

# NATIONAL ASSEMBLY

## OFFICIAL REPORT

Wednesday, 8th August, 2007

The House met at 9.00 a.m.

*[Mr. Deputy Speaker in the Chair]*

### PRAYERS

### ORAL ANSWERS TO QUESTIONS

*Question No.351*

#### SUPPLY OF ELECTRICITY TO PUBLIC INSTITUTIONS IN MBITA

**Mr. Kajwang** asked the Minister for Energy:-

(a) when he will step-down electricity along the Homa Bay-Mbita line to markets, schools, health institutions and polytechnics, to enable residents of Mbita to utilize electricity;

(b) whether he could confirm that electricity will be stepped-down at Ogongo Market, Koyani, Kitare Health Centre, Waondo Secondary School and Village Polytechnic, Luanda and Kirindo markets; and,

(c) what has caused the inordinate delay.

**The Assistant Minister for Energy** (Mr. Kiunjuri): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Electricity will be stepped-down by April 2008 to enable market centres, schools, health institutions and youth polytechnics along Homa Bay-Mbita line to be connected.

(b) Yes, I wish to confirm that electricity will be stepped-down, so that Ogongo Market, Koyani, Kitare Health Centre, Waondo Secondary School and Village Polytechnic, Luanda and Kirindo markets can be connected.

(c) There has been no inordinate delay in the implementation of the project, only that more time than anticipated has been spent in undertaking various activities involved in the project. These activities include identification of scope, hiring of consultant engineers, procurement of survey, design and way leave services and actual procurement of a contractor, all of which are subject to lengthy procurement procedures.

**Mr. Kajwang:** Mr. Deputy Speaker, Sir, this is a conspiracy to make sure that I do not come back to Parliament, because this line was built in December 2002. Since January, 2003, I have been promised by the Ministry that this project would be done every other year, just to step-down electricity to market centres. It was one line from Homa Bay to Mbita non-stop. It did not drop anywhere. Even in my home, where it has passed over my roof, I do not have electricity. I was told just the other day that there is a contractor who has been identified, some Chinese contractor, who sub-contracted some Kikuyu contractor, and that this thing would be done by September 2007. Now he is telling me that it will be done in April 2008 when I will have already lost.

Could he tell me why this thing has to delay up to that time, just to step-down electricity? All the things he is talking about like survey, procurement and engagement of consultant engineers are irrelevant for purposes of stepping-down electricity.

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, Mr. Kajwang does not have to belabour the point so much, saying that a Kikuyu contractor has been sub-contracted. It is only good that we ask questions so that we get clarifications but not just for political mileage.

However, it is true that a company called China National Electric Wire and Cable Import and Export Corporation Limited was awarded the contract for western Kenya. We also have other two contractors, the Kapataru and the KEC in other regions. I want to inform hon. Members that also in my own constituency, there is an area called Tigithi, where Phase II of a project by a French company is supposed to have taken effect. It is also equally true that we were supposed to have commenced this work in 2003/2004, but actual commencement was to start with what I have said, way leave acquisition and consultant engineering, so that we could come to the actual contractor getting on site. I want to assure the hon. Member that we want to speed up this matter, and by the end of this month--- It should be noted that they have already started pegging, indicating that they will be on the ground any time. After pegging, the materials started arriving and by the end of this month, the contractors will definitely be on the ground.

**Dr. Manduku:** Mr. Deputy Speaker, Sir, we want to appreciate the effort the Ministry of Energy is making by taking power to institutions like schools and markets. They have indicated that anybody within 600 metres from the transformer will pay Kshs32,000 to get power to his home, or to any institution. I do not know whether this is effective. That has been tried and it looks like the ordinary people in the villages cannot afford Kshs32,000. They used to work together as a group. When they say Kshs32,000 per every individual home, they are finding it very expensive. Could the Assistant Ministry look into it again and, maybe, reduce the amount by half, and see if people will get power, other than people seeing power lines passing over their houses, as Mr. Kajwang said, and no power is dropped to the villages?

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, the Kenya Power and Lighting Company (KPLC) spends about Kshs200,000 to connect one individual. So, when we put it at Kshs32,000 it shows you that we have completely subsidised the cost. However, we also presented a proposal, and it was approved by the Ministry, where one can pay in instalments. For example, instead of paying Kshs32,000 one can pay Kshs10,000 and we spread the rest of the payment over one or two years. However, when we brought the Energy Bill here, this same House amended, I think Clause 32 - I will check to see the correct Clause - and made it impossible for us to do so. By enacting that Clause, it meant that if we connect you today, and you pay a deposit of Kshs10,000, we cannot disconnect you if you fail to pay the remaining amount of money. It is upon this House to recall the Bill and amend that clause. If you want me to move an amendment and this House co-operates, I can amend that clause to enable Kenyans to benefit. My Ministry had taken the initiative to do that. But this Parliament has already chained us. We cannot move.

**Mr. Rotino:** Mr. Deputy Speaker, Sir, many contractors who have been given contracts to instal electricity are really overwhelmed. Many of them have taken up many jobs, and they cannot manage. In my constituency, there is one contractor who has taken up a contract in Kisumu, some areas in Nyanza Province and so on. He is not doing anything. What sort of supervision does the Ministry have to ensure that the contractors finish their work on time? That is really a big problem. I really sympathise with Mr. Kajwang when he says that he is going to be voted out if electricity is not stepped-down in his constituency by September this year. Could the Ministry ensure that the contractors who are given those job are capable and able to do the jobs on time?

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, we used to experience that problem until January this year. We made sure that no contractor is overloaded with contracts. But we are still challenged

on the issue of procurement. We have the relevant Procurement Act, which enables the suppliers to go to the Appeals Board. Every time we issue orders worth millions of shillings, for example, for transformers, meters and so on, if some contractors do not win those contracts, they proceed to the Appeals Board. That means we start the procurement process again. That takes us another 30 or 60 days. We have been handicapped. We are not moving because of the supply of materials. This House could strengthen those rules so that we do not experience those appeals. It is not only affecting the Ministry of Energy. Other Ministries are also suffering. So, what the House is asking us to do is what it can correct! **Mr. Deputy Speaker:** Hon. Members, we have to make progress on this Question. About 15 minutes have gone by since we started and, therefore, let me ask Mr. Kajwang to ask the last question.

**Mr. Kajwang:** Mr. Deputy Speaker, Sir, Kenyans pay a levy for rural electrification. Since 2002, when that line was built, the Ministry knew that there were markets, polytechnics and schools which should have benefited. How did the Ministry use the levy meant for Suba District, where Mbita Constituency is situated, for all those years since 2003 to date? We would have expected that, at least, in one year, they would have stepped down electricity somewhere and in another year, somewhere else. What has the Ministry used our share of the money for?

**Mr. Kiunjuri:** Mr. Deputy Speaker, Sir, the levy is applied everywhere in the country. As we have said, most of those shopping centres are supposed to be taken care of by the French Programme. We cannot alter that. The contract is already signed with the French. Other areas are benefiting out of that money. Those are the areas that have not benefited from the French Programme.

**Mr. Deputy Speaker:** Next Question by Mr. Bett!

*Question No.384*

TRANSFER OF TEA FACTORIES' SHARES  
FROM KETEPA TO KTDA

**Mr. Deputy Speaker:** Mr. Bett is not here! His Question is dropped!

*(Question dropped)*

**The Assistant Minister for Agriculture (Mr. Kaindi):** On a point of order, Mr. Deputy Speaker, Sir. Last week, I made an undertaking to this House and Mr. Bett to lay on the Table a Report by the Tea Task Force. May I, therefore, take this opportunity to do so. There are two copies of the same report.

**Mr. Deputy Speaker:** Please, do so!

*(Mr. Kaindi laid the  
document on the Table)*

Thank you, Mr. Kaindi, for doing that! You undertook to lay those reports and you have duly laid them.

Next Question by Mr. Karaba!

*Question No.386*

EFFECTS OF INSECURITY ON

SCHOOL CANDIDATES  
IN AFFECTED AREAS

**Mr. Karaba** asked the Minister for Education:-

(a) whether he is aware that students living in insecurity prone areas of Molo, Mt. Elgon and Tana River are not able to complete their syllabus on time in readiness for examinations; and,

(b) whether he could consider lowering entry points to public universities to cater for the affected students.

**The Assistant Minister for Education** (Dr. Mwiria): Mr. Deputy Speaker, Sir, I beg to reply.

(a) Yes, I am aware that some schools in Molo, Mt. Elgon and Tana River have been affected by the insecurity witnessed in those areas. In Molo, four primary schools have been affected. Three schools have been closed in Tana River while learning in three other schools has been adversely affected. In Mt. Elgon District, four secondary schools and 11 primary schools have been closed, while some pupils in nine other primary schools have not been attending classes as they have moved with their parents to safer areas. In some areas, affected pupils and students have been relocated to schools in secure areas to ensure they resume classes. Teachers will undertake appropriate remedial activities to have the syllabus covered and the children prepared for national examinations.

(b) The Ministry will not lower entry points to public universities in the insecurity prone areas. The Joint Admissions Board (JAB) - this is the business of the universities - has already implemented the lowering of cut-off points under the affirmative action, but that does not include considerations such as insecurity.

**Mr. Karaba:** Mr. Deputy Speaker, Sir, I thank the Assistant Minister for that very good answer. He has said that he is aware there are problems in those areas. He further went on to say that they will not lower the cut-off points or consider those affected areas. That is of great concern.

The contents of the syllabus is tested at the end of every four years. He has confirmed that most of those students will not have completed the syllabus. If that is true, and those children are still disadvantaged, could we relocate them to safer areas permanently, so that they could complete the syllabus on time? That way, they will not be affected by that insecurity.

**Dr. Mwiria:** Mr. Deputy Speaker, Sir, I have already said that some students in secondary schools have been relocated to safer grounds. I have also said that teachers have been advised to take remedial measures to cover the syllabus. We do not, for instance, admit students on lower points because there have been strikes in their schools. When there are those kinds of continuing crises, it is very difficult. The Joint Admissions Board can only deal with more permanent situations. The solution is for us to try our best, as politicians, to ensure that there is security and our young people are not affected by insecurity. That is because politicians have become trigger-happy and are interested in using clashes and other things to gain political mileage. If we have do that for the sake our children, we need to show some responsibility.

**Capt. Nakitare:** Mr. Deputy Speaker, Sir, whereas the Assistant Minister accepts the fact that insecurity in those areas has affected education, he has not taken into consideration the fact that stress has affected the intellectualism of those children. They are still traumatised. Could he consider revisiting that issue and ensure that children who have been affected by the clashes are able to attend universities? That is because they have been traumatised by the war.

**Dr. Mwiria:** Mr. Deputy Speaker, Sir, I understand that students have been traumatised. But we are advising counselling, as is the case with other victims of those clashes. I want hon. Members to appreciate the fact that, it is difficult to keep on shifting admission criteria on the basis

of insecurity, which is often a temporary thing. Unless we show some areas as being permanently insecure and ask the Joint Admissions Board to consider students from those areas for admission on lower points, that is the only way out. But I also want to point out that, that is a matter for the universities, more than it is for the Ministry. We make recommendations, just like we made with regard to affirmative action. Essentially, it is very difficult to say that, whenever there is insecurity in an area, the points are lowered. At what point will we stop?

**Maj-Gen. Nkaiserry:** Mr. Deputy Speaker, Sir, it is not only the problem of insecurity that affects performance as regards to education. The Ministry has admitted that there is a shortage of over 50,000 teachers. Due to that, there is no way we can have our children performing, if they are not having teachers. The quality of education is definitely going to drop. The Assistant Minister has just said that politicians have become trigger-happy. I would like to ask him: How many trigger-happy politicians have been arrested, including those who are raiding police stations?

**Dr. Mwiria:** Mr. Deputy Speaker, Sir, you cannot raid a police station with a gun. Therefore, they could not have been trigger happy. I am talking about politicians in this august House. There are some "small" politicians who are used by "big" politicians to cause problems.

