DEPENDENCE, UNDERDEVELOPMENT AND UNEMPLOYMENT IN KENYA

School Leavers in a Peripheral Capitalist Political Economy

Fantu Cheru

UNIVERSITY
PRESS OF
AMERICA

DEPENDENCE, UNDERDEVELOPMENT AND UNEMPLOYMENT IN KENYA

School Leavers in a Peripheral Capitalist Political Economy

Fantu Cheru

UNIVERSITY PRESS OF AMERICA

Lanham • New York • London

4720 Boston Way
Lanham, MD 20706

3 Henrietta Street
London WC2E 8LU England

Printed in the United States of America

British Cataloging in Publication Information Available

ISBN: 0-8191-6540-9 (pbk. : alk. paper)
ISBN: 0-8191-6539-5 (alk. paper)

All University Press of America books are produced on acid-free paper which exceeds the minimum standards set by the National Historical Publication and Records Commission.

ACKNOWLEDGEMENTS

This book would have been impossible without the valuable assistance and advice given to me by numerous individuals. Steve Hellinger and Guy Gran read the manuscript and their constructive comments proved invaluable to me in shaping the content and style of the book. The more mundane task of word processing was done by the following students of mine at American University whom I am indebted: Paula Antonovich, Kellie Yencer, Shari Wenokur, Kelly Wesemann, John Luhman and Amy Elestein.

FOREWORD

The Third World toady faces an ever deepening crisis. One of its most dramatic manifestations is a trillion dollar debt, but underlying that debt is a much more fundamental problem. Since WWII, western governments and multilateral institutions have encouraged Third World governments to follow development policies of export-led growth, to keep their economies open while sacrificing production for local consumption. This western desire to maintain access to Third World markets, cheap labor, raw materials and other resources has created a relationship of interdependence of unequals. This exploitative relationship has been financed by private capital, multilateral institutions and bilateral aid agencies who continue to underwrite it.

The policy of dependent development, while benefiting local elites and western interest in the short-term, have bankrupted Third World economies to a point of mortaging the future of the silent majority in developing countries. The world recession of 1980, reinforced by the conservative fiscal and monetary policies of Ronald Reagan and Margaret Thatcher proved to be the straw that broke the camels back. High inflation, budget deficits, foreign exchange shortages and heavy foreign debt commitments have interacted with the worest drought in sub-Sahara Africa to create a major economic crisis in the continent. In the face of growing marginalization of the majority of the people in Africa and elsewhere in the Third World, the major western development institutions such as the IMF and the World Bank continue to advise Third World governments for intensive application of conventional development models which created these economic and social problems in the first place.

In these pages, Professor Fantu Cheru incisively explains the fall-out of this vulnerability for one of the most committed followers of dependent development- Kenya. He rightfully rejects the efforts of the International Monetary Fund, the World Bank and other institutions that represent Northern financial interests to avoid much of the blame for the current African crisis and to pin it on, among other things, the misguided social policies of national governments. More particularly, the thesis of Dependence, Underdevelopment and Unemployment in Kenya is that unemployment among Kenya's school leavers "stems not so much from inappropriate education, as often argued, as from the bankruptcy of elite-oriented western development strategies....."

As the debt crisis deepens, the tenacity with which the North continues to promote the development policies that helped create it is striking. Investment in the productive capacity of the poor majority has been shunned, with economic solutions being sought instead in "structural adjustment" programs that hit hardest at those in the population who are most vulnerable and least responsible for national debts, namely women and children.

A pertinent and recent example of such behavior was a regional workshop on cooperation for education and training in Eastern and Southern Africa, convened in Nairobi in May, 1986 by the World Bank. The Bank had determined that public expenditures on education would have to be cut and invited the region's education ministers and other public and non-governmental representatives to shape, within that context, education policies and programs that the Bank could support. Faced with this agenda, the African participants determined that they could not accept the Bank's premises about development, particularly the blame that it placed during the workshop solely on Africa for the continent's development and education problems.

In a statement issued jointly at the conclusion of the workshop, the NGO and governmental representatives criticized the Bank for its "paternalistic stance in its assessment of the status of education in Africa" and suggested that:

- The Bank exhibit a recognition that it shares a measure of responsibility for the current situation in education and development, in general, in Africa;
- The Bank demonstrate a more accurate and up-to-date understanding of actual educational practices and programmes in the region; and
- educational policy and financing be viewed within the context of African development and practically as it relates to the current debt burden.

This African challenge to the arrogance of Northern policymakers receives important substantive support in Professor Cheru's work. An Ethiopian with peasant roots, he speaks for millions of Africans who feel powerless to affect policies which are thrusting more and more of them into strictly survival modes. This treatise offers the most important lesson that the North can learn about its relationship with the South: that the imposition of policies formulated without consultation with the people on the ground will yield development modes and social structures that are ultimately unsustainable.

