

ORGANIZATIONAL ASPECTS OF
SOCIAL SECURITY IN KENYA

LUKE ODHIAMBO MUSIGA

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PROLOGUE

The study has drawn from the general concepts of social security to illuminate the development and factors involved in organising social security in a country like Kenya.

The introduction Chapter opens with a discussion of broad matters of principle including definition of social security highlighting the indigenous institutions and referring specifically to the origins of modern social security and to the ideas of social security as they are seen through the quest for solidarity, and the functions of social security in social and economic development.

Early ideas on social security in Kenya stemmed from colonial labour policy. A survey of labour policy and wage structure lays the basis for examining the scope and the financial sources of a social security system. The problem of wage income is crucial to the development of a social security scheme. Employment policy and the fluctuations and structure of wages percolate into social structure. The second Chapter, while reviewing some literature on these problems, discusses the impact of labour in development of social security by tracing to some extent, the history of labour policy and the theories of minimum wage including labour protection and the introduction of social security measures.

The third Chapter traces the structure of social security organization in Kenya and discusses this structure in the light of stated policy and exposes areas of the organization for further analytical discussion.

The fourth Chapter discusses generally the organization of data which form the basis of this study and comments critically

on documentary or statistical evidence collected to aid investigation into the hypothesis and explains the methods adopted in the organization of statistical sources and field surveys; and introduces the data which are critically analysed in the following Chapter.

The fifth Chapter introduces in a general discussion the data collected with the purpose of testing the hypothesis 'that the present system of social security in Kenya leaves out the people who are in real need of social security protection and, above this, that it favours people in wage employment who predominantly live in urban areas; and tends to give more security to the higher income groups'. The Chapter analyses other statistical data to enquire whether there is a case for the development of modern social security and the areas of social problems which require bold policy approach.

The sixth Chapter critically reinterprets the analysed data to highlight such problems as employment policy and wage structure, mobility of labour, demographic and social structure, and other factors which need to be taken into account in the discussion of social security such as pressure groups, cultural diffusion, technical development and international co-operation.

The seventh Chapter is a philosophical excursion embracing the concept of Harambee. It discusses the place of social security under Harambee philosophy and speculates on relevant measures which require to be given attention in order to accommodate a system of social security which is relevant to Kenyan society.

The eighth and last Chapter reviews some areas of policy and comments by way of introducing problems on definite lines

which should be taken, while suggesting to a certain extent initial approaches to the desired changes.

CHAPTER I

INTRODUCTION

A. Indigenous Institutions

In Kenya even before the contact with foreign peoples an embryonic form of social security was to be found in the indigenous institutions. The tribe, the clan, the village and the family are the bodies which provided and still provide for social security in the customary environment. The security of members of the family is organised on a scale which has come to be known as the extended family - or the complete family:

"The extended family includes all living members descended from the original small family, or at least all those of its descendants who are not so far away in time to distances from their ancestors as to have forgotten the bonds of kinship which they owe to their common stock... In practice the extended family usually consists of four generations; the patriarch, or head of the family, his brothers and cousins, their children and grandchildren... its chief, apart from minor variations, is the oldest member of the family."¹

In practice social risks were covered by natural means according to usages and customs. In customary Kenyan tribes the contingency of unemployment, in the usual sense of the term was unknown. It was generally a question of under-employment, a reduction in daily tasks arising from climatic conditions or seasons, rather than loss of employment. In time of reduced activity, the provisions amassed during the good season,

supplemented by the products of secondary or similar activities, enabled the people to live through the period of recession. Total unemployment did not exist and the dead season did not throw anyone into want. An old man was aided by the whole community. Contingencies to women, for example at the time of confinement, support from mother or mother-in-law and other close relatives was available. Food was supplied by the husband, brother-in-law and other close relatives. A widow was taken care of until she got another husband or otherwise she was taken care of within the system. At death, funeral expenses were not left to the dead person's family.

Financing these social risks was effected through provision from herds, poultry, craft products etc., or offer of labour for a specific time.

In customary groupings the idea of social security is increasingly confused with the usage of indigenous solidarity, mutual aid and assistance. Kenya is becoming more and more a country governed by the normal pressures of a modern monetary economy.

The rural exodus, urbanization and economic development have been conducive to the break-up of the extended family and have led to involuntary individualism in which the single wage of the detribalised individual no longer suffices to meet his family obligations. It is no wonder that he joins various associations - ethnic, or religious, whose aim is solidarity in different contingencies. This is a moral and material means of providing against contingencies no longer covered in actual social conditions.

Indigenous societies were content with rudimentary and inexpensive means consistent with their rudimentary life. The

burden, for example, of funeral expenses at the present day lies in the purchase of coffin and tombstone, the transport of the body from the place of death to the cemetery or from one town to another. Expenses of this kind cannot be borne by a single detribalised individual if he has no other resources except his wage and if the deceased was not insured.

Although the challenge now is that it is out of question that ancient institutions which were valid in a primitive society should be perpetuated, it is to be noted that indigenous institutions have survived changes, all still exist in the rural areas and also in the towns in the form of mutual aid associations of an ethnic, regional or confessional character. The chief disadvantage of their operations lies in the weakness of their resources which are based on the free subscriptions of the contributors and on the generosity of the members of the community concerned.

B. Origins of Modern Social Security

The main purpose of any plan for social security 'is insurance against interruption and destruction of earning power and for special expenditure arising at birth, marriage or death.'²

At the beginning of the early 19th century, industrialization had begun in Western Europe. A new class of factory workers dependent on the regular payment of wages for their subsistence had emerged. A spell of sickness or unemployment reduced workers to poverty.

'In Great Britain until late in the 19th century relief of poverty incurred through any cause could only be given under

Mind your language!

the poor laws or by private charity. In some other European countries this matter was left to the church.'³

An International Labour Office manual on social security has traced that the period up to about 1880 three methods had been devised and applied in order to protect the urban labouring class from destruction:-

- (i) "Government operated savings that accepted very small deposits had some success. Immense numbers of wage-earners maintained accounts in these banks in numerous countries. But savings is not by itself a method of achieving social security. Illness, accidents, unemployment and death may occur at any age.
- (ii) The theory of employers liability had as its basis the quasi-paternal authority of master over servant. This was highly attractive to governments which felt that they could solve the problem of social security without being put to the trouble of setting up special machinery or of spending tax money.
- (iii) The last of the 19th century method was private insurance in its various forms - insurance through mutual aid societies and insurance through insurance companies."⁴

Employers liability today is associated with compensation for injury caused by employment. Negligent employer was required to pay compensation but it was difficult for the workmen to prove the employers negligence even when it did exist. The theory which won acceptance was known as the 'principle of occupational risk' with its corollary of employers liability.⁵

This theory is that the employer who sets up a factory creates an agency which, by its very nature, is likely to cause injuries to his workers, through no fault either of himself or of the employee; it is therefore, just that the prejudice sustained by the victim should be compensated for by the employer and be included in the cost of production. Upon this theory were founded the laws imposing on employers a liability to pay compensation to their workmen in case of injury accidentally received in the cause of employment.

A general system of social security cannot be provided through use of the employers' liability method. 'It is true that public authorities and large private corporations possess the financial strength and administrative capacity to discharge the liability laid upon them and often take the initiative by offering benefits to their staffs in the interest of good industrial relations. But not all wage earners work in large undertakings.'⁶

Insurance companies began to issue policies under which the insurer took over the liability from the employer in return for a premium proportional to the risk calculated for the undertaking. This development contained some element of risk pooling of industrial accidents. But where insurance companies have taken over employers liability for workmens' compensation they have often resisted claims as vigorously as possible. 'Very likely these practices acquired a notoriety that was unfairly detrimental to insurance companies generally, but they have long since impressed governments in many countries with the desirability of seeking other arrangements for carrying the risk of employment injury.'⁷

The Mutual Aid Societies whose main object was to help the member in time of sickness with simple medical care and to pay for his funeral in return for a regular periodical contribution, were practising the method of insurance but they were not allowed to insure payments of benefits such as pensions, which involved accumulation of substantial reserves and require actuarial calculations and their accounts had to be audited.

"As soon as their management became business like, they showed reluctance to accept old individuals, those not in good physical condition, and persons whose earnings were small and employment irregular. The commercial enterprise of life insurance and related branches of insurance has never been able to adopt itself satisfactorily - from the standpoint of the insured person - to the exigencies of social security operations. Life insurance companies compete with one another for the favour of the customer. Insurance companies, whether profit making or mutual aid character, try to keep clear of bad risks and to compose their clientele exclusively of select lives. Obviously social security cannot be organised on these lines."⁸

When social insurance was invented in Germany the development supplied the essential techniques rendering possible the progressive realisation of social security. Between 1883 and 1889 the German Government, guided by Bismark, created the first system of social insurance. The example of Germany was soon followed by Austria and at a distance of thirty or forty years, by the United Kingdom and the other countries of Europe, the USSR and Japan. After the great depression of the 1930s social insurance spread to Latin America as well as to the United States and Canada. On the mainland of Asia and in Africa

and the Caribbean region social insurance came at different times after the end of the second World War, following the achievement of national independence.⁹

The German type of social insurance included sickness insurance, employment injury insurance, invalidity and old-age insurance, all of them applying compulsorily to wage-earners in industry.

A second approach to social security was developed at the turn of the century by Denmark, as part of a systematic programme to enable self-respecting citizens to avoid recourse to poor-relief and the consequent suspension of civil rights.

'Danish public opinion was gradually coming to accept the idea that it was wrong for old people to be exposed to this indignity after a long working life in the service of a country. Thus it was that a new form of service, which we call 'social assistance', was invented: benefits were payable, as of legal right, from public funds in prescribed types of need deemed not to be due to the applicants own fault. The system found favour chiefly in Scandinavian and the English speaking world. The first contingency to be covered was that of old-age, but gradually non-contributory benefits were introduced for invalids, survivors and unemployed persons as well. Finally, in New Zealand and Australia a complete social security system was constituted by amalgamating a series of such benefit schemes.'¹⁰

Mention should also be made of another approach that has been followed by some countries in recent years to provide protection to their workers against various risks. This is known

as the provident fund approach. A provident fund scheme is essentially a system of compulsory savings. Employees and their employers pay regular contributions to a central fund where they are credited to a separate account maintained for each worker, on which interest is paid. When defined contingencies occur, such as old age, invalidity, or death, the worker or his survivors receive back generally in a single lump sum the amount in the account, including accrued interest. A part of the amount in the account may also be paid in case of sickness. There is no pooling of risk and no use of the insurance principle. Among countries now maintaining provident funds are Ceylon, Ghana, India, Kenya, Malasia, Nigeria, Singapore, Tanzania, Uganda and Zambia.

C. Definitions

In view of the great variety of forms which the institution takes there is no generally accepted and generally applicable definition of social security. 'What is most frequently meant by social security is the whole set of compulsory measures, the object of which is to protect the individual and his family against consequences of an unavoidable interruption or serious diminution of the earned income available for maintaining a reasonable standard of living.'¹¹

International Labour Office defines social security as 'Security that society furnishes through appropriate organization, against certain risks to which its members are exposed.'¹²

These risks are essentially contingencies against which

the individual of small means cannot effectively provide by his own ability or foresight alone or even in private combination with his fellows. It is characteristic of those contingencies that imperil the ability of the working man to support himself and his dependants in health and decency. Accordingly, as the state is an association of citizens which exists for the sake of their well-being, it is a proper function of the state to promote social security. While all state policy has some bearing on social security, it is convenient to regard as social security services only such schemes as provide the citizen with benefits designed to prevent or cure diseases, to support him when unable to earn and restore him to gainful activity.

Definitions reflect experience in the industrial countries. In a wage economy the insecurity of a family's income is caused principally by unemployment of all kinds, including seasonal unemployment. In a rural economy of small holders and peasant cultivators insecurity is caused not only by unfavourable weather and other causes of bad harvest, but also by fluctuations in agricultural prices, particularly where crops are sold for cash in world markets.

Neighbourliness is a most valuable feature of human relations today as well as in earlier times, but so often nowadays in urban centres people do not know those who live near them, and frequent movement prevents them from establishing those close associations and friendly relations which strengthen the foundations of security through direct mutual aid. The coming of industrial age destroyed the security which feudalism had provided.

Contrast between agricultural and industrial economies, and the greater anxieties and insecurity of the latter, are

appropriately expressed by Professor Hendry in an article 'Age of Anxiety'.¹³ In this article he refers to the early farm immigrants to Canada, who were called 'settlers' and lived in 'settlements'. These terms suggest security, and mutual aid and neighbourliness in times of difficulty. Apart from their exposure to the vagaries of weather, the workers on the land had a feeling of self-sufficiency and a sense of security. With the coming of industrialization a cash economy replaces a crop economy, mobility of labour is a necessity, workers become dependent on the manouvres of high finance and economic policy and their services may become unwanted because of the invention of labour saving machines. Unemployment becomes an even greater threat than the approach of a hail storm across the fields ripe with maize and wheat.

One of the fundamental problems of social security is to determine what should be the extent of the states' responsibilities and what should be borne by the individuals and private group. Professor Cassidy (1940) pointed out that 'social services instead of being a luxury, or a sop to the conscience of the wealthy, or a desirable but costly charity, or an irresistible political demand of organized labour, are actually an indispensable element in the full mobilization of the nation.'¹⁴ A somewhat similar view was expressed in a report on a co-ordinated policy regarding family levels of living that was submitted to the U.N. by a group of experts under the Chairmanship of Dr. G.F. Davidson. The group was convened jointly by the U.N. and the I.L.O. They said:-

"Instead of treating social policy as a housemaid whose function is to tidy up human suffering and insecurity left in the wake of economic development, social objectives should be 'built-in' on an equal footing with economic objectives into comprehensive social economic planning."¹⁵

Most definitions are arbitrary and involve border line or overlapping items. No logical definition would be altogether clear cut. Moreover, in the various countries, social security has not in practice been based on logic but on political expediency and administrative convenience. Consequently some agencies perform functions which are partly within the field of social security and partly outside.

Definitions which reflect industrial experience summarise social security as maintenance, under conditions defined by legislation, provided for people and their dependants who are in need because of sickness, unemployment or old-age, or who are incapacitated for work by injuries, long term illness or permanent invalidity, together with benefits for large families and widows and orphans; and grants for the cost of birth and burial.

D. Social Security as a Right

From the very first social security schemes up to the most recent modern laws, there has been gradual process of forming a theory of social security.

'The most important aspect of legislative trends has related the very nature of social security as, up to the second world war, laws - which were usually referred to as social insurance laws - continued to be regarded as within the domain of government, to be dealt with according to political convenience. Only as a result of the social changes arising

from the second world war did protective legislation cease to be the exclusive concern of particular governments and became transformed into a human right particularly applicable to workers'.¹⁶

The Atlantic Charter, the social security scheme of Great Britain, Canada, France and other countries, the Universal Declaration of Human Rights, the political constitutions and fundamental laws of a constitutional nature in modern states established social security as a human right, and together with other civil, political and social rights, this was instrumental in taking social insurance legislation out of the hands of purely governmental decision and transforming it into an irrevocable obligation requiring to be developed urgently in order to establish the individual rights of all those affected by it.

The most characteristic of these rights are found in the Universal Declaration of Human Rights adopted on 10th December, 1948 by the General Assembly of the United Nations. The rights are regarded from four aspects of which the following are of special importance for the study of social security:-

- (i) "among individual rights, the right to life;
- (ii) the right of the family, recognised as the natural and fundamental element in society, to protection by society and by the state;
- (iii) the right of association;

- (iv) economic and social rights, especially those expressed in articles 22 and 25. Article 22 provides that every individual as a member of the society is entitled to social security."

Under article 25:-

"Everyone has the right to a standard of living adequate to ensure his health and welfare and that of his family, especially as concerns food, clothing, housing, medical care and the necessary social services; everyone has the right to social security in case of unemployment, sickness, invalidity, widowhood, old age or loss of the means of subsistence on account of circumstances beyond his control."

At present social security laws conform to this theoretical principle of providing a 'right' recognised to citizens; generally with reference to criteria of economic or working activity.

The fact that the objectives of social security correspond to a single real set of rights has led to an increasing legislative tendency to reflect a single legal system the whole range of standards which together make up the scheme of protection, defence and safeguards implied in social security. This phenomenon, states Buihl (1964), has a dual aspect:-

- (i) "Those countries which have been building up protection for individuals by independent social insurance laws covering given risks are rapidly moving towards the integration of these systems into legal systems that are integrated or have a tendency towards unification.

- (ii) The other aspect is reflected in the legislation of those countries whose social security has begun to develop since the second world war or is at present in process of development. Thus the majority of social security legislations in Latin American countries consists of modern unified legal system and in a similar manner a system of social security is being built in some African countries which, inspired by modern idea, are pushing forward sharply and strongly into the field of social protection of the workers."¹⁸

It is also the case that this integrated linkage of social security legislation favours the tendency of modern governments to administer the schemes, on the basis of the theory of economic planning and administrative rationalization.

'Hardly thirty years ago,' observes Bufill (1964), social insurance legislation was dominated by the tendency to limit its scope to wage-earning workers who, because of their low income, were considered as economically weak. This tendency was so strong that the general theory was based on the consideration that social insurance was a system of covering those workers who were unable individually to bear the costs arising from illness or to put aside savings to provide freedom from financial worry in old age. Today national legislation has evolved to such a degree that it now contrasts sharply with these former concepts.'¹⁹

Even if the variety of different legal systems are considered in relation to the economic independence of the persons protected, the overall picture points to the existence of fields of application limited to the economically weak, the wage earning-workers without limit on earnings including self-employed persons, and those in which the employment relationship ceases to be a factor governing entitlement of

social security coverage, such entitlement being dependent merely on citizenship or residence.

E. How Kenya Received the Message

The idea of a social security scheme for Kenya had exercised the minds of officials and non-officials immediately after the end of the second world war. 'In 1951 a paper dealing with social security and social insurance was prepared by the Colonial Office and discussed in London at a conference of heads of Labour departments. In 1953 a Committee appointed by the Legislative Council Elected Members Organization to report on social service and social security for Africans in urban areas recommended that inquiry should be instituted into the possibility of old-age benefits to be secured by the compulsory monthly affixing of stamps to cards by all employers. Again in 1953, the Kenya National Farmers Union, in its annual report drew attention to its views concerning the desirability and practicability of providing some sort of security for old age, which were that nothing could be conducive to establishing a stable and contented labour force, divorced from its native land holding.'²⁰

Notice was given by General Notice No.584 of 9th March, 1954, of the appointment of a Committee to investigate the need to provide by legislation for the social security of employees in their old age. The Committee reported on the 28th February, 1956, and the report was submitted to the Council of Ministers, together with Memorandum C.M. (56)267 of the 7th July, 1965 by the Minister for Local Government, Health and Housing. The Council advised deferment of publication of the Report so that it might be considered in conjunction with the Report of the

Rural Wages Committee.

It was subsequently decided by the Government not to publish the Report of the Rural Wages Committee and the Report of the Social Security Committee was further considered by the Council of Ministers in 1957 when publication was agreed.

The Committee recommended, inter alia, that:-

- (i) "The introduction of legislation to provide for old age security for all races should no longer be delayed.
- (ii) The scheme should apply, in the initial stages, to urban employment only, but should be extended progressively to cover the whole territory.
- (iii) The finance to pay benefits should be provided by means of equal contributions from employer and employee, the scheme to operate on the 'pay-as-you-go' system whereby current contributors pay the cost of current benefits.
- (iv) Government should pay the administrative costs - (assessed roughly at somewhere between £35,000 and £50,000 per annum initially)."²¹

where?
to
die!

The following points were made by the Council of Ministers in 1956 and 1957:-

- (i) "There is constant political pressure for the introduction of an old age pension scheme.
- (ii) The initiation of a scheme confined, albeit temporarily, to urban areas might tend to make labour drift from the country to the towns.

- (iii) The Report contained hidden financial implications and direct Government contributions were inevitable."22

The Council of Ministers advised that a detailed study of the administrative and financial problems involved in a contributory old age pension scheme should be undertaken, taking account of the scheme already in operation in the Union of South Africa.

The advice of the Colonial Office was sought and at a meeting which took place in London in the Colonial Office in September, 1957, the following points were made:-

- (i) "No old age pension scheme will succeed unless there is desire for it on the part of (at least) the employees.
- (ii) The flat rate contributions and benefits of the United Kingdom did not necessarily form the best model for Kenya.
- (iii) Identification is important in any contributory scheme. The Government must be careful not to make social insurance unpopular and, possibly, unworkable, by linking the card to other purposes for which compulsory registration is desirable.
- (iv) Reference should be made to retirement habits of employees to be insured."23

At the same period the Nairobi Chamber of Commerce expressed the opinion that there was insufficient data from

They are racists alright, but not stupid!
 → Skip 20
 racist

→ this is Kenya.
 what scheme?, racist scheme?

which an actuarial survey could be prepared; that the administrative costs of a pension scheme might be greater than that estimated by the social security Committee and that the 'pay-as-you-go' system of financing benefits was subject to political pressure for increases of benefits without increase of contributions, which pressure might lead to deficit payments from the Exchequer and an additional burden to the taxpayer.

In the following years considerable interest was maintained in the possible provision of old age security. A Notice of Motion was tabled on 10th November, 1959 which urged the Government to examine ways and means of introducing a contributory pension scheme for all races in Kenya. The motion was subsequently withdrawn but in the Budget Debate on the 1960/61 Estimates, six members of Legislative Council made special reference to the need for old age security and pleaded with the Government to take action without delay.

In a memorial to the Governor by the Kitale African Advisory Council in 1961, a request was made for an early introduction of a contributory scheme. This gave the indication that the interest was widespread and that it covered both employers and employees, rural and urban.

Application was made to the Colonial Office in 1960 for an expert to visit the Colony to advise on the suitability for Kenya of the scheme recommended by the social security Committee, to make alternative suggestions if thought necessary, to advise upon what additional information needed to be obtained prior to bringing the Committee's recommendations to a decision and, in every case, to advise on the cost. The Colonial Office made available to the Government the services of two experts who prepared a Report and submitted to the

Government in 1961. This Report recommended the introduction of a contributory scheme, to provide a lump sum and, at a later stage, a small pension. It also recommended a non-contributory pension scheme for destitute person aged 60 and over with no other means of support.

In recommending the setting up of what is, in essence, a National Provident Fund, rather than a more sophisticated pension scheme, the Clarke/Ogilvie (the experts) Report had drawn on the experience of other emergent territories - e.g. Singapore, Malaya and Nigeria.

A good deal of interest in old age security had been evinced by the Labour Advisory Board, the Kenya Federation of Labour and the Federation of Kenya Employers and these Federations had asked to be given an opportunity to study the recommendations contained in the Report. Since the Report contained various findings which the Government could not accept, it was considered that the Report should not be published. This move was rationalised in a note by the Council of Ministers dated March, 1962, that the Report had been submitted in April, 1961 and for a year there had been no pressure for its publication. Besides, it contained some inaccuracies, and had made certain points which the Government would prefer not to be highlighted under the existing circumstances. It was noted that such points were likely to raise false hopes and fears and generate fruitless controversy.

The next line of action was to approach the Secretary of State for the Colonies with a view to obtaining the services of an expert from the Ministry of National Insurance and Pensions in the United Kingdom who would, using the Clarke/Ogilvie Report as a guide, evolve a workable scheme in detail, advise on its cost, and enable the Government to make

an accurate assessment of the financial implications.

At the international scene, activities of the International Labour Office were increasingly influencing the pressure groups in Kenya.

It is stated in the Preamble to Part XIII of the Treaty of Versailles (1919) that 'the International Labour Organization is established to improve the conditions of the worker, especially in respect of protection against sickness, disease, and injury arising out of his employment, and in respect of provision for old age and injury.'²⁴

In accordance with this general idea, the 'International Labour Conference, at its 17th (1933) Session, adopted six Conventions (Nos.35 to 40) concerning pensions, invalidity, old-age, and survivors insurance. At its 35th (1952) Session, the Conference adopted the Social Security (Minimum Standards) Convention (No.102)'.²⁵

The impact of these conventions was echoing to all nations of the world, ~~Kenya not excepted.~~ ^{Kenya included.} 'At a meeting of the Labour Advisory Board held in July, 1962, reference was made by the representatives of the Federations to the Conventions dealing with Social Security'.²⁶ They expressed anxiety that although experts had visited Kenya and made their reports, the views of the Government were not known. This meeting passed a resolution to the effect that the Government be called upon to

state what was being done about introducing an Old Age Social Security Scheme for Kenya.

In the official quarters the opinions favoured introduction of a social security scheme. The only questions to be answered were how and when.

A meeting of Ministers of Labour of Uganda, Kenya and Tanganyika was held in Kampala in 1962 to discuss social security, and the proceedings were recorded as follows:-

"The Ministers noted the adverse effects which arise from the lack of provision of national old age security schemes. Although there are many workers provided for under provident fund and pension schemes there was an urgent need today for a social security scheme and especially for old age security. It was noted that Tanganyika had already published their intention to introduce a national health insurance scheme, and that they were considering introducing a national contributory provident fund scheme in the near future. In order to have a stable labour force in the urban areas and to create conditions under which workers could become proficient in their various occupations, it was felt that an alternative to land as the only security in old age among Africans must be created as a matter of urgency. Extensive land development and farming programmes are necessary to East Africa's economic development, but East Africa needs secondary industries and general industrial development if she is to become truly economically independent in the modern sense. Old age security for workers enabling them to live permanently in the areas in which they work would not, therefore, be in conflict with any programmes of

agrarian change."²⁷ J

In the following year definite steps had been taken by the three countries and the spirit of this development was discussed by the Permanent Secretaries during the course of the International Labour Conference in Geneva. It was important at that time that the development of social security in East African countries should move hand in hand. A note on this development explained the perspective of this development.

"A factor to be taken into consideration in developing social security in these countries is the political move during recent weeks to establish the basis of an East African Federation. Both this and the obvious value of social security arrangements, which would enable a worker to move from one territory to another and to take his social security benefits with him, suggest that there would be greater value in establishing a very close measure of co-operation and exchange of information between three East African territories as these several schemes, are developed. Indeed, it may prove possible to establish precisely similar schemes in all three territories with a possibility later, if constitutional and other difficulties were to be solved, of establishing an 'East African Federal Provident Fund'.²⁸

Social security ideas, crept into Kenya through the gradual development in labour policy as has been discussed in the next chapter; through forces of change in a money economy and through the influence of universal concepts and the activities of the International Labour Organization.

CHAPTER II

IMPACT OF LABOUR IN DEVELOPMENT OF SOCIAL SECURITY

A. Labour Policy

In 1905, Sir Charles Eliot, the first Governor of Kenya stated 'Natives must be protected from unjust aggression and be secured sufficient land for their wants; but with this proviso I think we should recognise that European interests are paramount.'¹ Since Eliot was the first Governor and since the first wave of European settlers arrived during his administration, he established a precedent for his successors. As long as European paramouncy endured, neither the British Government nor the settlers expressed concern over who was primarily responsible for African welfare. Both tacitly assumed that administration of the Trusteeship should be entrusted to the Europeans who were most closely associated with the primitive people - the district officer, missionaries, traders, planters.

The system of 'Reserves' was instituted in 1915. The Supreme Court of Kenya had decided that Europeans could hold land in fee simple, whereas Africans were mere tenants-at-will of the crown. At the same time the policy of forced labour was formulated.

After the first World War, settlers, needed labour for

their farms. In 1919 the Government of East African Protectorate formally assumed responsibility for maintaining an adequate supply of labour. On October 23rd of that year the Chief Native Commissioner, John Ainsworth, acting on instructions from the Governor, issued a Labour Circular outlining new policy:-

"All Government officials in charge of native areas must exercise every possible lawful influence to induce able bodied male native to go into the labour field. Where farms are situated in the vicinity of a native area, women and children should be encouraged to go out for such labour as they can perform. Native Chiefs and Elders must at all times render all possible lawful assistance on the foregoing lines. They should be repeatedly reminded that it is part of their duty to advise and encourage all unemployed young men in the areas under their jurisdiction to go out and work on plantations... District Commissioners will keep a record of the names of those Chiefs and Headmen who are helpful and of those who are not helpful and will make reports to me from time to time for the information of his Excellency. The nature of these reports will be communicated to the Chiefs.

Employers or their agents requiring native labour will be invited and encouraged to enter freely any Native Reserve and there get in touch with the Chiefs, Headmen and Natives."²

On February 17, 1920, Ainsworth issued a second Circular:-

"When unemployed young men are found in a reserve, enquiries should be made as to what they are doing, and so to whether they paid their poll tax... No actual force can be employed to compel a man to go out to work, he can however, be forced to pay tax."²

The Africans were therefore primarily taxed as a means of getting them to go out to work - Native Authority Amendment Ordinance in supplementing a law of 1912, empowered Headmen to conscript Africans for work, 60 days out of each year, on Government projects.

The view that men found in the reserves were unemployed was only held by design. The Native Affairs Department Annual Report for 1924 summarised the situation adequately when it stated:-

"Social custom and economic necessity demand that at certain seasons of the year a large number of male natives should remain at home in the Reserves. In the first place there are the harvests. These begin in Kavirondo districts about the beginning of September. In conjunction with harvests various ceremonies and festivities are held, mainly in connection with circumscision, at which many of the people wish to be present. The harvests in August and September and their attendant ceremonies are followed by the preparation of the land for the small rains which begin in October. In October and November, and December many natives are occupied in disposing of the produce of the various harvests. In January they are occupied with harvesting crops which were planted in the previous October, and in February and March with the preparation of the land for the March rains.

Generally speaking therefore the Kavirondo native is available for work outside his reserve from April till July inclusive and the Kikuyu from April till August. During November, December and January he may be available; but if the previous harvest has been plentiful, as was the case this year, he usually prefers to remain at home. During February and March he is not usually available as in addition to breaking up his land he has frequently to cut and carry poles for the re-building of his huts against the March

rains. It is therefore, apparent from August till March the labour supply under present conditions is doubtful, unless harvests fail and the natives are driven by shortage of food to seek employment away from their homes. The maximum demand for labour occurs during the principal coffee and maize harvests which begin in Nyanza Province about July and continue till October; while in the Nakuru and Kikuyu Provinces they begin about October and sometimes extend to January.

The demand is, therefore, at its maximum during the very season when supply is most doubtful."³

The foregoing observation is quoted in full to illustrate the sociological and economic factors against which the policy of forced labour was set. The importance of labour policy to the colonial administration was also demonstrated when Governor Grigg made the following statement in a speech he made in Legislative Council on October 28, 1925. 'The base on which the whole pyramid of our civilization in this Colony is reared in native labour. If the native thrives, we thrive. If we thrive the native would thrive too.'⁴

Another general statement of policy was made by the Chief Native Commissioner in his Annual Report for 1926. The report stated that the dual policy of development upon which Kenya embarked some years back received the support of the conference of East African Governors in the following terms:-

"Steady progress cannot be secured in some areas unless every able-bodied native who shows no tendency

to work is given to understand that the Government expects him to do a reasonable amount of work, either in production in his own reserve, or in labour for wages outside it.

In areas where the first alternative is not within his reach, the native should be definitely encouraged to go out to labour. In others where both alternatives are open to him, the Government is not concerned to impose either upon him, but simply to ensure as far as it can that he shall work in the cultivation of his land, if he pleases, or else as a wage-earner on alienated land, if he prefers it. In all areas where these two alternatives exist, the natural play of human preference and economic impulse should be allowed to take its course, so that the native may choose to work in whichever way pleases and pays him best."⁵

The Report concludes with the statement that the first steps towards this policy were taken in 1922 when direct encouragement was given to production by natives on their tribal lands of crops for sale or export. The impetus thus given to native industry was publicly demonstrated in the Native Agricultural Show which took place in 1923.

Although such statements as these were made the Colonial administration at that time was not interested in the welfare of the African labourer. This again was brought out in the Annual Report of the Native Affairs Department for the year 1929:-

"The delay in legislation for the care of native labourer is regretted. Some employers are prepared to effect improvements in the condition under which native labourers live and work, but refuse to do so until they are compelled by law. The reasons usually given are, in the case of large farms, that directors at home will not sanction expense which is not

compulsory, and in the case of small employer, that he will not spend money unless his neighbour is made to as well.

Those employers who were convinced by the last few years' propoganda that it pays to look after labour have acted on their convictions, and the lack of any guiding legislation permits the less enlightened to go as they please.

Government does not accept responsibility for providing medical attention or hospital accommodation for employed natives. The employer nearly always has not a large enough staff to justify the employment of a qualified medical man; the employment of him of Asian sub-assistant surgeon or compounders is against the law; the supply of trained dressers is inadequate, and in the result, unless a Government Hospital happens to be near the estate, the labourer as a rule lacks proper medical attention and sanitary supervision."⁶

So long as labour was predominantly native, the attitude towards their welfare can be seen clearly, but the economy was building and other races beginning to feature in the labour market, something had to be done. This anxiety was expressed in the Native Affairs Department Annual Report for 1931:-

"While practically all the unskilled labour in the country is native, and the labour section is quite properly part of the Native Affairs Department, yet there is a growing call for the examination of the conditions under which European and Asians work. Essential questions such as those concerning trade unions, workmen's compensation and minimum wages have to be examined from a non-racial standpoint. It is probable that as time goes on more attention will have to be given by the labour Section to the non-native aspects of labour."⁷

The conditions of the native labourer were well summarised by the Chief Native Commissioner in his report for 1937:-

"The conditions under which natives live in Nairobi are deplorable and the overcrowding in the quarters provided by the Municipal Council must be seen to be believed."⁸

Compulsory labour policy and the evolution of a money economy affected the rhythm of traditional life. It was becoming recognised more and more that a turning point was approaching when the old beliefs or values could not hold. The problem of the labour policy perhaps lay in misplaced assessments of the situation. As recent as 1953, the Labour Department Annual Report (1953)⁹ claimed that there was no real unemployment among Africans in Kenya. This kind of assessment tended to lend support to the view that since the African was only voluntarily unemployed his attitude towards work - intermittent employment - would defeat projected social security measures. The Colonial Office Paper No.193 of 1946 gives testimony to this:-

"Thus workmen's compensation is clearly the inevitable accompaniment of any degree of industrialisation, and this has long been generally recognised... Widows and orphans in normal native society automatically become the charge of the family clan, in the form of the next of kin male relative... A cash payment to the widow or to some sort of trustee thus does not achieve the object intended; in the great majority of cases, it provides a tribal festival and no more."¹⁰ !!

While this was maintained, the Government had evolved the policy of stabilizing labour. Apart from this the years of Emergency, particularly between 1952 and 1957, there was considerable influence upon the way of living and upon the way of thinking of persons of all races. The disturbed state of the Kikuyu, Embu and Meru tribal areas resulted in a large scale movement of women and children to join their menfolk in the employment centres. This was particularly noticeable in Nairobi where the housing problem became extremely acute. A further and not unexpected development was that workers and their families became reluctant to some extent, to return to their native reserve on annual leave, security measures in any case imposing considerable restriction on such movement.

These social forces gave the appearance of a tendency towards stabilization of labour, thus Labour Department in the Annual Report for 1953 observed:-

"Throughout 1953, there appeared to be a growing acceptance of the need - on both economic and social grounds for stabilizing labour, i.e. for the permanent settlement of workers at or near their places of employment and the severance of their ties, with the native land units. This reflected in the public statements; in the central Housing Board's emphasis on the necessity for providing more married accommodation; in the wages Committee's enquiries into the practical problems of advancing from a 'batchelor' to a 'married' wage level; and in the motion of Legislative Council to set up a Committee to study old age security problems."¹¹

The Report of the Committee on African Wages stated that the problem of stabilizing labour, whether in rural areas or in the narrower confines of the town, resolved itself into

one of providing such conditions, both social and economic, as will induce the African to sever his ties with tribal life and virtually start life afresh in a new environment. This Committee expressed their opinion that the obvious or basic conditions were the payment of a wage 'sufficient to provide for the essential needs of the worker and his family; regular employment; a house in which the worker and his family can live, and security for the worker's old age'.¹² Thus the development of social security was seen as a labour stabilization measure.

In 1953 the Labour Department supplied statistics which showed that at August that year, approximately 7,000 African workers were on pensionable terms of service, some 15,000 contributed to the provident fund schemes, and a further 15,000 were eligible for retirement gratuities. But all these were employed in the public services. These figures related, however, only to workers eligible for retirement benefit under their terms of employment. They take no account of those long service employees whose number was considerable, who, upon retirement would receive only ex-gratia payments from their employers.

In private industry formal provision for retirement benefits is usually made by way of provident fund schemes, whose operation is subject to rules made under the Employment Ordinance (in all cases these excluded the ordinary labourer). So far as it was known, provident fund schemes had not been introduced into agricultural employment.

To the average African working outside his locality it was generally believed, tribal life continued to represent security and the only assurance of the means of sustenance when he had become too old to work. The maintenance of his

ties with the tribal unit was to him something of fundamental importance. The Report of the Committee on African Wages made a categorical observation as follows:-

"If we are to induce him to sever those ties, and to become permanently absorbed into his working environment, we must clearly offer him the prospect of security for his old age. In most countries, it is now accepted that the community as a whole has responsibilities towards those of its members who have become too old to work."¹³

This spirit was conveyed in the questionnaire¹⁴ which was designed to yield the information which the policy could contain at that time.

In 1957 the Labour Department observed that the Government policy of bringing about the stabilization of African Labour in the area of employment was beginning to have noticeable effect. 'In the towns the main aspect of this policy since 1954 was the progressive raising of statutory minimum wages to a level above that required for the subsistence needs of a single man. Other aspects had been the financing of local Government authorities housing schemes, the urging of private employers to provide more housing for their labour and to reduce labour turnover by every possible means and the promotion of provident and superannuation schemes.'¹⁵

The Department 'observed that the improvement in the urban worker's standard of living had encouraged him to bring

his family to town although the housing situation did not allow this.¹⁶ Employers customarily provide married quarters only for their more senior employees; in consequence, the unskilled and the new comer had either to spend a disproportionate amount of their earnings on rent or else crowd into unsuitable lodgings. 'Conditions were happier in the rural areas. A good proportion of agricultural workers had traditionally enjoyed family life on farms, mainly because many employers were glad to employ their families for casual work and because housing in the African style was cheap and food plentiful.'¹⁷

At this stage, the problem of unemployment was being officially recognised. The Labour Department reported the situation in 1959 expressing anxiety over the social consequences of the urge on the African for wage earning employment.

"The growing attraction which wage earning employment holds for so many Africans from the present communities remained a major factor causing both overcrowding in centres of industry and an excess of itinerant work seekers in the developed agricultural areas. The surplus of unemployed or under-employed manpower circulating outside the tribal areas, and without means of subsistence, tended to strain the hospitality of the employed labour force and depress living standards. Wage-earning employment was available for less than 10% of the country's population, at one time, and the high turn-over in employment was diminishing as men tended to retain jobs through fear of being unable to re-enter employment. It was clear enough that work opportunities could be found only for small proportion of the new aspirants for wage employment. The social consequences of this state of affairs were most evident in the towns."¹⁸

When Kenya achieved independence in December, 1963, its estimated total population of 8,900,000 comprised 4,500,000 children, 4,100,000 adults of working age and 300,000 old people. Some 533,000 persons were employed in established wage-paying industries and the remainder depended on self-employment for their livelihood - the majority being farmers of small holdings.¹⁹

Unemployment was the greatest social problem the new Government inherited and this is summed up in the Labour Department Report for 1964:-

"The new Government set itself the task of planning economic development in the face of manifest unemployment resulting from three factors, viz the rapid growth of the population (estimated at 3 percent); the problem of under-employment among the families of small land-holders; and a fall in the level of employment in established wage-paying industries (amounting to a loss of some 90,000 jobs since 1960, the year of peak employment). While realising that ultimate solution of the unemployment problem lay in long-term development plans for the growth of the general economy, the Government decided that these plans should be supplemented by a relatively short-term measures designed to alleviate the hardship being experienced by ex-wage-earners and to provide a breathing space in which it could get its plans for economic development under-way. To this end, in February, 1964, Government negotiated with the Federation of Kenya Employers and the Kenya Federation of Labour a Tripartite Agreement the principal aim of which was to create 40,000 jobs in the shortest possible time."²⁰

Wage Income

Before 1925 recruitment of labour was not regulated by

any law. It was in that year the Resident Native Labourers Ordinance was enacted. This was followed by a large proportion of Agreement attesting resident labourers. 'The periods that the natives engaged to work was usually not more than 180 days. The wage varied from Shs.8/- to Shs.12/- per month. Apparently wages paid to resident labourers were lower in view of the fact that they were allowed to keep their stock and to use two acres of land on the farm.'²¹

'In Municipalities the rate of wages for unskilled labour averaged Shs.14/- per month. Most of labour was non-resident but was required to make its own arrangements for housing. This it did chiefly with native lodging house keepers, as the landlords were known in those days. The average rental was Shs.8/- per month.'²² Wages were considered high at this period and the employers were already complaining of high wages. The Report for the year 1924 stated:-

"Wages are rising again and though employers are all asking where this will stop the rate reached at the end of the year was not terrifying."²³

There appears to have been an upward trend to round about 1926. By 1931 wages had sharply dropped.

