

REPORT OF THE COMMITTEE ON AFRICAN WAGES

Note.—Parts I, II and III of this Report were originally submitted to His Excellency the Governor on the 15th February, 1954. Since that date, legislation has been enacted giving effect to the Committee's recommendations in regard to immediate increases in statutory minimum wages (Paragraph 180). The statutory minimum wage rates referred to in this report have now been superseded by those laid down by the Special Wages Regulation Order (No. 1), 1954.

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CONTENTS

	Paragraph	Page
INTRODUCTION	1-18	1
Proceedings	3-7	1
Terms of Reference	8-17	3
Part I—The African Labour Force		
CHAPTER I—SIZE, NATURE AND DISTRIBUTION	19-18	6
Urban Employment	23-24	7
Employment in Agriculture	25-26	8
The Expanding Labour Force	27-28	8
CHAPTER II—GENERAL CHARACTERISTICS OF AFRICAN LABOUR	29-38	9
Economic and Cultural Background	30-33	10
The Effects of Climate	34	11
The African in Employment	35-38	11
CHAPTER III—THE MIGRANT OR “TARGET” WORKER ..	39-47	13
CHAPTER IV—THE FUTURE OUTLOOK	48-54	15
The Stabilization of Labour	48-50	15
The Economic Use of Labour	51-52	16
The Employment of Women	53-54	17
Part II—African Wages		
CHAPTER V—THE DETERMINATION OF WAGES	55-63	18
Methods of Wage Regulation	57-60	18
Statutory Wage Fixing	61-63	19
CHAPTER VI—WAGE FIXING IN KENYA	64-75	21
The Area Minimum Wage	66-70	21
The Wages Advisory Board	71-72	22
Wages Councils	73-74	23
Future Policy	75	24
CHAPTER VII—THE URBAN WAGE PATTERN	76-97	24
Survey of Wages in Urban Areas	78-80	24
Wages of Monthly-Paid Employees	81-87	25
Wages of Casual Labour	88-90	30
The Adequacy of Wages	91-97	31
CHAPTER VIII—WAGES IN RURAL AREAS	98-111	33
Wages in Non-Plantation Agriculture	100-102	34
Wages in Plantation Agriculture	103-105	37
The Adequacy of Agricultural Wages	106-111	38
CHAPTER IX—MISCELLANEOUS CONSIDERATIONS RELATING TO WAGES	112-127	40
Wages and National Income	112-114	40
The Mombasa African Retail Price Index	115-118	43
Wage Advances	119-121	44
The Payment of Wages	122-127	45

CONTENTS—(Contd.)

	Paragraph	Page
Part III—The Statutory Area Minimum Wage		
CHAPTER X—THE PRESENT MINIMUM WAGE—CONCEPTION, ORIGIN AND METHOD OF CALCULATION ..	128-139	49
The Minimum Wage Formula	132-139	50
CHAPTER XI—THE PROPOSED MINIMUM WAGE—THE “BACHELOR” MINIMUM	140-181	55
General Consideration of Present Formula	141-144	55
The Poverty Datum Line	145-154	57
The Effective Minimum Level	155-157	60
The Allowance for Water	158	61
The Allowance for Tax	159	61
The “Cushion”	160	62
The Additional Allowance for Housing	161-165	62
The Proposed Formula	166	63
The Minimum Wage for Ticket Contracts	167	65
Scope of Minimum Wage Legislation	168-169	65
The Costing of the Minimum Wage Formula ..	170-173	65
Adjustments in the Minimum Wage	174-176	68
The Case for One Minimum Wage	177-178	69
Implementation of Proposals	179-181	69
CHAPTER XII—THE “FAMILY” MINIMUM WAGE	182-220	70
The Poverty Datum Line	185-192	72
The Effective Minimum Level	193-194	74
Allowance for Tax	195	75
The Additional Allowance for Housing	196-198	75
Calculation of the “Family” Minimum Wage ..	199-201	76
Introduction of the “Family” Minimum Wage ..	202-210	78
Limitation of Application of “Family” Minimum Wage	211-219	82
CHAPTER XIII—STATUTORY MINIMUM WAGES IN RURAL AREAS	221-229	85
Practicability of a Minimum Wage	223-226	86
Machinery for Wage Fixing in Rural Areas	227-229	87
CHAPTER XIV—ECONOMIC IMPLICATIONS OF MINIMUM WAGE PROPOSALS	230-239	88
Part IV—Methods of Labour Stabilization		
CHAPTER XV—AFRICAN HOUSING	240-268	93
The Urban Housing Problem	246-254	95
Urban Housing Development	255-258	97
The Central Housing Board	259-262	99
Housing in Rural Areas	263-268	100

CONTENTS—(Contd.)

	Paragraph	Page
CHAPTER XVI—SECURITY FOR OLD AGE	269-279	102
Existing Pension, Provident Fund and Gratuity Schemes	271-273	102
State-Operated Schemes	274-276	103
The Housing of Retired Workers	277-279	104
CHAPTER XVII—OTHER INCENTIVES TO STABILIZATION ..	280-289	105
Provision for the Unemployed Worker	280-281	105
African Education	282-286	105
Social and Other Amenities	287-289	107

Part V—African Industry, Efficiency and Output

CHAPTER XVIII—POTENTIAL EFFICIENCY OF AFRICAN LABOUR	290-298	108
CHAPTER XIX—ASPECTS OF MANAGEMENT EFFICIENCY ..	299-328	113
The Effective Use of Labour	300-307	113
Feeding and Rations	308-311	117
Hours of Work, Intervals and Holidays	312-316	119
Other Aspects of Personnel Policy	317-319	120
Plant and Equipment	320-324	122
Organization and Control of Production	325-328	123
CHAPTER XX—EMPLOYMENT CONTRACTS	329-340	124
Ticket Contracts	330-335	125
Deductions from Wages in respect of Absence from Work	336-337	127
Notice of Termination of Contract	338-340	127
CHAPTER XXI—INCENTIVES AND SYSTEMS OF WAGE PAYMENT	341-358	128
Payment by Time	344-345	130
Payment by Results	346-348	130
Task Payment	394-351	132
Bonus Payments	352-354	133
Wage Differentials	355	134
Wage Incentives and the Minimum Wage Transition ..	356	134
Non-Wage Incentives	357-358	134

Part VI—Miscellaneous

CHAPTER XXII—SOME GENERAL CONSIDERATIONS RELATING TO EMPLOYMENT	359-364	136
Application of Employment Ordinance	359-361	136
Functions of Wages Advisory Board	362	136
The Need for Further Studies	363-364	137

CONTENTS—(Contd.)

	Paragraph	Page
CHAPTER XXIII—SUMMARY OF MAIN CONCLUSIONS AND RECOMMENDATIONS	365-417	137
CONCLUSION	418-420	153
MINORITY NOTE BY MR. F. T. HOLDEN		155
NOTE BY MR. CHANAN SINGH		169
APPENDICES		
APPENDIX A.—QUESTIONNAIRE		171
APPENDIX B.—LIST OF WITNESSES		173
APPENDIX C.—TABLE SHOWING MOVEMENT IN STATUTORY MINIMUM WAGES, 1944-1953		177
APPENDIX D.—AFRICAN WAGES IN URBAN AREAS OF KENYA: JULY, 1953		179
APPENDIX E.—THE WAGES REGULATION ORDER, 1953		191
APPENDIX F.—THE DEDUCTION FROM WAGES (RATIONS) ORDER, 1952		192
APPENDIX G.—THE DIETARY ASPECT OF THE STATUTORY MINIMUM WAGE (by E. M. Case, M.A., Ph.D)		193
APPENDIX H.—LABOUR DEPARTMENT RECOMMENDED RATION SCALES		200

YOUR EXCELLENCY,

INTRODUCTION

Under General Notice No. 841, published in the Official Gazette of the 14th April, 1953, you were pleased to appoint a Committee with the following terms of reference:—

“To consider and report upon the adequacy of African cash wages and other conditions and benefits of employment, and to give special consideration to the following questions:—

- (1) Whether the existing terms and conditions of employment could be so altered as to provide African workers with greater incentives to industry, efficiency and increased output.
- (2) Whether the present method of calculating the statutory minimum wage in urban areas is reasonable.
- (3) Whether all or any of the findings of the Committee should be extended to areas outside municipalities and towns.”

2. As originally constituted, the Committee consisted of nine members. Under General Notice No. 1274 of the 11th June, 1953, you were pleased to appoint two additional members in the persons of Mr. J. E. Claridge and Mr. J. G. Njoroge. The latter, however, found it necessary to withdraw from the Committee soon after his appointment and has not, therefore, taken any part in the Committee's proceedings. We, the remaining members of the Committee, now have the honour to submit our Report.

Proceedings

3. In view of the obviously wide implications of the Committee's terms of reference, it was decided to give the widest possible publicity to them and to the desire of the Committee to receive evidence. A Press conference was accordingly held by the Chairman and notices, inviting the submission of evidence, were inserted in both the English and vernacular Press. The invitation to submit evidence was also broadcast by Messrs. Cable and Wireless.

4. A further measure adopted with the object of provoking discussion and sounding public opinion upon the more obvious aspects of the Committee's work was the preparation and distribution of a questionnaire. The questionnaire, which is reproduced as Appendix A to this report, was sent (together with explanatory notes) to employers' and workers' associations, local authorities, district production committees and other interested bodies, and produced a lively and gratifying response. The first distribution of the questionnaire was

followed by a heavy demand for further copies, both from the original recipients and from others interested in the Committee's work. All these demands were met and, in the result, there can be few parts of the Colony which the questionnaire has not reached, and few persons actively concerned with the Colony's labour policy who have not had the opportunity of studying the questionnaire and replying to it.

5. As a method of securing the submission of written evidence, the questionnaire approach undoubtedly has much to recommend it. It is a *personal* approach. It provokes discussion and thought. It ensures that a Committee's terms of reference are brought in a simple and direct manner to the notice of the persons most directly affected. The submission of evidence is encouraged and its analysis simplified. Against these advantages, however, must be set a serious disadvantage, namely the *delay* in receiving evidence. The Committee's own questionnaire was distributed early in May, 1953, and replies were requested not later than the 30th June, 1953. In the event, however, few replies were received before July, 1953, and, in many cases, the delay was considerably longer. These delays, while perhaps of little account in themselves, seriously hampered our arrangements for the taking of oral evidence. We make these remarks here in some slight justification, if such be needed, of the time taken to prosecute our inquiries and prepare our report.

6. Written memoranda, submitted either by way of reply to the Committee's questionnaire or on particular matters coming within the Committee's terms of reference, were received from 91 different sources, including employers' associations, trade unions, local authorities and district production committees. In the course of its meetings, the Committee also took oral evidence from 93 witnesses. The names of witnesses are given in Appendix B.

7. The Committee has held 21 meetings. These have been mainly in Nairobi, but visits have also been paid to Mombasa, Nakuru, Kericho, Soy, Eldoret and Kitale. A Sub-Committee set up to study the method of calculating the statutory minimum wage in urban areas (and consisting of the Chairman, Mr. F. T. Holden, Mr. S. Duckett and the Secretary) has met on 11 occasions and interviewed a number of specialist witnesses. Various inquiries have been made into wages and other conditions of employment, the most important of these being the large-scale urban wage survey initiated by the Committee and carried out jointly by the Labour Department and the East African Statistical Department during the months of August and September, 1953. In our study of wages and other employment problems, we have had frequent recourse to reports and publications produced in both Kenya and other territories. Reference and, we hope, appropriate acknowledgment to these other publications will be found in the text.

Terms of Reference

8. Throughout our deliberations, we have been conscious of a certain latitude or indefiniteness in our terms of reference. For this reason, it appears appropriate in these introductory paragraphs to refer briefly to the interpretation which we ourselves have placed upon them.

9. As understood by us, our terms of reference are generally "to consider and report upon the adequacy of African cash wages and other conditions and benefits of employment"—we shall refer to this as the "Main Head"—and, *in doing this*, to give special consideration to three particular questions, viz.—

- (1) whether the existing terms and conditions of employment could be so altered as to provide African workers with greater incentives to industry, efficiency and increased output (Sub-head A);
- (2) whether the present method of calculating the statutory minimum wage in urban areas is reasonable (Sub-head B); and
- (3) whether all or any of the findings of the Committee should be extended to areas outside municipalities and towns (Sub-head C).

While these three particular questions to which our attention is directed are all related, in one way or another, to the larger question of "adequacy of African cash wages and other conditions and benefits of employment", they are clearly *not necessarily* related to each other. It is equally clear that our answers to either the main question or any of the subsidiary questions will not necessarily be conditioned by answers given to the remaining questions. These arguments are developed at greater length in the sections of this report dealing with incentives in relation to wages.

10. *Main Head*.—"Adequacy" is relative, and the question of whether African cash wages and other conditions and benefits of employment are *adequate* will obviously depend upon the view-point of the inquirer. Wages may be considered to be adequate in relation to output, but inadequate to support a healthy, decent existence. Again, while adequate for the bare essentials of health and decency, they may well be inadequate to produce a mentally and physically effective worker. Wages may also be fully adequate in relation to the needs of a single man, but completely inadequate if we are also to consider the needs of a dependent wife and family. In the final analysis, our assessment of what is and what is not adequate must be related to the Colony's African wages policy or what we, as a Committee, consider that wages policy should be. In the later sections of this report, we shall consider the subject of the adequacy of African wages in greater detail and attempt to formulate the basis of a realistic wages policy.

11. In considering the adequacy of the African worker's emoluments, we are required—and properly so—to take into account not only his cash wages, but also those other benefits of employment such as free rations, housing and medical attention, commonly referred to as “hidden emoluments”. We are also required, by our main term of reference, to examine and report upon the adequacy of the African worker's “conditions” of employment. Here we are on less sure ground, but have assumed that what is intended is that we should study the conditions governing African employment, including those conditions of a statutory nature, and, if not satisfied as to their *suitability*, make recommendations for their improvement.

12. *Sub-head A.*—The question of whether “existing terms and conditions of employment could be so altered as to provide African workers with greater incentives to industry, efficiency and increased output” calls for an examination of the factors controlling existing terms and conditions of employment. In general, these are of two kinds. There is the control given by the labour laws of the Colony and, in particular, by the Employment Ordinance (Cap. 109). There is also the control implicit in any contract of employment between master and servant. The subject of the African's industry, efficiency and output, and of his reactions to incentive schemes, is discussed at some length elsewhere in this report, but it may assist in the study of the intervening text if we give here our views on certain fundamental aspects.

13. We regard the problem presented by the relatively low industry, efficiency and output of the *average* African worker as one that can ultimately only be solved by management—with or without the co-operation of labour. Incentive schemes, properly devised and applied, can undoubtedly contribute to the solution of that problem but, again, the initiative for such schemes must rest with managements. We regard it as completely unrealistic to suppose that legislation can be so framed as to *encourage* workers to greater industry, efficiency and output. We would also strongly deprecate the use of legal sanctions against a worker who did not reach the standards of industry, efficiency or output set by his employer. We consider that Government can make a *positive* contribution to the solution of this admittedly difficult problem both by providing advice on incentive schemes, and on the various aspects of work planning and labour management, to employers genuinely seeking such advice, and by creating, *outside* the worker's place of employment, such conditions, social and economic, as will induce in the worker a desire to improve his standard of living and increase his wage-earning capacity.

14. In the preceding paragraph, reference has been made to the undesirability (and impracticability) of legislating, in any positive sense, for increased industry, efficiency and output. It is, of course, equally undesirable that the legislation should contain anything likely to act as a *deterrent* to individual effort. We have examined the labour legislation with this consideration in mind, and shall have various amendments to propose in this connexion.

15. *Sub-head B.*—In considering whether “the present method of calculating the statutory minimum wage in urban areas is reasonable”, we have considered ourselves free to examine not only the details of that method but also the principle or conception upon which the method is based. This approach is reflected in the recommendations which we make on this subject.

16. *Sub-head C.*—The requirement that we should give special consideration to the question of whether our findings (by which we assume is meant our “recommendations”) should be extended to “areas outside municipalities and towns” appeared to carry with it the implication that we were *primarily* to concern ourselves with conditions in urban areas. While attempting to do this, we have nevertheless been conscious throughout of the difficulty, if not impracticability, of dissociating the rural worker from any consideration of wages or other conditions of employment likely to affect workers in urban areas. Approximately half of the African labour force outside the native land units is employed in agriculture. Many others are in non-agricultural employment in “areas outside municipalities and towns”. All are subject to the Colony’s labour laws, and subject also to the economic and social forces operating within the Colony. The earnings of the majority of these workers are influenced, in some measure, by the urban wage pattern, often to such an extent as to make the two virtually interdependent. The rural worker may, it is true, be less dissatisfied with his wages and other conditions of employment than his urban counterpart, and less beset by the social and economic ills associated with the Colony’s present development trends; but these differences are of degree only and it would be quite unrealistic, in our submission, to regard urban and rural workers as other than members of the same labour force or the problems of their employment as other than different aspects of the same problem.

17. In certain sections of our report, we have found it convenient to consider urban and rural employment under separate headings. This has been done partly for ease of presentation and partly because the problems of employment in urban and rural areas do not always conform to the same pattern. We would emphasize, however, that this in no way affects our views, expressed above, as to the essential unity, and community of interest, of the Colony’s African labour force.

18. Our report is presented after full and careful consideration of the evidence submitted to us. If it has shortcomings, we would ask that they be set against the wide range of the subjects to be covered and the limited time at our disposal.

Part I—The African Labour Force

CHAPTER I

SIZE, NATURE AND DISTRIBUTION

19. The employment enumeration carried out by the Labour Department in November, 1952, showed that approximately 434,500 African workers were in employment outside the native land units. Table I shows the area distribution of this labour force within the three main industrial divisions of "Private Industry (Agriculture)", "Private Industry (Non-Agriculture)" and "Public Services".

Table I
DISTRIBUTION OF AFRICAN EMPLOYEES BY AREAS—NOVEMBER, 1952

AREA	NUMBER OF EMPLOYEES			
	Private Industry		Public Services	Total
	Agri-culture	Non-Agri-culture		
CENTRAL PROVINCE—				
City of Nairobi	—	41,216	24,882	66,098
Nairobi District	20,754	5,853	3,025	29,632
Other Districts	49,421	12,561	15,984	77,966
Total	70,175	59,630	43,891	173,696
RIFT VALLEY PROVINCE	93,065	20,559	20,251	133,875
NYANZA PROVINCE	41,060	12,591	16,453	70,104
COAST PROVINCE—				
Mombasa Municipality	—	19,410	11,981	31,391
Other Districts	11,539	2,946	4,401	18,886
Total	11,539	22,356	16,382	50,277
NORTHERN FRONTIER PROVINCE AND MASAI DISTRICT	—	1,996	4,591	6,587
TOTAL ALL AREAS	215,839	117,132	101,568	434,539

From a study of this table, it will be seen that some 173,000 workers, or 40 per cent of the total African labour force, were concentrated in the Central Province, and that the Rift Valley Province accounted for a further 31 per cent of the total. Roughly 77 per cent of all workers were employed in private industry, and 23 per cent in the "public services".

20. By employment in the "public services" is meant employment in the services of the Government of Kenya, the High Commission or Local Authorities. Such employment is so predominantly of a non-agricultural nature that we feel entitled to regard it, for our present purposes, as in fact "non-agricultural employment". If that interpretation be accepted, it will be seen, by reference to Table I, that the Colony's African labour force is almost equally distributed between agricultural and non-agricultural employment.

21. No up-to-date figures are available as to the tribal composition of the African labour force. What information there is, however, suggests that the division is roughly one-third Kikuyu, Embu and Meru; one-third Nyanza tribes; and one-third other tribes.

22. An interesting, but not unexpected, feature of African employment is the overwhelming preponderance of adult male workers. Over the whole working population, the distribution is approximately 81 per cent adult males, 9 per cent women and 10 per cent juveniles (i.e. persons under the apparent age of sixteen). In the case of non-agricultural (including public service) employment, this feature is even more marked, the approximate distribution being— 97 per cent adult males, 1.5 per cent women and 1.5 per cent juveniles. Table II sets out the numerical distribution of African employees by sex within the three main industrial groupings.

Table II
DISTRIBUTION OF AFRICAN EMPLOYEES BY SEX—NOVEMBER, 1952

INDUSTRIAL GROUPING	NUMBER OF EMPLOYEES			
	Men	Women	Juveniles	Total
PRIVATE INDUSTRY—				
Agriculture	139,313	36,901	39,625	215,839
Non-Agriculture	112,392	1,995	2,745	117,132
PUBLIC SERVICES	99,663	1,458	447	101,568
TOTAL ALL INDUSTRIES	351,368	40,354	42,817	434,539

Urban Employment

23. It is estimated that almost three-quarters of the *non-agricultural* labour force is employed in the urban areas, approximately 45 per cent being concentrated in the municipalities of Nairobi and Mombasa. In general, the pattern of their employment appears to follow that common to the unskilled and semi-skilled urban working populations in other countries. One unusual feature, however, is the large number of workers employed in domestic service, this latter occupation accounting for roughly 17 per cent of all African

workers in private (non-agricultural) employment. We have already remarked upon the almost exclusively adult male character of non-agricultural labour. Outside domestic service, it is still a comparatively rare occurrence to find African women or juveniles in urban employment.

24. The great majority of urban workers are employed on a monthly contract basis, the ticket contract now being comparatively little used outside agriculture. The employment of *casual* labour is most marked at Mombasa where it is regulated by the Employment (Casual Labour) Rules, 1949. The main object of these Rules is to create a pool of experienced dock-workers and, by restricting their numbers, ensure that their earnings do not fall below a subsistence level. In October, 1953, the number of registered casual labourers in the Mombasa "pool" stood at 4,600. The demand for casual labour in other urban areas of the Colony tends to be seasonal and to be dictated by such factors as the return of regular employees to the reserves to attend to their own farms. A marked increase in demand has also been noted with the general resumption in building activity which takes place after the long rains.

Employment in Agriculture

25. We have seen that approximately half of the Colony's total African labour force outside the native land units is employed in agriculture. That this should be so is, of course, a logical result of the part, the major part, that agriculture plays in the country's economy. It is also of significance to the agricultural employer that the type of employment he offers is that best suited, and with most *natural* appeal, to the average African who leaves his reserve.

26. Of the agricultural labour force, approximately half are employed in mixed farming in the European Highlands, the remainder being mostly employed in plantation industries such as coffee, tea, sisal and pyrethrum. The composition of this labour force, as shown by the 1952 labour enumeration, was—65 per cent men, 17 per cent women and 18 per cent juveniles. Much agricultural work, particularly on plantations, is of a seasonal nature and this undoubtedly accounts, in large measure, for the comparatively high percentages of female and juvenile workers. The seasonal nature and other special features of agricultural employment are also reflected in the types of contract under which workers are engaged. While the majority (69 per cent) are employed on a monthly or ticket contract basis, 21 per cent—what may be described as the "static" labour force—are "resident labourers", and 10 per cent are classified as "daily-paid casual labourers".

The Expanding Labour Force

27. Before we leave this somewhat cursory study of the African labour force, it will be of interest to examine the way in which this force has changed in numbers and industrial distribution over the last few years. The main statistics of African employment in the years 1948 and 1952 are set out in

Table III

DISTRIBUTION OF AFRICAN EMPLOYEES BY MAIN INDUSTRIAL GROUPINGS—1948 AND 1952

INDUSTRIAL GROUPING	YEAR 1948		YEAR 1952	
	Number in Employment	Percentage of Total	Number in Employment	Percentage of Total
PRIVATE INDUSTRY—				
Agriculture	192,602	50	215,839	50
Non-Agriculture	103,912	27	117,132	27
PUBLIC SERVICES	89,053	23	101,568	23
TOTAL ALL INDUSTRIES ..	385,567	100	434,539	100

Table III. Reference to this table shows that although, during the period 1948 to 1952, the total African working population increased by some 49,000, or 13 per cent, the percentage distribution of workers between the main industrial groups has remained virtually the same. There is no record of any large-scale unemployment, either in agriculture or non-agriculture, in the period under review, so that we can assume that, by and large, the African worker has been free to choose the type of his employment. That being the case, it is difficult to reconcile these statistics with the apparently widely-held view that the "attractions" of urban employment appeal with equal force to all African workers, and that the African employment situation is characterized by an increasing drift of workers from agriculture to the towns. The position would rather appear to be that the African worker, like workers of other races, seeks his livelihood in that sphere of employment best suited to his individual aptitudes, inclinations and convenience.

28. The growth of the employed African labour force during the period 1948 to 1952 appears to be more than can be accounted for by the natural African population increase during that period, and points to an increasing urge on the part of Africans to seek employment outside their native land units.

CHAPTER II

GENERAL CHARACTERISTICS OF AFRICAN LABOUR

29. The African worker is a person conditioned, like the rest of mankind, by the circumstances of heredity, environment and upbringing. From his forebears he has inherited the customs and mental attitudes developed in a primitive society. His early environment and upbringing have, in the vast majority of cases, been those of the reserves. None of these circumstances is calculated to fit the African for employment in a western environment, and his effectiveness as a worker will, therefore, clearly depend upon his individual

adaptability and intelligence and the nature of the external influences brought to bear upon him. These external influences are most likely to bring success if they are planned with a due regard to the African's economic and cultural background and his probable reactions to the situations which he will be called upon to face.

Economic and Cultural Background

30. Most of the available evidence suggests that the majority of Africans in the reserves suffer from some degree of malnutrition, the condition being most marked in the younger children. This wide prevalence of malnutrition appears to be due more to a general unbalance of diet, or deficiency in intake of certain essential nutrients, than to an inadequacy of overall food intake. In commenting upon the subject of African malnutrition, the Committee on Nutrition in the Colonial Empire (1939) wrote—"This must result not only in the prevalence of specific deficiency diseases but in a great deal of ill health, lowered resistance to other diseases, and a general impairment of well-being and efficiency". Similar views have been advanced by other authorities and, in the light of them, it is clearly illogical for us to expect that the African worker, newly arrived from the reserve, will be capable of that concentrated and sustained physical effort which we like to associate with the western conception of manual work.

31. A general indication of the way in which the adult African male fits into the economic background of his reserve is given by Dr. C. H. Northcott in his *African Labour Efficiency Survey* (H.M.S.O.: 1949). Dr. Northcott writes—

"The East African has not been bent under the discipline of organized work. In his primitive economy, the steady, continuous labour is carried out by women. In respect of the few working activities which in the past occupied him he was free and independent. Though the tasks he performed were prescribed by tribal law and custom, he could do them in his own way and at his own speed, for to him time had no economic value. The work he did for others was not for wages but was one of the duties arising out of his relationship with his fellows. He gave satisfaction by his work and he derived a measure of contentment from it. In these circumstances he was willing to do what was required of him. To work steadily and continuously at the will and direction of another was one of the hard lessons he had to learn when he began to work for Europeans."

To this assessment of the African's economic background, it seems only necessary to add this—that, to the African, the economy of his tribal existence is simple and straightforward; that he understands the various factors affecting that economy, and sees how his own labours and those of his family fit into the economic pattern.

32. The effect of early *cultural* environment upon African character and mental attitudes has been outlined for us by Dr. J. C. Carothers in his interesting and instructive monograph *The African Mind in Health and Disease* (World Health Organization, Geneva: 1953). We are told by Dr. Carothers that the whole cultural background of the African is calculated to discourage any form of individuality; that his life is governed by a mass of rules designed to cover every sort of contingency; that he reaches maturity at an early age; that he does things, or does not do them, according to the established rules and customs of the tribe.

33. The picture thus painted of the African's economic and cultural background can hardly be considered inspiring to a Committee charged with the duty of examining methods of providing African workers with "greater incentives to industry, efficiency and increased output". One conclusion stands out with convincing clarity. We cannot *hope* to produce an effective African labour force until we have first removed the African from the enervating and retarding influences of his economic and cultural background.

The Effect of Climate

34. Several writers have expressed the view that climatic factors are a main contributory cause of the African's lack of initiative and disinclination for sustained work. That argument, however, must be considered to be of extremely doubtful validity when applied to the up-country areas of the Rift Valley and Central Provinces, where the bulk of the African working population of Kenya is concentrated.

The African in Employment

35. Various factors operate to impel the African to take up employment outside the reserves—the pressure of land scarcity; the urge towards a higher standard of living; a preference for industrial employment; a craving for the advantages or, at least, the "trappings" of western civilization; the need to pay taxes or "bride-price"; the desire to purchase trade goods. Few Africans, however, leave their reserves with any intention of cutting themselves off permanently from tribal influences and this consideration—the lack of any *intention* of permanency—must undoubtedly affect the African's whole approach to industrial employment.

36. As a wage-earner outside the reserves, the African finds himself in an impersonal world with customs and standards different from his own, whose economic laws he is unable to understand, where the rule of cause and

effect operates with a ruthless impartiality, where success is reckoned in terms of cash, and where the achievement of success depends on the exercise of personal initiative and effort. We have seen that, without previous experience of employment and life outside the reserves, the African is sadly ill-equipped, both as worker and individual, for this new environment. To convert him into an effective worker will clearly require the expenditure of much time and labour, and the exercise of much tolerance and understanding. Few employers, however, are prepared to expend time and labour on the *training* of workers unless there is a reasonable prospect of such workers remaining permanently with them; this undoubtedly provides one explanation of why so few Kenya Africans ever advance to the stage of becoming skilled workers.

37. We have, we think, shown that the African's failure to meet his employer's requirements is more likely to be attributable to the factors by which he is conditioned—his economic and cultural background, and the "temporary" nature of his life outside the reserves—than to any inherent laziness or lack of desire to learn. We are satisfied, however, both from our own observations and from the evidence given before us, that the African *can* be made to play an effective part in a modern industrial economy. There is little evidence to suggest that the general standard of malnutrition is such that it will not respond to better feeding. Nor is there reason to believe that the African cannot, to some extent, be conditioned anew as regards his habits and mental attitudes once he has been removed from his tribal influences and permanently settled outside the reserve. Applied to the whole African working population, the process of reconditioning will undoubtedly take a long time, and the result will not necessarily be a labour force similar in all respects to its European counterpart. In this latter connexion, it is of interest to note the following assessment by Biesheuvel of the educated African of the first generation (as quoted by Carothers), viz. :—

"He acquires skills without a tradition of craftsmanship; technical knowledge without any experience of the industrial society to which it pertains and which is, therefore, easily forgotten or misapplied; higher learning without the historical and cultural background which gives it its full meaning; professional skills without much awareness of the public duty that their practice imposes."

38. We have seen that the basic condition for the emergence of an effective African labour force is the removal of the African from his tribal influences and his permanent resettlement outside the reserves. In our next chapter, we shall discuss one of the major obstacles to such a development, viz.—the system of migrant or "target" labour.

CHAPTER III

THE MIGRANT OR "TARGET" WORKER

39. In this country, as in other parts of Africa, the employment situation is characterized by a continuous movement of workers to and from the reserves. This feature of African employment, which is accentuated in Kenya by the proximity of the reserves to the centres of employment, may be considered to be a primary cause of the general ineffectiveness of the African as an industrial worker.

40. Of a total of some 350,000 adult male African workers in employment outside the reserves, it is estimated that more than half are of the migrant or "target" type; that is to say, they are workers who have left the reserves for a specific purpose—for example, to earn sufficient money to pay tax, replenish a wardrobe or acquire a wife or, perhaps, merely for a change of environment—and return to the reserves once that purpose has been achieved. Many of them spend no more than six months outside the reserves in any one year and, for all practical purposes, they may be regarded as *temporary* workers.

41. Even among those workers not falling within the category of migrant labour, there is little *permanency* of employment in the generally accepted sense of that term. Most of them retain their connexion with tribal life; they constantly change their employment; and there are few who, even after long periods of employment outside the reserves, are not liable, with little or no provocation, to pack up their belongings and return to their native land holdings.

42. This general instability of African labour is reflected in the high labour turnover common to practically all the Colony's industries. The following table (Table IV), based on statistics supplied by employers, shows the position in private industry in the municipalities of Nairobi and Mombasa for the month of July, 1953:—

Table IV
DISTRIBUTION OF AFRICAN EMPLOYEES IN PRIVATE INDUSTRY BY LENGTH OF SERVICE—
JULY, 1953

	LENGTH OF SERVICE IN YEARS										
	Under 1	1	2	3	4	5	6	7	8	9	10 and over
	Percentage Distribution										
	%	%	%	%	%	%	%	%	%	%	%
Nairobi	48	20	12	6	3	3	2	1	1	1	3
Mombasa	40	17	12	8	6	4	2	2	1	1	7

It will be seen that, in Nairobi, 48 per cent of African workers had less than one year's service in the undertakings in which they were employed at the time of the survey; 80 per cent had been employed for not longer than two years; and only 3 per cent had a record of service of more than 10 years. In Mombasa, the corresponding figures were 40 per cent, 69 per cent and 7 per cent respectively. There is reason to think that labour tends to be rather more stable in the public services, but the position, even there, is one that can only be viewed with misgiving.

43. What are the effects upon industry of such a high labour turnover? They are briefly these:—lowered efficiency and output, due to the use of only partly trained workers; the necessity for more training and supervisory staff; spoilage of materials and damage to plant, due to unfamiliarity with production methods; and greatly increased production costs. Upon the African worker himself the effects are likely to be equally disastrous. He can seldom attain any degree of skill, or the satisfaction and self-respect which go with such attainment; he has little sense of responsibility towards either his work or his employer; he suffers from a sense of frustration in that his wage and his living standards must remain those of the unskilled labourer.

44. In the preceding paragraphs we have, we think, made it clear that we regard the system of migrant or "target" labour as definitely prejudicial to the country's economy. We must now consider how that system has developed and attempt to explain why, after more than half a century of European settlement, it should still remain so marked a feature of our economy. The reasons are not hard to find.

45. Lord Hailey, in considering the problems of African employment, has written as follows:—

"The situation presents features essentially different from those of Europe. There the development of wage labour has generally involved the permanent concentration of the workers at the place of employment, and this has carried certain necessary consequences; the dependence of the worker on his wage as his sole source of income; a continuity of residence which means that the new centres grow into organized wholes; and the recognition that the growth of these urban populations imposes on the community certain responsibilities towards the wage labourer in the form of provision for social services and, most important of all, the maintenance of that section which is deprived of employment by fluctuations in trade. In Africa the organization of wage labour has proceeded on the assumption that, except where farms are worked by squatter labour, the homes of the labourers will continue to be in the native areas, and that responsibility towards them will be discharged if they are remunerated at rates suitable to the single man and are adequately fed and housed in their temporary place of employment."

(*An African Survey*: page 709.)

This statement, by an acknowledged authority on African affairs, supplies not only the reason for the existence of our present system of migrant labour, but also the methods by which, if we so wish, we can rid ourselves of it.

46. The migrant labour system has developed because to the great majority of the country's employers it has represented *cheap* labour. Whether or not such labour is really cheap, in relation to its quality and output, is a matter which will be discussed later in this report. The consideration that it has *appeared* cheap, and that it was available in apparently unlimited supply, has been sufficient to discourage employers from concerning themselves with such matters as individual productivity and the effective use of labour. That then, roughly, is the position as it has remained up to the present.

47. As Lord Hailey has pointed out, an inherent feature of the migrant labour system is the assumption that the home of the labourer will continue to be in the native land unit. It is only by retaining his stake in the reserve, and by returning there at frequent intervals, that the African worker can ensure, for both himself *and* his family, the minimum requirements of sustenance, a house in which to live, and security for old age. It follows that, if we are to induce the African worker to sever his tribal ties, and convert him into an effective working unit, we must be prepared to offer him, in his new environment, advantages at least as favourable as those he already enjoys in the reserve.

CHAPTER IV

THE FUTURE OUTLOOK

The Stabilization of Labour

48. In a previous chapter, we have seen how the African's mental attitudes and his reactions to the circumstances of industrial employment are conditioned by his tribal background. We have also noted the detrimental effect of the migrant labour system upon the country's economy and have indicated that, in our view, the essential pre-requisite for the creation of an effective African labour force is the stabilization of African labour and the severance of its ties with the reserves. We are encouraged in that view by the nature of much of the evidence presented to us. We are also conscious that there are other considerations, apart from those of productivity, which emphasize the need for the stabilization of African labour. Prominent among these is what the Committee of Inquiry into Labour Unrest at Mombasa (1945) described as "a growing recognition of the social evils (overcrowding, malnutrition, prostitution, venereal disease, juvenile delinquency, etc.) which are seen to result from the employment of migrant labour in towns". These social evils, noted in 1945, have now reached serious proportions. Also

important, by reason of its profound economic and social implications, is the consideration that the migrant labour system—with its implied acceptance of the adult male, rather than the family, as the consumer unit—must indirectly entail a degree of dependence of industry upon the resources of the African reserves.

49. The problem of stabilizing labour, whether in rural areas or in the narrower confines of the towns, resolves itself into one of providing such conditions, both social and economic, as will induce the African to sever his ties with tribal life and virtually start life afresh in a new environment. Later in this report we shall discuss and recommend ways of achieving this. For the present, it will be sufficient if we indicate what, in our opinion, are the more obvious or basic conditions. They are—the payment of a wage sufficient to provide for the essential needs of the worker and his family; regular employment; a house in which the worker and his family can live; and security for the worker's old age. At a later stage—when we have reached our objective—consideration will also obviously have to be given to the problems arising from unemployment among a stabilized working population.

50. **Most of the recommendations which we shall make are based on the assumption that the need for the stabilization of African labour is accepted, and that the Government of the Colony is prepared to regard such a development as a major aim of its economic and social policy.**

The Economic Use of Labour

51. The tendency, noted earlier, to regard African labour as “cheap” labour has inevitably resulted in extravagance—one might almost call it a *reckless* extravagance—in the use of labour. We shall have more to say on the subject of labour usage in later sections of this report. We shall also have certain recommendations to make which, if accepted, will result in a gradual increase in the African wage level and, we think also, in the level of African productivity. Both these developments—increased wages and increased individual productivity—can be expected to bring about both a greater appreciation of the value of labour and a greater economy in its use. This greater economy in the use of African labour is likely to be achieved in one of two ways—either by securing the same output from a reduced labour force, or by using the same labour force to produce more. We believe that, at the outset at least, many employers will be forced to adopt the first of these alternatives. The majority of the employees rendered superfluous by the drive towards a more economic use of labour will, no doubt, eventually be able to find fresh employment in our still expanding industries. We see little likelihood, however, for some years to come, of any substantial *increase* in the size of the employed African labour force.

52. The process of labour stabilization, involving the permanent settlement of African workers with their families in the towns and European settled areas, should provide some relief for the present population pressure in the reserves, but the extent of that relief will clearly be limited and is likely to be more than offset, in the long run, by the restrictions upon adult male employment. One result of the curtailment of the system of migrant or "target" labour is almost certain to be an increased demand for industrial development within the African reserves and an acceleration of the movement from a subsistence towards a cash economy. Such development is patently desirable and is one which, in our view, should receive the maximum official encouragement.

The Employment of Women

53. The employment of women for seasonal work in agriculture has already been remarked upon. Such employment is a common feature of most agricultural economies, and is especially to be expected in a country where it is women's traditional role to attend to the family *shamba*. We have also noted that comparatively few African women are employed in the Colony's urban areas. Several possible reasons suggest themselves for this, the more obvious being—the opposition of the African male; the inability or unwillingness of the women to adapt themselves to new conditions; and the reluctance of employers to depart from established routine.

54. We do not subscribe to the view, put to us by certain witnesses, that, in assessing what constitutes a reasonable or fair wage for the urban African male worker, account should be taken of the earning capacity of his women-folk; nor do we believe that the long-term interests of African society, or of the Colony generally, would be served by any mass drive to persuade women to enter urban employment. The increased employment of women can, however, be expected to be a natural and inevitable accompaniment of African social and economic advance, and we are satisfied that, properly controlled, and kept within reasonable limits, it can be a healthy and even desirable development. There is quite clearly an increased scope for such employment in domestic service, which at present absorbs far too high a proportion of the more intelligent and more socially advanced section of the adult male population. Other opportunities for female employment exist in our secondary industries, notably in the textile and hosiery trades, laundry work, and the sorting and packing of various commodities. In the few instances where women have already entered factory employment, the experiment appears, on the whole, to have been successful. In other countries, the female worker has become an important factor in the national economy, and there appears to us no obvious reason why, in the course of time, she should not attain a similar significance in the economy of our own country.

Part II—African Wages

CHAPTER V

THE DETERMINATION OF WAGES

55. Left to find their own level, wages will largely be determined by economic forces, i.e. by "the law of supply and demand". Where there is a scarcity of labour, there will be competition for labour and wages will be forced up. A plentiful supply of labour will, on the other hand, tend to depress wages. In the latter event, there is a very real danger of wages being forced below the level required for workers' subsistence.

56. In most countries, the need is now accepted for restraining the free play of economic forces in relation to wages, and for exercising some control or influence over wage trends. This is particularly the case as regards the lowest level of wages, i.e. the wages of unskilled labourers. There is an increasing acceptance, by both Governments and employers, of the principle that any worker who gives the whole of his labour to one employer should be entitled to the payment of at least a *living wage*.

Methods of Wage Regulation

57. The normal methods of regulating wages are—

- (a) by collective agreements freely negotiated between employers or associations of employers and organizations representative of the workers concerned; and
- (b) by the statutory fixing of minimum wage rates, usually in consultation with representatives of the employers and workers.

58. The first method—the voluntary negotiation of wages between labour and management—has long been a feature of industrial relations in the United Kingdom. The following is taken from the *Industrial Relations Handbook*, issued by the Ministry of Labour and National Service:—

"For eighty years the State has recognized 'collective bargaining' as the normal means of settling wages and working conditions and more recently has actively encouraged the establishment of joint agreed machinery in industry. This system of self-government in industry has been of slow growth and it is still extending its influence. It relies for its strength mainly on the organization of employers and workers into voluntary bodies which are competent to represent their members."

59. The basic condition for the successful operation of collective bargaining is the effective organization of both employers (into employers' associations) and workers (into trade unions). For its smooth functioning, there must also be agreement on the methods of conducting negotiations and on the procedure to be followed, as regards conciliation and arbitration, in the event of failure to reach agreement. In the United Kingdom, the State has assisted in this by such measures as the provision of conciliation machinery, the setting up of an Industrial Court, and the appointment of individual arbitrators. This participation of the State in the system of collective bargaining has not, however, affected the underlying principles of that system, viz. the determination of wages and other conditions of employment by mutual consent, and the loyal acceptance by employers and workers of the decisions reached.

60. Employers and workers in other countries have also adopted the method of collective bargaining as a means of determining wages and other conditions of employment. In some cases, the system has been modelled closely on the British pattern; in others, modifications have been introduced, such as the compulsory reference of unsettled disputes to arbitration tribunals and the legal enforcement of arbitration awards. In Colonial territories, the extent to which use has been made of voluntary negotiating machinery has been largely determined by the extent of trade union development.

Statutory Wage Fixing

61. Where no adequate voluntary machinery has existed for the regulation of wages, State intervention has generally been considered necessary. Such intervention has usually been directed towards either—

- (a) the fixing, on a country-wide or area basis, of a basic minimum wage related to the worker's essential needs, i.e. a *living wage*; or
- (b) the fixing of minimum (or "fair") rates of pay for the various occupations or grades of skill within a particular trade or industry.

Examples of the statutory fixing of *basic* minimum wages are provided by the "needs basic wage" of Australia, the "national" minimum wages applied to agricultural employment in the United Kingdom, and the "urban area" minimum wages in force in this country.

62. A notable example of State intervention for the purpose of regulating wages *within a trade or industry* is provided by the Wages Council Acts in force in the United Kingdom. Under those Acts, wages regulation orders have been made fixing minimum rates of remuneration in some 50 or more

different trades. Similar power to regulate wage levels within a trade or industry is conferred, in this country, by the Regulation of Wages and Conditions of Employment Ordinance, 1951 (No. 1 of 1951). Under that Ordinance, the Member for Labour, "if he is of the opinion that no adequate machinery exists for the effective regulation of the remuneration or other conditions of employment of the employees in any trade, industry or occupation", may by order establish a Wages Council "in relation to the employees specified in the order". As a result of its inquiries, the Wages Council may submit to the Member proposals for fixing wage rates and other conditions of employment and the Member may then, with the approval of the Governor in Council, give effect to the proposals by making a "wages regulation order". A Wages Council is required to consist of members representing employers and members representing employees in equal numbers, together with not more than three persons chosen as independent members.

63. Various arguments have been adduced against statutory wage fixing—that it is an unwarranted interference with the freedom of trade and of the freedom of the individual to dispose of his labour as he pleases; that it attempts to decree wealth; that it may lead to unemployment; that it "pampers" workers; that it is difficult to enforce. The main *advantages* of a wage fixing policy have been summarized by Professor Silberman as follows—

- "(a) the *prevention of sweating*, exploitation, and deterioration of the physical, mental, and moral character of the people;
- (b) the *development of organization* among the agents of production through calling for representatives and evidence from workers and employers;
- (c) the *promotion of industrial peace* through examining legitimate grievances in good time and promoting the spirit of negotiation and compromise;
- (d) the *protection of the good employer* against the sweating unscrupulous employer;
- (e) the *improvement of industrial efficiency.*"

(Brief Comments on Certain Sections of the Phillips Report
on Labour Unrest in Mombasa: 1946.)

Whatever the merits or demerits, the fact remains that, in many countries, the statutory fixing of minimum wage rates has come to be regarded as a normal and essential part of the economic policy.

CHAPTER VI

WAGE FIXING IN KENYA

64. The need for wage fixing in Kenya was first given legal recognition by the Minimum Wage Ordinance, 1932 (No. 22 of 1932), which empowered the Governor in Council to make orders fixing "the minimum wage for any occupation in any municipality, township, district or other area" in which he was satisfied that the wages for such occupation were unreasonably low. No wage fixing orders were made under this Ordinance, and it was eventually repealed by the Minimum Wage Ordinance, 1946 (No. 55 of 1946).

65. The period 1932-46 was not, however, without some contribution to practical wage fixing. The Second World War, like other wars before it, focused attention upon the economic value of labour and upon the need for maintaining a contented labour force. Some wage regulation was clearly necessary, and the regulating machinery was conveniently to hand in the shape of the Emergency Powers (Defence) Acts. The Defence (Fixing of Wages) Regulations, 1940, were enacted and, under them, a Wage Board was set up for the purpose of fixing "minimum and maximum wages" to be paid in certain specified trades and occupations. Such orders as were made under the Regulations applied only to Asian artisans and automatically lapsed when, at the end of hostilities, the Regulations were revoked.

The Area Minimum Wage

66. The first legal minimum wage for African labour came into force on the 1st June, 1944, as the result of an Order made under the Defence (Limitation of Labour) Regulations, 1944. The minimum wage was Sh. 28 per month (inclusive of housing allowance), and applied to all African workers employed within the area of the Nairobi Municipality. The Order remained in force until the 1st February, 1947, its withdrawal coinciding with the coming into operation of the first two Orders to be made under the Minimum Wage Ordinance, 1946. These Orders applied to Nairobi and Mombasa Island and laid down minimum wages of Sh. 31.00 and Sh. 40.00 respectively (inclusive of housing allowance) for persons employed in those two areas.

67. The enactment of the Minimum Wage Ordinance, 1946, marked a turning point in the history of wage fixing in Kenya. From then on, a serious attempt was made to deal with minimum wages on a country-wide basis and with regard to what were considered to be the minimum basic needs of the African worker. The power to fix minimum wages was still vested in the Governor in Council but, in practice, action was only taken on the advice of the Central Minimum Wage Advisory Board, which was set up early in 1947 under the chairmanship of the then Mr. Justice Horne.