Mr. Deputy Speaker, Sir, yes, indeed, there is a shortage of teachers. However, that is a national problem. It is not only specific to those areas affected by insecurity, except that in those areas, they have double problems in that they have shortage of teachers and at the same time, they have insecurity. I think we have to find a more permanent political solution to insecurity, at least, for the sake of our youngsters in school, if we do not have any pity on ourselves, as politicians, and think that this can continue to be a way of us occupying our parliamentary seats.

**Mr. Sang:** Mr. Deputy Speaker, Sir, the issue of insecurity in Mt. Elgon is new. However, in Molo and Tana River, this has been a perennial problem. Given the fact that the Government is not ready to restore security in those areas, could the Government consider establishing boarding schools in those areas so that children can go about their learning, uninterrupted?

*(Applause)*

**Dr. Mwiria:** Mr. Deputy Speaker, Sir, you know we have been considering putting up boarding schools in areas which are seriously disadvantaged, especially in North Eastern Kenya and parts of Rift Valley Province. We will continue to consider more schools to fall under this category. However, if there is insecurity, the children will still move out of those schools. So, we have to find a solution to insecurity in those areas. Even if we put up boarding schools and there is insecurity, the teachers and students will not have an environment where they would feel comfortable to go on with their studies. So, that will not be a solution. Therefore, we need to predict when we will be done with this problem. If we knew that insecurity would be a long-term problem and would last up to ten years from now, then we would advise the Joint Admissions Board to lower the cut-off points for students from those areas. However, we hope that we will resolve this problem soon. This is always the hope of the Government.

**Dr. Rutto:** Mr. Deputy Speaker, Sir, as a matter of curiosity, could the Assistant Minister update this House on what measures he has taken to ensure that the learning process of students in Mt. Elgon District, which is currently affected by insecurity problems, is not affected?

**Dr. Mwiria:** Mr. Deputy Speaker, Sir, first, we have recommended that while the insecurity is still in existence, the students be relocated to safer areas. Some of them have already been relocated to other schools. Secondly, we have advised the teachers to take remedial measures, as of now, until security has been restored to ensure that the syllabus is covered. There is a limit of how much we can do. However, that has already been recommended. More importantly, the Government is trying its level best to make sure that security is guaranteed in those areas. As to

how long it will take, we do not know. However, I appreciate that it is a serious problem. This requires co-ordination with the Minister of State for Administration and National Security as well. Without security, it does not matter how much will be done within the schools to ensure that the schools cover the syllabus. I think, first, students must have a secure environment. We call upon the Minister of State for Administration and National Security to ensure that, at least, that is guaranteed and that our teachers and students feel more secure in our schools.

**Mr. Karaba:** Thank you, Mr. Deputy Speaker, Sir, once again. You realise that students living in insecurity prone areas, besides suffering from the non-coverage of syllabus, they still face problems of bias from the Kenya National Examinations Council (KNEC). The setting of questions is biased towards favouring those areas which are populated and urban centres. Very rarely do we have questions set favouring students from the insecurity prone areas. That means that those areas will be disadvantaged. Could you ask the KNEC to broad-base their questions while setting examinations so that they can also capture the interests of students who are affected?

**Dr. Mwiria:** Mr. Deputy Speaker, Sir, the matter of making examinations less biased in favour of elite schools, urban centres, among others, has been one of the discussions that have lasted over 20 years. Let me assure this House that they are putting a lot of efforts to reform. The examinations we see these days use examples from rural, urban and pastoral areas, if you look at those papers closely--- So, an effort has been made to make examinations much more comprehensive in terms of coverage and to ensure that they do not reflect the bias of those who are advantaged like ourselves or our children who are going to elite urban schools. This is something which is going on. I think we are getting very close to having examinations that are fairly balanced in terms of the items that appear in those scripts.

**Mr. Deputy Speaker:** Thank you, Mr. Assistant Minister. Hon. Members, the next Question is by the hon. Member for Amagoro. I am informed that he is out in his constituency and, therefore, seeks permission to have this Question deferred. The Chair has directed that the Question be deferred to Tuesday next week.

*Question No.387*

RELOCATION OF ODIOI SUB-  
LOCATION FROM MALABA TOWN  
COUNCIL TO TESO COUNTY COUNCIL

*(Question deferred)*

The next Question is by the Nominated Member, Prof. Oniang'o. I believe that this Question also suffers the same fate because the hon. Member is in Western Province, where I understand His Excellency the President is visiting. Therefore, the Question is also deferred to Tuesday, next week.

*Question No.413*

MEASURES TO PROMOTE SCIENCE  
AND TECHNOLOGY IN KENYA

*Question deferred)*

The next Question is by the hon. Member for Belgut, Mr. Keter.

**Mr. Keter:** Mr. Deputy Speaker, Sir, I beg to ask Question No.450 although I do not have a written response.

*Question No.450*

PURCHASE OF SOLIO RANCH FOR  
RESETTLEMENT OF SQUATTERS

**Mr. Keter** asked the Minister for Lands:-

- (a) the acreage of land at Solio Ranch in Laikipia, which the Government intends to buy for resettlement of squatters;
- (b) whether he could table the valuation report for the land; and,
- (c) if he could further table the sale agreement between the Government and the owner of the aforementioned piece of land.

**The Assistant Minister for Lands** (Mr. Kamama): Mr. Deputy Speaker, Sir, I seek the indulgence of the House so that I can answer this Question on Tuesday next week because I still have a lot of research to do on this Question.

**Mr. Deputy Speaker:** Could you repeat that, Mr. Assistant Minister?

**The Assistant Minister for Lands** (Mr. Kamama): Mr. Deputy Speaker, Sir, this Question requires a very comprehensive answer and at the moment, I have very scanty information. So, I want to seek the indulgence of this House so that I can answer this Question on Tuesday next week.

I thank you.

**Mr. Keter:** Mr. Deputy Speaker, Sir, I would not mind waiting until Tuesday.

**Mr. Deputy Speaker:** Very well! The Question is deferred to Tuesday next week.

*(Question deferred)*

The next Question is by the hon. Member for Alego-Usonga, Mr. Weya.

Where is Mr. Weya? The Chair has no information as to the whereabouts of Mr. Weya. Therefore, the Question is dropped.

*Question No.400*

DETAILS OF SALARY INCREMENT  
FOR MILITARY PERSONNEL

*(Question dropped)*

We have completed the Questions on the Order Paper. Therefore, we move to the next Order!

**MOTIONS**

ESTABLISHMENT OF EDUCATION  
LEVY FUND

THAT, aware of the high drop-out rate in our public secondary schools

arising out of the inability of parents to pay fees, further aware that the Government has instituted various measures and reforms to address the challenges related to access, quality and equity of education; this House urges the Government to establish a fund to be known as the Education Levy Fund to provide for school fees for students from poor and disadvantaged backgrounds.

*(Mr. Karaba on 1.8.2007)*

*(Resumption of Debate  
interrupted on 1.8.2007)*

**Mr. Deputy Speaker:** The last contributor was Eng. Okundi. If he is around, he has four minutes.

Where is Eng. Okundi? Eng. Okundi is not here. Therefore, we will move on to someone else who wishes to contribute. The balance of time for this Motion is 50 minutes.

**The Assistant Minister, Ministry of State for Youth Affairs** (Mr. ole Metito): Thank you, Mr. Deputy Speaker, Sir. I want to contribute in support of this Motion. Education is very vital for the development of any country. First of all, we want to appreciate the measures the Government has put in place with regard to the education of our children, starting with the introduction of the Free Primary Education (FPE) to the proposed waiver of tuition fees at secondary school level. However, there is still a lot to be done.

Mr. Deputy Speaker, Sir, now we are talking about the proposed free secondary school education, but there is a lot to be done because as we speak, many certificates are detained in secondary schools because the students owe the schools an estimated Kshs15 billion in fees arrears. If by the end of the academic year a student cannot get his certificate, he will not have anything substantial to show that he went through the secondary school education or claim that he has the skills required for further education in his life.

We are also talking about the bursaries that the Government has given to secondary schools. However, this is not enough because even the criteria and the procedure for awarding bursaries is not really friendly to the poor and the most disadvantaged students. For those who receive the bursary, it is not even enough. You will find that a student from a very poor background, who is required to pay Kshs30,000 in a year, gets Kshs5,000 a year through the bursary scheme. This leaves the poor student to look for the balance of Kshs25,000. This means that he will not complete his or her secondary education.

Secondly, one of the criteria for a student to get some bursary is that he or she must have reported and been admitted in a certain secondary school. You cannot be admitted to a secondary school if you do not have the initial school fees. That is why I am saying that the bursary scheme procedure is not friendly to the needy. We also have orphans who cannot even benefit from the free primary education because of lack of food at home. These pupils need a lot of assistance. That is why we are proposing the establishment of an Education Levy Fund.

Mr. Deputy Speaker, Sir, let me talk about some of the levy funds that we have in our country and the way they are assisting the relevant sectors. For instance, through the Fuel Levy Fund, a lot of money is being raised by the Ministry of Roads and Public Works. In return, a lot of money is being ploughed into that sector. In this year's Budget, we witnessed an increase in the allocation to that Ministry. One of the contributory factors is that the Fuel Levy Fund is really efficient and it is raising a lot of money for that sector. We are seeing a lot of improvement in our infrastructure.

We also have the Catering Levy Fund where money is being raised from hotels to the



Ministry of Tourism and Wildlife. We are told that this sector recorded the highest growth rate in this year's Economic Survey. It recorded a 15 per cent growth rate. One of the factors that have contributed to that growth is the Catering Levy Fund. The money is being ploughed back into the parent Ministry and a lot of improvements are coming up in that sector in terms of hotel beds and security for the tourists.

Mr. Deputy Speaker, Sir, the CDF is more like a levy fund. We are witnessing a lot of growth with regard to where the CDF money is being ploughed back to. This could be attributed to the recent elevation of our country from the poor nations to the developing nations. It is because of the funds that are being devolved to our sectors. So, if we establish the Education Levy Fund, collect money and plough it back to the education sector, we will see a lot of improvement and this will be one of the ways of attaining the Vision 2030. If we are talking about Vision 2030, and we are saying that we will have to be an industrialised country by the year 2030, then we must be a well educated society.

Everybody would like to support the creation of this Fund. The only problem is how it is going to be constituted. We should make it a contributory Fund, whereby the Government contributes a certain percentage, just like we do in the CDF. We are seeing a lot of private companies making a lot of profits. For example, the mobile phone service providers like Safaricom and Celtel, banks and the Kenyans in the diaspora. If we can make these institutions contribute a certain percentage towards the Education Levy Fund, we will attain a lot of growth.

Even if we get free secondary school education, we will still need money for those students in university. The loans they get from the High Education Loans Board (HELB) are not enough for the students to complete their education. We have students in private universities, who are not there because they can afford to pay the fees required, but because they have qualified to join universities and our public universities cannot accommodate all of them. The same case applies to students in the Parallel Degree Programmes. Our universities cannot accommodate all these students and so, they need a lot of assistance. If the Education Levy Fund is created, it is going to complement the HELB with regard to higher education.

Mr. Deputy Speaker, Sir, we have students in tertiary institutions, for example, medical training colleges, teacher training colleges and polytechnics, who also need some assistance in pursuit of their education. Once this Education Levy Fund is created, it is going to benefit everybody. It is high time the Government took some steps towards the formation of the Education Levy Fund. The Government should compel or just put a regulatory framework for all the other sectors to contribute towards this very important Fund. Once this Fund is established, it is going to bridge the gap between the rich and the poor. Most of us are investing a lot in education and that is what is making the gap between the rich and the poor widen. If education for all could be supported, the gap between the rich and the poor would be narrowed.

With those few remarks, I beg to support the Motion.

**Mr. Poghiso:** Thank you very much, Mr. Deputy Speaker, Sir. I would like to begin by thanking the Mover of this Motion, Mr. Karaba, and my colleagues, who have made their contributions to the Motion. I would like to congratulate all of them for their support to this Motion.

This is simply a Motion to get the attention of the Government. I am glad the Assistant Minister for Education is here to draw to the attention of the Government the need to address the issue of secondary education in this country. We can all report from our constituencies how many students have dropped out of school and how many are kicked out of school just before any examinations because they have not paid their fees. These students go home as long as the head teacher has asked them to go and many times, they go back to school and fail the examinations because they were not in school during the preparations for those examinations.