Stephen Hellinger
Co-Director
The Development Group for
Alternative Policies

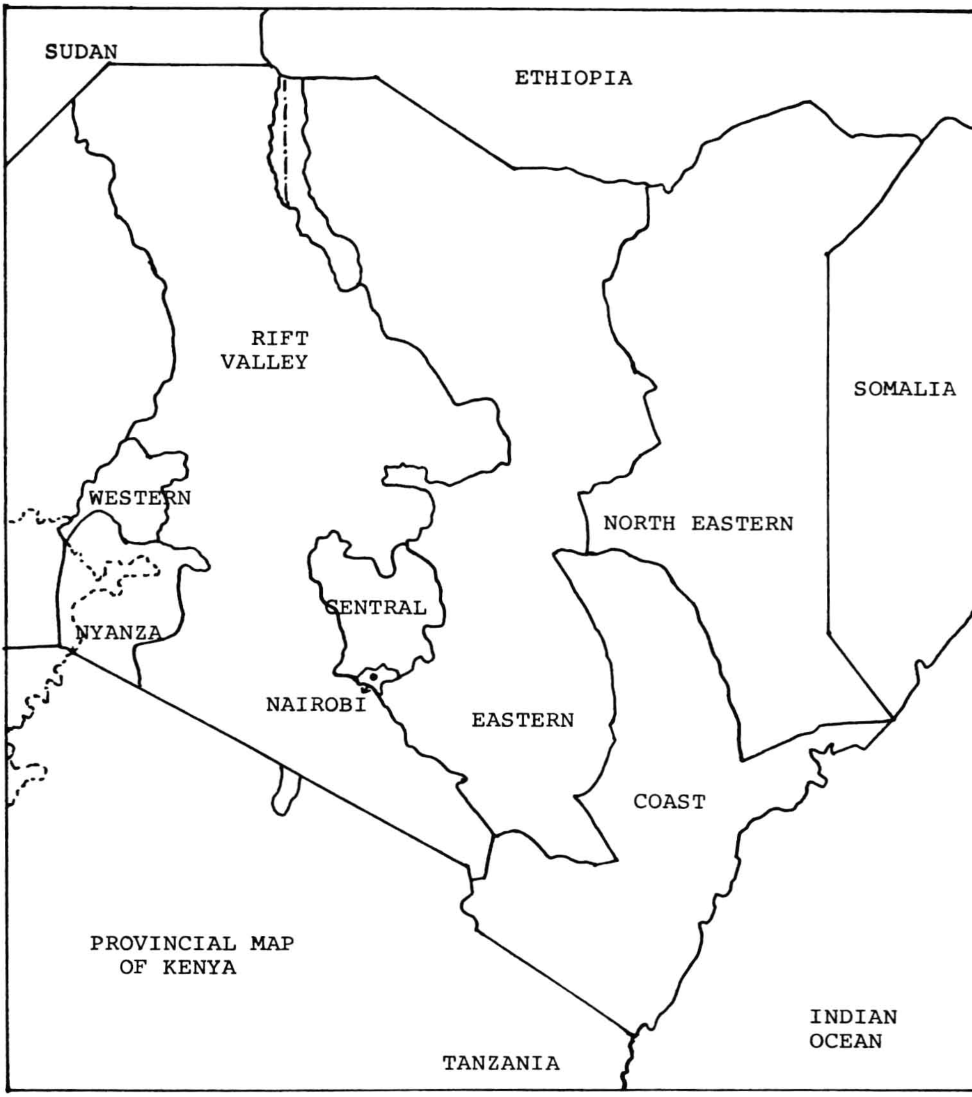
SUDAN
ETHIOPIA
RIFT
VALLEY
SOMALIA
WESTERN
NORTH EASTERN
CENTRAL
NYANZA
NAIROBI
EASTERN
COAST
PROVINCIAL MAP
OF KENYA
INDIAN
OCEAN
TANZANIA

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

FIGURE PAGE

CHAPTER 1

INTRODUCTION AND REVIEW OF LITERATURE

The main purpose of this study is to investigate those socio-economic, historical, and political factors which best explain the sources of graduate unemployment in Kenya. In the literature on development, education and economic growth are generally agreed upon to be central components of national development, particularly as they relate to the expansion of employment opportunities. However, current thinking on national development does not agree as to the interrelationships between these variables and, as a result, there is a divergence of opinion concerning the type of development strategies which should be adopted to resolve the unemployment problem. This study is an attempt to empirically verify the historical roots of the prevailing social problem of graduate unemployment and Kenya's attempt to address it.