68. During the war years, there had been several attempts by various official committees to estimate the cost of living of urban Africans. The reports of those committees make interesting reading and, at the time of their publication, were undoubtedly of considerable assistance to Government in its approach to cost of living problems, particularly as regards its own African employees. Of special interest and value, as a minimum wage study, was the report of the committee appointed in 1945, under the chairmanship of Mr. Arthur Phillips, to inquire into African labour unrest at Mombasa. We shall have frequent occasion to refer to and quote from that report in our own consideration of wages questions.

69. To the Central Minimum Wage Advisory Board, the problem of calculating a statutory minimum wage resolved itself into one of assessing a reasonable living wage ("the effective minimum level") for an adult male African living, as a single person, under urban conditions, i.e. *without* regard to any of his family commitments. A formula was obviously desirable, and one was eventually produced. This formula has continued in use, with little modification, until the present day.

70. Under the watchful eye of the Central Minimum Wage Advisory Board, the range of minimum wage legislation was gradually extended until by the 1st June, 1948, no less than nine urban areas—Nairobi, Mombasa, Nakuru, Eldoret, Kitale, Kisumu, Nanyuki, Nyeri and Thika—were subject to Minimum Wage Orders. Since 1948, there have been no additions to the list of urban areas subject to a statutory minimum wage. The table at Appendix C shows how statutory minimum wages have gradually increased over the years. As, however, the formula for calculating the minimum wage has remained for all practical purposes unaltered, that table does little more than reflect the gradual increase in the minimum wage worker's cost of living during the period concerned. Throughout most of that period, the *real* value of the worker's wage, as represented by its purchasing power, has remained approximately the same.

The Wages Advisory Board

71. The Minimum Wage Ordinance, 1946, remained in force until April, 1951, when it was replaced by the Regulation of Wages and Conditions of Employment Ordinance (No. 1 of 1951), and a new "Wages Advisory Board" was set up to replace the Central Minimum Wage Advisory Board. Among the more important changes introduced by the new Ordinance were:—

- (a) It gave formal recognition to the representation of workers on the Wages Advisory Board. As newly constituted, the Board consisted of three independent members (including the Chairman), two employers' representatives and two representatives of employees.

- (b) The functions of the Board were extended and more specifically defined. In addition to its functions in regard to basic minimum wages, the Board was now required to investigate *any* wage questions referred to it by the Member for Labour and had power to recommend, *inter alia*, the establishment of wages councils to consider and report upon "the remuneration or other conditions of employment of the employees in any trade, industry or occupation".
- (c) In future, the Board was to make its recommendations to the Member for Labour, who could either reject them or (with the approval of the Governor in Council) accept them, as he saw fit. The Member had no power, however, to *vary* any recommendations of the Board and his only alternative to rejection or acceptance was to refer a recommendation back to the Board for further consideration.

72. In its consideration of basic "area" minimum wages, the new Wages Advisory Board has been obliged, by its terms of reference, to confine its attention to urban areas. It has also adopted, with little modification, the procedure and formula developed by its predecessor (the Central Minimum Wage Advisory Board). The statutory urban area minimum wage remains the most important factor in fixing the Colony's wage pattern, and will doubtless continue so notwithstanding recent incursions into the field of Wages Councils.

Wages Councils

73. The need for Wages Councils arises from the desirability of fixing higher levels of statutory minimum remuneration for skilled work in trades, industries or occupations either without adequate machinery for "collective bargaining" or where the methods of collective bargaining have failed. Since collective bargaining requires the participation of both organized labour and management, and since neither labour nor management in Kenya can be said to have become effectively organized, the setting up of Wages Councils in this country can be seen to be a logical, and even inevitable, development. The first Wages Council in the Colony was set up in June, 1952, for the tailoring and garment-making trades and, as a result of its work, four Wages Regulation Orders have been made applying to some 3,000-4,000 workers throughout the Colony. A Transport and Road Haulage Wages Council has also been established, to consider the wages and other conditions of service of some 1,500 workers employed within the Nairobi City Council and Nairobi County Council areas. Its deliberations have led to the first Wages Regulation Orders for the transport and road haulage industry.

74. There can be little doubt that Wages Councils have come to stay, and that their scope will gradually extend. Their particular significance lies in the contribution they can make towards relating wages to skill. The base wage level—upon which the Wages Council builds up its wage structure and recommendations—has hitherto, and perhaps of necessity, been the statutory urban area minimum wage.

Future Policy

75. The ultimate objective of the Colony's wage fixing policy must clearly be the determination of wage levels by the methods of collective bargaining and agreement. It is equally clear, however, that that objective cannot be reached overnight, and that it will only be reached when both labour and management have become effectively organized and have acquired a proper sense of their respective social and economic responsibilities. Wages Councils, with their emphasis on the value of both employer and employee representation, will, in our opinion, materially assist to that end and will, at the same time, continue to make an effective contribution to the solution of the Colony's wage fixing problems. We are also firmly of the opinion that, in the absence of an effective system of collective bargaining, a statutory area minimum wage is the only practicable method of ensuring payment of a reasonable wage to that large body of workers described by the term "the African unskilled labourer".

CHAPTER VII

THE URBAN WAGE PATTERN

76. Any study of African wages must obviously take account not only of workers' cash earnings but also of those "hidden emoluments" which are so marked a feature of African employment in this country. Chief among these hidden emoluments or "benefits in kind" are free rations and free housing, which together can account for a very substantial proportion of a worker's total earnings.

77. At the time of our appointment, little reliable information was available as to the urban African wage structure—certainly not enough to allow of that critical examination which our terms of reference seemed to require. To remedy this deficiency, it was decided to initiate a large-scale inquiry into African wages in the country's principal urban areas. This inquiry took the form of a sample survey, and was carried out jointly by the Labour Department and the East African Statistical Department. The method of survey and the results obtained from it are summarized in the following paragraphs. For a more detailed statistical analysis of the results, reference should be made to Appendix D.

Survey of Wages in Urban Areas

78. The survey was designed to provide as complete a picture as possible of the wage pattern, as at July, 1953, of the monthly-paid African labour force, excluding, however, domestic servants. Most of the field work was carried out during the month of August, 1953. The urban areas covered by the survey were the municipalities of Nairobi, Mombasa, Nakuru, Eldoret,

Kitale and Kisumu, and the townships of Nanyuki, Nyeri, Thika, Ruiru and Kericho. With the exception of Ruiru and Kericho, these were (and remain) all areas subject to a statutory "area" minimum wage.

79. The *method* of survey employed—that of "individual enumeration"—entailed visits to all undertakings included in the sample, study of wage sheets, and questioning of employers and wages staffs. This method was adopted as being the only one likely to produce reliable information as to the total *cash* value of workers' emoluments. For the purpose of the survey, employment was divided into two main categories, viz. employment in Private Industry, and employment in the Public Services. In the case of Private Industry, visits were paid to 577 different industrial and commercial undertakings and data collected in respect of some 24,600 workers (or 40 per cent of the estimated total labour force under survey in Private Industry). In the case of the Public Services—i.e. the services of the Government, of the East Africa High Commission and of Local Government Authorities—the sample covered 31,500 workers, or approximately 80 per cent of the estimated total number of workers under survey. The sizes of the samples, and the scientific method of their selection, were such as to encourage every confidence in the results.

80. There is little doubt that this survey, which entailed considerable planning and field work on the part of the Departments concerned, has produced extremely valuable information on wage rates in the Colony's urban areas. Other information collected in the course of the survey related to the length of the normal working week, labour turnover, and the provision of housing and rations by employers.

Wages of Monthly-Paid Employees

81. Tables V and VI set out, for Private Industry and the Public Services respectively, the percentage distribution of monthly-paid employees (other than domestic servants) by "standard earnings" in the Colony's principal urban areas. The term "standard earnings" denotes the cash value of an employee's regular emoluments, including the value of any rations or housing provided free by his employer, i.e. it represents the employee's *real* wage. The tables also show the statutory minimum wages in force at the time of the survey, thus allowing a direct comparison to be made between the minimum wage rates and the wages actually paid. In Table VII, the information is reproduced in modified form and in such a way as to facilitate comparison of the wage structures in Private Industry and the Public Services.

82. If we examine the figures for Private Industry, we find that, of some 59,000 workers employed in the urban areas surveyed, 26 per cent were in receipt of wages less than Sh. 65 per month, 55 per cent received less than Sh. 80 per month, and 72 per cent less than Sh. 100 per month. Only 5 per cent of the employees in Private Industry were in receipt of a wage of

Private Industry

DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS

Table V

URBAN AREA	STATUTORY MINIMUM WAGE			PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS														ESTIMATED TOTAL EMPLOYEES	
				Shillings per month															
	Basic	House Allce.	Total	Under 50	50-54	55-59	60-64	65-69	70-79	80-89	90-99	100-149	150-199	200-249	250-299	300-399	400 & over		Total
Nairobi ..	52 50	7 00	59 50	—	—	2	20	13	19	12	6	15	8	3	1	—	1	100	31,200
Mombasa ..	54 75	8 25	63 00	—	1	1	16	12	17	8	9	24	7	3	1	1	—	100	14,300
Nakuru ..	50 00	7 00	57 00	—	3	23	9	8	16	7	6	15	6	3	2	2	—	100	2,400
Eldoret ..	49 00	8 00	57 00	—	1	23	11	10	17	12	6	15	2	2	—	1	—	100	2,200
Kitale ..	51 00	6 00	57 00	—	—	30	26	9	6	6	4	13	2	2	1	1	—	100	1,400
Kisumu ..	47 00	5 00	52 00	1	24	24	9	8	10	5	2	10	4	1	1	1	—	100	3,800
Nanyuki ..	51 50	4 00	55 50	—	—	27	7	14	26	3	13	10	—	—	—	—	—	100	800
Nyeri ..	51 00	5 00	56 00	8	19	11	8	12	11	8	8	9	2	3	1	—	—	100	1,400
Thika ..	50 50	5 00	55 50	1	—	—	3	19	37	10	7	12	10	—	1	—	—	100	1,000
Ruiru ..	—	—	—	—	—	—	34	18	21	6	4	17	—	—	—	—	—	100	100
Kericho ..	—	—	—	18	36	14	4	2	5	4	2	8	4	1	2	—	—	100	600
All Urban Areas Surveyed ..	..	..	..	—	3	6	17	12	17	10	7	16	7	3	1	1	—	100	59,200

26

Public Services

DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS

Table VI

URBAN AREA	STATUTORY MINIMUM WAGE			PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS														ESTIMATED TOTAL EMPLOYEES	
				Shillings per month															
	Basic	House Allce.	Total	Under 50	50-54	55-59	60-64	65-69	70-79	80-89	90-99	100-149	150-199	200-249	250-299	300-399	400 & over		Total
Nairobi ..	52 50	7 00	59 50	—	—	—	6	6	16	11	11	24	12	8	3	2	1	100	19,400
Mombasa ..	54 75	8 25	63 00	—	—	—	—	—	28	12	10	28	11	5	3	2	1	100	8,500
Nakuru ..	50 00	7 00	57 00	—	1	1	8	6	25	6	10	20	12	6	3	1	1	100	3,200
Eldoret ..	49 00	8 00	57 00	—	—	6	8	16	19	12	8	17	7	5	1	1	—	100	1,900
Kitale ..	51 00	6 00	57 00	—	—	20	12	6	6	3	7	29	10	5	1	1	—	100	600
Kisumu ..	47 00	5 00	52 00	6	1	1	15	8	13	10	6	20	9	6	2	2	1	100	3,600
Nanyuki ..	51 50	4 00	55 50	—	1	5	6	14	26	7	2	22	10	5	1	1	—	100	700
Nyeri ..	51 00	5 00	56 00	1	1	1	11	6	11	4	5	38	10	8	2	2	—	100	1,400
Thika ..	50 50	5 00	55 50	—	—	1	2	4	19	6	7	26	14	13	3	5	—	100	200
Ruiru ..	—	—	—	—	—	—	12	11	5	8	4	50	3	6	1	—	—	100	200
Kericho ..	—	—	—	25	5	2	3	4	8	5	3	19	15	6	3	1	1	100	500
All Urban Areas Surveyed ..	..	..	..	1	—	1	6	5	19	11	9	24	11	7	3	2	1	100	40,200

Table VII

DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS—PRIVATE INDUSTRY AND PUBLIC SERVICES

URBAN AREA	STATUTORY MINIMUM WAGE			PRIVATE INDUSTRY				PUBLIC SERVICES			
	Basic	House Allce.	Total	Shillings per month				Shillings per month			
				Under 65	65-99	100-199	200 and over	Under 65	65-99	100-199	200 and over
				Percentage Distribution				Percentage Distribution			
Nairobi	52·50	7·00	59·50	22	50	23	5	6	44	36	14
Mombasa	54·75	8·25	63·00	18	46	31	5	—	50	39	11
Nakuru	50·00	7·00	57·00	35	37	21	7	10	47	32	11
Eldoret	49·00	8·00	57·00	35	45	17	3	14	55	24	7
Kitale	51·00	6·00	57·00	56	25	15	4	32	22	39	7
Kisumu	47·00	5·00	52·00	58	25	14	3	23	37	29	11
Nanyuki	51·50	4·00	55·50	34	56	10	—	12	49	32	7
Nyeri	51·00	5·00	56·00	46	39	11	4	14	26	48	12
Thika	50·50	5·00	55·50	4	73	22	1	3	36	40	21
Ruiru	—	—	—	34	49	17	—	12	28	53	7
Kericho	—	—	—	72	13	12	3	35	20	34	11
All Urban Areas Surveyed .. .. .	..	..	..	26	46	23	5	8	44	35	13

Sh. 200 per month or over. Wages generally tended to be highest in Mombasa, Nairobi and Thika, and lowest in Kitale, Kisumu and Kericho. The particularly low wages in Kericho (where no less than 72 per cent of employees earned less than Sh. 65 per month) may be attributed to several causes—the absence of a statutory minimum wage, the proximity of the reserve, and the influence of wage rates paid on nearby tea estates. The low wage level in Kisumu is almost certainly due, in part at least, to the relatively low statutory minimum wage fixed for that area. In the case of Kitale, wages were probably influenced, more than in most areas, by the general level of wages paid in agriculture.

83. Turning now to Public Service employment, we see that, of a total labour force of approximately 40,000, eight per cent earned less than Sh. 65 per month, 32 per cent less than Sh. 80, and 52 per cent less than Sh. 100. Some 13 per cent of all employees received Sh. 200 per month or over. It is clear that, in general, wages tend to be higher in the Public Services than in private commerce and industry. Another noticeable, but not unexpected, feature of Public Service employment is the greater tendency to conform to a *general* pattern of wages.

84. One inescapable conclusion arising from a study of these tables is that, so far as *unskilled* African workers are concerned, the wage level is largely dictated by the statutory minimum wages applying in the various urban areas. Government itself may be considered to have encouraged this circumstance by fixing its starting wage for unskilled labour in direct relation to (actually Sh. 3 *above*) the statutory minimum wage for the area in which the labour was to be employed. It is also significant that Wages Councils, in considering the wage rates to be applied within a particular industry, have hitherto taken the statutory minimum wage as their *base* wage level.

85. In Appendix D to this report will be found tables showing how wage rates differ between the main industrial and occupational groups. Among those industries with relatively high wage levels are transport, letterpress printing and "textiles, clothing and footwear". Examples of industries with relatively low wage structures are the hotel industry, the manufacture of food and beverages, and building.

86. Tables 4 and 4A of Appendix D show the average monthly earnings, hours of work, and hourly rates of pay in the urban areas surveyed. The tables are of particular interest as demonstrating the marked superiority of wage

rates in the Public Services over those in Private Industry. The figures relating to "all areas surveyed" are reproduced below (Table VIII):—

Table VIII
AVERAGE MONTHLY EARNINGS AND HOURLY RATES OF PAY
(All Urban Areas Surveyed)

	Average Standard Earnings	Average* Gross Earnings	Average† Gross Hours Per Month	Average Rate Per Hour
	<i>Sh./Month</i>	<i>Sh./Month</i>		<i>Cents</i>
PRIVATE INDUSTRY ..	92	98	212	45
PUBLIC SERVICES ..	120	126	206	61

*Includes overtime pay, output bonuses, etc.

†Includes overtime.

The statistics of hours of work shown in Table VIII suggest a general acceptance of our western idea of what constitutes a fair *time* return for wages. This is brought out even more forcibly in Table IX, which shows the distribution of employees by length of normal working week. We can take it that, by and large, African employees in urban areas work a "full" working week (or month). This fact is of special importance in relation to our consideration of the *adequacy* of African wages.

Table IX
DISTRIBUTION OF EMPLOYEES BY LENGTH OF NORMAL WORKING WEEK
(All Urban Areas Surveyed)

	HOURS PER WEEK					
	Under 40	40-44	45-49	50-54	55-59	60 and over
	Percentage Distribution					
PRIVATE INDUSTRY	9	11	63	10	3	4
PUBLIC SERVICES	4	70	26	—	—	—

87. We have noted that the method of enumeration in the 1953 urban wage survey necessitated visits of the enumerators to all undertakings included in the sample. Such a method was clearly not feasible as regards domestic service employment, and the only information available to us as to the wages of domestic servants was that held in local offices of the Labour Department.

The following approximate figures of domestic servants' wages (including the value of housing and rations) have been supplied to us by the Labour Officer, Nairobi:—

Table X

WAGES OF DOMESTIC SERVANTS IN NAIROBI—NOVEMBER, 1953

TYPE OF EMPLOYMENT	MONTHLY WAGE		
	Minimum	Maximum	Average
	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>
Ayah	60 00	120 00	90 00
Cook	75 00	200 00	100 00
Cook/House Boy	80 00	140 00	100 00
House Boy.. .. .	75 00	150 00	90 00
Dhobi	70 00	120 00	85 00
Kitchen/Shamba Boy	60 00	85 00	70 00

These wages are seen to be substantially higher than the general level of wages in other occupations.

Wages of Casual Labour

88. Monthly-paid labour accounts for all but a small proportion of the total urban labour force. It will be of interest, however, before we leave this study of the urban wage structure, to refer briefly to the wages paid to casual workers, i.e. those workers whose pay is due on demand at the end of each day's work.

89. We have already noted that this type of employment is most marked in Mombasa, where there is a pool of between 4,000 and 5,000 casual labourers, practically all of whom work in the Port area. In July, 1953, the rate per shift paid by the stevedoring companies was Sh. 4/85, while the normal rate per shift for shore-handling work was Sh. 4/35. The rough average number of shifts worked per man during that month was 20. Total monthly earnings ranged from Sh. 30 to Sh. 400, almost three-quarters of the workers earning Sh. 80 per month or over.

90. In other urban areas, casual labourers' wages follow no fixed pattern, and the labour is usually recruited from among workers awaiting more permanent employment. In Nairobi, the wage rate varies from Sh. 3 to Sh. 5 per day, according to the type of work.

The Adequacy of Wages

91. Before we consider the question of the *adequacy* of urban wages, we must first indicate our *criteria* or standards of adequacy. In our opinion, a wage, in order to be adequate, must fulfil two conditions, viz.—

- (i) it must be sufficient to provide for the essential needs of the worker; and
- (ii) it must represent a fair return for the worker's labour, in the sense that it must not be *less* than the worth of that labour to the employer.

A decision on the first of these conditions can be reached by a study of the urban African's consumption habits and of his physiological and sociological needs. The second condition, however, poses questions which are far less readily answered.

92. For a knowledge of the African's consumption habits, and to some extent also, of his sociological needs, we are dependent upon information obtained from studies of the pattern of expenditure and consumption of individual African households. It is a regrettable fact that few studies of this nature have been made in this territory, the only one in recent years being that carried out by the East African Statistical Department in October and November, 1950, in relation to African labourers living in Nairobi. The purpose of that study was to provide an analysis of the income, expenditure and consumption habits of those Africans living on or near the minimum wage. Its findings, as set out in the official report (East African Statistical Department: February, 1951), are of interest not only for the light they throw upon the urban African's consumption habits and needs, but also for the general indication they give of the adequacy of a minimum wage calculated in accordance with the present minimum wage formula. Some of these findings are summarized below:—

- (a) Practically all income of the Africans in the sample came from employment, i.e. there was little in the way of subsidy from the reserves.
- (b) Workers tended to spend their earnings as they were received, did not save anything, and were forced to borrow in emergencies. Some two-thirds of the sample borrowed money during the month. In commenting upon the borrowing habits of the African, the report states—

“For many of the Africans, it appeared to be accepted policy to give more than half their wages to their creditors immediately after receipt of their wages; thus they had to borrow again by the middle of the month to balance their budgets to the next pay day.

It was very noticeable that any extraordinary expenditure, such as (upon) illness, resulted in increased borrowing owing to lack of money."

- (c) Patterns of expenditure tended to be very similar among the various tribal groups. In all cases, approximately 72 per cent of income was spent on food. Expenditure on clothing was surprisingly low, but nearly all Africans in the sample spent money (average Sh. 2 per month) on cigarettes, tobacco or snuff. Reported expenditure on alcoholic beverages was low but, as the report points out, there were grounds for doubting this. Other items of expenditure included transport (to and from native land units), medicine, and attendance at football matches.
- (d) Tribal differences in food consumption were much less pronounced than expected. Maize meal, meat and hotel food accounted for 64 per cent of the total expenditure on food, expenditure on hotel food being particularly marked among the Kikuyu. Other items of expenditure included potatoes, cabbages, beans, cooking oil, sugar, milk, tea, bread and wheat flour. Not unexpectedly, individual food consumption was found to vary inversely with the size of the family group.
- (e) Very few workers in the survey were without family commitments of one kind or another. Each of them usually sent home Sh. 3 or Sh. 4 every month, and was also visited by his relatives (whom he was then obliged to support) for a proportion of each year.

93. Perhaps the most significant finding of the survey was the high proportion of income spent on food—approximately half as much again as that allowed for in the minimum wage formula! Also significant was the fact, noted by the survey team, that a large proportion of workers had little or nothing to eat for the last two or three days of the month.

94. The findings of the survey were such as to suggest that a minimum wage calculated in accordance with the present formula was definitely inadequate to provide for the physiological and sociological needs of the urban African. This has been amply borne out by our own inquiries, made in the course of our examination of the present minimum wage formula. The results of those inquiries, taken in conjunction with what we know of the African wage structure, lead us to the conclusion that approximately one-half of the urban workers in Private Industry, and approximately one-quarter of those in the Public Services, are in receipt of wages insufficient to provide for their basic, essential needs. That assessment is made in relation to an adult male labour force living *as single men* under urban conditions. If, in assessing the adequacy of wages, we take into account not only the worker's own needs but also those of his wife and children, the picture becomes grim indeed.

95. The question of whether existing wages are adequate in relation to the *work performed* by the African labour force is not, in our opinion, one which allows of a precise answer. A partial answer would be given by comparing—which we ourselves have not been in a position to do—the labour costs of undertakings or industries in this country with those of similar undertakings or industries elsewhere. Such comparisons, however, are likely to be invidious, unless they recognize that efficiency and output are conditioned not only by workers' personal abilities and efforts, but also by the quality of management and the amount of attention given to such functions of management as training, supervision and work planning.

96. Our own observations, and the evidence submitted to us, suggest that, notwithstanding the generally low quality of African labour, a large section of the African labour force receives an inadequate return in wages for the work which it performs. It is significant that, in the more progressive of our industrial and commercial undertakings, the unskilled labourer is paid at a rate *substantially above* the statutory minimum. Since industrial and commercial undertakings are not philanthropic institutions, this can only be due to an appreciation by managements of the fact that their African unskilled labourers are *worth* substantially more than the statutory minimum wage.

97. We have been assured by the general manager of one large undertaking that his labour force compares in efficiency and output with that of any similar concern in the United Kingdom. Aware, as we are, of the *average* African's limitations as an industrial worker, we hesitate to accept such generalizations. We are left in no doubt, however, that *individual* Africans *do* attain standards of efficiency, industry and output equal to those of workers of other races and that, notwithstanding this, they continue to receive considerably *less* wages. As regards skilled and semi-skilled labour generally, it seems reasonable to assume that their wage levels will be largely affected, if not dictated, by the *lowest level* of wages, i.e. by that of the unskilled labour force. Wage structures are built from the base upwards. If the base level of African wages is inadequate in relation to the work performed—as we consider it to be in this country—it is reasonably certain that other wage levels (i.e. those of the skilled and semi-skilled workers) will also be inadequate.

CHAPTER VIII

WAGES IN RURAL AREAS

98. The time at our disposal did not allow of special inquiries being made into the pattern of wages in rural areas. Fortunately, a limited survey of wages in non-plantation agriculture had been carried out jointly by the East African Statistical Department and the Labour Department in February, 1953, and the information thus obtained was made available to us. Information provided by

witnesses and Labour Officers has enabled us also to form some idea of wage levels in plantation industries. To have been comprehensive, our examination of rural wages should also have covered employment in such industries as saw-milling, mining and quarrying; in trading centres; and in Government and local authority services. That it has not done so is due solely to the difficulty of securing reliable (i.e. representative) information on wage levels without recourse to detailed statistical surveys. It seems reasonable to assume that wage levels in these other categories of rural employment (with the possible exception of employment in the public services) are largely influenced by the wages paid in agriculture and that, by and large, the pattern of agricultural wages is not very dissimilar to that of rural wages generally. In the case of the public services, wage levels are less subject to local influences but, even in their case, it is customary for *unskilled* labourers to be engaged at the "current market rate".

99. The assessment of agricultural wages is rendered difficult by the variety of the emoluments which go to make up wages. Practically all agricultural workers are housed and issued with rations by their employers. Much of the housing is of mud and wattle, often of such inferior quality that it is difficult to assign a value to it. In contrast, however, some employers provide permanent stone or concrete houses comparable in quality with the best urban African accommodation. Ration scales vary widely—from the basic "posho and salt" to the more balanced and certainly more satisfying "posho, salt, sugar, meat, beans and skimmed milk". Water is free, and probably the majority of agricultural workers have access to free supplies of fuel. Many workers are also able to supplement their wages by produce grown on their employers' land. The availability of free water and fuel, and of the plot of land to cultivate, are, however, more appropriately regarded as *advantages* rather than *emoluments* of employment. They may well compensate for low wages, and must certainly be taken into account in any consideration of the *adequacy* of wages, but they do not, in themselves, form part of wages.

Wages in Non-Plantation Agriculture

100. The survey carried out in February, 1953, was confined to non-plantation farms in the Highlands. Wages were recorded in respect of 63 farms and 2,895 adult male workers. The analysis of the cash wages of ticket and monthly contract labour is set out in Table XI.

Table XI

CASH WAGES OF TICKET AND MONTHLY CONTRACT LABOUR IN NON-PLANTATION AGRICULTURE—FEBRUARY, 1953

Adult Males

AREA	PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS						
	Shillings per month						
	10-14	15-19	20-24	25-29	30-39	40-49	50 and over
	Percentage Distribution						
Kitale	3	43	19	15	11	4	5
Eldoret	—	31	38	12	10	3	6
Nakuru	2	13	21	17	28	8	11
Nanyuki-Nyeri	2	39	29	11	7	3	9
Nairobi (excluding Thika)	—	2	6	24	43	15	10
Highlands Weighted Average	2	24	22	16	21	7	8

It will be seen that 48 per cent of workers received a cash wage of less than Sh. 25 per month and 26 per cent less than Sh. 20 per month. Not unexpectedly, wages tended to be highest in the Nairobi area, where only 8 per cent of workers received a cash wage of less than Sh. 25 per month. The general level of wages in the Nakuru district was considerably above that in other up-country areas. Table XII shows the *average* cash wages of workers in the various rural areas under survey. In arriving at these averages, a distinction has been drawn between those workers earning Sh. 50 per month and over (who have been assumed to make up the "skilled" labour force) and those earning below that figure (the "semi-skilled and unskilled" labour).

Table XII

AVERAGE CASH WAGES OF TICKET AND MONTHLY CONTRACT LABOUR IN NON-PLANTATION AGRICULTURE—FEBRUARY, 1953

Adult Males

AREA	AVERAGE CASH WAGE	
	Skilled Workers (Sh. 50 and over)	Semi-Skilled and Unskilled Workers (under Sh. 50)
	<i>Shillings</i>	<i>Shillings</i>
Kitale	75	22
Eldoret	88	22
Nakuru	87	27
Nanyuki-Nyeri	76	22
Nairobi (excluding Thika)	102	31
Highlands Weighted Average	85	25

101. The statistics so far considered have related only to *cash wages*. To convert these into total earnings, it is necessary to add the value of housing and rations provided free by employers. In the case of the workers covered by the survey, the average value of rations (on the basis of *actual cost to the employer*) was estimated at Sh. 18 per month, and of housing Sh. 2 per month. The value assigned to housing was based on the estimated cost of building, depreciation and repairs of a mud and wattle house, which was the type commonly found on the farms visited. If the average value of rations and housing (Sh. 20 per month) is added to the cash wage distribution shown in Table XI, we get the following picture of *total emoluments* in non-plantation agriculture (Table XIII):—

Table XIII

TOTAL EMOLUMENTS OF TICKET AND MONTHLY CONTRACT LABOUR IN NON-PLANTATION AGRICULTURE—FEBRUARY, 1953

Adult Males

AREA	PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS						
	Shillings per month						
	30-34	35-39	40-44	45-49	50-59	60-69	70 and over
			Percentage Distribution				
Kitale	3	43	19	15	11	4	5
Eldoret	—	31	38	12	10	3	6
Nakuru	2	13	21	17	28	8	11
Nanyuki-Nyeri	2	39	29	11	7	3	9
Nairobi (excluding Thika)	—	2	6	24	43	15	10
Average All Areas ..	2	24	22	16	21	7	8

From Table XIII, it is seen that 64 per cent of workers received total emoluments less than Sh. 50 per month and 26 per cent less than Sh. 40 per month. It needs to be emphasized that the statistics refer to adult male workers *other than resident labourers*. Since the great majority of such workers are employed on ticket contracts, the wages can be assumed, for all practical purposes, to relate to a period of 30 working days (as against the 26 days of the average calendar month). The method employed for assessing total earnings, i.e. the addition of an estimated average value for housing and rations, is open to objection, but the table can, nevertheless, be regarded as providing a general picture of the wage structure in non-plantation agriculture.

102. In the course of the survey of wages in non-plantation agriculture, the opportunity was taken to inquire into the cash wages of resident labourers. The results of this inquiry, which related to 612 resident labourers employed on 63 farms, are presented in Table XIV, from which it is seen that 31 per cent of resident labourers earned less than Sh. 15 per month, and 64 per cent

Table XIV

CASH WAGES OF RESIDENT LABOURERS EMPLOYED IN NON-PLANTATION AGRICULTURE—
FEBRUARY, 1953

AREA	PERCENTAGE OF RESIDENT LABOURERS IN SPECIFIED WAGE GROUPS						AVERAGE CASH WAGE
	Shillings per month						
	10-14	15-19	20-24	25-29	30-39	40 and over	
	Percentage Distribution						
Kitale	—	35	35	20	10	—	22
Eldoret	20	40	11	8	20	1	20
Nakuru	65	18	6	1	3	7	16
Nanyuki-Nyeri	10	64	9	8	6	3	19
Nairobi (excluding Thika)	—	—	69	3	24	4	31
Highlands Weighted Average	31	33	15	7	10	4	20

less than Sh. 20. The reliability of the analysis as a general statement of the wage distribution of resident labourers is somewhat prejudiced by the smallness of the sample. Even so, it does give a rough indication of the position as at February, 1953.

Wages in Plantation Agriculture

103. No statistical survey has been made of wages in plantation agriculture (i.e. tea, sisal, coffee, etc.) but the evidence suggests that, in general, wage levels are higher than in other forms of agriculture. This applies not only to the cash element of wages, but also to the value of housing and rations. Assessment of total wages is complicated by the wide variety of bonus schemes in operation and by the fact that many workers are employed on piece or task rates, often on a daily basis.

104. In the sisal industry, the cash wages of leaf cutters are calculated at piece or task rates, and may be as low as Sh. 20 per month or as high as Sh. 90 per month, depending on the amount of work done—which, in turn, largely depends on the number of hours worked. In factory processes, basic cash wages range from Sh. 20 to Sh. 35 per month, but may be heavily supplemented by bonuses for attendance, output or quality of finished product. Housing throughout the industry is generally superior to that found in non-plantation agriculture, and ration scales tend to be more generous.

105. The Kenya Tea Growers' Association agreed in 1953 to a graded system of cash wages for ticket labour, the wage varying according to the number of tickets previously worked by the employee on the same estate. The following are the agreed rates for adult male field labour:—

For the first 6 tickets	Sh. 24 per 30-day ticket.
For tickets 7-12	Sh. 26 per 30-day ticket.
For tickets 13-18	Sh. 30 per 30-day ticket.
For tickets 19-24	Sh. 34 per 30-day ticket.

After 24 tickets, the wage may increase to as much as Sh. 40 per ticket. Increments are not automatic, but are dependent upon efficient work. The rates are based on the assumption of a six-hour working day, and provision is also made for the payment of overtime. Housing and ration scales are generally of a high standard throughout the industry.

The Adequacy of Agricultural Wages

106. In considering the adequacy of urban wages, we expressed the opinion that a wage, in order to be adequate, must fulfil two conditions, viz.—

- (i) it must be sufficient to provide for the essential needs of the worker; and
- (ii) it must represent a fair return for the worker's labour.

These same criteria will be applied, as far as possible, in our examination of the adequacy of agricultural wages.

107. We know little, in the statistical sense, of the consumption habits of the African agricultural worker. It seems permissible to assume, however, that his basic needs in regard to food, clothing, fuel and lighting, and cleaning materials are much the same as those of the urban African. His sociological needs are almost certainly less. On the basis of arguments and calculations which will be found in a later chapter, we have estimated that the African worker *living as a single man under urban conditions* requires a wage of the order of Sh. 69 per month, exclusive of housing, in order to provide for the basic needs of health, decency and working efficiency. In the case of the rural worker, we can certainly reduce this figure. The cost of the rations supplied by his employer will be less than in the towns, and some of the items needed to supplement those rations (for example, meat, milk and vegetables) will also cost less. Many workers will be able to grow their own vegetables. In the majority of cases, relatively little expenditure will be required on fuel. We can also safely assume that the worker's "human" needs, i.e. the needs of his social existence, will also be less than those of the urban worker. It is extremely difficult to put a cash value on these "advantages" of agricultural employment.

but it is doubtful whether in the aggregate they can exceed Sh. 15 per month or, at the very maximum, Sh. 20. If we take a wage of between Sh. 50 and Sh. 55 (exclusive of housing, but inclusive of the value of rations) as the minimum required to satisfy the basic needs of the agricultural worker living as a single man, we will not, we feel, be very wide of the mark. On that basis, and having regard to what we know of agricultural wages, we must conclude that the total emoluments of nearly three-quarters of the ticket and monthly contract labour employed in non-plantation agriculture are inadequate to support a minimum standard of health, decency and working efficiency. This general inadequacy of wages becomes much more pronounced when viewed in relation to the needs of the worker *and* his family. Wage levels are higher in plantation agriculture but, even there, there can be relatively few cases where the adult male worker's own wage is fully adequate to support both himself and his family.

108. We consider it necessary to emphasize that the foregoing assessment relates to the adequacy of the agricultural worker's *wages* in relation to his basic needs. We are left in no doubt that, by and large, the unskilled *married* worker is far better off in agricultural employment than he would be if working in the larger urban centres. Although his house may be of inferior quality, he has it to himself. His earnings can be, and often are, supplemented by those of his wife and children. While he and his family have a plot to cultivate, there is little risk of their starving. In all these respects, he enjoys advantages over the great majority of urban workers.

109. On the evidence given to us, we find it extremely difficult to assess the adequacy of agricultural wages in relation to the labour return for those wages. The issue is very much confused by the fact that a very large proportion of agricultural labour is *not full-time* labour. Among ticket contract workers, it is by no means unusual for the day's work to finish at midday, and it is doubtful whether more than a small proportion of the total agricultural labour force works a full eight-hour day. A wage of, say, Sh. 50 per month may well be considered inadequate for an eight-hour day, but be more than adequate for a working day of three or four hours. If we try to assess the worker's labour in terms of its effectiveness, we should properly take into account also such factors as the amount and quality of supervision and work planning. On the evidence, we must conclude that the general standard of supervision and work planning in agriculture, as in urban industry, is low.

110. Mr. L. G. Troup in his report on *The General Economy of Farming in the Highlands* commented as follows on the subject of labour costs:—

“African labour is by no means cheap, as—owing to its uncertain and migratory habits—it is frequently necessary to carry a greater labour force than should be necessary. Therefore, from a business standpoint more attention must be given to its economical use and organization and

supervision on the farm It would appear from the costs of production and balance sheets that the all-in cost of labour amounts to two-thirds of that on the British farm expressed in terms of effective output. Should cash wages be increased by amounts up to 50 per cent, the effective cost of labour in the production of any farm commodity will not be so much lower than that of the United Kingdom."

We are told that labour costs in agriculture are, at present, approximately two-thirds of those in the United Kingdom, but that is by no means all that can be read into Mr. Troup's assessment. There is the implication also that, if labour were more effectively used, labour costs in relation to output would be reduced *below* their present level; and the further implication that, by the more economic use of labour, *individual wages could be increased without any overall increase in labour costs!*

111. We cannot leave this examination of the adequacy of rural wages without commenting upon the wages paid to resident labourers. The income accruing to the resident labourer from the exercise of his privileges in regard to cultivation and stock grazing on his employer's land is not, strictly speaking, part of his wages, inasmuch as it is not a direct return for the labour rendered by him to his employer. The resident labourer who works full-time for his employer must, in any case, leave his crops and stock to the care of other members of his family. It follows that any employer who pays his resident labour as little as Sh. 10 or Sh. 20 per month for an eight-hour day may well be getting his labour "on the cheap". The resident labourer's total income is higher than that of other agricultural workers. We cannot help but feel, however, that a system which compels a worker to rely, for the satisfaction of many of his essential needs, upon income derived from the use of his employer's land must, in the long run, be detrimental to both the worker's own interests and those of his employer.

CHAPTER IX

MISCELLANEOUS CONSIDERATIONS RELATING TO WAGES

Wages and National Income

112. In considering the subject of African earnings, it is, perhaps, of interest to note the proportion which these bear to the country's "geographical income". The statistical information given in this section of the report is largely extracted from a booklet entitled "Estimates of Geographical Income and Net Product, 1947-1951", prepared by the East African Statistical Department and on sale from the Government Printer, Nairobi. The term "geographical income" is defined as "the sum of income payments accruing

to all owners of factors of production, during a given period of time, in return for the goods and services produced within the area defined as the Colony and Protectorate of Kenya”.

113. The geographical income of Kenya for the year 1951 is given as £102.9 million. Table XV shows how this income was distributed among the

Table XV
GEOGRAPHICAL INCOME OF KENYA, 1951

TYPE OF INCOME	AMOUNT	PERCENTAGE OF TOTAL
	<i>£ million</i>	
1. Profits and Surpluses—		
(a) Profits, Interest and Earnings of Self-employed		
Persons	37.8	36.7
(b) Public Services	2.9	2.8
Total	40.7	39.5
2. Rentals	3.0	2.9
3. Salaries and Wages	32.4	31.5
4. African Marketed Produce	4.7	4.6
5. African Subsistence Agriculture	22.1	21.5
TOTAL INCOME	102.9	100.0

various groups of income receivers. It will be seen that of the total of £102.9 million, “salaries and wages” accounted for £32.4 million or 31.5 per cent. A breakdown of this figure for “salaries and wages” shows that £13.2 million (or 40.7 per cent) went to African employees, and £19.2 million (or 59.3 per cent) to non-African employees. Table XVI sets out the Colony’s geographical income for the period 1947 to 1951, the share of “salaries and wages” in the composition of geographical income, and the distribution of “salaries and wages” between African and non-African employees. The estimated numbers of Africans and non-Africans in employment during the same period (1947–1951) are given in Table XVII.

114. We content ourselves with setting out the statistics, and refrain from drawing any conclusions from them. It is obvious that, in themselves, they provide little indication of the adequacy of wages or of the Colony’s wage-paying potential and that, in order to be of value in these respects, they must be compared with the geographical income statistics of other countries with similar economic patterns. Where, however, to find such a country? We are advised that the evaluation of the significance of differences in income distribution between territories is, even to the economist, a long and difficult exercise. It is certainly not a task which this Committee would be competent to undertake.

Table XVI

GEOGRAPHICAL INCOME, 1947-1951

ESTIMATED DISTRIBUTION OF "SALARIES AND WAGES" BETWEEN AFRICAN AND NON-AFRICAN EMPLOYEES

YEAR	GEOGRAPHICAL INCOME	"SALARIES AND WAGES"							
		AFRICAN			NON-AFRICAN			TOTAL	
		Amount	Percentage of Total	Percentage of Geographical Income	Amount	Percentage of Total	Percentage of Geographical Income	Amount	Percentage of Geographical Income
	£ million	£ million			£ million			£ million	
1947 ..	53.0	8.3	45.6	15.6	9.9	54.4	18.7	18.2	34.3
1948 ..	60.9	9.5	43.4	15.6	12.4	56.6	20.4	21.9	36.0
1949 ..	71.0	10.6	42.9	14.9	14.1	57.1	19.9	24.7	34.8
1950 ..	82.7	11.7	41.6	14.1	16.4	58.4	19.9	28.1	34.0
1951 ..	102.9	13.2	40.7	12.8	19.2	59.3	18.7	32.4	31.5

42

Table XVII

TOTAL EMPLOYEES, 1947-1951*

YEAR	AFRICAN		NON-AFRICAN		TOTAL
	Number	Percentage of Total	Number	Percentage of Total	Number
	Thousands		Thousands		Thousands
1947 ..	389	92.8	30	7.2	419
1948 ..	386	91.9	34	8.1	420
1949 ..	395	91.9	35	8.1	430
1950 ..	422	91.7	38	8.3	460
1951 ..	412	91.2	40	8.8	452

*Excluding persons working on their own account, partners, non-salaried directors and unpaid family workers.

The Mombasa African Retail Price Index

115. In areas subject to a statutory minimum wage, Government engages its unskilled labour at a starting wage Sh. 3 above the statutory minimum. After three months' service, the worker's wage increases by Sh. 5, i.e. he receives the statutory minimum wage plus Sh. 8. After 12 months' service, the worker becomes a "regular minor employee" and is placed upon an annual incremental scale. At this stage, his wage ceases to be directly related to the statutory minimum wage and he becomes eligible for the payment of a cost of living allowance, calculated as a percentage of his basic wage. The wages of all African employees of Government—other than unskilled workers with less than one year's service—are subject to the addition of this cost of living allowance which forms, in fact, a considerable part of workers' total emoluments. Except in the case of Africans in the higher wage groups, the *amount* of the allowance is based on what is known as the Mombasa African Retail Price Index. Since many private firms, as well as public authorities, follow the lead of Government in regard to the payment of cost of living allowances to their African employees, the Mombasa African Retail Price Index can be seen to exert a considerable influence upon wage levels throughout the Colony.

116. The following description of the *purpose* of a retail price index is taken from the East African Statistical Department's pamphlet *Methods of Compiling Indices* (1948):—

"A retail price index is an attempt to demonstrate the movement of prices of commodities which can normally be bought from shops. It is the easiest index to compile as quotations can be readily obtained for all articles . . . It shows the general trend of prices and can form the basis for the adjustment of wages where nothing better exists. Its great advantage lies in the fact that it is not essential, although advisable, to study a large number of family budgets to obtain weights which can be based on general experience."

117. We are advised that the Mombasa African Retail Price Index is based on a standard budget of 27 articles covering food, clothing, fuel, soap and household requirements. Prices are collected from representative dealers, check purchases being made to ensure that quotations are realistic. The average prices of all articles are then weighted in accordance with the pattern of expenditure found among Africans in the lowest income group. The Retail Price Index is obtained by combining the weighted average prices and relating the result to a base figure (actually, the estimated cost at August, 1939). The movement of the Index between the 31st December, 1947, and the 31st December, 1952, is shown in Table XVIII.

Table XVIII
MOVEMENT IN MOMBASA AFRICAN RETAIL PRICE INDEX
 (Base: August, 1939=100)

Date	Index
31st December, 1947	198
31st December, 1948	207
31st December, 1949	215
31st December, 1950	231
31st December, 1951	289
31st December, 1952	325

An upward or downward movement of 15 points in the Index leads Government to review its cost of living allowances.

118. As a means of indicating changes in the African worker's cost of living, the Mombasa African Retail Price Index appears to us to be open to the following objections:—

- (i) The Index is based solely on Mombasa prices, i.e. it takes no account of country-wide variations in prices.
- (ii) The articles included in the Index, and the weighting given to them, are based on a pattern of expenditure which is approximately accurate only as regards Mombasa workers in the lowest income group, i.e. those on or near the statutory minimum wage. It is probable that, even among minimum wage earners, the pattern of expenditure has altered radically since the Index was first compiled.

If a Retail Price Index is to be used as the basis for determining cost of living allowances, there is an obvious case for making it as representative as possible, both as regards locality and as regards the income groups it is designed to cover. **We recommend, therefore, that consideration be given to the replacement of the present Index by a Colony African Retail Price Index based, as nearly as possible, upon the expenditure habits of the African workers for whom it is to be used.** The practicability of using such an Index as a guide also to the need for changes in the statutory minimum wage is discussed later in this report.

Wage Advances

119. Most of the Colony's African workers are employed on monthly or ticket contracts, and receive their wages monthly. Since it is difficult for the unskilled worker to plan his expenditure for a month ahead, this has

inevitably led to a demand for advances of wages during the month, particularly from among those urban workers who are not provided with housing and rations by their employers. The need for an advance of wages is especially felt during the first month of a worker's employment, i.e. before he has received his first pay. Once having received an advance, however, the unskilled worker on a marginal wage must, in order to provide for his basic needs, either go on receiving advances—or resort to borrowing! Many employers now accept wage advances as part of their normal method of paying wages. For example, it is fairly common practice among employers in Mombasa to pay an advance on the 15th of each month of not more than half the monthly wage. It is also quite usual for householders to give their domestic servants advances of wages in the middle of the month. Some years ago, the Labour Department adopted a policy of encouraging its African employees to apply for wage advances if they felt the need for them. This policy is still being pursued, but is understood not to have been adopted by other Government departments.

120. Under the law, as it stands at present, the advance of wages by an employer to his employees is entirely at the employer's discretion. Certain safeguards against possible abuses are, however, provided by the Employment Ordinance (Cap. 109), viz.—

- (i) It is an offence for any person (other than a juvenile) who has received a wage advance to leave his employer's service before such advance has been fully repaid or worked off (section 70);
- (ii) Where an advance is made in excess of one month's wages or, in the case of an employee employed under a written contract of service, in excess of two months' wages, the excess is not recoverable in any court of law (section 81 (3)); and
- (iii) No person may give or promise to any other person any advance of wages "upon a condition expressed or implied that such other person or any dependant of his shall enter upon any employment" (section 81 (2)).

121. After examining the considerable volume of evidence received on the subject of wage advances, **we are of the opinion that no change is called for in the existing law.** While there was a strong feeling among some witnesses that wage advances were, generally speaking, undesirable and to be discouraged, it was felt equally strongly that the matter was one properly left to the discretion of individual employers. Opposition to wage advances appears to be largely based on the principle that, if a worker contracts to work for a specified period or to do a specified amount of work for a specified wage, he should not be given any part of his wage until the work is completed. Few would, of course, deny that principle. Under a system of monthly contracts and monthly wage payments, however, there are practical

considerations, particularly in the case of the lower paid urban worker, which make some measure of wage advance almost inevitable. The most important of these considerations is that the worker should have enough to eat—both in order to subsist and in order to work! It is the Committee's view that so long as wages continue to be paid monthly, just so long will unskilled workers continue to need, and demand, wage advances.