Mr. Deputy Speaker, Sir, I am appealing to the Minister to seriously consider following in the footsteps of the various requests that have been made here. This Motion urges the Minister to start an Education Levy Fund or such other fund as he deems fit to assist students from poor backgrounds. As the Bible says, the poor are with us. They are always here with us. It does not matter which environment we find ourselves in, but always there will be people in need. Hopefully, we will establish the Education Levy Fund as proposed. I propose that whatever fund is formed, be constituency-based. This is because it is only in the constituencies that the poor and the vulnerable can be identified.

Mr. Deputy Speaker, Sir, I would like to give a case in point. There is a lot of enrolment now in primary schools, especially in areas which hitherto had not started sending children to school. Since our primary education only lasts for eight years, it is only a matter of time before these children go to secondary schools. So, it is only proper that the Minister begins to prepare for an explosion in the secondary school sector. Right now, we have few secondary schools and they have smaller classes. Let us give ourselves, perhaps 10 years and we will see the effect. This is not something that needs scientific extrapolation. We will soon find that our secondary schools will be fewer with smaller classrooms. Therefore, we will not have enough space for students. So, we had better prepare now for that kind of situation.

I am asking the Minister look into the possibility of supporting this Motion. He should use it as the basis for creating other funds for establishment and expansion of secondary schools, so that we have room for more students. That goes hand in hand with recruitment of teachers. Right now, the process of recruiting secondary school teachers is very slow. The Ministry is only replacing those who have left the service for one reason or another.

We need to bring back education in our universities to the centre-stage with regards to the courses taken there. At the moment, many university students feel that the education is not being given the credibility that it deserves. Many of them are beginning to change their courses. They are not thinking in terms of education being the key to improving their lives. Let us strengthen the faculties of education by creating incentives to allow students to apply to become teachers. Right now, many of those who apply are not assured of jobs, so they are changing their professions. The Ministry must prepare to face a crisis in the next ten years.

Mr. Deputy Speaker, Sir, the proposal for Mr. Karaba is to create a fund. This can be such a big fund as to assist the Ministry to sort out some of the problems that are likely to come. At the moment, the Ministry is thinking in terms of reducing the cost of secondary education. The way the Minister is going about this matter is not one that will guarantee equity and that the poor and the vulnerable will be identified. The best thing is to have a fund, like this one, which will go to those students from poor families.

Many times, headteachers in our schools are not creative enough. If there are students who are from very poor background, why can the headteachers not find a way of allowing them to continue learning and keeping them during the holidays to do some work for the school? Why do they not create some kind of work study where the school can generate the kind of work that is commensurate with the fees for the students to do?

A lot of these schools have farms and others may have to find some income-generating activities for these students to work. They can have these students do community service, so that they can continue with their education. A lot of the times, the fees being charged are so little. You will find that somebody is being sent home for a whole month because he owes the school Kshs3,000 or Kshs5,000 and he is, probably, a Form Four student. The student keeps going home and comes back to struggle. As a result, he never catches up with the rest of his friends. Why can our headteachers not be creative so that students from poor families can be retained and be made to compensate for the fees by working for the school. They can work in the library, kitchen or areas

where they can provide service which will be converted into fees.

Mr. Deputy Speaker, Sir, it really bothers me because in the case of Kacheliba Constituency where we have very few children going to secondary school. However, most of the time, they are at home. Take the case of pastoralists whose livelihood depends on livestock. Livestock is so precarious at the moment. With the drought, shortage of water and the cultural trap that is in the mind of the pastoralists, they may not be able to sell their livestock. These are the things that affect pastoral communities. So, they are willing to send their children to school, but how do they get fees? The idea that you have sold two cows this term and the next term comes so quickly, they cannot catch up with that. Theirs is a very precarious economy.

We have a long way to go to try and turn these people around to come to a place where they can diversify their economy and have other sources of income. That is the process that is not in the Minister's docket. At least, it is something that we should be concerned about. How do we assist these people so that they can diversify their sources of income and send their children to school? In the meantime, this kind of fund would come in and would assist to send their children to secondary school.

Right now, there is a case in point in Pokot North District. The Provincial Administration is literally forcing children to go to school. This has resulted in having a different class of children. Some of them are older than the normal school-going children because they are just being brought from the village to go to school. It is becoming a problem because we have to establish a different class and have different teachers at the primary level. I wish that the Ministry would address the issue of free primary education which is creating an influx of children in schools. We need a different class for people who join class later on and cannot catch up with the others. There will be a re-alignment of education. Let us not look at education any more the way we have looked at it before. Let us try to create an educational system that is relevant to communities.

In the nomadic communities, I suggest that education become nomadic as well. This has been tried in Uganda. Nomadic education is education that follows people. It is designed for them. Not all education should take place in the classrooms. We should design education that is relevant to mobile communities and for places where there is insecurity. Sometimes, students are safer in their homes than being in school.

Mr. Deputy Speaker, Sir, I would like to suggest that this Motion be supported. The Government must support it so that we have a fund that will be used to support children from poor and vulnerable communities.

With those few remarks, I beg to support.

**Mr. Deputy Speaker:** I will call upon the Government Responder to respond.

**The Assistant Minister for Education (Dr. Mwiria):** Thank you, Mr. Deputy Speaker, Sir, for giving me the opportunity to speak in favour of this Motion.

First, I would like to appreciate the developments that have taken place in the area of secondary school education in the last few years. Transition rates from primary to secondary school education have increased from 45 per cent to 46 per cent in 2003 to 60 per cent in 2006. We are getting closer to our target of 70 per cent which we hope to achieve in the next three years.

Mr. Deputy Speaker, Sir, this Motion will address the problem facing many students from poor families who cannot remain in secondary school. I would like to re-affirm that the Government has been committed to this as evidenced by the provision of bursaries to needy students. From 2003 up to now, a sum of Kshs4.2 billion has already been allocated to children from needy families in the form of bursaries.

Mr. Deputy Speaker, Sir, we have also started a programme of providing grants to Arid and Semi-Arid Lands (ASAL). We have set fees guidelines for different categories of schools even though we are still struggling with the idea of the process of ensuring that most headteachers

actually implement those guidelines. We have provided grants in areas of Information and Communication Technology (ICT), laboratory equipment and many other grants for schools in pockets of poverty to ensure that, again, we lighten the load of education for parents.

Mr. Deputy Speaker, Sir, nevertheless, poverty remains a big problem. There is still a big challenge. This is why poor Kenyans owe many schools up to Kshs14 billion. As you know, this has been a matter of great debate even in this Parliament. There are many reasons that account for that, including the fact that 46 per cent of our people more or less live below the poverty line. Secondary education continues to be expensive in certain cases, especially when you have boarding schools. There are many indirect charges, including things like uniforms, transport, visiting days, pocket money and so on. There is high cost of boarding secondary schools and parents continue to prefer them even though they are much more expensive. The fees they charge is an average of Kshs26,000 compared to Kshs10,000 for day schools. The impact of HIV/AIDS scourge where we have many orphans who, in spite of the support that they get from the Government, the challenge remains still a big one. The slum communities, ASAL areas and pockets of poverty, students in those kinds of communities are much more disadvantaged and find it difficult to, first, join and then remain in secondary schools.

Mr. Deputy Speaker, Sir, in this regard and in addition to what I have just said, several measures are being taken to ensure that we keep more of our children in schools. The tuition waiver that we already know about it - there will be a benefit of like Kshs3,600 per student effective in January 2008 - will complement already other existing resources. In subsequent years, we hope to take over tuition expenses in the whole secondary school system.

Mr. Deputy Speaker, Sir, we have also formed a task force to come up with ways of making education more affordable. It is hoped that there will be guidelines to address issues such as the high indirect cost of secondary education. We also hope to increase and improve the management of the Constituency Bursary Fund. Already, it used to be Ksh700 million in 2004. It has gone up to Kshs800 million and we hope to do more. Even with that, it remains a problem. So, I do agree with those who say that maybe we should do more even though the private sector is heavily taxed. I think we should reach out more and ask it to do a little bit more in terms of ensuring that we have more of our children enter secondary school and remain there. This must be done, in conjunction, with other measures. It is not enough to ask the private sector to do so much when it is not clear that enough is being done to give that sector incentives to produce more and give more to the wider public. So, as much as we ask the private sector to do that, I think it is also the responsibility of the Government to ensure that the private sector has the right infrastructure and climate to do business and anything else that will make those involved in this sector to feel that, on fact, they have a reason to give back.

Mr. Deputy Speaker, Sir, in requesting the private sector to do more, we are aware that the Ministry of Education, already, is allocated the biggest share of our national Budget and sometimes in the last few years. The Ministry of Education accounts for more than four or five ministries put together in terms of the amount of money that is voted. So, the resources will also limit how much you can keep on asking from that national kitty to supplement or to give more to education. Therefore, the private sector, like some Members have said, some of them are making a lot of profits. If they donated 5 per cent of those profits to support education even in areas where they are doing the most business, that will make a big difference. But it cannot just be the big companies. There are people who have businesses on their own like family businesses who are doing very well. There are farm owners and companies that are involved in tea and coffee production. There are companies that are doing well. There are also individual Kenyans who are wealthy in their own respect. Therefore, this levy should not just go to private sector in the form of companies, but also to individuals who are doing business or who are well endowed in many ways.

Mr. Deputy Speaker, Sir, the private sector benefits the most from our education system. Even though a lot of our graduates end up working with the Government in the public sector, especially with regard to teachers, the private sector benefits from the training of our universities. Most of the people who work in private companies in this country or for individuals who have businesses, have come out from our public universities that are funded through public resources. Therefore, it would not be too much to ask that they give back by way of compensating even for that training. This is because elsewhere most companies are responsible for training their own human resources. They also employ our graduates. With the current system where even employees can go to universities, again, they are getting their skills upgraded in public universities, without necessarily having to pay for it. Even though some of these companies do some scholarship support for some of their employees, but they continue to gain from the bulk of the training for which they are not paying directly.

*[Mr. Deputy Speaker left the Chair]  
[The Temporary Deputy Speaker  
(Mr. Poghishio) took the Chair]*

Mr. Temporary Deputy Speaker, Sir, let us also not forget the fact that the private primary school education is very much advantaged, in terms of the resources that are available to a lot of individuals who comprise that small percentage of those who are privileged in this country, that send their children to those schools. We can, therefore, ask some of them to also supplement the public sector where the majority of the other children are going. It is also in their interest to ensure that if they can pay so much for their own children in private academies and institutions, they can contribute a little bit to ensuring that the 60 per cent that are not so lucky also benefit from that wealth. It is in their interest that there is a community where inequality is not so big. This is because the bigger the inequality, the bigger the gap becomes and the more insecure it is going to be for those people and their own children. So, it is also in their interest to invest in public education for the majority of Kenyans, so that they will feel secure in that environment.

That support can come, not only in terms of that levy to support good schools and expansion of secondary schools and streams where there is already one stream, but also in terms of scholarship support, bursary support, resources for research capacity for our universities and research institutes, supporting certain professors like they do in Western universities. The chairs or professors are paid for by certain companies. They can also support in terms of putting in money to give opportunities for internships for people who are in training institutions both middle-level and universities, so that they benefit from training that is indirectly paid for by the private sector. There are many other ways that the private sector can put in to support education in both direct and indirect ways.

Mr. Temporary Deputy Speaker, Sir, there is also much more we can do. I mean we have been talking, in the last few years, of more than Kshs80 billion that is the subject of corrupt deals that is lying somewhere in overseas banks. Let us also begin by recouping this money to support education because if there is a way of getting this money from those that have benefited from corruption in one way or the other, and invest it in our schools, then we will go a long way in having good institutions. We will also ensure that even as the economy grows, we will take care of the short-term problems that we are experiencing now because there is money that is out there that some people own, which they do not deserve.

Mr. Temporary Deputy Speaker, Sir, we also need to reclaim public land that was taken over by individuals. That is another way of getting a great deal of resources, to not only support the expansion of secondary education, but also to subsidise what the Government is paying. But I think

as we tax companies, as leaders of our respective communities, we should lead by example and be the first ones to contribute towards that education levy. So, I would also like to call upon hon. Members of Parliament to be the first ones to lead by example and say that they will contribute up to a certain percentage of our salaries to support education in our respective constituencies as away of supplementing the resources that would come from companies because it is not only companies that are doing well. If we do that, we would be more convincing to the wider public, companies and others to want to invest in that because it would be clear that the people who ensured that this legislation goes through, are actually living by example by putting in some resources to support education of the poor.

