

# Wage Bill in the Public sector – A Qualitative Approach

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# Background of the Problem

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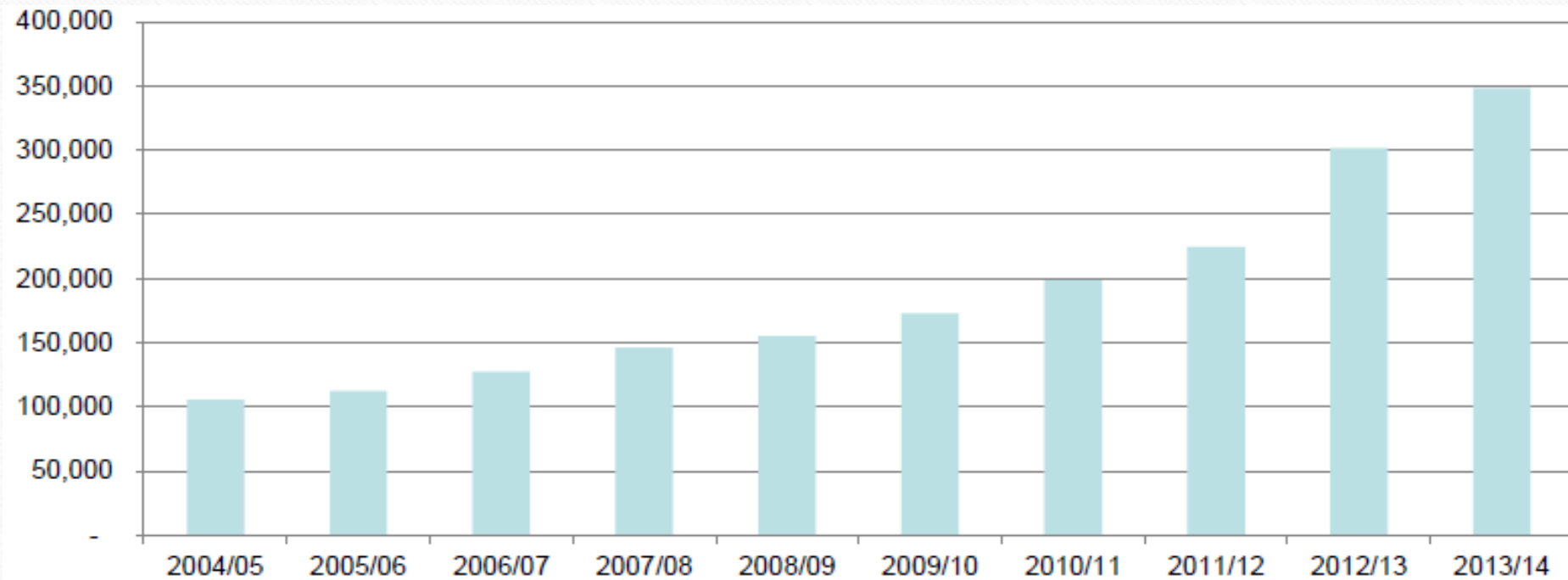
- Worldwide, there has been consistent growth in population putting pressure on demand for publicly provided for goods and services
- To provide these services effectively govts. employ human resources who are in turn compensated for the mental and or physical efforts provided
- This motivates workers and where this matches their respective qualification, workers are expected to uphold their values and living standards



## Cont...

- There is a growing fear that public spending in terms of compensation and other related expenses is getting out of control thereby affecting the expenditure on other budgetary items
- In Kenya, it is estimated that there are about 700,000 civil service workforce - one of the largest public work force compared to other SSA & other countries at par with Kenya in terms of the rate of economic growth & devt..

# Public Wage Bill since 2004/05 – 2013/14



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- This is expected to contribute towards various internal and external macroeconomic effects

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  - Crowding out resources; large fiscal deficits with macroeconomic instability- inflation, exchange rate; unsustainable public; loss of competitiveness of the economy, etc
- The trend continues to strain government's budget denying the economy the much needed resources for infrastructure and key social services
- Various strategies have been adopted by the govt to contain this:
  - Pay cut for senior govt officers, harmonization of salaries for civil servants, merging of state corporations and parastatals, among other measures
- Despite the initiatives, public sector wage bill continues to increase in nominal terms



# Methodology

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- Used a mix of qualitative and quantitative techniques to collect and analyze
- Data was largely collected through in-depth review of relevant literature – published and unpublished
- Key stakeholders in-depth interviews and group interviews related to topical issues in the field of public spending in general and wage bill in particular.
- Review of literature from various topical journals, newspapers, magazines, policy documents and briefs, among others.
- Gaps identified were filled through in-depth interviews with key stakeholders including:
  - government officials, members of the National Assembly, governors, civil servants, trade unions, employees of state agencies and commissions

# Findings

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- The promulgation of the new constitution that created:
  - the Senate arm of Parliament; Increased no. of Members of National Assembly (222 - 349 seats); political positions for women Reps; etc
  - Commissions with overlapping roles (PSC, PSC, JSC, SRC, TSC, CRA, CoB, TA, CIC etc with full secretariat
  - Governors and their deputies notwithstanding their respective secretariat and support staff
  - County Assemblies etc
- Although the National Government supposedly trimmed down the Cabinet, other offices were created that the country does not need.
  - Among these include offices such as Political Adviser to the President and the office of Digital Media and Diaspora (and their respective secretariat) whose functions can be carried out by the Ministries of Information and Communication Technology (ICT) and Foreign Affairs;
- existence of “ghost” workers both in the national and county govts based on recent head count and audit of the workers (GoK, 2014)



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- Budget allocation to festivities, luxurious vehicles, numerous foreign trips and workshops by members of Senate, National Assembly, MCAs to supposedly learn “best practices”
- Sloppy mgt of public resources by government officers which has contributed towards leakage of revenue from the system, membership to a number of regional groupings;
- High allowances
- High no of employees at both county and national govt levels



# Recommendations

- Harmonize employments by the counties with the national government
- Counties to pay their own work force
- Reduction in the number of seats in National Assembly and scrap some constitution commissions
- Commissioners should be paid per sitting since in terms of productivity it is not clear how they impact on the same
- Reduction in non-productive activities
- Comprehensive review of Allowances
- Effective and efficient implementation of pay policy reforms backed by wage policy
- Minimize on wastages of resources

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- THANKS FOR LISTENING