The Payment of Wages

122. The desirability of paying wages more frequently than once monthly has been stressed by various committees set up to study wages problems. The Phillips Committee (1945), in discussing the case for more frequent payment of wages, commented—

“The monthly payment of wages to unskilled workers is, we believe, at variance with the normal practice in other parts of the world. Even in more civilized countries it is recognized that it is too much to expect of the unskilled worker and his wife that they should expend their money prudently in accordance with a well-planned budget over a period as long as a month. The weekly payment of wages is general in South Africa.”

In its findings, however, the same Committee noted—

“It is clear that there are many pros and cons to this question. Among other factors, regard must be had to the convenience of employers at a time when most of them are very short-staffed and might find considerable difficulty in undertaking the extra work which such a change would involve. We are of opinion that a change-over to weekly wages is a logical and necessary accompaniment of other developments in the urban labour situation; but we are not prepared to recommend any immediate action in the matter, as in present circumstances it seems questionable whether the advantages would appreciably outweigh the disadvantages. We suggest that the matter be reviewed from time to time, and that the possibility of experimenting by payment of fortnightly advances be considered.”

Since the Phillips Committee submitted its report, there has been a marked increase in the number of employers prepared to give wage advances, but little progress towards an established system of weekly or fortnightly wage payments. We understand that Government has considered the matter from time to time without, however, satisfying itself that a case had been established for changing the present system of monthly wage payments.

123. The arguments for the more frequent payment of wages are, briefly—

- (i) that it would encourage providence in the African, reduce his indebtedness, and obviate the need for wage advances; and
- (ii) that it would help ensure better feeding (and increased work output) during the latter part of the month.

The protagonists of the system of monthly wage payments argue as follows—that the African is used to it, and has shown little desire to have it changed; that it readily allows of expenditure on the relatively heavy commitments of the African's budget, such as clothing, household replacements and monthly rent; that more frequent wage payments would involve the larger undertakings in considerable administrative difficulty and expense.

124. As the Phillips Committee noted, "there are many pros and cons to this question". We are in no doubt, however, that it is in the interests of the urban unskilled worker that he should be paid more frequently than he is at present. We are influenced in that view by the evidence we have heard from African witnesses on the subject of African borrowing. That evidence is such as to suggest that the majority of unskilled workers are permanently in debt, that they often borrow from money-lending groups at exorbitant rates of interest, and that the payment of interest makes serious inroads into already meagre monthly wages. The argument that the workers themselves are perfectly satisfied with the present method of payment is not, in our opinion, a valid one. Few Africans have had any experience of *any other* method; and, in the isolated cases where more frequent (e.g. weekly) wage payments have already been introduced, there appears to have been little employee opposition to the change. We are also inclined to think that, once the African has accustomed himself to more frequent wage payments, he will soon accept the necessity for setting money aside from his wages in order to purchase clothes and the other more expensive items of his budget. The difficulty over rent would be met either by landlords collecting rents more frequently, or by employees arranging with their employers for the cost of rent to be held back from their wages until the end of the month. The administrative difficulty of paying wages at more frequent intervals should not, in our opinion, be allowed to stand in the way of a reform which will serve the interests not only of workers themselves but also, in the long run, of the community as a whole.

125. We recommend that Government should actively encourage the weekly payment of wages, and should itself set an example in the matter by adopting a policy of weekly wage payments for its own African staff. Should Government decide to do this, we can be reasonably certain that other employers will follow suit, and that no legislative action will be necessary to ensure the fairly general adoption of weekly wage payments, at least in *urban*

areas. It is difficult to see how they can be introduced on any scale into agricultural employment, so long as workers continue to be engaged on ticket contracts. That consideration need not, however, in our opinion, cause any anxiety, since the agricultural worker is invariably fed and housed by his employer, is usually less improvident than his urban counterpart, and seldom gets to the stage of being permanently in debt. It is doubtful, in fact, whether a case could be established for pressing for the introduction of weekly wage payments in agricultural employment.

126. Our recommendation in regard to the weekly payment of wages in urban areas assumes that such payments will be made *within the monthly contract system*, i.e. that, although the worker's wage would be payable weekly, his contract would continue to be for the calendar month. We are advised, that in order to allow of this, the law will need to be amended. Under section 72 (2) of the Employment Ordinance (Cap. 109), wages, in the case of a monthly contract, are deemed to be due at the expiration of the calendar month, i.e. they must not be paid *later* than that date. This means, in effect, that should the contract expire in the middle of a week, any *balance* of wages would automatically become payable. **We recommend that section 72 (2) of the Employment Ordinance be amended so as to provide that where, in the case of a monthly contract, wages are paid weekly, any balance of wages outstanding at the end of the contract period may be carried forward to the weekly pay day next following the date of expiry of the contract—subject, of course, to the reservation that the present requirement should continue to apply in cases where the employee's contract is not renewed.**

127. We have examined a further aspect of the subject of wage payments, namely the practice followed by employers in regard to the payment of housing allowances. Section 41 of the Employment Ordinance requires that, where an employer does not provide housing accommodation for an employee, he shall pay to the employee "such sufficient sum, as rental, *in addition to his wages*, as will enable such employee to obtain reasonable accommodation". The requirement applies, of course, only as regards employees to whom the Ordinance itself applies, i.e. those earning a wage of not more than Sh. 100 per month. It has been represented to us that, owing to the fact that employers are not required to keep records of the housing allowances paid by them to their employees, difficulty has often been experienced by Labour Officers in deciding whether such allowances have, in fact, been paid. **It appears to us that this objection can easily be met by amending the Employment of Persons (Record of Employees) Rules, 1950, so as to require employers to keep records not only of the rates of wages paid to their employees, but also of any housing allowances so paid. We accordingly recommend that this be done.**

Part III—The Statutory Area Minimum Wage

CHAPTER X

THE PRESENT MINIMUM WAGE—CONCEPTION, ORIGIN AND METHOD OF CALCULATION

128. Statutory minimum wages, applying on an area basis, are at present governed by the Wages Regulation Order, 1953, made under section 10 of the Regulation of Wages and Conditions of Employment Ordinance, 1951 (No. 1 of 1951). Under this Order, which is reproduced in full as Appendix E to this report, the Member for Labour, with the approval of the Governor in Council, has laid down the minimum rates of wages set out in Table XIX.

Table XIX
STATUTORY AREA MINIMUM WAGES

AREA OF EMPLOYMENT	MINIMUM WAGE FOR		ADDITIONAL ALLOWANCE FOR HOUSING
	Monthly Contracts	Ticket Contracts	
	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>
Eldoret Municipality	49 00	57 00	8 00
Kisumu Municipality	47 00	55 00	5 00
Kitale Municipality	51 00	59 50	6 00
Mombasa Island	54 75	63 75	8 25
Nairobi Municipality	52 50	61 00	7 00
Nakuru Municipality	50 00	58 50	7 00
Nanyuki Township	51 50	60 00	4 00
Nyeri Township	51 00	59 50	5 00
Thika Township	50 50	59 00	5 00

These minimum wage rates apply to *all* persons employed in the urban areas specified, subject only to the reservation that a Labour Officer has power, in individual cases, to agree in writing to the payment of a lesser rate. In practice, this power is seldom exercised and is confined to cases—for example, disabled workers, pensioners and juveniles—where the employee's personal circumstances are such that he is unable to command economically the minimum wage and where, without such a concession, it would be virtually impossible for him to obtain employment.

129. The fixing of higher minimum rates for ticket contracts arises from the consideration that, in this type of contract, the employee contracts to complete 30 days' work within a period of not more than 42 days, as opposed to the average of 26 days' work in 30 or 31 days associated with the ordinary monthly contract. Relatively little use is now made of the ticket contract by

employers in urban areas and, in the few cases where it *is* still used, it is unusual for the period of contract to extend beyond 36 days. Recognition of this fact is implied in the method of assessing the minimum wage for ticket contracts, which is to multiply the monthly contract minimum wage by the factor " $\frac{7}{6}$ ".

130. The additional allowance for housing is payable in all cases where the employer does not himself provide housing for his employees. The inclusion of this allowance as a separate element of the minimum wage is made necessary by section 41 of the Employment Ordinance (Cap. 109), which requires that "every employer shall at all times, at his own expense, provide reasonable housing accommodation for his employees at or near to the place of employment or shall pay to the employee such sufficient sum, as rental, in addition to his wages, as will enable such employee to obtain reasonable accommodation".

131. The basic minimum wage is required to be paid in cash, and the only deduction which may normally be made from it is the amount of an employee's contribution to an approved provident or pension fund. Where, however, an employer supplies an employee with rations, he may, with the written authority of a Labour Officer, make a deduction from the employee's wage in respect of such rations. The maximum amount which may be deducted in this way is laid down by the Deduction from Wages (Rations) Order, 1952, and varies according to locality and type of contract. In the area of the Kisumu Municipality, the maximum amount is Sh. 11 in the case of monthly contracts and Sh. 12/50 for ticket contracts; in all other areas subject to a statutory minimum wage, the maximum amounts are Sh. 17 and Sh. 19 respectively.

The Minimum Wage Formula

132. Having noted the present nature of the minimum wage requirements in urban areas, we must now examine the method by which the minimum wage (i.e. the monthly contract minimum wage) is calculated. That method, which is largely based on views put forward by Professor Edward Batson (Director of the School of Social Science and Social Administration, University of Cape Town), involves two conceptions—those of (a) the "Poverty Datum Line" and (b) the "Effective Minimum Level".

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

- (i) that quantity and variety of *food* which, taking into account age and sex, would provide for each member of the household the

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

The case for including the cost of housing and transport in the calculation of the Poverty Datum Line is, however, qualified by Batson in the following terms:—

"As far as food, clothing, fuel, lighting, and cleaning materials are concerned, the Poverty Datum Line is calculated on the assumption that purchases are made in the cheapest market open to ordinary consumers. It is not difficult to discover by suitable methods of enquiry what the ruling prices are for these necessaries throughout a community, or in the several parts of a community. Such assumptions, however, cannot be made in calculating the expense of housing and transportation. In most urban communities at least there is nowadays nothing like an open market or a ruling price for housing. Households are largely bound by a variety of circumstances to the dwellings they happen to occupy already; and the dwelling and the work-place practically determine the expenditure for earners' transportation.

It follows that any attempt to reckon in our Datum Line an average, or a market, price for housing would be highly artificial, exaggerating the socio-economic status of some households and under-stating that of others. The orthodox procedure, open to certain other objections it is true but on the whole preferable, is to make no allowance at all in the Datum Line for rent or transportation, but to subtract from the household income the actual payments made for these purposes by a household, and to count only the balance as income available for purchasing the necessaries allowed for in the Datum Line."

If we then adopt this *modified* version of the Poverty Datum Line, we see that it is, in effect, an estimate of the minimum income required by a household of any given composition to purchase the food, clothing, fuel and lighting, and cleaning materials necessary for health and decency.

134. An essential feature of a Poverty Datum Line is that it allows no margin for anything other than the essentials of existence. As Professor Batson points out:—

“Such a standard is perhaps more remarkable for what it omits than for what it includes. It does not allow a penny for amusement, for sport, for medicine, for education, for saving, for hire purchase, for holidays, for odd bus rides, for newspapers, stationery, tobacco, sweets, hobbies, gifts, pocket money, or comforts or luxuries of any kind. It does not allow a penny for replacements of blankets, furniture, or crockery. It is not a ‘human’ standard of living. It thus admirably fulfils its purpose of stating the barest minimum upon which subsistence and health can theoretically be achieved.”

135. It is clear that, *by itself*, a Poverty Datum Line is not suitable as a basis for establishing a minimum wage. Man is by nature a social animal and demands more from life, and from his employment, than the bare essentials of existence. A minimum wage must, therefore, be sufficient to provide not only for the bare essentials of a worker’s existence but also, in some measure at least, for his social desires and obligations. In other words, a margin of income must be allowed over and above that fixed by the Poverty Datum Line. Such a margin of income is provided by what Batson has called the “Effective Minimum Level”, which he has defined as “the income level at which the competition of other wants slackens sufficiently to permit the purchase of a budget equivalent to that allowed for in the Poverty Datum Line”. From a study of household budgets in Cape Town, Batson came to the conclusion that, as regards the group of households surveyed, the Effective Minimum Level was approximately 150 per cent of the Poverty Datum Line. A similar relationship between Effective Minimum Level and Poverty Datum Line was established by the Phillips Committee (1945), in considering the minimum requirements of an African worker living as a single man in Mombasa.

136. In calculating the basic statutory minimum wages for the urban areas of Kenya, the Wages Advisory Board has adopted the method of first calculating a Poverty Datum Line (or P.D.L.)—the *modified* Poverty Datum Line of Batson—and then converting this into an Effective Minimum Level by the addition of what it terms a “Human Needs Requirement” (actually 33½ per cent of the P.D.L.). The minimum wage is then obtained by adding to this total—(i) an allowance for housing; (ii) in the case of Mombasa, Kitale and Nanyuki only, an allowance for water; (iii) an allowance of Sh. 2 per month for tax; and (iv) a “cushion” of Sh. 1 per month. For reasons explained earlier, in the figures as published the housing element of the wage is shown separately as an “additional allowance”. A detailed statement of the various components of the present minimum wage formula is given in Table XX.

Table XX
THE PRESENT STATUTORY MINIMUM WAGE—METHOD OF CALCULATION

The following estimated *monthly* requirements of a *single* man are costed:—

A		B		C		D
FOOD		CLOTHING		FUEL AND LIGHTING		CLEANING MATERIALS
Item	Amount			Item	Amount	
Maize meal	45½ lb.	1/12th of	{ 1 Shirt 1 Shorts 1 Blanket 1 K.D. Jacket 1 K.D. Trousers	Charcoal	1 x 70-lb. bag	1 x 2-lb. bar soap
Sugar	3½ lb.			Paraffin	2 bottles	
Vegetables	5½ lb.			Matches	1 box	
Meat	4½ lb.					
Milk	7½ pts.	1/24th of				
Tea	4 lb.					
Salt	1 lb.					

The above assumes an annual purchase of one shirt, one shorts and one blanket, and a biennial purchase of one jacket and one trousers. In the case of Mombasa, a different basis is used, viz.—an annual purchase of two shirts, two shorts and one blanket. In all cases, the monthly clothing allowance is subject to a maximum of Sh. 4/50 and a minimum of Sh. 3/50.

The total cost of A, B, C and D is an estimate of the monthly income needed by a single man (housed by his employer) for a minimum level of health and decency, and establishes what is known as the **POVERTY DATUM LINE (P.D.L.)**. The **MINIMUM WAGE** is obtained by adding the following items (E, F, G and H), plus an allowance for housing, and rounding off to the nearest 50 cents:—

E		F		G		H
HUMAN NEEDS REQUIREMENT		ALLOWANCE FOR WATER		ALLOWANCE FOR TAX		CUSHION
33½ per cent of P.D.L.		In the case of Mombasa, Kitale and Nan-yuki only, an allowance is made to cover the cost of two debbies of water per day.		Sh. 2 per month		Sh. 1 per month
The "human needs" factor is intended to cover miscellaneous household and personal expenses not included under A, B, C and D, and to provide for contingencies.						This is intended to "cushion" unforeseen minor price increases, pending re-assessment of the minimum wage. In general, no change is made in the minimum wage until overall price movements show a rise or fall of at least Sh. 2.

NOTE.—In the figures as published, the **HOUSING ALLOWANCE** is shown separately, so as to provide for cases where the employer houses his employees.

137. It has been noted in an earlier chapter that the present minimum wage formula is essentially the same as that worked out by the old Central Minimum Wage Advisory Board. The records of the Board's meetings show that, in its deliberations, it took full cognizance of Professor Batson's theories on poverty datum lines and effective minimum levels, of the Phillips Report, and of the published comments upon that report of Professor Silberman (of the University of the Witwaterstrand, Johannesburg). It also had regard to such information as was available of the consumption habits of the population, and itself conducted inquiries in the areas to which statutory minimum wage orders were subsequently applied. The food dietary may be assumed to be that recommended by the then Government Biochemist.

138. Notable features of the present minimum wage formula are—

- (a) the relating of the Poverty Datum Line to the needs of *a single man*;
and
- (b) the assessment of the Human Needs Requirement at 33 $\frac{1}{3}$ per cent of the Poverty Datum Line (as against the 50 per cent suggested by Professor Batson and the Phillips Committee).

These and other aspects of the method of calculation will be discussed when we come to consider our own recommendations. It only remains for us here to refer briefly to the procedure followed in costing the present minimum wage formula. Where commodities are subject to price control, the costing is done on the basis of their controlled prices; in the case of other commodities, price revisions are submitted at monthly intervals by Labour Officers. The allowance for housing is based on the average cost of a bed-space (of some 40 sq. ft.) in the urban area concerned, this information also being supplied by the Labour Officer (after consulting with the local authority).

139. The records show that, in deciding upon its formula for calculating the statutory minimum wage, the Central Minimum Wage Advisory Board had in mind not so much an actual *real* wage as what the Board itself described as a "social safety net". The Board's objective was to devise a wage which, "while covering the cost of living of a single adult male employee working at unskilled labour, would not give him that feeling of complacent satisfaction in which he would make no effort at self-improvement".

CHAPTER XI

THE PROPOSED MINIMUM WAGE—THE “BACHELOR”
MINIMUM

140. The original intention of the Central Minimum Wage Advisory Board—to provide for a “social safety net” rather than an “actual real wage”—can hardly be said to have been realized. We have seen, in our study of the Colony’s wage structure, that the minimum wage has become very much a *real wage*, that a considerable proportion of the Colony’s unskilled workers have been caught in its “net”, and that for many others the net has acted like a magnet to hold down wages. Nor, in the light of the evidence before us, can we regard the minimum wage (as now calculated) as having achieved the purpose of “covering the cost of living of a single adult male employee working at unskilled labour”. We have found very few witnesses prepared to say that the present minimum wage is adequate to cover the cost of living of a single man living under urban conditions. Many, on the other hand, including witnesses with some claim to “expert” knowledge, have had no hesitation in condemning it as being definitely inadequate. Among the minimum wage earners themselves, we are conscious of a feeling not so much of “complacent satisfaction” as of growing discontent and frustration. We believe that much of this can be removed by the adoption of a realistic and fair minimum wages policy.

General Consideration of Present Formula

141. The practice, followed in this country, of relating the minimum wage to the needs of a single man is open to a number of serious objections. These will be discussed in our next chapter, where we shall also consider ways of moving away from the present concept of the “bachelor” minimum. It seems desirable, however, to emphasize here that, whether or not our recommendations in regard to a “family” minimum wage are accepted, the “bachelor” minimum must continue to remain the *basis* of all our minimum wage calculations. For that reason, and for the reason also that our terms of reference require it, we must now consider the various other aspects of the present method of calculating the statutory minimum wage in urban areas.

142. We have seen that the *purpose* of the present minimum wage formula is to ensure a wage sufficient to cover “the cost of living of a single adult male employee working at unskilled labour”. The standard thus implied would appear to be the *minimum required by a single man for health, respectability and physical working capacity*. In other words, the minimum wage is to be regarded as a cash assessment of the human needs, as individual and worker, of the African unskilled labourer living under urban conditions. Viewed in relation to the single man, that appears to us to be a proper interpretation of what should be the purpose of a basic area minimum wage. The fact

that, in Kenya, the minimum wage has also tended to become the *actual* wage should not, in our opinion, be allowed to influence the method employed for determining the minimum wage; nor, obviously, should it be influenced by such considerations as the inability of some employees to give an economic labour return for the wage. Mr. B. Seebom Rowntree sums up the position thus:—

“In discussing the principles on which minimum wages should be fixed, we should draw a clear distinction between *minimum* wages and wages above the minimum. The former should be determined primarily by human needs, the latter by the market value of the services rendered.”

(*The Human Needs of Labour*: page 15.)

143. The *method* employed in determining the statutory minimum wage—i.e. the calculation of a “Poverty Datum Line”, and the addition to this of a fixed percentage (the so-called “Human Needs Requirement”) in order to arrive at an “Effective Minimum Level”—appears to be the only one practicable in the present stage of the Colony’s development. We are aware that it has not been free from criticism. Professor Silberman, in commenting upon the recommendations made in the Phillips Report, was opposed to the concept of the “Effective Minimum” for the following reasons:—

“(i) The round 50 per cent increase which Professor Batson adds to his Poverty Datum Line in order to arrive at an “Effective Minimum” standard of health and decency, has not as yet been defended by him as rigorously as his other standards. Later publications may still clarify the concept, and yet, even if they do it may still not be automatically applicable to Kenya. For all the “Effective Minimum” says is that in Cape Town (which it must be remembered, is not a typical city for Africa as it has *very* few African inhabitants) the workers in 1937 would not permit themselves a proper nutritional diet unless their income came up to the level of the “Effective Minimum”. We do not know whether the same holds good for the Mombasa African. It is very probable that it does not. If there had been Consumers’ Education in Cape Town a lower amount than the “Effective Minimum” say the P.D.L. plus 30 per cent only might have been necessary.

“(ii) I find it illogical to institute a meticulous inquiry into every cent allowed for the P.D.L. in order then to add a grandiose Sh. 13/40 without further examination. *An itemized personal allowance as contained in the “Human Needs Standard” of Rowntree is more appropriate and precise.*

- (iii) A fully itemized budget facilitates later planning of systematic cost of living reductions.
- (iv) Such a budget is entirely free of the taint of the "fodder level" standard of the P.D.L. or modifications of it."

144. While we fully appreciate the strength of these arguments, we find ourselves—as we have no doubt the Central Minimum Wage Advisory Board found itself—unable to be greatly influenced by them. The budgetary method of calculation advocated by Silberman would entail continuous and detailed study of the African pattern of expenditure in all areas subject to the minimum wage, a task which it is beyond the capacity of any Government Department (and we are assured also, of the East African Statistical Department) to undertake at the present juncture. It is important to remember also that, in so far as such studies rely on the direct questioning of uneducated Africans, their results must be accepted with a certain amount of caution, and this applies particularly as regards those items of expenditure not related to the more basic needs of food, clothing, fuel, lighting and cleaning. The desirability of basing minimum wage calculations *solely* upon African expenditure studies must also be influenced by such considerations as area and tribal differences in expenditure patterns, the fact that the consumption habits of the African population are constantly changing, and the nutritional deficiencies of many African diets. All this should not be taken as in any way decrying the value of household expenditure studies—on the contrary, as we have already shown, we have been made acutely aware of the need for greatly increased work in this field. The point we would make here is that, in the present transitory stage of African development, the value of such studies appears to lie more in the *general indication* they can give of African consumption habits and needs than in the provision of exact data for incorporation in a minimum wage formula of more or less "country-wide" application.

The Poverty Datum Line

145. In the light of the evidence available to us as to the African worker's physiological needs and consumption habits, we must now examine the individual components of the existing Poverty Datum Line. These components are—food; clothing; fuel and lighting; and cleaning materials.

146. *Food*.—The monthly dietary allowed for in the present Poverty Datum Line is set out in Table XXI, together with its evaluation in terms of daily nutritional intake.

Table XXI

MONTHLY DIETARY ALLOWED FOR IN PRESENT MINIMUM WAGE FORMULA

MONTHLY DIETARY		DAILY NUTRITIONAL INTAKE	
Commodity	Amount	Nutrient	Amount
Maize Meal	45½ lb.	Calories	2,796
Sugar	3¼ lb.	Protein (g.)	82
Meat	4½ lb.	Fat (g.)	42
Vegetables	5½ lb.	Carbohydrate (g.)	522
Milk	7½ pts.	Calcium (mg.)	407
Tea	½ lb.	Iron (mg.)	39
Salt	1 lb.	Vitamin A (I.U.)	3,094
		Thiamine (mg.)	2.27
		Riboflavin (mg.)	1.49
		Nicotinic acid (mg.)	14.1
		Ascorbic acid (mg.)	68

This dietary has been criticized by medical witnesses on various grounds—low calorific value; deficiencies in “protective” elements; unpalatability; and the apparent failure to allow for nutritional losses in food preparation. Other witnesses, without pretensions to medical knowledge but with more than a passing acquaintance of African consumption habits, have considered the diet to be both quantitatively inadequate and lacking in variety.

147. Much of the evidence submitted to us appeared to suggest that, while the present dietary might well be fully adequate in relation to the *sustenance* needs of an adult male African, it was definitely not adequate when considered in relation to the needs of the *adult male African worker*. We accordingly asked Dr. E. M. Case, the Government Biochemist, to examine the dietary with the following particular considerations in mind—

- (a) the nutritional needs of the African unskilled labourer;
- (b) his consumption habits; and
- (c) the necessity for keeping the cost of the diet to the absolute minimum consistent with considerations (a) and (b).

148. Dr. Case's comments and conclusions were given to us in a memorandum which is produced as Appendix G to this report. There is nothing that we can usefully add to that memorandum, **and we have no hesitation in recommending the adoption of the revised dietary proposed by Dr. Case.** The proposed dietary, and its nutritional evaluation, are set out in Table XXII.

Table XXII
PROPOSED MONTHLY DIETARY

MONTHLY DIETARY		DAILY NUTRITIONAL INTAKE	
Commodity	Amount	Nutrient	Amount
Maize Meal	36 lb.	Calories	3,200
Wheat Flour	5½ lb.	Protein (g.)	110
Potatoes (European)	15 lb.	Fat (g.)	55
Sugar	2 lb.	Carbohydrate (g.)	564
Beans (Dried)	8 lb.	Calcium (mg.)	568
Meat	4½ lb.	Iron (mg.)	41
Vegetables (Green Leafy)	7½ lb.	Vitamin A (I.U.)	4,156
Milk	7½ pts.	Thiamine (mg.)	2.66
Cooking Fat	1 lb.	Riboflavin (mg.)	2.14
Tea	½ lb.	Nicotinic acid (mg.)	18.6
Salt	1 lb.	Ascorbic acid (mg.)	121

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

150. Having considered all the available evidence, we are of the opinion that the present monthly clothing allowance is insufficient, **and recommend that it be replaced by one based on the sum of the following—**

- (i) one-sixth of the cost of a shirt (K.D.);
- (ii) one-sixth of the cost of a pair of shorts (K.D.);
- (iii) one-sixth of the cost of a cotton vest;
- (iv) one-twelfth of the cost of a blanket;
- (v) one twenty-fourth of the cost of a jacket (K.D.); and
- (vi) one twenty-fourth of the cost of a pair of trousers (K.D.).

The proposed new allowance assumes the annual purchase of two K.D. shirts, two pairs of K.D. shorts, two cotton vests and one blanket, and the biennial purchase of a K.D. jacket and one pair of K.D. trousers.

151. **We also recommend that the basis of the clothing allowance should be the same for all towns subject to the minimum wage, and that the practice of setting a maximum and minimum to the allowance should be discontinued.**

152. Our recommendations in regard to clothing can hardly be considered to err on the side of generosity. Many Africans now wear shoes, stockings and headgear, which are not provided for in the allowance. It is also doubtful whether the allowance would provide adequately for Africans in certain occupations in up-country areas. Against such considerations, however, must be set the following—that we are dealing with *minimum* requirements; that the urban African acquires many of his clothes second-hand; and that many employees are provided with working clothes by their employers, particularly where their work involves exposure to inclement weather or other unpleasant working conditions.

153. *Fuel and Lighting.*—The present monthly allowance under this heading is—

- One 70-lb. bag of charcoal;
- Two bottles of paraffin; and
- One box of matches.

The charcoal allowance appears to us to be satisfactory. We propose, however, to omit the box of matches and to change the paraffin allowance to “three pints”. **We therefore recommend that the monthly allowance for fuel and lighting be altered to—**

- One 70-lb. bag of charcoal; and
- Three pints of paraffin.

154. *Cleaning Materials.*—The monthly allowance of two pounds of soap for cleaning and washing appears reasonable and we accordingly make no recommendation under this heading.

The Effective Minimum Level

155. The sum of the monthly costs of food, clothing, fuel and lighting, and cleaning materials gives us our Poverty Datum Line (or P.D.L.) and we must now decide what amount should be added to this in order to arrive at an Effective Minimum Level. This amount—the “Human Needs Requirement”—is, at present, assessed at $33\frac{1}{3}$ per cent of the P.D.L. As against this, we have noted that Professor Batson, on the basis of household budget surveys in Cape Town, suggested a figure of 50 per cent, and that a similar figure (50 per cent) was advocated by the Phillips Committee in respect of African labourers living in Mombasa.

156. The purpose of the Human Needs Requirement is to provide for those essential needs, mainly sociological, for which no provision is made in the Poverty Datum Line. Among the expenses which it must cover are—household replacements; amusements and recreation; transport; education; entertainment of relatives and friends; gifts; newspapers; stationery; tobacco; the monthly haircut; the occasional razor blade. The list is far from comprehensive, and it is doubtful whether it could ever be made comprehensive. In view of the great variety of, and wide differences in, human needs—and of the differences in interpretation of what constitute “human needs”—it is clear that any decision as to the amount of the Human Needs Requirement must be somewhat arbitrary.

157. After considering such evidence as was available to us, **we are inclined to regard the present practice of assessing the Human Needs Requirement at 33½ per cent of the P.D.L. as reasonable.** It is certainly not an excessive allowance. On the other hand, the minimum wage earner can derive some satisfaction from the knowledge that, should our recommendations in regard to the Poverty Datum Line be accepted, he will also benefit from an automatic increase in the cash value of the Human Needs Requirement.

The Allowance for Water

158. In the case of workers employed in Mombasa, Kitale and Nanyuki, the minimum wage formula provides for an “allowance for water” to cover the cost of two debbies (i.e. eight gallons) of water per day. In terms of cash, the monthly allowance is—for Mombasa, Sh. 1/20; for Kitale, Sh. -/90; and for Nanyuki, Sh. -/60. The payment of this allowance arises from the consideration that, in Mombasa, Kitale and Nanyuki, the African is required to pay directly for his water, whereas in other urban areas the payment is included in the worker’s “rent”. However, we are not satisfied that this consideration is sufficient justification for making specific provision for an allowance for water in the minimum wage formula. It is quite conceivable that in Mombasa, Kitale and Nanyuki the disadvantage of having to pay for water is more than offset by advantages not shared with other urban communities. The amounts of the allowances are small, and we consider that they can well be taken care of by the Human Needs Requirement. **We, therefore, recommend the discontinuance of this allowance.**

The Allowance for Tax

159. The allowance for tax is in a somewhat different category. Poll tax is payable by *all* adult male Africans, i.e. by all Africans of the apparent age of eighteen years or over. It may be regarded as a standard charge on the minimum worker’s income, for which no provision is made in either the Poverty Datum Line or the Effective Minimum Level. **We are, therefore, firmly of the opinion that this allowance should be retained,**

The "Cushion"

160. The purpose of the so-called "cushion" of the present minimum wage formula is to offset any minor price increases, pending re-assessment of the minimum wage by the Wages Advisory Board. In general, no such re-assessment is made until price surveys indicate a rise or fall in the formula calculation of at least Sh. 2. The "cushion" was introduced at a time when prices were steadily rising and its continued use can, in our opinion, only be justified on the assumption that prices will continue to rise. The evidence before us, however, suggests that the price curve is flattening out and, in view of this, **we feel bound to recommend the omission of the "cushion" from the minimum wage formula.** Having regard to the substantial increase in income which will accrue to the minimum wage earner from the adoption of our other recommendations, we do not consider that this action (i.e. the omission of a "cushion" of Sh. 1 per month) will impose undue hardship.

The Additional Allowance for Housing

161. We have already noted that, in the statutory minimum wage as published, the housing allowance is shown separately as an "additional" allowance. We have noted also that the amount of the housing allowance is based upon the average cost of a bed-space in the various urban areas, as ascertained by Labour Officers in consultation with local authorities. In the larger urban centres, this "average" has been mainly determined by the bed-space rent charged by the local authority for its own housing.

162. In fixing the rents of their African housing, local authorities have hitherto had regard more to the ability of the African to pay than to the need for obtaining an economic return on financial outlay. The only exception to this has been where employers have themselves rented local authority housing for the use of their own employees. In such cases, it has been usual for the local authority to charge a rent which could be considered more or less "economic".

163. The method of fixing rents, and assessing housing allowances, described in the previous paragraphs has had a number of undesirable effects; in particular—

- (a) local authorities have suffered financial loss and have, therefore, been handicapped in the provision of additional housing;
- (b) workers who were unable to obtain accommodation in local authority houses have suffered considerable hardship through being compelled to pay, to private landlords, rents much larger than that allowed for in the minimum wage;

- (c) employers have been discouraged from building or renting houses for their employees by the consideration that they could discharge their legal obligations (under the Employment Ordinance) much more cheaply by paying the housing allowances specified in the Minimum Wage Orders. To the extent that employees have been able to find accommodation at sub-economic rents in local authority housing, this has meant, in effect, the subsidization of industry by the Colony's taxpayers.

164. As a Committee, we have given very careful consideration to the problems associated with the present scale of minimum wage housing allowances, and are satisfied that these problems can only be solved by fixing the allowances at a level which will enable the worker to pay the economic rent of a bed-space in local authority accommodation. **We recommend, therefore, that this principle be accepted by the Wages Advisory Board.** In the case of Nairobi, this will entail an increase of approximately Sh. 5 in the present housing allowance, while increases in other urban areas can be expected to be rather less than this figure.

165. We have given careful consideration to the possibility of including the housing allowance as an integral part of the minimum wage and making no special provision for it in the Minimum Wage Orders. The advantage of such a step would be that it would bring home to the African a proper realization of the value of his wage and of the fact that housing, in common with the other necessities and amenities of life, is something that has to be paid for. In our opinion, however, this advantage is more than offset by the obvious disadvantages. There is, for example, the difficulty of reconciling the single integral payment with the legal requirement (applicable not only to the minimum wage earner but also to workers earning more than the minimum) that the employer shall either provide reasonable housing accommodation for an employee or pay to such employee a sufficient sum, *in addition to his wages*, as will enable him to obtain reasonable housing accommodation. There is also the further consideration that an "economic" housing allowance, *shown as such*, may, by focusing attention upon the part played by housing in the employer's total wage bill, act as an incentive to employers to provide housing for their employees. Other arguments against the abolition of the separate housing allowance will be evident when we come to consider the subject of the "family" minimum wage.

The Proposed Formula

166. Having now examined all the various components of the present minimum wage formula, we consider it desirable to set out briefly the method which we ourselves advocate for the determination of the "bachelor" minimum wage. This is done below:—

The following estimated monthly requirements of a single man should be costed—

A. *Food*—

- 36 lb. maize meal.
- 5½ lb. wheat flour.
- 15 lb. potatoes (European).
- 2 lb. sugar.
- 8 lb. beans (dried).
- 4½ lb. meat.
- 7½ lb. vegetables (green leafy).
- 7½ pt. milk.
- 1 lb. cooking fat.
- ½ lb. tea.
- 1 lb. salt.

B. *Clothing*—

- 1/6th of { 1 K.D. shirt.
1 K.D. shorts.
1 cotton vest.
- 1/12th of 1 blanket.
- 1/24th of { 1 K.D. jacket.
1 K.D. trousers.

C. *Fuel and Lighting*—

- 1 70-lb. bag charcoal.
- 3 pts. paraffin.

D. *Cleaning Materials*—

- 2 lb. soap.

The total cost of A, B, C and D establishes our **POVERTY DATUM LINE** (the "P.D.L."). To this should now be added the following—

(a) 33⅓ per cent of the P.D.L. (to establish our **EFFECTIVE MINIMUM LEVEL**); and

(b) an allowance of Sh. 2 for tax.

The total, rounded off to the nearest 50 cents, establishes our **BASIC MINIMUM WAGE**.

The **HOUSING ALLOWANCE** is to be considered as a separate item, its amount being equal to the average economic cost of a bed-space (40 sq. ft.) in local authority housing.

The Minimum Wage for Ticket Contracts

167. We recommend that the statutory minimum wage for ticket contracts should continue to be calculated, as hitherto, by multiplying the monthly contract minimum wage by the factor “ ”.

Scope of Minimum Wage Legislation

168. At present, statutory “area” minimum wages are applied to nine urban areas—the municipalities of Nairobi, Nakuru, Eldoret, Kitale and Kisumu; Mombasa Island; and the townships of Nanyuki, Nyeri and Thika. **We do not recommend any present extension of application.** In the areas now subject to a statutory minimum wage, the African’s life must largely conform to an urban pattern, which to a large extent dictates his sociological needs. In other and smaller urban communities, this is not necessarily the case; life there is nearer our western conception of “village” life, and nearer also to that which the African would lead under rural conditions of employment. If a line *has* to be drawn between areas subject, and those not subject, to a minimum wage—a question which is discussed at greater length in a subsequent chapter—the present one (i.e. that fixed by current minimum wage legislation) would appear to be as appropriate as any other.

169. There remains the question of whether there should be any limitation as regards the *persons* subject to the statutory minimum wage. At present, the statutory minimum rates apply indiscriminately to men, women and juveniles, subject to the reservation that a Labour Officer has power, in individual cases, to agree in writing to the payment of a lesser rate. So far, this arrangement appears to have presented few difficulties. Relatively few women and juveniles are employed in urban areas and, where they are so employed, they can usually be expected to give an economic return for their wage. On balance, and having regard to the complications that might ensue from any attempt to differentiate on the basis of sex or age, we are inclined to favour the retention of the present arrangement. **We, therefore, recommend that the statutory minimum wage should continue to apply to all persons employed in the urban areas affected by it.**

The Costing of the Minimum Wage Formula

170. The present method of costing the minimum wage formula appears to us to be open to two major objections, viz.—

- (i) the use of *controlled* prices, in the case of commodities subject to price control; and
- (ii) the lack of uniformity in price collection, arising from the practice of leaving this work to local officers of the Labour Department.

171. The objection to the use of controlled prices is based on the consideration that, so far as the African purchaser is concerned, price control must largely be ineffective. The African seldom knows the controlled price of what he is purchasing, is as often as not given short weight, and is generally at the mercy of the unscrupulous retail trader. His difficulties are further accentuated by the fact that he buys in small quantities. The Phillips Committee (1945) had this to say on the subject of price control as it affected the African consumer:—

“It may possibly be objected that recognition of these facts amounts to toleration, even tacit approval, of black-market activities, and that no allowance can properly be made for the extra expenditure incurred by a person who chooses to pay an excessive price. The answer to this objection is, in the first place, that it is not so much a question of choice as of necessity, and that it is unreasonable to expect a person, particularly an uneducated native, to do without the essentials of life for the sake of a very problematical improvement in the efficacy of price control.”

172. The use of “controlled” prices in costing the minimum wage formula can operate to the serious disadvantage of the minimum wage earner. A very clear illustration of this is given in Table XXIII, which sets out the cost of the Poverty Datum Line components of our proposed formula, using (a) actual, and (b) controlled, prices. The prices shown in the table were those ruling in Nairobi at December, 1953. The collection of *actual* prices was carried out by the East African Statistical Department, using the normal methods of African purchasing. The minimum wage is worked out below on the basis of both actual and controlled prices—

	Using Actual Prices		Using Controlled Prices	
	<i>Sh.</i>	<i>cts.</i>	<i>Sh.</i>	<i>cts.</i>
Food	36	78	33	92
Clothing	5	34	5	34
Fuel and Lighting	5	86	5	66
Cleaning Materials	2	52	2	52
POVERTY DATUM LINE	50	50	47	44
Human Needs Requirement (33½% P.D.L.)	16	83	15	81
Allowance for Tax	2	00	2	00
MINIMUM WAGE	69	33	65	25

It will be seen that the calculation of the minimum wage on the basis of the prices actually paid by the African purchaser produces a result approximately Sh. 4 above that arrived at by the use of controlled prices.

Table XXIII

COSTING OF MINIMUM WAGE FORMULA, USING BOTH ACTUAL AND CONTROLLED PRICES
NAIROBI—DECEMBER, 1953

ITEM	MONTHLY ALLOWANCE	UNIT PRICE		MONTHLY COST	
		Actual	Controlled	Actual	Controlled
Maize Meal	36 lb.	Sh. 0 29	0 28	Sh. 10 44	10 08
Wheat Flour	5½ lb.	0 50	0 50	2 75	2 75
Potatoes	15 lb.	0 19	—	2 85	2 85
Sugar	2 lb.	0 71	0 53	1 42	1 06
Beans (Dried)	8 lb.	0 47	—	3 76	3 76
Meat (3rd Grade)	4½ lb.	1 46	1 00	6 57	4 50
Green Vegetables (Kunde)	7½ lb.	0 30	—	2 25	2 25
Milk	7½ pts.	0 40	0 39	3 00	2 93
Cooking Fat	1 lb.	1 95	—	1 95	1 95
Salt	1 lb.	0 19	—	0 19	0 19
Tea	½ lb.	3 20	—	1 60	1 60
TOTAL FOOD				36 78	33 92
K.D. Shirt	1/6	7 43	—	1 24	1 24
K.D. Shorts	1/6	7 80	—	1 30	1 30
K.D. Jacket	1/24	26 78	—	1 12	1 12
K.D. Trousers	1/24	17 57	—	0 73	0 73
Cotton Vest	1/6	1 86	—	0 31	0 31
Blanket	1/12	7 64	—	0 64	0 64
TOTAL CLOTHING				5 34	5 34
Charcoal*	1 x 70 lb. bag	4 60	4 40	4 60	4 40
Paraffin	3 pts.	0 42	—	1 26	1 26
TOTAL FUEL AND LIGHTING				5 86	5 66
Soap	2 lb.	1 26	—	2 52	2 52
CLEANING MATERIALS				2 52	2 52

*The controlled price taken in the case of charcoal is that for the 70-lb. bag.

173. The use of controlled prices for costing a minimum wage formula can, in our opinion, only be justified on the basis of an effective price control. Since that control is patently *not* effective in relation to African purchasing, we have no hesitation in recommending that the costing of the minimum wage formula should be on the basis of the actual prices of the various commodities to the African purchaser. There is also an obvious need for ensuring that the same price collecting technique is used in all areas subject to the

statutory minimum wage. We consider that the best method of achieving this is to arrange for all price collections to be carried out by the same price collecting team, or by a series of teams using standardized purchasing methods and working under central direction. The East African Statistical Department has already applied itself to this work and is, without doubt, the best qualified and most appropriate body to carry it out. **We, therefore, recommend that the Director of that Department be asked to accept responsibility for all future price collections required for the purpose of calculating the statutory minimum wage.**

Adjustments in the Minimum Wage

174. The decision as to whether a case exists for altering the minimum wage is at present dictated by movements in the Poverty Datum Line. In general, no change in the minimum wage is considered until the P.D.L. shows an upward or downward movement of at least Sh. 1/50 (equivalent to Sh. 2 in the wage itself).

175. It has been suggested to us that a more satisfactory guide to the need for changes in the minimum wage would be provided by an African Retail Price Index. The suggested method of using such an Index is as follows:—

- (a) The Index would be based upon the P.D.L. but would not be confined to the particular articles specified in the P.D.L., i.e. it would contain a greater range or variety of articles.
- (b) An agreed movement in the Index would lead to a review of minimum wages by the Wages Advisory Board, but not necessarily to *changes* in the minimum wages.
- (c) The decision as to the necessity for, and the amount of, any alteration in the minimum wage would depend upon (i) the Board's assessment of the significance to be attached to the movement in the Index, and (ii) a re-costing of the minimum wage formula.

One of the main advantages of a Retail Price Index used in this way is that it ensures that variations in the prices of one or two articles do not *automatically* call for adjustment in the minimum wage. Another advantage of such an Index is that it tends to take account of local variations in the supply of consumer goods.

176. While, on the basis of the arguments presented to us, we are inclined to favour the use of an African Retail Price Index as a guide to minimum wage adjustment, it appears to us that the suggestion is only practicable in relation to a *single* minimum wage applying to all urban areas subject to the minimum wage legislation. The work of preparing and

maintaining the Index would almost certainly devolve upon the Director of the East African Statistical Department, and it is extremely unlikely that the staff position in his Department would allow of the keeping of a separate Index for each town.

The Case for One Minimum Wage

177. It has been represented to us by several witnesses that the differences in the cost of living in the various urban centres covered by minimum wage legislation are not so great as to justify the present relatively large differences in minimum wages; that local increases in the prices of commodities tend to be offset by changes in local consumption habits; that price differences tend to cancel each other out; that many of the existing *apparent* differences would be "ironed out" by standardization of the methods of price collection. If the validity of these arguments can be proved, a case is clearly established for a single uniform minimum wage.

178. The advantages of a uniform minimum wage are obvious. On the evidence available to us, however, we are not satisfied as to the wisdom or desirability of introducing such a wage at the present juncture. In order to decide this question, we **recommend that arrangements be made for the Poverty Datum Line components of our proposed formula to be costed by the same price collecting team in all areas subject to the statutory minimum wage. We also recommend that a similar survey should be carried out later in the year, so as to show the effect of "seasonal" changes.**

Implementation of Proposals

179. The calculation of the minimum wage on the basis of our proposed formula, and using the prices ruling in Nairobi at December, 1953, gives a figure of Sh. 69 per month, while a housing allowance based on the average economic rent of a bed-space in the Nairobi African locations would be of the order of Sh. 12 per month. These figures are compared below with those laid down for Nairobi by the Wages Regulation Order, 1953:—

	PRESENT FORMULA	PROPOSED FORMULA
	<i>Sh. cts.</i>	<i>Sh. cts.</i>
Minimum Wage	52 50	69 00
Housing Allowance	7 00	12 00
TOTAL	59 50	81 00

It will be seen that the adoption of our recommendations will mean that the basic minimum wage for Nairobi will go up by Sh. 16/50 (or 31 per cent); and that, if we also include the housing allowance, the overall increase will be of the order of Sh. 21/50 (or 36 per cent). Increases in the minimum wage in other urban areas can be expected to be of the same order.

180. We are conscious that increases of this order in the existing minimum wage will entail a very large increase in the Colony's total wage bill. While some employers—those who already pay wages substantially above the minimum—will be little affected by the change, others may well be hard put to it to pay the increased wages. General economic considerations would appear to suggest the desirability of “spreading over” the increase. On the other hand, the interests of the worker—and, in the consideration of *minimum* wages, it is the worker's interests which should predominate—require that the new minimum rates should be introduced as soon as possible. We have given careful consideration to the question of the implementation of our minimum wage proposals, **and recommend as follows—**

- (a) that the new minimum wage formula should be introduced with effect from the 1st January, 1955; and**
- (b) that immediate effect should be given to the following “interim” measures—**
 - (i) a flat increase of Sh. 10 on all existing minimum wage rates; and**
 - (ii) the prescribing of new housing allowances, based on the average economic rent of a bed-space in local authority housing locations.**

181. We would note, in passing, that, by deferring the date of introduction of the new formula until the 1st January, 1955, an opportunity will be provided for further studies of the relative costs of living in the various urban areas covered by minimum wage legislation. These studies should, in our opinion, be carried out by the East African Statistical Department, and should be designed to provide the information necessary for (a) establishing, or disproving, the case for a single minimum wage, and (b) the compilation of a Colony African Retail Price Index.

CHAPTER XII

THE “FAMILY” MINIMUM WAGE

182. The present policy of basing the statutory minimum wage upon the needs of a *single man* must be assumed to imply official acceptance, if not encouragement, of the system of migrant or “target” labour. We have already referred to the unfortunate economic and social effects of that

system, and to the urgent need for stabilizing the Colony's labour force. We have also noted that one of the essential conditions for the stabilization of urban labour is the payment to the worker of a wage sufficient to support himself and his family in health and decency under urban conditions. The fact that so few African workers are in a position to do this at the present time has been seen to be due, in no small measure, to the low *base level* of wages, which has resulted in the building up of what is essentially a "bachelor" wage structure.