"On an average, native wages can be said to represent £1 per head per month inclusive of rations and housing. On an average the country's annual wage bill for African labour is in the neighbourhood of £2 millions. In addition to the loss of wages due to unemployment there is also a much more serious loss occasioned by

the lowering of the wage rates. It is considered in many quarters that native wages have fallen by as much as 50 percent. I do not think this is so, but I would suggest that at the end of December, 1931, wages generally were 20 percent of 25 percent below the rates obtained in 1930."²⁴

It was reported in 1932 that wages had dropped to Shs.7/- per month and the report for 1933 was depressing:-

"Wages have been reduced and have reached a level where further reductions are impossible. Figures are not available but it is estimated that cuts, varying from 20 to 30 percent are now in force in all industries throughout the colony. The average casual labourer now receives Shs.6/- to Shs.10/- per month, and the rate of Resident Native Labourer has remained stationary at shilings 6/- per month without food."²⁵

The Department reported in 1935 that 'Native wages had dropped approximately by $33\frac{1}{3}$ percent between the years 1926 and 1935. Although wages were too low to attract new labour, there were always a number of natives who were prepared to work for wages rather than remain in the Reserve, and thus an acute labour shortage was avoided.'²⁶

In 1936 there was a general improvement in the prices of most agricultural products coupled with a consequent increased prosperity in general trade. This resulted in a greater demand for labour with higher wages and more attractive conditions of employment as a natural corollary. The Government paid an average wage of Shs.50/- to Shs.80/- for skilled and semi skilled labourers and Shs.16/- for ordinary

labourers. 'There was a decided tendency of wages to rise, the average prevailing rates for 30 days ticket being Shs.6/- to Shs.12/-, and Shs.8/- to Shs.12/- for indentured labour; and Shs.4/- to Shs.7/- for resident native labourer.'²⁷

The foregoing illustrates the fluctuations of wages where there are no statutory provisions to regulate the wage levels. The need for wage fixing in Kenya was first given legal recognition by the 'Minimum Wage Ordinance, 1932 (No.22 of 1932), which empowered the Governor in Council to make orders fixing the minimum wage for any occupation in any municipality, township, district or other area in which he was satisfied that the wages for such occupation were unreasonably low. In spite of reports on wages as observed above no wage fixing orders were made under this Ordinance, and it was eventually repealed by the Minimum Wage Ordinance 1946 (No.55 of 1946).'²⁸

The first legal minimum wage for African labour came into force on the 1st June, 1944 as a result of an order made under the 'Defence (limitation of Labour) regulations, 1944.'²⁹ The minimum wage was fixed at Shillings 28/- per month (inclusive of housing allowance) and applied to all African workers employed within the area of Nairobi Municipality. The Order remained in force until 1st February, 1947, its withdrawal coinciding with the coming into operation of the first two orders to be made under the Minimum Wage Ordinance, 1946. These Orders applied to Nairobi and Mombasa Island and laid down wage of Shs.31/- and Shs.40/- respectively (inclusive of house allowance) for persons employed in those two areas.

The enactment of the Minimum Wage Ordinance, 1946 marked a turning point in the history of wage fixing in Kenya. 'The power to fix minimum wages was still vested in the Governor in Council, but in practice, action was only taken on the advice of the Central Minimum Wage Advisory Board which was set up early in 1947.'³⁰

To the Central Minimum Wage Advisory Board, the problem of calculating a statutory minimum wage resolved itself into one of assessing a reasonable living wage 'the effective minimum level'³¹ for an adult male African living as a single person, under urban conditions, that is, without regard to any of his family commitments. A formular was produced which continued in use until 1954.

The range of minimum wage legislation was gradually extended and by June, 1948, nine urban areas were subject to Minimum Wage Order. 'The areas were Nairobi, Mombasa, Nakuru, Eldoret, Kisumu, Kitale, Nanyuki, Nyeri, and Thika.'³²

In its consideration of basic minimum wages, the new Wages Advisory Board had been obliged, by its terms of reference, to confine its attention to urban areas. It had also adopted with little modification, the procedure and formular developed by its predecessor. The statutory urban area minimum wage remained the most important factor in fixing the Colony's wage pattern.

The need for Wages Councils arises from the desirability of fixing higher levels of statutory minimum remuneration for skilled work in trade, industries, occupations, either without

adequate machinery for collective bargaining or whether the methods of collective bargaining have failed. Since collective bargaining requires the participation of both organised labour and management, and since neither labour nor management in Kenya could be said to have^{been} effectively organised, the setting of Wages Councils in the country could be seen to be logical and even inevitable development. 'The first Wages Council in the Colony was set up in 1952.'³³

In considering the adequacy of wages, the Committee indicated their criteria and stated:-

"In our opinion a wage, in order to be adequate, must fulfil two conditions, viz:-

- (i) It must be sufficient to provide for the essential needs of the worker.
- (ii) It must represent a fair return for the workers labour, in the sense that it must not be less than the worth of that labour to the employer."³⁴

They reported that a decision on the first of these conditions could be reached by a study of the urban African consumption habits and his psychological and sociological needs. The second one could not be answered.

For a knowledge of consumption habits and sociological needs the Committee were dependent upon information obtained from the studies of the pattern of expenditure and consumption of individual African household. 'They were however handicapped by lack of studies of that nature in the country. They,

therefore, relied on the study carried out in October and November, 1950 by the East African Statistical Department, in relation to African Labourers living in Nairobi.³⁵

The purpose of that study was to provide an analysis of the income, expenditure and consumption habits of those Africans living in or near the minimum wage. The findings of this study were that practically all income of the African in the sample came from employment, i.e. there was little in the way of subsidy from the reserves and that workers tended to spend their earnings as they were received, did not save anything, and were forced to borrow in emergencies. Some two-thirds of the sample borrowed money during the month. In commenting upon the borrowing habits of the Africans, the report on the study observed:-

"For many of the Africans, it appeared to be accepted policy to give more than half their wages to their creditors immediately after receipt of their wages; thus they had to borrow again by the middle of the month to balance their budget to the next pay day. It is very noticeable that any extraordinary expenditure, such as (upon) illness, resulted in increased borrowing owing to lack of money."³⁶

Pattern of expenditure tended to be very similar among the various tribal groups. 'In all cases, approximately 72 percent of income was spent on food. Expenditure on clothing was low but nearly all Africans in the sample spent money (average Shs.2/- per month) on cigarettes, tobacco or snuff. Other items of expenditure included alcoholic beverages,

transport (to and from native land units), medicine, and attendance at football matches.'³⁷

Tribal differences in food consumption were much less pronounced. 'Maize meal and hotel food accounted for 64 percent of the total expenditure on food. Other items of expenditure included potatoes, cabbages, beans, cooking oil, sugar, milk, tea, bread and wheat flour. Individual food consumption varied inversely with the size of the family group.'³⁸

Very few workers in the survey were without family commitments of one kind or another. Each of them usually sent home Shs.3/- or Shs.4/- every month, and was also visited by his relatives for a proportion of the year.

The most significant finding of the survey by the East African Statistical Department was the high proportion of income spent on food - 'approximately half as much again as that allowed for in the minimum wage formula. Also significant was the fact noted by the survey team, that a large proportion of works had little or nothing to eat for the last two or three days of the month.'³⁹

The nature of the minimum wage requirement in urban areas was based on the views put forward by Professor Edward Batson. 'The views involved two conceptions - those of the 'Poverty Datum Line' and the 'Effective Minimum Level.'⁴⁰

In his pamphlet "The Poverty Line in Salisbury" Professor Batson defines the Poverty Datum Line as 'an estimate of the income needed by any individual household if it is to attain a defined minimum level of health and decency.'⁴¹ Such an estimate can be obtained, as Batson points out, by calculating the lowest retail cost of a budget of necessaries comprising:-

- (i) "That quantity and variety of food which, taking into account age and sex, would provide for each member of the household the palatability and the calorific, protein, fat and vitamin content calculated by dietetic experts to be necessary for health, taking into account the established food customs of the community;
- (ii) the minimum of fuel and lighting compatible with health, taking into account the established customs of the community;
- (iii) the minimum clothing necessary for protection of health and conformity with standards of decency;
- (iv) the minimum of cleaning materials, for personal and household use, compatible with health and conformity to custom;
- (v) the cost of transport for earning members of the household between the home and the work-place; and
- (vi) an allowance for the costing of housing."⁴²

An essential feature of Poverty Datum Line is that it allows no margin for anything other than essentials of existence. Professor Batson pointed out:-

th. ["Such a standard is perhaps more remarkable for what it omits than for what it includes. It does not allow

a penny for amusement, for sport, for medicine, for education, for saving, for hire purchase, for holiday, for odd bus rides, for newspapers, stationery, tobacco, sweets, hobbies, gifts, pocket money, or comforts or luxuries of any kind. It does not allow a penny for replacements of blankets, furniture, or crockery. It is not a 'human' standard of living. It thus admirably fulfils its purpose of stating the barest minimum upon which subsistence can theoretically be achieved."⁴³

It is clear that by itself, a Poverty Datum Line is not suitable as a basis for establishing a minimum wage. A margin of income must be allowed over and above that fixed by the Poverty Datum Line. Such a margin of income is provided by what Batson called the "Effective Minimum Level," which he defined as 'the income level at which the competition of other wants slackens sufficiently to permit the purchase of a budget equivalent to that allowed in the Poverty Datum Line.'⁴⁴ From a study of household budgets in Cape Town, Batson came to the conclusion that, as regards the group of households surveyed, the Effective Minimum Level was approximately 150 percent of the Poverty Datum Line.

In calculating the basic statutory minimum wages for the urban areas of Kenya, the Wages Advisory Board adopted the method of first calculating a Poverty Datum Line (P.D.L.) - 'the modified Poverty Datum Line of Batson - and then converting this into an effective Minimum Level by the addition of what is termed a 'Human Needs Requirement' (actually $33\frac{1}{3}$ percent of the P.D.L.) by the Wages Advisory Board. The minimum wage was then obtained by adding to this total - (i) an allowance for housing; (ii) an allowance of Shillings 2/- per month for tax; and (iii) a "cushion" of Shilling 1/- per month.'⁴⁵

Up to the time the Report of the Committee on African Wages was published in 1954, items used for the purpose of calculating the statutory Minimum Wage for a single man included:-

<u>"Commodity</u>	<u>Amount</u>
Maize meal	45 $\frac{1}{2}$ lb.
Sugar	3 $\frac{1}{4}$ lb.
Meat	4 $\frac{1}{3}$ lb.
Vegetables	5 $\frac{1}{2}$ lb.
Milk	7 $\frac{1}{2}$ Pints
Tea	$\frac{1}{2}$ lb.
Salt	1 lb.

The allowance for clothing was based on the assumption of an annual purchase of one shirt, one pair of shorts and one blanket, and a biennial purchase of one jacket and one pair of trousers. In the case of Mombasa, a different basis was used, viz - an annual purchase of two shirts, two shorts and one blanket. The material of clothing was assumed to be khaki drill. In all cases, the monthly clothing allowance was subject to a maximum of Shs.4/50 and a minimum of Shs.3/50."⁴⁶

The Report of the Committee on African Wages recommended a new Formula as follows:-

"A. Food

Maize meal	36 lb.
Wheat flour	5 $\frac{1}{2}$ lb.

Potatoes (European)	15 lb.
Sugar	2 lb.
Beans	8 lb.
Meat	$4\frac{1}{2}$ lb.
Vegetables (green leafy)	$7\frac{1}{2}$ lb.
Milk	$7\frac{1}{2}$ Pints
Cooking fat	1 lb.
Tea	$\frac{1}{2}$ lb.
Salt	1 lb.

B. Clothing

$\frac{1}{6}$ th of (1 K.D. Shirt
(1 K.D. Shorts
(1 Cotton Vest

$\frac{1}{12}$ th of Blanket

$\frac{1}{24}$ th of (1 K.D. Jacket
(1 K.D. Trousers

C. Fuel and Lighting

1 70 lb. bag charcoal

3 pints paraffin

D. Cleaning Materials

2 lb. soap

The total cost of A, B, C, and D establish the POVERTY DATUM LINE (the P.D.L.). To this is added the following:-

- (a) $33\frac{1}{3}$ percent of the D.P.L. (to establish the EFFECTIVE MINIMUM LEVEL); and

- (b) an allowance of Shs.2.00 for tax. The total rounded off to the nearest 50 cents, establishes the BASIC MINIMUM WAGE.

The Housing allowance was to be considered as a separate item, its amount being equal to the average economic cost of a bed-space (40 sq.ft) in local authority housing."⁴⁷

The notable feature of this Minimum Wage formula is (a) the relating of Poverty Datum Line to the needs of a single man, and (b) the assessment of the Effective Minimum Level at $33\frac{1}{3}$ percent as against 50 percent suggested by Professor Batson.

A formular did not exist for wages in rural areas and Minimum Wage regulations did not apply to rural workers at the time the Report of the Committee of African Wages was published in 1954.

'A survey carried out jointly by the East African Statistical Department and the Labour Department in February, 1953, showed that 48 percent of workers in non-plantation agriculture received a cash wage of less than Shs.25.00 per month and 26 percent less than Shs.20.00 per month.'⁴⁸

No statistical survey had been carried out in plantation agriculture. In the sisal industry basic cash wages ranged between Shillings 20.00 to Shs.30.00 per month. The Kenya Tea Growers Association⁴⁹ agreed in 1953 to a graded system of cash wages for ticket labour, the wage varying according to the number of tickets previously worked by the employed. Wages for

the first six tickets were Shillings 24/- the highest wages being Shs.34/- for tickets between 19 and 24. After 24 tickets, the wage could increase to as much as Shs.40/- per ticket.

All the Committee recommended for ticket contract was 'that the statutory minimum wage for ticket contracts should continue to be calculated, as hitherto, by multiplying the monthly contract minimum wage by the factor $\frac{7}{6}$ '⁵⁰

Nothing was known in the statistical sense, of the consumption habits of the African agricultural worker. It seemed permissible to assume that his basic needs in regard to food, clothing, fuel and lighting, and cleaning materials were much the same as those of the urban worker.

B. The Family Minimum Wage

Changing the basis of the statutory minimum wage from one which takes account only of the needs of a single man to one based on the needs of a family was a major recommendation made by the Committee. They recognised that estimates of the income needed for family unit must be based on a realistic family unit. On the question of polygamy they observed:-

"It has been suggested to us that the institution of polygamy is an obstacle to the recognition of the African worker's family commitments... We do not think that this point need cause any difficulty. Polygamy is usually associated with comparative wealth, and it seems unlikely that any appreciable number of unskilled workers have more than one wife. We believe that urbanization will be found to be inconsistent with polygamy."⁵¹

The Committee recommended that 'the basic 'family' minimum wage should be assessed, at two and a half times the basic 'bachelor' minimum wage and that the transition from the 'bachelor' to the family statutory minimum wage should take place over a period of ten years; that it should be effected by equal annual percentage additions (15 percent to the base of 'bachelor') minimum; and that the first addition should become operative from January 1, 1955.'⁵² The Committee believed 'the method was simple, it offered the assurance that by the target date (January, 1965) the Colony's wage structure will have been placed upon a firm foundation.'⁵³

It sought to ensure that employers were made aware in advance of their long term obligation in regard to wages, and can plan to meet those obligations. It also aimed at providing a definite incentive to the urbanization of families (and, therefore to the stabilization of labour) by holding out to every worker the prospect of being increasingly able to support his wife and children under urban conditions. The ultimate aim of the 'family' minimum wage proposal was to ensure that by January 1, 1965 the urban worker of 21 years of age, with a record of at least three years' work outside the native land units, would be earning a wage sufficient to support himself and his family to a minimum standard of health, decency and working efficiently. On the basis of the costs in 1954, the full 'family' minimum wage for Nairobi would be:-

"Basic Minimum Wage ($2\frac{1}{2}$ X 'bachelor minimum)	Shs.172.50
Housing Allowance	Shs. 60.00
	<hr/>
TOTAL	SHS.232.50" ⁵⁴
	<hr/> <hr/>

The statutory minimum wage for Nairobi at that time was Shs.52.50 for monthly contracts and Shs.61.00 for ticket contracts, plus an additional allowance for housing of Shillings 7.00. Analysis of wage conception is discussed in Chapter V, and a critical reinterpretation in Chapter VI.

C. Workmen's Compensation

It has already been observed that the Colonial labour policy excluded welfare of the African worker. This was also shown consistently in matters concerning workmen's compensation. What was done was only the minimum that was required in the organization of the supply of labour.

Native Affairs Department expressed opinion in the Annual Report for 1929 in the following terms:-

"It is considered that at present there is no need for legislation and that legislation would bring with it definite disadvantage. Apart from the enormous and expensive machinery that has always been found necessary to administer Workmen's Compensation Acts, the very existence of a legal right brings abuse in its train.

In the Rand Gold Mines labourers both black and white are known to commit wilful injury to themselves because they know that a certain injury

brings a certain compensation. In Kenya now, malingering among natives is rare, and it is undesirable in the extreme to run any risk introduce a tendency to acquire injuries for the sake of resulting compensation.

Employers are almost always ready to consider any case with sympathy and it is only if and when their attitude is altered that a Compensation Ordinance will be desirable."⁵⁵

Since the Workmen's Compensation Ordinance did not exist, there was no legal obligation upon employers to render reports regarding the accidental death or injury of Africans. The Reports show however, that a large number of employers submitted voluntary reports and appeared anxious to deal fairly with the African workers and their dependants.

An attempt was made in area No.3 (which embraced most of the sisal factories and other industrial concerns) to deal with compensation consistently by applying similar methods to those which were in force in the Union of South Africa. (Workmen's Compensation Acts, Nos.25 of 1914 and No.13 of 1917, Union of South Africa). These were read in conjunction with the disablement scale contained in the first schedule attached to the Royal Warrant of December 6, 1919, providing for the pensions of disabled soldiers.⁵⁶

The accepted principles were that no compensation was payable when incapacitation or death arose out of an act of negligence or misconduct on the part of an employee, and that no compensation was payable except to actual dependants, and then only in proportion to their loss. Advice regarding the latter was obtained from District Commissioners.

In case of death the amount of compensation paid to dependants varied from £10 to £15. In case of injury involving serious incapacity such as the loss of limb the amounts varied from £15 to £25. The Report for 1927 stated that representations which were made to employers generally met with every consideration. 'In proportion to the large number of inexperienced labourers employed in connection with machinery, and in view of the fact that there are no machinery regulations in force,' the Report claimed, 'remarkable few accidents occurred.'⁵⁷

Up till the time of the depression in 1931, Reports claim that employers were almost invariably willing to pay the compensation asked for by the Labour Section in cases of disability arising from accidents in the course of native labourers employment.

The Report for the year 1931 stated:-

"On reports of such accident being made a claim was lodged on behalf of the labourer, the amount of which was based on the extent of the injury as set out in the tables for calculating percentages of disability for war casualties and on the provisions of the South African Compensation Law.

While compensation was paid without recourse to law, there was clearly no need for the introduction of cumbrous legislation with its possibility of ensuring disadvantages. But this phase appears, unfortunately, to have passed. Lately it has been found increasingly difficult to obtain compensation on voluntary basis, and it seems not impossible that legislation will be necessary in the near future."⁵⁸

It was reported in the following year that the question of compensation for death or injuries was an increasingly

difficult one. 'In all cases it had to be settled by arbitration with the employer through a Labour Officer.'⁵⁹ The Report concluded with the following remarks:-

"Employers have been extremely generous in this matter but on more than one occasion they have expressed a desire that the whole question be controlled by legislation so that they should know what their liabilities are."⁶⁰

Several years were to pass before a legislation was enacted. The Workmen's Compensation Ordinance was enacted in 1946. It was brought into force in May, 1947. The legislation brought about no marked departure from the past practice.

"For rarely if ever did an employer not comply with the requests of the Labour Department to pay compensation at rates based on the model Ordinance upon which the new Ordinance was framed."⁶¹

Section 27 of the Ordinance, empowering the Governor in Council to order any employer or class of employers to insure, in respect of liability incurred under the Ordinance was not invoked.

In another Report it was stated that the provisions of Section 26 of the Ordinance, in regard to compulsory insurance had not yet been invoked. 'Under pressure from the Department however, more and more employers were covering their liability under the Ordinance by means of insurance policies. Returns submitted by Insurance Companies showed that their premium income had increased from £32,908 in 1948 (the first full year of operation of Workmen's Compensation legislation

in the Colony) to £128,575 in 1951.⁶²

The Workmen's Compensation Ordinance (Cap.119) 1946, revised in 1962 was a Colonial measure whose cardinal principle carried the spirit of the Fatal Accidents Act, 1846, commonly known as 'Lord Campbell's Act.' In 1946 in United Kingdom, the National Insurance (Industrial Injuries) Act was placed upon statute book. This measure was considered revolutionary. The Act replaced the Workmen's Compensation Acts 1925 - 1945. The essence of the replaced Acts were transferred to Kenya in 1946.

Under this legislation a workman is defined as meaning 'any person who has... entered into or works under a contract of service or apprenticeship with an employer, whether by way of manual labour or otherwise...'⁶³ Although this provision categorises workmen as the beneficiaries to the contingency, the Act does not appear to go far enough. Section 2 of the Act states:-

"Provided that the following persons are excepted from the definition of workmen:-

- (i) any person employed otherwise than by manual labour whose earnings exceed sixteen thousand eight hundred shillings a year;
- (ii) a person whose employment is of a casual nature and who is employed otherwise than for the purpose of the employers trade or business, not being a person employed for the purpose of any game or recreation and engaged or paid through a club."⁶⁴

This definition is central to the intention of the Act and requires a critical examination in order to throw light into the dimensions of this social provision.

In the definition of workman the general character of the employment must be looked at when considering whether a person is employed by way of manual labour.

In other words, one must examine the employment as a whole rather than the particular means by which a person performs his separate acts of service, which, in the aggregate, make up that service as a whole. Thus, if manual labour performed in the course of a person's service is the real substantial work for which he is engaged, it can generally be regarded as employment by way of manual labour. If on the other hand, manual labour is only incidental or assessory to the employment, it cannot be said that the person concerned is employed by way of manual labour. There is a difference between manual labour and manual work. Everybody does manual work, but everybody is not a manual labourer.

In deciding whether any employment is in fact of a casual nature, regard may be had to the definition of casual labourer contained in Section (2) of Employment Act which reads as follows:-

"Casual labourer means any person the terms of whose engagement provide for his payment at the end of each day and who is not engaged for a longer period than twenty-four hours at a time."⁶⁵

Under the National Social Security Fund Act, casual worker is defined as any employee the terms of whose contract

of service provide for his wages to be paid at the end of each day and who is engaged for less than one month.

These two definitions contained in Law applying to the same individual worker bear out the fact that the expression has problems as a term of precision but is more closer in use as a colloquial term.

It is difficult to lay down general principles for determining whether a workman is employed for the purpose of the employers trade or business. The affirmative is not proved by showing that the work was done on business premises; the negative is not established by showing that the premises were also used for purposes other than trade or business.

The Workmen's Compensation Act also excludes partially self employed workers and a category of public servants. By definition, therefore, the legislation starts by discriminating in some way, other classes of workers who are as much amenable to hazards of life as those covered.

D. Factories Ordinance

Where Workmen's Compensation is introduced by legislation, side by side the need for safety measures to protect factory and industrial workers arise. In Kenya up till 1936 all previous years reports were silent on the question of legislation for factory safety. It was in that year when a short reference was made in the following statement:-

"In the absence of a Factory Ordinance under which probably the whole concern would be condemned, nothing

could be done to remedy existing conditions beyond stressing the necessity for the greatest care in all operation."⁶⁶

Ten years later it was reported that the war had intervened at a period when factory legislation was being actively considered in the Colony. 'With the growth of secondary industries after the war it became increasingly clear that not only was factory legislation necessary, but that skilled staff to administer this legislation would have to be provided. By May, 1947, legislation was presented in draft form from the Labour Advisory Board. It was then redrafted and later in the year copies were distributed to industrial concerns for criticism.'⁶⁷

The Labour Advisory Board advised, and the Government agreed, that a period of one year should elapse before the bringing of the Ordinance into force to enable employers to adjust their factories and workshops to meet the various implications contained in the Ordinance.

It was reported in 1953 that although the Factories Ordinance had been enacted in 1951, it had not been administered 'owing to an acute shortage of inspection staff... the positive side of factory inspection had had to be neglected.'⁶⁸

At the end of the Colonial administration in 1963, Factory Ordinance was fully in operation.

E. Provident Fund

Opinions on the establishment of a National Provident Fund in Kenya varied. The Social Security Committee appointed in 1954 observed that 'the consensus of opinion of responsible witnesses in all those races who appeared before the Committee was definitely that a lump sum on retirement is not security for old-age.'⁶⁹ They, however, qualified this statement by stating:-
 'We cannot, however, overlook the possibility of a provident fund scheme, as such state schemes have already been instituted in Malaya, British Guiana, and Barbados on the advice of experts.'⁷⁰

The Committee traced the advantage of a provident fund by stating:-

- (i) "It is easy for even uneducated contributor to understand the principle of the scheme.
- (ii) It is mechanically simple and thus easy to administer.
- * (iii) The capital fund of the scheme can be readily invested and a suitable rate of interest earned."⁷¹

The Committee considered, however, that disadvantages were heavier. With any depreciation of money the capital sum may be worth much less than the total contributions which have been paid in. There is a tendency for real wages to increase for the lower income groups and this is not taken into account by the provident fund structure. In conclusion the Committee

stated that it was their view that in Kenya the pension basis should be adopted.

Reports on Wages and Social Security⁷² show that discussion on the development of social security revolved around a pension scheme and a provident fund scheme. Both of them were familiar as already a number of institutions or employers were operating either provident funds, pension schemes or other superannuation arrangements. 4

Labour Department reported in 1959 that of the total 596,897 persons in employment, 112,331 were covered by 'a pension, provident fund, superannuation or other retirement benefits. Of such workers 77,664 were employed in public service, the remainder being workers who might expect gratuity on completion of a specified number of years of service with their employers.'⁷³ 7

The terms of reference of E. Turner,⁷⁴ a British expert who was assigned the task of reviewing the previous reports were to advise the Government of Kenya on the setting up of an old-age security scheme with particular reference to the categories of workers who could be omitted from the scheme, at any rate initially, without undue risk of hardship to them and without endangering the viability of the scheme; the detailed mechanics and cost of administration of a scheme limited in this way; and the cost to Government as an employer, of such a scheme.

The final report prepared by Turner was accepted in 1964 and immediately the recommendations were set in train. The Sessional Paper No.12 of 1963/65 pronounced the Government Policy on the establishment of a National Provident Fund Scheme. From the outset, the Government declared the policy in the following terms:-

"Before commenting on the detailed provisions of the suggested scheme, the Government wishes to place on record its unshakable belief in the value of such a National Provident Fund to those hundreds of thousands of workers who will eventually benefit from its provisions. Not only will workers benefit, but the country as a whole should profit to a considerable extent, when the scheme gets under way from the investment of its funds in the development of both industrial and agricultural projects. Government accepts that the scheme now to be introduced has shortcomings from the social point of view in that it does not provide for the pooling of risks, but having regard to the considerable time which has elapsed since the question of providing cash benefits for the aged was first raised, considers that the introduction of some provision, however modest, should be undertaken without delay. It is believed that the proposed scheme strikes a balance between affording maximum cover and benefits at the earliest possible date and avoiding the risk of the scheme foundering through attempting too much too quickly, or of making the scheme too complicated."⁷⁵

The National Social Security Fund Act, 1965 carried the spirit of the White Paper.

In Kenya, therefore, a National Provident Fund Scheme has been recognised as a social security institution. In social security world, a pension scheme is considered properly

as a social security measure. A writer has given a working definition of provident fund as follows:-

"'Provident Fund' means a compulsory savings scheme under which employees have contributions deducted from their wages, contributions are added by their employers, and the joint contributions are allocated to the credit of each individual employee in the Fund." 76

Benefits take the form of repayments to the employee or in the event of his death, to certain specified survivors on the occurrence of certain specified contingencies, including old age, invalidity and death, and are usually made in lump sums. The total amount is the balance standing to the employee's individual account in the Fund, usually with interest added.

At the same place pension has been defined in the following words:-

"'Pension Scheme' means a compulsory insurance scheme under which employees have contributions deducted from their wages, contributions are added by their employers and the joint contributions are pooled in a common fund, sometimes with a contribution from Government added." 77

Benefits are payable from the Fund to the employee or, in the event of his death, to certain specified survivors, on the occurrence of certain specified contingencies, including old-age, invalidity and death, and usually take the form of periodical payments. Entitlement to benefit is usually subject to some test of the contributions paid by the employee, but the amount of benefit payable is never limited to the amount he has

contributed to the Fund.

There are certain essential differences in principle between the provident fund and pensions schemes approaches to the problems of making provisions for the contingencies of old-age, invalidity and death. 7

In their extreme forms a provident fund is very simply distinguished from a pensions scheme in that the former is concerned with the accumulation of capital while the later is concerned with the maintenance of income. 'Social Security, of course, has as its fundamental purpose the safeguarding of income and for this reason, among others, some experts do not accept provident funds as social security schemes at all.'⁷⁸ J

Others object to the payment of large sums on principle because experience has shown that the money is often squandered or not properly invested, or the recipient may well be cheated or cajoled into parting with money to avaricious relatives or other unscrupulous persons who are invariably to be found where there is a sudden acquisition of wealth. This objection is well founded, but it can be offset to some extent by the experience of other observers who site example of the beneficial effects of a lump sum money, where a periodical payment of the same capital value would not have been equally effective. It may, for example, be more in the interests of a disabled person to purchase a small business or small-holding which will provide him with an interest as well as a livelihood, rather than that he should be content to submit on a guaranteed pension. Experience on this point can be conflicting and to some extent subjective, but on balance there is little doubt that

periodical payments for as long as the contingency lasts are generally regarded as more desirable in principle.

However, the sharp distinction between provident funds and pensions schemes may be blurred by practical and administrative considerations. Under a provident fund system, it is not uncommon to find provisions made for periodical payments, often to cover additional contingencies, such as sickness.

Conversely, pensions schemes legislation may permit the commutation of a pension, in whole or in part, for a lump sum, and it is fairly common for other lump sum benefits to be provided under a pension scheme, for example with low contribution records, where the expense and inconvenience of paying a low-rate pension would not be justified administratively.

Another distinction sometimes made between the two types of scheme is that the contributions paid into the employee's account of a provident fund, being compulsory savings, are a form of deferred pay, whereas the contributions paid into the common fund of a pensions scheme on an employee's behalf represent the premium paid under a sort of statutory insurance policy. Although certain statutory conditions are imposed on the payment of benefits out of provident fund, so that it cannot be said that the employee has at any time an unassailable right to the money in his account (this is the difference between a provident fund and a savings bank), nevertheless the whole basis of the system is that it is employee's pay which is being saved up for him. There are, however, differences of opinion about the second part of the proposition and one school of thought regards the contribution to a pensions scheme as not insurance premium at all but a

special kind of tax.⁷⁹]

A provident fund contains no element of risk-pooling;]
 it contains no element of risk to the fund. 'The total amount
 in benefits which the contributor or his survivor may receive
 can never exceed the amount standing to his individual
 account.'⁸⁰

A pension scheme, on the other hand, is concerned
 entirely with risk and their equalization. This is the basis
 of all forms of insurance and of all forms of social security]
 in the wider sense of the term, embracing the security afforded
 by the family, and the friendly society or mutual benefit
 society, as well as the comparatively modern concept of social
 insurance.]

An Australian writer on social insurance expressed]
 this over sixty years ago in a language not inappropriate to
 the circumstances of a developing country like Kenya today:-

"The fundamental doctrine underly the whole fabric
 of social insurance... is that a proper regard for
 the solidarity of each community requires that all
 classes belonging to the community should be protected
 by the community as a whole, against the incidence of
 misfortune on the class or the individual. This notion
 of solidarity... that the strong must carry the weak,
 is regarded as essential to a favourable development
 of the nation, and it is recognised that the national
 welfare requires sacrifices to be made by those able
 to make them, for the well being of its weaker elements.]
 In other

words, it is recognised that, in order to advance the prosperity of the nation as a whole, and to conserve its vital forces, it is better that a misfortune falling on an individual should be distributed and borne lightly by the whole community, rather than that the individual should be crushed by the weight of his own misfortune. And, although the results of an efficient system of social insurance must necessarily be philanthropic in their effect on individual cases, yet the basic principle of such a system are neither philanthropic nor individualistic in their nature, but aim at the general betterment of community and the proper guidance of national destiny." 81

Expressed in another way, the essential difference between a provident fund and a pensions scheme lies in their redistribution in the limited sense that money is withheld from an individual when he is in work and paid to him when for some specified reason he ceases to work. A pensions scheme, on the other hand, is redistributive in the wider sense that money is withheld from those able to work so that other members of the community unfortunate enough to suffer the specified contingencies may be helped to bear them.

Under a provident fund system, because the benefits consist of the payment of contributions, there can be no hedge against inflation, but this ~~is~~ to some extent can be masked by the addition of interests to the employed person's account in the Fund. This may be adequate to keep pace with inflation in normal times, but the system has obvious hazards when savings of a lifetime are at stake. Many examples can be cited of the erosive effects on inflation on accumulated savings. In France, for example, the cost of living index rose from a norm of 100 in 1938 to 3100 in 1958! If a provident fund had been operating in that country during those twenty years the impact of

inflation would have been disastrous.'⁸²

F. Functions of Social Security in Economic Development

Social security, where it represents government political action, is an economic factor which is so closely related to the general economy that it requires to be planned jointly with the latter. When eventually a social security scheme was established in Kenya, the Development Plan (1970 - 1974) remarked that 'the establishment of the National Social Security Fund represents a significant landmark in the Government policy of encouraging domestic savings... the plan provides for substantial Government loans to the public financial institutions.'⁸³

There is now widespread acceptance that social security programmes are both necessary parts of a broader social and economic policy aimed at individual and family welfare. In a study of income maintenance R.M. Titmus (1967) has classified the benefits or use of social security programmes in three main categories:-

- (i) "as forms of future investment; compulsory or voluntary investment in the future. This may be individual, collective or both;

- (ii) as forms of consumption; immediate increments to individual and/or family welfare (as a method of distributing income or command over resources);
- (iii) as forms of compensation to individuals and/or families for disservices or diswelfare caused by society in general."⁸⁴

In the same classification Titmus gives example of education under category (i). This as a social service is a welfare investment from which the individual consumer is assumed to benefit in the future, and from which society is also assumed to benefit, economically, socially and politically. This and others may be compulsory form of welfare investment. Example of category (ii), 'Consumption benefits, or immediate increments of welfare, are pensions in payment, subsidized housing, some type of free or subsidized medical care and family allowances. Example of category (iii), compensation consumption, victims of involuntary unemployment and the obsolescence of acquired skills, victims of industrial accidents and diseases and road accidents; victims of cross-infections in hospitals, medical error; victims of ethnic or religious prejudice, victims of mistakes which occur in educational system by wrongly stigmatizing and rejecting people as 'failures'.'⁸⁵

It is one of the major functions of social security and social services programmes to make some provision for these victims of diswelfare; to compensate them in part for income loss and other injuries to life chances. One of the principal reasons for the acceptance of this compensation function is that it is becoming increasingly difficult in all modern societies to identify the causal agents of diswelfare and charge them with the costs.

In a study which has already been referred to above Titmus has clearly summarised the important objective which influence and shape the development of social security and social service programmes as follows:-

- (i) "To raise workers productivity, increase workers mobility, and add to economic growth.
- (ii) To insure and protect the worker against the risks and hazards of industrialization.
- (iii) To prevent juvenile delinquency, crime and other forms of culturally determined anti-social behaviour.
- (iv) To prevent sickness and ill-health in the interests of productivity or because much illness is economically wasteful.
- (v) To integrate all citizens into society - to further sense of community and participation, to prevent alienation.
- (vi) To increase or decrease inequalities in the distribution of incomes and in the command over resources and over life set by the economic system."⁸⁶

As can be seen these objectives echo conditions in developed countries. The desire to raise workers productivity and to protect them against the risks and hazards of industrialization are acceptable objectives, but in developing countries like Kenya where the working population is in the minority and therefore constitute a privileged group influence favouring their protection without a much broader objective to protect the non wage-earning population would widen the gap of inequality.

Observation of the development of social security in developing countries appear to be influenced by the objectives which benefit only a minority which already may be enjoying a privileged economic position. This matter is discussed further in Chapter V.

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CHAPTER III

ORGANIZATIONAL STRUCTURE

A. Factors Influencing the Organization

The organization of social security as a welfare measure needs properly to be viewed as a part only of the whole social welfare administration in Kenya. In this way it should be possible to discuss the mandate and location of social security institutions in the light of social welfare policy.

Independent Kenya inherited the Colonial policy which all along implied that social security was a labour problem. Up till the present time policies indicate strongly that social security is a protective measure for the wage earning class.

The Ministry of Labour and Social Services in February, 1964 introduced a plan for social welfare. The essence of the plan was summarised in the following statement:-

"The growing need for an expansion of welfare services and, at the same time, the scarce resources available, both in terms of finance and trained personnel, was observed. Emphasis, therefore, was given to a system of developing voluntary agencies for the promotion of welfare activities and extending social work training facilities."¹

Voluntary agencies are usually not the appropriate organizations to provide for social security risks. It appeared from this plan that social welfare was not given a broader view. This narrowing of policy affected the structure of organization to the extent seen in the interpretation.

At the same period the Government stated the policy which was to guide a new social security institution:-

"In Government's view any national scheme must apply so far as is possible to all workers in the country and during the early years the emphasis should be on extending the coverage to the maximum extent so that all workers can be covered for old-age benefit. Initial coverage should not be restricted to workers in industry or in the towns and urban areas but should extend to all workers in paid employment whether in agriculture or industry: for the needs of all workers of how they have been employed throughout their working lives."²

The Development Plan (1970 - 1974)³ properly referred to the establishment of the National Social Security Fund as a social welfare measure. This however, is a document on development and could not be expected to give guidance on the structure of organization.

The policy statement which gave the social security Fund its structural shape was stated in the following terms:-

"Government considered the possibility of appointing a Board of control to manage the scheme but came to the conclusion that in the early days the advantages to be derived from having one officer in charge with authority to take decisions and, subject to the approval of the Minister for Labour and Social Services, implement them, outweighed the advantages which might accrue from the more considered, but much slower, decisions to be expected from a Board which might not be able to sit continuously."⁴

While the social work aspect of welfare was to be channelled to voluntary organizations, a department was to be created as a completely separate organization for the social security aspect of welfare.

Another area of observation on policy which has attracted general comment here, in as far as it affects organization, is benefits or compensation paid in cash and in kind.

In relation to lump sum or pension arrangements the policy stated:-

"Government acknowledges that in relation to a pure provident fund the precise age at which benefit is paid is not of vital importance since the Fund's liability is restricted to the sum standing to the credit of a member. However, since it is Government's intention to press on with the development of the scheme as quickly as possible and convert the initial lump sum payments into recurrent payments the matter is of more than academic interest. The 1962 Population Census revealed that there were more than 420,000 persons over the age of 60 and this figure can certainly be expected to rise, thus giving the lie to the fallacious argument that 'an African is an old man at 40.' Government asks all who may think that 60 age limit is too high to remember that the intention of the scheme is to provide for persons who are too old to work and not to supply money to persons to enter self-employment."⁵

This is a clear and forward looking statement of policy. It could be assumed from this that the structure of organization would be given a wide enough base upon which future expansion could be built.

Seven years later, another recommendation was made with which, apparently, the Government had sympathy:-

"In order to attain complete equality of reward and full mobility of labour, in so far as superannuation is concerned, we consider the best course would be to establish a National Pensions Fund... As has been stated very many employers in private sector operate pensions funds, provident funds, etc., supplementing benefits being secured under the National Social Security Fund but these funds however generous and well intentioned, invariably do not allow for transferability of pension rights from one fund and another."⁶

This recommendation reflects the image of the organization of social security and the extent of impact it has had in social protection.

Another important statement of policy which relates to organization was made by Government in the following terms:-

"One of the unfortunate events which a worker may have to face is that of becoming incapable of further work through disablement. If this occurs in the course of his employment the worker will normally become entitled to payments under the Workmen's Compensation Scheme, but if it occur otherwise then there is little likelihood of any payment being made to him... the Government accordingly proposes to pay Invalidity Benefit to any member, irrespective of age, who is rendered permanently incapable of work because of incapacity."⁷

What is observed here is the relationship between the Provident Fund Scheme and the Workmen's Compensation Scheme.

The last but by no means conclusive observation in an attempt to bring together some factors which influence the structure of organization is the work now carried out under the Ministry of Co-operatives and Social Services. It was reported in 1964 when the welfare division was still under Ministry of Labour that:-

"The number of applications in the unemployed category continued to rise throughout the year. It was estimated that an average of 12,000 persons per month in the Nairobi area received temporary help through the provision of foodstuffs from various centres of distribution."⁸

'The significance of bringing out this point is that provision exists for the unemployed and other persons in distress. In 1962 the Relief of Distress Vote stood at £55,000 per annum.'⁹ At that time the disbursements were Shs.200.00 to 300.00 per month for Europeans, Shs.100.00 to 140.00 per month for Asians and Shs.40.00 to 70.00 for Africans. Apparently this Vote has been steadily reduced until the Government's financial year 1972/73 when it stood at £25,000.¹⁰

Along with statements of policy and established welfare measures there exists a National Hospital Insurance Fund. This was established under an Act of Parliament and is a separate entity.

Having catalogued both intended measures and existing provisions, a discussion on the organization of the National Social Security Fund can be followed with a clearer light.

Critical analysis of the conflict in policies, and in the organization of social security contingencies is discussed in Chapter VI below.