Mr. Temporary Deputy Speaker, Sir, when you were contributing, you said that we need to--

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*(Mr. Wamwere stood up in his place)*

**The Temporary Deputy Speaker** (Mr. Poghiso): Order, Mr. Wamwere! Why are you on your feet?

Proceed!

**The Assistant Minister for Education** (Dr. Mwiria): Mr. Temporary Deputy Speaker, Sir, I think Mr. Wamwere was about to say that he likes that idea of Members of Parliament contributing to this levy as away of leading by example.

I would like to support the point you made that much of what has to take place has to do so outside the context of schools. We need to empower our populations by ensuring that we diversify education so that it is not just the formal system of education that is there, even in areas where it does not fit the most. More important, we should ensure that our people have means. If people are empowered economically and we do much more to support young people, women and others in the rural areas to produce more from their farms, do better in business and generate more income, then even this business of wanting to subsidise the poor is not going to be an issue in the next five or ten years. So, the first thing is to see what we can do for those that cannot support their education in terms of empowering them so that they do not have to depend on the Government or the private sector.

Mr. Temporary Deputy Speaker, Sir, we also need to improve our own governance in our institutions. We should ensure that the resources that are available are used more cost effectively so that we reduce the burden of parents, both for secondary and tertiary education. I think there are possibilities for making gain in that area because the reason why education is expensive is because we have not improved the management of those institutions, whereby we can do much more with the resources that are made available.

Again, going beyond the education box, we need to strengthen the African traditional systems and the extended family concept. These are traditions that are dying. For example, the fact that those who were able took care of those who were less fortunate. As our society becomes more Western and more capitalist in orientation, people who have resources become more mean than before. If we were to continue to be as generous as we used to be in the African society, where we took care of the less fortunate, again, there would be less recurrence of these kinds of problems. We have got to a point where the people who are rich despise those who are poor even when they are related to them. This is very unfortunate because the basis of much African socialism in terms of taking care of those that were less fortunate was premised on those kinds of traditions that are dying as we become more capitalistic and more selfish in the way we think and spend resources, which are public resources that we benefited from.

Mr. Temporary Deputy Speaker, Sir, finally, I would like to say that in the last five years,

there has been a lot of progress in terms of addressing problems of the less fortunate. That begins with free primary education, much better bursary fund for secondary schools and support to schools in disadvantaged areas and so on. Much has been done by the Government to address that problem. The reason why that was not happening is because we had very poor governance. We had a Government that did not care so much about the poor. It was about misappropriating public resources for the benefit of a few and where public institutions were neglected. Therefore, it is a lesson for us. That, the mother of all these solutions is essentially good governance that will ensure that public resources benefit the poor and are not disproportionately allocated to those that are already doing well.

Good governance ensures that people pay taxes and that we do not let many Kenyans, who should be paying taxes, get away with it. More revenue collection has led to the improvement of public institutions. It is quite clear that this has happened because of the problems that we met with regard to the kind of Government that we got. The only way to continue this is to ensure that we make the Government better. We should vote right. We should have people who care much more about transparency, fight corruption more than before and ensure that those that avoided paying taxes before do pay. Essentially, we should ensure that there is that climate that is going to promote the generation of more public resources. That is not going to be possible under a climate where people are just thinking about how much they can make for themselves and their respective families. Public leadership should be about the public good.

Mr. Temporary Deputy Speaker, Sir, if we can do that and we progress in that direction, we would have money for better institutions and many Kenyans would be empowered economically and would, therefore, pay for themselves. We would also have better schools. In the long run, it is no longer going to be necessary for the Government to be talking about bursary programmes because the majority of the people of this country can afford education. That will be possible because a lot of resources that would have been collected from the public would be used to benefit the public and there would be less stealing of public resources. I would like to say that the key is improved governance. It is the key to many of the problems that we have been talking about in this Parliament.

If we could do our best to ensure that this country is better managed and that we think more about the public, then we will resolve many of the problems that have been a headache in the past years. We are already making progress and I do hope that, this is the trend that will continue, so that, in the next ten or 20 years, we should not be talking about those problems because it is primitive to still be talking about so many Kenyans not being able to afford secondary education in a country that is so well endowed.

With those few remarks, I support.

**The Temporary Deputy Speaker** (Mr. Poghio): Mr. Syongo, you can take the next three minutes.

**Mr. Syongo:** Mr. Temporary Deputy Speaker, Sir, I will make only a few comments to reinforce the wonderful contribution of the Assistant Minister and other hon. Members who have contributed towards this Motion.

First, the Structural Adjustment Programme was one of the worst things that we ever did. So many Kenyans were forced out of jobs both in the private and public sector. Whereas they might have started with the capacity to educate their children, they were deprived of that capacity as a result of the retrenchment policy which was part of the Structural Adjustment Programme.

Secondly, there is the question of unemployed youths. For a number of years; almost two decades, there was a decline of economic activities and, therefore, there are a huge number of our youths who graduated from various institutions into unemployment. They have grown into adulthood and parenthood without the capacity to educate their children. All those children are

Kenyans.

Thirdly, we all know about the real impact of HIV/AIDS pandemic. Many children are orphaned and as a result, there are a large number of children who cannot afford education. I would like to say that from an economic point of view, return on investment in human resource is the surest and guaranteed business that any society can do. That return comes in the form of higher taxes which are collected by the Government. It comes in the form of higher productivity of the human labour. It also comes in the form of capacity to be entrepreneurs. The recently launched Youth Enterprise Development Fund is going to yield results very soon. Not only are they going to create jobs for themselves but once they are entrepreneurs, they are going to employ their fellow youths. That means that unemployment is going to be dealt with.

Mr. Temporary Deputy Speaker, Sir, when I was watching television last night in a programme sponsored by Barclays Bank, some of them are already venturing into export trade. In fact, they are contributing towards foreign exchange earnings.

Mr. Temporary Deputy Speaker, Sir, because of all those things, the Government policy on free education is most commendable. Even moving towards free secondary education is commendable. But the first cohorts of those who were the first beneficiaries of free primary education in Standard I are maturing into secondary schools in another three years only. Unless we have the capacity to ensure that we finance their entry into secondary education and sustain them through to university - each in accordance with his or her ability - then all that investment will be over.

Mr. Temporary Deputy Speaker, Sir, the Constituencies Development Fund (CDF) has also---

*(Mr. Mwandawiro stood up in his place)*

**The Temporary Deputy Speaker** (Mr. Poghio): Order, Mr. Mwandawiro! What are you doing there?

Order, Mr. Syongo! Your time is up!

**Mr. Syongo:** Mr. Temporary Deputy Speaker, Sir, I beg to support.

**The Temporary Deputy Speaker** (Mr. Poghio): Well, it is now time to call upon the Mover to reply.

**Mr. Karaba:** Thank you very much, Mr. Temporary Deputy Speaker, Sir. Due to the interest shown by hon. Members to support this Motion, I am ready to donate a few minutes to hon. Mwandawiro and hon. P.G. Muriithi---

**The Temporary Deputy Speaker** (Mr. Poghio): How many minutes?

**Mr. Karaba:** How many minutes do I have? Is it ten minutes?

**The Temporary Deputy Speaker** (Mr. Poghio): How many minutes do you want to donate?

**Mr. Karaba:** Two minutes each to hon. Mwandawiro, hon. P.G. Muriithi of Nyeri Town, hon. Kombe and Eng. Muriuki.

**The Temporary Deputy Speaker** (Mr. Poghio): And yourself?

**Mr. Karaba:** Of course, I will do the rest.

**Mr. Mwandawiro:** Ahsante sana, Bw. Naibu Spika wa Muda, kwa kunipa nafasi hii kuunga mkono Hoja hii. Hoja hii inaangazia tatizo lenyewe. Lakini swala la msingi ni kuondoa huu mfumo wa ubepari. Nchi hii ni tajiri kabisa. Inaweza kupatia kila mtu elimu ya bure katika shule za upili. Lengo la Serikali hii sasa--- Elimu inaongeza pengo kati ya watoto matajiri na watoto maskini. Tusipobadilisha jambo hilo, hata tukiongeza huu mfuko, tatizo hilo litaendelea. Kwa hivyo, naunga Hoja hii mkono kwa sababu inaonyesha tatizo hilo. Tatizo la msingi ni kupambana



na sera ya ubepari ambayo imekuwako tangu tupate Uhuru hadi sasa. Nchi hii ni tajiri, lakini rasilmali hazitumiwi kwa ajili ya watoto maskini. Zinaendelea kutumiwa kwa ajili ya watoto matajiri. Kuna shule za matajiri na zile za maskini. Tusipotatua jambo hilo, haya mengine yote tutakuwa tunafukuza upepo.

Kwa hayo machache, naomba kuunga mkono.

**Mr. Muriithi:** Thank you, Mr. Karaba, for giving me one or two minutes.

Mr. Temporary Deputy Speaker, Sir, while appreciating the efforts of the Government in providing free primary and secondary education, I would like to emphasize the need for the Government, through the establishment of Education Levy Fund, to put more emphasis on the disabled children. I am sure that even where the Chair comes from, to have a disabled child is a taboo. Many parents, therefore, do not come out clearly and say: "I have a disabled child in my house." Some of those children are gifted and they should be given equal opportunities like the other children of this Republic to enjoy education.

Mr. Temporary Deputy Speaker, Sir, I have a case in point in Nyeri Town, where Consolata Primary School set aside one particular class for disabled children. Those children were sent home due to lack of support, lack of proper teachers and funds. But with the establishment of that Fund, the less fortunate members of the society and, particularly, our children who are living with disabilities, will enjoy free education like any other pupils in the Republic of Kenya.

With those few remarks, I beg to support the Motion.

**Eng. Muriuki:** Thank you, Mr. Temporary Deputy Speaker, Sir, I also wish to add my voice to support this very important Motion brought by Mr. Karaba.

Mr. Temporary Deputy Speaker, Sir, the current system of awarding bursaries to secondary schools comes with a clause that only bright children will be given bursaries, which I think is fair. But the truth of the matter is that there are very many children who would, otherwise, have been bright if they were in class in secondary schools, but whom we did not know about because they never went to school in the first instance because their parents were completely unable.

I wish to take this opportunity to add my voice to the sentiments expressed by my colleague, the Member for Nyeri Town, who has said that there are some children who are disabled or their parents are disabled and they are completely unable to get to secondary schools where bursaries are awarded. By the establishment of that Fund, we shall now be able to go down and assist all those cases that are currently being left out.

Last but not least, Mr. Temporary Deputy Speaker, Sir, in many cases where bursaries are and the money is not enough, the fall-back position is normally on the hon. Member of the area. He or she is the one who ends up paying for those poor children. But now, that official Fund will relieve hon. Members to do other things even though I am sure they are willing to contribute. They will concentrate on their official work.

With those few remarks, I beg to strongly support this Motion by Mr. Karaba.

**Mr. Kombe:** Asante sana, Bw. Naibu Spika wa Muda. Ningependa kuunga mkono Hoja hii ya ushuru wa elimu, ambayo itawasaidia vijana wanaotoka katika jamii maskini kuweza kuendelea na masomo yao.

Bw. Naibu Spika wa Muda, tuko katika harakati ya kujenga nyumba ambayo haina msingi thabiti. Ningeonelea vyema ikiwa baadhi ya fedha hizo zitatumika kwa elimu ya malezi. Elimu ya malezi ndio msingi wa elimu hapa nchini, lakini kufikia hivi sasa, utakuta kwamba akina mama ndio wanaopata shida kwa sababu wanalipa karo kwa watoto wa *nursery*. Ikizidi sana, utakuta mwanafunzi analipiwa Kshs300 kwa mwezi; jambo ambalo akina mama hawawezi kamwe! Ingekuwa bora iwapo elimu ya *nursery* ingekuwa bure ili kila mtoto aweze kupata msingi bora na mwishowe, tutapata raia ambao wana misingi mizuri ya kielimu. Hatimaye, hata elimu ya bure katika shule za upili pia ina maana kwa sababu itawezesha wanafunzi wetu waendeleo kielimu.