183. It will no doubt be argued that, notwithstanding our assertions as to the general inadequacy of African wages in relation to family needs, many urban African workers (unskilled labourers among them) do, in fact, have their families living with them, at least for some portion of the year. This is, admittedly, the case. It is one thing, however, for a worker to have his family living with him, and quite another for him to be able to provide that family with the minimum requirements of health and decency. The conditions under which many African families live to-day in our urban centres are deplorable. Unless the husband's wage is supplemented by other income, relatively few of them can have enough to eat or even a room to themselves in which to sleep. The urge to obtain supplementary income is as likely as not to find an outlet in anti-social practices. We have to face up to the fact that, for the great majority of the urban African labour force, married life is at present only obtainable at the sacrifice of health and decency.

184. Moral, social, economic and political considerations alike suggest the vital necessity of moving as quickly as possible to a position where even the unskilled labourer can earn a wage sufficient to support himself and his family. In our view, there is only one way in which this can be brought about, namely by raising the *base level* of adult male wages. We have seen that the present base level of wages is, in fact, the statutory minimum wage. **We accordingly recommend that plans should now be made and put in hand for changing the basis of the statutory minimum wage—from one which takes account only of the needs of a single man to one based on the needs of a family unit.** Before discussing ways of achieving this transition, it is desirable that we should first assess its direct financial implications; in other words, we must first calculate our "family" minimum wage. In order to do this, we propose to adopt the method already employed for determining the "bachelor" minimum wage, viz.—the calculation of a Poverty Datum Line, the addition to this of a fixed percentage (the "Human Needs Requirement") in order to establish an "Effective Minimum Level", and the further addition of a special "allowance for tax". The necessary provision for housing will again be regarded as a separate "additional" allowance.

The Poverty Datum Line

185. The Poverty Datum Line is defined as “an estimate of the income needed by any individual *household* if it is to attain a defined minimum level of health and decency”. To arrive at such an estimate, we have first to establish the composition of our household. The household—or “family unit” as we shall call it—must be a realistic one, and there are obvious limitations to be set upon its size. In the first place, we can include only those “natural” members of the family who are directly dependent upon the husband’s earnings, i.e. the wife and dependent children. Again, despite any predilection the African may have for polygamy, we can allow him but one wife. The Phillips Committee commented as follows upon this aspect of the African’s family commitments:—

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

The evidence given before us by African and other witnesses has tended to confirm this opinion.

186. It is less easy to decide upon the number of dependent children to be allowed for in our family unit. The Phillips Committee adopted, for the purpose of its own calculations, a family unit of a man, wife and two children (of ages totalling 13 years), and this was agreed to by Professor Silberman in his published comments upon the Committee’s report. The only *statistical* information available relates to Kisii, where the average number of dependent children per married woman is stated to be almost exactly two. Rowntree has suggested, however, in his minimum wage study, *The Human Needs of Labour*, that such figures are of little help in assessing the size of the family unit for the purpose of minimum wage calculations, and that a reliable guide can only be obtained from a study of the distribution and incidence of children among completed families, i.e. families where the mother can be assumed to be past the age for child bearing. We have, however, to come to a decision on the size of our own family unit. Obviously, in the light of the information available to us, we cannot take *less* than two children and, if we have regard to the fact that our minimum wage is intended to be of general application, there is a strong case against taking *more* than two. We propose, therefore, to adopt that figure. One child will be assumed to be in the age-group 4–6 years, the other in the age-group 7–9 years. Our family unit will, therefore, be “man, wife and two children (in the age-groups 4–6 years and 7–9 years respectively)”. This family unit is, for all practical purposes, the same as that adopted by the Phillips Committee.

187. The components of the Poverty Datum Line are—food; clothing; fuel and lighting; and cleaning materials. The allowances to be made for these items in the case of the single man have been set out in the previous chapter. In specifying the allowances appropriate to our family unit, we have generally found it convenient to express them as percentages or proportions of the single man's requirements.

188. *Food*.—For the purpose of his family minimum wage calculations in the United Kingdom, Rowntree adopted the following scale of relative nutritional requirements:—

Adult Male	...	...	...	...	100
Adult Female	...	...	...	...	83
Child (average)	...	...	...	...	65

The food requirements of a family unit of man, wife and two children, calculated on the basis of the above relative requirements of its individual members, is seen to be 3.13 times the requirement of a single man. In the table below (Table XXIV) this figure is compared with those adopted by other investigators:—

Table XXIV
PROPORTIONATE COSTS OF MINIMUM DIETARIES

UNIT	PROPORTIONATE COST			
	Rowntree	Batson*	Phillips*	Silberman
Adult Male	100	100	100	100
Adult Female	83	85	83	90
Child (4-6 years) ..	65	55 (ca)	50	50
Child (7-9 years) ..	65	60	60	50
TOTAL FOR FAMILY UNIT	313	300	293	290

*Based on B.M.A. recommended scale.

189. In his memorandum on the dietary aspect of the minimum wage (Appendix G), the Government Biochemist has examined the question of family food requirements, using the "Recommended Dietary Allowances" of the National Research Council of the United States, and has suggested that, for the purpose of assessing the requirements of our family unit, we should multiply the single man's allowance by the factor "2.8". We propose to accept Dr. Case's suggestion. It is obvious, from a consideration of the proportionate allowances advocated by other authorities (Table XXIV), that, in adopting Dr. Case's suggestion, we are not laying ourselves open to the charge of being over-generous.

190. *Clothing*.—There is insufficient factual information available to allow us to form our own estimate of the relative clothing requirements of urban African men, women and children. The proportionate allowances used by other investigators are set out in Table XXV:—

Table XXV
PROPORTIONATE COSTS OF MINIMUM CLOTHING REQUIREMENTS

UNIT	PROPORTIONATE COST			
	Batson*	Phillips	Silberman	Beveridge†
Adult Male	100	100	100	100
Adult Female	75	100	111	100
Child (4-6 years) ..	29 (ca)	33·3	33·3	45
Child (7-9 years) ..	38	33·3	33·3	45
TOTAL FOR FAMILY UNIT	242	267	278	290

*On basis of "discounted" Salisbury Poverty Datum Line.

†As quoted by Silberman.

For our present purposes, we propose to adopt the allowances recommended by the Phillips Committee, and to estimate the cost of the minimum clothing requirements of our family unit at 2.67 times the cost of those of a single man.

191. *Fuel and Lighting*.—We propose a 50 per cent increase in the amount of the charcoal allowance over that allowed for a single man. This proposal is made on the assumption that the family will normally have its meals together. The "family" allowance for fuel and lighting will accordingly be:—

1½ × 70 lb. bags charcoal.

Three pints paraffin.

192. *Cleaning Materials*.—We consider that our family unit will require approximately twice the amount of soap required by a single man. Our proposed "family" allowance for cleaning materials will, therefore, be 4 lb. of soap.

The Effective Minimum Level

193. We now have all the information necessary to calculate the Poverty Datum Line of our theoretical family unit, and must decide what amount should be added to the P.D.L. in order to establish an Effective Minimum Level. In the previous chapter we have noted that this additional amount—the "Human Needs Requirement"—is required to provide for those essential "human" needs for which no provision is made in the Poverty Datum Line

We have proposed that, in the case of a *single man*, the Human Needs Requirement should continue to be assessed at 33½ per cent of the Poverty Datum Line.

194. It is evident that many of the personal needs of an adult male African—for example, as regards recreation, transport and tobacco—will not be shared by his wife and children. As against this, however, there will be additional necessary expenditure on such items as school fees, household replacements, medicine, amusements and entertainment of relatives. The need for small savings, to set aside for the proverbial “rainy day”, also becomes more acute. Nor can we ignore the fact that, as wives become progressively more urbanized, additional small “necessaries” will figure more and more prominently in their sociological needs. These considerations suggest the unwisdom of reducing the Human Needs Requirement below the level advocated for the single man. We propose, therefore, to adopt the same standard, i.e. 33½ per cent of the P.D.L., in assessing the Human Needs Requirement of our family unit.

Allowance for Tax

195. We have noted that the allowance for tax is designed to cover the payment of poll tax by *adult male* Africans. The allowance will, therefore, be the same for our family unit as for the single man, i.e. Sh. 2 per month.

The Additional Allowance for Housing

196. A decision as to the amount of the additional allowance required for housing our family unit of a man, wife and two small children involves a consideration of the housing accommodation appropriate to such a family in the present stage of the Colony's development. The minimum *socially desirable* standard can obviously not be less than a small two-roomed house or flat, with separate arrangements for cooking, its own water closet, and a piped water supply. The realities of the Colony's urban housing situation, however, are such that we are unable to envisage the large-scale adoption of such a standard of family housing for many years to come.

197. In view of the extreme shortage of African housing, and also of its almost prohibitive cost, we feel compelled to set our standard of housing at the absolute minimum compatible with health and decency, i.e. a room of area equivalent to four bed-spaces (160 square feet), with cooking alcove, a separate (i.e. non-communal) water closet, and a piped water supply. In order to anticipate any challenge to our conception of minimum standards of “decency”, we would point out that few Africans, at present, live in more than one room, and that it is customary for the room to be divided up for sleeping purposes by the use of temporary partitions.

198. The cost to be assigned to such accommodation must clearly be the average *economic rent* of the accommodation in local authority African housing locations. We are informed that, in the area of the Nairobi Municipality, the economic rent is likely to be of the order of Sh. 60 per month, i.e. four times the economic rent of a single bed-space, plus a charge of Sh. 12 to cover the provision of the extra amenities. In other areas, with the possible exception of Mombasa, the economic rent can be expected to be less than that figure.

Calculation of the "Family" Minimum Wage

199. It now becomes necessary for us to interpret our *basic* minimum wage proposals in terms of cash. This is most conveniently done in relation to Nairobi, for which we have already costed the various components of the single man's Poverty Datum Line (as at December, 1953). The calculation of the Nairobi "family" minimum wage is set out in the following table (Table XXVI):—

Table XXVI

CALCULATION OF BASIC "FAMILY" MINIMUM WAGE, NAIROBI—DECEMBER, 1953

ITEM	COST FOR SINGLE MAN	PROPORTIONATE COST OF FAMILY REQUIREMENTS	COST FOR FAMILY UNIT
	<i>Sh. cts.</i>		<i>Sh. cts.</i>
Food	36 78	2·8	102 98
Clothing	5 34	2·67	14 26
Fuel and Lighting	5 86	—	8 16
Cleaning Materials	2 52	2·0	5 04
TOTAL (P.D.L.) ..	50 50		130 44

	SINGLE MAN	FAMILY UNIT
	<i>Sh. cts.</i>	<i>Sh. cts.</i>
Poverty Datum Line	50 50	130 44
Human Needs Requirement (33½ per cent of P.D.L.) ..	16 83	43 48
Allowance for Tax	2 00	2 00
BASIC MINIMUM WAGE ..	69 33	175 92

200. The above calculation is, of course, based on a family unit consisting of a man, wife and two children (in the age-groups 4–6 years and 7–9 years respectively). In Table XXVII this calculation is set beside similar calculations made on the basis of family units consisting of (i) a man and wife, and (ii) an "average" family of man, wife and three children (see Appendix G). If we compare the results of these calculations, taking

Table XXVII

CALCULATION OF BASIC MINIMUM WAGE FOR VARIOUS HOUSEHOLD UNITS, BASED ON NAIROBI PRICES, DECEMBER, 1953

ITEM	Cost			
	Single man	Man and wife	Man, wife and two children (aged 4-6 years and 7-9 years respectively)	"Average" family of man, wife and three children
	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>
Food	36 78	62 53	102 98	114 02
Clothing .. .	5 34	10 68	14 26	16 02
Fuel and Lighting ..	5 86	8 16	8 16	8 16
Cleaning Materials ..	2 52	3 78	5 04	5 04
Poverty Datum Line ..	50 50	85 15	130 44	143 24
Human Needs Requirement (33½% of P.D.L.) ..	16 83	28 38	43 48	47 75
Allowance for Tax ..	2 00	2 00	2 00	2 00
BASIC MINIMUM WAGE	69 33	115 53	175 92	192 99

the "bachelor" minimum wage as our base (= 100), we obtain the following (Table XXVIII):—

Table XXVIII

COMPARISON OF BASIC MINIMUM WAGES FOR VARIOUS HOUSEHOLD UNITS

UNIT	BASIC MINIMUM WAGE	
	Cash	Proportionate Value
	<i>Sh. cts.</i>	
Single Man .. .	69 33	100
Man and Wife .. .	115 53	167
Proposed Family Unit .. .	175 92	254
"Average" Family of Man, Wife and Three Children .. .	192 99	279

It is seen that a basic minimum wage calculated on the basis of our proposed family unit is almost exactly two and a half times the "bachelor" minimum wage. The method of calculating the minimum wage is such that this relationship is bound to stay substantially the same, irrespective of variations in the prices of the Poverty Datum Line components. **We recommend, therefore, that the basic "family" minimum wage should be assessed at two and a half times the basic "bachelor" minimum wage.**

201. By reference to the proportionate minimum wage values given in Table XXVIII, it will be seen that a minimum wage calculated in relation to our proposed family unit of man, wife and two children is unlikely to impose undue hardship upon families containing three children. This removes any misgivings we may have had over the *size* of our proposed family unit.

Introduction of the "Family" Minimum Wage

202. We have earlier noted our conviction of the vital importance of moving as quickly as possible to the position where the statutory minimum wage of the adult male worker is based upon the needs of a family unit, and have now established that such a transition will involve an increase of 150 per cent upon the present "bachelor" minimum wage. The question of how to achieve this transition, with the least possible disruption of the country's economic life, is one to which we have given long and anxious consideration.

203. The *fundamental* condition for the introduction, or partial introduction, of a "family" minimum wage is the ability of industry to pay the increased wage. It is because we believe that ability—the paying *potential*—to be there that we are encouraged to put forward our present proposals. The method which we shall advocate for effecting the transition from the "bachelor" to the "family" minimum is such that, should our belief in the wage-paying potential of industry prove to be ill-founded, it would be open to Government at any time to call a halt to the upward movement of wages. Similar action would, of course, be open to Government in the event of a trade recession.

204. Very early in our proceedings we decided against any attempt to relate the payment of a "family" minimum wage to workers' family status. Apart from the principle involved, there are two obvious practical difficulties—(a) that, in engaging or (in times of slackness) discharging labour, most employers would discriminate against workers with large families; and (b) the extreme difficulty in this country of establishing either marital status or the size of a worker's family. Similar objections would, of course, apply to a system of *family allowances*.

205. Two methods, which appeared to offer practical solutions to the problem of transition, have been carefully examined by this Committee. Under the first method, all employers would be required to pay the *full* "family" minimum wage to the same specified percentage of their employees, this percentage being increased at intervals (and having regard to such factors as the availability of family housing and the state of the country's economy) until the point was reached where all, or at least the great majority, of the adult male labour force were in receipt of a wage not less than the statutory "family" minimum. Among the apparent *advantages* of this method

are—it would allow of an immediate increase in the number of workers earning the full “family” minimum wage; it is flexible, inasmuch as no definite limit need be set to the transition period; because of its selectiveness in operation, it could be used as an incentive to greater individual industry, efficiency and output. These apparent advantages are, however, offset by certain obvious and serious *disadvantages*, viz.:—

- (i) Throughout the whole of the transition period, a substantial (although, admittedly, decreasing) proportion of adult male workers would remain on the “bachelor” minimum wage.
- (ii) In the case of very small undertakings, it is difficult to see how the method could be applied with equity.
- (iii) Among workers themselves, there might well be unfortunate repercussions. Workers earning *below* the “family” minimum would almost certainly take exception to some of their number, with perhaps no more skill than themselves, being selected for *spectacular* wage increases. Those already in receipt of the “family” minimum wage *by reason of their greater skill* would just as certainly resent unskilled workers getting the same wage, and would themselves clamour for substantial wage increases. In the result, the country might well be faced with widespread labour unrest.
- (iv) The unskilled worker admitted to the ranks of those on the “family” minimum wage would find himself virtually *tied* to his employer, since a change of employment would almost certainly entail his reversion to the “bachelor” minimum.
- (v) Enforcement would be extremely difficult and costly.

These arguments are, in our opinion, such as to make the method unacceptable as a means of ensuring a planned and smooth transition to a “family” minimum wage.

206. The second method which we have studied, and which we now propose should be adopted, envisages the setting of a target date for reaching a “family” minimum wage, the transition being effected by regular annual percentage additions to the “bachelor” minimum wage. With this method of transition, the “bachelor” minimum will continue to be the *base* for all minimum wage calculations, but the statutory minimum wage applicable to adult male workers will, *subject to certain exceptions which are referred to later in this chapter*, be increased by regular annual additions calculated as a percentage of the base minimum wage. The gap to be bridged is equivalent to 150 per cent of the base minimum. With a transition period of 15 years, an annual addition of 10 per cent would be required to the base minimum wage; with a period of ten years, the annual addition would be 15 per cent; with a transition period as low as five years, the annual addition would be 30 per cent. The interests of the workers, and, we believe also, the long-term interests

of the Colony as a whole, suggest the inadvisability of setting too long a term to the transition period. There are, however, certain controlling factors which it would, in our opinion, be folly to ignore, viz.—the inability of industry to absorb the impact of successive *large* wage increases; the widespread unemployment which would assuredly result from *too large* wage increases; the necessity for housing development to keep abreast with the process of labour stabilization which can be expected to result from an increase in the *real* value of wages. After careful consideration, we are satisfied that a transition period of ten years is that best calculated to serve the Colony's interests. The logical date for taking the first step in the transition would appear to be one year after the coming into force of the proposed new "bachelor" minimum wage. **We recommend, therefore, that the transition from the "bachelor" to the "family" statutory minimum wage should take place over a period of ten years; that it should be effected by equal annual percentage additions (15 per cent) to the base ("bachelor") minimum; and that the first addition should become operative from the 1st January, 1956.** In effect, this provides for the full transition to be completed in a period of ten years from the date of introduction of the revised "bachelor" minimum wage.

207. As a means of effecting the transition to a statutory "family" minimum wage, the proposed method appears to us to have the following advantages:—

- (a) It is simple both in conception and operation.
- (b) It offers the assurance that by the target date (1st January, 1965) the Colony's wage structure will have been placed upon a firm foundation.
- (c) It ensures that employers are made aware in advance of their long-term obligations in regard to wages, and can plan to meet those obligations.
- (d) It provides a definite incentive to the urbanization of families (and, therefore, to the stabilization of labour) by holding out to every worker the prospect of being increasingly able to support his wife and children under urban conditions.

There are, of course, arguments which can be advanced *against* our proposed method of transition. Two obvious ones are:—

- (i) Unless accompanied by planned housing development, the ultimate objective, i.e. the urbanization of labour, may not be attained.
- (ii) It may lead to unemployment through the tendency of employers to reduce their labour forces in order to offset the increased wages.

The latter argument, which is referred to elsewhere in this report, is, of course, one which could be applied to any scheme designed to increase the overall level of wages.

208. We would have liked to have been able to devise a method of minimum wage transition which, while satisfactory in other respects, would also act as a *direct* incentive to increased individual industry, efficiency and output. That we have been unable to do so, however, occasions us no surprise. The very conception of a minimum wage tends to preclude any consideration of *direct* incentives in its attainment. Our proposals have, as their ultimate objective, *the production of the human material best calculated to respond to incentive schemes*, viz.—a stable and contented worker, earning a wage reasonably adequate to provide for the requirements of health, decency, and working efficiency. All this should not, however, be taken as implying that we consider our proposed method of transition to be completely lacking in incentive value or to be incompatible with the operation of direct incentive schemes. That is far from being the case. To unskilled workers in other countries—and, by the term “unskilled worker”, we mean here the worker who, through lack of ability or inclination, *remains* unskilled—the most effective incentive to harder and better work is, and always has been, the so-called “sanction of the sack”. Hitherto, in this country, that “sanction” has had little meaning. In the future, should our proposals be accepted and should employers begin to economize in the use of labour or refuse to pay the increased wages to ineffective labour, it will acquire some meaning. The subject of direct incentive schemes, and of the way in which they are likely to be affected by the proposed transition in the minimum wage, is discussed later in this report.

209. The basic condition for the success of our proposed method of minimum wage transition is that employers generally should be able so to reorganize their businesses—by increased production or the more effective use of labour—as to absorb the impact of the successive wage increases. Although we believe that the great majority of employers will be able to do this, there can obviously be no certainty in the matter. For this reason, **we recommend that the method of transition should definitely be reviewed after a period of five years from its inception, and earlier should the economic circumstances of the Colony appear to warrant it.**

210. Our examination of methods of transition has so far related only to the *basic* minimum wage, and we must now decide upon a method of introducing the “family” housing allowance. We have already proposed that that allowance should be assessed at the economic rent of a specified minimum standard of accommodation in local authority African housing locations. It may be argued, with some logic, that the introduction, or partial introduction, of a “family” housing allowance should wait upon the provision of family housing. That argument, however, appears to lose sight of certain realities of

the housing situation, viz—that, notwithstanding the present acute shortage of housing, many African workers already have their families living with them; that the provision of housing is a continuing process; that the availability of housing is to a large extent dictated by the demand. In a later section of this report, we make the recommendation that the country should immediately embark upon a phased ten-year housing programme, with the object of ensuring that at the end of our minimum wage transition period there will be a reasonable prospect of minimum *family* accommodation being available for all adult male workers. **We now recommend that the period of transition from the “bachelor” to the “family” housing allowance should be the same as that for the basic minimum wage, i.e. ten years; that, as far as practicable (and subject to consultation with the local authorities concerned), the transition should be effected by equal annual increases; and that the first step in the transition should be made with effect from the 1st January, 1956.** The possibility of wide fluctuations in building costs and rents prevents any *accurate* assessment being made of the likely annual increment in any particular year. Should economic rents stay at their present level, the annual increase in the Nairobi housing allowance would be of the order of Sh. 5.

Limitation of Application of “Family” Minimum Wage

211. It is *not* our intention that the “family” minimum wage should apply indiscriminately to all workers, or even to all adult male workers. Such a wage would clearly be unjustified, for example, in the case of the following categories of workers—

- (i) all females;
- (ii) males who have not reached a marriageable age; and
- (iii) adult males newly recruited from the reserves or who have no record of employment outside the reserves.

We propose, therefore, that the payment of a “family” minimum wage—which, for our present purposes, is intended to include *any statutory minimum wage above the “bachelor” minimum*—**should be confined to adult male workers and should be linked to both age and service qualifications.**

212. The question of the age qualification to be attached to the payment of the “family” minimum wage is one on which we have expended much time and thought. The question, as we saw it, was this—At what age should an African worker reasonably expect to be able to earn enough to support a wife and family under urban conditions? Tribal marriage customs do not provide an answer, for not only do such customs differ among themselves, but they have also developed in a social and economic system which takes little account of a potential husband’s wage-earning capacity. After considering the evidence given by African and other witnesses, we were disposed to favour an age

qualification of 25 years. When, however, we came to consider the implications of such an age qualification in general relation to our "family" minimum wage proposals, we were persuaded of its impracticability.

213. We are satisfied that no scheme designed to secure the general introduction of a "family" minimum wage could succeed with an age qualification set as high as 25. Few employers would be prepared to engage or retain unskilled workers on a "family" minimum wage if other workers, of equal working capacity, were freely available at lower wage-rates. The age-group 20-24 represents African labour at its peak physical working capacity. It is also a numerically large group, certainly large enough to make a major contribution to the urban unskilled labour force. It follows that an age qualification of 25 years would result in a large proportion of the unskilled workers above that age being rendered virtually unemployable. It would also effectively put an end to any hopes we might have of building up a stable urban labour force.

214. If an age qualification is to be realistic, it must clearly take account of working capacity in relation to age and of the distribution of available workers among the various age groups. On that basis, we find ourselves, reluctantly, unable to advise an age higher than 21 years. **We recommend, therefore, that that figure (21 years) be adopted as the age qualification.**

215. **The service qualification we propose is one of 36 months' continuous employment outside the native land units, employment to be deemed to be continuous if there is a record of at least 32 months' actual employment in the 36-month period immediately previous to application. We further propose that attendance at a trade school should also rank for the purpose of service qualification.**

216. Where labour is in free supply, the enforcement of any statutory minimum wage carries with it the implication of some restraint upon workers' ability to obtain employment, and this restraint increases as the minimum wage itself increases. In the case of a minimum wage of general application, i.e. one not conditioned by such factors as sex, age and service, this restraint upon workers' employability tends to be confined to the less effective workers, i.e. those who are unable to give a fully economic return for the minimum wage. Where, however, *conditions* are attached to the payment of a minimum wage, the restraint may operate in other ways. We have already seen how the setting of an age qualification for the payment of a "family" minimum wage may well lead to unemployment among workers *above* that age. One effect of a *service* qualification will be to make it extremely difficult for the *rural* worker, with three or more years' continuous employment to his credit, to obtain work in any urban area subject to a statutory minimum wage. Such a worker is unlikely to be able to give an economic return for the "family" minimum wage, and will be prevented

(because of his age and service qualification) from obtaining employment at a lesser wage. It may, of course, be argued that this is a desirable circumstance, since the net result will be to discourage rural workers from moving to the towns in quest of higher wages.

217. We appreciate that, should our recommendations be adopted, there will be a natural tendency on the part of employers to recruit their unskilled labour from among workers who have not qualified for the "family" minimum wage. That tendency will, to some extent, be held in check by considerations of individual efficiency and labour supply. Should it assume, however, such proportions that men with four or five years' continuous employment in urban industry find themselves suddenly discarded in favour of younger workers, consideration will have to be given to further legislative control. This could take the form either of reducing the "family" minimum age qualification to 18, or of requiring all employers to employ a specified percentage of their workers on wages at or above the "family" minimum. We are aware also that the service qualification, with its insistence on 32 months' actual employment in a period of three years, might operate with undue harshness should the Colony experience a period of large-scale unemployment consequent upon a recession in trade. In such a contingency, it would appear desirable that the service qualification should be reviewed.

218. To summarize, our minimum wage proposals envisage the coexistence of two minimum wages—the "family" minimum, applying to all adult male workers who have reached the age of 21 and have been employed for at least three years outside the native land units; and the "bachelor" minimum, applying to all other workers. It is, perhaps, necessary to emphasise that these proposals apply only to the urban areas at present subject to a statutory minimum wage.

219. The mechanics of operating a dual minimum wage system will need to be worked out in detail. We are advised that age qualification can be established with reasonable accuracy by reference to the records kept by the Central Poll Tax Registry and the Central Registration Office of the Labour Department; and that service qualification can be assessed by reference to the "life cards" kept by the Labour Department's Statistical Section and to the worker's personal employment records. We envisage that each worker's Identity Certificate will carry an endorsement by the Labour Officer showing the category of minimum wage for which the worker is eligible; and that, in cases where the worker qualifies for the "family" minimum wage at a date subsequent to the initial endorsement, he will be required to present his Identity Certificate to the Labour Officer for further endorsement. If, as we propose, the first step in the "family" minimum wage transition is fixed for the 1st January, 1956, there should be ample time for the working out of administrative detail and for acquainting workers

with the new procedure. **The Labour Department establishment will need to be increased to cope with these extra duties, and we recommend that Government give immediate attention to this matter.**

220. One likely result of the adoption of our proposed method of progressing to a "family" minimum wage—i.e. by regular annual percentage additions to the "bachelor" minimum—will be the abandonment by employers of their own annual incremental wage scales for workers in the lower income groups. We do not think that that circumstance need cause much concern. The application of incremental wage scales to unskilled labourers in private industry is, in our opinion, attributable more to an appreciation of the generally low level of starting wages than to any strong belief in their incentive value. In the case of Government service, incremental scales are firmly rooted in tradition. It is doubtful even there, however, whether such scales would be considered compatible with the progressive or "stage" application of a "family" minimum wage. Government may well feel obliged, therefore, to discontinue the use of incremental scales in relation to its unskilled workers during the period of the minimum wage transition.

CHAPTER XIII

STATUTORY MINIMUM WAGES IN RURAL AREAS

221. Our examination, in an earlier chapter, of the agricultural wage structure led us to conclude that a considerable proportion of farm labour received insufficient wages (inclusive of the value of rations) to provide for the essential needs of a single man, i.e. to support a minimum standard of health, decency and working efficiency. This impression of the inadequacy of wages became even more pronounced when we took into account not only the needs of the worker but also those of his wife and children. The practicability of fixing *minimum* rates of remuneration, not only in agriculture but also in rural areas generally, is a matter to which we have given long and careful consideration. The issue is by no means simple. While the bulk of the rural labour force is agricultural, appreciable numbers are also employed in such industries as saw-milling, mining and quarrying. Also to be considered are the smaller townships and trading centres where, as we have previously noted, the worker's life conforms more to a rural than to an urban pattern.

222. The general characteristics of the rural employment situation appeared to us to be such as to suggest two possible ways of fixing minimum wages—either in relation to agricultural workers only, or on an area basis in relation to employees generally. Provision for both methods is contained in the Regulation of Wages and Conditions of Employment Ordinance, 1951

(No. 1 of 1951), although, as we shall presently show, there are certain difficulties which would first have to be overcome before that Ordinance could conveniently be invoked in relation to rural areas.

Practicability of a Minimum Wage

223. We have a clear precedent for an *agricultural* minimum wage in the "national" agricultural minimum applying throughout England and Wales. This "national" minimum, which is fixed by an Agricultural Wages Board, is related to a 47-hour week and different rates are laid down for men, women, juveniles and "inexperienced" workers. Deductions from the minimum wage are permitted, up to a specified amount, in respect of certain specified "benefits in kind" the most important of which are board and lodging, housing and the supply of milk. Working under the Board are area Agricultural Wages Committees with specific functions in regard to such matters as the evaluation of cottages and the issue of exemptions from minimum wage rates.

224. That brief description of the *modus operandi* of a "national" agricultural minimum wage is especially valuable as indicating the difficulties which would be encountered in first of all calculating, and then enforcing, such a minimum wage in this country. It is obvious, for example, that, if a statutory minimum wage were laid down, it would be desirable to relate it to some minimum standard of performance or to a specific number of hours worked per day, week or month. Without standardization in this respect—and we have already noted how woefully lacking it is at present—an agricultural minimum wage would, in our opinion, be extremely difficult to enforce. It may, of course, be argued that, if a statutory minimum wage were laid down *without* relating it to performance or hours of work, employers would be compelled, in their own interests, to see that they obtained an economic labour return for the wage. There appear to us, however, to be certain difficulties in this approach, for example—

- (i) the difficulty of persuading workers who have been accustomed to work three or four hours a day to change their habits overnight; and
- (ii) the inadvisability of enforcing penal sanctions against employers who paid less than the statutory minimum wage to employees who, of their own volition, worked only part-time.

225. A further difficulty in imposing an agricultural minimum wage in this country would be that of assessing the value of "benefits in kind". These vary, both in character and quantity, not only between areas but between farms in the same area. The resident labourer presents a particular problem in this respect for, although we may not consider his privileges in regard to cultivation and grazing to be "wages", we would certainly have to take them into account in assessing the adequacy of a statutory minimum wage.

226. The difficulties referred to above in connexion with an agricultural minimum wage would also apply, although perhaps to a less extent, to an *area* minimum wage—unless, of course, the area were so defined as to exclude agricultural employment! In the case of an area minimum wage, additional complications could be expected to result from the different conditions of employment and standards of living of workers employed in agriculture, in other rural industries, and in the smaller “semi-urban” townships and trading centres. **On the grounds of practicability, therefore, we do not feel able to recommend any general application of Minimum Wage Orders to rural areas.**

Machinery for Wage Fixing in Rural Areas

227. Our inability to recommend any present extension of application of Minimum Wage Orders to rural areas does not mean that we preclude the possibility of *future* action in this field. Should conditions in agricultural employment become more standardized—and we believe that economic conditions will accelerate that development—the practicability of applying statutory minimum wages, either in relation to rural areas generally or in relation to workers in agricultural employment, may well need to be reconsidered. Wage levels in rural areas, especially in the vicinity of the larger towns, will certainly be influenced by large increases in urban statutory minimum wages, and rural workers can be expected to exert increasing pressure for statutory control over their wages. These considerations suggest to us the necessity for reviewing and, if necessary, revising the present machinery for fixing wages in rural areas.

228. Under the Regulation of Wages and Conditions of Employment Ordinance, the consideration of minimum wage rates may be undertaken either by the Wages Advisory Board or by a Wages Council (in relation to the employees in any trade, industry or occupation). Neither body is, however, entirely suitable for the purpose we have in mind. The constitution of the Wages Advisory Board is laid down in the Ordinance, and its present membership reflects, not unnaturally, a strong urban bias. We are of the opinion that that Board would neither wish, nor be competent, to examine questions affecting rural wages. A Wages Council, or a number of Wages Councils, could certainly be set up to consider the wages of agricultural workers but that would not, in our view, completely meet the needs of the present situation. **Our proposal is that the Regulation of Wages and Conditions of Employment Ordinance should be amended so as to allow of the setting up of a Rural Wages Advisory Board with status equal to that of the present Wages Advisory Board (which might well be re-designated “the Urban Wages Advisory Board”). We also propose that provision should be included in the Ordinance for the appointment of Area Wages Committees, whose function it would be to advise the Rural Wages Advisory Board on matters relating to employment in their particular areas. These Area Wages Committees would include representatives of local employers and workers, as well as**

independent members, and would be required to keep conditions of employment in their areas continuously under review. Part of their duties would be to inquire into the practicability of applying statutory minimum wages in their areas. In a later section of this report, in which we consider the subject of the efficiency, industry and output of agricultural workers, the suggestion is made that these Area Wages Committees should also assist in the administration of a policy designed to raise the standard of nutrition amongst agricultural labour.

229. In the course of our proceedings, we have become conscious of an increasing tendency among County and District Councils to concern themselves with wages and other conditions of employment in their administrative areas. The suggestion has even been made in some quarters that the enforcement of employment legislation should be left to local Councils. We cannot subscribe to that view, for the obvious reason that County and District Councils are politically elected bodies, generally representative only of the employer side of industry.

CHAPTER XIV

ECONOMIC IMPLICATIONS OF MINIMUM WAGE PROPOSALS

230. We appreciate that the economic implications of our minimum wage proposals, particularly those relating to the introduction of the "family" minimum wage, are far-reaching and, to some extent, unforeseeable. We have refrained from seeking expert economic opinion on our proposals, mainly for the following reasons—

- (i) the difficulty, even for the economist, of assessing the *precise* economic implications;
- (ii) the inadvisability of taking *one* expert opinion, and the possibility of directly conflicting opinions if more than one were taken. As a Committee, we would not have been qualified to assess the relative values of conflicting "expert" opinions.

We believe, as we have noted earlier, that it is of fundamental importance to the Colony's future well-being and prosperity that we should achieve, as soon as possible, a wage structure based on the needs of the family unit. We are convinced that that objective will not be achieved by leaving wages to be determined solely by the operation of so-called "economic laws". The only certain way we can see of achieving it is by a planned and legally imposed increase in the base level of wages, i.e. in the statutory "area" minimum wage. We are aware that this may be contrary to the economist's usual ideas of

how wage levels should be determined. But we feel entitled to ask the question—Can the economist produce an alternative way out of the present economic impasse, and one, moreover, which will offer an equal assurance of success? Any doubts we may ourselves have over our proposals for “forcing up” wages are concerned not so much with the method itself, as with the time factor—whether the ten years proposed for the transition from the “bachelor” to the “family” minimum wage is too short in relation to industry’s ability to absorb the successive wage increases, or too long in relation to the workers’ urgent economic and social needs.

231. The *direct* financial implications of our minimum wage proposals will be apparent from the following summary of the developments which will follow if the proposals are adopted, viz.:—

- (a) There will be an immediate increase of Sh. 10 per month on all basic minimum wage rates. Coincident with this increase in basic rates, new housing allowances will be prescribed, based on the average *economic* rent of a bed-space (of 40 sq. ft.) in local authority African housing locations. In the case of Nairobi, the *increase* in housing allowance is expected to be of the order of Sh. 5.
- (b) As from the 1st January, 1955, a new minimum wage formula will be introduced. Although this will still be based upon the needs—the reassessed needs—of a single man, its effect will be to increase still further the basic minimum wage rates. Should prices remain at their present level, the further increase, in the case of Nairobi, will be approximately Sh. 6/50. Increases of the same order can be expected in other areas subject to a statutory minimum wage.
- (c) As from the 1st January, 1956, there will be two statutory minimum wages—the “family” *minimum*, applying to all male workers who have reached the age of 21 and have been employed for at least three years outside the native land units; and the “bachelor” *minimum*, applying to all other workers. The “bachelor” minimum wage will be calculated in accordance with the new formula referred to above. The “family” minimum wage will be calculated as a percentage (initially, 115 per cent) of the “bachelor” minimum, and will carry with it a “family” housing allowance (initially equivalent to the average economic rent of a bed-space *plus* approximately one-tenth of the difference between such rent and the average economic rent of a minimum standard of family accommodation).
- (d) On the 1st January of each subsequent year, the “family” minimum wage will be stepped up by increasing—by 15 per cent—the percentage relationship which it bears to the “bachelor” minimum. These annual increases will continue until the 1st January, 1965, at which date the “family” minimum wage will have become exactly $2\frac{1}{2}$ times the “bachelor” minimum and the transition to the *full* “family”

minimum will have been completed. The annual increases in the "family" minimum wage will be accompanied by increases in the "family" housing allowance of approximately one-tenth of the difference between the average economic rent of minimum family accommodation and the average economic rent of a bed-space in local authority African housing locations.

The ultimate aim of our "family" minimum wage proposals is to ensure that, by the 1st January, 1965, the urban worker of 21, with a record of at least three years' work outside the native land units, will be earning a wage sufficient to support himself and his family to a minimum standard of health, decency and working efficiency. On the basis of present-day costs, the *full* "family" minimum wage for Nairobi would be—

	<i>Sh. cts.</i>
Basic Minimum Wage ($2\frac{1}{2} \times$ "bachelor" minimum)	172 50
Housing Allowance	60 00 (approx.)
Total	<u>232 50</u>

More specifically then, our objective is—that, *in eleven years' time*, the experienced adult male worker should be entitled to a minimum wage, based on present-day prices, of approximately Sh. 232 per month—or Sh. 54 per week! As an objective, that appears to us to be neither excessive nor unattainable.

232. It should be well within the existing capacity of industry to pay the increased "bachelor" minimum wage. With the object, however, of reducing its impact upon employers, we have recommended that it be applied in two stages, so that its full effect will not be felt until the 1st January, 1955.

233. It is clear to us that the introduction of the "family" minimum wage will have repercussions among workers other than those to whom it is specifically applied. One effect of large increases in the minimum wage will be to upset the existing wage differentials between the various grades of skill. In agriculture also, and in the smaller townships, workers may well press for wage increases in order to re-establish their economic status *vis-à-vis* workers in the larger urban centres.

234. The implementation of our "family" minimum wage proposals will undoubtedly impose considerable strain upon the majority of the Colony's industries. We imagine that industry will attempt to take up that strain by one, or a combination, of the following measures—

- (i) increased production, through greater attention to work planning and man management;

- (ii) the maintenance of present levels of production by the use of a reduced labour force;
- (iii) the passing on of increased labour costs to the consumer;
- (iv) the curtailment of distributed profits.

235. In discussing the ability of United Kingdom employers to pay increased wages, Rowntree wrote (1937):—

“There is not a factory or a farm in the country whose standard of management is 100 per cent efficient. So long as this is true, there exists a source from which higher wages can be paid. In the course of a long industrial experience, I have seen case after case in which, when the need arose, savings in the costs of production were made, often astonishingly large in amount, which would never have been effected had not urgent need arisen.”

(The Human Needs of Labour: page 132)

We believe that the great majority of employers in this country will also be able to offset increased wages by economies in the cost of production.

236. We are acutely aware that the implementation of our proposals will entail some measure of unemployment among the unskilled working population. This must, however, be considered to be an inevitable accompaniment of the movement towards a more economic and effective use of labour; and it is far better that it should come now, while workers still retain their “foothold in the reserve”, than at a later date when they can be expected to be more, if not completely, dependent upon their employment. We have already noted the possibility of workers finding fresh employment in new or expanding industries. There is another factor in the present employment situation which will tend to soften the impact upon the African working population of the drive towards economy in the use of labour, viz.—the extremely high labour turnover. This high labour turnover is, in the main, attributable to the migratory habits of African labour and, however hard we try, it will take some years to alter those habits and produce a stabilized working population. It is reasonable to assume, therefore, that reduction in labour forces will come about not by wholesale dismissals, but by employers’ refusal to replace workers who have left of their own free will.

237. There will undoubtedly be a temptation among some employers to pass on the increased cost of wages to the consumer, without attempting to practise economies in other directions. We are unable to predict the extent of such a development. Should it reach substantial proportions, there will be an obvious danger of the whole purpose of the wage increases—the raising of the African worker’s purchasing power, and his stabilization as an urban worker—being defeated.

238. We are aware that, in its examination of our "family" minimum wage proposals, Government will be obliged to give more consideration to the economic implications than we ourselves—through lack of knowledge and, to some extent, time—have been able to give. Ultimately, as we have emphasized in an earlier chapter, the success of any scheme designed to raise existing wage levels must depend on the ability of industry to pay the increased wages. Since, in this country, it is impossible to assess that ability with even a reasonable degree of accuracy, it appears to us essential that no scheme for raising wages should be embarked upon which does not lend itself to periodic review and, if necessary, adjustment. We have kept that consideration prominently in mind in arriving at our own recommendations.

239. In concluding this chapter, it appears desirable that we should indicate what, in our opinion, will be the results of *continued* adherence to a wages policy which takes account only of the needs of a single man. They are—

- (a) perpetuation of the system of migrant labour with its attendant social evils, its retarding effect upon the African's economic progress, and its crippling effect upon industrial efficiency and productivity;
- (b) mounting discontent, frustration and industrial unrest among workers, resulting in strikes and the negotiation of wage increases in an atmosphere of suspicion and conflict; and
- (c) political unrest, arising from the consciousness of a wages policy discriminating unfairly against African workers.

The problem, as we see it—and as the Phillips Committee saw it in 1945—is not merely that posed by the question "Can industry afford to pay higher wages?". There is the equally important consideration—"Can industry afford *not* to pay higher wages?".

Part IV—Methods of Labour Stabilization

CHAPTER XV

AFRICAN HOUSING

240. A basic condition for the stabilization of African labour is the provision of suitable housing, for both workers and their families, at rents which are within the workers' means.

241. The Colony's present acute housing problem may be considered to have three main aspects—the financing of housing projects; the physical provision of housing; and the providing of the worker with the wherewithal to obtain suitable housing. In our treatment of statutory minimum wages in urban areas, we have made certain recommendations, the acceptance of which will, we believe, materially assist both in the financing of housing schemes and in increasing the ability of unskilled workers to rent suitable housing for themselves. These recommendations are based on a more liberal interpretation of an employer's responsibilities in regard to the housing of his employees than has hitherto been accepted by the majority of employers in this country.

242. In the case of employees in the lower income groups—i.e. those not earning more than Sh. 100 per month—the employer has certain *legal* obligations in the matter of housing. These have been referred to earlier in this report, and it now appears appropriate to examine them in greater detail. Section 41 of the Employment Ordinance provides as follows:—

“Every employer shall at all times, at his own expense, provide reasonable housing accommodation for his employees at or near to the place of employment or shall pay to the employee such sufficient sum, as rental, in addition to his wages, as will enable such employee to obtain reasonable accommodation:

Provided that, subject to any order which may be made under the Minimum Wage Ordinance, 1946, the obligation of an employer, as regards housing, shall not by reason of this section extend to any case in which an employee is able to return, at the conclusion of his daily work, to a place of residence for which he pays no rent and which is not disapproved by an authorized officer.”

In rural areas, the requirement has generally been met by employers providing housing for their employees. In urban areas, however, it has hitherto been more usual for the employer to pay a housing allowance.

243. In considering the subject of housing allowances in relation to the minimum wage earner, we have recommended that immediate steps should be taken to fix these at a level which will enable the worker to pay the economic rent of a bed-space in local authority African housing locations; and, further, that the transition from the "bachelor" to the "family" minimum wage should be accompanied by a planned transition in the amount of the housing allowance. It appears to us that these measures, which have as one of their main objects the improvement of the employee's ability to rent suitable housing, should not be confined solely to minimum wage earners *but should apply to all workers in the lower income groups*. **We accordingly recommend that section 41 of the Employment Ordinance be amended so as to provide that, in the case of urban areas subject to a statutory minimum wage, the amount of any housing allowance payable by an employer who does not provide housing accommodation for his employees shall be not less than that laid down in relation to that area by any Minimum Wage Order.**

244. The proviso to section 41 calls for some comment. On the surface, it would seem somewhat illogical to relieve the employer of his obligation in regard to the payment of a housing allowance merely because an employee elects to live in a house which is outside the employer's control and for which he (the employee) pays no rent. The provision may, however, be considered aptly to cover the case of agricultural employees who perform seasonal work on farms adjoining the native land units and whose employment is on a day-to-day basis. For this reason, we consider that it should be retained. We are of the opinion, however, that the provision is *not* appropriately applied to the larger urban areas, more especially since it presupposes the existence of circumstances directly opposed to our ideas for the stabilization of urban labour. **We recommend, therefore, that the proviso to section 41 of the Employment Ordinance be restricted in its application to those areas not subject to a statutory minimum wage.**

245. Before considering the problems presented by the *physical* provision of housing in urban areas, it seems desirable to draw attention to a difficulty which might arise from a *too rigid* adherence by local authorities to the principle of *economic* rents. Our recommendations in regard to the payment of the "bachelor" housing allowance are based on the assumption that local authorities will, in fact, charge an economic rent for bachelor housing accommodation. If, however, the practice of charging economic rents is *immediately* applied to *family* accommodation, it is clear that considerable hardship will be imposed upon African workers who already have their families living with them. Such action may well discourage stabilization among a section of the working population—the skilled and semi-skilled—for whom it may be considered to be most necessary. **We would, therefore, urge upon both Government and local authorities the importance of retaining some measure of subsidization of family housing for the period of the transition from the "bachelor" to the "family" minimum wage.** The extent of the

"family" housing subsidy could, of course, be gradually decreased over the ten-year transition period and the subsidy be eliminated altogether once the full "family" minimum wage had been achieved.

The Urban Housing Problem

246. Kenya is not alone in having a serious housing problem. Other countries have had to face the same problem, the legacy of a war which virtually brought the building of houses to a standstill. In our main urban centres, the position has been further aggravated by a large influx of Africans seeking employment in expanding secondary industries.

247. We know all too little about population and housing in our urban centres. No accurate up-to-date information is available as to the numbers of African men, women and children living in these centres, whether they live there on a permanent or temporary basis, or how or where they are housed. We do not know how many Africans live on a "family" basis, and how many as single men. What we *do* know, however, is that, in *all* urban areas, there is an *acute shortage* of housing accommodation, even on a "bachelor" basis. In Nairobi, for instance, it has been estimated that there is a shortage of at least 20,000 "bed-spaces", while the shortage in Mombasa is probably in the region of some 15,000 "bed-spaces". This grave deficiency in the physical provision of housing has resulted in the development of appalling slum conditions, particularly upon private property whose owners charge exorbitant rents for utterly inadequate accommodation. Overcrowding in insanitary surroundings has produced—and will continue to produce—social problems which are unlikely to be entirely solved by the mere provision of additional housing.

248. The lack of housing has been a major factor in preventing the development of urban *family* life and of a stable African labour force. The African worker wishing to live a decent existence has had perforce to keep "one foot"—and his family—in the reserve. Much of the evidence submitted to us has shown a keen appreciation of these facts, and of the urgent need for both more housing and better *standards* of housing.

249. Most African housing programmes have, in the past, been planned on the assumption that the African labour force was, and would remain, one of single men. Local authorities, in assessing the size of their housing problems, have tended to do so in relation to the minimum needs of the worker himself, i.e. on a bachelor or "bed-space" basis. It has been assumed from the start that there would be no necessity to make general provisions for the worker *and* his family, since advantage could be taken of the fact that the African had a home in the reserve where his family would continue to live. Happily, that approach to the provision of African housing is now changing, and both Central and Local Government Authorities are now

planning their housing programmes with a view to the provision of family accommodation, or of accommodation which can be readily adapted for family use at a later date.