B. National Social Security Fund

A summary is presented here in the form of a chart prepared (see next page) to explain the agencies which operate social security benefits in Kenya. The National Social Security Fund Act provides for Old-Age, Invalidity, Survivors, Withdrawal, and Hospital Benefits. Withdrawal is paid after attaining the age of 55 years and the contributor has remained without employment for a year. This can, therefore, be considered as unemployment benefit. The Workmen's Compensation as can be seen from the Chart is administered under Labour Department. National Hospital Insurance Fund operates a sickness benefit under the Ministry of Health which also administers free out-patient hospital treatment as a National Service. Ministry of Co-operatives and Social Services through the Department of Social Services administers the unemployment relief fund including other cases of distress. Voluntary Organizations, co-ordinated through the Kenya National Council of Social Services operate relief services of different kinds. ✓

Financing of these measures comes from different sources. The National Social Security Fund is financed through contributions made by employers and employees. The policy statement behind this arrangement stated as follows:-

"Since there is to be no direct Government contribution by way of an Exchequer Supplement to the contributions of workers and employers or any subsidy towards the cost of administering the scheme Government accepts the

ORGANIZATION CHART OF SOCIAL SECURITY COVERAGE

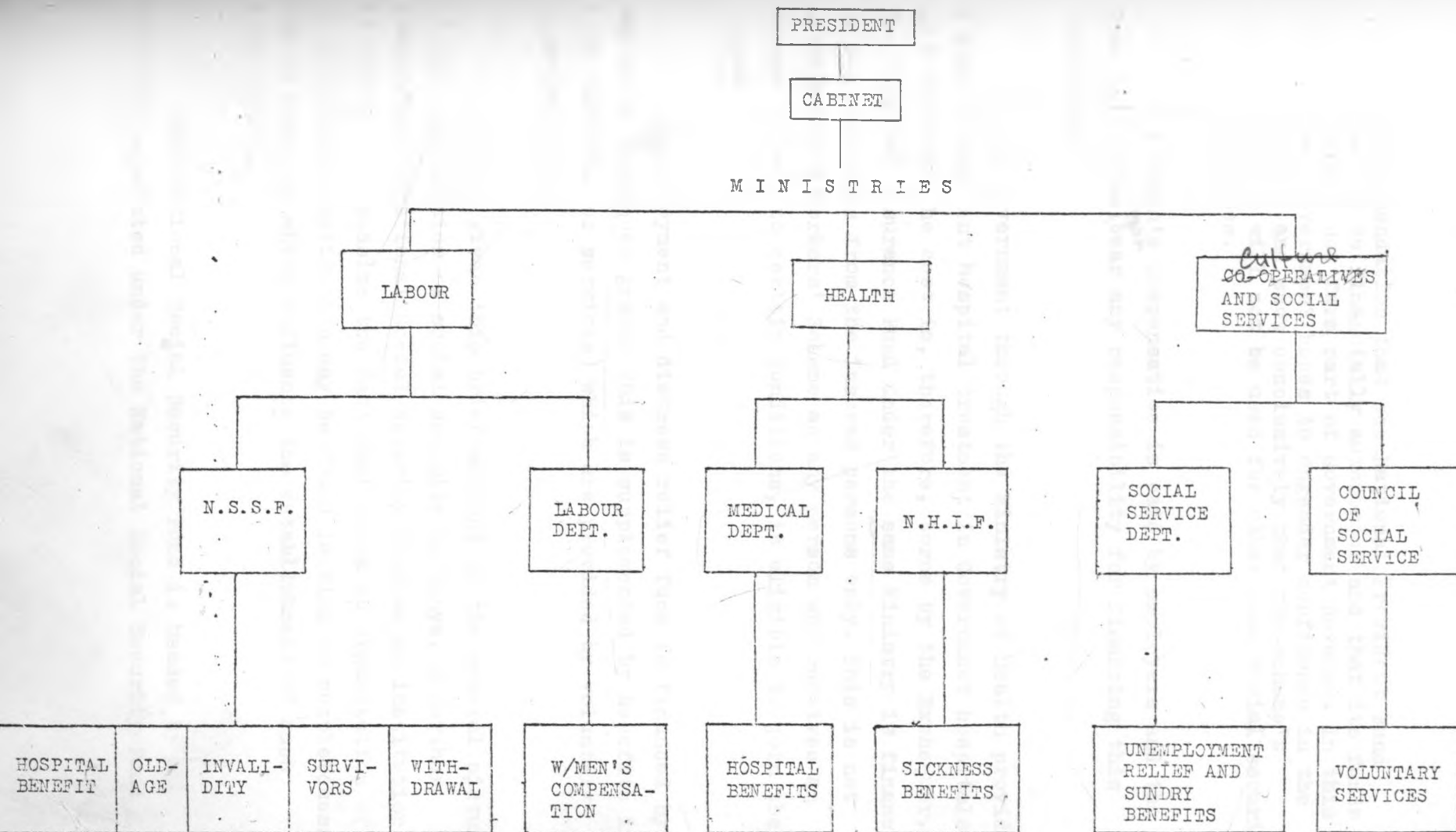


CHART 1. Administrative Distribution of Social Security Benefits

recommendation that the National Provident Fund should be financially autonomous and that its funds should not form part of Government Revenue. In this way Government hopes to engender confidence in the scheme and show conclusively that the scheme's assets will not be used for other than social security purposes.

Workmen's Compensation is paid by employers and the Government does ^{not} bear any responsibility for financing this contingency.

The Government through the Ministry of Health provides a free out-patient hospital treatment in Government hospitals as a service. The cost is, therefore, borne by the Exchequer. The Hospital Insurance Fund under the same Ministry is financed by contributions from the insured persons only. This is not necessarily a workers' Scheme as any person who receives an income subject to certain conditions, is eligible to join the scheme.

Unemployment and distress relief fund is financed by way of an Exchequer grant. This is supplemented by benefits in kind (material or services) which are provided by voluntary organizations.

Having given this brief account of the general picture of the organization of social security in Kenya, a further discussion of National Social Security Fund as an institution is merely to emphasize the fact that focus on organization of an individual institution may be found lacking in completeness due to policies which influence the establishment of such institutions.

The National Social Security Fund is headed by a Director, appointed under the National Social Security Fund

Act and assisted by a staff of civil servants. The Organization Chart prepared (see Chart 2.) shows the present structure of the organization. An Advisory Council was set up under the Act in accordance with the stated policy:-

"The greatest importance is attached by Government to the proposal to set up a Council representing Government, Workers and Private Employers. To prevent the Council becoming too cumbersome it is considered that the membership should be restricted to five representatives from each group. The main functions of the Council should be to examine, wherever time permits, all draft subsidiary legislation and to investigate the general impact of the Scheme and make recommendations for any necessary changes."¹²

An Investment Committee is also established under the Act. The function of this Committee is to control the investments of the Fund. The Committee is composed of a Chairman, the Director of the Fund, and employers' representative and a workers' representative. In practice a member of the Treasury is the Chairman of this Committee.

The organization chart prepared summarise four main areas of activities: Registration, Accounting, Data Processing (Computer Services and the Inspectorate, analysis of this organization is discussed further in Chapter VI.

The chart showing coverage of social security contingencies (see Chart 1.) gives the impression that coverage is wide. This can be misleading. Hospital Benefits under the National Social Security Fund is available to contributing members of the Fund and their families. At the time of writing, there are about 500,000 contributors. The same members are covered by old-age, survivors, invalidity and withdrawal

ORGANIZATION CHART OF NATIONAL SOCIAL SECURITY FUND

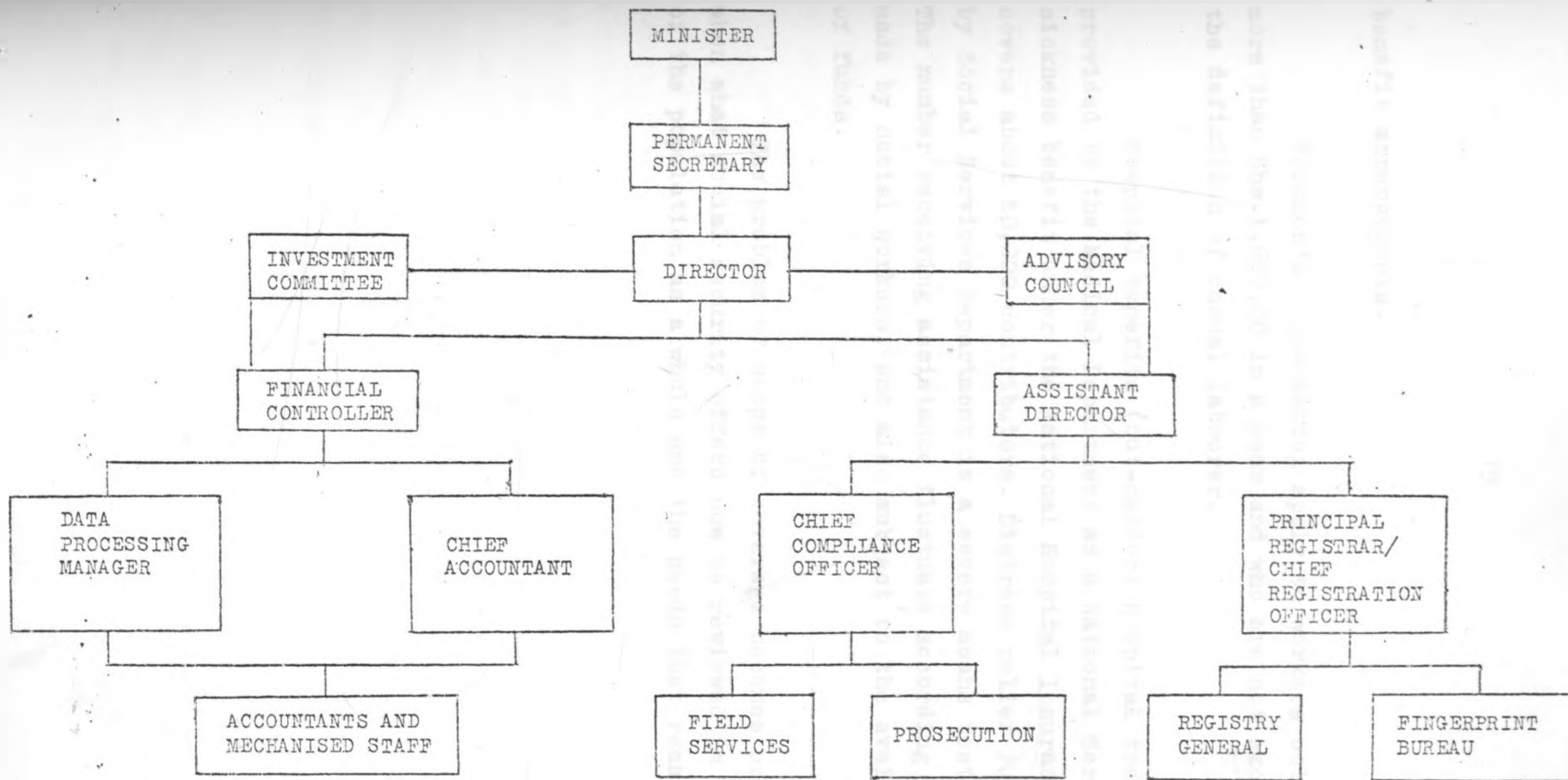


CHART 2. Organization of the National Social Security Fund

benefit arrangements.

Workmen's Compensation apply to workers not earning more than Shs.1,680.00 in a year and who are not ~~excepted~~ by the definition of casual labourer.

Hospital benefits (out-patient hospital treatment) is provided by the Medical Department as a National Service while sickness benefit under the National Hospital Insurance Fund covers about 60,000 contributors. Distress relief Fund operated by Social Services Department is a severe means test exercise. The number receiving assistance fluctuate according to reports made by social workers, and also subject to the availability of funds.

The problem of scope of coverage becomes prominent when what social security offers now is reviewed in the light of the population as a whole and the needs that remain unmet.

P A R T T W O

CHAPTER IV

METHODOLOGY

General Organization of Data

Data collected for this study include prices of commodities and items of consumption derived from the scale used for the calculation of minimum wages; age distribution of contributors to the scheme, ethnic distribution, regional distribution, occupational distribution of firms, regional distribution of firms, regional analysis of wage income; and the results of the field survey. Data was also collected covering the efforts of mutual aid societies.

It has been pointed out in an earlier Chapter that the National Social Security Fund is primarily a wage earners scheme. Wages therefore become crucial in the discussion of social security development. An attempt has been made to look into the adequacy of wages. Different wage levels affect contributors differently. If the minimum wage is too low deductions made from it to cover a social security scheme is likely to impose financial burden on the families. Data collected on prices of commodities have the value of reintroducing the concepts of minimum wage and the fixing of minimum wage rates.

Data on the analysis of wage income shows the structure of wages; the picture that structure paints both in rural and urban areas, and on different occupations. If the planning of social security forms only one part of the total social and economic planning for the development of the whole country, wage income serves as an index of industrial distribution in

the country. Since social security operating now in the country is a wage earners scheme, the light thrown from the regional distribution of wage income points to the scope of coverage.

Wages are earned from occupations. An investigation into the occupational distribution of firms and their regional distribution completes the framework within which the scope and participation of social security can be discussed in as far as it affects wage earners scattered all over the country. Data to support this discussion is important.

The quest for wage income is resulting in movement of people from their traditional homes to places of employment. Data collected on ethnic distribution of contributors to the scheme tell an interesting story which contain a number of factors including proximity to industrial centres, size of population, importance of wage income and mobility of labour.

The question of age exercised the mind of Government when policy was being formulated and ultimately the question was settled in the following terms:-

"The 1962 population census revealed that there were more than 420,000 persons over the age of 60 and this figure can certainly be expected to rise, thus giving the lie to the fallacious argument that 'an African is an old man at 40'"¹

Data on age distribution of the contributors explains the age structure of the participants and indicate the number of men in employment who are above the age of 40 years, for

that matter. More significantly the structure would provide information which could be used in planning long and short term investments and would be valuable from the actuarial standpoint in planning future pensions arrangements.

Data collected from field surveys are of particular interest. The information is used to test the hypothesis that the present system of social security in Kenya leaves out people who are in real need of social protection.

B. Documentary References

Documentary references have drawn heavily from the Official reports. Information has also been gathered from unpublished or unpublishable documents in the Government archives. Indications have been made where such references are made. A limited amount of information has been drawn from personal experience.

Another important source of references has been published documents of the International Social Security Association. This organization publishes a quarterly Review known as International Social Security Review. Contributions to this publication draws from international experts in social security of various capacities i.e. Administrators, Actuaries, Economists, Sociologists and Doctors.

Apart from these sources references have been made freely to published works which contain relevant information. Generally, therefore, references have not been confined to any particular source with social security bias. In this way, opportunity has been taken to discuss the subject freely

laying down the basis for debate.

C. Statistical Sources

Statistical information used has been collected in three ways. Firstly, existing sources in other works have been adopted, for example, population census for 1969, Statistical Department surveys and other official reports. Secondly, information has been collected by making use of the existing data and calculating statistics to produce the details for analysis. Thirdly, original information has been collected and organized for use in the analysis. This includes material collected from contributions returns files available at the National Social Security Fund, and the field survey carried out using a questionnaire.

D. Methods Used in Collecting Data

1. Age Distribution:-

When the National Social Security Fund was established it took over the national registration records which were kept in conformity with the Registration of Persons Act. The records were suitably modified to meet the requirements of the social security system. The membership number given to a contributor is computed from the national registration number printed on the identity certificate. For example, an identity certificate bearing the Number ID/31599/NBI becomes 3159901, that is to say, the number 31599 remains unchanged, but the geographical letter 'NBI' becomes '01'.

An employee is registered as a contributor and a membership card given to him. At the time of registration his age is recorded. The information on age is obtained from the

national registration records (Identity Card duplicates). There are, therefore, two sources of obtaining information on age; by collecting it from the registration bureau where membership numbers are stamped on the reverse of the duplicates of Identity Cards, or by using a computer programme to produce information which is stored in the computer registration file. When an employee is registered, the particulars maintained in the computer memory include full name, age, fund membership number and employers registration number.

The method used to collect information on age distribution was that of writing a computer programme to produce a list grouping members according to their ages.

2. Ethnic Distribution:-

From 1919 when the law required Africans to be registered and carry the Identity Card, this requirement subjected all male Africans to be in possession of this card. This law changed in 1965 and only men of all races above the age of 16 years were required to be in possession of Identity but not necessarily to carry it on their body all the time. One of the particulars shown in this card is tribe and place of birth.

When registering employees for the purposes of the National Social Security Fund, this information was not computerised. The extraction of this information from the registration records was, therefore, done manually. A team of 15 clerks supervised by a Registration Officer was engaged to extract this information. The work was done in four months mainly on part-time basis.

3. Regional Distribution:-

When an employer applies for registration of his employees he supplies information which include his occupation and the location of his operation. His employees are registered under his number. The employees Fund number and employers particulars are stored in the computer. For example, East African Railways Corporation is registered as employer Number 302. All employees registered by Railways appear under this number. This makes it possible through computer programming to secure information on the location of industry. In order to get this information codes were used on punched cards system for computer processing.

4. Occupational Distribution:-

A similar method as explained above was used to secure information on both distribution of contributors and of regional distribution of firms.

5. Regional Analysis of Wage Income:-

Employers were required to submit monthly returns together with contributions. The law requires that the employer should deduct 5 percent from his employees' wages and add to it a matching 5 percent. What goes to the Fund is ten percent of wages known as standard contribution. This is subject to a ceiling of wages up to Shs.800.00 per month.

The information required when submitting returns include the employer's name, registration number and address; then his employee's name, Fund membership number, the amount deducted (standard contribution) and basic wage.

What was important to enable the collection of this information was employer's address and employee's basic wage. The information contained in the returns was punched and fed into computer. It was, therefore, possible to write a computer programme to yield information on wages from all parts of the country. The mechanics included giving code numbers to districts and to urban areas. This work was carried out for the benefit of this study by the Data Processing Room of the National Social Security Fund.

6. Consumption Items:-

The minimum wage formulae used a selected number of items. Method used in collecting prices for this work was by visiting retail shops. What was considered average prices were recorded. In this exercise six retail shops were visited.

E. Field Survey:-

Social Security in Kenya favours people in wage employment living in urban areas. People living in rural areas outside wage employment do not benefit from social security.

The study in two rural areas investigated:-

- (a) How the aged are cared for?
- (b) How the sick members of community are treated?
- (c) Welfare of the widows and orphans.
- (d) The plight of the unemployed.
- (e) Social security prospects of people in gainful employment.

The surveys were carried out by use a questionnaire suitably drawn to yield the information required to interpret the facts and test the hypothesis.

Another survey in a peri-urban area was carried out to provide the contrast of people influenced heavily by urban conditions.

1. Field Sample:-

Yiro sub-location was chosen for field survey, Yiro is in Western Kenya in Siaya District, two hundred and fifty miles away from Nairobi; forty miles North West of Kisumu Township and thirty miles West of Kakamega Township. It is approximately thirty square miles and its population is approximately 5,000 (Kenya Census, 1969). The inhabitants are predominantly Luo speaking but being on the border of Nyanza and Western Provinces, Luhya speaking people are found in the sub-location.

This place has been chosen for its remoteness from urban influence and absence of employment centre. It represents a typical rural community. The survey was carried out on a sample of 500 inhabitants of men and women chosen at random but representing more or less fairly, the aged, the able bodies and women.

In order to guard against misconceptions which might have resulted from, say, social behaviour and predilections of a particular group, a similar survey was carried out on a sample of 193 inhabitants using similar methods in a remote sub-location in Kitui District.

MAINI sub-location in IKUTHA location is located about

150 miles from Nairobi and 100 miles South East of Kitui Township, with a population of approximately 1,800 (Kenya Census, 1969). The inhabitants are predominantly Kamba speaking.

A third survey covering a peri-urban area was carried out in KARURI area in Kiambu District. This area is about eight miles outside Nairobi. Here only a small sample of 125 inhabitants was used.

F. Observations on Methods Used

Documentary references drawn from official reports have been resorted to with some amount of caution. In some cases questions could be raised as to the accuracy or authenticity of such reports. In this regard, the only value that can be accorded them perhaps could be in the ideas they were conveying rather than specific assertions they made.

A similar observation can be extended to writings on other subjects which are quoted in discussing social security. Here lies the risk of getting into the trap of intellectual sympathy of being attracted to a view which although it may be concrete, is likely to be quoted out of context in trying to alienate it to fill the gap of an idea which is to be completed. This danger must be recognised in a work like this.

Information collected for ethnic distribution should be used with the proviso that during the emergency years, a large number, unknown in size, of the Kikuyu group registered either as Masai or Kamba. There were cases which were traced at the Registration Bureau. The manual work involved in collecting this information was massive. Human error element cannot, therefore, be ruled out. Some documents were out circulating at

the period of counting. The possibility was that these were not counted. Another significant observation must be made on the district boundaries which in some cases have run through a people dividing them into two. Some Banyala and Usonga people while in the old Central Nyanza District were described by the Registration Officers as 'Luo'. Similarly, the Luo who lived in the old North Nyanza District in South Marama, Uholo and South Wanga locations were described as Luhya. Such a confusion also arose when Kisii and Kuria people in the old South Kavirondo Districts were described with wrong tribal identities between them and the Luo.

Computer programming has its typical problems. The information collected on income and occupational distribution omitted 72,837 contributors as having not been adequately described. This was approximately 25 percent of the number of contributors used in data analysis. To this extent the analysis was limited in value.

The method of collecting commodity prices for use in wage analysis was casual. Six messengers were given the same list of commodities. It was assumed that since their wages were around the statutory Minimum Wage, their purchases would reflect a true position of how workers in that level of income conduct their purchases. They noted prices only after they had actually bought food or sent children with money.

In most cases all the six messengers reported similar prices. Clothing and blankets were not actually bought. At their leisure time, they went out to shops to negotiate prices. They actually asked for Khaki Drill material although generally Khaki Shirts and Shorts have long ceased to be fashionable in Nairobi.

The use of controlled prices, in the case of

commodities subject to price control, and the lack of uniformity in price collection, arising from practice of use of different people can raise objections to the costing of the Minimum Wage formula.

1. Field Surveys:-

The surveys were surrounded with a number of problems which should be recognised as capable of limiting the value of the outcome. Where one is dealing with people of mixed background there exists the danger of failure to recognise this fact and conduct questions with lack of understanding. It becomes important therefore that survey assistants do not carry out the exercise just like something routine. The staff of the National Social Security Fund were used for the survey. It was assumed that they understand the purpose of social security so that when they were involved in this kind of survey, they would conduct it with deeper understanding than merely asking questions whose value they did not appreciate. But to counteract this view there was also the danger of occupational bias which would leave room for temptation to influence the answer required.

Training sessions were therefore conducted to equip the survey assistants on the methods of approach and on the techniques of asking questions.

Sampling had its problems. If say this was to be random and would include old men and women and young men and women, how would such a sampling ensure the best results as regards the distribution of the age groups if the sample was carried out on say ten percent of the population of the area? The survey assistants were instructed to balance the sex and age groups as far as possible but one cannot assure a perfect

approach. Here then was one shortcoming which was noted.

Language was an important factor in the survey. This became prominent when the assistants who could not speak the local language had to be removed because the inhabitants in an area could not discuss their opinions effectively in Swahili. The survey carried out in Maini sub-location proved this difficulty. With this language factor was the problem of translation. The word 'social security' cannot be interpreted in Kamba or Luo languages to give a perfect meaning as it is conceptionally understood in English language. It therefore required explanation in the local language before an interviewee could answer questions effectively. It is possible that the interviewer might feel convinced that his explanation was understood when this in fact was not the case. This affects the quality of the answers and misleads the final results.

The attitudes of the inhabitants in an area are likely to affect the results of the survey for a number of reasons. Where the local people suspect strangers and do not know the motive behind the questions they react in different ways. Where they suspect that the interviewers are 'Government men', they may try to give answers to please, or remain vague.

It was noted that where the survey goes on for a long time news go round, people who have been interviewed discuss the kind of questions they were asked and the answers they gave. Nevertheless the answers generally expressed the demands of the people. This was shown clearly by people in Maini who expressed the opinion that apart from the social security benefits something should be done for them in connection with the supply of food, water -

and facility to build better houses.

In both rural places, that is to say, Maini and Yiro the interviewees replied to questions with the hope that something will be done. In both places such remarks as 'we give the Government our opinions but no quick action is taken'. One inhabitant in Yiro, for example, stated that he would only talk "if these people were Governments people" when he referred to the survey assistants.

The surveys showed that the interviews did not adequately cover the chronic sick and the invalid. This shortcoming to some extent limited the value of the results.

In a nutshell, the foregoing is a cautionary note that there are shortcomings in the results of the surveys and that such shortcomings have the effect of limiting the success of the surveys. Their value however is seen in the general picture they have painted and the aid they have provided in discussing the problems of social security.

CHAPTER V

ANALYSIS OF DATA

The statistical information given has been prepared for this work. The tables have been compiled partly from statistics collected directly and partly adopted from statistics compiled by Division of the Ministry of Economic Planning and Development; for example, Population Census.

At every stage explanatory discussion has been introduced to throw light into the use and relevance of the information to the problem at issue and this has been followed by analytical statistics paving the way for critical reinterpretation.

A. A SURVEY ON MINIMUM WAGE AND WAGE STRUCTURE

Price of items used in calculating minimum wage were collected during 1970 as follows:-

A. Food

<u>Commodity</u>	<u>Prices</u>
Maize meal	.30 cents per pound
Wheat flour	Shs.2.60 per packet of 5 pounds
Potatoes (European)	.70 cents per pound
Sugar	.70 cents per pound
Beans	.70 cents per pound
Meat	Shs.2.50 per pound
Vegetable (Green Leafy)	.30 per pound
Milk	.70 cents per pint

Cooking Fat	Shs.2.70 per pound
Tea	Shs.6.00 per pound
Salt	.40 per pound

B. Clothing

1 Shirt	Shs.18.00
1 Shorts	Shs.18.00
1 Blanket	Shs.15.00
1 Trousers - Khaki	Shs.28.00
1 Khaki Jacket	Shs.40.00

F. Fuel

1 Bag Charcoal	Shs.8.50 ⁷ ≈ 6/-
1 Bottle Paraffin	.50 cents

D. Cleaning Material

1 Bar of Soap	Shs.2.60' ⁷ ≈
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The scale of quantity accepted for the purpose of calculating minimum wage was given as follows :-

" A. <u>Food</u>	(<u>Per Month</u>)
Maize meal	36 lb.
Wheat flour	5½ lb.
Potatoes (European)	15 lb.
Sugar	2 lb.
Beans	8 lb.
Meat	4½ lb.
Vegetables	7½ lb.
Milk	7½ Pints
Cooking fat	1 lb.
Tea	½ lb.
Salt	1 lb.

B. Clothing (Per Month)

$\frac{1}{6}$ th of Shirt

$\frac{1}{6}$ th of Shorts

$\frac{1}{6}$ th of Cotton vest

$\frac{1}{6}$ th of Blanket

$\frac{1}{24}$ th of Khaki Drill Jacket

$\frac{1}{24}$ th of Khaki Drill Trousers

C. Fuel & Lighting

1 70 pound bag Charcoal

3 Pints Paraffin

D. Cleaning Material

2 Bars of Soap. // 1

Calculation of Minimum Wage for Nairobi
(1970 Prices)

A. Food (Consumption Per Month)

<u>Commodity</u>	<u>Quantity</u>	<u>Price</u>
Maize meal	36 lb.	Shs.10.80
Wheat flour	5 $\frac{1}{2}$ lb.	Shs. 2.60
Potatoes (European)	15 lb.	Shs.10.50
Sugar	2 lb.	Shs. 1.40
Beans	8 lb.	Shs. 5.60
Meat	4 $\frac{1}{2}$ lb.	Shs.11.25
Vegetables	7 $\frac{1}{2}$ lb.	Shs. 2.25
Milk	7 $\frac{1}{2}$ Pints	Shs. 5.25
Cooking Fat	1 lb.	Shs. 2.70

Tea	$\frac{1}{2}$ lb.	Shs. 3.00
Salt	1 lb.	Shs. 0.40
	TOTAL FOOD	Shs. <u>55.75</u>

B. Clothing

Khaki Drill Shirt	$\frac{1}{6}$ th	Shs. 3.00
Khaki Drill Shorts	$\frac{1}{6}$ th	Shs. 3.00
Cotton Vest	$\frac{1}{6}$ th	Shs. 1.30
Blanket	$\frac{1}{12}$ th	Shs. 1.25
Khaki Drill Jacket	$\frac{1}{24}$ th	Shs. 1.65
Khaki Drill Trousers	$\frac{1}{24}$ th	Shs. 1.15
	TOTAL CLOTHING	Shs. <u>11.35</u>

C. Fuel & Lighting

Charcoal	1 Bag (70 lb.)	Shs. 8.00
Paraffin	3 Pints	Shs. 1.50
	TOTAL FUEL & LIGHTING	Shs. <u>9.50</u>

D. Cleaning Material

2 Bars of Soap	Shs. <u>5.20</u>
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Total of A, B, C, & D Shs. 81.80

Add: $33\frac{1}{3}$ (Human Needs Requirements) Shs. 27.25

Add: Tax allowance Shs. 2.00

'Bachelor' Minimum Shs. 111.05

From 1954 the basis of statutory minimum wage was changed from one which takes account only of the needs of a single man, to one based on the needs of a family unit. From the foregoing a 'family' minimum wage for Nairobi in 1970 is adjusted as follows:-

Basic Minimum Wage = Bachelor Minimum X $2\frac{1}{2}$ +
Housing allowance. That is to say:

(Shs.111.05 X $2\frac{1}{2}$)	=	Shs.277.60
Housing Allowance - approximately		Shs. 60.00
		<hr/>
Minimum Wage for a family unit		Shs.337.60
		<hr/> <hr/>

Actual rent paid is generally higher than that allowed for. The family unit is usually larger and the scale does not take account of the cost of education and health which is considerably higher than what is allowed for 'Human Needs Requirement.'

The finding of the survey by the East African Statistical Department² in 1950 was the higher proportion of income spent on food and this was approximately half as much again as that allowed for in the minimum wage formula. This is a strong point which the Committee on African Wages should have taken into account. The result of their omission was that the minimum wage was fixed at lower than what might have been more realistic.

It has been shown above that in 1970, using the commodities and quantities allowed for the calculation of minimum wage, a single man required Shs.55.75 for food in one month. The finding quoted above would increase the amount

needed for food to Shs.83.60.

Applying the formula again, and taking into account the high proportion of income spent on food as the survey of 1950 pointed, a new situation would appear as follows:-

Total of A, B, C & D	Shs.109.65
<u>Add: 'Human Needs Requirements'</u> ($33\frac{1}{3}\%$)	Shs. 36.55
<u>Add: Tax Allowance</u>	Shs. <u>2.00</u>
'Bachelor Minimum'	Shs.148.20
	<u><u> </u></u>
Basic Minimum Wage (1954 formula): (148.20 X $2\frac{1}{2}$)	Shs.370.50
Housing Allowance - Approximately	Shs. <u>60.00</u>
Minimum Wage	Shs.430.50
	<u><u> </u></u>

In 1970 the Statutory Minimum Wage for Nairobi was Shillings 200.00 per month.

The foregoing calculations of Minimum wage is a theoretical exercise. In order to examine the impact of wage structure on social security, statistics were collected which supplied more details shown in the following tables.

Table 1.

GENERAL WAGE ANALYSIS (Shillings Per Month)

Wages	<u>Less than</u> 100/-	<u>Less than</u> 200/-	<u>Less than</u> 300/-	<u>Less than</u> 400/-	<u>Less than</u> 500/-	<u>Less than</u> 600/-	<u>Less than</u> 700/-	<u>Less than</u> 800/-	Over 800/-	TOTAL
Contributors	49,580	50,741	59,635	34,516	21,413	12,650	9,351	6,669	45,196	289,771
Percentage	17.11	17.15	20.58	11.91	7.38	4.36	3.22	2.30	15.59	100

Statistics shown in Table 1. were collected from a sample of 6,734 firms, scattered all over the country which showed that they had a total of 289,771 employees contributing to the National Social Security Fund in 1970. Records of the organization showed that 418,600 workers contributed to the scheme in that year. The sample therefore represented approximately 70 per cent of the contributors.

The above Table is presented further in the form of a graphical diagram (Chart 3.). In this way general wage analysis can be seen more clearly.

Table 1. however does not tell the whole story of wage rates in different parts of the country. Chart 3. produced below reveals more information on wage distribution. Charts 4 - 10 trace the structure of wages in graphical form.

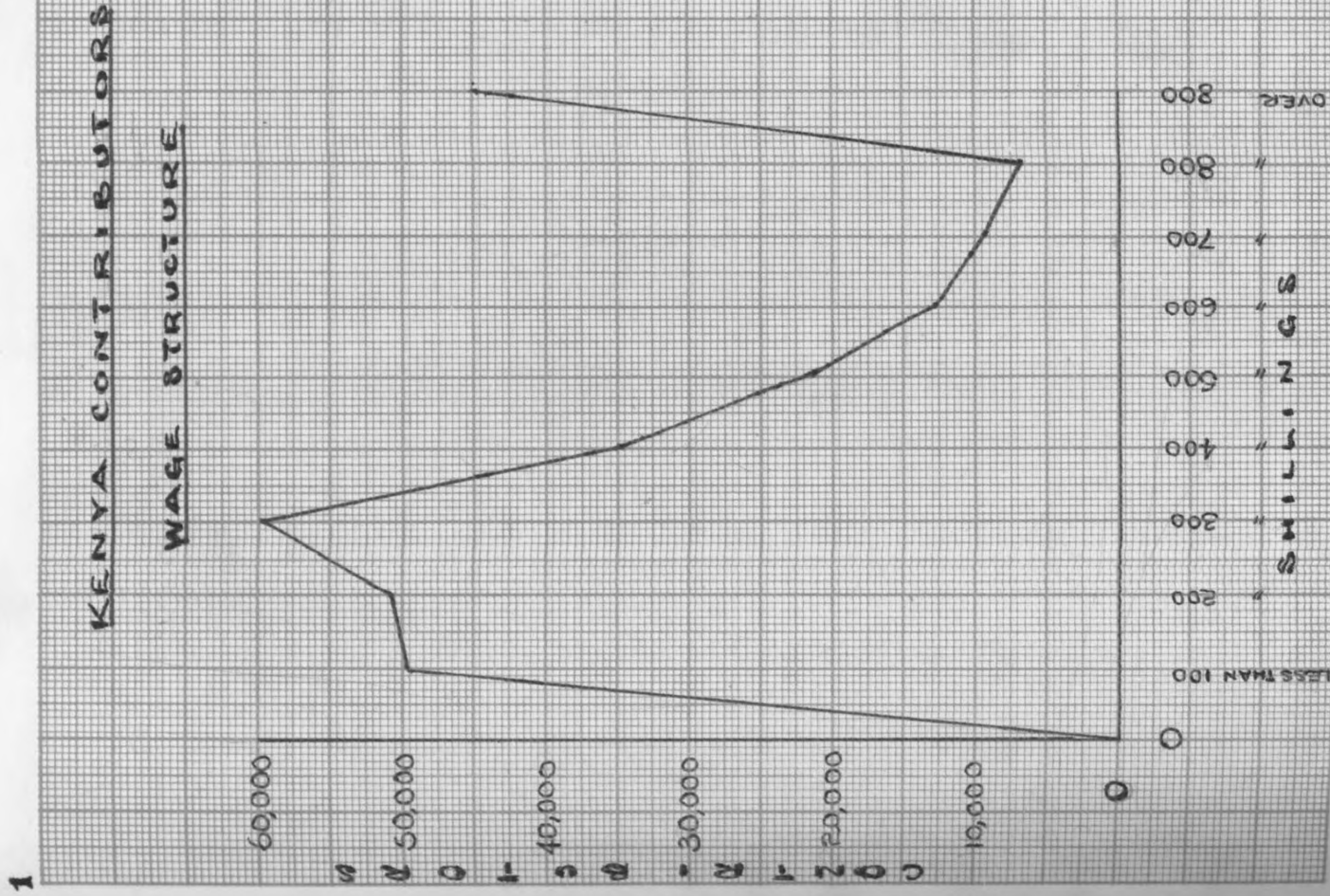


Chart 3. Wage Distribution in Kenya.

SCALE :

VERT.	1 CM. FOR	5,000 CONTRIB.
HOR.	1 CM. FOR	100 SHILLINGS.

WAGE STRUCTURE
NAIROBI.

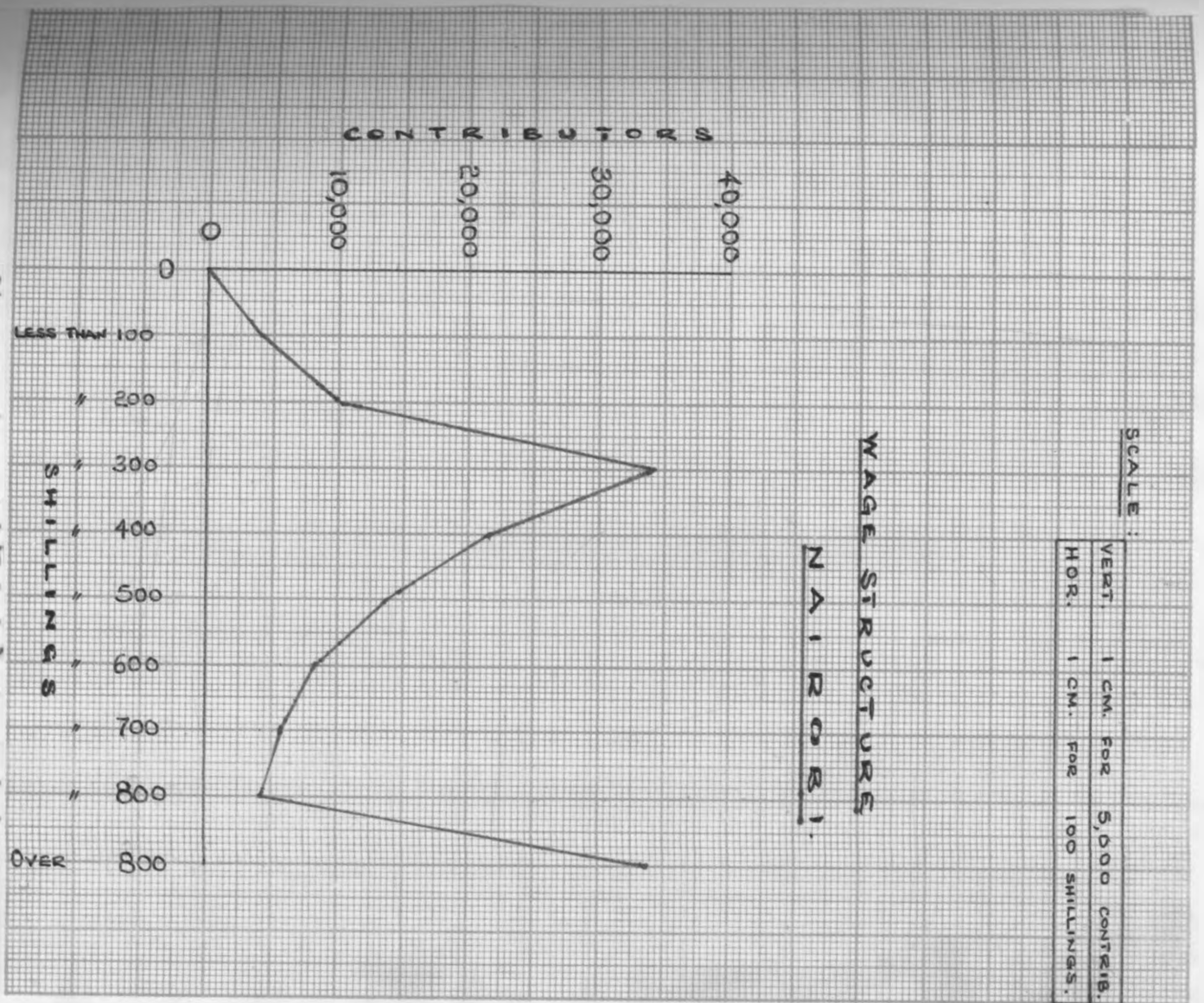


Chart 4. Wage Distribution in Nairobi.

2

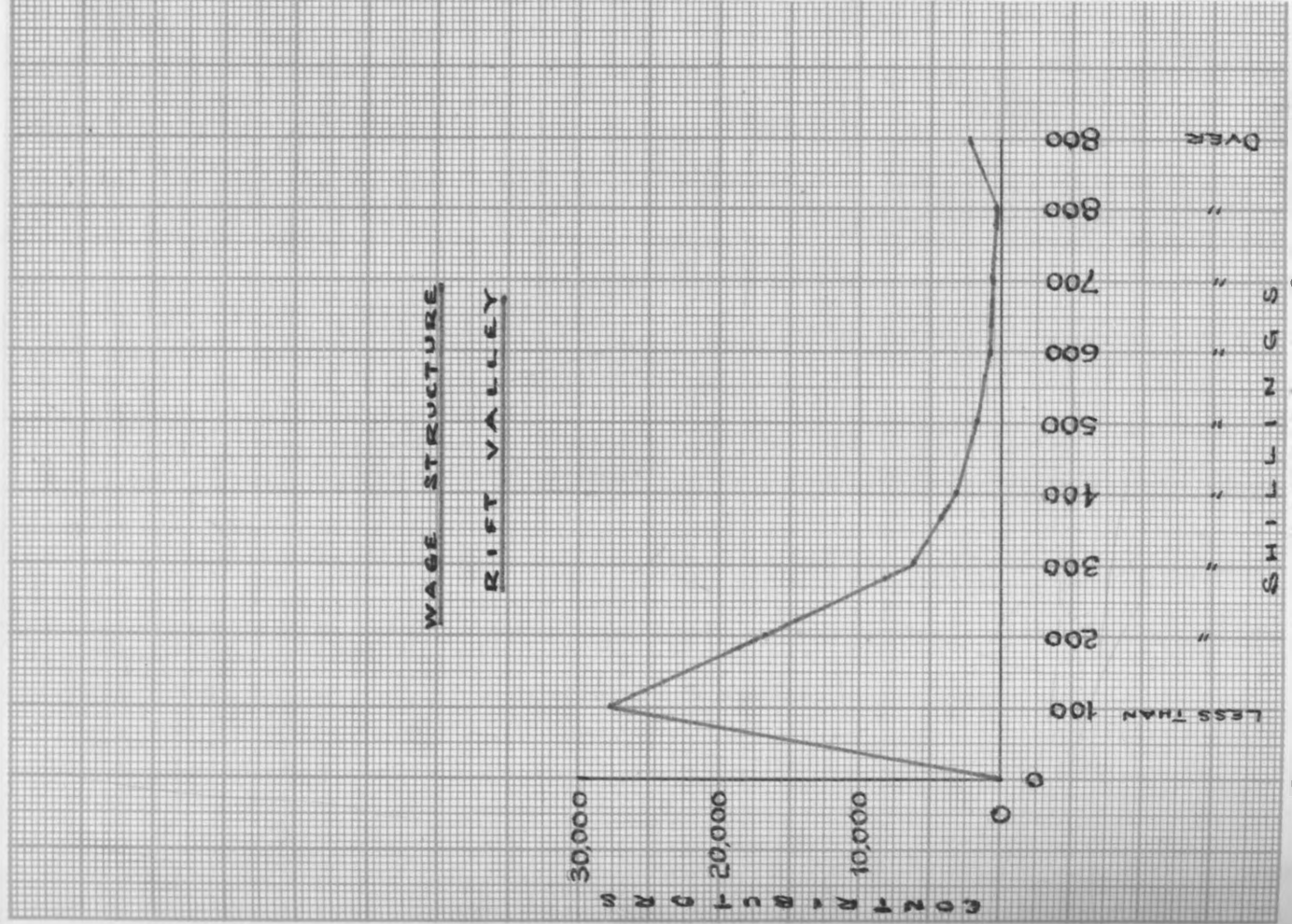


Chart 5. Wage Distribution in Rift Valley.