Pia, vile vile, tukisema kuwa karo ya shule za upili imeondolewa, tutakuwa bado hatujasema kitu kwa sababu karo hiyo ni ndogo sana kulingana na zile hela zinazolipwa. Kwa mfano, kwa mwaka, mwanafunzi wa Shule ya Upili ya Mangu anahitajika kulipa Kshs53,000. *Tuition fees* ni Kshs9,000 peke yake. Sasa, ukiondoa Kshs9,000 kutoka Kshs53,000, unabaki na Kshs44,000. Pesa hizo zitatoka wapi? Bado zitatoka kwa mzazi. Ingekuwa bora *fees* yote isimamiwe na Serikali. Hiyo itawezekana iwapo ushuru huo utawekwa ndani. Hivyo basi, tutakuwa tunaweza kufidia elimu yote iweze kuwa bure.

Bw. Naibu Spika wa Muda, namalizia kwa kuunga mkono. Nafikiria umefika wakati wa watu kuzika wa kwao. Ikiwa hali itaendelea hivi ilivyo sasa, haina maana sisi kubaki hapa. Ingekuwa bora iwapo Mhe. Rais Kibaki angevunja Bunge tukarudi tena huko kwa wananchi wenyewe. Manake kazi sasa inaonekana ni kama twaitaka na hatuitaki. Singetaka kutumia lile neno lingine maanake nitasimamisha shughuli hii muhimu. Lakini vile hali ilivyo, hairidhishi hata kidogo.

**Mr. Karaba:** Thank you very much, Mr. Temporary Deputy Speaker, Sir. I also wish to congratulate all hon. Members who have contributed and supported this Motion. There is none who has opposed it. That tells us that this Motion is pertinent. It is popular and it is going to really enable very many poor families to access education, particularly in secondary schools. That is the only way to ensure that students who start from Standard I to Standard VIII transit to Form I up to Form IV. That is what we call basic education.

Mr. Temporary Deputy Speaker, Sir, if we create this Fund, as suggested by most hon. Members of this House, we will ensure that education becomes affordable from Standard I up to Form IV. That is what we are all geared towards - education for all. When this becomes a reality, we will have an educated society, which will transform very many programmes in the country towards economic development. That is what we are all geared towards. There is an example we have from South-East Asia, where education takes the lion's share of the Budget.

Mr. Temporary Deputy Speaker, Sir, so, we should not complain that the Ministry of Education is taking all the money simply because it is a service Ministry. The Ministry of Education caters for most of the other Ministries. We are, therefore, calling upon many other Ministries to collaborate in trying to contribute something towards the development of the Ministry of Education. We call upon the various Ministries not to return their money to the Treasury once the financial year comes to an end. We should have that money transferred to the proposed Education Levy Fund, so that we can boost it and have more money to donate and disburse in form of bursaries and other services.

Mr. Temporary Deputy Speaker, Sir, I am happy that the mood, as expressed here, is in support of the Motion. We want to also ask Kenyans in the diaspora to realise that we are developing the Education Levy Fund in Kenya. I am sure that once they are approached, they will be willing to contribute towards the Fund. Their contribution will strengthen a levy fund which will be like the Jomo Kenyatta Foundation. We have other people like Mr. Kalonzo Musyoka, who have come up with a foundation. We have other people who have come up with foundations. So, this one will be a useful foundation.

With those remarks, I beg to move.

*(Question put and agreed to)*

A BILL TO AMEND THE  
PRIVATIZATION ACT

**Dr. Awiti:** Mr. Temporary Deputy Speaker, Sir, I beg to move to following Motion:-

THAT, being aware that most State corporations are the economic mainstay of our country; aware that a privatization process should be preceded by a policy Sessional Paper outlining the merits and demerits of each State corporation proposed for privatization; this House grants leave to introduce a Bill for an Act of Parliament entitled the Privatization (Amendment) Bill to amend the Privatization Act in order to provide that Parliament shall by resolution approve the disposal of parastatal assets.

Mr. Temporary Deputy Speaker, Sir, in 1992 the Government signed a credit agreement with the World Bank for the Parastatal Privatisation Programme. In part, the agreement reads as follows:-

"The borrower shall bring, at least, 20 public enterprises to the point of sale by December, 1994---"

As we know, the Parastatal Privatisation Programme came through the International Monetary Fund (IMF) and the World Bank, which wanted most of the parastatals in the country to be privatised. At that time, the argument, which was advanced for privatisation, was that parastatals were a drain on public resources. They further argued that parastatals were not giving good services, and that whatever we got out of their sales would be used to pay for the debts that the country had. The architects of this programme further argued that privatisation of parastatals would help to make the economy grow and enable the Government to provide better services to the people.

Mr. Temporary Deputy Speaker, Sir, these were mere words. The experience which this country, and other countries, went through were to the contrary. At that time, the architects of privatisation were saying that once privatisation took place, foreign companies, which were in this country, which had money, expertise and connections, would improve and make the privatised enterprises provide more funds to the Treasury. For the last 20 years, this has not been the case. On the contrary, the country has continued to have a huge domestic and foreign debt and foreign companies have continued to wield enormous influence on what takes place in this country, and companies owned by foreigners continue to make massive profits, which are syphoned out of the country instead of being re-invested in the country. As a result, the country remains poor. In fact, Kenya is now ranked among the countries which have a very wide gap between the halves and the have-nots after 40 years of Independence.

The Western governments that have been advising the Government of Kenya to privatise are themselves not doing so. In Great Britain, the water sector is publicly-owned. In the Scandinavian countries, where they have developed and their per capita income is very high, services such as the utilities are publicly-owned. Even the productive sectors are publicly-owned. In some cases, they are mixed, where both public and private capital is involved. If the most developed countries, with the most superior technological achievements, and whose Governments have a lot of money, can continue to have public ownership of such entities, what about countries such as Kenya? Kenya needs to re-examine the meaning of all this. There is a need for new policy dispensation

Mr. Temporary Deputy Speaker, Sir, we have seen that even in Latin America countries, which allowed privatisation of water and telecommunication services, the prices of those services sky-rocketed, making it impossible for the ordinary people to benefit from them. This forced consumers in Bolivia to go to the streets and force the government to cancel the privatisation programme, because they were not benefiting from it. I can also cite the example of Tanzania. Around that year, the private company that had been given ownership of the water sector messed up water services in Dar-es-Salaam. So, the Government of Tanzania had to, forcefully, repossess the ownership of water services from that company and depose its directors, because the prices of

water became very high and poor areas of Dar-es-Salaam were not getting any water.

Mr. Temporary Deputy Speaker, Sir, here in Kenya we know, for example, that last month, Nairobi Water and Sewerage Company disconnected water to the people of Mathare Valley, who could not afford to pay their bills. That was again followed by Kenya Power and Lighting Company. Now, Mathare Valley has no water and electricity. Yet, we pride ourselves as being the "City in the sun". That is being done because foreign companies have enormous influence over our Government. Now, our Government does not consider that such essential services, which benefit our people, are now in the hands of private companies.

Mr. Temporary Deputy Speaker, Sir, it is worrying that the cost of preparing privatisation is so colossal. That is being done by experts who have been hired from abroad. Those experts give advice on how privatisation should be done. For example, the cost of preparing the privatisation of Telkom has reached almost Kshs20 billion. That is almost equivalent to the budget of the Ministry of Health. At the end of the day, when Telkom Kenya will be privatised, it will be owned mostly by foreign companies. What will Kenyan nationals gain out of that? So, I want to submit that public owned enterprise can also make some profit. I would like to give the example of Kenya Commercial Bank, which was run down seriously. It has since been restructured and making some profit. That is not the only case. There is National Bank of Kenya which was equally run down because of mismanagement and corruption. But that bank has now been restructured and it is on its way to making some profit. I can give a third example. Safaricom, which is 60 per cent owned by the public, made a profit of almost Kshs17 billion this year. The Budget allocated to the parent Ministry is merely

Kshs1.7 billion. That means that, if that company is owned 100 per cent by Kenyans, the Government could be getting more revenue from it than it is getting now. That would help the economy to grow much faster than the 6.1% growth currently being experienced.

Mr. Temporary Deputy Speaker, Sir, I am not saying that privatisation is bad. I am saying that privatisation should be done selectively.

*(Loud consultations)*

**The Temporary Deputy Speaker** (Mr. Poghiso): Order! Order, hon. Members! Members of the Front Bench, please consult in low tones.

**Dr. Awiti:** Mr. Temporary Deputy Speaker, Sir, I am saying that the privatisation that was carried out in Kenya was done very indiscriminately and without proper preparations. I am now saying that most of our parastatals should be restructured. We should retain public ownership. They should be restructured in such way that they can be efficient to provide better services and give this country more money. As a country, we cannot allow a situation where foreign companies come in here and make colossal profits at the expense of our people. As I have said before, Kenya is a country that got Independence some 40 years ago, just like Malaysia. If we compare Kenya to Malaysia and Singapore now, we cannot match those countries because they have grown nearly 100 times more than us. We know that in those countries, the Bretton Woods institutions gave them the same advices. But they chose their own path. They looked at their situation in terms of their existing condition. They only did certain things which they thought were beneficial to them.

With those few remarks, I beg to move and call upon hon. Mwandawiro to second this Motion.

**Mr. Mwandawiro:** Ahsante sana, Bw. Naibu Spika wa Muda. Mimi naomba kuunga mkono hii Hoja ya maana sana. Nasikitika ya kwamba Waziri ya Mipango na Maendeleo na Waziri wa Fedha hawako hapa. Pia, wataalamu kutoka Wizara wa Mipango na Maendeleo na ile ya Fedha hawako hapa. Hii Hoja inalenga kusaili sera za kiuchumi za nchi hii. Imeletwa na mtu

ambaye alikuwa Waziri wa Mipango na Maendeleo katika nchi hii. Vile vile, imewasilishwa na Dr. Awiti ambaye ni mtaalamu wa maswala ya kiuchumi. Dr. Awiti ana historia kali ya mapambano ya kukomboa hii nchi ili tupate maisha bora katika nchi yetu. Yeye amesafiri sana. Kwa hivyo, hii Hoja imeletwa na mtu ambaye ana maono kamili kwa nchi yetu. La muhimu zaidi ni kwamba wakati tunatekeleza hizi sera za ubinafsishaji--- Nimewahi kusema katika hii nchi yetu kwamba sisi Waafrika na Wakenya tutaanza kuendelea wakati tutajikomboa kimawazo. Ni wakati ambapo tutaanza kufikiria sisi wenyewe, tutazame jiografia ya nchi yetu, rasilmali zilizoko, mali ya asili na watu. Tukitazama historia ya majirani wetu na ulimwengu, na tufanye mipango yetu sisi wenyewe ambayo imezaliwa hapa hapa nyumbani, ndio Mwaafrica ataweza kuendela. Sisi pia tutaendelea. Lakini tukienelelea kusema kwamba tutaendelea kutegemea sera za kiuchumi, kisiasa, kidiplomasia na hata zingine zinazotoka Marekani na Uingereza kupitia kwa mashirika ya kibeberu na kibepari-- - Iwe ni Benki ya Dunia, Shirika la Fedha la Kimataifa na Shirika la Biashara la Dunia. Ikiwa tutaendelea kutegemea sera hizo, tutaendelea kukwama na kuyumbishwa yumbishwa. Mara, uchumi unakua kwa asilimia 5 au 6. Mara, tunarudi nyuma! Kukua kwenyewe hakutafaidi maendeleo katika nchi yetu. Tunajua kwamba sera ya ubinafsishaji ambayo inatekelezwa kwa shauku kubwa katika nchi yetu inatokana na sera za kifalsafa za kipebari. Lengo la sera za kifalsafa za uchumi wa kipebari ni kuwafanya matajiri waendeleo kuwa juu. Vile vile, lengo la falsafa ya kibepari katika nchi yetu, na Afrika kwa jumla, ni kuendelea kuipiga vita sarafu ya dola isiwe na nguvu na watu binafsi ambao ni matajiri wawe na nguvu ili waendeleo kuamua mambo kuhusu nchi za Afrika. Hata sasa sarafu ya dola imekuwa si kitu! Kazi ya sarafu ya dola ni kuangalia mabepari tu wakiwanyanyasa watu na kunyonya nchi na hata kushirikiana na watu wa nje ilhali wafanyakazi na umma ukiendelea kutegemea watu binafsi katika nchi yetu.