250. One of the main factors operating against an early solution of the urban housing problem is the *high cost* of building in permanent materials and of providing the services required in an urban environment. In the African housing locations, the costs of maintenance and administration also tend to be high. These high costs are reflected in the rents which must be charged in order to ensure an economic return on capital outlay. We have noted that the average *economic* rent of a bed-space of 40 sq. ft. in the Nairobi housing locations is of the order of Sh. 12 per month, and that for a bare minimum standard of *family* accommodation—comprising 160 sq. ft. of floor area, cooking alcove, separate water-closet and a piped water supply—the average *economic* rent is likely to be approximately Sh. 60 per month. In the past, few African workers have been in a position to pay rents of this order. Employers, who might reasonably have been expected to provide housing for their employees, have been discouraged from doing so by the consideration that they could discharge their legal obligations much more cheaply by paying the “sub-economic” housing allowances laid down in the Minimum Wage Orders.

251. The 1953 urban wage survey showed that only 35 per cent of the workers in private industry were housed by their employers, while in Nairobi and Mombasa the figures were 40 per cent and 10 per cent respectively (see Appendix D). Practically all housing was on a bachelor, i.e. bed-space, basis. Although precise figures are not available for the public services, there is no doubt that the position there is much more satisfactory than in private industry. For example, the East African Railways and Harbours Administration provides housing for 86 per cent of its employees in the Nairobi Administrative District. It is understood that the ultimate aim of the Administration is to house approximately 80 per cent of all its employees on a married basis. The City Council of Nairobi houses some two-thirds of its employees in its own housing locations, mainly on a bachelor basis. Over the public services as a whole, it is probable that the proportion of employees at present housed (mainly on a bachelor basis) by their employers does not fall far short of 75 per cent.

252. Adoption of our proposals in regard to minimum wage housing allowances will, we believe, act as an incentive to private industry to accept responsibility for the housing of its employees. This development is likely to be further accelerated by the necessity for employers to make more effective use of labour and to stabilize their labour forces. Among workers themselves, the demand for better accommodation can be expected to increase as this becomes more and more within their ability to pay.

253. An increased demand for more and better housing, and increased ability to pay the economic rent of the housing, are not, however, sufficient in themselves. The houses have still to be built, and there is a tremendous leeway to make up. **We are of the opinion that the Colony's urban housing problem can satisfactorily be solved only by a co-ordinated and centrally directed housing programme related to a definite objective. We recommend that that objective should be the provision, by the 1st January, 1965, of sufficient housing accommodation to house the majority of the urban adult male working population on a family basis. We further recommend, as an essential preliminary to such a programme, that a survey should immediately be undertaken with a view to assessing the size of the urban African housing problem.**

254. The *cost* of providing housing accommodation on the projected scale is admittedly large. It is one, however, which has to be accepted if we are to be free from major social and economic evils and if we are also to build up a stable and effective urban labour force. On the basis of the evidence submitted to us, we are satisfied that our proposed ten-year housing programme is *physically* well within the country's building capacity.

Urban Housing Development

255. In the past, relatively few private employers in urban areas have built their own staff housing. We have seen how they have been able to discharge their obligations in other ways—for example, by renting local authority accommodation (at economic rents) or, more usually, by the payment to workers of a housing allowance. For many employers, there has also been the difficulty of releasing capital for house-building projects. The small employer particularly has seldom had the capital required to build housing for his employees to the standard required by the local authority's building by-laws. The recent provision of loan facilities to employers should do much to remove this obstacle to employer-building.

256. In considering the contribution which employers can make towards relieving the present housing shortage, it is, perhaps, as well to examine the arguments which have been advanced *against* employer-building, viz.—

- (a) that it entails a system of "tied housing", with a consequent restriction upon the employee's freedom to seek employment elsewhere. The same argument applies, of course, in cases where the employer *rents* housing for the use of his employees;
- (b) that, except in the case of very large projects, it is difficult to provide recreational facilities and other community amenities;
- (c) the difficulty of controlling large numbers of small building schemes;

- (d) that relatively few employers are skilled in building planning and technique, and that small-scale building is liable to be extremely expensive; and
- (e) that experience has shown that, in urban areas, supervision of employer-owned housing tends to become lax, with a resultant falling-off in standards of maintenance and hygiene.

These are very real difficulties. We believe, however, that most of them can be overcome by the exercise of increased control by local authorities in regard to siting, standards and maintenance. The Colony's housing problem is, in any case, of such size and urgency that no deterrent should be placed in the way of employers who wish to build permanent housing for their employees.

257. Proposals submitted to us on other aspects of urban African housing development have included the following—

- (a) that, as an immediate and temporary measure, a limited amount of sub-standard housing (i.e. in non-permanent materials) should be accepted;
- (b) that, where considered necessary, local authority housing locations should be established outside the present urban boundaries;
- (c) that close control should be exercised over all peri-urban housing development;
- (d) that, as far as possible, housing schemes should embody the concept of the "neighbourhood unit", with provision for schools, health centres, shops, recreational and other amenities, and security services;
- (e) that adequate provision should be made for tenant-purchase and builder-owner schemes.

We understand that these proposals are already under active consideration by housing authorities. The value of the last two—"(d)" and "(e)"—as inducements to the stabilization of African labour will be readily apparent.

258. The provision of facilities for the urban African to *purchase* his own home must be regarded as an important factor in the process of labour stabilization, especially as regards Africans in the higher income groups. **For this reason, we consider it essential, even at this early stage and notwithstanding the greater urgency of other aspects of the housing problem, to ensure that such facilities exist in all the main urban centres.** There is an obvious need for close supervision of all tenant-purchase and builder-owner schemes, both in the interests of the Africans themselves and in the interests of proper housing development,

The Central Housing Board

259. The effective execution of our proposed ten-year housing programme requires the existence of a central authority responsible for its planning and direction. Since Government has no Department of Housing, the most appropriate body for the purpose would appear to be the Central Housing Board.

260. The Central Housing Board was established by the Housing Ordinance, 1953 (No. 17 of 1953), which also established a Housing Fund under the Board's control. Appointments to the Board are made by the Member for Health, Lands and Local Government. With the object of furthering the provision of African housing, the Board may lend or grant money to local authorities and make loans to any company, society or individual. It is also required to advise and assist in the preparation of housing schemes, and may itself acquire land and directly engage in building. Under section 22 of the Housing Ordinance, the Board may, of its own initiative, inquire into the necessity or otherwise of providing housing in the area of any local authority and report thereon to the Member or the local authority; it must also carry out such inquiry when asked to do so by the Member or a local authority. Section 20 of the Ordinance empowers the Governor in Council, after local inquiry in public, to require a local authority to make such provision for African housing as may be specified and, in the event of failure of the local authority to carry out the requirement, the Member is empowered to carry out the work himself.

261. Although the object of the Housing Ordinance is clearly to promote the provision of African housing, it is to be noted that neither the Central Housing Board (a corporate body), nor the Member for Health, Lands and Local Government (to whom the Board reports), is expressly charged to see that adequate housing is provided or that such housing as is provided falls within an overall housing plan. It is to be noted also that the power to require a local authority to carry out its obligations in regard to housing is vested in the Governor in Council, and may only be exercised after "local inquiry in public".

262. We are aware that at least one African territory has considered it necessary to set up a Department of Housing to carry through just such a housing programme as we now propose. We hesitate, however, to recommend the setting up of such a Department in this Colony, since the present Central Housing Board has only just begun to function and there has been little time for Government to make its wider intentions known in regard to the administration of the Housing Ordinance. Should our proposal for a planned and centrally directed ten-year housing programme be accepted, it will obviously be desirable for the existing legislation to be reviewed in particular relation to the powers and duties vested in both the Central Housing Board and the Member for Health, Lands and Local Government,

Housing in Rural Areas

263. The housing problem in rural areas is more one of improving existing standards than of making good any *shortage* of housing. There is virtually *no* housing shortage. The farm or plantation owner must provide housing for his labour, or face the alternative of having no labour. The provision of housing also presents few of the difficulties associated with urban housing development. The farmer uses his own land; materials for either temporary or permanent housing are usually readily available at relatively low cost; and the farm labour carries out the work. Standards of housing can be less rigid, and there are no local authority services to be paid for. The overall cost of housing, even when built in permanent materials, is thus seen to be substantially lower than in the towns.

264. Although there is no actual *shortage* of housing in rural areas, we are unable to share the view, expressed or implied by some witnesses, that there is little room for improvement in *standards* of rural housing. In our opinion, far too much of the housing is of a temporary and makeshift nature, difficult to keep clean, and badly lighted and ventilated. If the agricultural worker's status and efficiency are to be improved, it is essential, in our view, that he should be given a higher standard of housing. The suggestion, put to us by one witness, that more permanent accommodation is unlikely to show beneficial results until the general standard of African hygiene has improved, is a clear case of putting the cart before the horse. Without improvement in the African's home environment, there is small chance of his standards of hygiene ever progressing beyond their present level.

265. There is an increasing consciousness among many agricultural employers of the value of good housing as a stabilizing influence upon labour. In plantation agriculture especially, large sums are being invested in the building of permanent family housing. The investment is one which can yield a rich return in a more contented, stable and effective labour force.

266. It has been suggested that the provision of permanent housing on farms would be accelerated if building loans were made available to farmers. We can see little prospect, however, of this happening in view of the difficulty of obtaining suitable security for building loans in rural areas. As some concession to the farmer's unfortunate position in this respect, **we recommend that Government should give consideration to the possibility of granting income tax relief, by way of increased initial allowances, on expenditure necessarily incurred in the provision of permanent housing for agricultural workers.**

267. Other suggestions made to us in connexion with rural housing have included the following—

- (a) that more attention should be given by farmers to the supervision of workers' housing, and that this would be facilitated by siting houses together;

- (b) that encouragement should be given to the building of two- and three-roomed family houses; and
- (c) that houses should have gardens attached, in which workers could grow vegetables, keep chickens, etc.

These suggestions have the Committee's whole-hearted support. The last—the garden or small plot of land attached to the farm worker's house—embodies the concept of the "cottage labourer", and is one to which farming communities throughout the country are now giving active consideration. We make no recommendation as to the most convenient or desirable size of such plots since the matter is clearly one for local discussion and agreement.

268. We have considered the proposal, advanced by several witnesses, that African village settlements should be established in the European Highlands and other settled areas. In elaborating this proposal, one witness writes:—

"I should like to see *enabling* legislation introduced in the very near future to allow two or more farmers whose land adjoins to establish village settlements for their labour. The site for such a village would be in a place agreed upon by the farmers concerned and by the local District or County Council, the land to be surveyed and properly demarcated and then handed over to the District Council or County Council. This latter is necessary in order to ensure that such land cannot ever be excised from the European Highlands, and plots situated in it would then be leased only by the local authority."

Among the advantages claimed for such a scheme are:—

- (i) It would enable farmers to combine in the provision of recreational, educational and other facilities which, individually, they might be unable to afford.
- (ii) Encouragement would be given to better standards of housing and hygiene.
- (iii) Supervision and security measures would be facilitated.
- (iv) The farm labourer would be able to enjoy a community existence and, perhaps, also have the opportunity of purchasing his own home—factors which would almost certainly assist in the process of labour stabilization.
- (v) The retired labourer, too old for work, would have a place, other than the reserve, in which to spend his remaining days—again a strong inducement to labour stabilization.

These are cogent arguments, and the proposal is, in our opinion, one which deserves the most thorough examination both by Government and by agricultural employers. We are aware that there are arguments which can be advanced *against* the proposal—that, in some areas, land cannot be released for village settlements; that siting would often present difficulties; that workers would have further to go to work; that some farmers prefer their workers to live on the farm; that there may be political objections to the use of European settled land for the purpose of establishing African village settlements. It is quite clear that no action is possible in the matter without the agreement and full co-operation of farmers. On the other hand, it seems to us reasonable that farmers who wish to take joint action in this way should not be precluded from doing so. **We, therefore, recommend that Government should consider the introduction of enabling legislation, which will allow of the operation of a pilot scheme (or schemes) of this nature under the direction of a District or County Council.**

CHAPTER XVI

SECURITY FOR OLD AGE

269. In his native land unit, the aged African is, by long established custom, taken care of by his family. His needs are simple and easily met, and he accepts their provision as his right.

270. To the average African working outside his reserve, tribal life continues to represent security and the only assurance of the means of sustenance when he has become too old to work. The maintenance of his ties with the reserve is to him something of fundamental importance. If we are to induce him to sever those ties, and to become permanently absorbed into his working environment, we must clearly offer him the prospect of security for his old age. In most countries, it is now accepted that the community as a whole has responsibilities towards those of its members who have become too old to work.

Existing Pension, Provident Fund and Gratuity Schemes

271. Statistics supplied by the Labour Department show that at August, 1953, approximately 7,000 African workers were on pensionable terms of service, some 15,000 contributed to provident fund schemes, and a further 15,000 were eligible for retirement gratuities. Of this total of approximately 37,000 workers eligible for some form of retirement benefit, almost 90 per cent were employed in the services of either the Government or the East Africa High Commission. These figures relate, of course, only to workers eligible for retirement benefit *under their terms of employment*. They take no

account of those long-service employees—and their number is not inconsiderable—who, upon retirement, receive *ex gratia* payments from their employers in the form of gratuities or small pensions.

272. In private industry, formal provision for retirement benefits is usually made by way of provident fund schemes, whose operation is subject to rules made under the Employment Ordinance. Such schemes usually provide for equal contributions by the employer and worker at rates ranging from 5 per cent to 8 per cent of the worker's wage. Full benefits—i.e. the employer's and worker's contributions, plus accumulated interest—normally become payable only upon retirement after a specified minimum period of service, and take the form of lump sum payments. Should the worker leave his employer's service before the expiration of this qualifying period, the amount of benefit is, in most cases, limited to the worker's own contributions plus interest. Interest upon deposits accumulates at rates between $2\frac{1}{2}$ and $3\frac{1}{2}$ per cent per annum.

273. Although increasing use is now being made of provident fund schemes, the proportion of the African labour force in private industry covered by such schemes remains extremely small. So far as is known, provident fund schemes have not as yet been introduced into agricultural employment.

State-Operated Schemes

274. The evidence submitted to us has shown considerable support for the establishment of a central provident fund or pension scheme, operated by Government and applying to all persons *employed* outside the native land units. It has generally been considered that such a scheme should be financed by contributions from both employers and employees.

275. We understand that State-operated *provident fund schemes* have, in recent years, been introduced in both India and the Federation of Malaya. Both schemes provide for equal contributions from employers and employees, for the deduction of the employee's contribution from his wages, and for the award of benefits by way of lump sum payments. Strict control is maintained over the withdrawal of deposits. In this last connection, the following extract from the Malaya Employees Provident Fund Ordinance, 1951 (No. 21 of 1951), is of interest, viz:—

“13. (1) No sum of money standing to the credit of an employee may be withdrawn from the Fund except with the authority of the Board and such authority shall not be given unless the Board is satisfied that—

(a) the employee has died; or

(b) the employee has attained the age of fifty-five years; or

- (c) on medical evidence, the employee is no longer capable of being, and is not likely to be again, an employee; or
- (d) the employee is about to leave Malaya with no intention of returning thereto; or
- (e) a person has ceased to be an employee for a period of at least two years and it is not likely that he will again be an employee."

The Board referred to is the "Employees Provident Fund Board", set up under the Ordinance to administer the Fund, and consisting of equal numbers of employers' and employees' representatives and Government officials.

276. We are satisfied that some form of State-operated provident fund or contributory pension scheme is urgently required in this country. We are also of the opinion that such a scheme should be financed by contributions from both employers and employees, and that it should be applied to all Africans *employed* outside the native land units. Our own preference is for a *contributory old age pension scheme*, since this would appear to offer the greatest assurance of security for the African retired worker. We are reluctant, however, to make a definite recommendation, in view of certain doubts about the practicability of such a scheme in this territory. The matter is clearly one calling for detailed technical examination. We are glad to note that a special Committee has now been set up to consider and report upon, *inter alia*, the most suitable *methods* of providing for old age security.

The Housing of Retired Workers

277. Another subject on which we have received evidence, and to which we have given some attention, is the housing of Africans who have become too old to work. While many will continue to be looked after by their families, it is clear that special provision will have to be made for those without families or for whom no *space* can be found in the family accommodation.

278. In *rural* areas, it has hitherto been customary for the retired worker either to return to his reserve or to continue to live, with his employer's permission, on his employer's property. Stabilization of labour may well close the reserve to the retired worker, and there are obvious limitations upon the numbers of old men and their non-productive dependants whom the farmer can accommodate on his land. The following measures for dealing with this problem have been suggested to us—

- (a) the establishment of village settlements, in which the worker could be given the opportunity of purchasing his own house. Reference to this proposal has been made in a previous chapter;
- (b) the building of pensioners' homes, preferably adjoining African social centres.

We regard the first of these suggestions as offering the better prospect of success.

279. In *urban* areas, the problem of housing the retired worker appears to us to be even more acute and to call for more urgent action. Tenant-purchase and builder-owner schemes provide only a partial answer. For retired workers in the lower income groups who are unable to find accommodation with their families, a possible solution would appear to be the establishment of pensioners' centres on the outskirts of municipalities and townships. **The problem is, in our opinion, one which calls for early attention by all urban local authorities.**

CHAPTER XVII

OTHER INCENTIVES TO STABILIZATION

Provision for the Unemployed Worker

280. In previous chapters, we have considered three of the more basic conditions for stabilizing African labour, viz.—the payment of a wage sufficient for the essential needs of the worker and his family; the provision of family housing; and security for the worker's old age. There is a further condition which may be regarded as *fundamental* to any policy aimed at making African workers independent of the resources of the reserves, namely—the maintenance of those workers who are deprived of employment by fluctuations in trade or by other circumstances outside their control.

281. There has, until now, been little shortage of work for those Africans genuinely seeking work. This may be attributed partly to the demands of an expanding economy, and partly to a low wage structure which has encouraged prodigality in the use of labour. The raising of wage levels, and the additional demands of housing and old age security schemes, can be expected to result in a more economic use of labour, reduction in labour establishments, and some unemployment among the African working population. We have seen that the present African labour force is essentially one of migrant workers—maintaining close ties with the reserves, free at any time to return to the reserves, and with little intention of working permanently outside the reserves. So long as this continues to be the case, there can be little justification for the State accepting responsibility for the maintenance of the unemployed African worker. Should Government, however, embark upon a policy of labour stabilization, there must inevitably come a time when it will have to apply itself to the problems arising from unemployment among a working population no longer able to depend for its support upon the resources of the native land units. Failure to take action in this respect may well lead to fresh social evils or, at the best, retardation of the process of stabilization.

African Education

282. In the course of our inquiries, we have found considerable support for the view that the African's desire for education for his children—and, to a lesser extent, for himself—can be utilized as a factor in stabilizing labour.

Many witnesses have commented adversely upon the present provision for African education. Since the subject is one having a bearing not only upon labour stabilization, but also upon the effectiveness of the African as a worker, we consider it necessary to record briefly certain suggestions made to us in connexion with general education policy, viz.—

- (a) that, where educational facilities are limited, priority for education should be given to the children of those Africans actually living and working in the area;
- (b) that, because of the low standard of education in many farm schools, Government should accept greater responsibility for education in rural areas;
- (c) that neighbouring farmers should be encouraged to pool their resources, with the object of providing larger schools and more competent teaching staffs;
- (d) that County and District Councils should be required to take a more direct interest in education;
- (e) that intermediate schools should, as far as possible, be staffed by qualified teachers;
- (f) that secondary schools should be established in rural areas, on an area basis;
- (g) that greater attention should be paid to the selection and training of teachers;
- (h) that school curricula should be more standardized, with greater emphasis placed upon—
 - (i) the teaching of English;
 - (ii) elementary training in manual skills; and
 - (iii) the inculcation of ideas of civic responsibility.

We have no doubt that these suggestions will receive appropriate attention from the Education Authorities.

283. **We strongly support the suggestion that, in the towns and settled areas, priority for education should be given to the children of Africans living and working in those areas.** We understand that, at present, it is not unusual for children to be sent in from the reserves to stay with relatives and friends in the settled areas in order to have access to educational facilities. This may well be acceptable, even desirable, where such facilities are freely available. It is obviously *undesirable* if it deprives workers' own children of the opportunity for education.

284. The suggestion that prominence should be given in school curricula to the teaching of English, the inculcation of ideas of civic responsibility, and training in manual skills is also one which must necessarily have our strong support. Many of the difficulties experienced by the African worker in an

industrial economy—the misunderstandings, the failure to carry out instructions, the lack of response to incentive schemes and other measures devised for his own betterment—can be seen to be due, in no small measure, to his lack of knowledge of the English language. **We regard it as of the utmost importance that English should be taught at the lowest possible educational level. We also recommend that serious consideration be given to the teaching of English through a system of adult education.**

285. The need for inculcating ideas of civic responsibility in children is widely recognized and requires little comment from us. The subject is, of course, closely related to that of the quality of teaching staffs. The process of inculcation should clearly not stop at the classroom. Parents, employers and Government (through its field staff) all have effective contributions to make in this matter.

286. It has been represented to us by a number of witnesses that there is a need for greater attention to practical training in schools, particularly in rural areas. We make no specific recommendations in this matter, since there are obvious limitations upon the time that can be given to the teaching of practical subjects, and since we are aware also that the matter is one to which the Education Department is already giving active consideration. Practical training, whether at intermediate or secondary school level, is most likely to pay dividends if combined with insistence upon the “dignity of manual labour” and upon the opportunities for advancement which manual work offers to the intelligent and industrious African.

Social and Other Amenities

287. We have earlier referred to the desirability of providing for the *social* needs of the African worker. In urban areas, this can largely be achieved by planning housing schemes on the principle of the “neighbourhood unit”, with provision for playing fields, community centres, shops, schools, health services and other amenities. Such provision can well be a strong inducement to labour stabilization.

288. In rural areas, the provision of community amenities is made difficult by the dispersal of workers. Village settlements provide an obvious answer, but their growth is likely to be a very gradual process. An approach offering a prospect of more immediate realization is the establishment of *social centres* in the areas of greatest population density. Such centres have already been established in certain areas of the Colony and, provided suitable control is exercised, there is obvious scope for further development in this direction.

289. The present practice of local authorities in restricting the opening of shops in rural areas calls, in our opinion, for review. Many farm workers are now obliged to walk several miles in order to purchase their normal requirements. **We recommend that County and District Councils should give early consideration to this matter.**

Part V—African Industry, Efficiency and Output

CHAPTER XVIII

POTENTIAL EFFICIENCY OF AFRICAN LABOUR

290. In earlier chapters of this report we have indicated what we consider to be the main reasons for the present low levels of industry, efficiency and output among African workers. We have seen how the African has been, and continues to be, conditioned by the economic and cultural background of his native land unit. We have endeavoured to show how his economic progress, and, indeed, that of the Colony as a whole, has been seriously retarded by a migrant labour system related to a low wage structure and encouraging in employers the idea of the "expendability" of labour. The conclusion has been drawn that the essential prerequisite for the creation of an effective African labour force is the stabilization of African labour and the severance of its ties with the reserves.

291. The aim, as we see it, of a policy of labour stabilization is to produce the raw material—the *human* material—from which an effective labour force can be built up, viz.—workers permanently settled in their working environment; provided with the minimum requirements of their physical and social existence; physically able to work; wanting to work in order to improve their social and economic status; amenable to training and discipline; and responsive to incentive schemes. It is important to keep in mind that, in itself, labour stabilization cannot *ensure* the attainment of high levels of efficiency and productivity. The raw material has still to be moulded into shape and put to effective use. In this, the major part must necessarily be played by management, since it is management which provides the opportunities, conditions, incentives and rewards for work. The problem of raising efficiency and productivity is thus seen to be one not only of stabilizing labour but also of achieving higher standards of management efficiency.

292. It is now generally accepted among economists that higher *real* wages and higher standards of living can be achieved only by an increase in the overall productivity of labour. We ourselves freely acknowledge the force of that argument. We are unable to accept, however, as a necessary corollary to it, that increases in wages must wait upon increased productivity, more especially since we see all too clearly that, in Kenya, low wages are *a cause* rather than *an effect* of the low productivity of labour. Our proposed gradual increase in the base level of wages will benefit productivity in two ways. Not only will it encourage the stabilization of labour and, therefore, the development of a *potentially effective* labour force. It will also *compel* employers to pay greater attention than they have done in the past to the economic use of labour and to other aspects of management efficiency.

293. Although many non-Africans are apt to wax eloquent on the subject of the "inefficiency" of African labour, few constructive attempts have been made to assess the extent of that inefficiency, to assign reasons for it, or even to explain what the term implies. To those who are inclined to regard *all* African workers as inefficient, indolent, perverse and generally past redemption, we would strongly recommend Dr. C. H. Northcott's *African Labour Efficiency Survey*. This report, based on an inquiry carried out in 1947 among employees of the East African Railways and Harbours Administration in Nairobi, is of value not only as a scientific, factual study of Africans at work, but also as an assessment, based on long industrial experience, of the various factors affecting labour efficiency. The following extract from the report lends support to much that we have ourselves written on the subject of African labour:—

"The phrase 'the African is inefficient' is so loose as to convey little idea of what is implied. It may mean that he is ineffective, and that is probably the meaning in which it can be used most correctly. A raw native will necessarily be ineffective in most jobs, but so would a skilled European artisan be if he were given the job of clerk. The performances concerning which an efficiency judgment is permissible do not become fixed at any one level, but may be altered by training. Without adequate teaching directed towards a required standard of performance, the African worker can be neither effective nor efficient.

More, however, is involved than adequate teaching. The worker can only be assessed in his industrial environment. The circumstances and arrangements to be found there are factors in his efficiency. His performance can be reduced or increased, independently of his own volition or efforts, by such matters as the amount of planning, the form and nature of supervision and the wisdom and enterprise of the supervisors. It is characteristic of efficient organizations that they plan before a job is begun; they provide sufficient equipment and tools, give explicit instructions to their foremen, and keep careful watch upon the progress of the job. Such items as the number of workmen who are adequate (that is, no more than are needed) for an operation, are laid down in advance: the way in which tools and equipment are to be used is worked out, and the line of instruction to be followed by the supervisors is planned for them. This efficiency of organization is widely regarded as the condition precedent to the building up of a body of efficient workmen. So much is this so that many American and British factories employing unskilled and semi-skilled labour . . . accept a charge of inefficiency as a

challenge to the management. Even more will the efficiency of the African, relatively so unaccustomed to industrial techniques, depend upon the attention, care and foresight of those who use his labour in East Africa. He is ineffective in many industrial techniques by the very nature of his birth, his upbringing, and his native culture. To enable him to become efficient in this modern age the resources of the environing industrial civilization must be placed in his hands and he must be taught to use them."

(*African Labour Efficiency Survey*: page 12)

294. Northcott's report, while conceding the difficulties of working with African labour, leaves no room for doubt that, given the right conditions and the right inducements, the African *can* be made to play an effective part in a modern industrial economy. At page 13 of the report, we find:—

"The potential capacity of Africans is, in practical terms, to be judged as much by what the most competent can do as by the failure of the incompetent and the sub-effective. The ineffective use of some labourers is no guide to the potential efficiency of the people as a whole. For this measure we must turn to the achievements of the most intelligent and the most proficient, to such men . . . who put together, without direct supervision, and riveted into place the parts of a seven-ton crane; or to African electricians who, entrusted with the laying of wires throughout a train under planking where inspection was difficult, did it so thoroughly that the wires were found to function without complaint. These are instances of high standards of performance towards which numbers of Africans have been trained."

and, later, at page 34:—

"He was seen on many occasions as a man who has not acquired the habit of disciplined work, to whom physical effort is a thing to be avoided, and responsibility a virtue not yet inscribed on his roll of moral qualities. Men of this kind have not learned that in the wage economy there is a correlation between pay and effort. Nevertheless, the picture shows that most Africans in employment work systematically and well. In their occupations they show a capacity for training and have acquired a satisfactory degree of skill. They work together well in a team, though their own powers of co-operation need to be fortified by strong supervision."

295. That there exists this *potential* for high standards of efficiency among African workers is borne out by our own inquiries. Examples of

occupations (cited to us by witnesses) in which individual Africans or groups of Africans have attained standards comparable with those of other races are—general and motor engineering, tractor driving, teleprinter and other instrument operating, and stevedoring. There are, of course, many others. The Government trade schools are now turning out shoemakers, tailors, engineers, tinsmiths, bricklayers and other artisans who, if they cannot yet be classed as skilled craftsmen, can readily become so if their energies and abilities are directed into the proper channels. The potential is undoubtedly there. It waits only to be put to effective use.

296. A striking example of what can be done with African labour, given a progressive and realistic management policy, is provided by the experience of one of the Colony's larger factory undertakings. The firm is part of a large organization with branches in other countries and is thus in a particularly favourable position to compare its own production figures with those of similar undertakings elsewhere. The following is a summary of the evidence submitted to us by the firm's managing director:—

- (a) The factory processes, which are highly specialized, follow a standard pattern and no concession is made to the fact that the labour force is African.
- (b) Supervision is carried out by Europeans and by African foremen. The foremen are all skilled workers who have been trained in the factory.
- (c) Overall production has doubled in the last six years and is now approximately 50 per cent of that of a factory of similar size in the United Kingdom. Individual Africans have reached standards every bit as high as those of European workers. The management confidently expects that, in a further six years' time, overall productivity will have reached 75 per cent of that in the United Kingdom.
- (d) With the increase in productivity, wages have also risen and continue to rise. Present wage rates, including those of unskilled labour, are markedly higher than the *general* level of wages in the Colony.
- (e) The factory works a five-day week, and production schedules are based on a system of daily plans (or group tasks). Direct production workers are employed on piece-work rates, with a guaranteed minimum wage. Other workers receive fixed wages. Foremen receive a fixed wage plus production bonus. Wages are paid at fortnightly intervals.

- (f) Employees with at least twelve months' service are eligible for an annual holiday of two weeks with full pay. Long-service employees also qualify for annual bonuses related to their length of service.
- (g) 80 per cent of workers are housed by the company, many on a family basis. The company's aim is to provide permanent housing for all its employees over the next few years.
- (h) Free schooling is provided for employees' children, with evening classes for adults. Generous provision is also made for recreational and other social amenities.
- (i) Labour turnover is low.

297. This successful use of a *composite African labour force* can be attributed to a number of factors, viz.—care in the selection of labour, and economy in its use; training and supervision; work planning; a wages policy enabling workers to share in the benefits of increased production; the provision of opportunities for workers' advancement; and a progressive policy in regard to housing, recreational facilities and other aspects of workers' welfare. Stability of labour has been achieved, and management efficiency is doing the rest.

298. There is no easy road to increased productivity. It is not sufficient merely to bring together labour, materials and machines in one place and exhort workers—or even offer them inducements—to greater effort. *Efficient production demands efficient management.* This applies as much to the farm, the back-street workshop, the small office or *duka*, and the domestic household, as to the large industrial or commercial undertaking. It is as true here in East Africa as it is in more advanced communities. As Northcott points out:—

“The principles of efficient executive action are the same the whole world over—planning of the work, provision of an adequacy of men, machines and materials, control of the progress of the job, supervision and training of the staff, proper and just reward for effort and skill. Conditions vary, but not principles. Among these varying conditions admittedly is the quality of the personnel available in East Africa. This difference does not alter the nature of the problem of attaining effective co-operation in work. It requires neither a different set of principles for East Africa nor application of them along different lines, but only that all the qualities of East African personnel shall be taken into account in any plan of action.”

CHAPTER XIX

ASPECTS OF MANAGEMENT EFFICIENCY

299. The raising of productivity within an undertaking may call for action in any, or all, of three fields—personnel policy; the use of plant and equipment; and the organization and control of production. These may be said to be the criteria of management efficiency, the yardstick by which it can be measured. In view of the wide variation in conditions within undertakings—dictated by such factors as size, nature of industry and economic status—no hard and fast rules can be laid down for securing optimum efficiency. Nevertheless, as Northcott has pointed out, certain principles are recognized to have more or less general application. Some of these are discussed below, with particular reference to industry in Kenya. We appreciate that, in a general treatment of this nature, there is a danger both of over-simplifying the problems and of generalizing too freely in regard to their solution. We have a full realization of the difficulties facing managements in this country. Not least among them is the resistance to change shown by employees whose standards have hitherto been those of the native land units and who, in many cases, are reluctant to relinquish those standards. Our purpose in writing these notes is not so much to point out the deficiencies of management as to indicate some of the more general lines along which, we believe, the objective of increased efficiency and output can be achieved.

The Effective Use of Labour

300. One of the more obvious ways of improving efficiency and output is for managements to see that their labour is employed to the best advantage. Efficient labour management requires, *inter alia*—

- (a) care in the recruitment and placement of workers;
- (b) economy in their use, i.e. restriction of numbers to the minimum compatible with efficient production;
- (c) the training of workers for the jobs they are required to carry out; and
- (d) adequate supervision.

301. Our impression is that insufficient discrimination has hitherto been shown by employers in the selection and placement of unskilled labour. Vacancies have usually been filled by the first Africans presenting themselves for employment and the duties allocated to them have seldom taken account of personal aptitudes or abilities. High standards of performance have not been expected and, in most cases, have not been given. This approach to the employment of labour has led to the build-up of unnecessarily large labour forces with low standards of efficiency, both collectively and individually. Examples of extravagance in the use of labour are—

- (a) the short hours worked by the majority of farm workers;

- (b) the large numbers of office boys employed by Government Departments; and
- (c) the tradition that every Asian *fundi* should be assisted by an African labourer whose sole function, in most cases, is to carry the fundi's tools.

Considerably more attention will need to be given by managements to labour recruitment and usage if labour costs are to be kept within reasonable limits and if standards of efficiency and output are to be raised.

302. The low levels of technical skill among African workers are attributable to a number of factors—the instability of labour; lack of basic education; the shortage of trained craftsmen competent and willing to train others; the absence of facilities for theoretical instruction; poor supervision; and the difficulty over language. We are informed that comparatively few firms have organized training schemes and that *apprenticeship* schemes are mainly confined to the Government trade schools and to one or two large industrial undertakings such as the East African Railways and Harbours Administration. Since we understand that the whole subject of technical education—apprenticeship training, trade testing and the provision of training centres and technical institutes—is now under review by Government, we confine our own comments to a few of the more general aspects of training.

303. It is clear that whatever provision Government may make by way of training centres, technical institutes and trade testing will depend, for its success, upon the co-operation of employers. It is clear also that such provision can only be supplementary to training programmes carried out by employers in their own workshops and businesses. In the case of semi-skilled workers especially, the full responsibility for training must continue to rest with managements. This is, in our opinion, as it should be. The average African worker learns best by example and repetition; by seeing the job done and by repeatedly doing it himself, under supervision, in the circumstances and environment in which he will have to apply his acquired knowledge.

304. Closely allied to, and to some extent integral with, the subject of training is that of supervision. Supervision is required to ensure that the best use is made of labour, plant and materials; that training programmes are carried out; that standards of skill and performance are not allowed to deteriorate; and that discipline is properly enforced. Few labour forces anywhere will work effectively without supervision. Where, as in this country, the labour force is composed mainly of unskilled workers—with little education, no tradition of orderly sustained work, and few recognized standards of performance—the need for close and constant supervision becomes imperative.

305. There can be little doubt that standards of supervision are low in most of the Colony's industries. Recognition to this fact has been given in

much of the evidence submitted to the Committee; this has stressed the need not only for larger supervisory staffs but also for improvement in the *quality* of supervision. Particularly required, at this stage in the Colony's development, are European supervisors who are prepared to work alongside the African, correct his errors, and make efforts to understand his difficulties and mental attitudes. This cannot be regarded, however, as other than a short-term approach. **The ultimate solution to the problem of supervision in this country lies, in our opinion, in the emergence of a foreman class from among the African workers themselves.** Stabilization of labour will undoubtedly assist in this development. It is unlikely, however, to provide the complete answer unless managements themselves are prepared to co-operate by such measures as—

- (a) greater care in the selection of African headmen;
- (b) the provision of opportunities for Africans to advance to foreman and higher supervisory grades;
- (c) adequate monetary inducements to accept increased responsibility; and
- (d) training in supervisory skills.

The *training* of Africans in supervisory skills presents special problems, which not all managements are competent to solve. **To assist employers in this respect, we recommend that Government should give consideration to the introduction of special training courses for African supervisors.** It is suggested that such training should be open to Africans nominated by their employers, the latter being required to bear the expense of tuition and maintenance.

306. In recent years, there has been a growing consciousness in many countries of the importance of supervision as a factor in production. This has found practical expression in the training scheme known as "Training Within Industry for Supervisors" or, more commonly, "T.W.I.". T.W.I. is essentially a system of training in supervisory skills by group-discussion methods. The following description of its purpose and basic principles is taken from a pamphlet issued by the Ministry of Labour and National Service, which sponsors the scheme in the United Kingdom:—

"T.W.I. is directed to 'supervisors', a term which is defined to include anyone in an organization who directs the work of others and which thus means all levels of supervision. It is based on an analysis of the essential 'skills' and knowledge required in a supervisor. These can be classified broadly as follows:

Knowledge of the Work.—Technical skill and knowledge and familiarity with machines, materials, processes and operations.

Knowledge of Responsibilities.—Familiarity with the firm's organization, policies, regulations, agreements, inter-departmental relationships, etc.

Skill in Instructing.—The ability to instruct new workers and to give clear directions to experienced workers.

Skill in Leading.—The ability to handle workers so that they are willing to give of their best; and the ability to promote harmonious working relationships.

Skill in Improving Methods.—The ability of the supervisor to make the best use of his staff, equipment and materials.

T.W.I. does not attempt to cover training in the first two of these five. They are either matters which are peculiar to individual industries and individual firms and so must be taught within the organization itself, or they are technical matters to be taught in the technical colleges and technical departments of the universities. T.W.I. is concerned with the development of the other three skills—of instructing, leadership and improvement of methods. These skills, each of the greatest importance in effective supervision, are common to all supervisors at all levels, irrespective of the industry, business or service in which they happen to be employed.

T.W.I. endeavours to develop these three skills—or at least to lay the foundations for their development—in three training programmes:

- (1) *Job Instruction*, which seeks to develop in supervisors skill in giving clear and unambiguous directions and in instructing workers in what they have to do and how they should do it.
- (2) *Job Relations*, which is concerned with skill in handling human relationships 'on the job'.
- (3) *Job Methods*, which gives to the supervisor a plan of action for seeking to improve working methods and eliminate unnecessary work.

The problem of training supervisors in the skills mentioned is essentially one of modifying their attitudes towards certain aspects of their duties—it is a problem of replacing traditional habits and attitudes by a methodical, objective technique. To assist in achieving this, T.W.I. training is conducted by group-discussion methods, the supervisors taking the course being required to participate fully in the training activities. This active participation is an essential feature of T.W.I. training.

Certain other conditions have governed development of the T.W.I. training programmes. First, they must be essentially practical, related to the every-day problems of supervisors and designed to give those attending some practice on their own problems. A second important requirement is that the programmes should be so closely related to production problems that employers are prepared to hold them for their supervisors within

the factory and in the employer's time. In the third place, programmes have to be of short duration so that those attending are not required to assimilate more than is reasonably practicable at one time and that the training does not interfere unduly with the supervisor's normal work. Finally, they must be so designed as to enable men from individual concerns to undertake courses as Trainers so that they can return to their own firms and carry out the training programme themselves within their own establishments."

In the United Kingdom, the Ministry of Labour and National Service operates free courses of instruction for T.W.I. Trainers, and also supplies Trainers to carry out T.W.I. programmes in undertakings not large enough to have their own Trainers.

307. We are advised that T.W.I. has already been introduced in a number of Colonial territories, including Nigeria and Northern Rhodesia and, more recently, Tanganyika. In Tanganyika, T.W.I. instruction is being carried out by a fully trained officer attached to the Labour Department. **We recommend that Government should consider the introduction of similar arrangements in this country, in the light of the experience gained in other African Colonies.** In making this recommendation, we do not overlook the limitations upon, and the possible difficulties of introducing and operating, T.W.I. in East Africa. Its special scope lies with large undertakings whose supervisory staffs can be readily brought together for training. Although it should be possible to adapt T.W.I. to the needs of small employers in urban areas, there are obvious practical difficulties in applying it to agriculture. Initially also, there may well be difficulties in adapting training programmes to local conditions and in securing the full co-operation of employers.

Feeding and Rations

308. On the medical and other evidence available to us, we must conclude that much of the present ineffectiveness of African labour is due to under-nourishment and consequent impairment of the *physical capacity* for work. It has been suggested by Africans and other witnesses that many workers keep to a monotonous and nutritionally unbalanced diet because they can afford no other, and that the practice, common among urban workers, of going without a midday meal is dictated not so much by custom as by expense.

309. It can be accepted as a truism that reasonable levels of industry and efficiency cannot be attained unless workers are properly fed. The problem of ensuring that workers are properly fed is essentially part of the larger problem of securing the payment of an adequate wage and is not, therefore, capable of either ready or immediate solution. We consider, however, that, even in present circumstances, there are measures which can be taken to *improve* standards of feeding. Two such measures are—the provision of facilities for workers to

obtain cheap midday meals at or near their place of employment; and the prescribing of ration scales in cases where the employer provides rations in part-payment of wages.

310. In more highly developed countries, the provision of facilities for workers to obtain a midday meal has long been recognized as an aid to effective working. Little such provision has so far been made in this country. We consider that scope for it exists, particularly where the siting of the place of employment makes it impracticable for workers to return home for meals. Many workers would, we believe, purchase midday meals if *cheap* facilities were readily available. More still would do so in the event of substantial increases in wage levels. Practical ways of dealing with the problem are—

- (a) in large industrial and commercial undertakings, the provision of canteens where workers can obtain hot meals at reasonable prices;
- (b) in smaller undertakings, the provision of messrooms with facilities for workers to eat snacks, brew tea and, perhaps, heat food; and
- (c) the provision of municipal canteens under local authority management.

All three measures have been adopted with success in other countries, notably in the United Kingdom. Among the more obvious conditions for success in this country are that canteens should be operated on a non-profit-making basis, and that managements should not be deterred by initial suspicion and lack of co-operation on the part of workers.

311. The practice of issuing rations to employees in part-payment of wages is now largely confined to rural areas. The 1953 urban wage survey showed that only 15 per cent of workers in towns were in receipt of rations. In rural areas, the practice continues to be almost universal. The type of ration issues varies. While some employers provide a ration which is properly balanced and nutritionally adequate, others give only posho and salt. We consider it desirable that, where rations are issued in part-payment of wages, they should be nutritionally adequate and should, as far as possible, conform to a prescribed scale. This is particularly important in areas where the worker experiences difficulty in supplementing his rations. **We recommend—**

- (a) that the Member should make use of his powers, under section 87 of the Employment Ordinance, to prescribe ration scales; and**
- (b) that Area Wages Committees (when appointed) should have power to vary the ration scales within their areas with the concurrence of the Rural Wages Advisory Board.**

Rigid adherence to a uniform ration scale may not always be possible owing to variations in local supplies. Recommendation “(b)” is an attempt to meet this difficulty. Should it be adopted, Area Wages Committees will need nutritional guidance in the selection of alternative ration scales.

Hours of Work, Intervals and Holidays

312. The payment of an adequate wage requires that the worker's skill and energy shall be at the employer's disposal for a reasonable period of time, i.e. that there shall be a fair time return for the wage. In the United Kingdom, recognition of this principle is contained in collective agreements and in the statutory orders made under Wages Councils and similar Acts, which relate the payment of a minimum wage to a working week of specified length. In most industries in the United Kingdom, the normal working week is one of 44 or 45 hours, spread over five or six working days.

313. The wages survey carried out in August, 1953, showed that, in the urban areas of this country, the great majority of workers were employed for between 40 and 49 hours a week, while 17 per cent of workers in private industry were employed for more than 49 hours.

314. In *rural* areas, the picture of working hours is distinctly less encouraging. On the evidence submitted to us, it would appear that relatively few agricultural employees work a full eight-hour day, while for many, in both plantation and non-plantation agriculture, the working day does not extend beyond four or five hours. The short working hours, which are often combined with an unsatisfactory task method of working, have resulted in a labour force unnecessarily large, difficult to train and supervise, expensive in overheads, and with little interest in or sense of responsibility towards its work. From such a labour force, high levels of productivity can be neither expected nor obtained. An essential condition, therefore, to any substantial increase in the productivity of rural labour is for employers to increase and standardize their working hours, and to call a halt to the employment of part-time labour. As a corollary to this, daily tasks also should be increased and standardized. We appreciate that there will be employee resistance to increases in both hours of work and the sizes of daily tasks and that, initially at least, this will show itself in a tendency either to return to the reserves or to seek less arduous employment elsewhere. **We are convinced, however, that both developments are possible provided that concerted action is taken by employers and that the change-over is made gradually.**

315. Midday intervals for meals or rest are a regular feature of urban employment. This is by no means always the case, however, in rural areas. In an instance cited by one witness, the daily hours worked were from 7 a.m. to 3 p.m. without a break of any description. This witness added, not unexpectedly, that output declined towards the end of the working period. The need for long periods of work to be broken by intervals for meals or rest is now so widely accepted as hardly to require comment from this Committee. The fact that the worker may not want, or is unable to obtain, a midday meal is not material to the argument; nor is it material that some workers *prefer* to work through without a break in order to finish earlier. The rest break is

required in the interests both of workers' health and of their effectiveness as workers. **From the point of view of productivity alone, we consider it undesirable that work should continue for longer than five hours without an interval of at least half-an-hour for a meal or rest.** On the subject of rest breaks, it seems desirable to refer to the practice, common in many countries, of allowing a 10-minute break from work in the course of the morning and afternoon spells. Such breaks, especially if combined with facilities for workers to obtain tea, have been found to be invaluable as a stimulus to increased effort. **The practice is one which we commend to employers in this country.**

316. Another feature of employment in other countries which might well find greater expression here is the custom of allowing holidays with pay to workers who have completed a minimum period of twelve months' service. The practice is not only of value as a stabilizing influence upon labour, but is also conducive to higher standards of physical working efficiency.

Other Aspects of Personnel Policy

317. In a publication of the Institute of Personnel Management, G. R. Moxon writes:—

“Every business concern, big or small, has in some measure or other a personnel policy. This may surprise many employers who have not thought a great deal about it, but the attitude of mind which any employer brings to bear upon problems which affect his employees is reflected in a hundred different ways. It is seen in the way he talks to them; gives his instructions; listens to their point of view. It is shown in the conditions under which he employs his workers and the standard of living he offers them. It is not just a case of what is in the wage packet, otherwise how can one explain why it is that in small struggling companies one so often finds a loyal, contented, and hard-working team? It is a combination of all these things which affects the spirit in a factory, but in the final reckoning workers judge their place of employment by the degree of confidence they can place in their management, and whether or not they can expect fair treatment. When a worker describes what he thinks of his company he is in effect passing judgment on its personnel policy. Some sort of policy there must always be. It may be good or it may be bad, but it cannot be totally absent because it is a part of management itself.”

(Functions of a Personnel Department: page 8)

The importance of good personnel management is now widely recognized, so much so that it has become customary in large organizations for special departments to be set up to deal with this branch of management. The personnel department of an organization is normally under the control of a qualified personnel or labour manager, directly responsible to the chief executive.

Among its more important functions are—the selection and placement of workers; education and training; implementation of wages policy; the maintenance of adequate standards of health, safety and welfare; the supervision of employee services; and the promotion of good relations between workers and management.