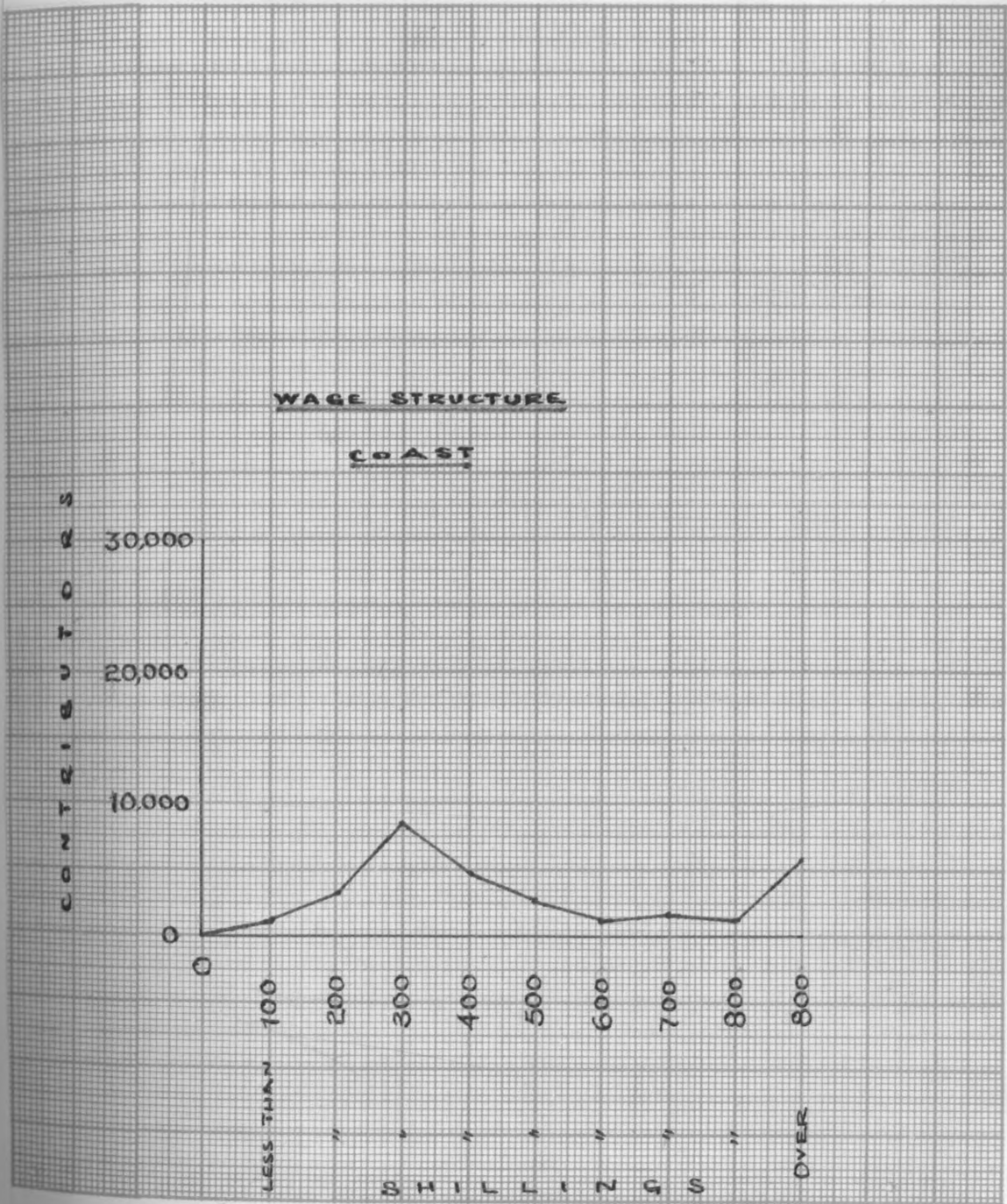


Chart 6. Wage Distribution in Coast Province.

3

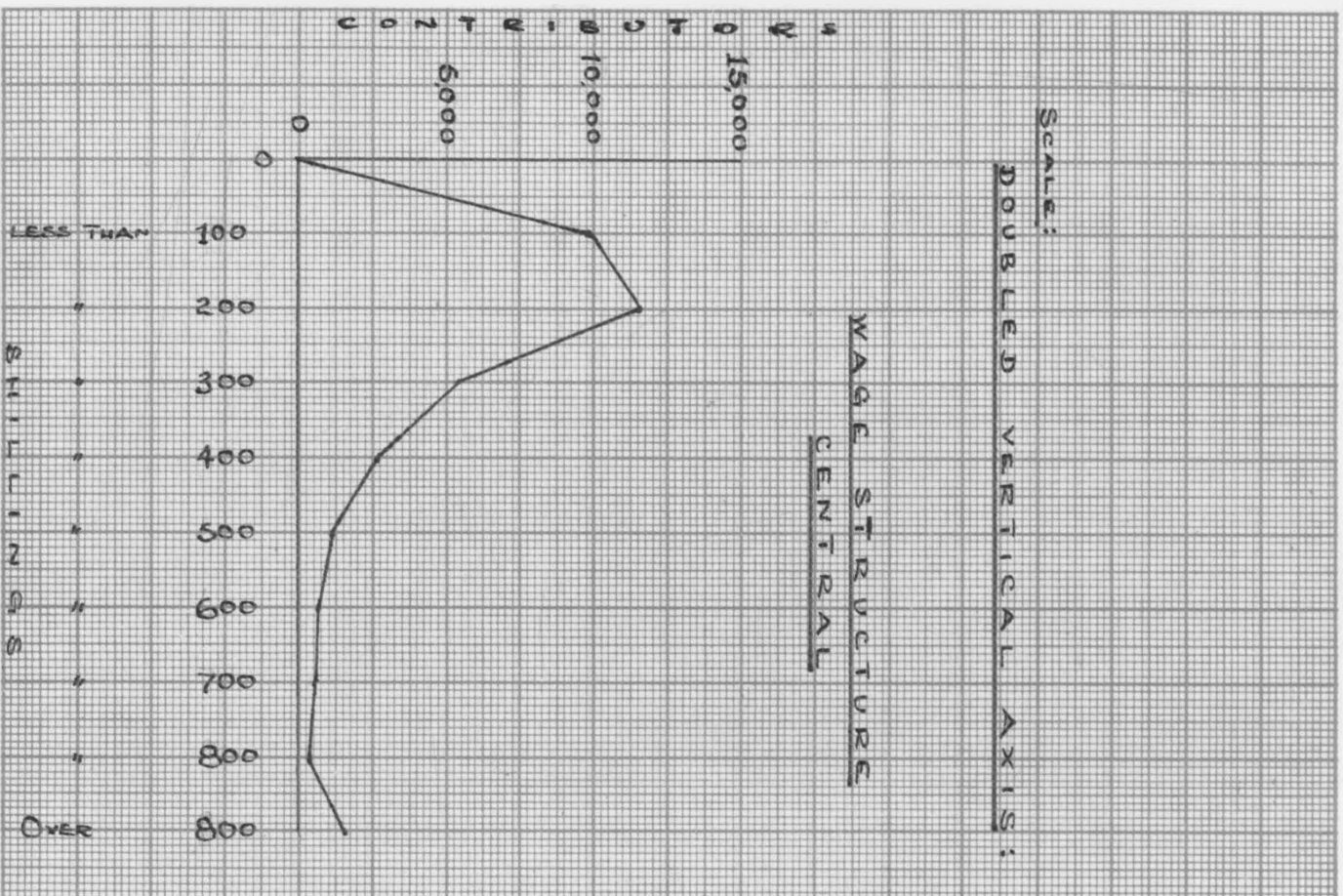


Chart 7. Wage Distribution Central Rowing.

WAGE STRUCTURE

MYANMA

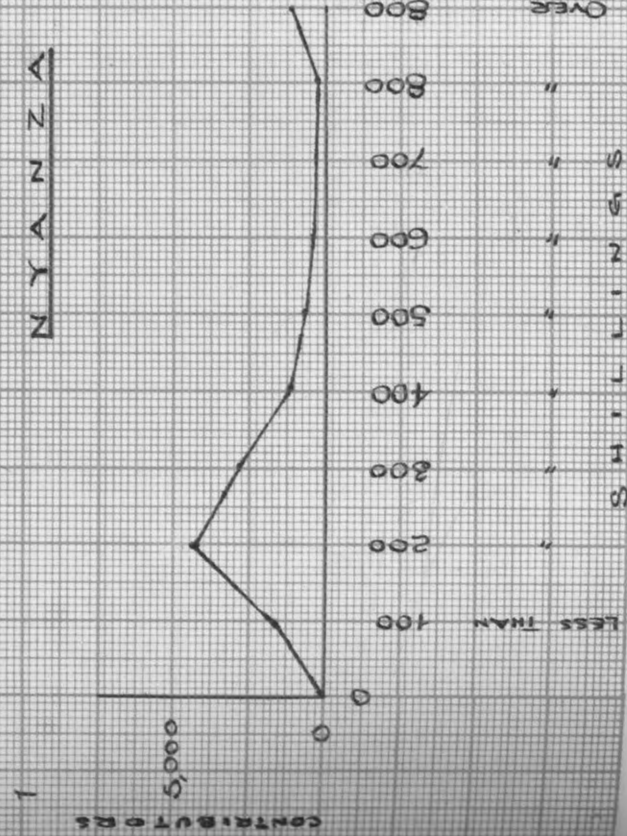


Chart 8. Wage Distribution in Myanma Province.

4

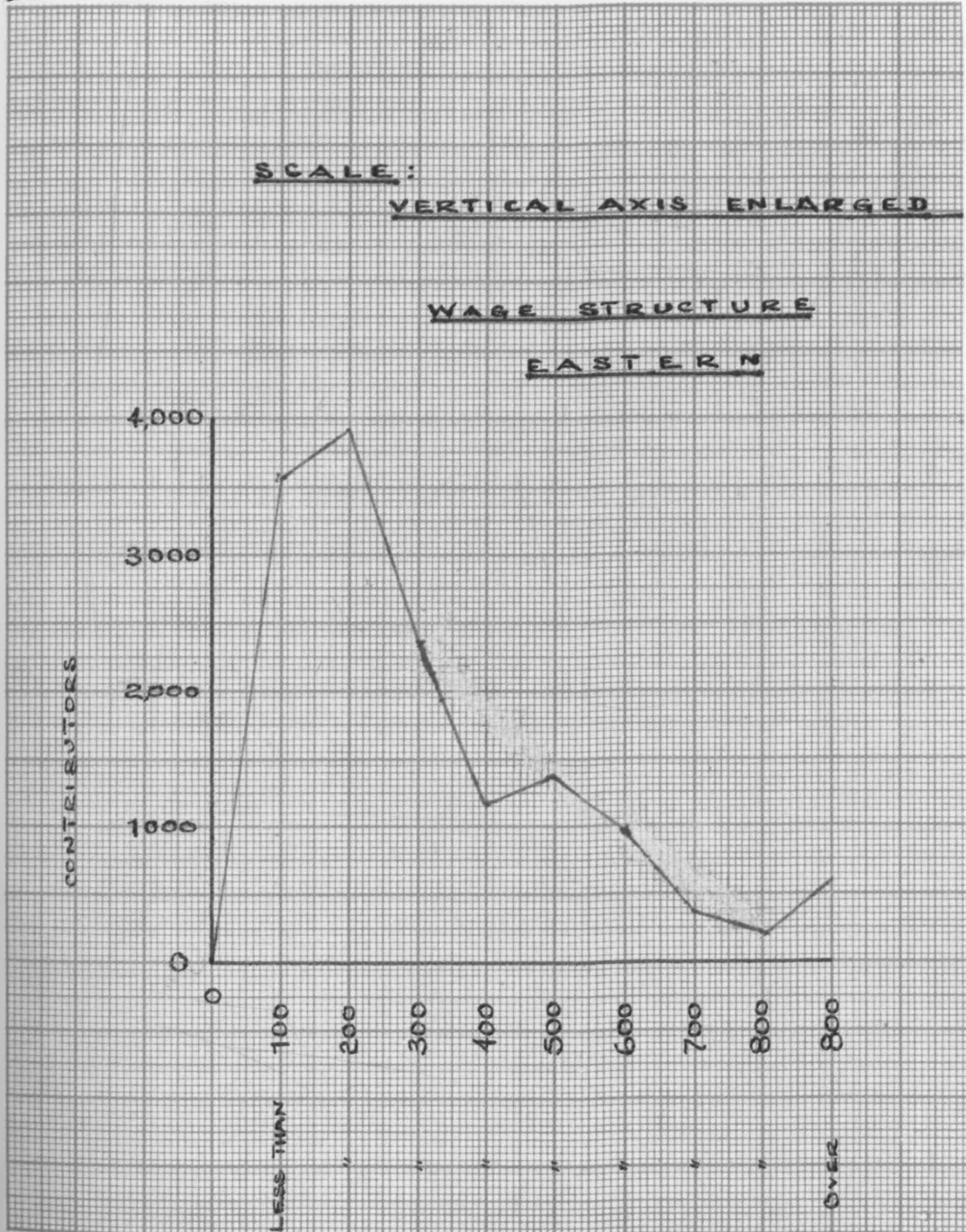


Chart 9. Wage Distribution in Eastern Province.

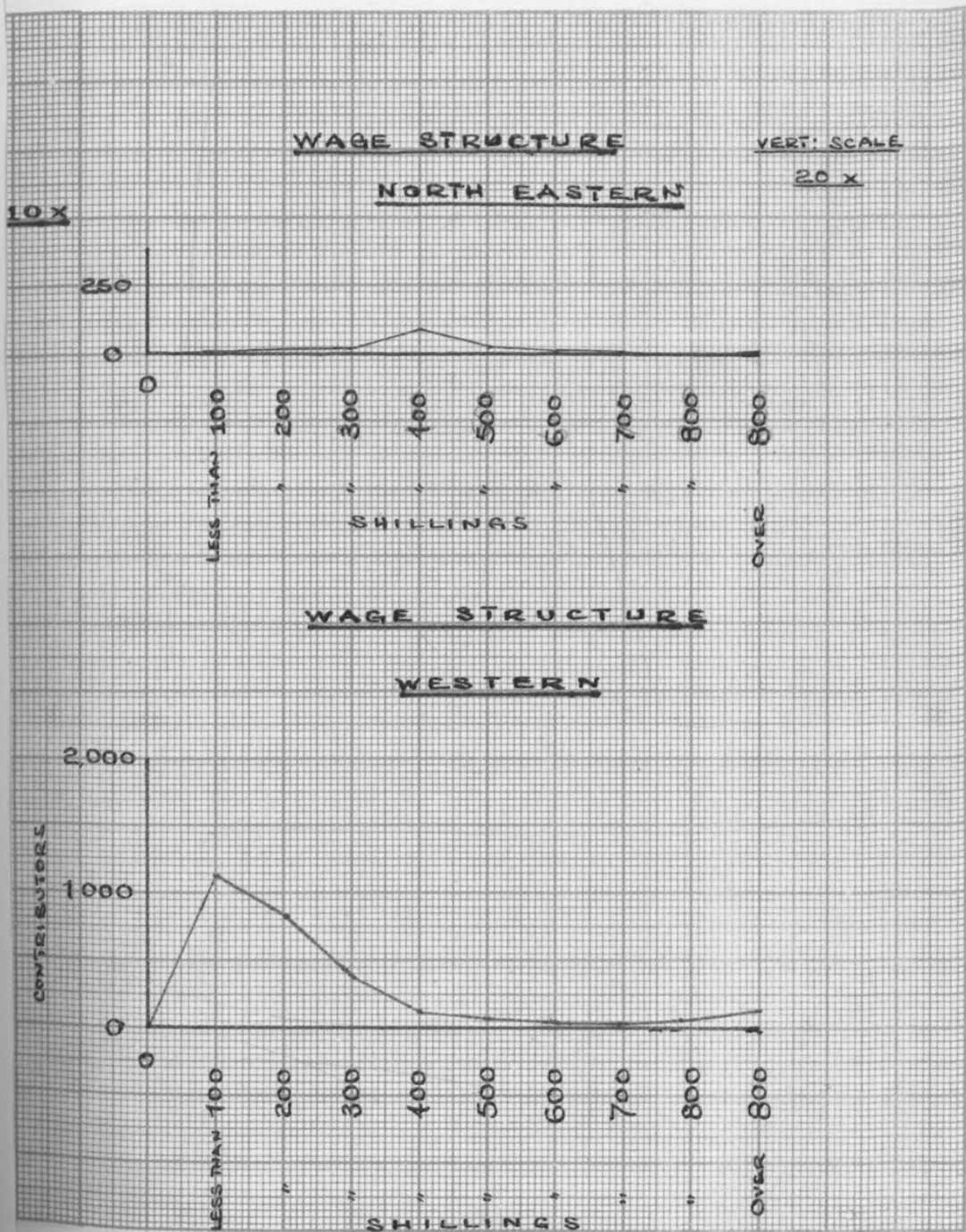


Chart 10. Wage Distribution in North-Eastern Province.
 " " and Western Province.

Table 2.

REGIONAL WAGE ANALYSIS (Shillings Per Month)

<u>Province</u>	<u>Less than</u> 100/-	<u>Less than</u> 200/-	<u>Less than</u> 300/-	<u>Less than</u> 400/-	<u>Less than</u> 500/-	<u>Less than</u> 600/-	<u>Less than</u> 700/-	<u>Less than</u> 800/-	<u>Over</u> 800/-	<u>Total</u>
Nairobi	4,185	10,368	34,255	21,571	13,862	8,428	5,682	4,190	33,517	136,058
Rift Valley	27,979	16,559	6,039	3,018	1,705	722	564	460	2,265	59,311
Coast	1,259	3,123	8,503	4,708	2,683	1,455	1,762	1,104	4,842	30,439
Central	9,765	11,647	5,253	2,603	1,055	670	643	399	1,674	33,709
Nyanza	1,670	4,288	2,847	1,192	647	347	278	263	1,161	12,693
Eastern	3,580	3,926	2,355	1,198	1,375	990	386	201	607	14,618
Western	1,142	830	388	129	62	29	32	52	126	2,790
North Eastern	-	-	15	97	24	9	4	-	4	153
TOTAL	49,580	50,741	59,655	34,516	21,413	12,650	9,351	6,669	45,196	289,771

A further analysis of wages according to occupations is produced (see Table 3.) to throw more light into the level of wages in various occupations.

From this source of information Charts 11 - 14 show characteristics which can be correlated to those explaining regional wage analysis.

The sample used (see Table 1.) showed that 100,321 workers were earning less than Shillings 200.00 per month. Employment is found predominantly in urban areas. This is shown clearly in Table 2. Out of a sample of 289,771 workers, 136,058 were in Nairobi. This represented approximately 46 percent. A large number of them were therefore receiving below or just around the present statutory minimum wage.

From the sample as shown in Table 3, there were 50,937 working in agriculture but 39,640 of them, or approximately 80 per cent were earning less than Shillings 200.00 per month. Table 2 shows that agricultural workers were predominantly in Rift Valley and Central Provinces where cash crop farming is more widespread.

Both regional and occupational wage analysis show particular patterns: Chart 4. which shows the wage structure of Nairobi and Chart 12 which shows the wage structure of industrial sector have similar characteristics. This explains that Nairobi is industrial. Chart 14. has more or less similar characteristics but modifying factors can be explained in commercial activities which exist in other urban areas.

Table 3.

OCCUPATIONAL WAGE ANALYSIS (Shillings Per Month)

<u>Industry</u>	<u>Less than</u> 100/-	<u>Less than</u> 200/-	<u>Less than</u> 300/-	<u>Less than</u> 400/-	<u>Less than</u> 500/-	<u>Less than</u> 600/-	<u>Less than</u> 700/-	<u>Less than</u> 800/-	<u>Over</u> 800/-	<u>Total</u>
Agriculture	19,395	20,245	4,866	2,500	1,136	588	402	284	1,471	50,937
Industry	3,162	6,597	14,222	10,624	8,961	6,385	4,085	2,744	15,322	72,112
Commerce	317	1,595	5,072	3,630	2,421	1,042	767	1,225	4,961	21,030
Services	15,146	11,707	22,383	9,048	4,124	1,546	1,869	918	10,887	77,628
Not adequately described										68,064
TOTAL	38,020	40,144	46,543	25,802	16,692	9,561	7,133	5,171	32,641	289,771

WAGE ANALYSIS AGRICULTURE.

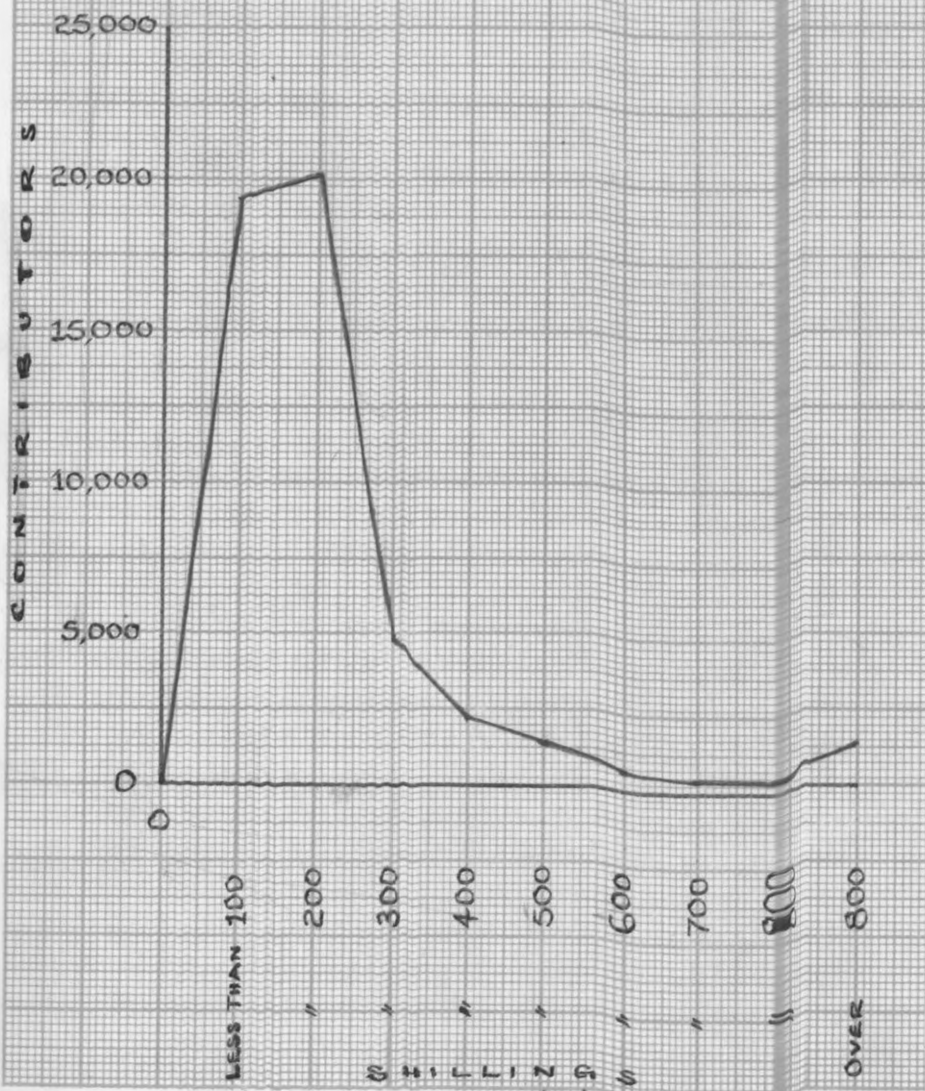


Chart II. Wage Distribution in Agriculture.

WAGE ANALYSIS
INDUSTRY.

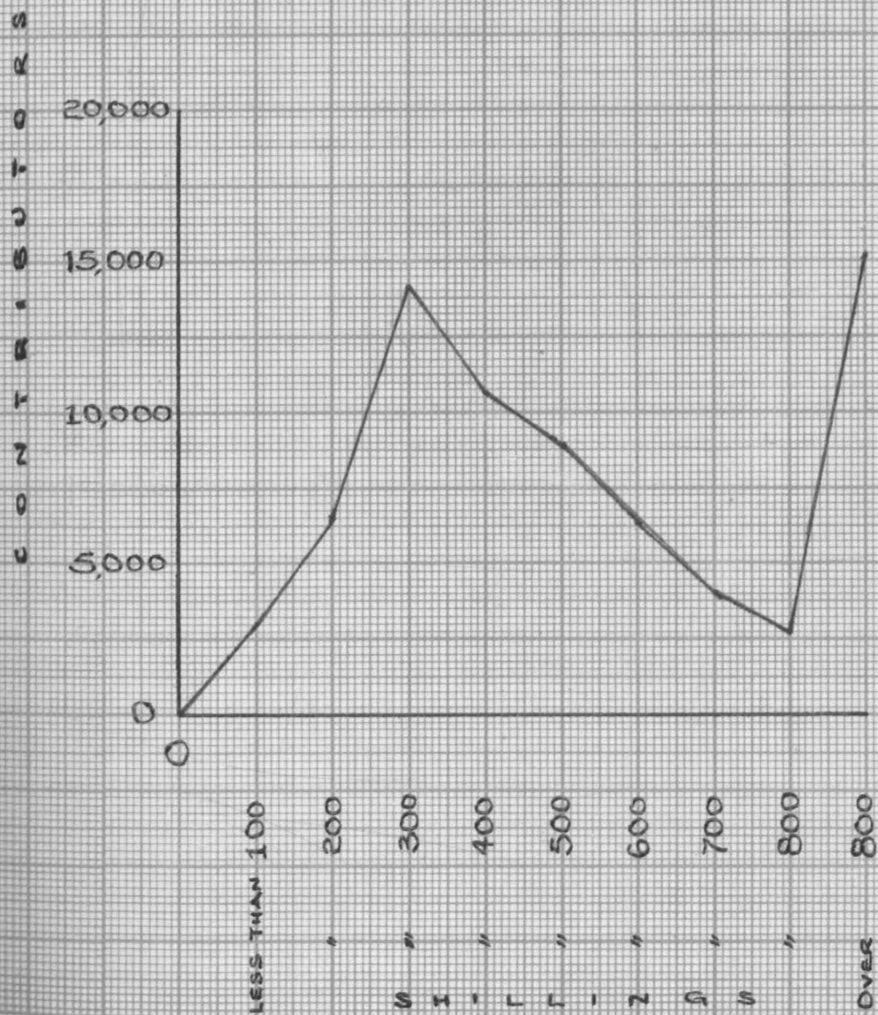


Chart 12. Wage Distribution in Industry.

WAGE ANALYSIS
S E R V I C E S

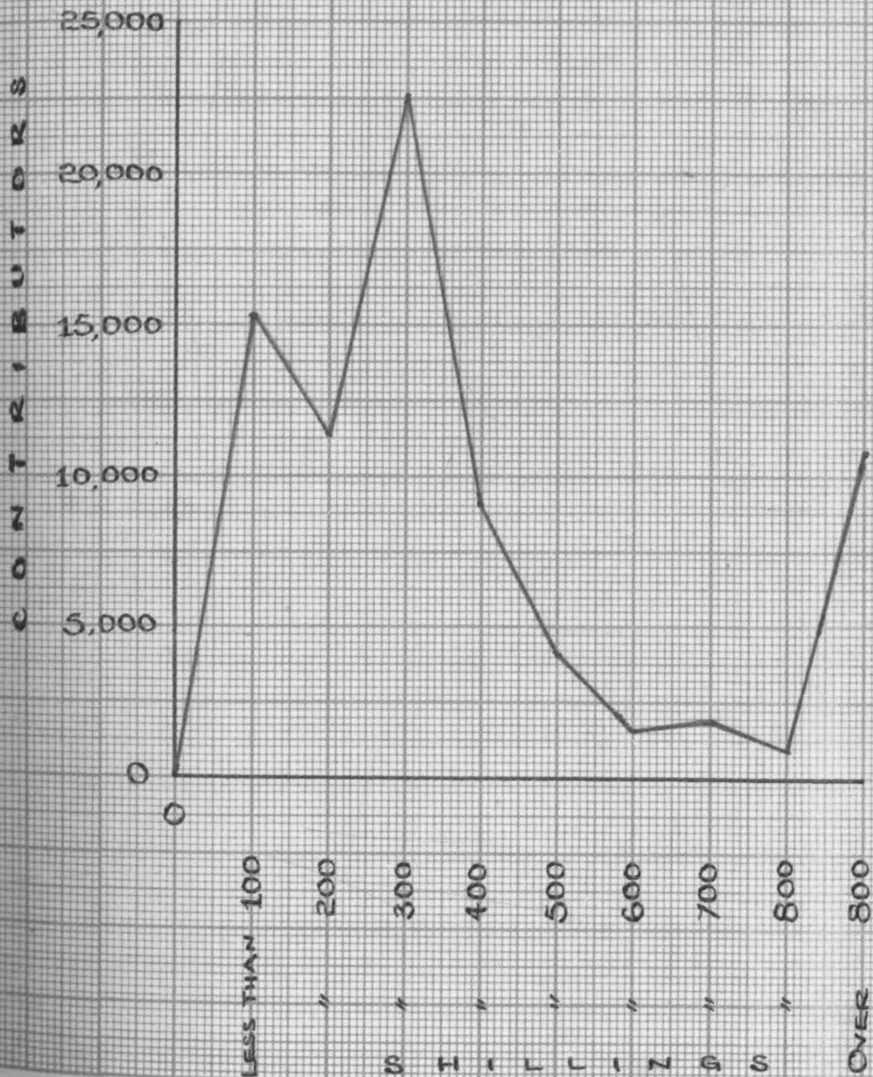


Chart 13. Wage Distribution in the Services.

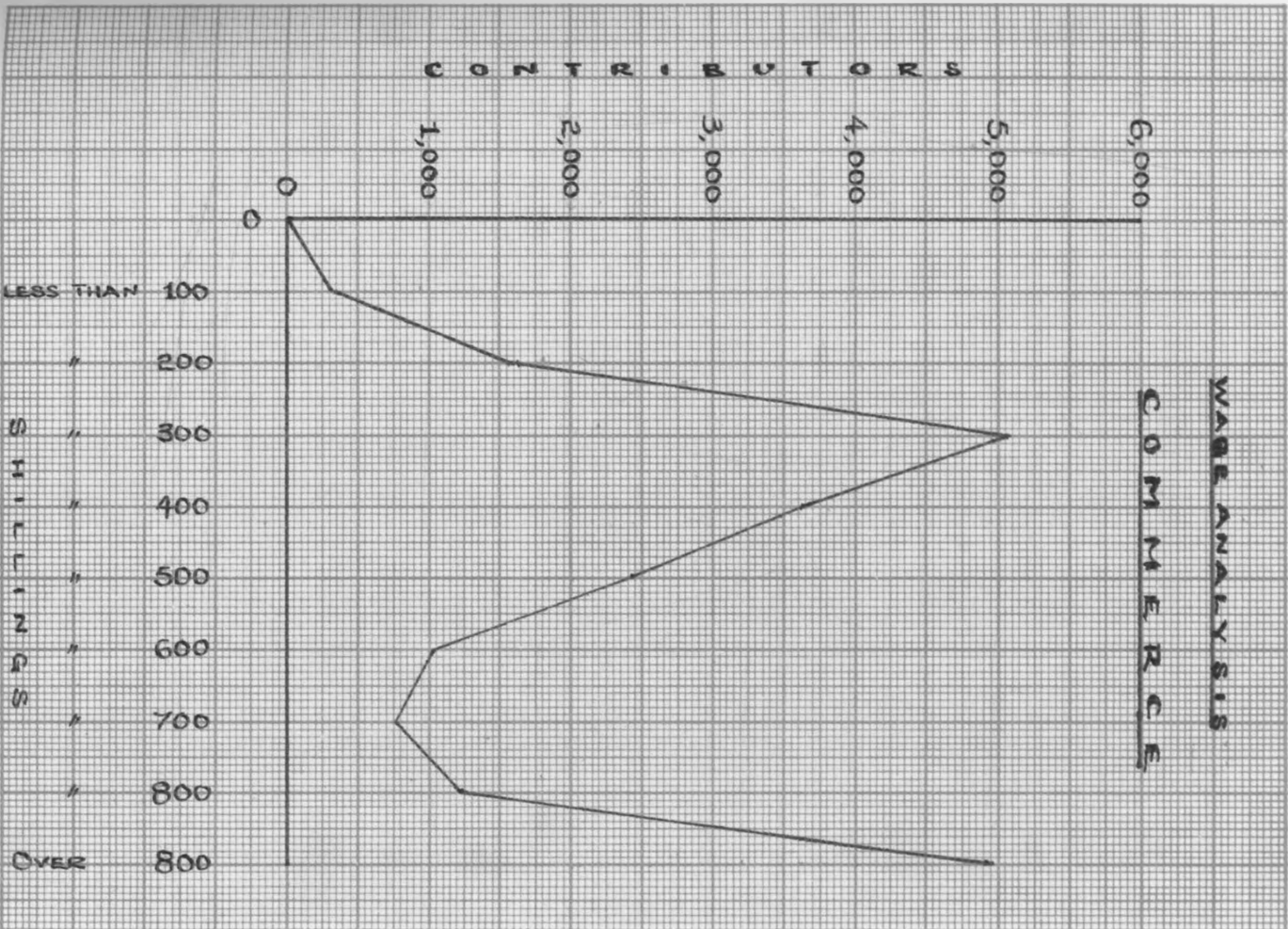


Chart 14. Wage Distribution in Commerce.

Charts 7 and 11, have striking similarity. Chart 7 shows the regional wage structure of Central Province, while Chart 11 shows the wage analysis of agricultural industry. Rift Valley province suggests similar characteristics but is influenced by urban areas such as Kitale, Eldoret, Kericho, Nakuru and other pockets of urban areas scattered all over the province.

Chart 3 explains the general wage structure of Kenya. Chart 11 shows the wage structure in agricultural industry and Chart 7 (wage structure in central province) have similar shape. This would give the impression that they reflect the general state of employment as agricultural. Comparatively there is still little employment in agricultural areas. This similarity can be explained in the low rate of wages which border the level of those paid by agriculture.

So far, the foregoing discussion has been revolving around aspects of wage income. Wages as a source of income have influenced and are still influencing members of the society into a behaviour structure of the country also expose the dependent action of the population. Coverage of the National Social Security Fund indicate the state of employment in the country and the impact which that coverage has in different regions. Table 4 below shows regional distribution of population. This table is combined with Table 5 which shows regional distribution of contributors to the social security scheme and the result, Table 6, explains the state of employment.

B. ANALYSIS OF DEMOGRAPHIC STRUCTURE

Table 4.

REGIONAL DISTRIBUTION OF POPULATION

<u>Province</u>	<u>Total Population</u>	<u>Percentage of Total Population</u>
Nairobi	509,286	4.63
Rift Valley	2,210,289	20.12
Central	1,675,647	15.25
Coast	944,082	8.9
Nyanza	2,122,045	19.41
Eastern	1,907,301	17.4
Western	1,328,298	12.09
North-Eastern	245,757	2.2
	<hr/>	<hr/>
TOTAL	10,942,705	100
	<hr/> <hr/>	<hr/> <hr/>

Source : Kenya Population Census, 1969.

Table 5.REGIONAL DISTRIBUTION OF CONTRIBUTORS

<u>Province</u>	<u>Contributors</u>
Nairobi	149,744
Rift Valley	122,216
Central	56,228
Coast	52,902
Nyanza	18,341
Eastern	13,416
Western	5,602
North-Eastern	151
	<hr/>
TOTAL	418,600
	<hr/> <hr/>

Table 6.REGIONAL DISTRIBUTION OF POPULATION AND CONTRIBUTORS

<u>Province</u>	<u>Total Population</u>	<u>Percentage of Tot. Pop.</u>	<u>Contributors</u>	<u>Percentage of Reg. Pop.</u>
Nairobi	509,286	4.63	149,744	29.4
Rift Valley	2,210,289	20.12	122,216	5.5
Central	1,675,647	15.25	56,228	3.3
Coast	944,082	8.9	52,902	5.6
Nyanza	2,122,045	19.41	18,341	.9
Eastern	1,907,301	17.4	13,416	.6
Western	1,328,298	12.09	5,602	.4
North-Eastern	245,757	2.2	151	.06
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	10,942,705	100	418,600	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Source : Adopted from Tables 4 and 5.

This Table shows that employment is concentrated in areas which include large urban centres with industrial and commercial establishments. Regions representing nearly half the total population, that is, Nyanza, Eastern, Western and North-Eastern had between them less than two percent of contributors to the Fund during 1970.

Although only 418,600 contributors made contributions in 1970, the Register of covered workers maintained by the administration of the National Social Security Fund showed that there were 518,280 registered members. Table 7 below shows age distribution of social security members and the percentage the age groups form of total participants. Chart 15 illustrates the trend of age structure.

Table 7.

AGE DISTRIBUTION OF CONTRIBUTORS

<u>Age</u>	<u>Contributors</u>	<u>Percentage</u>
16 - 19	10,235	1.98
20 - 24	109,082	21.03
25 - 29	105,875	19.43
30 - 34	87,447	16.87
35 - 39	60,272	11.62
40 - 44	50,111	9.67
45 - 49	35,254	6.81
50 - 54	24,599	4.72
55 - 59	18,438	3.53
60 - 64	10,886	2.10
65 - 69	5,660	1.12
70 and Over	597	.12
TOTAL	<u>518,456</u>	<u>100</u>

Table 7 is hereby handed out to the firm on command



Chart

Table 7 is broadly banded and the figures compared with those of the total population (also broadly banded and given in round figures) in Table 8.

Table 8.

AGE DISTRIBUTION OF TOTAL POPULATION AND CONTRIBUTORS

<u>Age Group</u>	<u>Total Population</u> (in round figures)	<u>Social Security Membership</u>	<u>Percentage of Total Population</u> (approximate)
(1)	(2)	(3)	(4)
Under 16	5,260,000	-	-
16 - 24	2,000,000	119,317	6.00
25 - 49	2,600,000	338,959	13.00
50 - 59	490,000	43,037	8.00
60 and Over	590,000	17,143	3.00
	<u>10,940,000</u>	<u>518,456</u>	<u>4.70</u>

Source : Columns (1) and (2) calculated from Population Census, 1969. Also Columns (1) and (3) calculated from Table 7 above.

Table 8 summarises the size of population in different age groups and how such groups are represented in social security participation.

During the year 1970, the Fund collected £6,000,000. Taking the average this works out at an arithmetical mean of Shillings 230.76 per member per year. Table 9 shows the contribution the age groups made to the Fund.

Table 9.AGE DISTRIBUTION OF CONTRIBUTIONS INCOME

<u>Age Group</u>	<u>Total Population</u> (in round figures)	<u>Social Security Membership</u>	<u>Contributions Income</u> (in round figures)
(1)	(2)	(3)	(4)
			<u>Total (£6,000,000)</u>
16 - 24	2,000,000	119,317	1,750,000
25 - 49	2,600,000	338,959	3,700,000
50 - 59	490,000	43,037	450,000
60 and Over	590,000	17,456	100,000

Source : Adopted and calculated from Table 8.

The foregoing Tables have shown the age structure of participants in the social security scheme. They have also given a comparative picture of the size of the total population which is covered. The Tables which follow deal with the dependent population. The view adopted here is that age below 16 is a dependent age. Also that since the age above 60 years is usually recognized in the country as economically inactive, it is therefore dependent. Most superannuation schemes fix retirement age at 55. The national schemes has fixed the retirement age at 60.

Table 10.

REGIONAL DISTRIBUTION OF DEPENDENT POPULATION

<u>Province</u>	<u>Under 15 Years of Age</u>	<u>Over 60 Years of Age</u>
Nairobi	176,420	11,459
Rift Valley	1,055,083	109,863
Coast	404,805	49,146
Central	856,357	117,092
Nyanza	1,058,119	101,446
Eastern	934,703	117,400
Western	694,459	72,192
North Eastern	113,007	9,252
	<hr/>	<hr/>
	5,292,953	587,983
	<hr/> <hr/>	<hr/> <hr/>

Source : Calculated from Kenya Population
Census, 1969.

The question which Table 10 poses is dependency burden. Table 11 compares the size of dependent population with the able-bodied and shows the ration of dependency. How the dependent members of the population win their bread is a different question. All Table 11 shows is the burden, in economic terms which the able bodied must shoulder.

