

ONE DAY WORKSHOP ON EVALUATION OF WOMEN'S
ACCESS TO URBAN LAND AND CREDIT AND
COMMUNITY DEVELOPMENT ACTIVITIES IN
URBAN THREE HOUSING PROJECT - KENYA
ELDORET-SIRIKWA HOTEL - 26-6-1989

IMPACT OF THE PROJECT ON EMPLOYMENT
AND INCOME GENERATION

BY

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PART IV : IMPACT OF THE PROJECT ON EMPLOYMENT AND INCOME GENERATION

4.1 INTRODUCTION

In most Developing countries only a small number of new jobs are available in agriculture. The capital scarcity limits the number of nonfarm jobs that can be created, because investments costs per job are high in modern industry. Thus an effective development policy should seek to increase the labor relative to capital, to the extent that it is economically efficient.

In the Sessional Paper No. 1 of 1986 on Economic Management for Renewed Growth, the Kenya Government notes that historically, there has been a tendency (which will obviously continue) on the youth coming to urban areas seeking for white collar employment. The Paper further notes that given the opportunities opened up by rising rural income together with pressure for new jobs exerted by a growing workforce that is estimated to double from 7.5 million (1984) to 14 million by the year 2000, informal sector (or small-scale Enterprises, SSES) will have to expand. The formal sector is estimated to absorb only 1.15 million (1984) to 2.33 million (2000).

Estimates show that after other employment sectors take their portion - with urban informal sector taking from 0.2 million (1984) to 0.4 million (2000) and rural non-farm 1.31 million (1984) to 2.84 million (2000) - the unemployed will be 0.98 million (1984) and about 1.4 million to 2.85 million (2000). These unemployed include unsurveyed urban wage workers and casual workers as well as the unemployed. Thus it is officially recognised that modern sector will be unable to accommodate more than a fraction of Kenya's workers from now to the end of the century and that the majority of the future non-

farm job opportunities will be in the informal sector (or small-scale enterprises, SSEs).

One of the main objectives of the Third Urban Project was to assist in the development of an integrated urban network which will support economic growth in rural areas and improve the population holding capacity and urban employment base of secondary towns in Kenya. The specific objective of this section is to evaluate employment creation by Third Urban Projects in the selected towns of Eldoret, Nakuru and Thika both direct and indirect. For those projects already implemented we are interested in determining the activity groups that are successful, facing problems, and what types of problems,, the extent to which they are trying to solve these problems and how the authorities concerned can enhance their development. Income profiles of these activity groups and the extent to which these projects are benefiting urban poor are determined.

4.2 HOUSING, URBAN DEVELOPMENT AND EMPLOYMENT

Housing apart from being a consumption good is also an investment good. Salient urban socio-economic problems are seen in housing. These include sprawling slums and unplanned settlement which lack adequate basic infrastructure services such as water supply, sanitation drainage, roads and street lighting.

Housing contributes significantly to capital formation in the economy. For instance between 1976 - 1981, housing accounted on the average for 15 percent of capital formation in Kenya contributing significantly to national output and employment. between 1982 to 1988, it accounted for 16 to 19 percent of Gross Capital formation of the Kenyan economy.

Public policy on housing does not only aim at shelter provision per se but also takes into account the externalities of