you Madam Temporary Speaker. I stand here, first, to seek clarification from the Mover as to the use of the term Graduate which often appears in an initial capital "G." I wonder whether the word "Graduate" stands for someone from the university, someone who has left Form Four, one who has left Standard Eight or a graduate of nursery school. We have kids who graduate after completing nursery school and before joining Standard One. Before students join universities, they graduate after completing Form Four. When they are in university, they also graduate. This leads to an unclear position of the Motion. That is why we are here to---

Sen. Ong'era: On a point of information, Madam Temporary Speaker.

The Temporary Speaker (Sen. Ongoro): Sen. Karaba, do you want to be informed?

Sen. Karaba: Yes, I want to be informed.

Sen. Ong'era: Thank you, Madam Temporary Speaker. I want to inform my colleague, that indeed, the people being referred to as "Graduates" are college graduates. This is quite clear from the Motion.

Sen. Karaba: Madam Temporary Speaker, from the definition given, we still have college graduates from teaching colleges who may not get teaching jobs after graduating. We also have the graduates themselves like I was one time although I got a job. The difference here is in the use of the terminology although it is still not very clear.

Madam Temporary Speaker, the figure we have been given here is that we have over 70 per cent of unemployed youth. That was according to my friend, Mr. G. G.

Kariuki. However, this may not be correct. They could either be less or more. I am asking the Mover of the Motion, before it is passed, to bring a concrete conscious amendment in a manner that can convince all of us to pass it with some precise definitions.

We have to address the plight of the victims called Graduates. The people who are sitting here in the Senate and those who have served in various Parliaments since 1963 up to the time we were elected to be Senators, were in charge of various Ministries. Some of these Ministries were supposed to create jobs to the present youth as per the Motion. These are also the people who were in charge of planning.

Kenya, for a long time, has missed that aspect of planning. As you have heard from various Senators, it is true that you wake up in the morning and find planners who are doing things that cannot either be compromised or comprehended. The examples I have given here of fish ponds are true. In my area, Kirinyaga, we have dug several fish ponds even where there was no water. However, the money was squandered. The initial plans were to engage the youth in productive activities of fishing but this did not take off. However, the money was squandered. These are some of the things we need to find out with regard to the problems affecting the Ministry of Planning and Devolution and any other Ministry which deals with issues regarding the youth.

We need to come up with specific activities and the most important activity is education. Our universities are not geared towards the production of graduates who can fit in the job market. You will find that somebody is educated until Standard Eight, however, majority of these do not join Form One. Those who join Form One do not join universities because of the education system that we have.

Our quota system is also wanting. You have heard that some people have been confined to their 85 per cent quota in their districts and constituencies and cannot move to other areas where they can interact so that they learn more. We need to do more with regard to our universities.

We have students who are not skilled or knowledgeable because of the education that has been introduced today which requires somebody to memorise. That is the examination oriented education. We need to introduce technical education in our planning so that graduates finishing at different levels can advance. We should have more polytechnics in our counties so that those who do not make it to universities can be useful.

Somebody talked about Korea where I have been with my Committee of Education, Information and Technology. We realized that technical education there is very important more than university education. They respect polytechnics more than universities. If our youth were exposed to technical education, we would have more people saving others from unemployment.

As others have said, agriculture is the key industry in our country. We need to base our industries on agriculture. Agro-based industries should be established. We can even establish coffee industries like the ones in India. That is not very difficult. That is the planning we want so that as soon as we have our students completing their studies, they can set up various cottage industries, for example, in Keiyo Valley which would be based on cotton. We can also have sisal cottage industries and some dealing with clay, for instance, in Kisii. We can have people trading in various technical institutions.

We need to find ourselves the sources of this money. Where do we get the money from? We are being told that there is no money to pay teachers. These teachers have trained and yet there is a shortage of teachers. The planners are saying that we should divert that money to buy laptops. That is okay but who will teach the pupils about laptops and where do we get the teachers? The lack of the planning aspect is what may lead us to the very high unemployment rates of youth in Kenya. Those are the areas we should address ourselves to.

I oppose.

Sen. (Prof.) Lonyangapuo: Thank you, Madam Temporary Speaker. I would like to join my colleagues in thanking our colleague, Sen. Catherine Mukite, for bringing this Motion, which has elicited a lot of response and debate.

Madam Temporary Speaker, as I stand here remembering the Grand Coalition Government, I was the first Permanent Secretary (PS) for industrialization in the year 2008 and, lately, the Senate Minority Leader, Sen. Wetangula, was just the immediate Minister for Trade; trade now falls under Enterprise Development. This issue has come at a time when we must look at the rate at which Kenyan university graduates are coming out of the universities and colleges. Did you know that we have between 100,000 to 200,000 graduates every year graduating with their various certificates? Did you also know that less than 10 per cent of these graduates are getting any formal employment in any established jobs? To the extent that most of my students – because I was a principal of a university college for five years – when they come out, they come out with a certificate on the right hand and they are waiting for a job.