Table 11.COMPARATIVE DEPENDENCY BURDEN

<u>Province</u>	<u>Under 15 and Over 60</u>	<u>Able-bodied (20-49)</u>	<u>Ratio</u>
Nairobi	187,879	252,726	2 : 1.5
Rift Valley	1,164,946	373,487	1 : 3
Coast	453,951	178,162	1 : 2.5
Central	973,449	211,318	1 : 4.6
Nyanza	1,159,565	290,107	1 : 5
Eastern	1,052,103	571,276	1 : 2
Western	766,651	363,413	1 : 2
North-Eastern	122,259	44,379	1 : 3
	<hr/>	<hr/>	<hr/>
TOTAL	5,880,936	2,284,868	1 : 2.5
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Source : Calculated from Kenya Population
Census, 1969.

Table 7 above show that the age group 20 - 49 is the predominant contributor to the social security scheme. Table 12 compares the able-bodied with the contributors to throw some light on the extent of the activity of this group.

Table 12.

REGIONAL ANALYSIS OF ABLE-BODIED
SECTION OF THE POPULATION AND CONTRIBUTORS

<u>Province</u>	<u>Age Group (20 - 49)</u>	<u>Contributors</u>	<u>Percentage (Approx.)</u>
Nairobi	252,726	149,744	60
Rift Valley	373,487	122,216	32
Central	178,162	56,228	32
Coast	211,318	52,902	25
Nyanza	290,107	18,341	6.2
Eastern	571,276	13,416	2.4
Western	363,413	5,602	1.6
North-Eastern	44,379	151	.3
TOTAL	2,284,868	418,600	18

Source : Adopted from Tables 5 and 11 above.

From the foregoing it is possible to summarise the extent of dependency by putting together the dependent groups and comparing the figures with those of contributors. This is shown in Table 13.

Table 13.REGIONAL SCOPE OF SOCIAL SECURITY
COVERAGE AND EXTENT OF DEPENDENCY

<u>Province</u>	<u>Under 15 and Over 60</u>	<u>Contributors</u>	<u>Ratio</u>
Nairobi	187,879	149,744	1 : 1.2
Rift Valley	1,164,946	122,216	1 : 10
Coast	453,951	52,902	1 : 9
Central	973,449	56,228	1 : 17
Nyanza	1,159,565	18,341	1 : 64
Eastern	1,052,103	13,416	1 : 80
Western	766,651	5,602	1 : 128
North-Eastern	122,259	151	1 : 809
TOTAL	<u>5,880,936</u>	<u>418,600</u>	<u>1 : 14</u>

Source : Adopted from Tables 11 and 12 above.

All along figures representing contributors have been used in the analysis. These figures were preferred to the figures representing total employment because they represent members of society who are covered by a social security scheme and therefore have an expectation of some income when the age of dependency is reached.

However, since social security was introduced in Kenya in 1966, reported employment covering the period 1966 - 1970 represented only about ten per cent of the total population. Table 14 below summarises this.

Table 14.REPORTED EMPLOYMENT

<u>Year</u>	<u>Agriculture Forestry</u>	<u>Industry & Commerce</u>	<u>Public Services</u>	<u>Total</u>
	000's	000's	000's	000's
1966	188.1	196.9	200.4	585.4
1967	172.7	212.7	212.1	597.5
1968	173.0	211.5	221.9	606.4
1969	178.7	210.9	237.6	627.2
1970	183.7	212.8	248.0	644.5

Source : Kenya Statistical Digest, June, 1971,

A footnote in the same report pointed out that the figure for 1970 excluded employment in small holdings, settlements schemes and rural non-agricultural activities, estimated at between 300,000 and 500,000.

Maps 1 and 2 spot the employment areas in Kenya.

In order to explain the effect of mobility of labour and lack of wage employment, information was collected on ethnic distribution of contributors to the social security scheme. In this exercise records of 472,129 registered members of the Fund were physically counted and their ethnic origins recorded. Table 15 below introduces the result of the exercise.

From the figures shown in Table 15 useful analysis can be made, though in a limited way, to point to the trend of mobility of labour. In this analysis Four Provinces have been chosen for exemplification: Western Province, Nyanza Province, Central Province and Eastern Province. The reason for this choice is that these Provinces are inhabited predominantly by distinct ethnic groups. For example, Central Province is predominantly inhabited by the Kikuyu group. Western Province is predominantly the Luhya group; Nyanza Province is predominantly inhabited by the Luo, Kisii and Kuria groups and Eastern Province by Kamba, Embu and Meru.

Table 16 compares the registered members of an ethnic group with the registered members in the Provinces in which such groups predominantly inhabit.

Table 16.

REGIONAL ETHNIC ANALYSIS OF CONTRIBUTORS

<u>Ethnic Group</u>	<u>Province</u>	<u>Regional Registered Members</u>	<u>Ethnic Registered Members</u>
(1)	(2)	(3)	(4)
Kikuyu	Central	56,228	139,030
Luo, Kisii, Kuria	Nyanza	18,341	81,469
Luhya	Western	5,602	54,749
Kamba, Meru, Embu	Eastern	13,416	71,719

What Table 16 summarises, in brief, is that although the records of the social security scheme showed that there

were 139,030 registered contributors of the Kikuyu group, in their native Province only 56,228 were registered. Similarly so with the figures shown for Nyanza, Western and Eastern Provinces. Note is taken that members of other ethnic groups were registered in these provinces. This fact reflects the significance of figures shown here.

Table 13 showed dependency ratio of the provinces shown in Table 16 as Central 1:17, Nyanza 1:64 and Western 1:128. If use is made of information collected on ethnic distribution, part of Table 13 would be modified as shown in Table 17 below.

Table 17.

REGIONAL DEPENDENCY RATE

<u>Ethnic Group</u>	<u>Province</u>	<u>Contributors</u>	<u>Under 15 & Over 60</u>	<u>Ratio</u>
Kikuyu	Central	139,030	973,409	1:7
Luo, Kisii, Kuria	Nyanza	81,469	1,159,565	1:14
Luhya	Western	54,749	766,651	1:14
Kamba, Embu Meru	Eastern	71,719	1,052,103	1:14

Source : Calculated from Tables 13 and 15 above.

The ratio which this Table reveals is striking in its distribution of dependency. The question which cannot be answered adequately is the extent to which dependent persons receive assistance from relatives who work away in urban areas. This question is discussed in the next Chapter.

A general picture has been given of the minimum wage structure and levels of wages. This has been related to the occupations and different regions of the country. Wage earners have also been related to population distribution in the country. This has given facility for discussing the burden of dependency. The next part analyses the results of three field surveys which were carried out to enquire into the social security contingencies.

C. FIELD SURVEYS

The questionnaire (reproduced as Appendix II) used for the survey was designed to cover information on old age and protection against this contingency, on sickness and facilities available for health care, on conditions of dependency and how dependent persons survive; on gainful employment or conditions of preparation against contingencies and on other matters relevant to the investigation of social security problems.

If the present system of social security leaves out people who are in real need, the sample used in these surveys test this hypothesis.

The surveys were carried out at three different places on a sample of 822 people. Yiro sub-location in Siaya District covered 500 people while Maini sub-location in Kitui and Karuri sub-location in Kiambu covered 193 and 129 respectively.

The survey results for the three areas were computed by use of a punched card system which recorded information

subsequently read by the computer machine.

Computation Technique

The areas were given code numbers: '01' represented Yiro, '02' Maini and '03' Karuri. In all, 72 columns in the card were punched to represent different information. Columns 1 - 10 covered general information including sex, age, marital status and the number of children of the respondents. Part I of the questionnaire contained two questions covering old age. The information on this was recorded in columns 17 to 24 of the card.

The information on Part II of the questionnaire was recorded in columns 25 to 29 and Part III in columns 30 to 40. Parts IV and V covered columns 41 to 46 and 47 to 72 respectively.

The information punched on the cards represented 'Yes', 'No', 'Don't Know' or 'No Response'. A slash '/' denoted 'Yes'. A mark 'X' and 'O' denoted 'No' and 'Don't Know' respectively.

The cards were then processed using computer techniques to produce the information for analysis. The information used for analysis is produced at Appendix III.

2. Maini Sub-Location

Old Age

Respondents over the age of 50 were:-

Men	45
Women	25
	<hr/>
	70
	<hr/> <hr/>

Of these, no woman was found to have ever been in wage or self employment. Of the men, 4 had been employed in urban areas and 4 in rural areas before retirement. Only 2 had been in self employment. While in retirement, the survey revealed the following:-

	<u>Respondents</u>	<u>Percentage of Over 50 Years</u>
Those depending on part savings	Nil	-
Depending on pensions	1	1.5
Depending on farm produce	2	2.5
Depending on grown up children	13	18.5
Depending on other members of family	1	1.5
No assured means	53	76.0
	<hr/>	<hr/>
	70	100%
	<hr/> <hr/>	<hr/> <hr/>

The survey also showed that of the 45 men above 50 years of age 21 had wives and between them they had one

hundred and eleven dependent children. This figure included 14 men over the age of 60 among whom 12 had wives and 57 dependent children. Of the 25 women above the age of 50 years 16 were widows, and 4 of the widows between them had 15 dependent children.

Sickness

Sickness is one of the crippling contingencies which social security systems strive to cover in varying degrees. It is a contingency which is always present. The survey investigated whether the use of modern medicine is welcome and popular. The following information was collected:-

Respondents who welcome the use of hospital	191	99%
Those who did not like hospital medicine	2	1%
	<hr/>	<hr/>
	193	100%
	<hr/>	<hr/>

Of the two who did not welcome the use of modern medicine one was a woman of about 60 years of age and another, a man of about 80 years of age.

Further questions were asked why the hospital is not used sometimes and the replies were as follows:-

	<u>Respondents</u>	<u>Percentage of Total Sample</u> (Approx.)
Hospital always used	47	24.4
Ignorance of existence of hospitals	2	1
Lack of money to go to hospital	22	11.4
Use of native medicine	10	5.2
Lack of hospital only	1	.5
Lack of both money & hospital	87	44.7
Lack of money and therefore use of Native medicine	16	8.3
Lack of money and hospital and therefore use of Native medicine	9	4.5
	<hr/>	<hr/>
	193	100%
	<hr/> <hr/>	<hr/> <hr/>

Categories of dependency were investigated to find out how the needs arising from such dependency were met. The survey showed the state of dependency and the reasons for it as follows:-

	<u>Respondents</u>	<u>Percentage of Dependent Group</u>
Widowhood	33	19.8
Chronic Disease	2	1.2
Invalidity	3	1.8
Unemployment	59	40.2
Old age	72	37.
	<hr/>	<hr/>
	167	100%
	<hr/> <hr/>	<hr/> <hr/>

Of the 84 women who were interviewed, 33 of them were widows or roughly for every ten women interviewed four were widows. Perhaps the chronic sick and the invalid were not exposed for interviews hence the relatively small number. A majority of respondents claimed that they were dependent because they had no money income; they had no wage employment. It was noticeable how both men and women who were able-bodied were ready to work for a wage income.

The whole sample used showed that the interviewees had 587 dependent children between them.

The next question was how this dependent section of the population receive assistance to subsist. Replies were received as follows:-

	<u>Respondents</u>	<u>Percentage of Dependent Group</u>
Received assistance by way of money only	19	11.4
Received gifts only	10	6
Received assistance in both money and gifts	60	36
No assured means at all	78	46.6
	<u>167</u>	<u>100%</u>

Questions on the source of assistance included those such as assistance from members of the family, friends, voluntary organizations; or receipt of a pension of some kind of benefit from a social security scheme. The answers were as follows:-

	<u>Respondents</u>	<u>Percentage Of Dependent Group</u>
Members of family	80	48
Friends	7	4.2
Voluntary organizations	-	-
Pensions (Institutional)	1	.6
Social security scheme	1	.6
No other source	78	46.6
	<u>167</u>	<u>100%</u>

Generally, the interviewees indicated that although they depended on members of the family or friends for money income, this was not regular, nor could this be quantified. In one lucky month a son may send home some money, or a married daughter or her husband may send some money. This may specifically be for the payment of school fees, for the purchase of some requested specific items or for general use. It was not possible to state on the average what this kind of assistance amounted to in one month or in one year.

Payments in kind included offer of old clothing, food and a miscellaneous of gifts in kind within the traditional setting. A number of interviewees raised surprise at the question 'How do you manage life without a money income'? The answer was, 'We have lived this way and so long as good harvests come and some grain is available, you get some food to eat and live'. Finding money to pay 'GPT' is the greatest problem, they would add. This is the Graduated Personal Tax. School fees was another problem. Generally harvests from the fields was for consumption but would only be sold in small quantities to raise some money to buy things like sugar and

tea and to find some money for school fees.

Gainful Employment

How much opportunity was there for either wage or self employment in the area? It is from present income that able bodied workers can prepare for the future. The survey by using the sample collected information on the state of employment as follows:-

	<u>Respondents</u>	<u>Percentage of Gainfully Employed Group</u>
Wage employment	24	70
Income from produce	2	6
Profits from business	8	24
	<u>34</u>	<u>100</u>

The figures shown are expressed as a percentage of men used in the sample.

It is usually from money income that contributions to some kind of social security arrangements are made. Questions on social security coverage showed that contributions were made covering only a few people.

	<u>Respondents</u>	<u>Percentage Of Gainfully Employed Group</u>
Contributions to some local mutual benefits society	3	8
Contributions to National Schemes:-		
National Social Security Fund	10	30
National Hospital Insurance Fund	1	3
No form of contributions made	20	59
	<u>34</u>	<u>100%</u>

Out of 24 wage earners, 10 of them were covered by the National Social Security Fund, that is to say, about 30%. However, the 34 men who had some income had between them 123 dependent children, or an average of 4 children per person in employment. There were however 587 children in the sample. The ratio of dependent children to able bodied men who had some income was 1:14. This is especially striking when this information is linked with Table 17 in this Chapter.

More revealing was the demand for social security coverage. Replying to the question: 'Do you want to be covered by social security?', the response was as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Yes	188	97.5
No	1	.5
Don't know	4	2
	<u>193</u>	<u>100%</u>

If there was this demand then there must be means of financing the social security scheme. Financing usually takes the form of contributions by both the covered person and the employer. The question suggested two possible methods of making contributions, that is, whether such contributions should be collected with taxes or whether contributions to social security scheme should be made separately. This question yielded the following answers:-

	<u>Respondents</u>	<u>Percentage</u>
Collecting contributions with taxes	64	33
Collecting contributions separately	104	54
Don't know	24	13
Don't want the scheme	1	-
	<hr/>	<hr/>
	193	100%
	<hr/>	<hr/>

All self employed people in the sample were in favour of being covered by the scheme but as to how they would contribute, whether monthly or annually, they stated:-

Monthly	15	62%
Annually	9	38%
	<hr/>	<hr/>
	24	100%
	<hr/>	<hr/>

Although the social security scheme has been existence in the country for more than seven years the impact of it in this area was little. When the question was asked 'Do you know anybody who has received social security benefits?', the replies were:-

Yes	4	2%
No	189	98%
	<u>193</u>	<u>100%</u>

During the interviews efforts were made to explain briefly what social security was. The question was designed to give information on health insurance, pensions, and provident funds. In the case of health, the question was asked whether or not it would be preferred for the social scheme to meet the hospital bill. On pensions or provident fund the question merely asked whether a monthly payment of benefit would be prepared to a lump sum payment on retirement. The response was as follows:-

	<u>Yes</u>	<u>Percentage</u>
Social security to meet hospital bill	<u>189</u>	<u>98%</u>
In favour of monthly payments	166	87%
In favour of lump sum	26	13%
Don't want	<u>1</u>	<u>-</u>
	<u>193</u>	<u>100%</u>

A variety of answers were given when a question was asked - What else would you like social security to do for you. The answers included provision of food, payment of school fees and the granting of loans for farming, water construction, housing and for business. Generally the answers emphasised the conditions of unemployment and dependency.

Replies to a further question, 'Do you think that everybody should be covered by social security?', pronounced the demand.

Universal coverage	184	96%
Don't know	8	4%
	<u>192</u>	<u>100%</u>

Money economy in Kenya is now a condition of life. The survey revealed that younger persons had greater demand for items of life hence their need for greater income. This was shown when the answers to the question 'What is the minimum amount of money do you think you can live on comfortably in one month' were given by people of varying ages. The answers also indicated a general level of income demanded:-

		<u>Percentage</u>
About 100/- per month	21	12
Between 150/- to 200/-	53	28
Between 300/- to 500/-	57	29
Over 500/-	59	31
	<u>190</u>	<u>100%</u>

A breakdown of desired income according to age groups representing both men and women is shown as follows:-

Table 18.AGE DISTRIBUTION AND DESIRED INCOME

<u>Income Desired</u>	<u>AGE GROUPS</u>					<u>Total</u>
	<u>16-20</u>	<u>21-30</u>	<u>31-40</u>	<u>41-50</u>	<u>51 & Over</u>	
About 100/-	1	1	5	3	11	21
Between 150/- to 200/-	-	4	17	11	21	53
Between 300/- to 500/-	3	18	13	8	15	57
Over 500/-	6	16	15	13	9	59
	<u>10</u>	<u>35</u>	<u>50</u>	<u>35</u>	<u>56</u>	<u>190</u>
	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>

This table shows that the desire for high income reduces as the age advances. Persons of over the age of 51 indicated that an income of up to 200/- per month would provide them with a descent life. Demand for bigger income is higher in the age range of 20-49, the group which has been discussed earlier in this Chapter as bearing the responsibility of the dependent groups. A more critical reinterpretation of what this table shows is discussed in the next Chapter.

A further analysis is shown below showing how female interviewees reacted to the question of desired income per month.

Table 19.AGE DISTRIBUTION AND DESIRED INCOME BY WOMEN

<u>Income Desired</u>	<u>AGE GROUPS</u>					<u>Total</u>
	<u>16-20</u>	<u>21-30</u>	<u>31-40</u>	<u>41-50</u>	<u>51 & Over</u>	
About 100/-	-	-	5	2	5	12
Between 150/- to 200/-	-	1	12	10	14	37
Between 300/- to 500/-	2	5	6	5	1	19
Over 500/-	-	1	2	2	1	6
	2	7	25	19	21	74
	=	=	=	=	=	=

Table 19 substracted from Table 18 shows a clearer picture of the desires expressed by men who are the bread winners. Table 20 below shows this:-

Table 20.AGE DISTRIBUTION AND DESIRED INCOME BY MEN

<u>Desired Income</u>	<u>AGE GROUPS</u>					<u>Total</u>
	<u>16-20</u>	<u>21-30</u>	<u>31-40</u>	<u>41-50</u>	<u>50 & Over</u>	
About 100/-	1	1	-	1	6	9
Between 150/- to 200/-	-	3	5	1	7	16
Between 300/- to 500/-	1	13	7	3	14	38
Over 500/-	6	15	13	11	8	53
	8	32	25	16	35	116
	=	=	=	=	=	=

The survey also investigated whether literacy had any influence on the income desired. It was found that of the sample 129 interviewees could not read or write. This represented 67% of the sample. From this it can be stated that the desired income was expressed from the needs of livelihood.

Modern type of social security is essentially a wage earners programme. A question introducing a practical approach to covering the contingency of food shortage was reacted upon keenly by the interviewees. The question was framed in the following terms:- (Also see Appendix II).

There are no centres for public granaries in your location to help the local population during the periods of food shortage. Do you think these should be organised:-

- (a) By Harambee or
- (b) By Government?

The answers were as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Should be organised on Harambee basis	53	27
Government to provide the stores	135	70.2
No replies	5	2.8
	<hr style="width: 50px; margin: 0 auto;"/>	<hr style="width: 50px; margin: 0 auto;"/>
	193	100%
	<hr style="width: 50px; margin: 0 auto;"/>	<hr style="width: 50px; margin: 0 auto;"/>

Method of financing the stores had to be considered: either by contributing money to purchase food, or by contributing food itself after every harvest. Replies to this question were as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Money to be contributed	48	25
Food to be contributed	139	72
No replies	6	3
	<u>193</u>	<u>100%</u>

Opinions varied on how food benefits should be given, whether in cases of need food should be bought by individuals from the stores or whether it should be provided free. Replies were as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Purchase of food	104	54
Free supply	78	40.5
In favour of both	11	5.5
	<u>193</u>	<u>100%</u>

3. Karuri Sub-Location

Karuri is a peri-urban area in Thimbigwa sub-location, Kiambu District. Survey in this area covered 129 inhabitants who live in this densely populated area. Men and women of different ages were interviewed using the same questionnaire as that used in Maini sub-location. The table below gives general information of the men and women interviewed.

worked for wages one case being employment in urban areas.

During their younger age, these members of the society worked for wages to earn a living for themselves and their families. How do they live during the years of retirement? The following answers were received:-

	<u>Respondents</u>	<u>Percentage of Over 50 Years</u>
Past savings	6	23
Pensions	1	3
Farm produce	6	23
Grown up children	7	25.5
No assured means	7	25.5
	<u>27</u>	<u>100%</u>
	<u>==</u>	<u>==</u>

Fifteen men among these had between them 76 children who were dependent on them.

Sickness

Hospital medicine was found popular and all the people interviewed welcome hospitals. There were however cases which deprived the sick of use of hospitals. In this area replies were given as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Hospitals used in all cases	92	71.2
Not used sometimes, lack of money	35	27.2
Use of native medicine	1	.8
Lack of nearby hospital	1	.8
	<u>129</u>	<u>100%</u>

Dependency caused by different contingencies is a major social problem which is the concern of social security. How was this reflected in this area through the sample used? The following answers revealed the state of dependency in the area:-

	<u>Respondents</u>	<u>Percentage</u>
Dependency caused by old age	27	16.8
Widowhood	6	3.2
Disease	2	1.6
Invalidity	1	.8
Unemployment	21	16.4
Not dependent	72	61.2
	<u>129</u>	<u>100%</u>

How the aged are cared for has already been analysed above. Where some assistance is received, this is given in the form of money or in gifts of food, clothing and other items of life. Apart from the aged, there were 30 dependent persons in the sample. The answers given revealed the following:-

	<u>Respondents</u>	<u>Percentage</u>
Hospitals used in all cases	92	71.2
Not used sometimes, lack of money	35	27.2
Use of native medicine	1	.8
Lack of nearby hospital	1	.8
	<u>129</u>	<u>100%</u>

Dependency caused by different contingencies is a major social problem which is the concern of social security. How was this reflected in this area through the sample used? The following answers revealed the state of dependency in the area:-

	<u>Respondents</u>	<u>Percentage</u>
Dependency caused by old age	27	16.8
Widowhood	6	3.2
Disease	2	1.6
Invalidity	1	.8
Unemployment	21	16.4
Not dependent	72	61.2
	<u>129</u>	<u>100%</u>

How the aged are cared for has already been analysed above. Where some assistance is received, this is given in the form of money or in gifts of food, clothing and other items of life. Apart from the aged, there were 30 dependent persons in the sample. The answers given revealed the following:-

	<u>Respondents</u>	<u>Percentage</u>
Received money only	3	10.
Received gifts only	11	36.7
Received both money and gifts	11	36.7
No assured means at all	5	16.6
	<u>30</u>	<u>100%</u>
	<u>=</u>	<u>==</u>

This assistance was received mainly from members of the family.

There were 96 people in the sample (64%) who were gainfully employed and their sources of income were as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Wages per month	60	62.4
Income from produce	9	9.4
Business profits	27	28.2
	<u>96</u>	<u>100%</u>
	<u>=</u>	<u>==</u>

Contributions to social security coverage as has already been pointed out is made from wage income in this country. Hospital Insurance is however not restricted to wage earners. Questions on whether these people in gainful employment were covered by any form of social security - mutually organised or nationally established - revealed the following:-

	<u>Respondents</u>	<u>Percentage</u>
Contributions to:-		
National Social Security Fund	41	42.6
National Hospital Insurance Fund	16	16.6
Mutual benefit society	20	20.8
No coverage	19	20
	<u>96</u>	<u>100%</u>
	<u>==</u>	<u>==</u>

Demand for social security coverage was significant. This was shown by replies to the question:- "Do you want to be covered by social security?":-

	<u>Respondents</u>	<u>Percentage</u>
Yes	100	75
No	28	24.25
Don't know	1	.75
	<u>129</u>	<u>100%</u>
	<u>==</u>	<u>==</u>

If this coverage is desired, it has to be financed by way of contributions. Members of the scheme now make monthly contributions. An opinion was sought as to whether contributions should be paid with taxes or separately as it is now, and in the event of self employed persons being covered whether they would prefer annual contributions to monthly contributions. Replies were received as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Contributions with taxes	47	36
Separately	30	23.75
Don't need coverage	28	24.25
Don't know	24	16.
	<u>129</u>	<u>100%</u>

There were 36 self employed persons in the sample and their preferences were as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Monthly contributions	21	58
Annual contributions	10	28
Don't know	5	14
	<u>36</u>	<u>100%</u>

What impact had the existing social security scheme on the people in this area. To this a question was asked:-
Do you know anybody who has received social security benefit?

	<u>Respondents</u>	<u>Percentage</u>
Yes	29	22
No	100	78
	<u>129</u>	<u>100%</u>

The scheme has been extended to cover hospital fees in a limited way. Apart from requiring to know what people would like social security to do for them, the question asked

	<u>Respondents</u>	<u>Percentage</u>
Contributions with taxes	47	36
Separately	30	23.75
Don't need coverage	28	24.25
Don't know	24	16.
	<u>129</u>	<u>100%</u>

There were 36 self employed persons in the sample and their preferences were as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Monthly contributions	21	58
Annual contributions	10	28
Don't know	5	14
	<u>36</u>	<u>100%</u>

What impact had the existing social security scheme on the people in this area. To this a question was asked:-
Do you know anybody who has received social security benefit?

	<u>Respondents</u>	<u>Percentage</u>
Yes	29	22
No	100	78
	<u>129</u>	<u>100%</u>

The scheme has been extended to cover hospital fees in a limited way. Apart from requiring to know what people would like social security to do for them, the question asked

was also intended to find out whether people in the area were aware of this benefit.

	<u>Respondents</u>	<u>Percentage</u>
Social security to meet hospital bill	68	52.7
Social security <u>not</u> to meet bill	60	46.5
Don't know	1	.8
	<u>129</u>	<u>100%</u>

Many people interviewed commented that if social security met the hospital bill the Government might consider increasing taxes.

Opinions vary as to whether social security payments should be made monthly or in lump sum to those attaining retirement age. Replies to this question were received as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Monthly payments	31	24
Lump sum payments	61	47
Both lump sum and monthly	37	29
	<u>129</u>	<u>100%</u>

A small percentage of the population is now covered by social security. Should coverage be extended to cover everybody?

	<u>Respondents</u>	<u>Percentage</u>
Social security to cover everybody	96	74.4
Should not	26	20.2
Don't know	7	5.4
	<u>129</u>	<u>100%</u>

Analysis of wage income has already been discussed and a theoretical minimum wage in urban areas calculated. In practical terms how much income do people desire to live decently? The question was asked:- What is the minimum amount of money do you think you can live on comfortably in one month?

	<u>Respondents</u>	<u>Percentage</u>
About Shs.100.00 per month	10	7.8
Between 150/- - 200/-	8	6.2
Between 300/- - 500/-	38	29.4
Over 500/-	65	50.4
No replies	8	6.2
	<u>129</u>	<u>100%</u>

A breakdown of desired income according to groups representing both men and women is shown as follows:-

Table 23.AGE DISTRIBUTION AND DESIRED INCOME

<u>Age Group</u> (General)	<u>Income Distribution</u>				
	<u>Total</u>	<u>100/-</u>	<u>150-200/-</u>	<u>300-500/-</u>	<u>Over 500/-</u>
16 - 20	12	2	1	6	3
21 - 30	44	1	-	17	26
31 - 40	24	-	3	7	14
41 - 50	19	1	-	1	17
Over 50	29	6	4	12	7
	<u>128</u>	<u>10</u>	<u>8</u>	<u>43</u>	<u>67</u>
	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>

Table 24.AGE DISTRIBUTION AND DESIRED INCOME

<u>Age Group</u> (Men)	<u>Income Distribution</u>				
	<u>Total</u>	<u>100/-</u>	<u>150-200/-</u>	<u>300-500/-</u>	<u>Over 500/-</u>
16 - 20	6	1	-	3	2
21 - 30	30	1	-	13	16
31 - 40	22	-	2	6	14
41 - 40	15	1	-	-	14
Over 50	20	3	2	9	6
	<u>93</u>	<u>6</u>	<u>4</u>	<u>31</u>	<u>52</u>
	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>

Table 25.AGE DISTRIBUTION AND DESIRED INCOME

<u>Age Group</u> (Women)	<u>Income Distribution</u>				
	<u>Total</u>	<u>100/-</u>	<u>150-200/-</u>	<u>300-500/-</u>	<u>Over 500/-</u>
16 - 20	6	1	1	3	1
21 - 30	14	-	-	4	10
31 - 40	2	-	1	1	-
41 - 50	4	-	-	1	3
Over 50	9	3	2	3	1
	<u>35</u>	<u>4</u>	<u>4</u>	<u>12</u>	<u>15</u>
	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>

On the question of food supply, reaction was as equally keen as that noted in the survey carried out in Maini Sub-Location.

Whether or not the people should organize food stores was indicated by the following replies:-

	<u>Respondents</u>	<u>Percentage</u>
Stores to be built on Harambee basis	26	20.2
To be built by Government	93	72
Don't know	10	7.8
	<u>129</u>	<u>100%</u>
	<u>=</u>	<u>=</u>

How should food be acquired for storage:-

	<u>Respondents</u>	<u>Percentage</u>
Contribute money to buy food	47	36.4
Contribute food itself after harvests	55	42.6
Both money and food	14	10.8
Don't know	13	10.2
	<u>129</u>	<u>100%</u>

In cases of need, should food be purchased from the stores, or should it be provided free.

	<u>Respondents</u>	<u>Percentage</u>
Should be purchased	72	55.8
Be provided free	43	33.3
Free, but purchase in some cases	10	7.8
Don't know	4	3.1
	<u>129</u>	<u>100%</u>

In this sample, 105 (84%) people were literate. 71 (57%) of them could also write and speak Swahili and English.

4. Yiro Sub-Location

The survey in this area covered 500 inhabitants - including 385 men 114 women. Between them they had 1191 children. The following table analyses age distribution of the respondents:-

Table 26.

AGE DISTRIBUTION

<u>Age Group</u>	<u>Respondents</u>
16 - 20	136
21 - 30	115
31 - 40	73
41 - 50	56
Over 50	119
	<u> </u>
Total	499
	<u> </u>

State of literacy of respondents is analysed in the table below:-

Table 27.

LITERACY BY AGE GROUPS

<u>Age Groups</u>	<u>Vernacular</u>	<u>Vernacular Swahili</u>	<u>Vernacular English</u>	<u>Vernacular Swahili English</u>
16 - 20	106	60	78	53
21 - 30	80	49	48	38
31 - 40	51	34	19	17
41 - 50	31	22	7	7
Over 50	29	18	6	6
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	297	183	158	121
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Old Age

Old age is by no means a disease. It only becomes a problem when it subjects one to total dependence on others. It is for this reason that a social security system takes upon itself the provision for old age. In doing so, it raises a number of questions which include preparation for retirement during active years of life. Old age benefit schemes organised by private or public institutions fix retirement at ages between 50 and 60 years. The survey adopted 50 years and over as pensionable age.

Of the inhabitants interviewed 132 were over the age of 50 and of these 36 were women. The following information was received regarding previous employment:-

	<u>Respondents</u>	<u>Percentage of Over 50 Years</u>
Urban areas	84	63.0
Rural areas	37	28.75
Self employment	1	.75
Never employed	10	7.50
	<u>132</u>	<u>100%</u>
	<u>=====</u>	<u>=====</u>

How they earn their living :-

	<u>Respondents</u>	<u>Percentage of Over 50 Years</u>
Past Savings	3	2.25
Pensions	4	3.00
Farm produce	95	71.25
Grown up children	17	13.75
No assured means	13	9.75
	<hr/>	<hr/>
	132	100%
	<hr/> <hr/>	<hr/> <hr/>

This group had 525 children dependent on them.

Sickness

Hospital medicine was popular 489 respondents (97%) preferred hospital medicine. There were cases which deprived the sick of use of hospitals. Replies were received as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Hospital used always	488	97.6
Ignorance	-	-
Lack of money	5	1.
Native medicine	2	.4
Lack of nearby hospital	5	1.
	<hr/>	<hr/>
	500	100%
	<hr/> <hr/>	<hr/> <hr/>

State of dependency was reflected in the following information:-

	<u>Respondents</u>	<u>Percentage</u>
Dependency caused by old age	132	56.00
Widowhood	39	17.00
Disease	3	1.20
Invalidity	6	2.58
Unemployment	54	23.22
Not dependent	-	-
	<u>232</u>	<u>100%</u>

<u>Method of Assistance</u>	<u>Respondents</u>	<u>Percentage</u>
Received assistance in cash	3	1.20
Received assistance in kind	53	23.50
Received in both cash and kind	163	71.00
No assured means	13	4.30
	<u>232</u>	<u>100%</u>

<u>Source of Assistance</u>	<u>Respondents</u>	<u>Percentage</u>
Members of family	193	84.00
Friends	15	6.00
Voluntary organizations	7	4.00
Pensions	4	1.70
Social security schemes	-	-
No other sources	13	4.30
	<u>232</u>	<u>100%</u>

There were 268 in the sample (53%) who were gainfully employed and their sources of income were as follows:-

	<u>Respondents</u>	<u>Percentage</u>
Wages per month	42	16.00
Income from produce	189	70.00
Business profits	37	14.00
	<u>268</u>	<u>100%</u>

Social security coverage:-

	<u>Respondents</u>	<u>Percentage</u>
Contributions to:-		
National Social Security Fund	27	10.00
National Hospital Insurance Fund	3	1.00
Mutual Benefits Society	77	29.00
No coverage	161	60.00
	<u>268</u>	<u>100%</u>

Demand for social security coverage was significant. This was shown by replies to the question:- "Do you want to be covered by social security?":-

	<u>Respondents</u>	<u>Percentage</u>
Yes	406	81.20
No	47	9.40
Don't know	47	8.40
	<u>500</u>	<u>100%</u>

How contributions should be made?:-

	<u>Respondents</u>	<u>Percentage</u>
Contributions with taxes	50	10.00
Separately	329	65.80
Don't want coverage	47	9.40
Don't know	74	14.80
	<u>500</u>	<u>100%</u>

On when contributions should be made, self employed persons stated their preferences:-

	<u>Respondents</u>	<u>Percentage</u>
Monthly contributions	102	45.0
Annual contributions	11	5.0
Don't know	113	50.0
	<u>226</u>	<u>100%</u>

Only 52 (10.4%) respondents in the area had heard of recipients of social security benefits.

What social security should do :-

	<u>Respondents</u>	<u>Percentage</u>
Social security to meet hospital bill	<u>437</u>	<u>87%</u>
Scheme to pay benefits monthly	401	80.2
Scheme to pay lump sum	27	5.4
Don't know or no replies	<u>72</u>	<u>14.4</u>
	<u>500</u>	<u>100%</u>

Scope of coverage:-

	<u>Respondents</u>	<u>Percentage</u>
Social security to cover everybody	447	89.4
Should not	9	1.8
Don't know, or don't want	44	8.8
	<u>500</u>	<u>100%</u>

Desired income per month:-

	<u>Respondents</u>	<u>Percentage</u>
About 100/- per month	150	30.0
Between 150/- - 200/-	126	25.2
Between 300/- - 500/-	173	34.6
Over 500/-	50	10.0
No replies	1	.2
	<u>500</u>	<u>100%</u>

A breakdown of desired income according to groups representing both men and women is shown as follows:-

Table 28.AGE DISTRIBUTION AND DESIRED INCOME

<u>Age Group</u> (General)	<u>Income Distribution</u>				
	<u>Total</u>	<u>100/-</u>	<u>150-200/-</u>	<u>300-500/-</u>	<u>Over 500/-</u>
16 - 20	136	45	38	49	4
21 - 30	115	20	29	50	16
31 - 40	73	20	16	24	13
41 - 50	56	15	13	19	9
Over 50	119	50	30	29	10
	<u>499</u>	<u>150</u>	<u>126</u>	<u>171</u>	<u>52</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Table 29.AGE DISTRIBUTION AND DESIRED INCOME

<u>Age Group</u> (Men)	<u>Income Distribution</u>				
	<u>Total</u>	<u>100/-</u>	<u>150-200/-</u>	<u>300-500/-</u>	<u>Over 500/-</u>
16 - 20	91	30	28	30	3
21 - 30	93	14	23	43	13
31 - 40	60	13	12	24	11
41 - 50	44	7	11	17	9
Over 50	83	26	24	23	10
	<u>371</u>	<u>90</u>	<u>98</u>	<u>137</u>	<u>46</u>
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Table 30.AGE DISTRIBUTION AND DESIRED INCOME

<u>Age Group</u> (Women)	<u>Income Distribution</u>				
	<u>Total</u>	<u>100/-</u>	<u>150-200/-</u>	<u>300-500/-</u>	<u>Over 500/-</u>
16 - 20	36	15	10	10	1
21 - 30	20	6	6	7	1
31 - 40	13	7	4	-	2
41 - 50	12	8	2	2	-
Over 50	33	24	6	3	-
	<u>114</u>	<u>60</u>	<u>28</u>	<u>22</u>	<u>4</u>
	<u><u>114</u></u>	<u><u>60</u></u>	<u><u>28</u></u>	<u><u>22</u></u>	<u><u>4</u></u>

Mutual 'harambee' benefits:-

	<u>Respondents</u>	<u>Percentage</u>
Food stores to be built on 'harambee' basis	152	30.4
To be built by Government	312	62.4
Don't know	36	7.2
	<u>500</u>	<u>100%</u>
	<u><u>500</u></u>	<u><u>100%</u></u>

How food should be acquired for storage :-

	<u>Respondents</u>	<u>Percentage</u>
Contribute money to buy food	118	23.6
Donate food after harvest	237	47.4
Donate both money and food	144	28.8
Don't know	1	.2
	<u>500</u>	<u>100%</u>
	<u><u>500</u></u>	<u><u>100%</u></u>

In cases of need, whether food should be provided free from the stores, or whether it should be bought.:-

	<u>Respondents</u>	<u>Percentage</u>
To be purchased	179	35.8
To be provided free	319	63.8
Free, but purchase in some cases	-	-
Don't know	2	.4
	<u>500</u>	<u>100%</u>
	<u><u>500</u></u>	<u><u>100%</u></u>

In the sample 207 (41.4%) people were literate. 47 (9.4%) of them could also write and speak Swahili and English,

5. Comparative AnalysisTable 31.OLD AGE INCOME

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Dependent on past savings	2.25	1	23
Pensions	3.00	1	3
Farm produce	71.25	2	23
Grown up children	13.75	14	25.5
No assured means	9.75	53	25.5
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 32.HOSPITAL NEEDS

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Hospital used always	97.6	24.4	71.2
Ignorance of existence of hospital	-	1	-
Lack of money to pay for hospital	1	11.4	27.2
Use of native medicine	.4	5.2	.8
Lack of both money and hospital	1.	44.7	.8
Lack of money therefore use of Native medicine	-	8.3	-
Lack of money and hospital therefore use of Native medicine	-	4.5	-
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 33.CONDITIONS OF DEPENDENCY

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Widowhood	17.00	19.8	3.2
Disease	1.20	1.2	1.6
Invalidity	2.58	1.8	.8
Unemployment	23.22	40.2	16.4
Old age	56.00	37.0	16.8
Not dependent	-	-	61.2
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 34.METHODS OF ASSISTANCE

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Received assistace in cash	1.20	11.4	10
Assistance in kind only	23.50	6	36.7
Both cash and kind	71.00	36	36.7
No assured means at all	4.30	46.6	16.6
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 35.SOURCE OF ASSISTANCE

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Members of family	84.0	48	80.4
Friends	6.0	4.2	-
Voluntary organizations	4.0	-	-
Pensions (institutional)	1.7	.6	3
Social security scheme	-	.6	-
No other source	4.30	46.6	16.6
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 36.GAINFUL EMPLOYMENT

	<u>Percentage of Respondents in Gainful Employment</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Wages per month	16	70	62.4
Income from produce	70	6	9.4
Business profits	14	24	28.2
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 37.

SOCIAL SECURITY COVERAGE OF PERSONS
IN GAINFUL EMPLOYMENT

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Contributions to mutual benefits arrangements	29	8	20.8
Contributions to national schemes:-			
National Social Security Fund	10	30	42.6
National Hospital Insurance Fund	1	3	16.6
No coverage at all	60	59	20
	<u>100%</u>	<u>100%</u>	<u>100%</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>

Table 38.