Bw. Naibu Spika wa Muda, ukiangalia historia ya uchumi wa nchi yetu, utaona kwamba kutoka mwaka wa 1960 mashirika ya umma yalikuwa yakifanya vizuri sana. Hata sasa, hakuna ushahidi madhubuti kuonyesha kwamba mashirika ya umma hayawezi kufanya kazi vizuri na kuimarisha uchumi wa nchi yetu. Isitoshe, matatizo yanayosababisha mashirika haya kushindwa kufanya kazi yanaeleweka. Baadhi ya hayo matatizo yanatokana na ukabila, uingiliaji mwingi wa Serikali katika shughuli za mashirika hayo na kutokuwa na wataalamu ambao wana ujuzi wa kutosha katika mashirika yanayohusika. Kwa hivyo, tatizo si kwamba mashirika ya umma hayawezi kupata faida na kuendeleza uchumi wa nchi yetu. Tatizo ni kwamba kuna sababu nyingine tofauti ambazo zinasababisha haya yote kuwepo.

Bw. Naibu Spika wa Muda, pamoja na hayo, imeonekana wazi kwamba kila kunapokuwa na ubinafsishaji katika nchi, watu hupoteza kazi zaidi. Vile vile, umaskini huongezeka zaidi katika nchi. Ubinafsishaji wa mashirika ya umma husaidia kuongeza pengo kati ya matajiri na maskini. Hii ni kwa sababu wanaonunua hisa katika mashirika hayo ni watu ambao tayari ni mabepari au matajiri na watu kutoka nchi za nje. Kwa hivyo, hata uhuru wa kiuchumi wa nchi hupunguka zaidi kila kunapokuwa na ubinafsishaji. Vile vile, manufaa yanayoambatana na kuwepo kwa mashirika ya umma, kwa mfano, kuwa na ujuzi na maendeleo zaidi, hudidimia zaidi.

Bw. Naibu Spika wa Muda, madai ya kusema kwamba sekta ya kibinafsi haiwezi kuendeleza nchi hayathibitishwi na ukweli. Maendeleo katika nchi yanategemea mipango halisi iliyoko katika nchi. Kwa mfano, ukilinganisha nchi ya Libya na Nigeria ambazo zote zina mafuta, utagundua kwamba huko Libya, sarafu ya dola ina nguvu zaidi katika kudhibiti mauzo ya mafuta. Ndiyo maana kuna manufaa zaidi kwa wananchi na maendeleo mengi yanayotakana na mafuta katika nchi ya Libya kuliko ilivyo huko Nigeria ambako mafuta yanatawaliwa na mashirika ya mafuta ya dunia nzima pamoja na mabepari wa Nigeria. Mafuta hayo hayajawahi kusaidia wananchi wa Nigeria. Ukiangalia huko Latin America, kabla ya ndugu Hugo Chavez kuchukuwa mamlaka kupitia mapinduzi ya kisosholista, wakati huo, mafuta yalikuwa yanatajirisha tu matajari wa Venezuela na mabepari wa huko Marekani na sehemu nyingine. Wananchi wenyewe wa

Venezuela hawakuwa wanafaidika na umaskini ulizidi. Leo hii, wakati ambapo Serikali imeingilia mambo hayo na sarafu ya dola kudhibiti uchumi wa mafuta, umaskini katika nchi ya Venezuela unazidi kupungua kwa kasi sana miongoni mwa watu wengi na nchi hiyo inaendelea kwa kasi zaidi. Venezuela sasa inasaidia nchi nyingine, kwa mfano, Cuba, Argentina na nyingine nyingi huko Latin Amerika kuendelea kwa sababu ya mafuta. Isitoshe, hata Kenya na nchi nyingine zimefaidika kwa sababu Serikali ya Venezuela sasa inadhibiti mauzo ya mafuta.

Bw. Naibu Spika wa Muda, tunajua kwamba katika nchi ya Cuba, ambako uchumi ni wa kisoshalisti na unatawaliwa na sarafu ya dola, kuna manufaa mengi. Duniani kote, ukichunguza nchi ambazo zinasemekana zinaendelea, pamoja na matatizo ambayo yanayozikumba nchi hizo, utagundua kwamba Cuba, ina manufaa mengi sana. Tunaweza kusema kwamba Cuba ni nchi huru zaidi na inatawaliwa uchumi wake bora zaidi. Cuba ina manufaa makubwa kwa wananchi wake hasa kuhusu maswala yanayotusumbwa kama vile elimu ya bure kwa kila mtu. Huko Cuba, elimu kutoka shule ya nasari mpaka chuo kikuu ni ya bure kwa kila mtu. Vile vile kuhusu utawala wa ardhi, nyumba na barabara, nchi ya Cuba imeendelea sana kwa sababu imeweza kudhibiti uchumi wake kwa kutumia nguvu za sarafu ya dolar.

Kwa hivyo, Bw. Naibu Spika wa Muda, ni muhimu kuunga mkono hii Hoja kwa sababu inawataka Wakenya kufanya utafiti kabisa kuhusu nchi yao kabla hawajaanza kutekeleza sera za kiuchumi hasa zile ambazo zinalenga kubinafsisha mashirika ya umma. Tujiulize, "Je, ni kweli kwamba mashirika ya umma humu nchini hayawezi kuendelea?" Vile vile tujiulize, ikiwa hatuwezi kuwa na sekta tatu, yaani sekta ya dolar, sekta ya vyama vya ushirika na sekta ya kibinafsi, je, sekta hizi haziwezi kuwepo wakati mmoja? Je, ni lazima tubinafsishe kila kitu na kuifanya nchi hii iwe ya mabepari? Ubinafsishaji wa mashirika ya umma una manufaa gani? Nilimwuliza swali Waziri wa Fedha humu Bungeni, wakati huo alikuwa mhe. Mwiraria, atueleze ni kazi gani zimeongezeka katika nchi yetu tangu tuyabinafsishe mashirika ya umma. Alishindwa kujibu! Hii ni kuonyesha kwamba hakuna utafiti wa kutosha.

Ni lazima tuunge mkono hii Hoja kwa sababu inatuhimiza tufanye utafiti wa kisayansi na tuwahusishe wataalamu wetu kutoka vyuo vikuu na wasomi wengine wanaofanya utafiti. Tunataka Mawaziri wasome maswala ya kiuchumi siyo kutekeleza tu--- Shida nyingine ambayo nimeona ni kwamba watu, wakiwemo Mawaziri, hawasomi. Wao wanakaa tu! Wanatekeleza sera ambazo zinatengenezwa huko Washington ama Ufaransa. Kuna vitabu vingi vya uchumi na utafiti mwingi umefanywa kuhusu sera za kiuchumi, lakini wao ni wepesi wa kupokea mambo ambayo yanaletwa na Benki ya Dunia (WB) na Shirika la Fedha la Kimataifa (IMF) badala ya kujaribu kuzua suluhisho la matatizo yetu ya kiuchumi kutoka papa hapa nyumbani. Hii ndiyo sababu tunatakiwa kuunga mkono hii Hoja ili kabla hatujabinafsisha shirika lolote la umma, tulichunguze kisayansi na kutambua kama kweli shirika hilo limeshindwa kuleta faida ama ni kwa sababu linapata faida zaidi ndiposa mabepari katika nchi na nje wanalitaka.

Bw. Naibu Spika wa Muda, kwa hayo maneno machache, mimi naomba kuunga mkono Hoja hii.

*(Question proposed)*

**The Assistant Minister for Information and Communications (Mr. Wamwere):** Bw. Naibu Spika wa Muda, kwa niaba ya Chama Cha Mwananchi (CCM), naomba kuunga mkono Hoja hii ya kudhibiti ubinafsishaji wa mashirika ya umma.

Awali kabisa ningetaka kusema kwamba tumeshuhudia ubinafsishaji wa mashamba yetu ambao mpaka sasa haujaleta faida yoyote isipokuwa kuzidisha umaskini. Kama tunataka kuyafanyia mashirika yetu ya umma, yale ambayo tumefanyia ardhi yetu, ni wazi kwamba itakuwa vigumu sana nchi yetu kufaidika kutokana na ubinafsishaji zaidi wa mashirika ya umma.

**The Temporary Deputy Speaker** (Mr. Poghiso): Bw. Wamwere, unaongea kwa niaba ya chama gani?

**The Assistant Minister for Information and Communications** (Mr. Wamwere): Chama Cha Mwananchi!

**The Temporary Deputy Speaker** (Mr. Poghiso): Which one is that?

**The Assistant Minister for Information and Communications** (Mr. Wamwere): Chama Cha Mwananchi ambacho kimo katika mseto wa Serikali hii.

**The Temporary Deputy Speaker** (Mr. Poghiso): Sasa hivi?

**The Assistant Minister for Information and Communications** (Mr. Wamwere): Ndiyo, sasa hivi.

*(Laughter)*

Bw. Naibu Spika wa Muda, hiyo ni kweli, lakini si hoja.

Mashirika ya umma yalijengwa na pesa za umma na ni wazi kwamba umma ndio unapata hasara kubwa wakati mashirika yake yanauziwa watu binafsi kwa bei ya kutupa. Wakati huu, kuna haraka ya kuyauza mashirika ya umma. Hili ni jambo lililoeleweka. Ni majuzi tu tumeona shirika la bima la Kenya Re-insurance likiuziwa watu binafsi, ijapokuwa kuna hisa chache ambazo zimekwenda kwa umma. Kitambo, tuliona Shirika la Reli likiuziwa kampuni ya kigeni. Sasa tuko katika harakati za kuuza mashirika ya simu ya Safaricom na Telkom.

Bw. Naibu Spika wa Muda, kampuni kama vile Safaricom na Telkom zimekuwa zikipata faida. Imekuwa kisingizio kikubwa kwamba mashirika ya umma yanaleta hasara na kwa sababu hiyo, yanapaswa kufungwa. Lakini ikiwa kampuni ya Safaricom ndiyo inaongoza katika kupata faida, je, kuna sababu gani ya kuibinafsisha? Kuna sababu gani ya kuuza kampuni ambayo inapata faida? Kwani hasara ndio msingi wa falsafa ya kubinafsisha makampuni katika nchi hii.

Bw. Naibu Spika wa Muda, lazima tutambue ya kwamba kuna ulafi na uroho wa mali katika ubinafsishaji wa mashirika. Kuna tabaka la watu ambao wanataka kuchuma chao mapema. Wanataka wanyakue mashirika haya kabla ya kuondoka mamlakani. Hii itakuwa ni hasara kubwa sana kwa watu wa nchi hii. Nchi hii haimilikiwi na watu wachache au tabaka fulani. Ni mali yetu sote. Kwa hivyo, kuchukua mashirika ambayo yalijengwa na wananchi na kuyapatia watu wachache katika jina la kukuza uchumi, ni kutofanya haki.

Bw. Naibu Spika wa Muda, ukiangalia haraka hii ambayo inatufanya kubinafsisha maji na vitu vingi--- Ninaona kama hivi karibuni tutakuwa tunaambiwa pia tubinafsishe Serikali kwa sababu sekta ya binafsi ndio yenye ujuzi zaidi wa kuongoza kila kitu. Ninadhani kuna watu hapa ambao wako tayari kusema hata Serikali isimamiwe na watu binafsi kwa sababu wao ndio wenye ustadi wa kuleta faida. Isitoshe, tumesoma vitabu vya riwaya juu ya kubinafsishwa kwa hewa. Wakati tulikuwa tunakisoma kitabu cha Ngugi tulidhania kwamba huu ulikuwa ni mchezo. Inaonekana ya kwamba watawala tulionao sidhani itakuwa vigumu kwao kubinafsisha hewa. Hakuna tofauti ya kubinafsisha maji na hewa! Leo hupati maji isipokuwa machafu bila kulipa pesa. Hivi karibuni tutakuja kuambiwa kwamba ukitaka hewa safi, lazima uwe na mashine ambayo utavalia baada ya kuinunua. Mambo haya yamefanyika katika Mji wa Mexico na yanaweza kufanyika hapa.