318. Relatively few undertakings in Kenya are of sufficient size to justify the setting up of personnel departments or even the appointment of personnel or labour managers. On the other hand, there are few which would not directly benefit from greater attention, i.e. a more positive approach, to personnel policy. Emphasis has already been laid upon the need for more effective use of labour and for a more realistic policy in regard to working hours and other conditions of employment. Significant as these are, in themselves, in the drive for increased efficiency and productivity, they can be made even more so if steps are taken by managements to secure the full co-operation of labour. Such co-operation is most likely to be forthcoming where machinery exists for joint consultation between management and workers. The Whitley Councils recently set up by Government for its own employees are an example of this joint consultative machinery. On a smaller scale, but potentially of equal effectiveness, are the works councils which, we understand, have in recent years been established (with the encouragement of the Labour Department) in a number of the Colony's larger private undertakings. These works councils or committees provide a medium through which management policy can be explained and workers' suggestions and grievances ventilated and considered; and there is little doubt that they can, and do, make a substantial contribution to good employer-employee relations. There appears to us to be considerable scope for the further development of joint consultative machinery in both urban and rural areas. Where, as in the case of small workshops and farms, the numbers employed do not warrant the setting up of a formal committee, much the same beneficial effect can be obtained by regular informal meetings between workers and the works or farm manager. Such meetings would do much to remove the misunderstandings and suspicion which, at present, tend to mar relationships between some employers and their employees.

319. Another aspect of personnel management which does not always receive the attention it deserves is the maintenance of good physical working conditions. Adequate lighting and ventilation, properly spaced plant, cleanliness and tidiness are all factors making for contented, stable and efficient labour. Workers may not *consciously* react to better working conditions, but the reaction is there nevertheless and shows itself in the greater facility with which work is carried out and in improved standards of performance. Similar results follow from the issue of protective clothing to employees whose work involves exposure to inclement weather, dusty atmospheres or other uncongenial or offensive conditions associated with the production process.

Plant and Equipment

320. There can be little doubt that, by and large, increased wages will oblige employers to pay greater attention to plant and equipment in an endeavour to effect economies in the use of labour. It is encouraging to note that some employers, particularly those with experience in more highly industrialized economies, are already actively concerning themselves with this important aspect of management efficiency.

321. The attainment of reasonable levels of productivity, whether in the factory or on the farm, requires that plant and equipment should be adequate for the job and should be used to the best advantage. In particular, consideration should be given to the advantages to be derived from mechanization and from the replacement of obsolete plant. This is not to imply that mechanization and modernization should be pursued for their own sakes. Their main, if not their sole, justification lies in the contribution which they can make to overall productivity or lowered production costs. Limiting conditions are imposed by such factors as the nature of the production process, the capital available for development, cost in relation to saving effected, and the availability of suitable personnel for operation and maintenance. In our own treatment of the subject, we must necessarily confine ourselves to some of the more general aspects of the use of plant and equipment in this country.

322. The efficient handling of materials is a major factor in raising productivity, and it is often in this field that there exists the greatest scope for improvements in plant and equipment. The delivery of raw materials to the production plant, their transfer from one stage of the process to another, and the handling of the finished product, are all operations potentially wasteful of time and labour. Substantial economies can usually be effected—

- (a) by re-arranging plant layout so as to ensure a proper sequence of operations and the minimum degree of handling; and
- (b) by the mechanization of handling processes, for example—by the use of hand and power trucks, conveyor systems, lifting machinery and stacking plant.

Improvements in handling techniques do not necessarily entail heavy financial outlay on mechanical equipment. As already indicated, they can often be obtained simply by re-siting plant. There are many processes also—for example, in road building and maintenance and in the servicing of concrete mixers—where immediate and drastic economies can be achieved by such simple devices as the substitution of the use of wheelbarrows or hand trucks for the carrying of debbies by large gangs of African labourers.

323. The information available to us suggests that, in some undertakings, plant and equipment are not only of obsolete design but are also incapable of standing up to the demands of continuous and efficient production. This criticism extends even to such primary agents of production as steam boilers and steam and diesel engines. The use of such plant must necessarily entail heavy charges in maintenance, and there is the ever-present danger—not infrequently realized—of plant break-downs, with consequent disruption of the production process and considerable labour wastage.

324. Hand tools feature prominently in the production economy of Kenya. This is especially so in agriculture, where the *panga* and the *jembe* continue to hold almost unlimited sway. It is questionable, however, whether such tools are always those best suited to the work for which they are used. The fact that hand tools are so widely used makes it particularly necessary that attention should be focussed, firstly, on their design; secondly, on their proper use; and thirdly, on their efficient maintenance. Traditional designs and usage are not necessarily the most efficient. The whole subject of the use of hand tools in agriculture appears to us to be one which might well repay study by employers' associations.

Organization and Control of Production

325. The demand for higher production and the pressure of competition have led modern industry to have increasing regard to the organization and planning of work and the control of production throughout its various stages. Attention has been especially directed to such matters as the standardization of working methods, reduction in the types and varieties of the articles produced, and the clear division of the lines of authority and responsibility within undertakings. *Production planning and control* have been introduced, to ensure smooth production flow and the optimum use of men and machines. *Costing and budgetary controls* are widely used as a means of controlling expenditure, correcting mistakes and shortcomings, and providing the data upon which future planning and development can be based.

326. The more scientific approach to management has led to the introduction of various work-study and other techniques and to the emergence of a new class of technician—the efficiency expert, or the production and efficiency engineer. Mention may, perhaps, be made here of three of the more important techniques employed in modern industry:—

- (a) *Method Study*.—The detailed analysis of existing or proposed methods, with the object of eliminating wasteful and inefficient procedures, improving tools and plant layouts, and assisting the production flow.

- (b) *Work Measurement*.—The assessment of the content of a defined task, i.e. of the proper time to be allowed for its efficient performance. Work measurement provides the information necessary for effective production planning and control and for the introduction of wage incentive schemes.
- (c) *Job Evaluation*.—The assessment of the relative values of jobs within an undertaking, providing a basis for wage differentials and the determination of basic wage rates.

327. The scope for the application of modern production techniques in this country is at present restricted, not only by the small size of most undertakings, but also by the general conditions prevailing within industry, viz.—the high labour turnover, the casual attitude of management towards labour, low standards of training and supervision, and the lack of discipline and responsibility among workers. These present a major obstacle to progress and, until they are removed, there can be little justification for urging managements to adopt complicated modern procedures. This is not to say that employers should not concern themselves, even now, with the elementary principles of production organisation and control. There is an obvious and immediate need for greater attention to simple work planning and job evaluation, and to costing and budgetary control. As the general level of efficiency within industry improves—and we believe that this will be largely conditioned by the level of statutory minimum wages—so will the scope and demand for more modern techniques increase.

328. It is doubtful whether it is a proper or desirable function of Government actively to participate in the introduction and operation of work-study and other techniques in private industry. **Should Government, however, decide to enforce higher wage levels by embarking upon our proposed “family” minimum wage transition, we consider it appropriate that it should also appoint a production and efficiency engineer to give general advice on management efficiency to employers seeking such advice.** Such an officer, in addition to assisting private employers, could be profitably employed in raising standards of efficiency in Government and local authority services.

CHAPTER XX

EMPLOYMENT CONTRACTS

329. We have examined, and received evidence upon, provisions of the Employment Ordinance relating to employment contracts, and are of the opinion that some of them are not compatible with a policy aimed at raising standards of productivity, and may even act as a deterrent to increased individual effort. Our objections are, briefly, to certain requirements of the present law in regard to—

- (i) ticket contracts;

- (ii) deductions from wages in respect of absence from work; and
- (iii) notice of termination of contract.

These subjects are discussed in the following paragraphs.

Ticket Contracts

330. The "ticket contract" is now largely confined to agriculture, where it remains the most usual form of contract. It is essentially an agreement for the employee, in return for a specified wage, to complete 30 days' work within a period of not more than 42 days. A "ticket" is handed out at the start of the contract and the actual days worked are marked up on this ticket. At the end of the contract period, the worker is entitled to be paid his wages for the number of days worked in the proportion which such number of days bears to 30. Should the employee perform his 30 days' work before the expiration of the contract period, he is immediately entitled to payment for the completed contract. Very often the ticket contract is on a task basis, i.e. the employee contracts to perform 30 daily tasks within a period not exceeding 42 days. He then becomes entitled to payment upon completion of the 30 tasks or at the end of the contract period (in proportion to the number of tasks actually worked), whichever is the earlier.

331. The ticket contract system derives in part from the reluctance of the early African employee to engage in regular or sustained work. Another factor contributing to its development was the need for those employed near the reserves to get time off to attend to their own affairs. Whatever its origins, the ticket contract has now become an established part of the Colony's employment pattern. Legal recognition of, and control over, ticket contracts is given by section 5 of the Employment Ordinance.

332. Viewed in relation to productivity and workers' conditions of employment, the ticket contract system is open to the following criticisms:—

- (a) The 42-day contract period is wasteful of labour, and encourages idleness in workers.
- (b) The system tends to aggravate the employer's housing problem since his houses are "tied up" for a much longer period than that actually spent in working.
- (c) The ticket contract may well operate to the worker's financial disadvantage, since it is often found that the "ticket" worker is paid the same wage as the worker employed on monthly contract. In the one case, the wage is paid for 30 days' work, in the other for 25 or 26 days' work. Looked at in another way, the "ticket" system may be said to deny to the worker the usual privilege of weekly rest days with pay.

We are aware that these criticisms are not valid in every case where ticket contracts are worked, and that many employers now insist on the 30 days' work being completed within a shorter period than 42 days, pay higher rates for ticket than for monthly contracts, and make provision for regular weekly rest days. There remain cases, however, where the criticisms *are* valid. In such cases, the fault may be considered to lie not only with the employer who operates the ticket contract system but also, and perhaps equally strongly, with the legal provision which condones it.

333. The advantages claimed for the ticket contract over the monthly contract system are as follows:—

- (a) It provides a safeguard against large numbers of workers leaving at the same time.
- (b) The ticket facilitates checking of attendance and wages.
- (c) Rural labour is accustomed to it and understands it.
- (d) The worker is paid only for those days which he actually works.

The first-mentioned "advantage" is more apparent than real and appears to be based on a misconception of what the law allows in regard to monthly contracts. The monthly contract system, suitably applied, no more lends itself to workers leaving *en masse* than does the ticket contract system. For the purposes of the Employment Ordinance, a "monthly contract" means a contract made for one *calendar* month, for example—from the 11th November to the 10th December. It has become the practice for an employer engaging a man during the month to pay him up to the end of that month in proportion to the days worked, and then start him on a fresh contract from the first day of the following month. This practice avoids the necessity for a large number of pay days during the month, but it is adopted entirely at the option of the employer and is not an inherent feature of the monthly contract system. There is nothing to prevent an employer from "staggering" the contract periods of his workers if he so wishes.

334. We have carefully examined the arguments for and against section 5 of the Employment Ordinance, and can see little logical basis for retaining it. We consider that it is out of step with modern employment practice and that it can operate in a manner prejudicial to both productivity and the workers' own interests. In making these remarks, we intend no criticism of the ticket method of working *as such*; as a method of recording attendance and wages, *within any contract system*, it has, indeed, much to recommend it. Our criticism is directed solely against the special type of contract for which provision is made in section 5 of the Employment Ordinance.

335. Although there is, in our view, a strong case for revoking section 5 of the Employment Ordinance, we do not feel able to recommend this as an immediate measure. Ticket contracts are widely used in agriculture and a sudden veto upon their use might well cause labour difficulties and considerable disruption of working methods. **We accordingly recommend the following more gradual approach—**

- (a) **that, as an immediate step, section 5 of the Employment Ordinance should be amended so as to require a ticket contract to be completed within a period of 36 days;**
- (b) **that employers should be encouraged to change over to other types of contracts; and**
- (c) **that, at a later date, section 5 of the Employment Ordinance should be revoked.**

Deductions from Wages in respect of Absence from Work

336. We are advised that, under the law as it now stands, it is illegal for deductions to be made from a monthly contract worker's wages in respect of his absence from work without leave or other lawful cause. The only redress the employer would appear to have in such circumstances is either to dismiss the employee (in which case, the employer can elect not to pay *any* wages on the grounds of the employee's "gross misconduct"), or to claim damages against the employee for breach of contract. Should the employer choose to act in neither of these ways and to treat the contract as a continuing contract, then he must pay the employee the full stipulated wage, when this becomes due, without any deductions.

337. In order to build up higher standards of individual efficiency and output, it is obviously necessary to overcome the present wide-spread tendency among workers to absent themselves from work without leave. We believe that one of the most effective ways of doing this, and one with more appeal to most employers than that of summary dismissal, is to permit employers to deduct from wages in respect of such absence. **We accordingly recommend that the Employment Ordinance be amended so as to permit an employer to make deductions from wages in respect of an employee's absence without leave or other lawful cause.** In making this recommendation, we assume that the term "lawful cause" will be deemed to include illness or other cause outside the employee's control.

Notice of Termination of Contract

338. The types of contract most commonly used with African labour are the verbal monthly contract (operative for a calendar month) and the ticket contract (providing for 30 days' work to be performed within a period of not more than 42 days). Although renewal of such contracts may follow

almost automatically upon expiry, neither is, in fact, a *continuing contract* and neither, therefore, lends itself to the insertion of a notice clause. As regards contracts entered into *without agreement as to their duration*, section 15 of the Employment Ordinance provides that, where the contract is to pay wages monthly, weekly or daily or at a monthly, weekly or daily rate, the contract shall be determinable at the end of any month, week or day, as the case may be, *without notice*.

339. The desirability of requiring notice to be given of termination of employment is a matter on which we have found considerable divergence of opinion. Properly enforced, a notice requirement would have the following advantages—

- (a) it would encourage stability in labour, reduce labour turnover, and increase productivity;
- (b) the employer would be subjected to less inconvenience in securing labour replacements;
- (c) the employee under notice would, while still in employment, have the opportunity of finding alternative employment.

Opposition to the idea of compulsory notice is based mainly upon the alleged impracticability of enforcing it against African workers. It is argued that a notice requirement would not deter the African worker from leaving his employment without notice; that, in such a case, the employer would have difficulty in obtaining legal redress; that the requirement would operate solely to the employee's advantage inasmuch as it would, in practice, be enforceable only against the employer.

340. We ourselves are sceptical of the practicability of enforcing a notice requirement in relation to the majority of African unskilled workers and do not, therefore, favour compulsory action at this juncture. **At the same time, we consider it desirable that those employers who wish to include notice clauses in their contracts of service should be enabled to do so. We recommend that the Employment Ordinance be amended so as to allow of this.** It should, perhaps, be emphasized that the contract provisions of the Employment Ordinance apply only where the employee's wage does not exceed one hundred shillings per month. For workers earning above that figure, there would appear to be no legal obstacle to the inclusion of a notice clause in the employment contract.

CHAPTER XXI

INCENTIVES AND SYSTEMS OF WAGE PAYMENT

341. The average man works in order to earn wages with which to satisfy his economic, social and cultural needs. The more pressing and the

more numerous those needs, the greater will be the value set upon the obtaining and retention of employment and the greater also will be the urge to earn higher wages. A work incentive is essentially a device for utilizing this desire for higher wages (or for additional benefits in kind) as a means of securing greater efficiency and output.

342. The failure of many Africans to respond to incentive schemes can be seen to be due to a variety of circumstances—the limited nature of their needs, arising from the “temporary” nature of their life outside the reserves; the physical inability to exert increased effort, due to malnutrition; the relative inadequacy of the rewards offered; and the failure to understand the nature and purpose of the incentive. We have suggested earlier in this report that a main condition for the successful operation of incentive schemes is the existence of a stable and contented labour force, earning wages reasonably adequate to provide for the requirements of health, decency and working efficiency. We believe that it is only from such a labour force, integrated into its working environment, and with economic, social and cultural needs related to that environment, that we can obtain that *insistent and compelling urge* towards higher standards of efficiency, productivity and earning power which is so patently lacking among the majority of workers in this country at the present time. While this consideration should not, in our opinion, deter managements, even at this stage, from doing everything possible, by way of incentives, to increase the efficiency and output of African labour, it must certainly be taken into account in passing judgment upon the African’s amenability and response to incentive schemes.

343. The most usual form of incentive is a wage incentive, i.e. one incorporated in the system of wage payment. Systems of wage payment may be broadly classified as follows—

- (a) payment by time;
- (b) payment by results;
- (c) task payment.

In some organizations, the wage system is based on a combination of these; for example, a time-rate system of payment may be combined with output bonus or, in the case of task work, extra payment may be allowed for work performed beyond the stipulated task. Outside this broad classification, there are other forms of wage payment which have found more limited application. Examples of these are—the commission system, used in the United Kingdom for certain classes of employees in the retail distributive trades; profit-sharing and industrial co-partnership; and automatic wage adjustment by sliding scales, related either to variations in the selling price of the product or to changes in a retail price index.

Payment by Time

344. The commonest form of all systems of wage payment is that based on time, i.e. where the worker is paid a specified rate per hour, or a specified rate per day, week or month in respect of a specified number of hours worked. **Since this is also the simplest form of wage payment, and one readily understood by the primitive mind, it may be considered to be that most suited to this country at the present time.** The main arguments advanced against the standard time-rate are that it lacks incentive value, takes no account of individual qualities, and tends to produce a uniform level of performance. Recognition of these disadvantages has led to an increasing use in many countries of a system of *merit rating*, under which merit bonuses or allowances (additional to the standard time-rate) are awarded, based on such factors as quality of work, accuracy, adaptability, readiness to co-operate, and general approach to employment. We understand that some use has already been made of merit rating in this country. There appears to us to be considerable scope for its further use.

345. We are aware that *incremental wage scales* have found favour with some managements and are a regular feature of employment in Government service. As implied earlier in this report, we consider them to have doubtful incentive value in the case of unskilled workers, who are apt to regard them as a right rather than as a reward for loyal service and improved standards of work. The award of increments *for increased efficiency* can well be an important factor in raising standards of efficiency, particularly where the increment follows immediately upon recognition of the increase in efficiency. Where, however, increments are made automatically at regular annual intervals, they provide little inducement to increased efficiency and may, by encouraging complacency in workers, even lead to a *falling-off* in standards.

Payment by Results

346. The term "payment by results" is used to describe any system of payment under which wages are directly related to a measurement of the work performed by the individual worker or by a group of workers. The most usual form of payment by results is that known as *straight piecework*, in which a uniform price is paid per unit of production. The system is readily understood by workers and has an obvious and direct incentive appeal. From the employer's point of view it is open to the objection that, since the wage cost per unit remains constant, an increase in output does not necessarily lead to direct reduction in labour costs. This consideration has led managements in other countries to have increasing recourse to what are known as *premium bonus systems*, based on the principle of *differential piece rates*. It is not practicable here to enter into detailed explanation of the various premium bonus systems in use in modern industry. Suffice it to say that the method of operation is usually such as to ensure that, as the rate of output

increases, management benefits by way of a progressive decrease in the wages cost per unit of production; at the same time, the rate of the worker's earnings increases but *not* (as with straight piecework) in *direct* proportion to the increase in output.

347. In Kenya, payment by results has generally been confined to straight piecework. This method of payment has found particular application in plantation agriculture—for example, in coffee and pyrethrum picking and tea plucking. Other examples of piece-rate payment are to be found in engineering and building and in the shore-handling of goods at Mombasa Port. Not all work, of course, lends itself to systems of payment by results. A basic condition for their operation is that individual or group output should be capable of ready measurement; normally, this will only be practicable where the work is of a repetitive nature and the output standardized in form. Maintenance and repair work and general labouring are examples of work where payment by results is impracticable and where recourse must be had to time-rates. The latter form of payment is also that best suited to work where *quality* of output is of primary importance and difficult to control, or where the rate of output is largely dictated by factors (such as the speed of machinery) outside the control of the individual worker.

348. The value of systems of payment by results *as a factor in increasing productivity* will largely depend upon the way in which they are applied. Where management is inefficient, or where they are introduced without sufficient regard to the process or to their method of operation, they may well prove to be more trouble than they are worth. Among the generally accepted conditions for their success are—

- (a) that, *before* their introduction, all possible steps should be taken to obtain maximum efficiency in other directions—for example, by improvements in the organization, production process and plant layout;
- (b) that workers should understand the method of payment and be consulted at all stages in its operation;
- (c) that production standards and piece or bonus rates should be carefully and accurately set;
- (d) that prompt action should be taken to deal with grievances arising from mistakes in rate setting and anomalies in earnings;
- (e) that workers' interests should be safeguarded by the guarantee of a standard time-wage for the period worked; and
- (f) that managements should ensure, by supervision, that emphasis on output does not lead to deterioration in the quality of work.

These considerations suggest the need for caution in introducing systems of payment by results in this country. The more immediate need would appear to be to bring about those conditions of maximum production efficiency under which systems of payment by results are best able to function.

Task Payment

349. Under a task-work system of payment, the worker contracts to perform an agreed amount of work in return for a specified wage. The system is extensively used in this country, particularly in agricultural employment. Probably the main reason for its use is that it largely dispenses with the need for supervision.

350. Northcott has criticized task-work payment on two main grounds, viz.—

- (a) that it attempts to define something which, in a developing system of efficiency, cannot properly be defined, namely “a day’s work”; and
- (b) that it “offers a bonus expressed in spare time, as well as a wage, for prescribed work”, i.e. it puts a premium on leisure.

In the former context, Northcott writes: —

“It implies an intention to get a standard day’s work done. But the question of what is a day’s work is one where it is difficult to give a definite or final answer. The aim of industrial organization is to get as much output in the course of the day as good planning, adequate equipment, and well directed labour can secure without putting any undue strain upon physical capacity and health. In a developing system of efficiency there is no authoritative answer to the question of what constitutes a day’s output. In contrast, the task system sets a definite figure. This must be within the average competence of the men, otherwise they will not do the task nor earn the reward. If this figure is accepted as a maximum output, or if it becomes fixed in the minds of the men as the equivalent of a good output, the result is detrimental to an increase in efficiency. The task needs to be set as high as possible without risk of failure, but there should be ways of increasing it as training and experience justify a higher standard. It is important that the European task-setters should be ready to demonstrate in practice that the task can be accomplished and that every possible step should be taken to get the task done in the time allowed.”

(African Labour Efficiency Survey: page 60)

351. We are in full agreement with Northcott’s views. Relatively few tasks now given to African labour constitute a full day’s work and tasks tend to get smaller rather than larger. The evidence received from one large employers’ association suggests that, in the past, some employers have

deliberately reduced tasks in order to attract labour from neighbouring estates. Such practices can lead only to the complete demoralization of African labour. **We are satisfied that the task system, as at present applied in many undertakings, is a deterrent rather than an incentive to increased productivity.** As noted above, some of the fault must be considered to lie in the system itself. Even so, there is little doubt that, by the exercise of care in application, task work could be made a far more effective instrument for production than it is at present. The more obvious conditions for this are—

- (a) that tasks should represent “a fair day’s work” for the average worker;
- (b) that tasks should be reviewed from time to time in relation to improvements in or modifications of the production process;
- (c) that a fair day’s work should be rewarded by the payment of a fair wage; and
- (d) that adequate inducements should be offered for work performed in excess of the set task—for example, by time or piece rates higher than those for normal task work.

The possibility of employee resistance to increases in the size of daily tasks has been discussed in an earlier chapter, and the suggestion made that this can be largely overcome by *joint* action on the part of employers.

Bonus Payments

352. Some of the evidence submitted to us has stressed the incentive value of bonus payments. Various bases have been advocated for such payments, viz.—individual output; overall output (related to profits over a period); regular attendance and time-keeping; and long service.

353. Although usually associated with time payment, an output bonus is, in itself, a form of payment by results. As with piece-rate systems of payment, its value as a factor in raising productivity will depend largely upon the way in which it is applied. In the case of African labour, particular care is needed to ensure that workers understand the method of bonus payment and are able to relate such payment to their own efforts. For this reason, *individual* bonus systems are probably to be preferred to those based on overall output. It is also desirable that bonus payments should be made *as frequently as possible*.

354. Bonus payments for good time-keeping and attendance are in fairly general use in this country, particularly in urban areas. We are extremely doubtful as to their incentive value. Where there are proper standards of discipline and supervision, there should be no need for financial inducements to regular time-keeping and attendance. We are also sceptical of the value of long service bonuses as a means of raising the productivity of labour. The

prospect of a long service award may well encourage permanency in workers and, therefore, gradual improvement in the *quality* of work. It is unlikely, however, to provide that spur to increased effort which can result from a properly applied wage incentive.

Wage Differentials

355. The greatest incentive to the *acquisition of skill* (as opposed to the mere exercise of physical effort) is the knowledge that this will bring with it a higher *general level* of wages and the opportunity of a higher standard of living. It is important, therefore, that, irrespective of the system of wage payment in use, adequate differentials should be maintained between the wages of supervisory, skilled, semi-skilled and unskilled grades. In the case of African labour, it is also important that managements should ensure that workers are made aware both of the opportunities and of the qualifications for advancement.

Wage Incentives and the Minimum Wage Transition

356. It has been suggested to the Committee that its proposed *method of transition* to the "family" minimum wage will prejudice the operation of incentive schemes inasmuch as workers will be less likely to respond to such schemes if they know that their wages will, in any case, go up at the end of the year. The argument is, in our opinion, a fallacious one. For a wage incentive to succeed at all with African workers, its effect must be obvious and immediate, and reaction to it is unlikely to be influenced by the *possibility* of a general wage increase in an intangible future. We believe that increases in minimum wage levels will lead to increased competition for employment and the setting of a higher value upon the retention of employment. In such conditions, the amenability of workers to incentive schemes is likely to be greater rather than less. During the transition period, there will inevitably be a *lack of stability* in the Colony's wage structure. That, however, is, in our opinion, infinitely preferable to the retention of a wage structure which has little other virtue than its stability.

Non-Wage Incentives

357. Various measures can be adopted by employers which, although not associated with the payment of cash wages, may nevertheless act as an inducement either to increased effort or to higher levels of individual efficiency. One of the main conditions for improved efficiency in all industries is a reduction in the present high labour turnover. It follows that any steps taken to encourage this—for example, benevolent fund schemes, holidays with pay, congenial working conditions, and the provision of good housing and adequate facilities for education and recreation—must indirectly result in improved

standards of work and increased output. The following, suggested to us by witnesses, may be considered to have a more direct, i.e. a more positive, incentive value—

- (a) an improved supply of consumer goods, particularly in rural areas. The argument here is that, by artificially creating needs, one induces in the worker a desire to increase his earning power;
- (b) the provision of superior standards of housing (in addition to higher wages) for skilled and semi-skilled workers;
- (c) the supply of cheap cooked meals by employers; and
- (d) competitions in farm crafts—ploughing, milking, shearing, ditching, etc.—on the lines of the old-established ploughing matches in the United Kingdom.

358. Ultimately, of course, as has already been emphasized, the attainment of reasonable levels of efficiency must rest with management, and no incentive scheme can be an effective substitute for the proper exercise of management functions. Ranking high among those functions is the maintenance of adequate standards of supervision and discipline. So long as inefficiency and low output are tolerated, just so long will they persist—notwithstanding employers' recourse to wage or other incentive schemes.

Part VI—Miscellaneous

CHAPTER XXII

SOME GENERAL CONSIDERATIONS RELATING TO EMPLOYMENT

Application of Employment Ordinance

359. Under section 3 of the Employment Ordinance, the Governor in Council may, by notice in the Official Gazette, prescribe a maximum monthly, weekly or daily wage for the purpose of the application of the Ordinance. The most recent notice to be issued under this section is Government Notice No. 854 of the 30th July, 1952, which prescribes (subject to certain exceptions) maximum monthly, weekly and daily wages of 100 shillings, 24 shillings and four shillings respectively.

360. It is to be noted that the maximum *monthly* wage prescribed for the application of the Ordinance, i.e. Sh. 100 per month, is the same as that prescribed in 1938, notwithstanding that general wage levels have risen substantially since that date. In 1938, a wage of Sh. 100 per month embraced practically the whole of the African labour force—certainly the unskilled and semi-skilled workers, and probably also a large proportion of the skilled. That this is not the case to-day will be evident from a study of the tables in Appendix D to this report. Adoption by Government of our proposals in regard to the “bachelor” minimum wage will almost certainly lead to an all-round increase in wages, with the result that considerably more workers (including the unskilled) will be deprived of the protection afforded by the Employment Ordinance. The situation will be still further aggravated should effect be given to our proposals in regard to the “family” minimum wage.

361. While there are undoubtedly arguments for gradually freeing the more skilled and literate workers from the control imposed by the Employment Ordinance, there is an obvious case for retaining that control for the large body of illiterate unskilled and semi-skilled. **We accordingly recommend that higher maximum wage rates should now be prescribed for the purpose of the application of the Employment Ordinance. As a first step, we suggest that the maximum monthly wage rate be raised to Sh. 200 per month, with proportional increases in the weekly and daily rates. We further recommend that the maximum wage rates should be reviewed at intervals in relation to general wage levels.**

Functions of Wages Advisory Board

362. Under the Regulation of Wages and Conditions of Employment Ordinance, 1951, the functions of the Wages Advisory Board are limited to

inquiring into, and reporting upon, such wages and other employment questions as may be referred to it by the Governor in Council or the Member for Labour. Unlike its predecessor, the Central Minimum Wage Advisory Board, the Board would appear to have no power itself to initiate inquiries or to submit recommendations on matters which have not been specifically referred to it; nor, we understand, has the Board deemed it to be within its competence to advise Government of matters appearing to it to require investigation. This last limitation appears to us to be unduly restrictive. **We recommend that the Board should be formally invited to bring to the notice of Government any matter which it considers should be the subject of inquiry.**

The Need for Further Studies

363. From time to time in this report we have had occasion to comment upon the absence of accurate up-to-date statistical information relating to the African working population. At the time of our appointment, the information available on the subject of African wages was sketchy in the extreme, and it was not until a large-scale survey of urban wages had been carried out that we were able to apply ourselves to our main term of reference. There is an obvious need for regular wage surveys in both urban and rural areas. Reliable information is also required on such matters as the numbers of African men, women and children living in the main urban centres; the sizes of African families; urban housing; the hours of work of rural labour; and African expenditure and consumption habits. **The collection of such information and the maintaining of it in up-to-date form are, in our opinion, matters to which Government should give its early and careful attention.**

364. Studies of the African labour force should not, however, be directed solely to the collection of statistical data. Further *sociological* studies are required, both inside and outside the reserves. There is a need also, as Northcott has emphasized, for further scientific investigation of the African's attitude towards, and his reactions to, industrial employment; of the factors affecting his efficiency; and of his response to incentive schemes. Such studies may be considered to be a necessary and integral part of any policy for stabilizing and raising the productivity of African labour.

CHAPTER XXIII

SUMMARY OF MAIN CONCLUSIONS AND RECOMMENDATIONS

The African Labour Force

365. The Colony's African labour force, comprising some 434,000 workers, is almost equally distributed between agricultural and non-agricultural employment. The percentage distribution of workers between agricultural and non-agricultural employment was virtually the same in 1952 as in 1948. This

seems to challenge the widely-held view that the African employment situation is characterized by an increasing drift of workers from agriculture to the towns. The position would rather appear to be that the African worker, like workers of other races, seeks his livelihood in that sphere of employment best suited to his individual aptitudes, inclinations and convenience. The growth of the *total* employed African labour force during the period 1948 to 1952 appears to be more than can be accounted for by the natural African population increase during that period, and points to an increasing urge on the part of Africans to seek employment outside their native land units. (Paragraphs 20: 27-28.)

366. Few Africans leave the reserves with any intention of cutting themselves off permanently from tribal influences. This consideration—the lack of any *intention* of permanency—affects the African's whole approach to industrial employment, and provides one explanation of why so few Africans ever advance to the stage of becoming skilled workers. (Paragraphs 35-36.)

367. The African's failure to meet his employer's requirements is more likely, in our submission, to be attributable to the factors by which he is conditioned—his economic and cultural background, and the "temporary" nature of his life outside the reserves—than to any inherent laziness or lack of desire to learn. We are in no doubt that the African *can* be made to play an effective part in a modern industrial economy. (Paragraph 37.)

The Stabilization of Labour

368. **We consider that the basic condition for the emergence of an effective African labour force is the removal of the African from the enervating and retarding influences of his economic and cultural background, and his permanent resettlement outside the reserves.** One of the major obstacles to such a development is the system of migrant labour. It is estimated that more than half of the adult male African labour force is of the migrant or "target" type; that is to say, they are workers who have left the reserves for a specific purpose—for example, to earn sufficient money to pay tax, replenish a wardrobe or acquire a wife, or, perhaps, merely for a change of environment—and return to the reserves once that purpose has been achieved. Even among workers not falling within the category of migrant labour, there is little *permanency* of employment in the generally accepted sense of that term, largely because of the retention by workers of their ties with tribal life. This general instability of labour is reflected in the high labour turnover common to practically all the Colony's industries. The high labour turnover within industry has seriously adverse effects both upon the overall efficiency and output of industry, and upon the workers themselves. (Paragraphs 33: 38-43.)

369. The development of the migrant labour system is attributed to the fact that, to the majority of the country's employers, it has represented *cheap* labour, inasmuch as the worker needed only to be remunerated at rates appropriate to a single man. The consideration that such labour has *appeared*

cheap, and that it was available in apparently unlimited supply, is thought to have discouraged employers from concerning themselves with such matters as individual productivity and the effective use of labour. The Committee condemns the system of migrant or "target" labour as definitely prejudicial to the country's economy. Attention is also drawn to the undesirable social effects of the system in urban areas. (Paragraphs 45-46: 48.)

370. Most of the Committee's recommendations, other than those relating to the "bachelor" minimum wage, are based on the assumption that Government accepts the need for the stabilization of labour, and is prepared to regard such a development as a major aim of its economic and social policy. The *immediate* basic conditions for stabilizing labour are seen to be—the payment of a wage sufficient to provide for the essential needs of the worker and his family; regular employment; a house in which the worker and his family can live; and security for the worker's old age. It is pointed out that, in its initial stages, the process of labour stabilization will be accompanied by a measure of unemployment among the African working population, and will also reduce the capacity of industry to absorb labour from the reserves. Another likely result—and one which the Committee considers should be encouraged—is an increased demand for industrial development *within* the African reserves. (Paragraphs 49-52.)

The Adequacy of Urban Wages

371. Our inquiries into African wages and living costs lead us to the conclusion that approximately one half of the urban workers in Private Industry, and approximately one quarter of those in the Public Services, are in receipt of wages insufficient to provide for the basic needs of health, decency and working efficiency. This assessment of the adequacy of wages is made in relation to an adult male labour force *living as single men* under urban conditions. We are also of the opinion that, for a large section of the urban African labour force, wages are inadequate *in relation to the work performed for the wages*. (Paragraphs 94-97.)

372. Other points noted in connexion with urban wages are:—

- (a) Wage rates in the Public Services are, in general, considerably higher than those in Private Industry. (Paragraphs 83: 86.)
- (b) The wage level of the African unskilled labour force is largely dictated by the statutory minimum wages applying in the various urban areas. (Paragraph 84.)

Wages in Rural Areas

373. It is estimated that the total emoluments of nearly three-quarters of the ticket and monthly contract workers employed in non-plantation agriculture are inadequate to support a minimum standard of health, decency and

working efficiency. Wage levels are higher in plantation agriculture; even there, however, there can, in our view, be relatively few cases where the adult male worker's own wage is fully adequate to support both himself *and* his family. (Paragraph 107.)

374. We consider that, notwithstanding the generally low level of agricultural wages, the unskilled *married* worker in agricultural employment is far better off than he would be if employed in the larger urban centres. "Although his house may be of inferior quality, he has it to himself. His earnings can be, and often are, supplemented by those of his wife and children. While he and his family have a plot to cultivate, there is little risk of their starving. In all these respects, he enjoys advantages over the great majority of urban workers". (Paragraph 108.)

375. The fact that a very large proportion of agricultural labour is *not full-time* labour has rendered difficult any assessment of the adequacy of wages in relation to the labour return for those wages. Other factors which, in our opinion, should properly be taken into account in any such assessment are the amount and quality of supervision and work planning. Standards of supervision and work planning in agriculture, as in the Colony's industries generally, are considered to be low. (Paragraphs 109-110.)

376. The *total income* of the *resident labourer* is conceded to be higher than that of other agricultural workers. It is suggested, however, that a system which compels a worker to rely, for the satisfaction of many of his essential needs, upon income derived, not from his own direct employment, but from the use of his employer's land, must in the long run be detrimental to the best interests of both the worker himself and his employer. (Paragraph 111.)

Wage Fixing

377. The logical ultimate objective of the Colony's wage fixing policy is the determination of wage levels by the methods of collective bargaining and agreement. Until that objective is reached, a statutory area minimum wage appears to be the only practicable method of ensuring payment of a reasonable wage to the African unskilled worker. Wages Councils, set up in relation to workers within particular trades, industries or occupations, will, we believe, have an increasing part to play in the determination of wage levels above the *base* minimum. (Paragraph 75).

The "Bachelor" Minimum Wage

378. The present "formula" for calculating statutory minimum wages in urban areas is based upon the estimated essential needs of an African worker *living as a single man*. A minimum wage calculated in accordance with such a formula is referred to, in this report, as "the 'bachelor' minimum wage" or, more simply, "the 'bachelor' minimum".

379. We recommend that the present formula for calculating the "bachelor" minimum wage be replaced by that set out in paragraph 166. The proposed new formula differs from the present one in the following more important respects:—

- (a) More generous provision is made for food and clothing.
- (b) The basis of the clothing allowance is the same for all towns subject to a minimum wage, and the allowance is no longer subject to an upper or lower limit.
- (c) The following allowances have been excluded—
 - (i) the "allowance for water" (in the case of Mombasa, Kitale and Nanyuki);
 - (ii) the "cushion" of Sh. 1 per month, the purpose of which, in the present formula, is to offset any minor price increases pending re-assessment of the minimum wage by the Wages Advisory Board.
- (d) The "additional allowance for housing" is now regarded as the average *economic* rent of a bed-space (40 sq. ft.) in local authority housing locations.

380. Other recommendations made in connexion with the "bachelor" minimum wage are:—

- (a) The minimum wage for ticket contracts should continue to be calculated, as hitherto, by multiplying the monthly contract minimum wage by the factor " $\frac{7}{6}$ ". (Paragraph 167.)
- (b) The application of statutory "area" minimum wages should, at present, be confined to the nine urban areas already subject to them. (Paragraph 168.)
- (c) Within these urban areas, the statutory minimum wages should continue to apply to all persons, irrespective of sex or age—subject, however, to Labour Officers retaining their power to agree in writing, in individual cases, to the payment of a lesser wage. (Paragraph 169.)
- (d) The costing of the minimum wage formula should be on the basis of the actual prices of the various commodities to the African purchaser, and not on the basis of "controlled" prices. (Paragraph 173.)
- (e) The Director of the East African Statistical Department should be asked to accept responsibility for all future price collections required for the purpose of calculating the statutory minimum wage. (Paragraph 173.)

- (f) **In order to decide whether a case exists for a single uniform minimum wage, arrangements should be made for the Poverty Datum Line components of the proposed formula to be costed by the same price collecting team in all areas now subject to a statutory minimum wage. It is also recommended that a similar survey should be carried out later in the year, so as to show the effect of "seasonal" changes. (Paragraph 178.) It is considered that these surveys should be carried out by the East African Statistical Department, and might conveniently be combined with the collection of the necessary information for the compilation of a Colony African Retail Price Index. (Paragraph 181.)**

381. The adoption of the proposed new minimum wage formula will entail, in the case of Nairobi, an increase in the *basic* minimum wage of approximately Sh. 16/50 per month, and an increase in the "additional allowance for housing" of approximately Sh. 5 per month. Increases in the minimum wages in other urban areas can be expected to be of the same order. In order to reduce the impact of these large wage increases upon employers, we recommend—

- (a) **that the introduction of the new minimum wage formula should be deferred until the 1st January, 1955; and**
- (b) **that immediate effect should be given to the following "interim" measures—**
- (i) **a flat increase of Sh. 10 on all existing minimum wage rates; and**
- (ii) **the prescribing of new housing allowances, based on the average economic rent of a bed-space in local authority housing locations. (Paragraph 180.)**

The "Family" Minimum Wage

382. We are convinced of the vital necessity—on moral, social, economic and political grounds—of moving, as quickly as possible, to a position where even the unskilled labourer can earn a wage sufficient to support himself and his family. In our view, there is only one way in which this can be brought about, namely by raising the *base level* of adult male wages. **We accordingly recommend that plans should now be made and put in hand for changing the basis of the statutory minimum wage—from one which takes account only of the needs of a single man to one based on the needs of a family unit. (Paragraph 184).**

383. **Our specific recommendations in regard to the "family" minimum wage, and the method of its introduction, are—**

- (a) **that the basic "family" minimum wage should be assessed at two and a half times the basic "bachelor" minimum, and the additional**

allowance for “family” housing at the average economic rent of a minimum standard of family accommodation in local authority African housing locations. (Paragraphs 200: 196–198);

- (b) that the transition from the “bachelor” to the “family” minimum wage should take place over a period of ten years. (Paragraph 206);
- (c) that, in the case of the basic minimum wage, the transition should be effected by equal annual percentage additions (15 per cent) to the base (“bachelor”) minimum, the first addition becoming operative from the 1st January, 1956. (Paragraph 206);
- (d) that, as far as practicable (and subject to consultation with the local authorities concerned), the transition in the housing allowance should also be effected by equal annual increases, the first step in the transition again being made with effect from the 1st January, 1956. (Paragraph 210);
- (e) that the method and rate of transition should be reviewed after a period of five years from its inception, and earlier should the economic circumstances of the Colony so require. (Paragraph 209);
- (f) that the payment of the “family” minimum wage should be linked to an age qualification of 21 years and a service qualification of 36 months’ continuous employment outside the native land units. (Paragraphs 214–215.)

Adoption of these recommendations will mean that, as from the 1st January, 1956, there will be *two* statutory minimum wages—the “family” *minimum*, applying to all male workers who have reached the age of 21 and have been employed for at least three years outside the native land units; and the “bachelor” *minimum*, applying to all other workers. The “family” minimum wage will be increased at regular annual intervals, the *full* “family” minimum being reached on the 1st January, 1965.

384. The operation of a dual minimum wage system will involve the Labour Department in considerable extra work. **We, therefore, recommend that Government give immediate attention to increasing the establishment of that Department.** (Paragraph 219.)

385. We recognize that the fundamental condition for the introduction, or partial introduction, of a “family” minimum wage is the ability of industry to pay the increased wage. It is because we believe that ability—the wage-paying *potential* of industry—to be there that we are encouraged to put forward our “family” minimum wage proposals. (Paragraph 203.) The financial and other implications of these proposals are discussed in Chapter XIV.

Statutory Minimum Wages in Rural Areas

386. **Considerations of practicability prevent us from recommending, at the present time, any general application of Minimum Wage Orders to rural areas.** (Paragraph 226.) We note, however—

- (a) that increased standardization of the conditions under which agricultural workers are employed may well call for reconsideration of the practicability of applying statutory minimum wages; and
- (b) that wage levels in rural areas, especially in the vicinity of the larger towns, will be influenced by large increases in urban statutory minimum wages, and that rural workers can be expected to exert increasing pressure for statutory control over their wages. (Paragraph 227.)

In order that further investigation may be made into the problems of wage fixing in rural areas, **we recommend that the Regulation of Wages and Conditions of Employment Ordinance be amended so as to allow of—**

- (i) **the setting up of a Rural Wages Advisory Board with status equal to that of the present Wages Advisory Board (which, it is suggested, might well be re-designated “the Urban Wages Advisory Board”); and**
- (ii) **the appointment of Area Wages Committees, whose function it would be to advise the Rural Wages Advisory Board on matters relating to employment within their areas.** (Paragraph 228.)

The Mombasa African Retail Price Index

387. At present, the cost of living allowances of the great majority of African employees of Government are determined by reference to the Mombasa African Retail Price Index. **We recommend that consideration be given to the replacement of the present Index by a Colony African Retail Price Index based, as nearly as possible, upon the expenditure habits of the African workers for whom it is to be used.** (Paragraph 118.)

The Payment of Wages

388. **We recommend—**

- (a) **that Government should actively encourage the weekly payment of wages, and should itself set an example in the matter by adopting a policy of weekly wage payments for its own African staff.** (Paragraph 125);
- (b) **that section 72 (2) of the Employment Ordinance be amended so as to provide that where, in the case of a monthly contract, wages are paid weekly, any balance of wages outstanding at the end**

of the contract period may be carried forward to the weekly pay day next following the date of expiry of the contract—subject to the reservation that the present requirement should continue to apply in cases where the employee's contract is not renewed. (Paragraph 126);

- (c) that the Employment of Persons (Record of Employees) Rules, 1950, be amended so as to require employers to keep records not only of the rates of wages paid to their employees, but also of any housing allowances so paid. (Paragraph 127.)

African Housing

389. One of the basic conditions for stabilizing African labour is the provision of suitable family housing at rents which are within the workers' means. The housing problem is particularly acute in urban areas. In rural areas, the problem is more one of improving existing standards than of making good any actual *shortage* of housing. (Paragraphs 240 : 246-251 : 263-264.)

390. The urban housing problem is considered to have three main aspects—the financing of housing projects; the physical provision of housing; and the providing of the worker with the wherewithal to obtain suitable housing. Our proposals in regard to the basic minimum wage and minimum wage housing allowances will not only materially assist in the financing of housing schemes and in increasing the ability of workers to rent suitable housing, but will also act as an incentive to private industry to accept responsibility for the housing of its employees. **We consider that the problem presented by the physical provision of housing can satisfactorily be solved only by a co-ordinated and centrally directed housing programme related to a definite objective. We recommend that that objective should be the provision, by the 1st January, 1965, of sufficient housing accommodation to house the majority of the urban adult male working population on a family basis. We further recommend, as an essential preliminary to such a programme, that a survey should immediately be undertaken with a view to assessing the size of the urban African housing problem.** Acceptance of these recommendations will call for review of existing housing legislation in particular relation to the powers and duties vested in both the Central Housing Board and the Member for Health, Lands and Local Government. (Paragraphs 241 : 252-254 : 259-262.)

391. In paragraph 245, we draw attention to difficulties which would almost certainly arise from the charging of full economic rents for *family* housing. **We urge upon both Government and local authorities the importance of retaining some measure of subsidization of family housing for the period of the transition from the "bachelor" to the "family" minimum wage.**

392. In spite of the disadvantages associated with employer-built housing in urban areas, we consider that it would be unwise, at this stage, to place deterrents in the way of those employers who wish to build permanent housing for their employees. (Paragraphs 255-256.)

393. On the general subject of urban housing development, **we recommend—**

- (a) **that, as far as possible, housing schemes should embody the concept of the “neighbourhood unit”, with provision for schools, health centres, shops, recreational and other amenities, and security services; and**
- (b) **that adequate provision should be made for tenant-purchase and builder-owner schemes.** (Paragraphs 257-258.)

394. Comment is made upon the poor quality of much of the housing in *rural areas* and upon the complacency shown by employers in this matter. To assist farmers in the financing of housing schemes, **we recommend that Government give consideration to the possibility of granting income tax relief, by way of increased initial allowances, on expenditure necessarily incurred in the provision of permanent housing for agricultural workers.** (Paragraphs 263-266.)

395. Suggestions made to us by witnesses in connexion with rural housing development have included the following—

- (a) that houses should be sited closer together, so as to facilitate supervision;
- (b) that encouragement should be given to the building of two- and three-roomed family houses;
- (c) that houses should have gardens attached, in which workers could grow vegetables, keep chickens, etc.; and
- (d) that consideration should be given to the establishment of African village settlements in the European Highlands and other settled areas.

All these suggestions have our support. Suggestion “(d)” presupposes joint agreement by farmers (whose lands adjoin) to surrender land for village development. **We recommend that Government should consider the introduction of enabling legislation which will allow of the operation of a pilot scheme (or schemes) of this nature under the direction of a District or County Council.** (Paragraphs 267-268.)