In order to gain a better understanding of the problem, it is necessary to examine the socio-economic evolution of Kenya in very broad outline form, starting from the early colonial intrusion of the country. This is justified because the present economic, social, and educational structures of the country have characteristics whose origins date from different key formative periods: (a) the incorporation of Kenya into the international economy through the process of colonialism (1846-1963); (b) the shaping of Kenya's social relations as the country's links with the international economy changed in the context of decolonization (1950-63); and (c) the performance of the post-independence Kenyan economy as shaped by internal and external interplay. These externally-manipulated historical changes led to some structural economic changes and much institutional continuity in the post-independence period. The central task of this study is, therefore, to determine to what extent dependency conditions the relationship between the educational system and the economy and distorts manpower planning in Kenya.

The Development Problematique

Kenya, unlike many African countries, has enjoyed a relatively high rate of growth (well over 6% per annum between 1964-70) and is regarded as a model of economic development for other African states. However, a closer examination of the Kenyan economy reveals many sources of potential conflict which have not been addressed by policies which emphasize export-led economic growth. Central to the unemployment problem is the potential conflict arising out of a rapidly growing number of school leavers on the one hand, and on the other, the limited opportunities for a sufficient level of employment for this segment of the labor force. In the first few years after independence, the problem was confined to the primary school leavers. But since the 1970's, secondary and technical school graduates and increasing numbers of university graduates have been experiencing difficulties in securing employment. The school certificate is no more a guarantee of economic success for the majority of Kenyan students.

What are the factors that condition the paradox of a developing country such as Kenya which clearly needs more educated manpower, but is unable to use it when it becomes readily available? Is education at fault? Has it expanded too rapidly? Has it produced the wrong kind of manpower? Or does the fault lie elsewhere--perhaps in the economy, or in economic development policies and plans? This study attempts to untangle the complexity of the problem by raising some important questions, taking into account the social, economic, and political predicament in which the nation of Kenya finds itself.

Literature Review

For the past three decades, western development theorists have been enthusiastic about the contribution of education to economic development and employment opportunities in developing nations. Students of socio-economic development emphasize education as an agent of sociocultural change that develops human capital, influences the formation of elites, and modernizes attitudes and behavior in the general population.[1] Economists and government officials have also emphasized that education can produce the knowledge and skills required for economic development.[2] Based on this assessment, many developing countries have concentrated on expanding the educational system from primary school through the university. For example, primary school enrollments in Ghana almost tripled between 1960 and 1970. In Gambia and Botswana, enrollments more than doubled between 1960 and 1970. In Kenya, Zambia, and Sierra-Leone, enrollments nearly doubled during that same period.[3] This development suggests not only a general rise in the level of literacy, but also substantial increases in access to educational opportunities for Africans.

In recent years, however, serious questions have been raised which challenge some of the traditional assumptions about the effects of education on economic growth and social mobility.[4] The efforts to rapidly expand educational opportunities have not been without problems. Despite the heavy investment in education, unemployment of school leavers has become a matter of growing concern--even political discontent--in many cases, as these developing countries do not have sufficient employment for school graduates.[5] Even in the early 1960's, Archibold Callaway found that unemployment among primary school leavers in Nigeria had reached serious proportions.[6] A more recent report found that in Western Nigeria, 41% of the primary school leavers were without employment nine months after leaving school.[7]

In Kenya, a 1968 tracer project indicated that of a total of 1,186 secondary school leavers, 175 (14%) remained unemployed in their first year after school. The remaining leavers were distributed as follows: 513 (45%) undertook further education, 394 (33%) were employed, and the remaining 86 (7%) were untraced.[8] In the 1975 Certificate of Primary Education examination (CPE), of 220,000 candidates, approximately 150,000 (68%) failed to gain admission to secondary schools. Of these, some found work; others joined the ranks of the unemployed. This growing problem suggests that the further rapid expansion of formal education beyond the literacy level without constructive efforts to create meaningful employment opportunities is likely to generate political as well as educational unrest.

The unemployment situation among school leavers has worsened in Kenya since 1968 for two reasons. First, there is a lack of secondary school openings for those who want to continue further in their education even though the demand for education has increased. Secondly, despite an impressive rate of growth in the GNP (6% per annum between 1960-70), employment in the modern sector of the economy has not been growing in a direction that would absorb the thousands of school leavers. The appropriate policy measures which should be adopted to resolve this particular development dilemma are the subjects of heated and sometimes bitter arguments.

Two contrasting approaches are frequently discussed in the literature to analyze the development and underdevelopment of Third World nations. The first is embraced by the "modernization school," which suggests that the development of areas such as Africa will come about only through closer association with the developed countries of the west in a much more comprehensive technological, even ideological, sense. The second explanation, incorporated into the "dependency model," views foreign penetration into the political and economic structure of the Third World as a conditioning factor and implies that development can occur only if both internal structures and Third World relations with the developed countries of the west undergo a complete change.

The purpose of this critical literature review is twofold: (1) to outline the various explanations offered by these two