Bw. Naibu Spika wa Muda, jambo lingine ni kwamba tunaambiwa mantiki kubwa ya ubinafsishaji ni kwamba mashirika ya umma hayawezi kuepukana na ufisadi. Lakini ukweli ni kwamba hata sekta ya binafsi ina ufisadi mwingi sana. Ukilinganisha ufisadi katika sekta ya umma na sekta ya binafsi, utaona ya kwamba ufisadi ni mwingi katika sekta ya binafsi kuliko sekta ya umma. Kama ilivyosemwa, ukitazama nchi kama Scandinavia, utaona kwamba si lazima shirika la umma liwe na lilemewe na ufisadi. Unaweza ukapigana na ufisadi na kuuangamiza katika

mashirika ya umma. Tunaweza kufanya hivyo ikiwa hayatasimamiwa na wezi. Tutahitajika kuwafuta kazi, kuwafunga na kuhakikisha ya kwamba hakuna mtu ambaye atafaidika kwa kuliibia shirika la umma. Tukifanya hivyo, hatutakuwa na haja ya kubinafsisha mashirika haya. Yataendeshwa vizuri namna yanavyoendeshwa kule Norway - pahali ambapo niliishi kwa muda mrefu. Niliona mashirika ya umma ambayo yanaendeshwa kwa ustadi sana. Sidhani watu wa Norway wakipewa uchaguzi leo kati ya sekta ya binafsi na ya umma, watachagua sekta ya binafsi. Watachagua kuendelea na mashirika ya umma.

Bw. Naibu Spika wa Muda, sababu nyingine ambayo inatolewa ni ile ya ukosefu wa nafasi za kazi. Tunahadaiwa ya kwamba mashirika ya binafsi yanatengeneza nafasi zaidi za kazi. Ukweli ni kwamba, lengo kubwa la makampuni binafsi ni kutengeneza faida, si kuongeza nafasi za kazi. Hii ni tofauti kabisa na mashirika ya umma. Ukiangalia katika dunia, zile nchi ambazo zimefaulu kufutulia mbali ukosefu wa kazi ni zile ambazo mashirika ya umma yanasimamiwa vilivyo. Kwa hivyo, kama kwa kweli lengo letu kubwa ni kuzalisha kazi na kuhakikisha tumemaliza ukosefu wa kazi, hatuna budi kuendelea kuwauzia watu binafsi mashirika ya umma. Tunachotakiwa kufanya ni kuhakikisha ya kwamba yanasimamiwa vizuri ili yaongeze nafasi za kazi.

Jambo lingine ambalo ningetaka kugusia ni faida kutokana na uuzaji wa mashirika ya umma. Pesa hizi zitagharamia huduma za wananchi. Lakini shirika la umma likiwa ni mali ya mtu binafsi, basi faida yake itakuwa ni mali ya anayemiliki kampuni hiyo. Anaweza kufanya jambo lolote nayo. Anaweza kuamua kwamba atawaajiri Waamerika wampeleke mwezini na pesa hizo badala ya kusaidia kupanua uchumi. Anaweza akaamua ya kwamba atakuwa anasafiri daima dawamu. Lakini faida za mashirika ya umma, tukiwa na Serikali endelevu, inaweza kusaidia kupanua uchumi na kugharamia huduma za elimu na matibabu ya bure hapa nchini.

Kama alivyosema Bw. Mwandawiro, tunaweza kuwa na elimu ya bure hapa nchini kama vile Kisiwa cha Cuba. Ni kisiwa kidogo tu, lakini kinawapa watu wake matibabu na elimu ya bure, nafasi za kazi na kumaliza uhalifu. Jambo ambalo limekifanya kufaulu ni kuwa na mfumo ambao umejengwa juu ya msingi wa mashirika ya umma. Kama hawangekuwa na mashirika ya umma, hawangekuwa na huduma walizonazo.

Bw. Naibu Spika wa Muda, ningetaka kusema ya kwamba hakuna ukoloni unaopita kuuza mashirika yaliyojengwa na umma kwa wageni. Uchumi wetu ukimilikiwa na wageni hautakuwa ni wetu tena.

Bw. Naibu Spika wa Muda, ninaomba kuunga mkono.

*(Applause)*

**Eng. Okundi:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me the opportunity to contribute to this very important Motion.

Mr. Temporary Deputy Speaker, Sir, the sector of State corporations is where I worked for almost all my life. I am fully aware of the various issues concerning how they have been run.

Mr. Temporary Deputy Speaker, Sir, I want to go into a little bit of history of how the State corporations came about. At the Independence of this country, the Government assumed the running of a number of enterprises and had to convert them to public-owned enterprises, without necessarily contributing to their share capital. This is the first opportunity which this country had to involve the Government in commercial operations in running the various enterprises in the postal, harbour and railway services. They formed various corporations and a number of them eventually were enabled by an Act of Parliament. These include such corporations as the Industrial Commercial and Development Corporation (ICDC). It was formed in this country to create risk capital to enable Kenyans and the Government to invest in the various resources in this country.

Mr. Temporary Deputy Speaker, Sir, we have come through a very exciting period where



Africans and their independent countries understood what it was that was so good in running State enterprises and making profits for their countries in the various things the Government controlled.

Some of our State corporations were run so well. This is because, if you look at the Acts that set them up, they were basically to be run as commercial enterprises. They were to be run, purely, on commercial basis, raise their money, budget and get things approved within the Government programmes, through their parent Ministries. Even some of their programmes were approved by this Parliament. A number of parastatals became very successful, so much that a number of Kenyans, who saw the avenue of making even bigger profits, tried to persuade the Government to privatise them, so that they could also make profits. We know very well that a large number of Kenyans became very rich and, really, super-rich, because they inherited some of these well-run State corporations; either by running them badly or actually persuading the Government to release them in order to be run by the private sector operations.

Mr. Temporary Deputy Speaker, Sir, lately, through pressure from the World Bank and other multinational financing bodies, the Government was urged to free the economy. So, the economy of Kenya has been freed by an Act of Parliament, so that one can invest and do whatever he or she likes. One can also compete in terms of prices and acquisition of goods on a free private sector basis. This has moved to looking into all the other areas which can also be put aside for people to look at, and then insist that they be released. I think this is the main subject that this Motion is trying to look at.

As a result, we know of a large number of very good enterprises which have been released for privatisation. We know also of some hotels, under the African Hotels and Lodges Limited, which was under the Kenya Tourism Development Corporation (KTDC), which were more or less sold, basically, for nothing, just because people put pressure to have these things run by them. The result is that we have done what I would call false economy, basically, in some cases, because one would inherit a well-run organization and become a very rich Kenyan. Basically, that organization employed very many Kenyans and, also, huge sums of money would go to the Treasury, because it was owned by the Government.

That does not mean that the Government must run and own everything. The Government should continue to concentrate on governance and setting up the right policies to run these parastatals. But I think it is important - what is sought in this Motion - that Parliament must analyze these parastatals well before they are released for private sector management. Even last week, the Kenya Re-insurance Corporation was freed for the public to buy shares. It has now gone to the hands of *wananchi*. That is good, but it must be preceded by the right policies which have been cleared and looked into.

Mr. Temporary Deputy Speaker, Sir, I duly support this Motion. I feel that, when a State corporation is to be released from the Government so that it can be privatised, we need, in this House, to tell Kenyans very clearly the kind of policy framework that has been considered by the Government, in order to make them decide that, that enterprise should be released. We must set up the framework and say how the parastatal has been performing. We must also say the opportunities that we can seize, if it goes to the private sector. We should also determine whether those opportunities can be got for our people. Can the parastatal benefit our economy better than when it was being run by the Government?

Mr. Temporary Deputy Speaker, Sir, it is important that we look at the assets that have been created. This can only be done so that everybody becomes aware. It is this House that speaks on behalf of all Kenyans. What is passed here is what, really, Kenyans want. That is why they pay taxes, which are used to run the Government. So, when we release a Government asset or property to a private individual, group of private sector operators or sell the shares, I think this Parliament can set up some policies which will allow Kenyans to have the first opportunity to buy the shares.

This is because you will find that these Initial Public Offers (IPOs) are done very quickly. Then, you will find that some shares are held, while some are released. The whole process is not clear. I think that if we have a well-set-up policy within Parliament, then it will, really, state what actions to be taken. For example, it will state who are going to be the new owners of the new enterprise. If that enterprise is run very well as a State corporation--- Like we all know, the Postal Corporation was run very well. We also know that the Kenya Ports Authority (KPA) has been known to run very well. These are major assets which we cannot just let go. Another example is the liberalisation of the airwaves. So, we can decide and clearly say that this part, may be, will remain a Government-run operation or that part can be released; what is to be got is this and that, and we are seeking this kind of efficiency to run it.

Mr. Temporary Deputy Speaker, Sir, it is important to put our own people into private sector operations. The Government must aid their hands into becoming successful business persons. We can do this by deliberately giving them certain jobs which are bogging down the Government's activities which they can do themselves. But this must be done within a very good framework which will assist the Government in the end, and which also allows more taxes to be collected, in order to run the operations of the State.

Mr. Temporary Deputy Speaker, Sir, I really support this Motion. I also hope that it will help to stop the cheap sale of State corporations. I find some people who have failed in running their private businesses persuading certain sectors of Government, in order to be able to buy certain Government parastatals, so that they survive by just using--- Many times, they have bought them very cheaply, but have ended up also running into losses, because of poor management.

Mr. Temporary Deputy Speaker, Sir, I support this Motion and I am sure that the other hon. Members will also support it.

With those few remarks, I beg to support.

**Mr. Syongo:** Thank you, Mr. Temporary Deputy Speaker, Sir, for giving me a chance to make my contribution to this Motion. I rise to support this Motion. I want to thank and congratulate the Mover.

Mr. Temporary Deputy Speaker, Sir, as has already been said by my colleagues before, especially, the two communists who spoke before me, there is no question about it, that all parastatal investments---

**The Assistant Minister for Information and Communications (Mr. Wamwere):** On a point of order, Mr. Temporary Deputy Speaker, Sir. I hope the Chair heard the speaker refer to some "two communists" who have contributed before him. Is it in order for any hon. Member to refer to other hon. Members as communists, unless they have so declared?

**The Temporary Deputy Speaker (Mr. Poghio):** Proceed, Mr. Syongo!

**Mr. Syongo:** Mr. Temporary Deputy Speaker, Sir, my two colleagues are communists and I admire them for being that. They do not have to apologise for being communists.

It is a fact that parastatal establishments were established using taxpayers' money. For a number of years, some of them, which did not perform profitably, were sustained through subsidies using taxpayers' money. The real shareholders of all parastatals are Kenyan taxpayers. The Government is simply an agent of those taxpayers. Therefore, I support the idea that, in the event of privatising, and disposing of these assets, the public must be consulted and must be involved in giving the final approval before the disposal of the assets. There is no better assembly of representatives of the public and the taxpayers than Parliament, as established by the Constitution of the Republic of Kenya.

These parastatals, when in operation, have significant impact on the livelihood of suppliers of various inputs which sustain them. They have heavy impact on the consumers of their services and, in the welfare of their employees and families of those employees. It is only fair, again, that in

the event of a decision to privatise, these stakeholders ought to be involved and their views sought, so that the terms and conditions of divestiture, or privatisation of these assets, takes into account the views of all those it affects.

Mr. Temporary Deputy Speaker, Sir, under the current law, the exercise of negotiating the terms and conditions of divestiture, or privatising these assets, is a private affair, in the sense that negotiating is done behind closed doors. Those who negotiate and identify the so-called "strategic partners" or "investors" are but a small number of people, who are essentially at the Treasury and the institutions within the Treasury. As you saw last night, yesterday they met the so-called "investors" in, I believe, Telkom Kenya Ltd. If you watched news yesterday, it was just a small number of people making conclusive deals on the privatisation of assets and institutions that belong to the taxpayers of this country; behind closed doors.