396. We have examined the legal obligations of employers in the matter of housing their employees and recommend that section 41 of the Employment Ordinance be amended—

- (a) so as to provide that, in the case of urban areas subject to a statutory minimum wage, the amount of any housing allowance payable by an employer who does not provide housing for his employees shall be not less than that laid down in relation to that area by any Minimum Wage Order; and
- (b) so as to restrict the application of the proviso to that section to those areas not subject to a statutory minimum wage. (Paragraphs 242–244.)

Security for Old Age

397. A policy of labour stabilization requires that workers should be offered the prospect of security for their old age. We have examined this problem from two angles, viz.—the nature of the financial provision required, and the housing of retired workers.

398. We are satisfied that some form of State-operated provident fund or contributory pension scheme is urgently required. We are also of the opinion that it should be applied to all Africans employed outside the native land units, and that it should be financed by contributions from both employers and employees. We refrain from making any definite recommendation as to the type of scheme best suited to this country since the matter is clearly one for detailed technical examination by the recently appointed Social Security Committee. (Paragraphs 271–276.)

399. The problem of housing retired workers in urban areas appears to us to be one requiring the early attention of all urban local authorities. We believe that, in the case of workers in the lower income groups, a possible solution lies in the establishment of pensioners' centres on the outskirts of municipalities and townships. The problem is less acute in rural areas although, even there, early action—for example, by way of the establishment of village settlements or pensioners' homes—would appear desirable. (Paragraphs 277–279.)

The Problem of the Unemployed Worker

400. There has hitherto been little necessity for Government to make specific provision for the maintenance of unemployed workers. This has been due partly to the ready availability of employment, and partly to the system of migrant labour with its emphasis upon the retention of the worker's ties with his reserve. How long this state of affairs, left to itself, will continue is a matter for conjecture. Should Government embark upon a policy of labour stabilization, there must inevitably come a time when it will have to apply

itself to the problems arising from unemployment among a working population no longer able to depend for its support upon the resources of the native land units. (Paragraphs 280–281.)

African Education

401. The provision of adequate facilities for education is not only a strong inducement to labour stabilization, but can also exert a more direct influence upon the effectiveness of African labour. **Specific recommendations made on the subject of African education are—**

- (a) **that, in the towns and settled areas, priority for education should be given to the children of Africans living and working in those areas; and**
- (b) **that English should be taught at the lowest possible educational level, and that serious consideration should also be given to the teaching of English through a system of adult education.** (Paragraphs 282–286.)

Social and Other Amenities

402. In urban areas, the provision of social and other amenities—also an inducement to labour stabilization—is, in our opinion, best achieved by planning housing development on the principle of the “neighbourhood unit”. In rural areas, a different approach is necessary. Pending the formation of village settlements, we consider that the provision of social and other amenities for rural workers can best be effected by the establishment of *social centres*, under adequate control, in the areas of greatest population density. **A further measure advocated in the case of rural areas is that County and District Councils should, at an early date, review their present restrictions upon the opening of shops.** (Paragraphs 287–289.)

Potential Efficiency of African Labour

403. From our own inquiries and those of other investigators, we are satisfied that there exists a considerable *potential* for higher standards of efficiency and productivity among African workers. The development of that potential requires not only the stabilization of labour but also the achievement of higher standards of management efficiency. (Paragraphs 290–291: 293–298.)

404. While freely acknowledging the economic dictum that higher *real* wages and higher standards of living can be achieved only by an increase in the overall productivity of labour, we are unable to accept, as a necessary corollary to it, that increases in wages must wait upon increased productivity.

We consider that, in Kenya, low wages are *a cause* rather than *an effect* of the low productivity of labour. Our proposed gradual increase in the base level of wages will, it is submitted, benefit productivity in two ways, viz.—

- (a) it will encourage the stabilization of labour and, therefore, the development of a potentially effective labour force; and
- (b) it will compel employers to resort to higher standards of management efficiency. (Paragraph 292.)

Management Efficiency

405. The raising of productivity within an undertaking is primarily the responsibility of management. It may call for action in any (or all) of three fields—personnel policy; the use of plant and equipment; and the organization and control of production. In Chapter XIX, these subjects are discussed with particular reference to their application to industry in this country. The following are among the conclusions and recommendations noted:—

- (a) More attention is required to *the effective use of labour*. This implies—care in the selection and placement of workers; economy in their use; the training of workers for the jobs they are required to carry out; and adequate standards of supervision and discipline. The ultimate solution to the problem of supervising African labour is seen to lie in the emergence of a foreman class from among the African workers themselves. **To assist in that development, we recommend that Government should consider the introduction of special training courses for African supervisory staffs.** As a further measure for raising the general standard of supervision in industry, **we recommend that Government should also consider the appointment of a T.W.I. instructor to the staff of the Labour Department.** (Paragraphs 300–307.)
- (b) A major cause of present low standards among African workers is under-nourishment and consequent impairment of the *physical capacity* for work. Two measures are suggested for improving standards of feeding, viz.—the provision of facilities for workers to obtain cheap midday meals at or near their place of employment; and the prescribing of ration scales in cases where the employer provides rations in part-payment of wages. In the latter connexion, **we recommend—**
 - (i) **that the Member should make use of his powers, under section 87 of the Employment Ordinance, to prescribe ration scales; and**
 - (ii) **that Area Wages Committees (when appointed) should have power to vary the ration scales within their areas with the concurrence of the Rural Wages Advisory Board.** (Paragraphs 308–311).

- (c) An essential condition for any substantial increase in the productivity of *rural* labour is that employers should increase and standardize their working hours, and call a halt to the employment of part-time labour. As a corollary to this, daily tasks also should be increased and standardized. **We consider that both developments are practicable provided that concerted action is taken by employers and that the change-over is made gradually.** Consideration should also be given by rural employers to the introduction of regular meal or rest intervals. **From the point of view of productivity alone, it appears undesirable that work should continue for longer than five hours without an interval of at least half-an-hour for a meal or rest.** (Paragraphs 312–315.)
- (d) Other personnel measures advocated for improving productivity within undertakings are—
- (i) the introduction of ten-minute rest breaks in the course of the morning and afternoon spells;
 - (ii) holidays with pay;
 - (iii) the setting up of joint consultative machinery; and
 - (iv) the maintenance of good physical working conditions. (Paragraphs 315–319.)
- (e) The attainment of reasonable levels of productivity, whether in the factory or on the farm, requires that plant and equipment should be adequate for the job and should be used to the best advantage. It is suggested that substantial economies can be effected by greater attention to such matters as—
- (i) plant layout;
 - (ii) the mechanization of handling processes;
 - (iii) the replacement of obsolete plant; and
 - (iv) the design, maintenance and use of hand tools. (Paragraphs 320–325.)
- (f) The scope for the application of modern production techniques in this country is at present restricted. There is an obvious and immediate need, however, for more attention to simple work planning and job evaluation and to costing and budgetary control. **Should Government decide to enforce higher wage levels by embarking upon our proposed “family” minimum wage transition, we consider it appropriate that it should also appoint a production and efficiency engineer to give general advice on management efficiency to employers seeking such advice.** (Paragraphs 326–329.)

Employment Contracts

406. We consider that certain provisions of the Employment Ordinance relating to employment contracts are incompatible with a policy aimed at raising standards of productivity, and may even act as a deterrent to increased effort. **In the case of ticket contracts, we recommend—**

- (a) **that, as an immediate measure, section 5 of the Employment Ordinance should be amended so as to require a ticket contract to be completed within a period of 36 days;**
- (b) **that employers should be encouraged to change over to other types of contracts; and**
- (c) **that, at a later date, section 5 of the Employment Ordinance should be revoked. (Paragraphs 330–335.)**

Other amendments of the Ordinance are proposed—

- (i) **to permit an employer to make deductions from wages in respect of an employee's absence without leave or other lawful cause; and**
- (ii) **to enable employers (if they so wish) to include notice clauses in their contracts of service. (Paragraphs 336–340.)**

Incentives and Systems of Wage Payment

407. A main condition for the successful operation of incentive schemes is the existence of a stable and contented labour force, earning wages reasonably adequate to provide for the requirements of health, decency and working efficiency. This consideration must be taken into account in passing judgment upon the African's amenability and response to incentive schemes. In Chapter XXI, wage and other incentives are discussed with reference to their application to African workers. Our more important conclusions and recommendations are summarized below.

408. *Payment by Time.*—This is the commonest form of all systems of wage payment. Since it is also the simplest, and one readily understood by the primitive mind, it may be considered to be that most suited to this country at the present time. The following observations are made upon the operation of time payment in this country :—

- (a) There appears to be considerable scope in industry for the greater use of *merit rating*.
- (b) *Incremental wage scales* are of doubtful incentive value in the case of unskilled workers. Increments should preferably be made for increased efficiency, and should follow immediately upon recognition of the increase in efficiency. (Paragraphs 344–345.)

409. *Piece-rate Payment.*—The value of piece-rate systems of payment as a factor in raising productivity will largely depend upon the way in which they are applied. The view is expressed that caution is required in introducing systems of payment by results in this country, and that the more immediate need is to bring about those conditions of maximum production efficiency under which such systems of payment are best able to function. (Paragraphs 346–348.)

410. *Task Payment.*—We consider that the task system, as at present applied in most undertakings, is a deterrent rather than an incentive to increased productivity. The more obvious conditions for its successful application are—that tasks should represent a “fair day’s work” for the average worker; that tasks should be reviewed from time to time in relation to improvements in or modifications of the production process; that a fair day’s work should be rewarded by the payment of a fair wage; and that adequate inducements should be offered for work performed in excess of the set task. (Paragraphs 349–351.)

411. *Bonus Payments.*—In the case of output bonuses, particular care is needed to ensure that workers understand the method of bonus payment and are able to relate such payment to their own efforts. *Individual* bonus systems are preferable to those based on group output. It is also desirable that bonus payments should be made *as frequently as possible*. We are sceptical of the incentive value of bonuses awarded either for good time-keeping and attendance or for long service. (Paragraphs 352–354.)

412. *Wage Differentials.*—It is important that, irrespective of the system of wage payment in use—

- (a) adequate differentials should be maintained between the wages of supervisory, skilled, semi-skilled and unskilled grades; and
- (b) that workers should be made aware of both the opportunities and the qualifications for advancement. (Paragraph 355.)

413. *Non-Wage Incentives.*—Various measures can be adopted by employers which, although not associated with the payment of cash wages, may nevertheless act as an inducement either to increased effort or to higher levels of individual efficiency. Among those with a more direct incentive value are:—an improved supply of consumer goods; the provision of superior standards of housing for skilled and semi-skilled workers; the supply of cheap, cooked meals; and competitions in farm crafts. (Paragraph 357.)

The Employment of Women

414. At present, women comprise only 1.5 per cent of the non-agricultural labour force. We consider that considerable scope exists for their further employment both in domestic service and in secondary industries. We are

unable to subscribe to the view, however, that in assessing what constitutes a reasonable or fair wage for the urban African male worker, account should be taken of the earning capacity of his womenfolk; nor do we believe that the long-term interests of African society, or of the Colony generally, would be served by any mass drive to persuade women to enter urban employment. (Paragraphs 22-23: 53-54.)

Miscellaneous

415. **We recommend that higher maximum wage rates should be prescribed for the purpose of the application of the Employment Ordinance. As a first step, we suggest that the maximum monthly wage rate be raised to Sh. 200 per month, with proportional increases in the weekly and daily rates. We further recommend that the maximum wage rates should be reviewed at intervals in relation to general wage levels.** (Paragraphs 359-361.)

416. We consider that, at present, too narrow an interpretation is being placed upon the functions of the Wages Advisory Board. **We recommend that the Board be formally invited to bring to the notice of Government any matter which it considers should be the subject of inquiry.** (Paragraph 362.)

417. **We recommend that Government should, at an early date, review its facilities for the collection and maintenance of statistical data.** Reliable up-to-date information is particularly required on such matters as the numbers of African men, women and children living in the main urban centres; the sizes of African families; urban housing; the wages and hours of work of rural labour; and African expenditure and consumption habits. **There is also, in our opinion, a need for further sociological studies, both inside and outside the reserves.** (Paragraphs 363-364.)

CONCLUSION

418. We wish to place on record our appreciation of the constructive nature of much of the evidence submitted to us. Throughout our inquiries, we have been conscious of a sincere desire, among all sections of the community, to raise the status and standard of living of the African worker and to assist him to make a more effective contribution to the country's economy.

419. Our special thanks are due to those persons who have supplied us with technical information or carried out special investigations on our behalf. In this connexion, we would mention particularly the valuable help received from—Mr. K. L. Hunter, Chairman of the Wages Advisory Board, and Lt.-Col. E. N. Jameson, Secretary of that Board; the Director of the East African Statistical Department and members of his staff (in particular, Mr. L. W. Clarke and Mr. W. Brass); the staff of the Labour Department; Dr. E. M. Case, Biochemist, Medical Department; and Mr. A. W. Kent (City Treasurer) and Miss N. M. Deverell (Social Welfare Worker) of the Nairobi City Council. We are also grateful to Mrs. C. Burge and Mr. P. J. Jethwa, both of the Labour

Department, for their care and diligence in recording our proceedings and typing this report.

420. Finally, we would like to record our thanks to our Secretary, Mr. W. R. C. Keeler. His services to the Committee have been far greater than could normally be expected of any secretary. In addition, his experience and background have enabled him to contribute invaluable advice on matters coming within the Committee's terms of reference.

We have the honour to be,

Your Excellency's most humble and obedient servants,

F. W. CARPENTER, *Chairman,*

London, 18th May, 1954.

E. J. PETRIE, *Member,*

J. H. SYMONS, *Member,*

Penetration C. V. MERRITT, *Member,*

HARRY THUKU, *Member,*

SOLOMON ADAGALA, *Member,*

S. DUCKETT, *Member,*

Nairobi, 6th May, 1954.

J. E. CLARIDGE, *Member,*

Sydney, Australia, 21st May, 1954.

CHANAN SINGH, *Member,**

Ludhiana, Punjab, India, 21st May, 1954.

W. R. C. KEELER, *Secretary.*

* Subject to Note (Page 169)

Note.—Mr. F. T. Holden, a member of your Committee, although not opposing the recommendations made to increase the present minimum wage, finds himself unable to support certain other recommendations and observations contained in the report, particularly those relating to the "family minimum wage". A Minority Note, reflecting his views, is attached hereto.

London, 18th May, 1954.

F. W. CARPENTER, *Chairman.*

MINORITY NOTE BY MR. F. T. HOLDEN

It is with considerable regret that I find it impossible to support my colleagues and sign that portion of their Report which is now presented. My divergence from their views is serious and on such material aspects that it has seemed to me inappropriate to adopt the more usual course of qualifying my signature.

2. Briefly, my principal objections are to the recommendations made in Chapter XII and to certain of the views recorded in Chapters VIII and XIV. At the same time it is necessary to say that, while I dissociate myself from many of the observations and recommendations made throughout the first three parts of the Report, I do not feel that any purpose would be served by attempting to particularize.

3. I am unable to subscribe to the proposals made in Chapter XII; that in certain towns and subject to certain conditions an African male worker should receive by law a minimum wage sufficient to support a family in the town; that this wage should be calculated in the manner suggested and be introduced by instalments over a period of ten years. In the early stages of the Committee's work I supported the proposal described in paragraph 205: this was rejected by my colleagues on the grounds set out in the same paragraph. Subsequently I pursued my colleagues' preference for the course they have now adopted, with this difference: that the qualifications should be 25 years of age and seven years' service. It is now irrelevant to speculate whether the acceptance of such criteria by the Committee would have removed the need for this note, since I have reached the conclusion that at the present stage of development a statutory family minimum wage is not in the interests of the Colony nor of its African peoples.

4. At paragraph 184 the Report draws attention to the need to move quickly to the position "where even the unskilled labourer can earn a wage sufficient to support himself and his family". I agree with this but would myself express the objective as a policy that will make it possible within a reasonable time for the efficient worker to support a family to a satisfactory standard not only in the towns but elsewhere in the Colony; but unless the worker can, in the economic sense, *earn* a wage to achieve this condition it is difficult to accept his absolute right to it on any other grounds. The view that no man has the right to marry until he can support a wife and family has hitherto conditioned the lives of peoples in other countries, and adherence to the belief that the sound development of this Colony and its peoples calls for a realistic acceptance of this elementary principle is not thought to be reactionary.

5. The Report considers that more than half of the 350,000 adult African workers outside the reserves are of the migrant type. Paragraph 44 records the view that "the system of migrant or 'target' labour (is) definitely prejudicial to the country's economy" and at paragraph 48 the Report sounds its keynote in these words: "the essential prerequisite for the creation of an effective African labour force is the stabilization of African labour and the severance of its ties with the reserves."

6. Migrant labour is attracted to the world outside the tribal home by a desire to satisfy some urge: whether it be the mere desire for adventure or to satisfy some economic necessity; to escape from some domestic problem or to satisfy some new want. The migrant has long been a feature of the economy of the African peoples over a great part of the Continent; so much so that I mistrust any proposal to tinker with this problem by tackling it from one end only. By painting a dismal picture of the African's cultural background in Chapter II, the Report conveys the impression that to remove him from his tribal influence would be to do the African a service. Such an impression may provide a necessary background to the main theme of the Report but I am unable to subscribe to the view that to make him a good citizen the African should be cut off from his home and his people. I find it difficult to visualize what the effect on the migrant worker would be of so radical an alteration to the wage market as the family wage entails and fear that the change might be fraught with economic consequences to the tribal areas which could be serious.

7. A family wage in the towns could be expected to encourage a flow from agriculture which might be drained of some of its most efficient workers. These might tend to displace the least efficient workers in industry whose hold on employment would be insecure. The effects of such competition, tending as it would to a redistribution of labour between primary and secondary industry, might be to the disadvantage of the Colony's economy.

8. Migration takes place also from neighbouring territories and family wage markets would tend to stimulate this flow; strong currents could be induced. The Committee's proposed service qualification could of course be applied as a bar to competition by workers from other territories; on the other hand, industry driven to measure wages paid in terms of the individual productivity or efficiency of the worker would not be restricted in its choice of workers by any lack by them of statutory qualification.

9. It would appear that in addition to affecting the migrant class of worker which already looks to the towns for periodic employment, the adoption of a family wage policy must be expected to intensify that townwards movement from the country which is a universal phenomenon throughout the world. The magnet of higher wages must be expected to exert

its unfailing pull and part of the higher wages that would be paid could be expected to be spent in maintaining relatives and friends in the towns. Legal sanctions are unlikely to defeat the drift because of the difficulty of distinguishing between the bona fide visitor and the speculative, and because such legislation is notoriously difficult to administer.

10. The adoption of the Committee's proposed statutory family wage would be expected to stimulate industry into exploring ways and means to minimize its effect. Inherent in the adoption of a compulsory wage of this order would be the assumption that industry would be driven to discover and apply ways and means to raise the productivity of the labour it employs. To the extent that mechanical aids would become a cheaper factor their increasing use could be looked for. Another resultant would be the tendency to substitute for the African, workers of other races. To generalize here is not to belittle the African but, in certain occupations, workers of other races can readily be had whose output would exceed that of the African by two or three or more times. Such more highly skilled workers could be expected to displace to a material extent the African legally employable only at the family wage. This state of affairs could be looked for in many fields of employment: fields in which industry, skill and productivity depend on the background, training and will to work of the worker himself. Thus the more-skilled ranks of the African worker in industry would be exposed to serious competition. Thus, too, the occupations likely to be preserved to the African worker on the family wage might tend to be confined to so-called unskilled callings, to the extent that these are not adapted to machines. Yet it is in these fields that the urban worker of to-day would be subjected most readily to the forces of competition.

11. One of the effects of the Committee's proposal would be to encourage those undertakings, in which wages form a significant factor in costs, to set up outside the affected wage zones: the burden would remain to be borne by established undertakings operating in the towns, which include many of the pioneers of private industry in the Colony; their future competitors would be able to achieve an advantage by avoiding the family wage towns. In the long run, however, the proposed wage policy would influence new enterprise to avoid the Colony altogether and establish itself elsewhere.

12. Both the Government and the Railway would be faced with practical difficulties in any attempt to limit the incidence of the family wage to their servants actually employed in family wage areas. It is also to be noted that the Railway might find it difficult to localize the effects of family wage rates to the Kenya section of the East African system. Although these difficulties may not weigh unduly in themselves as valid reasons against the proposed family wage their relevance becomes material when the overall cost to the Colony is considered.

13. The Committee proposes to achieve the adoption of the family wage by annual increases over a ten-year period, with provision for a review of the pace of the transition during the period. This course could be expected to result in a variety of consequences some of which might be inimical to the end in view. In the early years of the transition the workers' rising wage, insufficient *ex hypothesi* to support a wife or family in the town, would be more likely to be spent than saved. The temptation to achieve a higher personal standard of living would be compelling; once achieved, few workers could reasonably be expected to lower it again to embrace the responsibility of supporting a family in the town at a minimum standard of living in minimum standard accommodation. In avoiding the Scylla of economic dislocation which the Committee rightly foresees if the family wage were introduced at once, the Charybdis of a relatively high personal standard of living enjoyed over a period of years would seem to threaten shipwreck to their plans.

14. A statutory family wage calculated on a formula to be sufficient to support a worker and his family at a given standard can only be an approximation since it is based on—

- (a) the money value of scientific diet scales of which the worker and his family know little and for which many would have little taste;
- (b) an assumed family unit, ranging in practice from the married man without children to the man with a varying number of children of widely varying ages; from the married man accompanied by his family to the man whose family live for a variety of reasons in the tribal lands;
- (c) the provision of accommodation for the same assumed family unit.

Unless a statutory wage which purported to provide enough to secure the postulated standard of living for the generality of workers were correctly weighted, all families whose needs exceeded the assumed level would fail to achieve the standard. Thus if a family wage is to stand any chance of effectively achieving its object it must be so cast as to take care of the more prolific section of the population. In so doing it must increase the burden on the national dividend by legally enforcing an economically insupportable high standard for what might well be a majority of the working population. In other words, a wage intended to provide a given standard for workers in the towns must fail in its purpose unless it secures that a majority is placed in a position in which it is enabled, through the needs of the most needy, to enjoy a standard higher than the minimum postulated. The Committee dismisses this contention at paragraph 201 by observing that their family wage, calculated to support a man, wife and two small children "is unlikely to impose undue hardship upon families containing three children".

15. The Report proposes to adopt for its family wage a figure two and a half times the cash element of the "bachelor" minimum wage. On the figures given this would yield a family wage of Sh. 172.50, whereas the report calculates the cash needs of an "average" family of man, wife and three children at Sh. 192.99. This difference of Sh. 20.49 without which the "average" family would have to make do reduces the value of the Human Needs Factor for this family by 42.8 per cent, i.e. from $33\frac{1}{3}$ per cent to 19 per cent.

16. It would be as well to accept the fact that a family wage must either be too generous to a majority of the workers or fail in its object. It is admitted that this argument can be carried too far, since, to ensure that the population effectively achieved the postulated standard, the wage would need to provide against ineptitude, improvidence and thriftlessness. The point is that the Committee are proposing to cater for their "theoretical family unit" and the wage they propose is inadequate for the "average" family with three children.

17. Again, a family wage calculated on the lines proposed neglects the contribution to the family's income which can properly be looked for from the housewife. In practice, as in other countries, this should be a significant factor and should include the more efficient spending of the husband's wage; economies such as the making of her own and the children's clothes, avoidance of waste of food and fuel, and the like. That such potentialities are discounted by the Committee is suggested by their acceptance of the same percentage factor for human needs ($33\frac{1}{3}$ per cent) as is used for calculating the "bachelor" wage. Thus the general economy would be called upon to support a family wage so calculated as to sustain in comparative idleness the housewife who so chose.

18. The Report rejects any suggestion to include the earning capacity of his womenfolk in assessing what constitutes a reasonable or fair wage for the urban African male worker (paragraph 54). Put this way, the reference to the wife's capacity to earn must be accepted. Everything depends on the point of view; is the objective to force industry to pay a wage which is "reasonable or fair", or to pay a wage which is calculated to be sufficient to support the "theoretical family unit" at some minimum standard; or to achieve a situation in which it would be economically possible for African families to lead a decent happy life? Paragraph 53 notes that "it is women's traditional role to attend to the family 'shamba'." In the subsistence economy of the tribal unit, attending to the family "shamba" is only another way of saying "contributing to the support of the family". Is this feature of the life to which the migrant and his forebears have been accustomed not one to be reckoned with in any attempt to "induce the African to sever his ties with tribal life and virtually start life afresh in a new environment" (paragraph 49)? Whether contribution by the wife towards the upkeep of the home is a factor to be neglected, as it must be if a family wage is to be computed on the Committee's

formula, or whether it should be regarded as a proper and potentially material element, the fact remains that with Africans, as with others, the sum of money needed to support a given family to a given standard must in practice vary over a wide range.

19. The stable population of the towns who are expected to foresake the tribal lands and become permanent town-dwellers would seem to face a drab prospect: life in a community in which the generality live at a similar standard—the minimum for health and decency. Would there not be a risk of such a community eventually becoming a colourless, hopeless, sullen and resentful agglomeration of unhappy people? Could there be a more doubtful atmosphere, a more dubious environment in which to raise a future generation of urban workers: in the ugliness, the misery and the squalor of a minimum standard? Ugliness that would be likely to become engrained in the soul of the African peoples of the town? Could rising levels of efficiency and productivity be expected to spring from such soil?

20. The list is not exhaustive. Such factors as the creation of conditions which legally preclude a worker from the right to sell his services in exchange for a wage sufficient to support himself; which legally reject an individual's labour as a contribution to the Colony's total wealth; the impact of the family wage in the field of domestic service and on seasonal work; the universal tendency of the worker (throughout the world) to weigh the relative value to himself of income as opposed to leisure; the question whether an increase in wages paid to the majority of workers would bring about a noticeable increase in efficiency; having regard to experience in Kenya which suggests the contrary; the fact that as a share of the national dividend wages must be related to productivity; the fact that wages paid without regard to productivity must spell disaster to the national economy; the effect on the overseas investor on whom Kenya must continue to depend for a long time to come for its development and for a rising standard of life for its peoples; these and other factors enter closely into any consideration of the Committee's proposal. Individually of consequence, such factors in the aggregate add weight to the belief that to adopt the family wage proposal would be to strike a blow at the Colony's economy which might set its progress back for years and blight for all time its prospects of becoming a virile country of productive peoples. In noting such matters I am not unmindful of the importance which attaches also to general stability; I do not believe however that enduring stability can ever be had along the lines the Committee has proposed.

21. No attempt to catalogue some of the difficulties attendant and the more obvious consequences that could be expected to follow on the adoption of the Committee's proposal would be complete without a reference to the Colony's ability to support the wage. The Committee seem conscious of difficulty here in their reference to "considerable strain" which their proposals "will undoubtedly impose" "upon the majority of the Colony's industries".

(Paragraph 234). On the other hand, the Committee observe, a propos of the ability of industry to pay: "It is because we believe that ability—the paying *potential*—to be there, that we are encouraged to put forward our proposals" (Paragraph 203). In a later paragraph (209) the Committee more prudently suggest that while "employers generally should be able so to reorganize their businesses—by increased production, or the more effective use of labour— there can obviously be no certainty in the matter". It therefore proposes the safeguard of review; definitely after five years; at any earlier time if necessary. The report is silent on the likely consequences of review: of the possible suspension of the wage climb, or of its attenuation. Amongst such consequences are likely to be numbered in aggravated form those to which attention has been drawn at paragraph 13 of this note.

22. Next to Agriculture, the largest employers of African labour in the Colony are the Public Services, in which a little less than one-third of the total of adult African workers outside the land units are employed. The extent to which the cost of supporting the Committee's proposal would fall on the public purse is thus likely to be considerable. Additional costs to be borne by the Government would be a direct charge on the taxpayer. In the case of the Local Authority, the ratepayer would be called upon to foot the bill, while the Railway would be faced with higher rates to its users who would include, incidentally, the users in Uganda and Tanganyika. It is worth noting that an increase in the wages cost of one hundred thousand workers of the order of five pounds a month would produce an annual burden of £6,000,000; although the number of African adult male workers employed by the Public Services falls just short of this figure, the calculation is not intended to imply that all these workers are employed in the proposed family wage areas or that all would receive the wage. Equally, the illustration is not intended to imply that present African wage levels in the Public Services are such that the effect of the family wage would be reflected as an average increase in cash wages of five pounds per head per month. Again, the extent to which the African may be wastefully employed in the Public Services cannot readily be gauged nor that to which the authorities concerned would be able to respond to the stimuli which are expected by the Committee to actuate private industry. The fact remains, however, that the additional annual cost of the proposed family wage to the Public Services alone would be remarkably heavy and would exert material and far-reaching effects on the future development of the Colony's economy. I shall not attempt to assess the effect of the proposal on the wages bill in private industry nor to comment on the Committee's ideas on how the burden is to be shouldered (Paragraph 234). Those ideas seem to me to speak for themselves, quite adequately.

23. In passing, it is worthy of note that the nature of the problems attaching to the well-being of the worker in the Colony's main towns differs materially between one town and another. In particular, conditions in Mombasa differ from those in Nairobi: in his outlook and way of life the

coastal worker is very different from his counterpart in Nairobi. Climate and custom play an important part in the life of the African peoples of Mombasa; some of the occupations they follow have no parallel in the up-country metropolis. In lesser degree significant differences exist between the conditions affecting the worker in, say, Kisumu or Kitale, and those obtaining in Nairobi. The evolution of the permanent town-dweller should be governed by his economic value to the life of the town and, left to normal economic forces, the pattern that would be traced in reaching the goal of true permanence would be influenced by numerous factors amongst which environment would play an important part. The Committee appears to attach insufficient weight to local factors and would like to see the cash element of its family wage standardized for all towns (Paragraphs 177, 178). It should not be forgotten here that a "uniform wage" implies uniformity in the Committee's "theoretical family unit" throughout the towns to which a uniform wage would be applied.

24. Another important aspect of the Committee's proposal calls for recognition: what its effects on the native land units can be expected to be? Apart from migratory labour, the effects on which have already been noted as difficult to foresee, the tribal areas would be required to re-absorb workers displaced from the towns. Unless these people could find useful employment in the tribal areas their return must be expected to be at the expense of the peoples already inhabiting these areas. It would be inappropriate to pursue this matter here since it is one with which the Royal Commission is closely concerned. Suffice it to say that no course of action on anything resembling the lines contemplated by the Committee ought to be attempted without careful appraisal of its effects on the land units. On the face of things, it would seem that the attainment of stability in the towns is dependent on achieving a more settled population in the land units. Migratory labour seems unlikely completely to disappear in the predictable future and so long as this factor continues to contribute to decline in the stability of African family life in the tribal areas it must constitute an obstacle to the stability of African life in the towns. To seek to curb migration without at the same time attempting to remove its causes could be expected to give rise to new strains and stresses in the economic life of the land units.

25. It may well be that one efficient way of improving the wealth of the population would be by increasing production in the land units. It may also be that the vigorous growth of industry is essential to the advancement of the rural areas. If these are the probabilities, then the attainment of a rising level of efficiency in a population of workers dependent on industry for their livelihood would be a matter of first importance to the Colony. Since it is wholly uneconomic to relate the wages of the worker to his standard of living or to

the mere desire to enjoy a better standard it would follow that unless the worker in Kenya is prepared to work harder or equip himself to qualify for higher wages progress for the African peoples and for the Colony as a whole must be hindered.

26. I am unable to offer any simple alternative to the Committee's proposal, but this failure does not appear to me to invalidate the reasons for my inability to support it. I am fully alive to the urgent need to adopt a conscious policy to raise the productivity of the workers of the Colony but feel that it is possible to be too eager to reach one's goal and to be impatient of the slower change which time can bring; to be too ready to demand the peremptory use of State powers to shape things as one might like to see them. I have the strong conviction that active co-operation between employers and the State could achieve an accumulative progress towards that efficiency and increased productivity which alone can ensure the future well-being of the peoples of Kenya.

27. Before attempting more constructive comment, I wish to make it clear that I do not regard the case for a statutory minimum wage, sufficient to support the worker himself, as a matter for dispute. In its present form the statutory minimum wage has remained virtually unchanged in terms of real wages since it was introduced in 1947. Despite the observations made at paragraph 140, the statutory wage has never pretended to provide more than a safety net to prevent the legal employment of a worker at a wage insufficient to secure to him the means to live at a minimum standard. The Wages Boards responsible for advising the Government on this matter have at no time regarded the statutory minimum as representing the rate at which unskilled labour as a class should be remunerated. That this wage has come to be regarded, by worker and employer, as the standard wage in many occupations has almost certainly been caused by unceasing pressure by the would-be worker on a market for labour in which such concepts as "efficiency" and "productivity" are still meaningless to the majority of workers. Since it is reasonably certain that the adoption of the Committee's family wage proposal would result in the dismissal of a number of workers at present in employment, pressure on the labour market must increase. Thus the family wage is likely to become the recognized or standard wage over a wide field of occupations.

28. Despite the Committee's views on the adequacy of the present minimum wage, the fact remains that the safety net has, in the towns to which it has been applied, prevented legal employment at any lower level. It is not surprising that expert witnesses can be found to set the minimum standard for the purpose of a wage at differing levels. The present wage formula was adopted in the light of advice taken from the competent authorities at the time. I am not opposed to the more liberal standards on which the report bases its recommendations for a revision of the "bachelor" minimum wage

but would rather have seen this recommendation supported by frank recognition of the fact that the wage tends to become the actual wage. In repudiating this as a factor to be taken into account (paragraph 142), the Report runs some risk of implying that for seven years the Government has connived at a wage which could not support an unskilled worker at a minimum standard.

29. Before leaving this aspect of the Report it is fair to mention that no reference is made to the fact that, at the request of the Government, the Wages Advisory Board has investigated the introduction of a "secondary" minimum wage, for employees with six months' service under one employer. The opinion of those whose duty it would have been to secure compliance with such an order was unanimously against it on grounds *inter alia*, of impracticability and the Board was reluctantly obliged to recommend accordingly.

30. Several factors seem to stand out and offer a basis for a policy for the advancement of the worker. These include—

- (a) what might be termed the "upper ten thousand";
- (b) family homes;
- (c) the need to secure the interest and co-operation of the employer; and
- (d) the use to which existing wage regulating machinery can be put.

31. To speak of an "upper ten thousand" is to use a phrase intended to focus attention on that section of the working population which has raised itself through its own efforts to a significantly higher standard of living than the rank and file. This offers a cadre already potentially stable whereon to build a community in which a proper sense of values can be expected to develop. The moral effect on the whole working population which might follow the attainment of a true family standard of life by its more responsible and more advanced elements would be of value and could afford a powerful incentive to the rest to do likewise. To approach the matter from this angle would be to demand from the worker a contribution towards his own improvement; to recognize the contribution to improvement inherent in a stratified society as opposed to a community in which the majority would live more or less at some arbitrary standard labelled a "family basis". Such an approach—"from the top" would make individual attention possible, both by the employer and the State. The numbers to be assisted at each stage would depend on the ability of employers and the State to deal with them effectively. In the early phase progress might well be rapid; in due course it would tend to be regulated by the response of the workers themselves.

32. An approach to the matter from the angle of the most deserving would make it possible so to frame the Colony's housing policy as to integrate the provision of family homes with the attainment of the necessary economic qualification by the worker. The provision of homes for families could thus begin to become a reality from the start and be expected to stand every chance of keeping pace with the growth of the need.

33. At paragraph 196 the Report recognizes that as regards housing accommodation the "minimum *socially desirable* standard can obviously not be less than a small two-roomed house or flat" Such a standard is in the Committee's view beyond the Colony's ability "for many years to come". The Committee has thus felt itself "compelled" to set its "standard of housing at the absolute minimum compatible with health and decency, i.e. a room of area equivalent to four bed-spaces (160 sq. ft.), with cooking alcove, a separate (i.e. non-communal) water closet and a piped water supply". (Paragraph 197.) Thus, of necessity, human values must stand discounted; only by a determined exercise of the imagination can living accommodation of this order be regarded as affording the worker a home in the normal sense of that word. Dispassionate appraisal might regard a place in which husband and wife live and sleep in one room with the children as nearer to the normal concept of a hovel. There is, too, the fact to be remembered that the "average" family with three children is expected to inhabit this room. The Committee's standard for its family "house" appears to be inseparable from a wage level in which no account is taken of efficiency or productivity as factors in its determination.

34. Again, no legal minimum family wage can really take account of the reciprocal advantages, economic and social, of a system which caters for the lodger. Although the lodger is not a new feature in African life in the towns he is only now beginning to receive recognition in official housing schemes. The opportunity to share a room in "digs" is likely to be welcome to an increasing number of unmarried and unaccompanied workers and the conditions of such lodgers to be greatly better than that of men obliged to lead lives apart from the family life of the community.

35. It is thought that the average employer is alive to the value of efficiency in labour and would be the first to recognize that a stable labour force is essential to development. In my opinion, other things being equal, the average employer is ready and willing to pay wages fairly related to the economic value of the services received. This view does not seem to be shared by the Committee; paragraph 96 records that their own observations "suggest that, notwithstanding the generally low quality of African labour, a large section of the African labour force receives an inadequate return in wages for the work it performs". Again, at paragraph 97, the Committee observes: "If the base level of African wages is inadequate in relation to the work

performed—as we consider it to be in this country” I can only record my inability to accept these statements and opinions and affirm the belief that in the employers of the Colony lies a latent potential for the development of the worker as an effective economic unit. The need is to demonstrate to the employer that there is this potential for increased productivity; so long as the old policy of laissez-faire continues, the average employer cannot be expected to hold other than somewhat defeatist views on the value of the average African as a worker. The present times may not be the best of moments to think in terms of demonstrating to employers what can be done with African labour; the times, however, seem equally unpropitious for the success of a proposal which advocates the lash of compulsion as the remedy.

36. In an earlier paragraph the force of example has been recognized as a factor which could be harnessed to stimulate the worker to translate his desire for a higher standard into the effort which would achieve it. In another context the same force can be used to awaken the active cooperation of the employer. Few employers would willingly feel themselves inferior to their fellows in following a given lead or in keeping to a pace once the pace had been set; the only proviso would be that employers should see and recognize the lead and that they should have a say in the pace to be set. The process once begun would soon lead to a state of affairs where the most progressive policies would attract the best workers and the least responsive employers would find themselves with the least promising employees, a situation which would quickly dictate its own remedy. From the workers' point of view it would be found in due course that only those would prosper who were prepared to pull their weight; there would be no manna from the skies; only a solid day's work would suffice.

37. Attention has been drawn to the effect on industry which would result from the appearance of high-wage zones upon a general background of lower wages. As the Report records, suitable machinery for the improvement of wages and other conditions already exists and some use of this has already been made. The Colony affords a number of examples of industries and occupations which are carried on to-day both within and without the high-wage zones advocated by the Committee. To ignore such facts would be to court economic dislocation to a degree not readily determinable.

38. The things that matter in any attempt to advance the African along the road to full independence include the elemental things of life. The concept of individual effort is foreign to the members of an undeveloped society where wealth is held in common and freely shared and the African peoples of Kenya are only recently emergent from this state. There is, for example, a need for a wider recognition of the consequences of malnutrition: the lowering of resistance to such diseases as tuberculosis and the impairment of physiological processes which diminish the physical strength

and efficiency of the manual and the mental vigour of the clerical worker. There is too the social misery and economic wastage which results from unhealthy living conditions: those which could all too easily arise from a near-universal minimum standard of income and housing. There are the factors of insanitation. The separate water closet and the piped water supply laid on for the Committee's absolute minimum standard room are essential, but their provision is one thing; avoidance of insanitation is another. Water laid on is not necessarily an aid to high standards of domestic cleanliness and personal hygiene in the absence of a proper place in which to put the water to such uses. Add to these matters a widespread ignorance of such things as wise domestic budgeting, of food values, of the care and use of foods, of how to lessen the risks of insanitation, of the significance of the early signs of ill-health; add the complicating factor of superstition leading as it does amongst other things to the waste of precious resources on expensive and useless remedies. The task of providing the African town-dweller with homes which incorporate modern principles of hygiene and which would help to inculcate a sense of dignity and self-respect will be formidable. Can such things take root in an environment of minimum standards? Is it reasonable to look for a satisfactory solution except by facing the facts? Can major problems be solved by a stroke of the pen; is the remedy not more likely to be found in the choice of some progressive line of action calculated logically to lead to the end in view but open at all times to modification and adjustment in the light of results actually achieved?

39. The essential problems of development are world wide and are to-day regarded as problems less concerned with higher standards of living than with human survival at standards which might at best be little more than tolerable. The production of sufficient food is the major problem confronting the human race and the problem already begins to show itself in the East African area. The policies of to-day cannot afford to ignore the problems of to-morrow; a higher standard of living for the peoples of Kenya must depend in the ultimate on increased productivity.

40. It is held by some economists that rural over-population in under-developed countries, amongst which Kenya is still to be numbered, holds hidden potentialities of economic strength; that a substantial working force could be withdrawn from rural areas and applied to production in industry, without affecting the total supply of food. If such a view is sound and applicable to Kenya can a policy also be sound which might be found to force some of the urban working population to return to the tribal areas? Is the problem not very much wider than the achievement of a certain living standard for every adult African in the main towns? Not one of achieving the balanced growth of all the many complementary factors that together

constitute the Colony's economy? Is it possible to raise standards of living before achieving the level of production to support them; or must the needed level of production come first? Which is the cart, which the horse?

41. I have found it difficult not to regard the Committee's proposal as an over-simplified solution to a problem which to me appears highly complex. The seemingly simple problem of how to achieve a higher standard of living for the worker is inextricably intertwined with the problem of securing the means to support a higher standard, but I see little evidence in the report to suggest that this aspect has received the attention it demands. In my view the relationship between wages and productivity is a matter of fundamental importance to the Colony's economy and a proposal which takes no account of productivity, and therefore of the capacity of the country to support the standard of living proposed, is likely to lead to economic bankruptcy. The first people to suffer from such a state of affairs would be the very people whom the report sets out to assist.

(Signed) F. T. HOLDEN.

17th February, 1954.

Since the foregoing note was written the Committee has added Parts IV, V and VI to its Report. There is nothing in these which causes me to wish to alter anything I have written.

31st May, 1954.

(Signed) F. T. HOLDEN.

NOTE BY MR. CHANAN SINGH

The recommendations of the Majority Report have my wholehearted support. I do not, however, accept the argument from culture and heredity contained in Chapter II, but as the argument refers to the African community and the Committee has African Members on it I do not wish to say any more about it. I also do not agree that conditions in Kenya can be correctly described with reference to "western" or "European" ways and standards.

Paragraph 305 of the Majority Report suggests that the supervisors of Africans at this stage of the Colony's development must be Europeans. I do not accept this suggestion. What is required is proper supervision. It does not matter in my view to what race the supervisory personnel belongs.

Ludhiana, Punjab, India,
21st May, 1954.

(Signed) CHANAN SINGH.

QUESTIONNAIRE

1. One of the greatest single factors operating against the build-up of a stable African labour force in the Colony is the existence of a large body of short-term workers, i.e. workers who leave the Reserves for a specific purpose (e.g. to earn a specific amount of cash, or merely for a change of environment) and return to the Reserves once that purpose has been achieved. It has been estimated that more than half of the African labour force is of this short-term or "target" type.

Granted the necessity for attracting more Africans (with their families) from the Reserves and making them independent of resources in the Reserves, what steps do you consider should be taken to achieve this—

(a) in urban areas?

(b) in rural areas?

Suggested points for consideration are—

- (i) the payment to the *permanently* employed worker of a wage sufficient to support himself *and* his family outside the Reserve;
- (ii) the necessity for, and the mechanics of, providing adequate housing accommodation for *permanently* employed Africans;
- (iii) the provision of opportunities for the African worker to acquire a house by way of, for example, the tenant/purchase system;
- (iv) the suggestion that priority should be given to the provision of adequate educational facilities for the children of permanently employed Africans and that, in the meantime, other children should be excluded from attending schools outside the Reserves;
- (v) differentiation in wages between permanent and short-term labour.

2. Do you consider the present method of assessing the Statutory Minimum Wage in urban areas to be reasonable? If not, what alterations do you suggest?

3. Do you consider it desirable that Minimum Wage Orders should be applied to *all* areas outside the Reserves? If so, please give any views you may have on the following—

- (a) confining the application of such Orders to permanently employed workers;
- (b) the laying down of a different minimum wage for short-term workers.

4. Are you satisfied with the present system of "ticket contracts" in its application to—

(a) urban workers?

(b) agricultural workers (including resident labourers)?

If not, what alterations do you suggest?

5. Would it be desirable, in your opinion, to include, in contracts made under the Employment Ordinance, a provision requiring notice to be given of termination of employment—

(a) as regards employees generally?

(b) as regards permanently employed workers?

(c) as regards employees engaged on essential work?

6. Are you in agreement with the present requirements/practice in regard to—

- (a) contract periods?
- (b) monthly payment of wages?
- (c) wage advances?

If not, please say in what ways you consider the present system can be improved.

Note.—As regards advances, the suggestion has been made that a newly engaged worker should be given full rations during his first week of employment, and an advance of one week's salary at the end of the first week.

7. It has been suggested that, irrespective of his privileges in regard to land, stock, etc., the resident labourer should be paid at current standard rates for the work he is called upon to do for his employer. What are your views on this?

8. What are your views, if any, on the desirability and practicability of providing some form of security for old age—

- (a) by way of contributory provident schemes (operated by the employer, on an industry basis, or by Government)?
- (b) by the establishment of centres where pensioners can live and where pensioners' families working in the neighbourhood can, perhaps, acquire family houses on the tenant/purchase system, thereby establishing roots outside the Reserves?
- (c) by any other method?

9. What measures do you advocate for increasing the industry, efficiency and output of the individual worker—

- (a) in the case of the permanently employed?
- (b) in the case of the short-term worker?

Note.—Among the more commonly advocated incentives are bonus schemes, the payment of gratuities, and the award of regular (e.g. annual) increments. These are all direct *financial* incentives. It is for consideration whether the provision of additional benefits such as family housing, better educational facilities for children, and provident funds, would not also have a definite incentive value. Comment is invited on this point, as well as on the relative merits of established direct incentive schemes.

10. What measures do you advocate for improving management efficiency and reducing production costs, so as to offset any general rise in the wage bill?

Note.—Some of the more obvious ways of achieving this are by training and supervision of workers, more attention to work planning, and increased mechanization. Views will be welcomed on particular, as well as on the more general, aspects of this subject.

11. Granted the desirability of a greater supply of trained African workers, how do you consider this can best be achieved?

One answer to this question lies in the greater development of apprenticeship schemes. By whom, in your opinion, should such schemes be operated—by the individual employer, by the industry, or by Government? At the present time, apprenticeship schemes are almost solely confined to Government Departments.

This questionnaire is by no means exhaustive, and the Committee would welcome any views you may have on other matters which you may think relevant to its task.

Nairobi,
1st May, 1953.