We still train people for white collar jobs, the way I see our system, but if we sit down and ask ourselves as Kenyans, since 1963, it is 50 years today; we have come up with the various brilliant policies and none has delivered us until July 2008, when the retired President and the Prime Minister launched the only solution to the problem, Vision 2030. It said that in the next five years, by the year 2012, Eldoret and Kisumu would be the hub for agro-based industries. I have not seen one single industry that has been built between the year 2008 and now; five years have gone. We are the best at manufacturing documents and storing them. For example, when I became the PS for Industrialization, I asked “has there been any attempt to do a factory for fertilizer?” and they said yes. They took me to the library and I found a whole shelf full of documents, plus the drawing of the only fertilizer plant that was supposed to have been done – and I think it was done on paperwork in 1983; we do not have fertilizers. As we even speak now, do you know that there is no Calcium Ammonium Nitrate (CAN) in Kenya; no ammonia, no urea? So, wait for problems next year associated with hunger.

So, Madam Temporary Speaker, I was going to support this Motion. What does it cost us if we come up with trial and error techniques; try, fail; try, succeed? When we sat down and looked at the problems, our problem is in one pillar. Vision 2030 has three pillars; political, social and economic pillars. The pillar that has no problem is the political pillar. We have not given direction completely on where the nation is supposed to go, and for which we stand by it. That is why I am saying, with all the interest this Motion has generated, we need to have a Committee of this House dealing with industrialization and enterprise. Why? It is because we have the Committee on Agriculture and Livestock. So what after the animals and the maize or plants? We need to add value to them. We need to have a Committee that is specifically sitting to talk about

value addition so that the graduates that we are talking about can now be useful. We even went further to talk about the Industrialization Fund; the Kenya Industrial Estates. We even came up with a brilliant idea by our current President now, the Economic Stimulus Programs (ESP) and projects in the year 2009. Every constituency has a Constituency Industrial Development Centre, but there are no tools nor workers there. Two, we even built fresh produce markets – I keep seeing one and I even saw one today in the morning between Eldoret Town and Eldoret Airport – but there are no women selling any fresh products there. Why? Because there is no money.

The money we talk about, the Youth Enterprise Development Fund and the Women Enterprise Development Fund – although our colleague came to talk about it – maybe that money is working in Nairobi; but it is not there in the interior counties or the counties which are far away from Nairobi. So, it could be rotating here in the offices, in boardrooms, seminars and in the banks. I agree when you say banks, because even the SME Fund that was funded by the World Bank (WB), they said “do not give the people the money; train the banks so that the banks can come up with products to lend to your people. So, now, Kenya is going to pay a loan to the bank for training people who are looking for money, but the real people who are supposed to benefit are not benefitting. This is where the whole thing is going wrong. We need to relook at the whole picture; that, as a country, where do we want to go? When we talk of agriculture, it is not the usual agriculture. We need to add value. This is where we need to talk about industrialization and the graduates come in. I would have said “let us try then” because we are used to be a nation of trials. Open this fund, let the graduates access the fund and then we wait again for the next four or five years to see whether any results have come, because I think they are more brilliant than the other people.

So, Madam Temporary Speaker, I support what my colleagues were saying. This Motion should be taken back to the relevant Committee, which should sit down with the Mover of the Motion, our colleague, Sen. Catherine Mukite, and then come up with a document from which legislation can even arise. I think we now have new people in the Ministries, including the architect of the ESP, other than the President now, is this lady who is the new Cabinet Secretary for Devolution. She is the one who was behind all this. So, I know we have capable people who are running this fund.

So, I will recommend that – without saying I reject this Motion – let us take it for further debate on the same and a Committee is assigned to this.

The Temporary Speaker (Sen. Ongoro): So, you support with amendments?

Sen. (Prof.) Lonyangapuo: Madam Temporary Speaker, I support with amendments.

The Temporary Speaker (Sen. Ongoro): Which you have not brought. Anyway, thank you.

Sen. (Eng.) Muriuki: Thank you, Madam Temporary Speaker, for giving me the opportunity, and to start off, I stand here to support this Motion. I do also wish to appreciate some comments made by Sen. (Dr.) Kuti with regard to the way we seem to do things in our country; a sort of piecemeal approach instead of doing one marshal plan to sort out a major problem like youth unemployment.

However, Madam Temporary Speaker, can you allow me to bring an issue which, perhaps, may not have been raised by any of the other speakers; which is; what is the fundamental source of our youth problem? At one time, I was in a delegation of

parliamentarians in a country called the Netherlands, and at that time I was in the steering wheel of something called the Constituencies Development Fund (CDF). So, we were talking about schools, hospitals and other basic grassroots things. What came out in our discussions with the parliamentarians in that country is that, if you look at our population today, it is about 40 or 41 million. If you go 20 years back, it was about 20 million. If you go another 20 years before that, it was 10 million. In other words, the doubling rate of our population is roughly around 20 years or thereabouts. The parliamentarians of the country where we were could not understand why we need new hospitals, new primary class rooms and so on because the doubling rate of their population was by then 427 years. In other words, the classrooms they built at the turn of the century, in the 19th Century, are the same classrooms they have; they have no need for new nursery schools and they have no need for this or that.

Madam Temporary Speaker, what I am saying is that one of our fundamental problems with our youth is that we are producing too many of them.

(Laughter)

I know we have had family planning programmes and so on; but the mere fact is that, if we continue producing new youth at the rate we are doing and our economy is growing only at a certain percentage---

The Temporary Speaker (Sen. Ongoro): Order, Senator! I will have to cut short your contribution. You have three minutes remaining in the afternoon to continue.

ADJOURNMENT

The Temporary Speaker (Sen. Ongoro): Hon. Senators, it is now time to adjourn the Senate until 2.30 p.m. this afternoon.

The Senate rose at 12.30 p.m.