*(Applause)*

Even where the decision is made---

**The Assistant Minister for Finance** (Mr. Kenneth): On a point of order, Mr. Temporary Deputy Speaker, Sir. I was actually going to speak when responding, but I have risen on a point of order to just wonder whether it is in order, first, for Mr. Syongo to insinuate that it is a small team within the Treasury that meets. There is a Privatisation Act, which Mr. Syongo passed, and we have followed its procedure. Is he, therefore, in order to say that, especially when he was an Assistant Minister in the Ministry of Finance, and his office is still waiting for him?

**Mr. Syongo:** Mr. Temporary Deputy Speaker, Sir, I agree they are doing it in accordance with the Act. However, Dr. Awiti is proposing that, in fact, we made a mistake and we should, therefore, amend that Act!

*(Applause)*

I think that is a very reasonable position and it is an honest one. With the benefit of hindsight, we are saying that, under the current law, the determination of who buys, under what terms and conditions he buys assets and institutions which belong to the public, is in the hands of a small clique of officers in the Treasury. The purpose of this Motion is that it should be open, and must now be vested in an institution which represents the public and the taxpayers; and that is Parliament.

Therefore, I support the idea because even where the decision is to privatise by selling shares of parastatals to the public, or to Kenyan citizens, through the Nairobi Stock Exchange (NSE), the decision, and even the terms and conditions, including the price at which you transfer these assets, is made by this small clique and the Capital Markets Authority (CMA). Even more serious is that the actual implementation is done through a small number of stock brokers in the NSE. They dispose of assets which belong to us. Thereafter, they, within themselves, decide on who the secondary buyers of these stocks are, so that you transfer assets which belong to us all into private hands through a mechanism which is not transparent, and is not open to interrogation by the Kenyan public. I do not wish to take any more time and I support this Motion fully. I hope that the Government Responder, whom I know is a fairly straightforward officer in the Treasury, will support it, so that we quickly amend the Act before all the parastatals and assets, which belong to the Kenyan public, are transferred to a few individuals in this country.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support.

**The Assistant Minister, Office of the President** (Mr. Wario): Asante sana, Bw. Naibu Spika wa Muda. Namshukuru Mwenyezi Mungu kwa fursa hii na nampongeza Dkt. Awiti kwa

kuileta Hoja hii. Ninasimama kuiunga mkono kama Mbunge.

Sitaki kuingia katika masuala ya falsafa ya kibepari na kikomunisti, kwa sababu sioni kama ndio suluhisho la matatizo yanayowakumba wananchi na Wakenya kwa jumla. Lakini kuhusu masuala ya ubinafsishaji wa mashirika ya umma, kwa sababu kama jina linavyoonyesha, ni mashirika yaliyopatikana kutokana na rasilimali za umma, ni muhimu kuwepo uwazi katika ubinafsishaji huo. Kwa nini nasema haya? Muda mchache uliopita, tuliambiwa kuwa Kenya Meat Commission (KMC) haiwezi kubinafsishwa kwa sababu itafilisika. Tuliangalia kwa muda wa miaka 15 na wafugaji hawakuwa na mahali pa kuuza mifugo wao. Leo imebinafsishwa, inaendelea vizuri, inaleta faida kwa nchi na mfugaji amepata suluhisho. Sasa ile fikra ya kusema kuwa utakapobinafsisha shirika la umma halitaleta faida si kweli.

Kuna matatizo katika sekta ya utalii. Ndege inayowaleta watalii, gari linalowapokea wafikapo uwanjani mwa ndege na hoteli wanapokwenda kulala, vyote ni za wageni. Sasa ni vipi tutazungumza juu ya kupunguza umasikini katika nchi ya Kenya ilhali ndege mtalii anayosafiria gari linalombeba, hoteli anapokwenda kulala, na hata sehemu nyingine anazokwenda kuona katika nchi ya Kenya ni mali ya wageni? Vipi basi Mwafrika, au Mkenya, ataweza kupunguza umaskini katika nchi ya Kenya? Mbunge huyu anapoileta Hoja hii hapa, anatuuliza, kama Wabunge, tutekeleze wajibu wetu. Tuchunguze kindani ili mashirika haya yasipewe watu wachache bali yalete faida kwa Wakenya kwa jumla. Tutakapofikia masuala ya ubinafsishaji, iwapo Serikali imechoka kuendesha shughuli zake, kwa nini tusitoe hisa zake kwa Wakenya wazaliwa? Kama kuna mgeni ambaye anataka kumiliki hisa, anafaa kumiliki hisa hizo kupitia kwa Mkenya.

Sina mengi; nimesimama kuiunga Hoja hii mkono.

**The Assistant Minister for Finance** (Mr. Kenneth): Thank you very much, Mr. Temporary Deputy Speaker, Sir. First of all, I would like to explain that this very House passed the Privatisation Bill. Many issues that I have heard this morning arose when we discussed that Bill. It is very important that this House scrutinises the assets of Kenyans. That was the spirit in which, when Prof. Anyang'-Nyong'o brought the Motion on Privatisation, the House endeavoured to pass.

Mr. Temporary Deputy Speaker, Sir, on issues that have gone to Initial Public Offer (IPO), there has been fair distribution to Kenyans or whoever wants to buy shares in state corporations. I am saying that because I do not think we are talking any different from those who have communicated in front of this House, for what we perceive to want. I also know it is the spirit of any Bill in this House, that it should never be cast on stone. Where and when need arises, if an hon. Member feels that he or she would like to move an amendment that would make the Act as it is today better than it has been, that leave is granted by the House. I would like to assure the hon. Member that for me, the business of Government should be in regulation and collection of taxes. The business of Government should not be to do business. I said those same words when I supported the Privatisation Bill.

Mr. Temporary Deputy Speaker, Sir, the privatisation, from ownership or from Government, to whoever comes in as the new owner, is what is of interest to this House. Therefore, it is important that we look for a transparent manner, which we catered for in the Privatisation Act. We want things that are owned by Kenyans to end up being owned by Kenyans. The Government only acts as a trustee of the Kenyan people. It is, therefore, important that when there is such privatisation, Kenyans, first and foremost, are satisfied with the process. Although that process has been placed in the Act, from what Dr. Awiti is trying - and with a lot of respect because he worked in the Ministry of Planning and National Development and he is also an economist - is to look for a further stage or scrutiny by this House such that, when there is privatisation, there are merits and demerits. Probably, that process is subject to scrutiny by a Committee of this House or by the whole House.

Mr. Temporary Deputy Speaker, Sir, the only thing that I would like to tell hon. Members,

and which would be of importance is, and, probably, the Mover of the Motion knows it very well, that from the time the privatisation process began, what the Government tried was to dispose of parastatals that kept on going back to the Exchequer for financial support. What is left are very few parastatals. The Mover should know that some of the parastatals that we are talking about now are actually less than 40, other than research-based parastatals which are of interest to every Kenyan, and may not be up for privatisation.

Mr. Temporary Deputy Speaker, Sir, the Mover should also understand that, in this particular amendment, perhaps, when it comes to issues that are going to the IPO, and which do not need a strategic partner, it might not be very feasible with these amendments because, once the Privatisation Act has been followed, and it is being floated for Kenyans to buy directly, then that scrutiny might not be necessary. At that point, the trustee is simply offering the people for whom he has been holding those particular assets. That is something that the Mover will look at. Mr. Temporary Deputy Speaker, Sir, as I conclude, I would like to say that anything that is going to be of benefit to the Kenyan people; anything that is going to bring further scrutiny to avoid any doubt on privatisation of assets that belong to Kenyans, will always be supported by the Treasury. Therefore, I want to tell Dr. Awiti that he is free to bring his amendment and we can debate it on the Floor of the House.

*(Applause)*

**The Temporary Deputy Speaker** (Mr. Poghisio): Hon. Members, let me now call upon the Mover to reply.

**Capt. Nakitare:** On a point of order, Mr. Temporary Deputy Speaker, Sir.

**The Temporary Deputy Speaker** (Mr. Poghisio): Order! We had actually moved in that direction, without realising that the hon. Member for Saboti Constituency is interested in contributing to the Motion!

Proceed, Capt. Nakitare!

**Capt. Nakitare:** Thank you, Mr. Temporary Deputy Speaker, Sir. This Motion is very important for the betterment of our country. Privatisation was accepted on the Floor of the House by the previous Government and hijacked by officers in the same Government. But there was no oversight from Parliament as to how those assets were disposed of. We may realise the consequences of privatisation after looking at the cases of Industrial Commercial Development Corporation (ICDC), Kenya Co-operative Creameries (KCC), East African Portland Cement (EAPC), Kenya Airways, Kenya Railways Corporation (KRC), Kenya Reinsurance Corporation and tourism lodges like Meru Mulika Lodge, Mt. Elgon Lodge, Sunset Hotel and Mombasa Port. That was all that was left. People wanted to buy the shares in those firms at a throw-away price. There was hue and cry from the country. We thought that we were being stripped naked. The Government would never own anything! The country would never benefit from all those corporations.

Therefore, for Dr. Awiti to come up with this amendment, I support this Motion wholeheartedly, knowing very well that anything that is for the people of Kenya must be scrutinised and authorised by Parliament.

Mr. Temporary Deputy Speaker, Sir, there were parastatals that were classified in the sense that they were security firms. They were owned by the Government. Such parastatals were also privatised. We very well remember the Kenya Posts and Telecommunications Corporation (KPTC), which was a centre that was classified because it dealt with communications which involved the defence of this country. It was also earmarked for privatisation. What consequences did we have? We never know. We have no privacy. It may be that we are looking for money or

resources, but all that has come up because of mismanagement of resources in this country. We have no professionalism or power to boast that this is a Kenyan. We say that we are proud to be Kenyans. But we also have to know that our assets are riches of the generations to come. We should allow this Parliament to make sure that whatever is to be disposed of by the Executive must be legitimised by this House.

Mr. Temporary Deputy Speaker, Sir, with those few remarks, I beg to support the Motion.

**The Temporary Deputy Speaker:** I will now call upon the Mover to reply.

**Dr. Awiti:** Thank you, Mr. Deputy Temporary Deputy Speaker Sir. I want to thank the hon. Members who have contributed to this Motion. I also want to thank the Assistant Minister for Finance, Mr. Kenneth, for the remarks he has made. The Motion is intended to improve our own performance, as a country, and to raise a few issues that require reviewing of some of our policies. If the energy, communications, water, financial and tourism sectors are owned by foreigners, what will we be left with? I think there is need for us, as a country, to review those policies. We should set up a policy framework that will help in making the transfer of public property to private ownership open and transparent. This should be done in a way that Kenyans, who are the taxpayers, will be involved.

We know that countries that have invested a lot in their public sectors give better services to their citizens. These are countries such as Cuba which, through its policy, is able, small as it is, to provide free education from nursery to the university level and free medical services. Kenya needs to learn what some of those countries have achieved. Since hon. Members have already agreed to this Motion, I do not want to bore the House with too much--- I only want to say that we will move very fast to make sure that the review is done before we are sent home.

With those few remarks, I beg to move.

*(Applause)*

*(Question put and agreed to)*

REPEAL OF RESTRICTIVE TRADE  
PRACTICES, MONOPOLIES AND  
PRICE CONTROL ACT

**Mr. Sungu:** Thank you, Mr. Temporary Deputy Speaker, Sir. I beg to move the following Motion:-

THAT, this House does grant leave to introduce a Bill for an Act of Parliament to repeal the Restrictive Trade Practices, Monopolies and Price Control Act (Cap:504 of the Laws of Kenya) and to replace the same with appropriate law entitled the Competition Act in order to reduce monopoly and collusion between firms and for matters incidental and connected therewith---

**QUORUM**

**Mr. Moi:** On a point of order, Mr. Temporary Deputy Speaker, Sir. This is an important Motion. I do not think we have enough Members in the House.

**The Temporary Deputy Speaker** (Mr. Poghisio): I do not need to do any counting to know that there is no quorum in the House.

Therefore, I order that the Division Bell be rung.

*(The Division Bell was rung)*

**ADJOURNMENT**

**The Temporary Deputy Speaker** (Mr. Poghisio): Order! Hon. Members, due to lack of quorum, the House is, therefore, adjourned until this afternoon at 2.30 p.m.

The House rose at 11.40 a.m