DEMAND FOR SOCIAL SECURITY COVERAGE

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Demanding coverage	81.2	97.5	75
Rejecting coverage	9.4	.5	24.25
Uncertain	9.4	2	.75
	<u>100%</u>	<u>100%</u>	<u>100%</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>

Table 39.METHODS OF CONTRIBUTION

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Collecting contributions with taxes	10	33	36
Collecting separately	65.8	54	23.75
Don't know	14.8	13	16
Don't want the scheme	9.4	-	24.25
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 40METHODS OF CONTRIBUTIONS BY SELF EMPLOYED PERSONS

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Monthly contributions	45	62	58
Annual Contributions	5	38	28
Uncertain	50	-	14
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 4.FAMILIARITY WITH SOCIAL SECURITY BENEFIT

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Have known or heard of recipients	10.4	2	22
Have never heard of recipients of benefits	<u>89.6</u>	<u>98</u>	<u>78</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 42.BENEFIT PAYMENTS

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Social security to meet hospital bill	87	98	52.7
Social security <u>not</u> to meet hospital bill	13	-	46.5
Don't know	<u>-</u>	<u>2</u>	<u>.8</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Monthly payments (pensions)	80.2	87	24
Lump sum payment	5.4	13	47
Don't know	14.4	-	-
Both lump and monthly	<u>-</u>	<u>-</u>	<u>29</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 43.UNIVERSAL COVERAGE OF SOCIAL SECURITY

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Social Security to cover everybody	89.4	96	74.4
Should not cover everybody	1.8	-	20.2
Don't know	8.8	4	5.4
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 44.DESIRED MONTHLY INCOME

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
About 100/-	30	12	7.8
Between 150/- - 200/-	25.2	28	6.2
Between 300/- - 500/-	34.6	29	29.4
Over 500/-	10.0	31	50.4
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 44a.ANALYSIS OF DESIRED INCOME ACCORDING TO AGE GROUPSShillings 100/- Per MonthPercentage of Respondents

<u>Age Group</u>	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
16 - 20	30	5	20
21 - 30	13	5	10
31 - 40	13	25	-
41 - 50	10	15	10
Over 50	34	50	60
	<u>100%</u>	<u>100%</u>	<u>100%</u>
	<u>==</u>	<u>==</u>	<u>==</u>

Table 44b.Shillings 150-200/- Per MonthPercentage of Respondents

<u>Age Group</u>	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
16 - 20	30	-	12
21 - 30	23	7	-
31 - 40	13	32	38
41 - 50	10	21	-
Over 50	24	40	50
	<u>100%</u>	<u>100%</u>	<u>100%</u>
	<u>==</u>	<u>==</u>	<u>==</u>

Table 44c.Shillings 300-500/- Per MonthPercentage of Respondents

<u>Age Group</u>	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
16 - 20	28	5	14
21 - 30	29	30	40
31 - 40	14	25	15
41 - 50	11	14	2
Over 50	18	26	29
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 44d.Shillings 500/- and Over Per MonthPercentage of Respondents

<u>Age Group</u>	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
16 - 20	8	10	5
21 - 30	32	27	40
31 - 40	24	25	20
41 - 50	17	23	25
Over 50	19	15	10
	<u>100%</u>	<u>100%</u>	<u>100%</u>

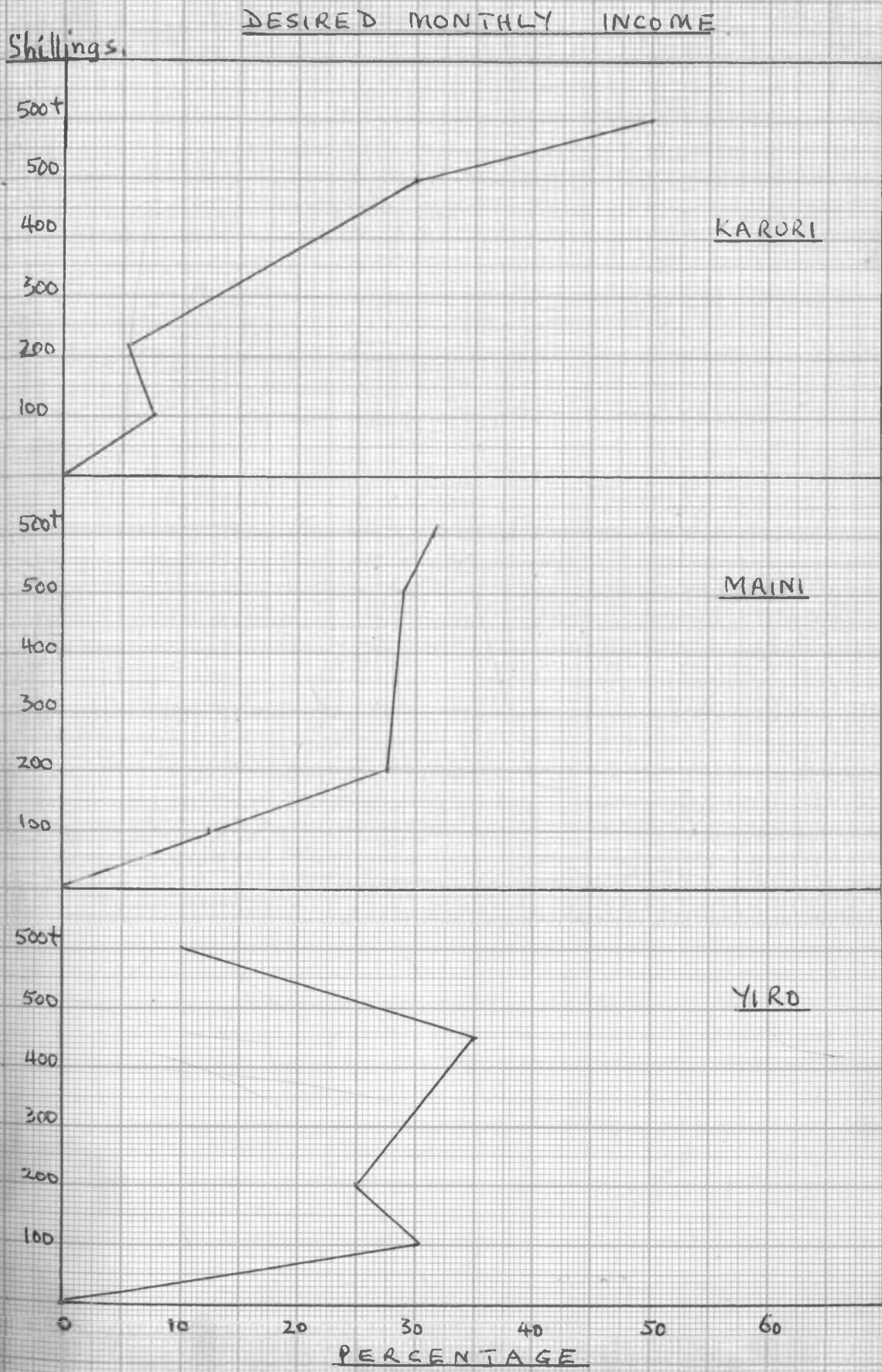


Chart 16. Graph showing Desired income

ANALYSIS OF DESIRED INCOME - AGE GROUPS
SHILLINGS 100/- PER MONTH.

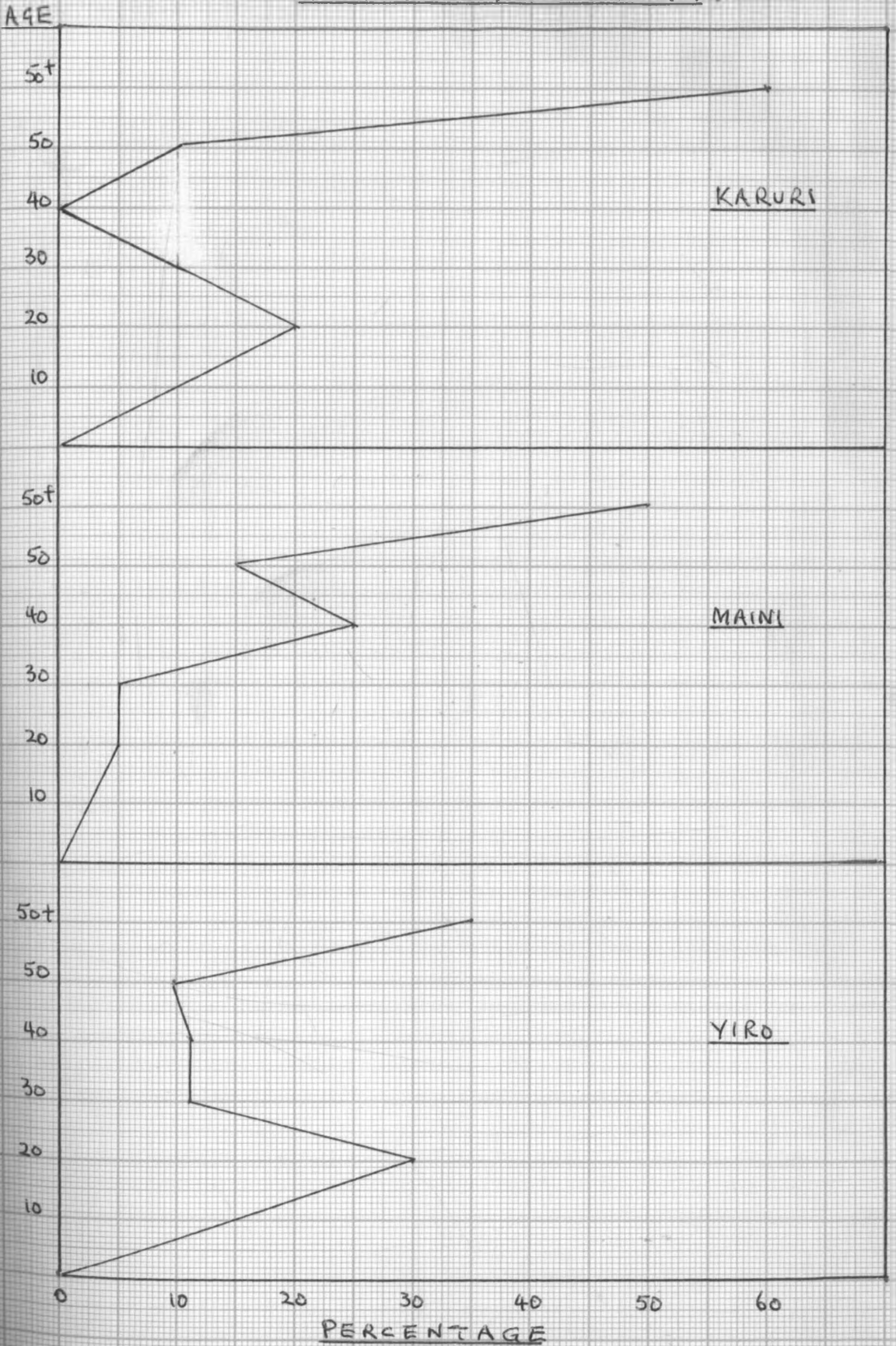


Chart 17. Age Analysis of Desired income of Shillings 100/- per month.

ANALYSIS OF DESIRED INCOME.
SHILLINGS 150 - 200/- PER MONTH.

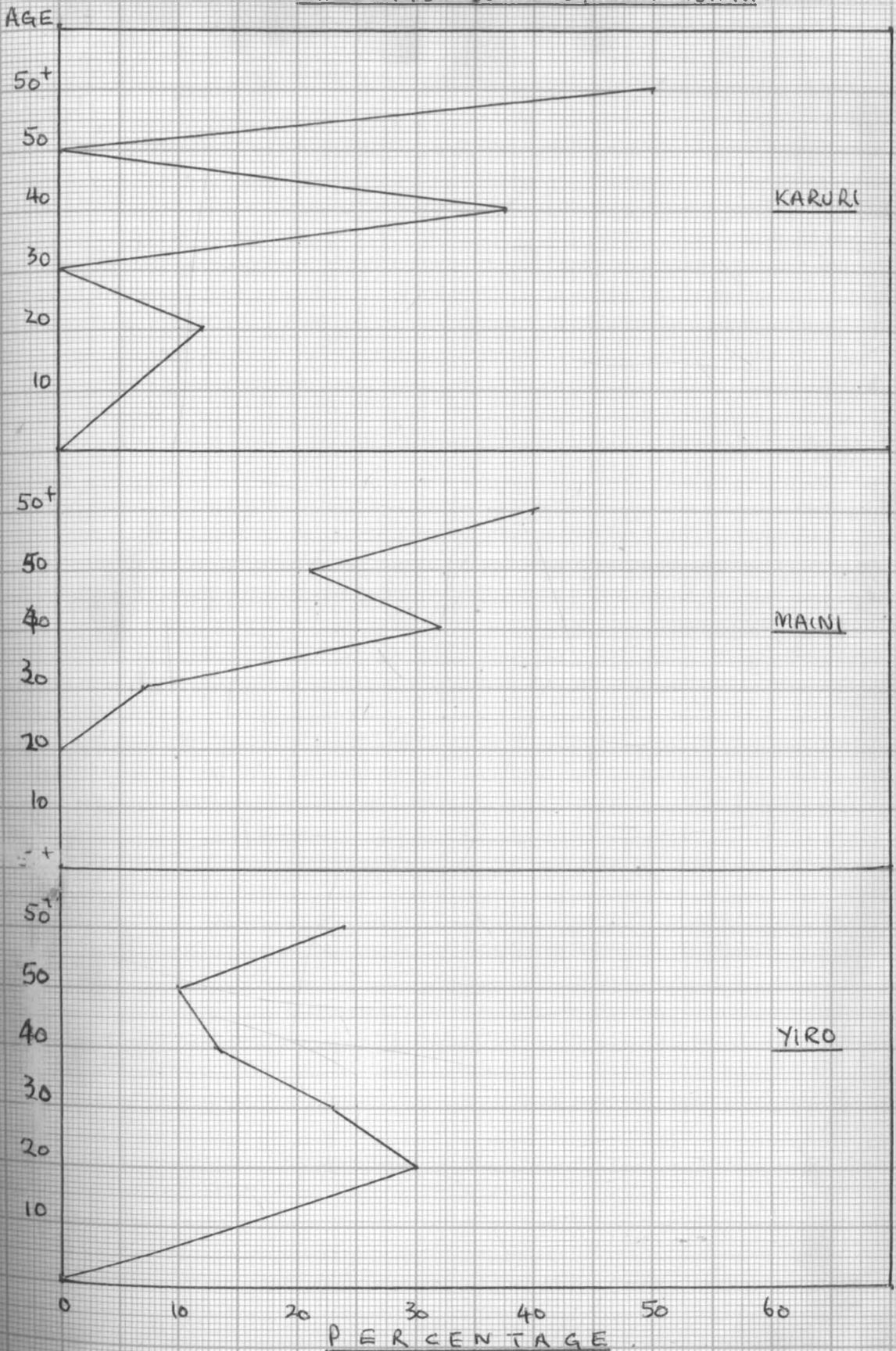


Chart 18. Age Analysis of Desired Income of Shillings 150 - 200/- per month.

ANALYSIS OF DESIRED INCOME.
SHILLINGS 300-500/- PER MONTH.

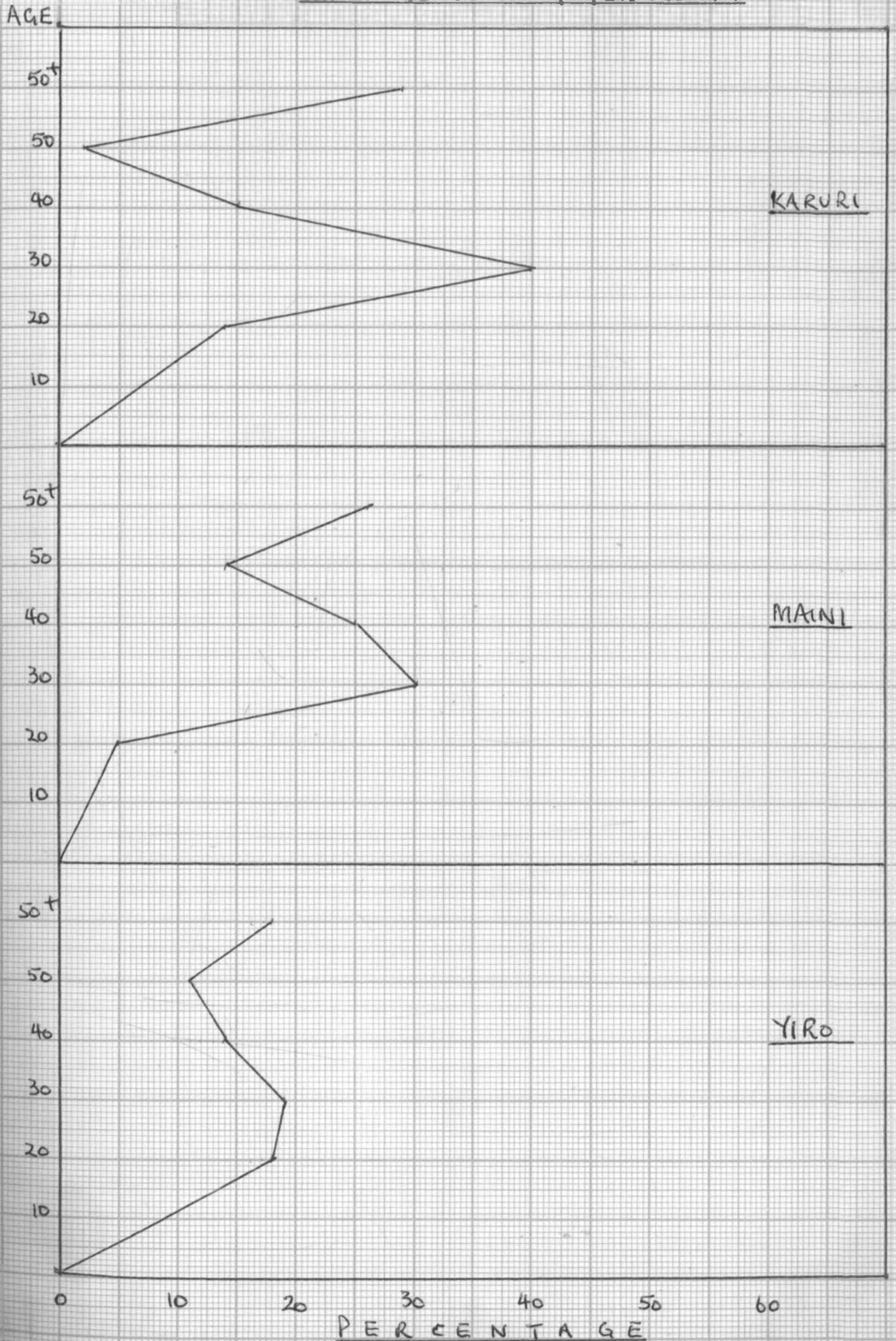


Chart 19. Age Analysis of Desired income of Shillings 300-500/- per month.

ANALYSIS OF DESIRED INCOME.
SHILLINGS 500/- AND OVER PER MONTH.

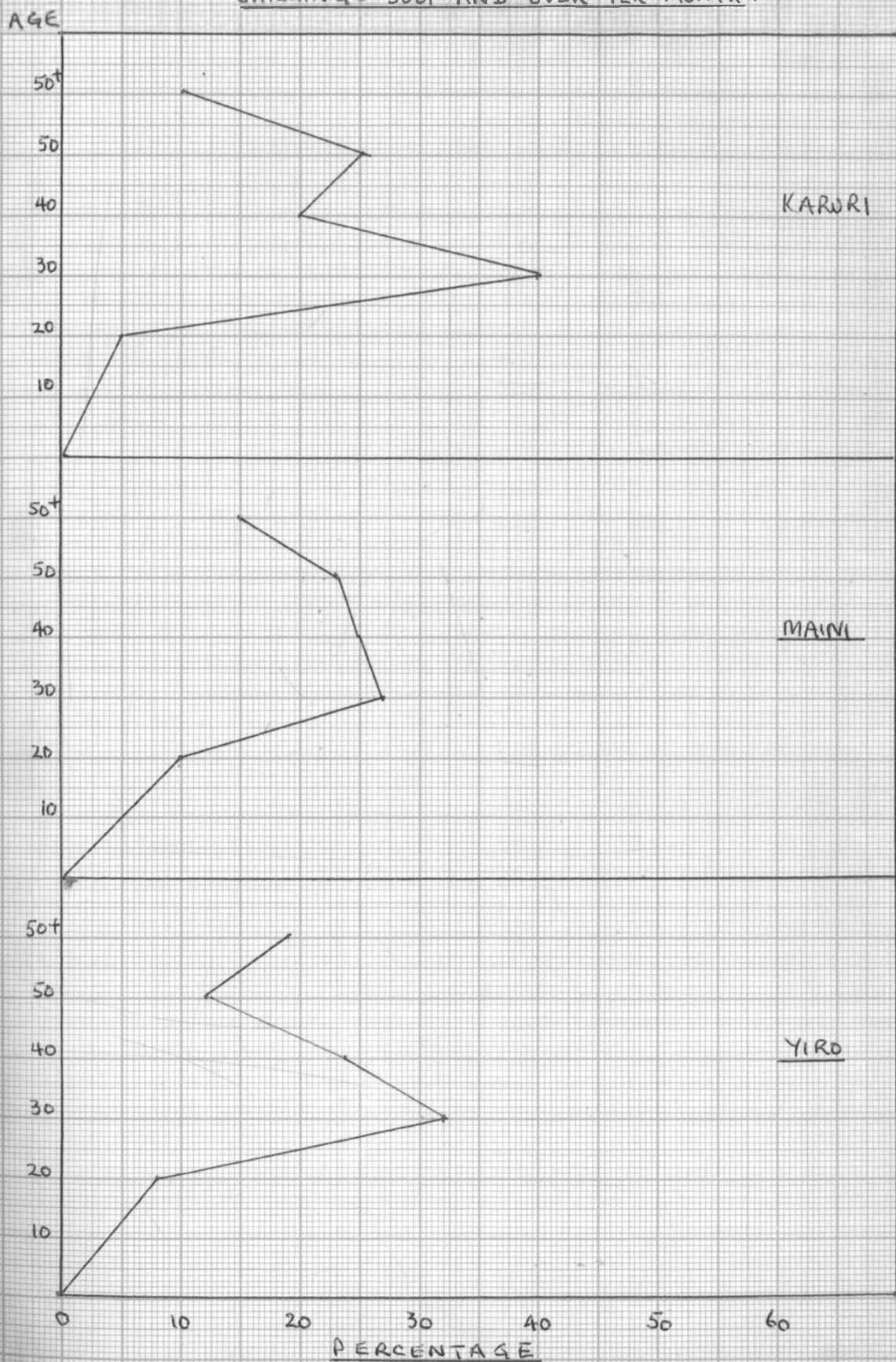


Chart 20. Age Analysis of Desired income of shillings over 500/- per month.

Table 45.MUTUAL BENEFITS ORGANIZATION

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Food stores to be provided on Harambee basis	30.4	27	20.2
Government to provide them	62.4	70.2	72
Don't know	<u>7.2</u>	<u>2.8</u>	<u>7.8</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 46.MUTUAL BENEFITS CONTRIBUTIONS

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Money to be contributed	23.6	25	36.4
Food to be contributed	47.4	72	42.6
Both money and food	28.8	-	10.8
Don't know	<u>.2</u>	<u>2</u>	<u>10.2</u>
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Table 47.MUTUAL BENEFITS PAYMENTS

	<u>Percentage of Respondents</u>		
	<u>Yiro</u>	<u>Maini</u>	<u>Karuri</u>
Purchase food from stores	35.8	54	55.8
Supply food free	63.8	40.5	33.3
Both	-	5.5	7.8
Don't know	.4	-	3.1
	<u>100%</u>	<u>100%</u>	<u>100%</u>

CHAPTER VI

CRITICAL REINTERPRETATION OF DATA ANALYSIS

A. Employment Policy

Discussion of employment policy in the context of social security ranges from location of industry, rates of wages to distribution of wage earning population.

In social planning, matters of industrial distribution raise two main issues in the forefront. These include the policy of sending people to place of work or taking work to people. Historically, it is observable that the policy in Kenya has been that of sending people to place of work by locating industries in some convenient centres. Such centres are largely influenced by geographical strategies. Employment needs are left to take care of themselves.

An analysis of the distribution of firms and workers in the country, carried out on a sample of 6,734 firms and 289,771 employees (See Chapter V, Table 5) revealed the state of mobility of labour in search of employment. The emergence of a cash economy and development of urban centres as the main industrial areas has resulted in wide range effects on social setting and economic opportunities.

Agricultural activities so far occupy a greater part of the population. Records of the Social Security Fund indicate that agricultural workers participating in the scheme at the present time represent between 10-15 percent (See Table 3). This more or less represents rural participation.

Industrial distribution is such that agriculture represented by large scale plantations and farming, is predominant in Rift Valley and Central Provinces in that order. Commerce and industry are mainly in the urban centres, where the 'services' are also predominant. Labour has therefore to move to find employment.

Mobility caused by the concentration of employment opportunities in particular areas has wide ranging social effects. Ethnic distribution of contributors to the social security scheme and the relation that the distribution bears on the population of an area points to the state of employment opportunities in different parts of the country. Looking at Western Province for example, a clear picture can be seen of the effect of mobility on the structure (See Chapter V, Table 5). Western Province comprising Kakamega, Bungoma and Busia Districts is mainly inhabited by Baluhya people. The total population of the Province (Kenya Census, 1969) was 1,326,298. At the end of 1970 the Social Security Fund had on record only 5,602 contributors in that Province. Information collected on ethnic distribution (Chapter V, Table 15) revealed that in the country as a whole at the end of the same year, there were 54,749 people of the Luhya group contributing to the Fund. While contributors in Western Province represent only 0.4 percent of the total population of the Province, the natives of the Province scattered all over the country contributing to the scheme represented 3.7 percent of the total population of the Province.

There were 285,000 (in round figures) people of Baluhya living outside the Province (Kenya Population Census, 1969). Baluhya contributors to the scheme represented about

20 percent of this figure. This is a significant proportion, considering that the number of those living outside the Province include the families of contributors. Lack of employment opportunities in the Province partly accounts for this.

The Coast Province however, reveals a reverse position. There were 52,902 contributors in the Coast Province, but the Coast ethnic groups scattered all over the country contributing to the scheme numbered 32,300. The industrial situation of Mombasa accounts for this. The four groups - Kikuyu, Kamba, Luhya and Luo living at the Coast put together (138,063 - Kenya Census, 1969) number more than the total population of Taita District or more than half of the population of Kwale District. The main reason that can be given is employment attraction which gives rise to this mobility.

The example given of Western Province represents a picture which, apart from Nairobi and the Coast Provinces, appeared similar to that of other Provinces. Nyanza Province had 18,341 contributors yet the ethnic groups in the Province, namely, Luo, Kisii and Kuria between them had 81,479 participants in the scheme. This represents roughly 3.9 percent of the total population of the ethnic group.

Suffice it to say that the examples given above provide evidence of the magnitude of mobility. Mobility in itself may in some cases be desirable but if the main cause of such mobility is lack of employment opportunities, the policy must consider balancing the direction of people to place of work, and work to where people are.

One area which employment policy in Kenya requires to study carefully is in connection with foreign investment. Because of lack of local resources, a foreign investor to

some extent dictates the terms of his investment. Other factors such as communication facilities, proximity to policy makers and financiers and attractions of convenience including social amenities influence him. He has therefore been the main cause of geographical location of industry. If this is so, the policy must aim at decentralization of local industries with the necessary development of infrastructure.

B. Review of Income

Analysis of wage income as shown in Chapter V, Part I indicated that the statutory minimum wage now in force in Kenya is far below the real minimum wage. Analysis claim that minimum wage in urban areas or at least in Nairobi should not fall below Shs.430.50 per month. Table 2 in Chapter V explains the situation. It is evident that a majority of contributors to the Fund are in the low income group. The impact of the rate of contributions affect income groups differently.

The contributions rate is five percent of wages per month subject to a maximum of Shs.40.00. This means that the higher income groups is contributing at the ceiling. In all cases the employers' matching contributions constitute what the National Social Security Fund Act, (1965) refers to as 'Standard Contribution' of up to a maximum of Shs.80.00 per month.

The low income group is buying social security coverage expensively. This is illustrated by taking a hypothetical case: two contributors, one earning a wage of Shs.1,000.00 per month and another Shs.200.00 per month. What both of them have in common that affect their wage packets is the National Social Security Fund, and the Graduated Personal Tax.

The contributor in the higher income group pays Shs.40.00 per month, and Shs.50.00 per month for the Graduated Personal Tax. This is 9 per cent of his monthly wages. The contributor in the lower income group pays Shs.10.00 and Shs.4.00 for the Tax. This is 7 percent from a wage packet of Shs.200.00

Analysis of wage income (Chapter V, Part 1) claim that minimum wage in Nairobi should be Shs.430.50. A wage earner of Shs.200.00 per month in Nairobi is immediately worse off by over 100%. This is further reduced by another 7 per cent being statutory deductions, thereby pushing even further back his minimum wage area. The high income group is better off in the scheme. Table 2 referred to above shows that there were 70,179 contributors in Nairobi alone, earning a monthly wage of less than Shs.400.00.

On the strength of this observation the burden would be unbearable if the low income group contributed to the Health Insurance Fund although the group is in as much need or perhaps more, of health insurance coverage as any other groups.

Analysis in Chapter V has shown that agricultural workers are predominant in the low income group. In quantitative terms, they contribute less to the Fund than the high income group. A labourer earning Shs.200.00 per month pays a standard contribution of Shs.20.00, a clerk or mechanic earning Shs.800.00 per month contributes Shs.80.00 and an office Manager earning Shs.1,500.00 per month contributes Shs.80.00. Without exception pensions schemes in Kenya, whether in the public service or private sector exclude the subordinate workers and all the agricultural workers. On the balance, the high income group benefits more from the social security

system in Kenya.

C. Demographic Factor

The demographic structure of the population for whose benefit a social institution has been created is an obvious basis to which many problems of the institution in question must be related in one way or another. As far as social security is concerned, the demographic basis shapes its institutional set-up in various more or less direct ways.

Direct link between demographic situation and the social security adopted by a country can be established in relation to the very young or to the very old in the population. Thus, for instance, family benefit schemes are most readily adopted in countries threatened with depopulation. In France for example, demographic considerations significantly influenced the development of family allowances as a social security measure. A legislator faced with the problem of an ageing population is likely to pay more attention to social security measures for old age. Social survey carried out in England early in the century revealed that old age was one cause of poverty. This influenced policy on old age pensions and national assistance scheme.

The frequency of marriage and the birth rate will have direct influence on the working of schemes for maternity benefits and for family allowances, while the death rate will influence social insurance schemes in regard to old-age and survivor benefits as well as funeral expenses.

Factors like the general state of health of a population, although they may not enter into play while a sickness insurance

scheme is under operation, will greatly influence its working once the scheme is under way.

The demographic factor is of the greatest importance to the financial equilibrium of social security schemes. The implication of a growing or stagnant population for the ratio between the economically active and inactive population are obvious: this will be inevitably reflected in the amount of contributions received and benefits paid.

Kenya has a young population. Out of a total population of 10,942,705 (Kenya Population Census, 1969), 5,282,955 were children below the age of 15. Looking further into this young population, it is noteworthy that of the children under 15 years who form half the population of the country, nearly 4 millions children were under 10 years of age and well over 2 millions were under 5 years of age.

The age group 15-24 years accounted for nearly 2 millions. This is a crucial age group composing of school leavers and of persons preparing for marriage and independent life. The fact that out of a population of over 10 millions, more than 70 percent are under 25 years of age bears out the fact of youth of the population.

It may be considered in some way that the age group 25-49 years carries important social and economic responsibility in Kenyan Society. This group represents 2.5 millions - roughly 23 percent of the total population. It is this group which is also responsible for the aged and dependent fathers and mothers no longer economically active. It is the group which predominantly is rearing the 4 millions children under the age of ten years. Dependency burden of this group is analysed in Chapter V, (See Tables 10-13).

The age group 50-59 years numbered .48 million roughly 5 percent of the total population. This group should be considered generally as economically active; but is handicapped by the level of economy in the country in participating in wage employment.

The Census showed that the age group 60 years and over were a bit more numerous than the preceding group. This group totalled .58 million representing slightly over 5 percent of the total population. This group, together with the under 15 years of age group accounted for roughly 55 percent of the total population. This represents roughly, the dependent group in the society in that the economy cannot absorb them as wage earners, nor can they effectively work on land by exerting physical manpower.

It has been pointed out in Chapter V (See Table 8) that only 4.7 percent of the total population in Kenya were covered by the Social Security Fund Scheme. It is interesting to note however, that although the two age groups, 50-59, and 60 and over are numerically few, they relatively participated in the scheme more than other groups. This indicated that more persons in the numerous groups were not engaged in paid employment. This pointed further to the level of economy and the size of unemployment.

Demographic structure of a country or of the population covered by a particular social security system will have great effect thereon. This is true both from the standpoint of the type of programme that is necessary and on the costs thereon (which in turn, may affect the feasibility of adopting various provisions because of the necessarily limited financial resources available).

The Social Security Fund in Kenya collects an average of £6 million a year. Payments made out in benefits have been evenly set-off by new members joining the scheme at this stage so that the average collection has remained constant. The contributions of participants work out at an arithmetical mean of Shs.230.76 per member per year.

The age group 25-49 contributes to the Fund more than all other groups put together (See Chapter V, Table 9). This testifies what has been stated above that this perhaps is the age group which, in Kenya today, is shouldering the heaviest economic and social responsibilities. Since the Fund was established in 1966, accumulable funds stood at £22 millions at the end of 1970. This age group has therefore contributed considerably to the local source of capital for development.

Kenya's is a provident fund system with a set retirement age at 60 years. It therefore, follows that the group is not as yet expected to benefit from the scheme for at least another fifteen years. Accumulation of funds will therefore be rapid, given normal conditions of social wellbeing and economic growth.

It has been pointed out earlier that a Provident Fund Scheme has no element of risk pooling. In a developing country however, and given the structure of population similar to Kenya's, it has the element of resource pooling. Accumulated funds used for development projects equitably distributed would benefit other parts of the country from where there is little employment and therefore insignificant amounts of contributions. Western and North Eastern Provinces would in this case, for example, benefit from the resources of development funds collected from more prosperous provinces.

The most notable feature of Kenya's population was the rapid rate of its growth. 'They show that the birth rate has been 50 per thousand and the death rate of 17 per thousand, thus giving a natural increase of 33 per thousand of 3.3 percent per annum. This means that even if the economy grows at seven percent, 3.3 percent of this is eaten away on feeding new mouths. The Census reveals that Kenya's fertility rate - that is the average number of children born alive to a woman who survives to the age of 50 - stands among the highest in Africa at an estimated 7.6. This is 12 percent higher than the figure of 6.8 estimated for the 1962 Census.'¹

The information brought to light by the 1969 Census points out strongly to the need for a review of social security policy: whereas the emphasis now is on old age, the real social burden is on the dependency arising predominantly from youth.

Realistic social security measures should seek to strike a balance of affording relief to the guardians of the dependent group. There is a strong case for family relief with a well considered employment relief measures formulated as a long term policy.

D. Social Structure

The demographic and economic realities are always faithfully reflected in the social structure of the population of any given country. According to the general economic conditions of a country, e.g. the state of its natural resources of the development of agriculture and of various industries, the population divides itself into a number of socio-economic

groups. A vast majority of members of these socio-economic groups will be in need of social security and will support its establishment. The shape of social security scheme finally adopted will directly depend on the result of struggles and negotiations between the various socio-economic groups acting through their direct or indirect political representatives.

Kenya still represents a society in which kinship coherence has importance. As changes take place in the society this coherence fall under pressure. Signs can now be seen indicating that the traditional importance of many relations of kinship is decreasing. The economy of subsistence agriculture or subsistence pastoralism although still present, is being challenged by more enlightened modern world. The economy of Kenya today is part of a world organization; there is no longer any local self-sufficiency. Political change has brought about a high degree of centralization. Language areas which were small are rapidly widening. English is spoken by immigrants and an increasing number of Kenyans. Swahili is becoming a common language and universal religion is spreading and replacing ancestors and other spirits of gods.

From many rural areas a significant percentage of the able bodied men are always away at work. No proportionate number of the general population goes with them, and no proportionate flow of wealth come back to balance their going. The majority of the 'immigrant' labourer now spend most of their wages in town. The country is giving to the towns far more than it gets from them.

Most of the men in towns are young. The majority of the Nairobi's able bodied population, for example, is concentrated in the age group 20-49. This accounts for 252,726, nearly half the population of Nairobi. (Kenya

Population Census, 1969). Children under 15 represent 34 percent so that well over 80 percent of the population of Nairobi is under the age of 50.

The effectiveness of the pressure of low-income socio-economic groups in favour of the establishment of a social security scheme or the reform of an existing one will depend in the first place on the channels through which their wish can be expressed and turned into a legislative act. The surveys carried out (See Chapter V) demonstrated the wishes of both the low income and dependent groups. This also means that social security scheme will be greatly influenced by the whole system of government, including institutional forms and procedures of public political life. A system which, for example, denies the right to vote to persons in low wage brackets will prevent the interested socio-economic groups from obtaining the desired social insurance legislation.

While it is true that not only the low-income African socio-economic groups had no vote as early as when discussions on social security started in Kenya, political history of the country does not bear strong witness of an enthusiastic pressure for the development of a social security system. Whatever demand that there was did not come from the Africans. When political struggle for independence matured, the existing political parties did not spell out the desire for a social security system in their manifestos clearly. The political climate was dominated by the desire for Uhuru - seeking political independence first.

Introduction of the scheme in Kenya was not as a result of a rethinking based on universal social security values. It was rather, the fulfillment of a historical development which the colonial administration had pushed to

a point. A national provident fund system was a Colonial idea.

The first amendment Bill to the National Social Security Fund Act, 1970, provoked debate in Parliament which demonstrated the feelings of the people towards a social security system in Kenya. This reflected the opportunity which was lost through unpreparedness in 1965, when the scheme proposed in 1954 by the settlers found its way into Kenya's statute books.

E. Pressure Groups

Pressure groups are of great importance for the establishment and evolution of social security provisions in view of the direct impact of their actions on the existing political bodies. Usually such groups as trade unions, employers federations, mutual benefit societies, Medical Associations and other specialized groups get concerned in social security matters and in their own way, in order to safeguard their interests, they exert pressure in one way or another.

1. Trade Unions

Most trade unions and professional organizations consider themselves promoters and guardians of social security provisions in their countries. In many Western countries they participate in the management of the institutions, while in several Eastern countries they actually administer certain social insurance schemes.

The pressure exercised by trade unions on the political parties and on Government will vary from one case to another. When Social Security Committee was appointed in 1954, trade union movement in the country was less organized.

The country was going through emergency period and communications from the African organized groups was difficult. Trade Union Organizations which submitted written evidence to the Committee included Kenya Asian Civil Servants Association, Kenya African Civil Servants Associations, Kenya Federation of Registered Trade Unions, Kenya Local Government Workers Union, Mombasa and the Railway African Union.

African politics at that time centred around land and any suggestion of creating a class of permanent urban dwellers was seen as an attempt to alienate more African land for European settlement. The African Associations mentioned above, through their joint ad hoc Committees read into the questionnaire what the policy did not mean and consequently did not contribute adequately to the whole questionnaire.

There is no adequate evidence that the trade unions at the pre-legislation level before independence exerted pressure specifically on matters concerning the nature and type of a social security institution.

Trade Union Organization in Kenya is based on occupations. Table 3 in Chapter V shows the occupational distribution of workers which include Agriculture, Industry, Commerce and Services. Unions exist which more or less represent these occupations. None of them could be singled out as having influenced the development or structure of social security institutions. Generally they have been preoccupied with matters which relate to wages and occupational fringe benefit schemes. The Central Organization of Trade Unions which sends representatives to the Advisory Council of the National Social Security Fund had not produced a well thought out programme capable of influencing the structure of organization of social security.

The table referred to above showed that services employed more than other sectors. The services are predominantly represented by the Kenya Civil Servants Union. This Union represents Government Servants who are well covered by pension and gratuity schemes and hospital and sickness benefits. They therefore look at the Social Security Scheme as something supplementary. This weakens the Union's enthusiasm towards this national scheme. Provisions of the Code of Regulations and the Pensions Act is more closer to them and the existence of the Central Whitley Council provides them with an opportunity to express their opinions on the state of their 'institutional social security'.

The industry which also employs a large number of workers as the Table shows predominantly provides for occupational pension schemes or provident funds and other gratuity arrangements. Commonly these are part of employment contracts and more often than not, they offer better security than that provided so far by the national scheme. Large firms offer sickness benefits and survivors benefits.

The low income groups in all sectors are usually excluded from these superior superannuation schemes. This group does not possess the intellectual capacity to discuss the national scheme ably. The high income groups are quite happy with the institutional arrangement.

It appears that so long as the national scheme remains inferior and only supplementary to the institutional schemes, the trade union intellect will not spend itself in a committed and involved manner to it.

2. Employers Organization

Employers Organization behind the introduction of an old-age security included the Kenya National Farmers Union and the Kenya Farmers' Association. Theirs and the interest of other employers organizations were mainly concerned with the stability of labour. Although the pressure was in favour of introduction of an old-age security the motive was different. The Committee on African Wages (1954) reporting on incentives to stabilization stated: 'We have considered three of the more basic conditions for stabilizing African labour, viz - the payment of a wage sufficient for the essential needs of the worker and his family; the provision of family housing; and security for the workers' old age. There is a further condition which may be regarded as fundamental to any policy aimed at making African workers independent of the resources of the reserves, namely the maintenance of those workers who are deprived of employment by fluctuations in trade or by other circumstances outside their control.'²

After independence, the Federation of Kenya Employers was already a formidable organization in the country. It did a lot to influence the organizational shape of social security administration. It influenced the introduction of registration system based on identity cards, the level of contributions and representation on the social security statutory bodies.

The existence of a social security scheme undoubtedly imposes a number of administrative obligations on the employer while increasing his cost of labour; on the other hand the small employer in particular may welcome a certain measure of

state welfare provision which will discharge him of his duties arising from the establishment of costly occupational welfare schemes. Under the Employment Act, for example, employers are required to provide medical treatment and hospitalization for their employees earning Shs.200.00 and less per month. The National Social Security Fund (Amendment) Act, 1971 introduced hospitalization to contributors to the scheme. This discharged the small employer of this burdensome responsibility, while it gave significant relief to the large employers. Table 1 in Chapter V explains the size of this relief. This table showed that from the sample used 100,321 workers were earning less than Shs.200.00 per month. This represented 35 percent of the sample.

Since the increased cost of labour will eventually be passed on to the consumer, the economic interests of employers, at least at the national level, are not greatly affected. As a result the initial opposition of employers to the introduction of social security is relatively mild and of short duration. The employers tend to accept social security, once it is established, more readily than other opponent groups and subsequently concentrate their attention on practical questions concerning the operation of the scheme.

In Kenya the employers organizations declared in no uncertain terms their support for the National Social Security Fund. Federation of Kenya Employers, for example, goes to the extent of issuing periodical instructions to member employers on the administrative requirements of the Social Security Organization. Simultaneously, it has made scathing attacks on aspects of the administration of the scheme they feel anxious about.

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d 3. Beneficiaries

It is not quite possible to abstract particular factors which exert themselves from the complex of other social factors which envelop the institution. There are however, reasons to believe that the political, ideological, or pressure group attitude towards social security will not coincide with the 'consumer' attitude; the man in the street may think of social security differently when he considers its problems as a member of a pressure group or of a political party, and differently again when he looks at it as direct user and beneficiary of the services the institution can offer. The difference is simply one between the theory and practice of a social institute and the clash between these two attitudes may bring interesting results.

Practical experience of social security benefits will be of great importance in connection with some common assumptions about people's wishes in matters of social security. Political parties, occupational groups or individuals make statements about what people expect from social security without really testing their case. As a result social programmes of political parties or governments do not necessarily correspond to real psychological needs of the citizens.

A very strong demand for example, was made in Parliament in December, 1970, that the retirement age of 60 years was too high and that the age should be lowered to 50 years. The politicians and Trade Unionists were asserting this as a popular demand.

As individuals, both politicians and trade unionists would prefer their social security expectations as indicated above safeguarded. They would be unwilling as individuals to

retire from work at the time they still have the burden of education for their children and income for the family. It is shown in Chapter V (See Table 7) that at the end of 1970 there were over 73,000 contributors who were above the age of 50. Records of the National Social Security Fund showed that at the end of 1970 claims made for age benefit payments since the Fund started in 1966 had totalled 4,000. At the end of the same year claims for withdrawal benefit for contributors who were between the ages of 55 and 60 totalled 2,100. Both these together represented only about one percent of the total contributors as against about 15 percent of the total which the age group 50 and above represented.

This explains the fact that contributors in this age group are still steady workers and have no wish to retire from employment. One of the strongest points noted from a large number of people who made their claims was that they needed payments urgently to help them pay school fees for their children. Their claims in most cases stemmed from compulsory retirement under other private schemes and not from their voluntary choice.

Unfortunately when the scheme was introduced in Kenya it temporarily excluded women workers. When eventually coverage will be extended to them they will have a right to social security on their own merit. It is probable that this will have the effect of reducing the acute sense of dependence. It can only remain to be seen whether this social protection will increase the women emancipation movements and reduce polygamy. An assured future of independent income expectation can have psychological effects which cannot be determined in the process.

It is natural that changes take place concurrently in

the attitude of political parties and pressure groups. All these changes need to be studied at depth, to establish the 'people's wish' in matters of social policy. Field surveys analysed in Chapter V indicate this and reaffirms the case for such studies to establish the major shifts in social needs actually felt by the population. Such shifts out-date the present social security network or substantially reduce the role the institution is expected to play in modern society.

The need for housing in Kenya, for example, has attracted a popular wish for individual loans of money to purchase or build houses for the workers. The popular idea is that since social security is essentially a worker's scheme aimed at achieving a social purpose and since provision of housing is a social problem, the policy of granting loans to individual contributors to build houses would be sound. Considering the urban conditions in the country, this need is great and while the 'people's wish' is for a real need, fundamental social security policy may be affected.

The problem arises from a clash between the industrial or commercial security and social security. It is sound commercial or financial business that loans are granted against some kind of security to ensure their safety. If the expectation of social security should be offered as security for loans to build houses, the basic principle of social security would be violated in that the breadwinner would be mortgaging the social security benefits expectation in which members of the family have a stake. Industrial and commercial security administered all over the world is so powerful economically that any compromise with social security policy while being discouraged, would require very careful planning.

It can be claimed with a great deal of justification

that man is becoming more and more enslaved to property and to the sense of ownership of things. Life policies are bought extensively as a means of establishing security in pursuit of the race for ownership of things. This in effect means mortgaging life to things at the expense of provision for the family. Social security must therefore be protected as the last right against the powerful forces of industrial and commercial security which the modern order of life is ushering into the society.

Social security as an institution is not however precluded from providing social services and other benefits in kind not necessarily only to the covered population, but also to the society as a whole.

F. Field Surveys

The results of the survey carried out indicate that people who worked for wages but were now living in retirement depended mostly on others, having themselves no sufficient means of income. In Maini there was not a single retired person depending on past savings while only one per cent received pensions. In Yiro only 2.25% lived on past savings and 3% on pensions. The results of Yiro and Maini contrast with those of Karuri (Table 31) where 23% depended on past savings. Karuri is a peri-urban area where people commute to Nairobi for employment and sale of farm produce.

Dependency arising from old age was significant as Table 33 shows. Most prominent was unemployment. People who were dependent because they were unemployed or were old represented 78% in Yiro and 77% in Maini. Whatever assistance they received was mostly given in kind. Only one percent in Yiro and 11% in Maini received assistance in cash, and this was given by members of the family.

Hospital medicine is popular and use of hospitals in cases of sickness is an acceptable practice. Use of native medicine is resorted to only where hospital is lacking or where money to pay for treatment or both money and hospital are not available. Out-patient treatment is given in the country as a free service so that where hospitals are near, people visit them for treatment. Money is needed for transporting patients to the hospitals and for in-patient treatment. Free in-patient hospital treatment is available only to contributors to the National Social Security Fund, the wage earning class who were very few in the rural areas. It is the people who are in receipt of income, and who can at least afford the payment of hospital fees, that get this benefit.

It can be argued that although they get this benefit, they pay for it indirectly through the people who depend on them and to whom they give assistance. This however cannot be stretched too far. Table 34 shows that 46.6% of people in Maini who were dependent had no assured means of assistance at all. Street beggars in main towns of Kenya also explain uncertainty of assistance.

Hospital benefit is an area of social security policy which requires review. The Ministry of Health collects in hospitals fees an amount of money which the social security scheme can easily provide, so that in-patient treatment is given free in all general hospitals. In Maini (Table 32) 44.7% of the people could not go to the hospitals sometimes because of lack of both money and hospital and 11.8% of the people resorted to the use of native medicine.

A majority of people in the rural areas still practice subsistence farming. Income from farm produce does not therefore provide for what is needed in life. Subsistence living in the

modern world reduces one to partial dependency. Of people who were described in Maini as being in gainful employment (Table 6) 70% of them were wage earners. Wage earners of the gainfully employed in Karuri represented 62.4%. It can be stated that where livelihood is dependent on subsistence farming, only wage employment in such subsistence areas constitute income. Wage employment is however not available and therefore rural areas are mainly excluded from social security coverage which is confined to wage earners. This is shown in Table 37.

Karuri area provides more wage employment and therefore has more of the gainfully employed contributing to the scheme. The very few people who were described in Maini as gainfully employed, had 70% of them in wage earning class of whom 30% were contributors. Of the gainfully employed, however (these include wages, income from produce, business profits) 60% in Yiro and 59% in Maini were not covered by social security scheme at all.

There was overwhelming demand for social security coverage. 89% in Yiro, 96% in Maini and 74% in Karuri want social security to cover everybody (Table 43). This demand clearly arises from the contingencies against which there are no provisions: contingencies such as widowhood, unemployment, old age and sickness (Table 33).

It is recognised that all these cannot be provided for immediately. An approach can be made, for example, by covering health first. Hunger can be provided for through Harambee extensively as Tables 45 - 47 show. This approach would be in keeping with Harambee philosophy in Kenya and its organization as a social security measure does not need fulfillment of any economic standard at all.

Agricultural workers and the rural population have not come within the ambit of the social security protection. Reasons for these are the high cost of financing an obviously large sector of the population, the many contingencies peculiar to rural workers not normally met with in industries and the belief that an agricultural community provides the traditional social security suitable to itself. Surveys carried out for this study do not support this belief in whole.

With a few exceptions the continent of Africa has not produced ambitious social security programmes in Agriculture. The best known is Algeria³ where an insurance schemes in agriculture have existed as far back as 1906. They aimed at insuring farmers against the risks of hail, fire, loss of herds, accidents and the like. The societies were organised in local insurance funds, with a central fund under the North African Reinsurance office of the Agricultural Mutual Societies, which in 1949 had 34 regional agricultural mutual insurance funds, 27 of which were in Algeria alone, five in Morocco and two in Tunisia.

The survey in Yiro, Maini and Karuri did not discover participation in mutual organizations of any magnitude. Modern type of mutual benefit schemes were not encouraged in 'English Speaking' African countries. Some countries in North and West Africa have gone a long way in this field. The co-operatives in North Africa⁴ have built-up medico-social organizations through free and voluntary collective efforts. In these ways clinics have been established which give free treatment to agricultural

workers and their families. In some countries, co-operatives contribute to the welfare of the poor people in the villages. They construct new houses to be sold to members on long term instalments.

Mutual benefit societies fall between co-operatives and traditional social insurance societies. They serve the needs of rural workers and though established by governments concentrate more on social benefits, while co-operatives span social and economic fields. On the other hand, they differ from the local institutions which are founded on the customs and ways of life of the people. They are formed by groups of persons associated for the purpose of mutual protection against some risk. Their association is based on certain fundamental principles, namely: democratic administration by the members themselves; protection adapted to the members felt needs, and voluntary membership.

In a study of the mutual benefit societies they have been called pre-co-operatives, provident societies or even co-operative provident societies and are regarded as performing identical functions. 'In the agricultural sector the provident societies or pre-co-operatives undertake a number of functions such as the provision of credit, purchase or marketing of agricultural products, promotion of cultivation techniques and methods.'⁵

There was no evidence of impact of such societies in the areas in which the surveys for this study were carried out. What was evident was the voluntary or friendly societies. By this is meant all traditional mutual aid societies which carry out economic and social functions and are located in urban areas.

The various contingencies and risks of rural societies are handled by these societies.

In Kenya these societies are predominantly organised on tribal and clan basis. This emphasises the quest for community solidarity in providing for risks. Several hundreds of such societies are registered under the Friendly Societies Act. Their aims and objects include uniting and bringing good understanding and relationship among the members of the community, to raise funds and further welfare.

They provide for help in cases of difficulties of their members while they encourage education and cultural activities.

Generally the contingencies and risks handled by these societies include accident, illness, disability and invalidity, natural disasters like, famine, fire flood, pestilence and other natural catastrophies, widowhood, dependent children, old-age and death. A study has been made of the most important voluntary societies.⁶ They include age-groups, credit or contribution clubs. In the rural areas age-grade groups band themselves together to cultivate one another's farm in rotation, contribute money for lending to members and for social purposes. In addition they undertake community development projects either alone or in partnership with other groups. Socially they control the behaviour of the members and help to set a good moral standard in the community. Their contributions can be applied to the service of the members even at death.

Numerous friendly clubs exist all over rural Kenya.

They operate in different forms while aiming at achieving the same purpose - providing for certain risks. The women fraternity groups in Ugenya, Siaya District meet monthly to collect contributions from which they regulate assistance to their needy members. Such assistance may include meeting funeral expenses, marriage expenses, cultivation of farms and hospital expenses. Different age-grades operate similar kind of clubs.

A religious fellowship in the area, an Anglican type of adherents known as "the saved people" give assistance in cash and in kind to the members who contract contingencies needing help. They provide funeral expenses, cultivate, weed or harvest their farms mutually and provide cash in cases of extreme need.

The majority in all the areas (Table 45) suggested that the social security organization (Government) should provide food stores. (62% Yiro, 70% Maini, 72% Karuri). The majority also suggested that food should be contributed by the communities to fill the stores (Table 46) and that in time of need (Table 47) food should be given free. This result coming from the people, is perhaps the greatest challenge to the organization of social security in rural areas, and a clear manifestation that the present system leaves out people, who are in real need of protection. That the impact of social security system is only confined to urban area is indicated at Table 41. Only 2% of people in Maini and 10% in Yiro had ever heard of social security.

Information collected on whether or not people would prefer a pension scheme or a provident fund scheme produced interesting results. People in the two rural areas, Yiro and Maini, 80% and 87% respectively prefer monthly payments (pensions), should they be covered by a social security system. They also prefer that contributions when made, should not be collected with taxes (Table 39) and that they should be made monthly

(Table 40).

Illiteracy in Maini was 67%. In Karuri 84% were literate, 57% of which could read and write English. Illiteracy in Yiro was over 45%. Further analysis showed that literacy was predominant in the age group 16-30. There was however no evidence that literacy in rural areas influenced the level of income demanded. Naturally people already in employment in various capacities demanded income commensurate with the expectations in their occupations. Teachers and other workers in non-manual occupations geared their demands to the future prospects.

The indication was that literacy promoted awareness and desire for modern life supported by money income. The level of income was thereafter dictated by factors which could not be identified in a clear cut fashion.

G. Dimensions of the Organization

How well is the National Social Security Fund organised to meet the development challenges of a social security scheme in Kenya?

Chart 2 in Chapter III attracts critical comment on the organization of the Department. The Scheme now covers over 500,000 contributors. This raises immediately the question of educating the workers to understand the functions of the scheme, their responsibilities towards the scheme and the benefits they expect from it. Similarly, the Fund has registered over 20,000 employers whose responsibility it is to comply with the requirements of the scheme: deducting and making contributions and filing the necessary reports. Looking at the Chart (Chart 2) the organization of the scheme does not include an identified function of workers and employers education. Even after seven years of existence of the scheme, a large number of contributors

through their employers or directly, make enquiries regarding the fate of their contributions.

Notably absent in the organization is the Public Relations Department to organise and inform the public not only on compliance requirements and benefit claims, but also to encourage and analyse the public views on the organization. The method used in reaching the public is the use of printed leaflets in English and Swahili. The amount of ignorance suggests that these are not read. Another method is by use of circular letters to employers. Again evidence available suggest that response to this method is poor. The duty of the Inspectors is to enforce compliance. They may be used for giving information but when this is done during the course of enforcement, the effects negate the desirable approach to public education. Radio broadcasts in Swahili and English apparently have not had impact in the society. Results of the surveys discussed in this Chapter show that the organization is only known to the employers who are involved in it. More disturbing is the fact that a large number of contributors to the National Social Security Fund were not aware that their contributions to the National Hospital Insurance Fund go to an entirely different organization. This had caused confusion when claims were made.

Public Relations Department of the organization would embrace the aspects of the contributors welfare which it is rightly the responsibility of the organization to shoulder. This includes such matters as investigating cases of deceased members' widows who through ignorance do not know how to make their claims, investigating rehabilitation cases, liaison with schools in cases of fees for deceased members' children whose claims are awaiting settlement, organizing lectures and liaising with the trade unions for the purpose disseminating information.

Perhaps one of the prominent departments in the organization which one should expect to find is the claims. The organizational structure does not project the importance of this function. With the expansion should grow a well organised claims department, capable of coping with increasing claims. Table 7 (Chapter V) shows that five years from 1970, at least 60,000 contributors will qualify for benefit payments. If the scheme should have planned to transform into a pensions scheme as the policy states this department should be building the basis for future service.

A study of the organizational structure of this body revealed an area which invites much discussion on organizational methods. With the coming of electronic equipment as management component, decision making compromises with the technical appliances to achieve the objectives of management.

The size and nature of the operations of the National Social Security Fund are such that electronic equipment has to be applied. Since man himself is a decision making machine more intelligent but less logical and reliable than a computer, it is he who determines the implementation of the intellectual and organic media required for the success of any automation programme. Automation implies the acceptance of its consequences, which must be advantageous in all fields and for all concerned.

The authorities concerned with the human media responsible for the installation of general automation include the Ministry of Labour, as the controlling Ministry, the National Social Security Fund as the administrative body and the Treasury as the controller of central computer services of the Government.

These authorities decide to make available the various media required for the adoption of a policy of general

automation; progressive transformation of the organizational and human structure; choice of financial priorities in order of time; constant adaptation of the media to the curve of development (personnel, premises, training, salaries etc;) setting up of an automation committee and creation of a well-organised and well adopted Automation Department.

After the material media and their possibilities have been decided on, it remains to determine the broad lines of the organizational and human tool which, in the hands of the general administration Fund, will serve to promote the application of the long-term general automation policy which has been decided on.

The Fund should promote an overall policy which is compatible with the technical data in the broad sense of the term and rationally framed so as to adjust policy to media and media to policy, within the framework of the ultimate objective, maintaining a level of time-limits accepted at the outset, under the overall responsibility of the Fund.

Other Sections of the Fund should be psychologically and materially prepared, not only to receive and accept advice and directives resulting from deep-rooted change in the system, but to collaborate directly and indirectly in the setting up of new organizational structure within the frame-work of middle-term and long-term plans.

It is observable from the structure of the central computer services of the Government that all user Ministries and Departments ought to reconcile their automation polities to fall in line with the central services policy not withstanding divergent interests. The National Social Security Fund, with the head of Automation Department has to split operations into two; namely, participating in streamling the human media policy with

the Fund administration, and carrying out the technical services in collaboration with the technical staff of the Central Computer Services. The automation policy of the Fund still requires to be formulated.

Other social security matters administered by other authorities outside the National Social Security Fund operate independently and machinery does not exist for effective collaboration.

Both National Health Insurance Fund, and National Social Security Fund have advisory councils. What these two Funds have in common is that they draw contributions from the same members, they have similar investment policies and they look to the same authority of medical profession to provide the services.

They do not sit in each other's advisory councils, they do not co-ordinate hospital treatment claims and they do not see the need as their legislations separate them. This is an area requiring policy review.

The Workmen's Compensation Section of the Labour Department handles similar cases handled by the National Social Security Fund. The Compensation cases fall under both Invalidity and Survivors claims of the National Social Security Fund. These two organizations approach individuals they both cover independently. The differences arise from legislative provisions which require particular treatment.

Public and private institutions provide sickness and medical care benefits in varying degrees. They impose conditions which sometimes touch on the interests of the medical profession. In all social security systems in the world the profession has a vested interest in the evolution of social security, for it is

directly involved in its administration and in the carrying out of its provision. When the National Social Security Fund Act provides for free in-patient hospital treatment to contributors it is the medical profession which carries out this provision. The Hospital Insurance Fund deals directly with the profession. The Employment Act requires employers to provide for hospitalization and medical care of a category of workers and the Workmen's Compensation and Factory Regulations are concerned with injuries and industrial disease. The profession becomes involved.

It is only natural that medical organizations should try to obtain for members of the profession the best possible conditions of work under health insurance and medical care schemes.

The problem of relations between medical profession and health insurance and medical care is basically one of long-term adjustment of a highly privileged occupational group, enjoying a special position in society, to the demands of public service, and of practical recognition of this special position by the public administration.

In 1961 the World Medical Association decided to revise its "Twelve Principles of Social Security"⁷, which seek to define the attitude of the medical profession practising under social security system. This revision was adopted at the 17th World Medical Assembly in New York on October, 19, 1963. The principles are summarised as follows:-

1. The conditions of medical practice in any social security scheme shall be determined in consultation with the representatives of the professional organizations.
2. Any social security scheme should allow the patient to consult the doctor of his choice, and the doctor to treat only patients of his choice, without the rights of either being affected in any way. The principle of free choice should be applied also in cases where medical treatment or a part of it is provided in treatment centres.
3. Any system of social security should be open to all licensed doctors; neither the medical profession nor the individual doctor should be forced to take part if they do not so wish.
4. The doctor should be free to practice his profession where he wishes and also limit his practice to a given speciality in which he is qualified. The medical needs of the country concerned should be satisfied and the profession, wherever possible, should seek to orient young doctors toward the areas where they are most needed. In cases where these are less favourable than others, doctors who go there should be aided so that their equipment is satisfactory and their standard of living is in accordance with their professional responsibilities.
5. The profession should be adequately represented on all official bodies dealing with problems concerning health.

6. Professional secrecy must be observed by all those who collaborate at any stage of the patients treatment or in control thereof. This should be duly respected by authority.
7. The moral, economic and professional independence of the doctor should be guaranteed.
8. When the remuneration of medical services is not fixed by direct agreement between doctor and patient proper consideration should be taken of the great responsibility involved in the practice of medicine.
9. The remuneration of medical services should take into consideration the services rendered and should not be fixed according to the financial status of the paying authority or as a result of unilateral government decision, and should be acceptable to the agency which represents the medical profession.
10. Control in medical matters should be carried out by doctors only.
11. In the higher interest of the patient there should be no restriction of the doctors' right to prescribe drugs or any other treatment deemed necessary.
12. The doctor should have the opportunity of participating in any activity directed towards improving his knowledge and status in his professional life.

All read together, these principles illustrate the

influence that medical profession can exert on the development of medical care and sickness benefits provided by social security institutions.

According to these principles, the profession ought to be represented effectively in social security councils. The National Social Security Fund Act provides for the workers, employers and the government's representation. The Fund pays to the Ministry of Health a capitation fee annually to cover the cost of hospital treatment for contributors and their families. The treatment is restricted to general wards in Government hospitals. This is how the benefit is organised. The observation that can be made in this arrangement is the clash between the interests of social security institution, the doctors, and the patients. In this case the patient has no free choice: he must only go to a general ward in order to receive this care. The doctor practising outside the general wards, in this case, is not recognised for the provision of this service.

Persons insured under the Hospital Insurance Fund are restricted to the hospitals or treatment centres recognised by the authority. Private practitioners in this case cannot provide this service. Public and private institutions providing for sickness benefits under their schemes have similar restrictions, such as attendance to appointed doctors only.

In all cases there are rationalizing factors which are taken into account in every organizational case.

What emerges from the observation of the structure of organization of social security is the need to re-examine principles and co-ordinate the activities.

P A R T T H R E E

CHAPTER VII

IDEOLOGY OF SOCIAL SECURITY

A. Discursive Excursion

There have been two major approaches to the development of social security in Africa. French speaking African countries were introduced to social insurance as an appropriate development in social provision which had evolved in France. This kind of development was a direct result of the French colonial system and policy in Africa.

When French colonies were introduced to social security, family allowances as a social security benefit figured significantly in the system. In French speaking African countries family allowances were first introduced in Algeria in 1941, followed by Morocco in 1942 and Tunisia in 1944. Congo Brazaville introduced family allowances in 1949. The rest of the other countries introduced this benefit during 1950s. Congo Kinshasa (Zaire) came in 1951 while Dahomey, Guinea, Mali, Mauritania, Niger, Senegal and Upper Volta introduced it in 1955. These countries were followed by Cameroon, Central African Republic, Chad, Gabon, Malagasy and Togo in 1956. Not a single English speaking African country has introduced family allowances. Whether or not the approach to social security through family allowances was appropriate at that time is a matter of opinion, but the present trend both demographic and economic now favour the extension of family allowances in social security systems in Africa.

With the social insurance approach to social security the French speaking African countries were better introduced.

to social security. Other areas of social provision included pensions, industrial injuries insurance and health insurance including maternity benefits.

The development in Kenya was partly influenced by the Beveridge plan: an attack on poverty. Also influencing Kenya were surveys carried out in England early in the century which revealed that old-age was one of the major causes of poverty. Unemployment was another. The colonial policy in Kenya did not consider unemployment a problem. For a long time belief was that where or when it existed at all, it was voluntary. Discussions on social security therefore centered around old age pensions or some kind of old age benefits. The policy however, was heavily influenced by the quest for stabilizing labour.

The development of social security in Kenya is a natural growth in social policy. Since independence land use policy is rapidly restructuring the organization of life in the rural areas. Settlement schemes are creating new social relationships and both this and development of urban centres are challenging the concept of community. Small communities have, in the main, been extended family groups and clans and the essence of such communities is the pooling together of sympathies and giving moral and material assistance to their members. They also form the basis for providing social education and training in moral ideals. Without anxieties of how the children and husbands would be fed, women went about their daily chores of fetching water, picking vegetables and collecting firewood, while children were taken care of by grand parents and other available members of the family or clan.

The new settlement schemes and the practice of land purchase is breaking this kind of life. The new settlers in a

scheme are individual living together without that extended family fibre which sustained life in a community. Similarly urban centres with housing estates still remain a collection of individuals living together. They need to purchase what the traditional community provided as part of its being. Women now need nursery schools to take care of children and money to pay for the care of children at home when they go out to work.

Old members of the family are being separated from the able bodied; widows and orphans are creating a new kind of social problem and the apparent evolution from community life to a loose individual family life is challenging overall social planning.

Money economy now renders even the traditional community helpless where the community is poor all together and has no money income. There remains only moral support when money is required to pay for health, for education and for keep of the disabled and children. There is therefore a case for modern type of social security.

Some of the factors which influence organizational aspects of modern social security include cultural diffusion, technical development and international co-operation and standardisation.

1. Cultural Diffusion

In the first place is the phenomenon of free exchange of ideas, promoted by individuals or groups of persons interested in social security. The most obvious carrier of this kind of diffusion are the social policy makers of different nations wrestling with the problem of extreme poverty in certain classes of their population.

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There are other instances when spread of the knowledge of social security ideas and techniques is due not only to a politically oriented exchange of ideas between distant nations but also to direct physical contact between different people brought about as a result of international conflicts or immigrations.

Colonization provides as important example of this kind of diffusion. Any student of social development in Africa will recognise the influence of the colonial administration of social insurance schemes in African countries, particularly those formerly under the French and Belgian administration. The process of social security diffusion through colonization inevitably starts by the colonial power granting various social amenities to its own citizens; and in due time, these advantages are extended to cover the native population either before or after the independence of these nations.

As regards the influence of migrations on the development of social security, the presence of foreign workers accustomed to a certain standard of social security protection on the territory of another country cannot fail to produce effects. The current trend of reciprocal arrangements in social security matters between two countries and the story of harmonization of social provisions in the countries of the European Common Market are best examples of this factor at work.

These influences have in some cases been considered as an assault of traditional culture.

"Anyone can see why the underdeveloped countries are terribly interested in this problem of economic growth... I personally think that they are making a great mistake to wish to change their societies with the speed with which they actually seem to wish to do this. It is my own belief that if you change the lives of people so rapidly that the experience of the father, the wisdom of the father becomes irrelevant to the needs of the son, you have done something very dangerous - you have broken the organic bond of the family, and you have created emotional trauma in the minds of the young people."¹

In Kenya, the communal ownership of land and communal responsibility in agriculture offered its members security and made possible certain valued social patterns. Cattle constituted wealth and therefore, a Colonial Government policy of eradicating overstocking met with opposition. Such a policy could only succeed if this central, meaningful area of the culture was changed.

The introduction of money economy has usually meant atomization of the individuals within the family relationships, and of the social and economic system of the group. Where wealth lay in herds of cattle under the head of the family, the growing boy had an established place within the scheme and was dependent upon the head until he himself reached the position of leadership organically. Now a boy can go and earn money to buy a cow - the money economy has meant succession and revolt, the undermining of parental authority and authority of tradition, and this has resulted in the rise of the 'younger generation' as a class apart. Marriage is no longer a contract between two families but, particularly in the towns, between a man and a woman.

There had been no precedent for the long absences of the men when industrialisation came, with its demand and hire

for men. "Division of Labour" says Margaret Mead, (1955):-

"had been basic to family life and agricultural work, so that these were disturbed. The loss of production was not balanced by the wages the men earned, since these usually were spent to support the man while away... so the standard of living deteriorated. Without the men, the home lost its place as an educational unit, and there was no way of paving on the values of the society to the growing boy. With the dislocation in the family life, the displacement of authority, came demoralization... Some idea of the sheer depletion of the villages can be gained from the figures on migration. In 1933, it was established that 62% of the able bodies male population of Kiambu and 74% of the Nandi, 43% of the Lumbwa left the reserves as Labourers."²

Africa was the last continent to appear on the world map of social security. Social security schemes date mostly from the period after 1960. Evolution in this Continent is characterised on the one hand by French approach to social security - family allowance by other branches of insurance - on the other by the British approach initiating the development through provident fund schemes.

The problem of social security in developing regions seems to be split by continents and by colonial heritage. A classical social insurance scheme, implying contributions on the part of the insured person and his employer can be applied only to persons earning regular wages. In developing countries wage earners are a minority group which by the very fact of having regular employment constitute a privileged class of population. The classical social security tends, therefore, to

becomes a prerogative of an already favoured group. This contrasts strongly with the clearly professional aim of social security in industrialised countries where it represents a measure favouring the underprivileged.

Colonisation with particular reference to Kenya has had an important impact on culture diffusion. Sociologically we need to treat colonization as a collective fact, a great mass phenomenon, an action which has brought entire people into contact; that is, we need to see it as the source of relationships between human groups as a social fact.

"Colonization" (states Rene Munier 1955):-

"is a contract of people. The colonisers have come up against the earlier occupants, and have necessarily entered into relations with them: colonisation involves inter-communication... a colony is called a new country which appears exotic - where colonizers and colonized enter into relations with each other. As new countries the colonies form a contrast to our old countries: first in the economic sense by our bringing into play the hitherto underdeveloped resources of land, secondly, in the sociological sense, by bringing into contact human groups hitherto separated."³

With this contact relations of hostility and enmity arouse opposition. Relations of familiarity and intimacy give rise to imitation, while relationship of kinship and consanguinity produce fusion. Opposition results in calsh of culture while imitation - the subject imitates the ruler - is spontaneous or induced. When imitation is spontaneous it takes place without prompting, meaning that diffusing and unifying clash?

manners and customs are adapted, e.g. from tribe to professional trade unionism. What prompts imitation may be the impulse of admiration, a craving for distinction and a movement towards some kind of emancipation.

Imitation is recommended, advised and suggested. Methods used include persuading and educating the native, also by gifts and presents. In its effects, as in its methods, imitation of the colonisers by the colonised takes various forms according as it is technical, linguistic, juridical, political or theological. Technical imitation results in the acceptance of tools and manufactured goods, linguistic by the adoption of words, and theological by the diffusion of religious cults, otherwise called conversions.

The fusion of races is the crowning result of their contact: the racial and social blend in the ultimate product of colonisation. Imitation is the first step: to imitate each other, to adopt each other, to receive and to give; this points the way towards unification.

The development of modern type of social security in Kenya is an imitation brought about by a complexity of factors. It is a social hybrid, germinating at the cultural crossroads. The colonisers never knew of a provident fund nationally organised. The Kenya natives never knew of provident fund as a social effort to provide for old age. Viewed in this light, the development itself is more than imitation: it is a trend towards the fulfillment of the virtues of familiarity and intimacy.

2. Technical Development

A social security scheme in any country can only be as good as the available social security techniques permit it to be. This means that in the last resort social security can develop only within the limits of the techniques it uses to achieve its purposes; even the best social security plan is useless if adequate technical equipment is lacking.

In planning and administration of programmes of social and technical assistance, social policy makers have had, and will continue to have a responsible role. Certain guiding principles must be developed. Such principles will facilitate policy and programme considerations consonant with specific culture characteristics of a particular country. Kenya is faced, on the one hand with the problem of finding adequate technical equipment to enable it plan a suitable social security system in which case, technical aid is necessary, and on the other hand consideration of such a development must not lose sight of consonance with cultural characteristics of the country.

Areas for consideration in planning of social and technical assistance include the fallacy of cultural homogeneity, the continuing force of traditions and the cultural determinants of administrative behaviour.

The existence of a wide variety of subcultures within the large culture needs to be recognised. Moreover it needs to be noted that the significance of any single element in a particular culture design is discernible only when viewed in the total matrix of its relationship to other elements.

It needs to be noted for example, that the Western concepts of supervision developed within context of a tradition of horizontal relationship, whereas in Kenya, traditionally all relationship followed a vertical line of either ascending or descending order of authority, depending on one's station in life. The worker in Kenya then brings to his supervisory relationship those habits of hierarchy that characterise all his other relationships. He perceives of his supervisor only as one with authority to approve or disapprove. The practice of supervision operates, not as a process in which the worker is enabled to use his capacities more fully, but rather as a means by which a person of superior status exercises authoritarian control over a person of inferior status.

Within a culture there are likely to be a multiplicity of sub-cultures within which programme must be recommended. Intensity or persistence of the native tradition must be taken into account and technical assistance must be translated into individual and cultural terms. A further essential is a recognition that behaviour of those who administer such programmes is also culturally determined.

In the field of social security as in other fields, the United Nations is applying man's vast knowledge to providing for his basic needs. Its function is to encourage mutual aid, to share successful national experiences and to stimulate government and voluntary efforts to their utmost creative energies for the general welfare. Greater emphasis is now given to United Nations Charter which seeks a higher standard of living and conditions of economic and social progress and development for all the people of the world.

Practical work of the United Nations falls into two categories:-

- (1) "direct assistance to refugees and displaced person,
- (2) technical assistance to fight against poverty, disease and ignorance, thus F.A.O. specialises in sustaining attack against hunger while the impact of the U.N. on disease is exerted through W.H.O. and the combat of illiteracy through UNESCO."⁴

Technical development is a large problem for Kenya. Apart from the efforts coming through the United Nations, the conditions of the country make it necessary to seek foreign aid to enhance local resources. Whereas the donors of assistance to developing countries have expressed willingness to help the needy countries, the motives on the part of the donors have in some cases been double - edged. It is important to point out that foreign aid has values attached to it; the kind of values which are capable of straining the cultural interests of the receiver.

It has been stated by J.D. Montgomery (1967) that foreign aid:-

- (a) "serves to create or dramatise a symbolic national 'presence' abroad.
- (b) it is used in exchange for international favour, and

- (c) most recently it has tried to introduce or influence changes in other countries."⁵

Montgomery distinguishes three forms of aid according to their major purpose; namely, diplomatic, compensatory and strategic. Diplomatic aid is seen through the official presence of diplomats and staff, peace corps, cross roaders, voluntary service workers etc. Unofficial presence operates through missionaries and businessmen. They provide services and participate in industrial and business life of the country. Diplomatic aid also operates through private investment.

Instruments of aid are capital and human. Social resource development moulds the concept of institution-building, that is to say, the training of counterparts aimed at institutionalising knowledge in an endeavour to modernise the habits of people to accommodate changed situation. Montgomery concludes by stating that:-

"creating or changing institutions for purpose of modernization requires a large measure of involvement in the internal affairs of the developing nation... one of the first tasks of foreign aid strategists remains to examine the nature of development and to decide in what circumstances U.S. aid can reasonably be expected to contribute to general economic growth and to the social and political order that U.S. foreign policy is attempting to promote.

Tactics to foreign aid include aid to stabilize, speed or influence change. Tactics to stabilize involve supporting army, the police, government institutions and political elements. This is also used where foreign investments need protection. Tactics to speed involve transportation, irrigation and power as well as capital and technical assistance to agricultural and industry. Tactics to influence

discourage tendencies considered harmful to the purpose of aid programme, gaining support for an acceptable interim governments."⁶

Preoccupation with a "front" against the West points out David Morrison (1964) - 'is constant in the soviet policy: on the arrangement for soviet aid, it is now stated that the strengthening of the state sector of the new states which is promoted by soviet aid, is very important from the point of view of the disposition of class forces within them.'⁷

The foregoing must alert the student of social security to the analysis of technical development factor and effects the technical development elements have on the social structure, culture and the type of institutions.

Technical co-operation should not constitute a pretext for economic or political interference by another country in the internal affairs of the country concerned, and should never be accompanied by any consideration of a political character.

The field of technical co-operation include general survey of economic, social and administrative conditions; the preparation of social security legislation; the study of problems of organization; the study of financial aspect of the scheme and the training of staff.

Ex-French colonies, as an example of technical co-operation received experts from I.L.O.⁸ who collaborated

in the development of social security programmes. Iran and Iraq schemes were organised on studies made by I.L.O. The scheme in Kenya was based on reports prepared by British experts.

3. International Standardisation

Closely related to the technical development factor is the international standardisation which can be interpreted as a purposive orientation of individual national action in the direction of general trends prevailing at the international level. To examine this factor means to analyse the origins, the development and the activities of international organizations working in the field of social security.

The International Labour Office from its very foundation, considered as one of its foremost tasks to set up international standards in the field of social security. International Convention No.2 of 1919 dealt with problems of unemployment and a great many other conventions relating to different branches of social security followed in later years. In 1952 Convention No.102 established minimum standards of social security. By 1964, fifteen countries had ratified it.⁹ At present the International Labour Office is engaged in revising a whole series of pre-War Conventions which no longer correspond to the accepted standards of social security in our time. The 1963 Session of I.L.O. had on its agenda revision of the Conventions dealing with compensation for industrial accidents and occupational disease.

The technical action of the I.L.O. itself contains

a strong element of standardisation, for the blueprints of social security schemes, proposed by the office to the developing nations are based, by definition, on existing experience with the working of social security schemes all over the world, and it is natural that they should reflect prevailing trends.

The I.L.O. while being the most important standard-setting international body in the field of social security, is by no means the only one. The work of a number of regional international organizations has effects similar to those of the action of the I.L.O. On the European scene, the work of the European Economic Community aiming at harmonization of the existing schemes of the six member countries of the common market has and will have important implications. On the Latin American continent activities of the Inter-American Conference on social security can also produce standardising effects on social insurance schemes of the member countries. The African Regional Conference of the International Social Security Association (I.S.S.A.) is already making impact on the African approach to, and the problems associated with the development of social security in the continent.

It has been claimed that for the developing countries there is a danger that organizations of the United Nations may be the twentieth century lady bountifuls. This may be considered, in a sense, an inevitable danger. Most of the developing countries are much younger than the organizations of the UN and have been born into a world where there already exists a variety of carefully sifted knowledge concerning welfare provisions. They draw, as if it were natural, from the fund of this knowledge.

In the field of social and economic co-operation

international agencies have been established to discharge responsibilities of varying degrees. The I.L.O. was established at the end of the First World War to improve conditions of labour throughout the world on the assumption that social justice is a necessary condition of international peace - to help promote and maintain physical vigour. The F.A.O. was established during the Second World War for the purpose of raising international levels and improve the efficiency of the production and distribution of food and agricultural products. Another of the organizations, UNESCO is based on the assumption that since war began in the minds of men, it is the minds of men that defences of peace must be constructed, that ignorance of each other's ways and lives has been a common cause of distrust leading to war, and that peace must be founded upon the intellectual and moral solidarity of mankind. Its purpose and functions are to advance and diffuse knowledge and understanding. The last organization of reference here, the W.H.O. is in a sense, the culmination of the tentative movement in the field of health which started in the last century. Essentially it is the expression of the twentieth century attitude towards health as is explicit in the definition that health is a state of complete physical, mental, and social well-being and not merely the absence of disease.

Since the United Nations Organization is not equipped with the normal powers of national governments, it is forced to rely primarily on methods of information and persuasion to achieve its purpose and its methods are directed towards influencing the policies and activities of governments.

Generally the methods that are available to the organizations of the U.N.O. are those of assembling and publishing of information and analysis, and of the preparation of analytical studies of social problems, of the illumination

of issues, the presentation of points of various points of view, the narrowing of areas of disagreement and the development of area of agreement through discussions initiated by the organizations; the use of the international conventions and other forms of written international standards of conduct which governments are urged to respect regardless of the legal commitments; and the development of operational activities and action programmes which either directly or taken in co-operation with the programmes of the national governments will help achieve specific human welfare objectives.

It is perhaps the degree to which these organizations influence the policies of the developing countries and the respect with which they are regarded that turns them into lady Bountifuls. The major social problem of these countries are poverty, ignorance and disease. The impact of United Nations Organization on these is significant.

(The I.L.O. has been a powerful source of influence. The first Asian Regional Conference in 1947, for example, was concerned with the social standards embodied in the conventions, and the subsequent conference with the application of standards. In Pakistan the Ministry of Health and Social Welfare in 1959 declared that the policy of the Government of Pakistan in the field of labour shall be based on I.L.O. conventions as ratified by the Government.

Japanese Ministry of Labour ratified conventions in 1959, while Phillipines adopted collective bargaining as labour policy. When Burma was working on the Reconstruction and Development Programme in 1948, the I.L.O. provided experts in social services.

India has, from an early date benefited from the

I.L.O. Conventions. In 1925 Legislation implemented Workmen's Compensation to accord with International Labour Conventions. Conventions also influenced the amendments of India Railway Act of 1890 to implement the hours of work, and stimulated the Indian Trade Union Act 1926.

In East Africa apart from the activities of the W.H.O. and especially the UNICEF which, in Kenya in 1964 was working jointly with the health centres, another United Nations Agency the Bank, had carried out an economic and social survey of Kenya, Uganda and Tanzania and the reports were expected to form the basis on which much of the social planning were to be carried out.

These functions, noble as they are, affect the constitutional rights of the nations. They influence the design of administrative institutions and their influence in channelling a uniformed pattern of development and thereby depriving the nations of their possible areas of originality should be a matter of concern to students of social development. Vladimir Rys (1966) has expressed this in the following terms:-

"The majority of the new states seem to introduce social security schemes for reasons totally unrelated to more or less democratic character of their governments: they simply wish to prove that they can give their populations the same protection other nations give to theirs and in so doing only follow the general imperatives of social policy in any modern state."

B. Impact of Harambee on Social Security

'Harambee' is given a general interpretation as 'pulling together'. It has however acquired a meaning far beyond the confines of group organizations or local communities. It is rapidly providing for a new way of community life and, from an intellectual point of view, a brand of thought identifying Kenya's social philosophy among other thoughts.

The concept of Harambee recognises that man is fundamentally social and that man has a perpetual struggle towards the ideal of a perfect society. The attributes of such a perfect society are found in equality, liberty and justice. These are the fundamental social principles which guide the constitution, legislation and the administration of social affairs. A number of questions would need to be answered on the true sense of equality, liberty and justice. When I say, for example, that your freedom to whirl sticks and throw stones ends where my nose begins, I am in a sense making a statement which embodies the values of all these principles. When one is violated, room is left for violation of the others.

The concept of Harambee claims that there are factors which must not be lost sight of as elements constituting its philosophy. In the first place it considers the fundamental needs of man. These fundamental needs give rise to basic needs which must be protected by adherence to fundamental social principles, through the application of basic principles.

As a social being, man is provided, by virtue of his being, with fundamental needs namely, the need to see, the need to hear, the need to taste, the need to smell and the need to feel. It is not the intention of nature that man should be deprived of any of these fundamental needs. The society is

generally relieved that the art of creation of man bears the primary responsibility for the provision of these fundamental needs.

The basic needs to which fundamental needs give rise include the need for enjoyment of the beauty of nature's creation - healthy environment; the need for physical nourishment, the need for health in all its aspects, and the need for knowledge. The provision of these is a social responsibility and the attention is to be directed to the avoidance of poverty, hunger; to the provision of health, education and employment. The attention so directed remains aware all the time that man claims the fulfillment of fundamental social principles namely, liberty, justice and equality as of right.

Upon the fundamental principles, a state erects the constitution as a major basic principle from which the policies giving legislation and administration their shape, are formulated.

The foregoing briefly explains the meaning assigned to fundamental needs, basic needs; fundamental principles and basic principles.

According to the concept of Harambee, there is no room for the utilitarian idea of the greatest happiness for the greatest number. The fundamental needs of man represent a condition of what 'there must be' and the question of measurement is out. This, however, is not a point for controversy. Upon these needs hung the basic requirements of man which as a social being whose life is only meaningful in society, must be provided. Respect for life is fundamental and therefore one man in the society matters. Satisfaction cannot be assumed if

a section of the society, however small, is not happy.

Happiness as a universal concept is perfect and cannot be quantified. If therefore reference is made to 'greatest happiness' this reduces happiness to a utilitarian meaning which is not all embracing. The Harambee principle - the maximum social health for all - is based on the idea that the needs grow from one degree to another and the higher the degree of satisfaction, the better the health of the society. Here is the whole idea behind 'pulling together' briefly explained.

The ethical considerations influencing Harambee concept stems from the analysis of individual, group and society happiness. A large number of individuals can, in their own way be happy in a disease and hunger torn society; and so can organised institutions and pockets of communities.

Harambee movement in Kenya started from practice, from needs as they were felt in different fields. From one point of view Harambee is not only a method of development by 'pulling together'. It also shows, or should show characteristics of a social movement which is spreading a kind of ideology throughout the nation. The ideology of Harambee, correctly interpreted, rejects the authoritarian way of developing a country.

It also rejects the individualistic way through competition for material welfare. The ideology of Harambee appeals to the citizens of a community, a group of organised individuals to develop their own initiatives. At the same time, this movement shows serious doubts about the practical usefulness of political democracy for its very scopes: the participation of the population in framing a policy which actually works for its benefit. The essence of democracy should therefore lie in

the peoples participation in local policy and from their develop to higher levels.

The idea of Harambee can present us with intellectual difficulties. Almost immediately, one can envisage problems arising from matters of definition. Closely examined, it is possible to approach Harambee from at least four premises. Unless these approaches are identified at any one particular time and their terms of reference appropriately classified, there would tend to appear significant definitional confusion which would cloud the whole concept of Harambee.

In one sense Harambee is a process designed to create conditions of economic and social progress for the whole community with its active participation and the fullest possible reliance upon the community's initiative. In another sense Harambee is a movement, designed to promote better living for the whole community with the active participation and if possible, on the initiative of the community, but if this initiative is not forthcoming spontaneously, by the use of techniques for arousing and stimulating it in order to secure the active and enthusiastic response to the movement.

Yet again Harambee may be considered as a programme by which the people of an area are enabled to make use of national resources which already exist. Finally Harambee is a process of social action in which the people of a community organise themselves for planning action: define their common and individual needs and problems; make group and individual plans to meet their needs and solve their problems; execute these plans with a maximum reliance upon community resources; and supplement these resources when necessary with services and materials from Governmental and non-Governmental agencies outside the community

Room is left for confusion when Harambee is referred to at one time as a process, at another time as a method yet again as a programme and then as a movement. When the word process is used we think of a progression of changes when the people themselves make decisions about matters of common concern: from some co-operation to a larger method of co-operation. When Harambee is referred to as a method we think of objectives, activities, procedures and their targets. When we speak of Harambee as a movement it becomes a cause to which people feel themselves committed or dedicated.

It was stated in Kenya Development Plan 1966/70 (page 325) self-help was the basis of community development. "Self-help projects were always part of the traditional way of life in Kenya. It is now being reviewed in a new form and is giving added impact to the pace of development".

The Development Plan 1970-1974 stated (page 523) that community development reflects the concern of the Government for the betterment of the people by helping them to help themselves. The function of the Government included the engendering of new goals, the dissemination of new ideas and techniques, and co-ordination and liaison to put those ideas to work with the aid of the specialised skills and technical expert.

Harambee projects scattered all over the country cover a variety of activities ranging from colleges, secondary and primary schools to nurseries; from hospitals, health centres to village clinics, from big water projects to protection of springs, and from road construction works to small bridges.

Harambee approach to providing for the needs is socially accepted and new ideas establishing areas of need are

readily directed to self-help efforts. In the field of social security the Harambee concept emphasises mutual aid benefits. Planning of social security in Kenya cannot therefore ignore what the society has already accepted as the way of doing things.

Self-help efforts are organised through communities, individual groups or workers. Such groups or communities so organised, utilize the knowledge of experts who direct the efforts in the style of co-operatives, to provide their members with benefits which include medical care, cash income, housing and services. The magnitude of mutual aid benefits organised through harambee efforts has yet to be appreciated.

In the field of savings the Government encourages and regulates group mutual savings schemes by providing standard by-laws to be adopted. The object of such societies is to promote thrift among its members by affording them an opportunity for accumulating their savings; and to create thereby a source of funds from which loans can be made to them exclusively for provident and productive purposes for their mutual benefit. At the end of 1971 there were 130 savings societies covering 23,477 members with deposits amounting to over 8 million shillings.¹¹ At the end of the same year 10,000 members had borrowed over 5 million shillings.

At the end of 1970 there were 12 housing mutual benefit societies.¹² An example of harambee approach to housing provision is given of Ahero Catholic Mission in Nyanza Province

which trained 20 boys of primary education level in carpentry and masonry on the basis of learn and earn. On successful completion of two years training, the boys formed a mutual benefits society. From their savings and a loan from the mission the boys constructed their dwellings houses costing Shs.15,000.

With the assistance given by the Netherlands Volunteers' Team at Ahero, commendable work has been done in construction of dispensaries and private houses cheaply.

Harambee approach has contributed significantly to providing for hospitals and health centres. A few example can be given of Gatundu, Chogoria and Machakos hospitals and numerous health centres and clinics.

The foregoing, while not exhausting the entire activities of mutual benefits schemes, illustrates the place mutual benefit societies occupy in supplementing the range of social security contingencies.

Social Security in Kenya is operating within the ideology of African Socialism. African socialism as defined, is 'a term describing an African political and economic system that is positively African not being imported from any country as being a blueprint of any foreign ideology but capable of incorporating useful and compatible techniques from whatever source.'¹³

In the field of welfare, the document of African socialism states:-

"The declared aim of the Government is to provide medical and hospital services, old age and disability benefits, free and universal primary education, benefit for the unemployed, and the financial aid to all who need and merit it for university work. These are the objectives of African Socialism."¹⁴

On Harambee movement the document stated:-

"In a country short of resources every method that increases the allocation of resources to development must be utilised. Self-help in Kenya has strong roots in African traditions and has therefore important potential for development... self-help projects must be fitted into the plan and self-help efforts must be guided into useful channels."¹⁵

These statements suggest a dual approach to the development of social security in Kenya, namely state organised benefits, and supplementary Harambee organised benefits.

CHAPTER VIII

SUMMARY AND CONCLUSIONS

A. Existing Measures

Social security measures exist but their development has arisen in most cases from expediency. The institutions therefore appear to have been established haphazardly. A thread connecting social security institutions does not exist so that we cannot talk of a social security system in Kenya. What we have are schemes or functions providing for particular contingencies but their operations are remote to each other.

Areas which a social security system should cover include family allowances, mutual benefit societies, medical care and sickness insurance, employment accidents insurance, and occupational diseases; old-age, invalidity and survivors insurance; unemployment insurance and employment maintenance, prevention of occupational risks and rehabilitation.

Very little of family allowances is known in Kenya although institutions and large private companies provide them to a category of employees. The University's superannuation scheme and other fringe benefits given by large private companies include allowances for children in various forms. These allowances however, are not widespread. The problem of dependency has been discussed in earlier chapters and it is evident that an examination of social security policy on family allowances is imminent.

Mutual benefit societies are guided by different authorities: credit and savings societies are controlled by

Department of co-operatives, hospital associations by voluntary organizations while community organised activities are encouraged by the Department of Community Development. So much is going in the field of mutual benefits but the information is scattered in a manner that conceals the magnitude of this measure as fulfilling an important function of social security. The need exists for documenting in an organised system the contribution which these societies are making through self-help efforts to provide for various contingencies.

Most of large employers including the civil service provide for medical care, and the National Social Security Fund also provides this as a benefit to contributors by way of meeting the hospital bill in the general wards of Government hospitals. A category of employees are covered under the Employment Act which requires employers to provide for hospitalization of their employees. This is supervised by the Department of Labour. Sickness insurance is provided through the National Hospital Insurance Scheme controlled by the Ministry of Health. In the field of medical care and sickness insurance we find many organizations involved. There are consequently, duplication, over concentration of provision, ^{for} particular groups and a confusion of medical care as a social provision and medical care as a fringe benefit.

Employment accidents insurance has been left entirely in the hands of individual employers. Workmen's Compensation section of the Labour Department regulates this contingency but unless employment accidents insurance is made compulsory, many needy cases will continue to remain unmet. This is a question which requires attention. Definite action which requires to be taken is the repeal of Workmen's Compensation Act, and bringing in a new legislation - Employment Accidents Insurance Act, or Industrial Injuries Act - to meet the needs of this contingency.

Large employers have provided for the requirements of the Workmen's Compensation Act by taking out insurance policies. Small employers cannot afford this coverage. Discussions should be initiated to review this social security policy and broaden the base adequately to include occupational diseases and rehabilitation from the point of view of social security coverage.

B. Old-Age Invalidity and Survivors Insurance

Old-age, invalidity and survivors insurance is essentially the concern of the National Social Security Fund. The point that the present provident fund system is inferior to a social insurance system has been discussed in an earlier chapter. The transformation of the scheme to an insurance system is already an accepted policy. The outstanding problem is planning and effecting the transformation.

.1. Obstacles to Transition

a. Administration

The source of obstacle to the transition from a provident fund to a pensions scheme is in the realm of administration. The policy in Kenya was that the interim period of operation of the provident fund should be a time of preparation for the full pension scheme. It has actually been found in practice that the time of the administration is fully occupied with the day-to-day running of the provident fund and that the administrative machine has not been in a position to cope with additional burdens or to plan future developments.

This has been unfortunate. A country in which a provident fund has operated for sometime as it is the case in Kenya, is better placed administratively to start a pensions scheme than

a country where the entire administrative structure has to be built from nothing. Some registration of employers and employees will have been carried out, some form of enforcement procedure will have been established, central records will have been set up, office premises and equipment will have been acquired and a staff with some degree of training will be available. Further, the operation of the provident fund will have provided an additional and important source of statistical data on the basis of which firmer plans and actuarial estimates concerning the future pensions scheme can be made.

It is possible that the administration may be found to have been adversely affected by the arguments deployed when the provident fund was set up. If, for example, one of the reasons for establishing a provident fund in preference to a pensions scheme is that it is thought that it can be operated with staff of a lower calibre, it is only to be expected that the performance of the administration generally will be of a lower standard. Again, if the initial attitude to compliance with the law is that it does not matter very much whether the law is enforced or not, because the employee cannot receive more than the amount standing to his individual account, it will hardly be surprising if the law is found to have fallen into disrepute. Both attitudes would be fatal to the operation of a pensions scheme, the success of which depends on efficient administration by competent staff of the highest calibre, and on the greatest respect for the law by all concerned.

In Kenya advantages which were listed as favouring a provident fund scheme included precisely what is stated here. This is found in Sessional Paper¹ which established the Scheme

- "(iv) complete compliance is not vital since each contributor can draw out only what is credited to his own account by way of contributions and interest.
- (v) The demands for staff and the level of skill required are both lower than those which would be required for a full insurance scheme."¹

The first priority, then, before any progress towards transition can be made, is to examine and, if necessary, overhaul, the administration so as to ensure that it is of sufficient standing, ability and capacity to carry out the necessary changes.

b. Psychological and Political Factors

If the administration is sound, and the provident fund is working smoothly, problems of a psychological and political nature may be encountered, paradoxically, because of the provident fund's very success.

The I.L.O. once wrote of the employers' liability method of protection, a system which is sometimes classified with the provident fund as a kind of quasi-social security:-

"The method is highly seductive to governments which feel that they can solve the problem of social insecurity - or wish to give the impression that they have solved it - without being put to the trouble of ... spending tax money."²

It would be unjust to apply such a harsh judgement to the provident fund, but it is possible that the same element

of seductiveness has to be reckoned with. When a scheme is popular, successful and financially advantageous to the government, it takes a great effort of national will deliberately, to bring about its termination.

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In this respect also it may be found that the argument to justify the setting up of a provident fund in preference to a pensions scheme are used to postpone the taking of the final decision. It is, after all, a question of timing, and it is a matter of extreme difficulty to decide on what precise point in time the original arguments cease to be valid. The government of a developing country, often on good advice, may well decide to follow the safe course of retaining provident fund "for the time being."

c. Ignorance and Education

One argument frequently encountered is that in some developing countries the principles of insurance may not be understood. The argument is heard only in countries familiar with the provident fund method, and is based on the dismay that workers used to the idea of compulsory savings express when told that under a pension scheme they or their dependants will not necessarily receive all the money that has been paid into their account.

The longer that provident funds operate under the guise of social security legislation, the more will the citizens of the country be led to believe that social security means nothing more than saving for oneself, without thought for one's neighbour, and the more difficult the transition process will become.

It is hard to accept that, in the continent of Africa,

particularly in the industrial and commercial centres where pensions schemes were first established, the principle of insurance could not be understood or could not be taught. Commercial insurance has a firm footing and, even in the rural areas, mutual benefit societies, based on the idea of the pooling of risks, have operated for a long time. Social insurance is merely a more general application of the same idea.

. d. Finance

Another argument commonly employed at the time of introduction of a provident fund, and difficult to refute at the time when transition to a pensions scheme is considered, is that the economic situation of the country is not sufficiently sound to justify the risk of starting a pensions scheme "at present."

Although it is usually considered necessary in a pensions scheme for the government to guarantee the ultimate solvency of the fund, in practice the cost to the government can be kept within quite narrow limits. It is traditional in many countries for there to be a tripartite contribution to which the worker, his employer and the government all contribute, but this is not necessarily so. The pensions scheme of the U.S.A., for example, has operated for over thirty years on a purely bipartite basis, the government contributing nothing. The French system, widely used in the French-language countries of Africa, is to require the employer to carry the main burden of pensions scheme costs, thus eliminating or reducing to an absolute minimum the government contribution.

In developing countries where, for practical reasons, pensions schemes have to be restricted in the first instance to specified groups of wage earners, there is an added reason for keeping the government contribution to a minimum. This was

once expressed by the Director-General of the I.L.O. as follows: Q

"social security schemes will tend to remain limited in their application to wage earners, who represent only a small percentage of the economically active population in Africa and by no means the least privileged. For this reason alone, it seems equitable that, so long as these conditions obtain, the cost of social security schemes covering wage earners should be financed primarily, if not exclusively, by wage earners and their employers."³

The second point concerns the question of funding. It is well known that financial systems of pensions schemes guaranteed by the state are rarely if ever fully funded. Provident funds are by nature, fully funded. In practical terms the difference is in the amount of capital made to the government. Apart from the first few years of the operation of a pensions scheme, during which time the provident accumulation of contingency reserves will be taking place, a pensions scheme can never compete with a provident fund as a rapid source of capital accumulation, but the advantage is not all in one direction. After a period of some years the servicing of the debt through the payment of interest, etc., on the government's past capital borrowing becomes a heavy burden which, under the provident fund system, must continue to increase.

Practical considerations apart, the important point of principle is that it is no part of the essential purpose of social security to provide capital, even for nationally meaningful investment. The capital accretion associated with the early years of a pensions scheme is a useful bonus to the government of a

developing country, but it ought not to be regarded as anything more than a by-product of the main process, which is the relief of distress and poverty caused by the contingencies insured against.

e. Contribution Levels

In planning the transition from a provident fund to a pensions scheme, one of the questions to be resolved is whether the existing level of contributions is adequate to support the benefits which it is proposed to pay under the pensions scheme. In practice, expert guidance on this point from an actuary is always necessary in the light of the prevailing circumstances of the country, but it is perhaps possible to draw a general inference from a comparison of contribution levels in provident funds on the one hand and pensions scheme on the other. The table produced below expresses employees contribution as a percentage of earnings, while the employer's contribution is expressed as a percentage of his total payroll. The pensions schemes selected are those in Africa to which the government makes no contribution.

Table 48.

CONTRIBUTION LEVELS IN AFRICAN PROVIDENT
FUNDS COMPARED WITH THOSE IN SELECTED
PENSIONS SCHEMES

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Provident Funds				Pensions Schemes			
<u>Country</u>	<u>Employee</u>	<u>Employer</u>	<u>Total</u>	<u>Country</u>	<u>Employee</u>	<u>Employer</u>	<u>Total</u>
Ghana	7.5	15	22.5	Algeria	4.5	5.5	10
Kenya	5	5	10	Burundi	3	3.5	6.5
Nigeria	5	5	10	Central Africa Republic	1.6	2.4	4
Tanzania	5	5	10	Congo	1.6	2.4	4
Uganda	5	5	10	Gabon	1	2	3
Zambia	5	5	10	Guinea	0	4	4
				Ivory Coast	1.2	1.8	3
				Libya	2	3	5
				Mali	1.6	2.4	4
				Mauritania	1	2	3
				Morocco	2.5	5	7.5
				Rwanda	3	3	6
				U.A.R.	8	14	22
				Upper Volta	1.8	2.7	4.5

Source : International Social Security Review,
No.4, 1968,

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This kind of international comparison must be regarded with caution. Nevertheless it seems reasonably safe to conclude from the above table that the level of contributions required ought not to be an insuperable obstacle in the transition from a provident fund to a pensions scheme. Within the levels of contributions already charged it should be possible to devise a pensions scheme adequate to meet any reasonable requirements of Kenya.

A transitional problem with possible psychological and political implications, when a provident fund is transformed into a pensions scheme, is the treatment of past contributions. Technically, the new law could simply state that all past contributions to the provident fund would be converted into contributions under the new pensions scheme. But this would hardly be welcomed by young workers, especially the unmarried. If, for example, the rates of contributions were 5% of wages from both employee and employer, and if the scheme had been in operation for six years as is the case in Kenya, some of the members of the provident fund would have accumulated more than half a year's wages, plus accrued interest. To attempt to convert savings of this order into paper credits towards a distant pension might be resented.

In Iraq,⁴ the only recent example on record of the transition from a provident fund to a social insurance scheme, there is evidence that this problem has given rise to difficulty. The law setting up the social insurance scheme in 1964 provided that all provident fund contributions should be treated as contributions under the new scheme for the purposes of all

benefits except old-age pensions, and that any residual credit balances were to be held in the fund until the insured person's death and distributed among his surviving relatives. But an amending law of 1966 provided for the conversion of certain credit balances in the provident fund into new-style pensions contributions, and for the repayment of other credit balances to certain classes of contributors during their life time.

f. Pension Ages

Another aspect of the transition to which particular attention should be paid is the question of the age at which an old-age pension should begin to be payable. This may or may not be rigidly fixed, and its importance may vary according to whether it is desired to provide a strict age pension or a retirement pension, and whether the employment of older workers is to be encouraged or discouraged as a matter of national policy. In some cases an earlier pension age is fixed for workers in certain heavy or dangerous industries, and a very common practice throughout the world is to permit women to take their pensions earlier than men, notwithstanding woman's greater expectation. The comparative table below of ages at which old-age benefits normally become payable suggests that in general no greater practical difficulty should be experienced in adopting the same pension age under the pensions scheme as for the provident fund which it replaces.

Table 49.

AGES AT WHICH OLD-AGE BENEFITS NORMALLY
BECOME PAYABLE UNDER AFRICAN PROVIDENT
FUNDS AND SELECTED AFRICAN PENSIONS SCHEMES

Provident Fund			Pensions Scheme		
<u>Country</u>	<u>Men</u>	<u>Women</u>	<u>Country</u>	<u>Men</u>	<u>Women</u>
Ghana	60	55	Algeria	60	60
Kenya	60	60	Burundi	55	55
Nigeria	55	55	Central Africa Republic	55	50
Tanzania	55	55	Congo (BR.)	55	50
Uganda	60	60	Gabon	55	55
Zambia	55	55	Guinea	55	55
			Ivory Coast	55	55
			Libya	60	60
			Mali	55	55
			Mauritania	60	55
			Morocco	60	60
			Rwanda	55	55
			U.A.R.	60	60
			Upper Volta	55	55

Source : International Social Security Review, No.4, 1968.

3. A Combined Scheme

Transformation of a provident fund into a pensions scheme brings administrators face to face with a formidable complex of problems of an administrative, technical, psychological and political nature. Although provident fund in Kenya was begun with with a declared intention that it

would pave the way naturally for pensions schemes, some observers are now expressing doubts whether a provident fund can be regarded as a useful step towards the eventual establishment of a pensions scheme. The recommendation 'that a National Pensions Fund should be established in Kenya'⁵ confirms this doubt.

In a developing country where the social security benefit most needed is unemployment benefit, the one benefit which it is not possible to provide; where personal savings is desirable but difficult to achieve by voluntary method; where the working population is young on the average and workers find it difficult to think seriously about providing for their own old-age and where periods of employment of the order of 30 years are the exception rather than the rule, the provident fund fills a genuine need. As the provident fund has much in its favour, yet the pensions scheme is of superior merit and its introduction ought not to be impeded, ^{and} the social security armoury should devise an entirely new type of weapon against the evils of want which combines the best features of both.

A two tier system would comprise in effect two separate schemes, a pensions scheme and a provident fund, but they would be administered as one financed by a unified contribution paid by employees and their employers in equal shares. One central set of records of these contributions would be kept, and to each individual's account would be allocated an agreed fraction of each contribution paid for him; this would represent his holding in the provident fund. The remainder of each contribution would be allocated to a common pensions fund account. The division of the contribution would be in the form

of a simple fraction, selected in such a way as it emphasise that the pensions scheme is the main scheme, the provident fund supplementary to it.

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An important feature of a combined scheme would be that it would be no more difficult to administer than a conventional pensions scheme providing for the payment of lump sum benefits as well as pensions. The central records of each individual's provident fund account would serve precisely the same purpose as the records in a conventional pensions scheme; and there would be an advantage over a conventional provident fund in that no interest would be added to individual provident fund accounts. Interest from investments, etc., would be paid to the pensions fund account, as would any government contribution towards the cost of the combined scheme.

D. Capacity of the Social Security Scheme

Since the National Social Security Fund was established in 1966. It has registered both employees and employers extensively and has streamlined mechanised registration system. It has organised enforcement procedures and has the machinery for training both fingerprint registration experts and field compliance staff for enforcement. Central records have been set up and office premises and equipment have been acquired. The Fund has a staff of over 600 among whom high calibre trainable material can be found.

Over the years the Fund has maintained records from which statistical data can be organised to form the basis on which firmer plans of actuarial estimates concerning the future expansion can be made.

1. Administrative cost

Examination of the administrative cost throws light in some respects to the capacity of the scheme. The Government, save as an employer, does not make contributions so that the scheme in Kenya is employer - employee financed. Generally, it becomes necessary to review the cost of administering the scheme from time to time so that a picture if projected of the future trend of operations and the adjustments which require to be made.

The first impression that the figures in the following tables gives is the upward trend of administrative cost. The fund became self-supporting (financially autonomous) in 1969, as shown in table 53 when there was a marked jump in income from investments.

The growth of both contributions and investment have been rapid but this trend will not continue for long as members qualifying for benefit payments are steadily increasing. This increase can be dramatic if the labour market rejects, or the national policy discourages workers who have attained the age of 55 years and over but have not reached the old-age retirement age of 60 years.

Table 50.SIZE OF ADMINISTRATIVE COST (A)

<u>YEAR</u>	<u>CONTRIBUTIONS</u>	<u>EXPENDITURE</u>	<u>PERCENTAGE</u>
	K/£	K/£	
1966	1,166,539	93,546	8%
1967	4,555,399	146,066	3.2%
1968	5,448,060	218,024	4%
1969	5,816,480	264,567	4.5%
1970	6,372,888	297,624	4.6%
1971	7,324,747	387,753	5.2%
1972	7,868,176	452,560*	5.7%

Source : Annual Reports of National Social Security Fund, 1966 - 1971.

*Figures Provisional.

The figures given in the above table have not taken account of income from investments and benefits paid out to members. The following table shows a more clearer picture of the part of income which has been spent in administrative cost.

Table 51.SIZE OF ADMINISTRATIVE COST (B)

<u>YEAR</u>	<u>CONTRIBUTIONS INCOME</u>	<u>INVESTMENTS INCOME</u>	<u>BENEFIT PAYMENTS</u>
	K/£	K/£	K/£
1966	1,166,539	31,043	309
1967	4,555,399	203,923	16,834
1968	5,448,060	372,844	134,854
1969	5,816,480	922,320	220,416
1970	6,372,888	1,252,144	559,412
1971	7,324,747	1,710,455	655,636
1972	7,868,176	1,866,193	684,923

Cont.....

<u>YEAR</u>	<u>TOTAL NET INCOME</u>	<u>ADMINISTRATIVE EXPENDITURE</u>	<u>PERCENTAGE</u>
	K/£	K/£	
1966	1,197,273	93,546	7.9%
1967	4,742,488	146,066	3.1%
1968	5,686,050	218,024	3.8%
1969	6,518,384	264,567	4%
1970	7,065,620	297,624	4.2%
1971	8,379,566	387,753	4.6%
1972	*8,969,446	452,560	5%

Source : Annual Reports of National Social Security Fund.

*Figures Provisional.

Table 52.

COMPARISON OF COST AND BENEFIT PAYMENTS
WITH INCOME FROM INVESTMENTS

<u>YEAR</u>	<u>COST + BENEFIT PAYMENTS</u>	<u>INCOME FROM INVESTMENTS</u>	<u>BALANCE (NET INCOME)</u>
	K/£	K/£	K/£
1966	93,855	31,043	- 62,812
1967	162,900	203,923	+ 41,023
1968	352,878	372,844	+ 19,866
1969	484,983	922,320	+ 437,337
1970	856,036	1,252,144	+ 396,108
1971	1,043,389	1,710,455	+ 667,066
1972	1,217,483	1,866,193	+ 648,710

Accumulated net income K/£2,248,188

So far £39,000,000 has been invested. Investment from income as shown in Table 3 above shows that return to the Fund represents only 4.7%. Table 2 above shows that total cost and payments are running currently at 5%. Although all the Government Stock bought by the Fund have been offered at an average rate of over 6% the time lag between stock issues when the balances of the Fund earn only 3% with the Banks reduces the net income to the Fund considerably. The Fund will have to embark on investment projects which promise much higher returns if it has to strengthen a solid surplus account to safeguard future developments.

From the foregoing information it can be suggested that the scheme offers the necessary basic requirements for a planned take-off to a social insurance system.

E. Epilogue

The development of social security cannot be discussed independently of other subjects affecting social security policy. There are three main stages of policy making: general and theoretical, legislative and administrative.

Policy making is discussed at the general and theoretical level when a much wider area of intellectual participation is involved. Ideas interchange and render themselves capable of influencing and being influenced. Persuasive philosophical discussions, books of authority, public lectures by specialists in various subjects, press and broadcasting; all these expose ideas which shape a particular kind of policy. The value of this kind of policy influence is that a variety of points of view ranging from cultural considerations to technological matters and from domestic economic life to external influence of politics and co-operation enmesh and give guidance to policy planning.

When therefore the development of social security becomes a subject of public interest, it draws attention to problems which should be heeded, and to important areas which would make the development meaningful. Reference to sociological factors is only one of the many possible lines of discussion.

Policy made at the legislative level is heavily influenced by the ideas drawn from the general discussions. At this level, policy branches to particularise the bias of one area of social policy. The law embodies the feelings of the society at a particular time and, in either direction, it reflects the effectiveness (or otherwise) and the thoroughness with which the policy was discussed. Acts of Parliament provide the legal regularity for positive action. They are a recognition of what

the society wants. In the main they provide the principle along which the development path should follow.

Policy at the administrative level is encumbered by a number of factors. It is concerned with 'delivering the good'. It is riddled with the problems of social acceptance and rejection. Administrative regulations in the education system rejects some members of the society as failures. Housing policy rejects some needy members of the society as poor and cannot afford material securities, social security administrative regulations rejects some workers as casuals, or as women, and so on. Such regulations undermine the theory of social justice in as far as it concerns equality. The need for expediency is the main cause of inconsistency seen in the policy making chain.

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SOCIAL SECURITY COMMITTEE*QUESTIONNAIRE

1. d It is a tendency at the present time to aim at making African industrial workers independent of resources in the native land units. African families would tend to loose their connexion with the reserve and thus be unable to return there in their old-age. With the creation of such a class of persons do you consider the need to provide by legislation for the social security employees in their old age in respect of:-
- (a) manual and non-manual workers employed in industrial or commercial undertakings employed in urban areas;
 - (b) domestic servants;
 - (c) agricultural workers?
2. Would it be desirable to include in any social security legislation provisions for old-age pensions in respect of:-
- (a) Europeans members of the community;
 - (b) Asian members of the community?
3. The problems of the nature and extent of the provisions to be made for old age is the most important, and in some ways, the most difficult. It is admitted that the economic and social consequences of old age in so far as the African members of the community are concerned are not uniform. If the person concerned has some holding in the native land units, old age may cause no poverty at all but on the other hand, if the person has no holding in his native reserve, with old age may develop acute poverty. Any plan of social security worthy of its name must

ensure that every citizen, fulfilling during his working life the obligations of service according to his prowess, can claim as a right when he is past work an income adequate to maintain him. What are your views on the desirability and practicability of providing a social security scheme covering:-

- (a) all employed persons irrespective of earnings;
- (b) persons whose income does not exceed a prescribed sum per annum only;
- (c) African members of the community only?

4. The economist regards old-age as that age at which the worker retires from employment because he is no longer fit to play a normal and effective part in the productive process. From the economic, as also from the medical standpoint old age is but a special case of invalidity, namely the decay that accompanies advancing years, accordingly, old age will set in at different ages from one trade to another and from one individual to another.

The worker, on the contrary, in countries that have schemes for old-age pensions, has demanded that the pensionable age shall be fixed, and fixed more over, low enough to afford a fair prospect that he shall survive to enjoy his pension for a substantial period.

The normal pensionable age in almost all countries which have adopted schemes for old-age pensions has been set at 65 years.

Please indicate at what age, in your opinion, that worker should be entitled to retire and be paid a pension.

5. As there is no compulsory registration of births and deaths for Africans in the colony, do you consider that the right to a pension should be made conditional upon the completion of a qualifying period, which would involve the payment of a minimum number of contribution since entry into the scheme and during a prescribed period immediately proceeding the happening of the event insured against?

6. The subsistence needs of retired persons are less than the needs of persons of working age. The difference in respect of the main heads of expenditure, taken from the Beveridge, are as follows:-

Food - In calories they need about 75 per cent of what is needed by working age adults.

Clothing - The requirements of old-people for clothing are not more than two thirds of those of adults of working age.

Rent - Retired persons should be able to adjust their rents by occupying a lower standard of housing.

Do you consider it desirable that any social security scheme should make provision for:-

- (a) a pension which should be a fixed sum, independent of the number of contributions paid, the contributions themselves being fixed and independent of wages, and be below the subsistence level of a normal worker;
- (b) a pension sufficient for the maintenance of the worker and his wife or merely an amount to afford a substantial foundation and thus give encouragement for individual thrift, whether by way of private supplementary insurance or by way of savings?

7. The Report by Sir William Beveridge on Social Insurance and Allied Services, November, 1952, states that:-

"Social security must be achieved by co-operation between the State and the individual. The State should offer security for service and contribution. The State in organising security should not stifle incentive, opportunity, responsibility; in establishing a national minimum, it should leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family."

Do you consider that the contributions to a State fund should be built up by contributions from the insured persons, from their employers and from the State?

8. What are your views on the desirability and practicability of providing some form of security for old age by the establishment of centres where pensioners can live and where pensioners' families working in the neighbourhood can, perhaps, acquire family houses on the tenant purchase system, thereby establishing roots outside the native land units?

9. A State Provident Fund which would only provide a lump sum on retirement as an alternative method to an old-age pensions scheme is favoured by some sections of the community because it in some respects is simpler to administer and it is easier of comprehension by the public. Do you consider that if some social security scheme is to be introduced to provide security for workers in their old age it should take the form of a State Provident Fund or a State Pension Scheme?

10. Certain employers have already established adequate provident funds. If you favour a State Provident Fund as opposed to a State Pensions Scheme, would it, in your opinion, be desirable to include provisions for exempting employers with

private schemes providing equal or better cover from joining the State Scheme?

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11. What measures do you advocate for the introduction of a Social Security Scheme for making provisions for workers in their old age? The Committee would welcome any views you may have on any matter which you may think relevant to its task.

* Report of Social Security Committee, Government Printer, Nairobi, 1957, Page 35.

A SURVEY OF SOCIAL SECURITY CONTINGENCIES
AND THE EXTENT OF COVERAGE IN A RURAL AREA

QUESTIONNAIRE

Name Male

Female

Married/Single No. of Children

Age

PART I

OLD AGE

1. Previous employment (a) In urban areas
- (b) In rural areas
- (c) Self employment
2. In retirement (a) Depending on savings
- (b) Pension
- (c) Sale of farm produce
- (d) Grown up children
- (e) Other members of family

PART IISICKNESS

3. Use of hospital welcome
4. Why hospital not used sometimes:-
- (a) Ignorance
 - (b) Lack of money
 - (c) Native medicine
 - (d) Lack of hospital
-

PART IIICONDITIONS OF DEPENDENCY

5. Category of dependency
- (a) Widowhood
 - (b) Disease
 - (c) Invalidity
 - (d) Unemployment
6. Method of assistance
- (a) Money
 - (b) Services in kind

7. From whom assistance received:-

(a) Members of family

(b) Friends

(c) Voluntary Organization

(d) Pensions

(e) Social Security schemes

PART IV

GAINFUL EMPLOYMENT

8. Gainful employment (a) Wages per month

(b) Income from produce

(c) Profits from business

9. Contributions to mutual aid society

10. Contributions to National Schemes:-

(a) National Social Security Fund

(b) National Hospital Insurance Fund

PART V

MISCELLANEOUS

11. Do you want to be covered by Social Security?

12. How would you like to contribute?
(a) With taxes

(b) Seperately

if Self employed (c) Monthly

(d) Yearly

13. Do you know anybody who has received Social Security benefits?

14. What would you like Social Security to do?
(a) Pay hospital bill

(b) Monthly payments

(c) Lump sum payments

Anything else?
(d)

(e)

(f)

15. Do you think that everybody should be covered by Social Security?

16. What is the minimum amount of money do you think you can live on comfortably in one month?

(a) Under Shs.100/-

(b) Under Shs.200/-

(c) Between 300/- to 500/-

(d) Over Shs.500/-

17. There are no centres for public granaries in your location to help the local population during the periods of food shortage. Do you think these should be organized?

(a) By harambee

(b) By Government

18. How do you think food for storage should be collected?

(a) By contributing money to purchase grain

(b) By contributing bushels of grain after harvest

19. Should those in need of food from the location stores?

(a) Buy

(b) Receive free

20. Can you read and write (a) Your language

(b) Swahili

(c) English

COMPUTATION ANALYSIS TABLEKey:

Area No. : 01 YIRO
 : 02 MAINI
 : 03 KARURI

General: Columns 2 - 5.

Column 2 : M denotes Male

3 : F denotes Female

4 : 1 denotes married

 : 2 denotes single

5 : number of children

/ denotes Yes

X denotes No

0 denotes don't know

FIELD SURVEY RESPONSE SCHEDULEYIRO SUB-LOCATION

<u>Question</u>	<u>Yes</u>	<u>Noes</u>	<u>Don't know</u>	<u>Blank</u>
1. (a)	111	387	-	1
(b)	42	457	-	-
(c)	4	495	-	-
2. (a)	3	496	-	-
(b)	4	494	-	1
(c)	118	381	-	-
(d)	17	482	-	-
(e)	13	485	-	1
3.	489	10	-	1
4. (a)	-	499	-	-
(b)	5	494	-	-
(c)	2	497	-	-
(d)	-	495	-	4
5. (a)	39	456	-	-
(b)	3	492	-	-
(c)	6	489	-	-
(d)	325	173	-	1
6. (a)	199	300	-	-
(b)	262	236	-	1
7. (a)	253	246	-	-
(b)	15	484	-	-
(c)	7	492	-	-
(d)	-	499	-	-
(e)	1	498	-	-

<u>Question</u>	<u>Yes</u>	<u>Noes</u>	<u>Don't know</u>	<u>Blank</u>
8. (a)	42	455	1	1
(b)	189	310	-	-
(c)	37	461	-	1
9.	77	419	-	3
10. (a)	27	440	32	-
(b)	3	464	32	-
11.	406	47	44	2
12. (a)	50	400	46	3
(b)	329	121	46	3
(c)	102	349	46	2
(d)	11	440	46	2
13.	52	191	248	8
14. (a)	437	11	48	3
(b)	401	49	47	2
(c)	27	413	46	13
(d)	248	25	8	218
(e)	84	188	5	222
15.	447	9	41	2
16. (a)	150	347	-	2
(b)	126	371	-	2
(c)	173	323	-	3
(d)	53	438	-	8
17. (a)	185	312	-	2
(b)	345	152	-	2
18. (a)	260	237	-	2
(b)	381	118	-	-
19. (a)	179	319	-	1
(b)	326	170	-	3

<u>Question</u>	<u>Yes</u>	<u>Noes</u>	<u>Don't know</u>	<u>Blank</u>
20. (a)	297	202	-	-
(b)	188	311	-	-
(c)	160	339	-	-

MAINI SUB-LOCATION

<u>Question</u>	<u>Yes</u>	<u>Noes</u>	<u>Don't know</u>	<u>Blank</u>
1. (a)	29	164	-	-
(b)	30	163	-	-
(c)	15	178	-	-
2. (a)	4	189	-	-
(b)	1	192	-	-
(c)	10	182	-	-
(d)	16	177	-	-
(e)	6	187	-	-
3.	191	2	-	-
4. (a)	2	191	-	-
(b)	141	52	-	-
(c)	38	155	-	-
(d)	96	97	-	-
5. (a)	33	160	-	-
(b)	3	190	-	-
(c)	3	190	-	-
(d)	160	33	-	-
6. (a)	82	111	-	-
(b)	89	104	-	-
7. (a)	91	102	-	-
(b)	7	186	-	-
(c)	-	193	-	-
(d)	1	192	-	-
(e)	1	191	-	1
8. (a)	22	171	-	-
(b)	3	190	-	-
(c)	11	182	-	-

<u>Question</u>	<u>Yes</u>	<u>Noes</u>	<u>Don't know</u>	<u>Blank</u>
9.	3	190	-	-
10. (a)	9	184	-	-
(b)	1	192	-	-
11.	188	5	-	-
12. (a)	68	124	1	-
(b)	119	73	1	-
(c)	67	123	2	1
(d)	30	160	2	1
13.	4	186	1	2
14. (a)	187	6	-	-
(b)	166	27	-	-
(c)	27	166	-	-
(d)	189	1	-	3
(e)	166	12	-	15
15.	188	2	3	-
16. (a)	22	139	-	32
(b)	55	103	-	35
(c)	58	111	-	24
(d)	57	107	-	29
17. (a)	52	137	-	4
(b)	144	49	-	-
18. (a)	51	138	3	1
(b)	141	49	3	-
19. (a)	110	81	1	1
(b)	83	108	1	1
20. (a)	63	130	-	-
(b)	48	145	-	-
(c)	33	160	-	-

KARURI SUB-LOCATION

<u>Question</u>	<u>Yes</u>	<u>Noes</u>	<u>Don't know</u>	<u>Blank</u>
1. (a)	16	24	-	88
(b)	9	30	-	89
(c)	5	35	-	88
2. (a)	8	29	-	91
(b)	1	37	-	90
(c)	10	28	-	90
(d)	8	30	-	90
(e)	-	37	-	91
3.	116	2	-	10
4. (a)	2	99	-	27
(b)	40	61	-	27
(c)	3	97	-	28
(d)	1	99	-	28
5. (a)	5	45	-	78
(b)	2	50	-	76
(c)	1	51	-	76
(d)	25	30	-	73
6. (a)	20	34	-	74
(b)	25	30	-	73
7. (a)	26	31	-	71
(b)	1	55	-	72
(c)	-	56	-	72
(d)	-	56	-	72
(e)	1	55	-	72
8 (a)	59	42	-	71
(b)	13	91	-	24
(c)	26	77	-	25

<u>Question</u>	<u>Yes</u>	<u>Noes</u>	<u>Don't know</u>	<u>Blank</u>
9.	20	84	-	24
10. (a)	40	65	-	23
(b)	16	89	-	23
11.	97	26	1	4
12. (a)	47	41	1	39
(b)	31	57	1	39
(c)	24	60	-	44
(d)	11	71	-	46
13.	30	75	14	9
14. (a)	67	39	2	20
(b)	31	75	2	20
(c)	61	42	2	23
(d)	4	10	-	114
(e)	1	5	-	122
15.	96	13	8	11
16. (a)	10	109	-	9
(b)	8	111	-	9
(c)	43	79	-	6
(d)	64	59	-	5
17. (a)	27	89	-	5
(b)	101	23	1	3
18. (a)	61	58	1	8
(b)	75	44	1	8
19. (a)	86	39	1	2
(b)	49	72	1	6
20. (a)	106	20	-	2
(b)	89	37	-	2
(c)	82	45	-	1

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ABBREVIATIONS

- I.L.O. : International Labour Office.
- I.S.S.A.: International Social Security Association.
- I.S.S.R.: International Social Security Review.

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