Mrs. S. H. M. Simpson	Mombasa
Lt.-Col. J. W. F. Lance	Elburgon
Mr. W. J. Chege	Nairobi
Major F. de V. Joyce	Ulu
Mr. E. H. Robins	Mombasa
Mrs. R. Fane	North Kinangop
Mrs. D. M. Pickford	Londiani
Mr. G. Sandbach Baker	Thomson's Falls
Maj.-Gen. G. R. Smallwood	Thomson's Falls
Major R. Smallwood	Thomson's Falls
Mr. H. White	Oi Kalou
Messrs. M. O. Agutu and J. Dongo	Kisii
The Secretary, Nanyuki Sports Club	
Mr. Shaphani Dodo	Nairobi
Mr. T. S. Paterson	Kisumu
Wing Cdr. R. G. Greaves	Kitale
Mr. F. J. Khamisi	Mombasa
Mr. L. A. M. Mombo	Tabora (T.T.)
Messrs. S. G. Ayany and J. M. Ojal	Maseno
Mr. J. Riddell	Nairobi
Mr. K. Duff	Nairobi
Mr. E. Sherbrooke Walker	Nyeri
Mrs. N. Sherwen	North Kinangop
Mrs. C. F. Christopher	Thomson's Falls
Mr. J. Knight	Kitale
Mr. H. Bourdillon	Kitale
Mr. A. A. Blanch	Eldoret
Lt.-Col. G. A. Swinton Home	Soy
Mr. F. E. Payne	Nanyuki
Mr. T. G. Mills	North Kinangop
Cdr. C. M. Metherell	Subukia
Capt. H.M. Harries	Lake Solai
Mr. R. M. Macdonald	Nanyuki
Mr. H. J. Ward	Thomson's Falls
Mr. E. M. Lugalia	Maragoli
Mr. H. K. Bwonya	Maragoli
Mr. P. Maweu	Kabyuni
Mr. A. Wabuke s/o Nandasaba	Rongai
Mr. A. K. Manase	Magugu
Mr. H. B. Asamba	Fort Portal (Uganda)
Mr. M. S. Mushengeshwa	Kigoma (T.T.)
Mr. S. A. Phiri	Tanga (T.T.)
Mr. Mohamed Alinguret	Nanyuki
Mr. J. B. I. Agutu	Kampi ya Moto
Mr. R. Manyasi	
Mr. Kasenya Matheri	

II—The following persons gave oral evidence:—

Nairobi

Mr. K. L. Hunter	Chairman, Wages Advisory Board
Lt.-Col. E. N. Jameson	Secretary, Wages Advisory Board
Mr. L. W. Clarke	Acting Director, E.A. Statistical Department
Mr. W. Brass	Statistician, E.A. Statistical Department
Mr. R. W. Taylor	Director of Public Works
Mr. T. C. Colchester	Secretary of Health, Lands and Local Government
Dr. A. J. Walker	Assistant Director of Medical Services
Dr. E. M. Case	Biochemist, Medical Department

Dr. J. W. McAllan
Miss N. M. Deverell
The Hon. M. Blundell, M.L.C.
Mr. A. Carnecky

Mr. A. F. Kirby
Mr. R. M. L. Lemon

Mr. R. E. German
Mr. J. S. Nelson

Mr. H. Travis
Sir Richard Woodley
Mr. R. S. Alexander
Mr. A. W. Kent
Mr. F. A. Passells

Mr. E. Baumann
Sir Richard Woodley

Mr. Tom Mboya
Mr. S. Obwaka
Mr. Mweiga Mburu
Mr. Moses Keiga

Mr. H. P. Oduol
Mr. E. Kipanga
Mr. J. P. Joel
Mr. W. Kahia
Mr. C. Kingatua

Dr. R. V. Bowles
Mr. Alec Ward
Sir Godfrey Rhodes
Mr. K. O. Martin

Mr. J. L. Blowers
Major J. P. Hearle
Mr. R. Bennett
Mr. N. A. Parker

Mr. G. L. G. Shaw
Mr. I. G. H. MacLean

Mr. D. K. Bednall
Mr. M. A. O. Ndisi

Mr. J. M. Muchura

Mr. E. C. Eggins
Mr. H. Rushworth

Capt. G. R. Williams
Mr. C. K. Cameron

Mr. Lance Jones
Sheikh Ali Bin Naaman
Mr. H. G. S. Harrison

Mr. Sammie T. Omari
Mr. Saidi Marugu
Mr. Moses Muthami

Mrs. S. H. M. Simpson
Mr. F. J. Khamisi
Mr. P. E. D. Wilson
Mr. J. Hopley

Deputy Medical Officer of Health, Nairobi
Social Welfare Worker, Nairobi

East Africa Bata Shoe Co. Ltd.

E.A. Railways and Harbours Administration

E.A. Posts and Telecommunications Administration

City Council of Nairobi

Nairobi Chamber of Commerce

Kenya Federation of Registered Trade Unions

Railway African Staff Union

Kenya National Farmers' Union

Kenya Sisal Board

Coffee Board of Kenya

Senior Labour Officer
Assistant Industrial Relations Officer, Labour
Department
Inspector, Labour Department

Mombasa

Municipal Board of Mombasa

Mombasa and Coast Province Employers' Association

Mombasa African Advisory Council

Mombasa Port Workers' Joint Industrial Council

Senior Labour Officer
Labour Officer (Port)

Cdr. A. B. Goord
 Lt.-Col. J. W. F. Lance
 Mr. J. G. Grant
 Mr. D. G. Christie-Miller
 Mr. G. Innes
 Mr. W. H. T. H. Goodwin
 Cdr. C. M. Metherell
 Mrs. C. F. Christopher
 Mrs. D. M. Pickford
 Mrs. R. Fane
 Mr. F. J. Hart

Col. V. C. Thompson
 Mr. T. Pearce
 Col. N. Timmis
 Mr. C. H. Terry
 Mr. W. A. Kerr
 Mr. H. O. Thomas
 Mr. D. S. McWilliam
 Mr. J. T. Wilson
 Mr. W. A. Holmes
 Mr. O. J. Mason
 Mr. G. H. H. Frere

Lt.-Col. G. A. Swinton Home

Mr. L. F. Leonard
 Mr. E. F. Turner
 Mr. J. H. Phillips
 Mr. A. A. Blanch
 Mr. T. H. Pretty
 Mr. L. S. Bird

Mr. G. Tomlinson
 Mr. F. R. Bancroft
 Mr. G. G. Smallwood
 Mr. S. H. Powles

Mr. J. Knight

Nakuru

Nakuru County Council

Kenya Farmers' Association (Co-operative) Ltd.

Senior Labour Officer

Kericho

Lumbwa/Songhor District Production Committee

Kenya Tea Growers' Association

Senior Labour Officer
 Labour Officer (Kisumu)

Soy

Eldoret

Eldoret Chamber of Commerce and Industry

Uasin Gishu District Council
 Eldoret Wattle Estates Ltd.

Labour Officer

Kitale

Municipal Board of Kitale

Joint Committee representing—
 Trans Nzoia District Production Committee
 Trans Nzoia District Council
 K.N.F.U. (Trans Nzoia Branch)
 The Trans Nzoia Association
 Assistant Agricultural Officer

APPENDIX C

TABLE SHOWING MOVEMENT IN STATUTORY MINIMUM WAGES*—1944-53

Government Notice No.	Date of Operation	ELDORET MUNICIPALITY		KISUMU MUNICIPALITY		KITALE MUNICIPALITY		MOMBASA ISLAND		NAIROBI MUNICIPALITY		NAKURU MUNICIPALITY		NANYUKI TOWNSHIP		NYERI TOWNSHIP		THIKA TOWNSHIP	
		Minimum Wage	Housing Allowance	Minimum Wage	Housing Allowance	Minimum Wage	Housing Allowance	Minimum Wage	Housing Allowance	Minimum Wage	Housing Allowance	Minimum Wage	Housing Allowance	Minimum Wage	Housing Allowance	Minimum Wage	Housing Allowance	Minimum Wage	Housing Allowance
		<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>
327 of 1944	1 June, 1944	—	—	—	—	—	—	—	—	28.00†	—	—	—	—	—	—	—	—	—
56 of 1947	1 Feb., 1947	—	—	—	—	—	—	—	—	31.00†	—	—	—	—	—	—	—	—	—
57 of 1947	1 Feb., 1947	—	—	—	—	—	—	—	40.00†	—	—	—	—	—	—	—	—	—	—
425 of 1947	1 May, 1947	—	—	—	—	—	—	—	—	38.00†	—	—	—	—	—	—	—	—	—
747 of 1947	1 Aug., 1947	—	—	28.00†	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
413 of 1948	1 May, 1948	—	—	—	—	—	—	35 00	5 00†	—	—	—	—	—	—	—	—	—	—
								37 00	8 25										
426 of 1948	1 June, 1948	29 00	5 00	23 00	5 00	29 00	6 00	—	—	35 00	5 00	29 00	8 50	29 00	3 75	29 00	5 00	29 00	5 00
859 of 1950	1 Aug., 1950	34 00	5 00	25 00	5 00	34 00	6 00	38 75	8 25	37 00	5 00	32 00	7 00	36 00	4 00	34 00	5 00	33 00	5 00
238 of 1951	1 Mar., 1951	37 50	5 00	27 00	5 00	38 00	6 00	39 25	8 25	38 50	5 00	36 50	7 00	37 50	4 00	38 50	5 00	36 00	5 00
1064 of 1951	1 Oct., 1951	41 00	5 00	32 00	5 00	40 50	6 00	41 75	8 25	42 00	5 00	40 50	7 00	41 00	4 00	41 50	5 00	40 00	5 00
1423 of 1951	1 Jan., 1952	43 00	5 00	35 50	5 00	42 50	6 00	45 75	8 25	43 50	5 00	42 50	7 00	42 00	4 00	43 00	5 00	42 00	5 00
454 of 1952	1 May, 1952	—	6 00	—	—	—	—	—	—	—	6 50	—	—	—	—	—	—	—	—
571 of 1952	1 June, 1952	44 50	6 00	41 50	5 00	46 50	6 00	49 75	8 25	48 00	6 50	45 50	7 00	44 00	4 00	46 50	5 00	46 00	5 00
787 of 1952	1 Aug., 1952	46 50	6 00	44 50	5 00	48 50	6 00	52 25	8 25	50 00	6 50	48 00	7 00	49 00	4 00	48 50	5 00	48 50	5 00
674 of 1953	1 May, 1953	49 00	8 00	47 00	5 00	51 00	6 00	54 75	8 25	52 50	7 00	50 00	7 00	51 50	4 00	51 00	5 00	50 50	5 00

*The minimum wages shown are for persons employed on monthly contracts. All Orders made subsequent to 1947 have provided for higher minimum wages for persons employed on ticket contracts. The minimum wages laid down for ticket contract workers are omitted from the above table, but can be obtained by multiplying the monthly contract minimum wages by the factor $\frac{7}{6}$.

†The early Minimum Wage Orders made no specific provision for housing allowance, but allowed a deduction to be made from the minimum wage in cases where housing was provided by the employer.

‡The Order made under Government Notice No. 413 of 1948 introduced the principle of differentiation by occupation. In the case of any person employed as "an office boy, messenger boy, shop boy, domestic servant, garden boy, boat boy or sports club boy", the lower of the two rates applied; all other workers were subject to the higher rate. Subsequent Orders have reverted to the principle of one minimum wage irrespective of occupation.

Note.—The above table reflects the gradual increase in the minimum wage worker's cost of living during the period 1944 to 1953. Throughout most of that period, the *real* value of his wage, as represented by its purchasing power, has remained approximately the same.

AFRICAN WAGES IN URBAN AREAS OF KENYA—JULY, 1953

The attached Tables have been prepared from a Sample Survey of African wages and other conditions of employment for the month of July, 1953, carried out jointly by the East African Statistical Department and the Labour Department of the Kenya Government.

The Survey was confined to the municipalities of Nairobi, Mombasa, Nakuru, Eldoret, Kitale and Kisumu and the townships of Nanyuki, Nyeri, Thika, Ruiru and Kericho, and was designed to cover all monthly-paid workers (other than domestic servants) in those areas. In presenting the results of the Survey, two main groupings or classifications have been used, viz. (a) PRIVATE INDUSTRY (including Commerce), and (b) PUBLIC SERVICES.

The method of survey was that of "individual enumeration", entailing visits to undertakings, study of wage sheets, and questioning of employers and wages staffs. In the case of Private Industry, visits were paid to 577 different undertakings and data collected in respect of some 24,600 workers, i.e. approximately 40 per cent of the estimated total number of workers under survey in Private Industry. In the case of the Public Services, the sample covered 31,500 workers or approximately 80 per cent of the estimated total number of workers under survey.

Most of the field work in connexion with the Survey was carried out by the staff of the Labour Department. The East African Statistical Department played a large part in organizing the Survey, assisted in the field work, and carried out the whole of the statistical analysis. The co-operation shown by both Departments, in undertaking so large a task at very short notice, is gratefully acknowledged.

LIST OF TABLES
Private Industry

- Table 1. Distribution of Employees by Standard Earnings.
- Table 2. Distribution of Employees by Standard Earnings in Main Industrial Groups—All Urban Areas Surveyed.
- Table 2(1). Distribution of Employees by Standard Earnings in Main Industrial Groups—Nairobi.
- Table 2(2). Distribution of Employees by Standard Earnings in Main Industrial Groups—Mombasa.
- Table 3. Distribution of Employees by Standard Earnings in Main Occupational Groups—All Urban Areas Surveyed.
- Table 3(1). Distribution of Employees by Standard Earnings in Main Occupational Groups—Nairobi.
- Table 3(2). Distribution of Employees by Standard Earnings in Main Occupational Groups—Mombasa.

Table 4. Average Monthly Earnings and Hourly Rates of Pay.

Table 5. Distribution of Employees by Length of Normal Working Week.

Table 6. Provision of Housing and Rations by Employers.

Table 7. Distribution of Employees by Length of Service—Nairobi and Mombasa.

Public Services

Table 1A. Distribution of Employees by Standard Earnings.

Table 4A. Average Monthly Earnings and Hourly Rates of Pay.

Table 5A. Distribution of Employees by Length of Normal Working Week.

Explanatory Notes to Tables

(a) "PUBLIC SERVICES" refers to employment in Government, High Commission and Local Authority services.

"PRIVATE INDUSTRY" refers to private, commercial and industrial employment, other than domestic employment and employment in the Public Services.

(b) "EMPLOYEES" means monthly-paid employees, other than domestic servants.

(c) "STANDARD EARNINGS" denotes the cash value of an employee's regular emoluments, *including* the value of any rations or housing. Where an employer houses his workers, the value assigned to housing is the stated net cost to the employer of such housing.

(d) For the purpose of tabulation, all earnings have been rounded off to the nearest shilling.

(e) The Survey was *not* designed primarily as an investigation into compliance with the minimum wage legislation. Although it undoubtedly disclosed some contravention of that legislation, it must not be assumed that the employers of *all* workers shown as earning less than the "total" statutory minimum wage (i.e. inclusive of housing allowance) were necessarily breaking the law. For example, the housing allowance is payable only where the employer does not provide housing, and it follows that an employer who pays the statutory minimum wage (basic) *and houses his workers* is fully within the law notwithstanding that the value of such housing may be less than the statutory housing allowance. Again, although every precaution has been taken to prevent it, the figures for those shown as below the statutory minimum wage may well include workers who, for one reason or another, did not complete a full working month.

Table 1
DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS
Private Industry

URBAN AREA	STATUTORY MINIMUM WAGE	PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS												ESTIMATED TOTAL EMPLOYEES		
		Shillings per month														
		Under 50	50-54	55-59	60-64	65-69	70-79	80-89	90-99	100-149	150-199	200-249	250-299		300-399	400 & over	Total
Nairobi	52 50	—	—	2	20	13	19	12	6	15	8	3	1	—	100	31,200
Mombasa	54 75	—	—	1	16	12	17	8	9	24	7	3	1	—	100	14,300
Nakuru	50 00	3	3	23	9	8	16	7	6	15	6	3	2	—	100	2,400
Eldoret	49 00	—	1	30	11	10	17	6	6	15	2	2	—	—	100	2,200
Kitale	51 00	—	—	24	26	9	6	6	4	13	2	1	—	—	100	1,400
Kisumu	47 00	—	—	27	7	8	10	5	2	10	4	1	—	—	100	3,800
Nanyuki	51 50	—	—	11	8	12	11	8	13	9	—	3	—	—	100	800
Nyeri	51 00	—	—	11	3	19	37	10	7	12	10	—	—	—	100	1,400
Thika	50 50	—	—	—	34	18	21	6	4	17	4	—	—	—	100	1,000
Ruiru	—	—	—	14	4	2	5	4	2	8	—	1	—	—	100	1,000
Kericho	—	—	—	36	4	2	17	10	7	16	7	3	1	—	100	600
All Urban Areas Surveyed	..	—	3	6	17	12	17	10	7	16	7	3	1	—	100	59,200

Table 1A
DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS
Public Services

URBAN AREA	STATUTORY MINIMUM WAGE	PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS												ESTIMATED TOTAL EMPLOYEES			
		Shillings per month															
		Under 50	50-54	55-59	60-64	65-69	70-79	80-89	90-99	100-149	150-199	200-249	250-299		300-399	400 & over	Total
Nairobi	52 50	—	—	—	6	6	16	11	11	24	12	8	3	2	1	100	19,400
Mombasa	54 75	—	—	1	8	—	25	12	10	28	11	5	3	1	—	100	8,500
Nakuru	50 00	—	1	6	8	6	28	6	10	20	12	6	3	1	—	100	3,200
Eldoret	49 00	—	—	—	16	16	19	3	8	17	7	5	1	—	—	100	1,900
Kitale	51 00	—	—	20	12	6	6	3	7	29	10	1	1	—	—	100	600
Kisumu	47 00	6	1	5	15	8	13	7	6	20	10	6	2	1	—	100	3,600
Nanyuki	51 50	—	—	1	6	14	26	4	2	22	10	5	1	—	—	100	700
Nyeri	51 00	—	—	1	11	6	11	4	5	38	10	8	2	—	—	100	1,400
Thika	50 50	—	—	—	12	11	19	6	7	26	14	3	3	—	—	100	200
Ruiru	—	—	—	5	3	4	8	5	4	50	6	6	1	—	—	100	500
Kericho	—	—	—	2	4	4	8	3	3	19	15	3	3	—	—	100	500
All Urban Areas Surveyed	..	1	—	1	6	5	19	11	9	24	11	7	3	2	1	100	40,200

Table 2
Private Industry
DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS IN MAIN INDUSTRIAL GROUPS—ALL URBAN AREAS SURVEYED

INDUSTRY	PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS											ESTIMATED TOTAL EMPLOYEES	
	Shillings per month												
	Under 60	60-69	70-79	80-89	90-99	100-149	150-199	200-249	250-299	300-399	400 & over		Total
Quarrying	1	34	10	24	4	6	14	7	—	—	—	100	1,800
MANUFACTURES—													
Food and Beverages .. .	8	37	23	10	7	10	3	1	1	—	—	100	4,800
Textiles, Clothing and Footwear .. .	4	15	11	11	11	32	13	2	1	—	—	100	1,900
Wood and Furniture .. .	27	31	7	4	7	15	6	2	—	—	—	100	2,100
Printing .. .	12	5	14	7	5	29	13	4	5	3	3	100	800
Transport Equipment (including Repairs) .. .	9	32	12	10	7	13	11	3	2	1	—	100	5,800
Other Manufactures (including Electricity) .. .	13	38	18	6	4	13	5	2	1	—	—	100	5,900
Building and Construction .. .	10	27	20	10	8	12	7	3	1	—	—	100	10,500
Wholesale and Retail Trade .. .	3	19	7	3	8	16	6	2	1	—	—	100	13,200
Transportation .. .	1	21	14	14	9	40	13	4	1	1	—	100	4,900
Financial and Business Services .. .	10	31	23	15	7	18	3	5	5	2	—	100	900
Hotels, etc. .. .	7	16	30	17	9	15	7	1	—	—	—	100	3,500
Other Services .. .	7	16	30	17	9	15	7	1	—	—	—	100	3,100
All Industries .. .	9	29	17	10	7	16	7	3	1	1	—	100	59,200

Private Industry

Table 2 (1)

DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS IN MAIN INDUSTRIAL GROUPS—NAIROBI

INDUSTRY	PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS											ESTIMATED TOTAL EMPLOYEES	
	Shillings per month												
	Under 60	60-69	70-79	80-89	90-99	100-149	150-199	200-249	250-299	300-399	400 & over		Total
Quarrying	1	34	10	24	5	6	13	7	—	—	—	100	1,700
MANUFACTURES—													
Food and Beverages .. .	1	48	18	9	8	11	4	1	—	—	—	100	2,900
Textiles, Clothing and Footwear .. .	—	11	7	12	14	32	20	1	3	—	—	100	700
Wood and Furniture .. .	17	42	8	5	10	12	6	—	—	—	—	100	900
Printing .. .	8	6	7	8	6	34	9	4	—	—	—	100	400
Transport Equipment (including Repairs) .. .	1	40	13	9	6	16	8	4	2	7	1	100	2,700
Other Manufactures (including Electricity) .. .	4	47	16	7	3	12	6	2	—	—	—	100	2,300
Building and Construction .. .	3	33	28	11	4	12	6	2	1	—	—	100	6,600
Wholesale and Retail Trade .. .	1	30	22	14	7	16	7	2	1	—	—	100	6,900
Transportation .. .	1	29	8	3	3	28	20	5	2	—	—	100	2,100
Financial and Business Services .. .	—	21	16	12	14	21	2	6	2	6	—	100	500
Hotels, etc. .. .	1	28	28	19	8	11	4	—	1	—	—	100	2,100
Other Services .. .	—	9	18	19	10	16	11	6	3	8	—	100	1,400
All Industries .. .	2	33	19	12	6	15	8	3	1	1	—	100	31,200

Table 2 (2)

DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS IN MAIN INDUSTRIAL GROUPS—MOMBASA

INDUSTRY	PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS											ESTIMATED TOTAL EMPLOYEES	
	Shillings per month												
	Under 60	60-69	70-79	80-89	90-99	100-149	150-199	200-249	250-299	300-399	400 & over		Total
MANUFACTURES—													
Food and Beverages	—	12	26	35	11	13	3	—	—	—	—	100	500
Textiles, Clothing and Footwear	—	9	6	6	12	44	20	18	3	—	—	100	300
Wood and Furniture	—	37	27	9	—	—	9	7	—	—	—	100	100
Printing	—	10	13	13	6	32	16	16	—	3	—	100	200
Transport Equipment (including Repairs)	—	32	11	10	8	16	16	3	2	—	—	100	1,700
Other Manufactures (including Electricity)	6	40	16	5	3	21	4	3	1	—	—	100	1,900
Building and Construction	1	50	18	4	3	12	7	4	1	—	—	100	2,100
Wholesale and Retail Trade	—	22	24	6	14	23	5	3	1	1	1	100	2,800
Transportation	—	11	6	3	15	51	8	4	1	—	—	100	2,600
Financial and Business Services	—	31	21	6	11	26	5	—	—	—	—	100	800
Hotels, etc.	10	45	21	9	2	12	—	1	—	—	—	100	800
Other Services	—	20	28	18	10	16	4	3	1	—	—	100	1,100
All Industries	2	28	17	8	9	24	7	3	1	1	—	100	14,300

Private Industry

Table 3

Private Industry
DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS IN MAIN OCCUPATIONAL GROUPS—ALL URBAN AREAS SURVEYED

OCCUPATION	PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS											ESTIMATED TOTAL EMPLOYEES	
	Shillings per month												
	Under 60	60-69	70-79	80-89	90-99	100-149	150-199	200-249	250-299	300-399	400 & over		Total
Clerks and Cashiers	—	—	4	3	5	25	27	15	9	9	3	100	2,400
Drivers	—	1	1	2	10	52	29	4	1	—	—	100	3,200
Carpenters	5	5	4	5	8	24	28	15	4	2	—	100	1,000
Motor Mechanics	10	10	9	9	8	25	15	10	3	—	1	100	1,100
Other Metal Workers	3	4	7	4	5	33	23	11	6	4	—	100	1,100
Masons	—	—	—	4	2	34	38	17	4	1	—	100	1,100
Painters	—	4	3	6	2	56	18	8	1	2	1	100	600
Printers	10	5	16	7	6	22	14	9	8	2	—	100	400
Tailors and Machinists	2	5	8	12	7	43	18	4	1	—	—	100	1,400
Cooks and Bakers	4	2	10	7	11	19	3	3	—	1	—	100	500
Other Skilled and Semi-Skilled Workers	2	18	13	11	9	23	12	7	3	2	—	100	3,400
Headmen	1	2	7	14	16	32	18	7	2	1	—	100	800
Watchmen and Guards	9	22	19	18	10	21	1	—	—	—	—	100	3,000
Office Boys	5	32	26	13	12	11	—	—	—	—	—	100	5,700
Labourers and Other Unskilled Workers	13	41	22	10	6	7	1	—	—	—	—	100	33,500
All Occupations	9	29	17	10	7	16	7	3	1	1	—	100	59,200

Private Industry
DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS IN MAIN OCCUPATIONAL GROUPS—NAIROBI
Table 3 (1)

OCCUPATION	PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS											ESTIMATED TOTAL EMPLOYEES	
	Shillings per month												
	Under 60	60-69	70-79	80-89	90-99	100-149	150-199	200-249	250-299	300-399	400 & over		Total
Clerks and Cashiers	—	—	2	3	6	19	30	18	9	9	4	100	1,500
Drivers	—	—	—	1	3	51	38	6	1	—	—	100	2,000
Carpenters	1	—	1	6	8	24	33	20	6	—	—	100	400
Motor Mechanics	—	2	9	4	7	27	26	19	4	1	1	100	400
Other Metal Workers	—	—	—	2	5	50	22	7	6	7	—	100	300
Masons	—	—	—	3	2	28	44	20	1	2	—	100	800
Painters	—	—	1	2	2	67	18	6	1	3	—	100	400
Printers	8	—	8	17	9	20	10	16	7	3	2	100	100
Tailors and Machinists	—	—	3	7	10	47	24	8	1	—	—	100	700
Cooks and Bakers	—	—	1	9	15	42	30	1	1	—	—	100	200
Other Skilled and Semi-Skilled Workers	2	14	18	16	10	20	12	4	2	1	—	100	1,500
Headmen	—	—	3	10	15	40	22	6	3	1	—	100	300
Watchmen and Guards	4	17	21	26	19	19	1	—	—	—	—	100	1,500
Office Boys	2	34	26	16	12	10	—	—	—	—	—	100	3,600
Labourers and Other Unskilled Workers	3	49	25	13	4	5	1	—	—	—	—	100	17,500
☉ All Occupations	2	33	19	12	6	15	8	3	1	1	—	100	31,200

Table 3 (2)

**DISTRIBUTION OF EMPLOYEES BY STANDARD EARNINGS IN MAIN
OCCUPATIONAL GROUPS—MOMBASA**

Private Industry

OCCUPATION	PERCENTAGE OF EMPLOYEES IN SPECIFIED WAGE GROUPS											ESTIMATED TOTAL EMPLOYEES	
	Shillings per month												
	Under 60	60-69	70-79	80-89	90-99	100- 149	150- 199	200- 249	250- 299	300- 399	400 & over		Total
Clerks and Cashiers	—	—	5	—	6	37	29	10	7	5	1	100	600
Drivers	—	—	2	2	30	49	13	3	1	—	—	100	600
Motor Mechanics and Other Metal Workers	—	—	5	—	—	28	19	25	19	4	—	100	200
Other Skilled and Semi-Skilled Workers	—	18	7	7	7	28	19	10	3	1	—	100	2,400
Headmen	—	—	—	15	18	28	22	14	2	1	—	100	200
Watchmen and Guards	—	24	19	7	9	38	3	—	—	—	—	100	800
Office Boys	—	27	31	10	13	18	1	—	—	—	—	100	1,400
Labourers and Other Unskilled Workers	3	38	20	9	10	18	1	1	—	—	—	100	8,100
All Occupations	2	28	17	8	9	24	7	3	1	1	—	100	14,300

Private Industry

Table 4

AVERAGE MONTHLY EARNINGS AND HOURLY RATES OF PAY

URBAN AREA	Average Standard Earnings	Average* Gross Earnings	Average† Gross Hours Per Month	Average Rate Per Hour
	<i>Sh./Month</i>	<i>Sh./Month</i>		<i>Cents</i>
Nairobi	93	97	213	46
Mombasa	99	105	223	47
Nakuru	95	97	209	46
Eldoret	82	88	207	43
Kitale	81	83	211	39
Kisumu	78	79	208	38
Nanyuki	81	81	221	37
Nyeri	77	77	236	33
Thika	90	98	234	42
Ruiru	83	90	240	38
Kericho	73	74	219	34
All Urban Areas Surveyed ..	92	98	212	45

* Includes overtime pay, output bonuses, etc.

† Includes overtime.

Public Services

Table 4A

AVERAGE MONTHLY EARNINGS AND HOURLY RATES OF PAY

URBAN AREA	Average Standard Earnings	Average* Gross Earnings	Average† Gross Hours Per Month	Average Rate Per Hour
	<i>Sh./Month</i>	<i>Sh./Month</i>		<i>Cents</i>
Nairobi	125	132	205	64
Mombasa	123	128	207	62
Nakuru	116	124	217	57
Eldoret	101	106	205	52
Kitale	103	104	197	53
Kisumu	108	112	205	55
Nanyuki	105	108	203	53
Nyeri	121	125	209	60
Thika	135	135	203	67
Ruiru	110	113	211	53
Kericho	110	111	190	58
All Urban Areas Surveyed ..	120	126	206	61

* Includes overtime pay, output bonuses, etc.

† Includes overtime.

Private Industry

Table 5

DISTRIBUTION OF EMPLOYEES BY LENGTH OF NORMAL WORKING WEEK

URBAN AREA	PERCENTAGE DISTRIBUTION OF EMPLOYEES BY LENGTH OF NORMAL WORKING WEEK						Total
	Hours per week						
	Under 40	40-44	45-49	50-54	55-59	60 and over	
Nairobi	6	9	69	11	2	3	100
Mombasa	5	11	73	6	3	2	100
Nakuru	—	5	85	7	1	2	100
Eldoret	15	7	70	8	—	—	100
Kitale	—	31	65	—	1	3	100
Kisumu	15	7	67	8	2	1	100
Nanyuki	29	16	24	8	6	17	100
Nyeri	3	—	51	13	3	30	100
Thika	1	—	57	6	36	—	100
Ruiru	—	—	100	—	—	—	100
Kericho	—	57	20	11	12	—	100
All Urban Areas Surveyed	9	11	63	10	3	4	100

Public Services

Table 5A

DISTRIBUTION OF EMPLOYEES BY LENGTH OF NORMAL WORKING WEEK

URBAN AREA	PERCENTAGE DISTRIBUTION OF EMPLOYEES BY LENGTH OF NORMAL WORKING WEEK						Total
	Hours per week						
	Under 40	40-44	45-49	50-54	55-59	60 and over	
Nairobi	2	74	24	—	—	—	100
Mombasa	11	73	16	—	—	—	100
Nakuru	1	85	14	—	—	—	100
Eldoret	7	71	12	1	5	4	100
Kitale	—	49	51	—	—	—	100
Kisumu	3	63	34	—	—	—	100
Nanyuki	13	13	74	—	—	—	100
Nyeri	—	29	71	—	—	—	100
Thika	—	69	31	—	—	—	100
Ruiru	—	—	100	—	—	—	100
Kericho	8	37	55	—	—	—	100
All Urban Areas Surveyed	4	70	26	—	—	—	100

GOVERNMENT NOTICE No. 674

**THE REGULATION OF WAGES AND CONDITIONS OF EMPLOYMENT
ORDINANCE, 1951**

(No. 1 of 1951)

THE WAGES REGULATION ORDER, 1953

IN EXERCISE of the powers conferred by section 10 of the Regulation of Wages and Conditions of Employment Ordinance, 1951 (No. 1 of 1951), the Member for Labour, with the approval of the Governor in Council, hereby makes the following Order:—

1. This Order may be cited as the Wages Regulation Order, 1953, and shall apply to the areas specified in the first column of the Schedule to this Order, and shall come into force on the 1st day of May, 1953.

2. No person shall, except with the written permission of a Labour Officer, employ any person within any area specified in the first column of the Schedule to this Order, on a monthly contract, at a rate of wages for each calendar month of less than the sum set out in the second column of the said Schedule opposite such area, or, in the case of a ticket contract, at a rate of wages for each completed ticket of less than the sum set out in the third column of the said Schedule opposite such area:

Provided that—

(i) if an employer does not provide housing accommodation in accordance with the provisions of section 41 of the Employment Ordinance (Cap. 109), he shall pay to each person employed by him within any area specified in the first column of the Schedule to this Order for whom he does not provide such accommodation, an additional sum of the amount set out in the fourth column of the said Schedule opposite such area;

(ii) where during a calendar month a ticket contract or any other contract of employment expires and is not renewed, a proportionate part of the additional sum payable under paragraph (i) of this proviso shall be paid.

3. The Wages Regulation (No. 2) Order, 1952 (G.N. No. 787 of 1952), is hereby revoked.

Nairobi,
23rd April, 1953.

R. G. TURNBULL,
Member for Labour.

SCHEDULE

1	2	3	4
AREA	Monthly Contracts	Ticket Contracts	Additional for Housing
	<i>Sh. cts.</i>	<i>Sh. cts.</i>	<i>Sh. cts.</i>
Eldoret Municipality	49 00	57 00	8 00
Kisumu Municipality	47 00	55 00	5 00
Kitale Municipality	51 00	59 50	6 00
Mombasa Island	54 75	63 75	8 25
Nairobi Municipality	52 50	61 00	7 00
Nakuru Municipality	50 00	58 50	7 00
Nanyuki Township	51 50	60 00	4 00
Nyeri Township	51 00	59 50	5 00
Thika Township	50 50	59 00	5 00

GOVERNMENT NOTICE No. 935

THE REGULATION OF WAGES AND CONDITIONS OF EMPLOYMENT
ORDINANCE, 1951

(No. 1 of 1951)

THE DEDUCTION FROM WAGES (RATIONS) ORDER, 1952

IN EXERCISE of the powers conferred by section 11 (3) of the Regulation of Wages and Conditions of Employment Ordinance, 1951, the Member for Labour hereby makes the following Order:—

1. This Order may be cited as the Deduction from Wages (Rations) Order, 1952.

2. A Labour Officer is hereby empowered to authorize in writing any employer who satisfies him that he supplies rations to any employee to deduct from the wages of such employee—

(a) in the case of the area of the Kisumu Municipality, a sum not exceeding twelve shillings and fifty cents for each completed ticket in the case of a ticket contract, and in the case of any other contract a sum of eleven shillings for each calendar month;

(b) in the case of any other area specified in the Schedule to this Order, a sum not exceeding nineteen shillings for each completed ticket in the case of a ticket contract, and in the case of other contracts a sum of seventeen shillings for each calendar month.

Nairobi,
28th August, 1952.

C. H. HARTWELL,
Member for Labour.

SCHEDULE

Area

Eldoret Municipality.

Kitale Municipality.

Mombasa Island.

Nairobi Municipality.

Nakuru Municipality.

Nanyuki Township.

Nyeri Township.

Thika Township.

THE DIETARY ASPECT OF THE STATUTORY MINIMUM WAGE

By E. M. Case, M.A., Ph.D. (Biochemist, Medical Department, Kenya)

"Much labour in tropical countries is notoriously inefficient at present and there is striking evidence of the extent to which this is due to malnutrition." These words, taken from the First Report of the British Economic Council on Nutrition in the Colonial Empire, are quoted and endorsed by Dr. Lucius Nicholls in his important and standard text-book entitled "Tropical Nutrition and Dietetics" (1951). Elsewhere in the same work Dr. Nicholls remarks: "The diets of many backward races are suitable for the circumstances under which they live, but may be most unsuitable for the labours and calls of a higher civilization. An African villager may pass his time divided between alternate periods of moderate activities and almost complete idleness, and his normal diet, especially if it is that of a pastoral tribe, will be quite unsuitable for gang work, such as for agriculture or building roads."

The report of the African Labour Efficiency Survey, carried out in 1947 and published in 1949, contains (in the section on nutrition contributed by J. H. Henry and M. W. Grant of the Medical Research Council's Human Nutrition Research Unit) the observations that: "It is widely understood that men doing heavy work require more food than others employed on lighter tasks and that if there is a shortage of food they may become unfit for heavy physical labour. It is, however, not so generally realized that the quality of the diet is of equal importance Another important aspect of this question of diet is palatability. Several investigators have shown that, in the absence of suitable material for side-dishes, the consumption of the staple food drops, often below the amount required to supply the body's calorie requirements. The general effect resulting from almost any type of dietary fault is 'an avoidance of effort'. A natural tendency on the part of the body to conserve its resources results in an absence of the initiative and drive which is characterized by the phrase 'going all-out on a job'."

It would be easy, but is hardly necessary, to multiply authoritative statements of this kind providing a background of justification, if such were called for, for the proposition that a dietary to be used in calculating a minimum wage applicable to African workers must transcend the bare essentials deemed necessary to support life. Recognition of this is indeed implicit in the inclusion of tea and sugar in the dietary scale forming part of the basis of the already existing minimum wage formula, but a realistic approach demands a certain degree of extension of the principle. In working out, for the purposes of the present report, a scale suitable to meet the minimum reasonable dietary requirements of the average African worker, the invaluable experience and advice of Miss N. M. Deverell, Social Welfare Worker, was readily available and freely utilized in regard to African dietary habits and predictions, while information about current prices of food items was sought and obtained from the East African Statistical Department. With generous collaboration from these two sources, recommendations were drawn up and embodied in two memoranda submitted to the Minimum Wages Sub-Committee.

Foodstuffs, the constituents of a diet, must discharge three primary and essential functions. Firstly, they must provide energy both for the maintenance of life on a basal level and for the performance of activities superimposed upon this; secondly, they must furnish material for growth, for perpetual replacement and repair of tissues, and for reproduction. Thirdly, they must contribute the substances that are implicated in the control and regulation of the innumerable bodily processes, physical and chemical, that constitute life. Our conception of the human body's requirements

of the diverse nutrient factors in food has naturally undergone continuous modification, hand in hand with our ever-widening understanding of the nature of these factors and the precise ways in which they act. A number of schedules of needs or allowances have from time to time been drawn up by different authorities and one of the best known and most generally accepted is the table of "Recommended Dietary Allowances" sponsored by the National Research Council of U.S.A., which was originally compiled in 1943, revised in 1945 and again in 1948 in conformity with advancing knowledge. This is the standard of reference that has been used here in assessing the nutritional needs of employed African workers. It tabulates daily allowances of specific nutrients for men of varying grades of activity; likewise for women, with additional provision for pregnancy and lactation; and for several different age-groups of children and adolescents of both sexes. The N.R.C. "recommended dietary allowances" for a man of 154 lb. weight (70 kg.) who is "physically active", i.e. neither "sedentary" on the one hand nor "with heavy work" on the other, are the ones which have been taken as a basis for the present computations. They are as follows:—

TABLE I—N.R.C. (U.S.A.) RECOMMENDED DIETARY ALLOWANCES (1948)
(for 154 lb. "physically active" man—daily)

Calories	3,000
Protein (grams)	70
Calcium (milligrams)	1,000
Iron (milligrams)	12
Vitamin A (International Units)	3,333
Thiamine (Aneurine or Vitamin B ₁) (milligrams)	1.50
Riboflavin (Vitamin B ₂) (milligrams)	1.80
Nicotinic acid (niacin or "pellagra-preventing factor") (milligrams)	15
Ascorbic acid (Vitamin C) (milligrams)	75

For present purposes, the allowance of Calories has been increased from 3,000 to 3,200 in consequence of discussions concerning the level of physical effort to be expected from the average worker. This increase cannot be regarded as excessive when it is realized that the N.R.C. Calorie allowance for men doing "heavy work" is 4,500, as compared with 3,000 for men described as "physically active" and 2,400 for those who are "sedentary". No allowances or corrections have been made for climate. The F.A.O. Committee on Calorie Requirements (Washington, 1950) has, it is true, recommended that a 5 per cent decrease in energy requirement may be assumed to apply for every 18° F. increase in mean annual temperature above a reference level of 50° F.; thus at sea level in Kenya, where the mean annual temperature is 80° F., this adjustment would lead to a reduction of 9 per cent in Calorie requirements, while at 8,000 ft., where the mean annual temperature is 61° F., the reduction would be 3 per cent. But having regard to the fact that this consideration applies to Calorie requirements only and not in corresponding degree to all other nutrient factors, and since the Calorie level that has been selected cannot be looked upon as more than adequate for work of only moderate rates of severity, it has not been thought justifiable to introduce modifications on this account. With regard to racial differences, it must be admitted that present knowledge of how, if at all, the physiology of the African differs from that of the white races is fragmentary. It is scarcely defensible, therefore, to adopt any other attitude than one based on the pronouncement of the Committee above quoted, that "race *per se* does not influence Calorie requirements".

In evaluating diets and dietary constituents in terms of the major essential nutrients, recourse has been had for the most part to Platt's "Tables of Representative Values of Foods commonly used in Tropical Countries"—Medical Research Council Special Report Series, No. 253 (1945). It needs perhaps to be emphasized that these values are in fact, as they purport to be, "representative" and that computations based upon them and not upon individual chemical analyses of specific diets cannot be endowed with the attribute of mathematical precision. For this reason, the errors (of the order of 1 per cent) involved in such approximations as the assumption that each month consists of 30 days are quite without significance. In calculating dietary evaluations, due allowance is made for inedible refuse which necessarily forms part of the food "as purchased" and has to be discarded, but not for any avoidable wastage which may occur after the cooking stage, nor for losses in certain nutrients which may take place during and subsequent to cooking (e.g. leaching of minerals into water and destruction of certain vitamins by heat and exposure to air).

Table II sets forth the composition of the dietary scale which is included in the already-existing minimum wage formula, together with that of the modified schedule which it is suggested, for the purposes of this report, should replace it.

TABLE II

COMMODITY	Monthly Allowance (present scale)	Monthly Allowance (suggested scale)
Maize meal	45½ lb.	36 lb.
Wheat flour	—	5½ lb.
Potatoes (European)	—	15 lb.
Sugar	3½ lb.	2 lb.
Beans (dried)	—	8 lb.
Meat	4½ lb.	4½ lb.
Vegetables (green leafy)	5½ lb.	7½ lb.
Milk	7½ pts.	7½ pts.
Cooking fat	—	1 lb.
Tea	½ lb.	½ lb.
Salt	1 lb.	1 lb.

Notes.—(1) Where a commodity is obtainable in different grades, it would appear reasonable, for the purpose of arriving at a statutory minimum wage, to cost on the basis of the cheapest available grade. For example, the meat costed would be "beef (3rd grade)" where this was the cheapest grade available; again, edible oil would be costed where this was available at a lower price than cooking fats of the "solid" variety.

(2) There are many varieties of dried beans. For costing purposes, the E.A. Statistical Department have taken the type known as *maharagwe* which is commonly bought by Africans in Nairobi.

(3) Green leafy vegetables are specified in the proposed scale, although in the original scale the type of "vegetable" is not defined. The kind of leaf costed by the E.A. Statistical Department is that called *kunde*, which is the leaf of a leguminous plant, widely esteemed but slightly more expensive than *mtuli* (spinach).

If we now proceed to evaluate these two scales in terms of nutrients, we obtain the figures presented in Table III, which includes the N.R.C. allowances (modified in respect of Calories as indicated previously) for the sake of ready comparison.

TABLE III

NUTRIENT	AMOUNT SUPPLIED DAILY BY		N.R.C. Scale
	Present Scale	Proposed Scale	
Calories	2,796	3,200	3,200
Protein (g.)	82	110	70
Fat (g.)	42	55	—
Carbohydrate (g.)	522	564	—
Calcium (mg.)	407	568	1,000
Iron (mg.)	39	41	12
Vitamin A (I.U.)	3,094	4,156	3,333
Thiamine (mg.)	2.27	2.66	1.50
Riboflavin (mg.)	1.49	2.14	1.80
Nicotinic acid (mg.)	14.1	18.6	15.0
Ascorbic acid (mg.)	68	121	75
Percentage of total Calories supplied by maize	84	58	

It is to be borne in mind that certain of these values are possibly illusory in that they may be apt in practice to be subject to severe shortcomings. Thus, the vitamin A and ascorbic acid contents of both diets are dependent in high degree upon the assumption that dark green leafy vegetables are consumed—not, for instance, the pale inner portions of cabbage. This applies also to the contribution made by vegetables towards the calcium content of the diets. Thiamine and ascorbic acid (particularly the latter) are always partially destroyed in cooking, and in order to arrive at an estimate of the amounts actually available to the consumer it is usual to reduce the ostensible values for these nutrient factors by 15 per cent and 50–75 per cent respectively. In respect of ascorbic acid, it will be seen that the proposed scale makes reasonable provision for this contingency whereas the existing one does not. The figure of 110 grams for protein in the proposed scale, as compared with the N.R.C.'s recommendation of 70, must of course be viewed in the light of the circumstance that most of the protein in the former is derived from vegetable sources.

The value for "percentage of total Calories supplied by maize" is an important consideration, because as a result of recent research the indication is becoming increasingly strong that maize, when consumed as the whole grain or meal of extraction approaching 100 per cent (as is normally the case in Kenya) contains a toxic factor which is capable of giving rise to the disease pellagra in humans, despite the fact that enough nicotinic acid may be present theoretically to prevent this; in other words, the utilization and metabolic functioning of nicotinic acid (a vitamin of the B group) is in some way hindered by a substance believed to be present in whole-grain maize or maize meal. When a high proportion of the Calories furnished by a diet is derived from such maize this risk assumes a serious magnitude, and in the light of modern opinion most authorities would consider a diet such as that in the first column of Table III to be potentially productive of pellagra.

The diet according to the present scale is manifestly deficient in caloric content compared with the standard which it is desired to attain, and one of the problems in devising the new diet was to increase this substantially while at the same time reducing the proportion of energy derived from maize. This was achieved by the introduction of wheat flour, potatoes and beans to such an extent that it was possible actually to cut down the absolute amount of maize meal included in the dietary. The original suggestion was to incorporate bread (made from wheaten flour) as it is a matter of common knowledge that Africans are fond of this foodstuff and will purchase it when

it is available and they have the means. In view of the fact, however, that bread as such is not universally obtainable throughout the Colony, especially in rural areas, and that its cost as compared with that of the wheaten flour from which it is made tends to be disproportionately high, it was decided to substitute the item "wheat flour" for bread, the amount being adjusted appropriately. The wheat flour incidentally provides a useful supplementary source of riboflavin, which is somewhat lacking in the "present scale" diet. The beans which appear in the new scale but not in the old, besides serving as a source of Calories also supply vitamins of the B group, especially nicotinic acid and thiamine, and are a valuable source of protein of good quality. The inclusion of potatoes, again besides supplying Calories, brings about considerable improvement in the position respecting ascorbic acid.

It cannot be reasonably contended that the proposed scale incorporates "luxuries". The African's predilection for bread has already been mentioned, and the allotment of an amount of wheaten flour equivalent to a quarter of a pound of bread per day is certainly not in excess of what would normally be bought by a worker free to choose his food. It is not without interest in this connexion that such information as is available indicates that more than half of the milling industry's output of wheaten meal is absorbed by the African community. Fat may be considered practically essential for the purpose of achieving variety in cooking and ensuring palatability, while tea and sugar would almost certainly be bought and consumed on a larger scale than is here provided for. Various flavouring vegetables, notably tomatoes and onions, are universally used, and it is beyond question that the average African would expend money on the purchase of such embellishments to the basic régime. In other words, the proposed scale can fairly be taken to represent a *minimum* for the purpose of calculating a wage.

The most conspicuous, indeed the sole, nutritional deficiency in the new scale is one of the element calcium. This shortcoming is a constant and characteristic feature of most Kenya native diets, whose rectification may have to await some such step as fortification of maize meal. The position could of course be improved by augmentation of the quantity of suitable vegetables included in the diet, but it is more than doubtful whether Africans would in fact utilize a sufficiency of green leafy vegetables to bring this about. The inclusion of certain foodstuffs such as skim milk and dried fish could remedy the deficiency, but the former is not available everywhere and the latter is not acceptable to some sections of the community and, for these reasons, it is not feasible to embody them in a model dietary intended to be of universal applicability. Similar considerations preclude the incorporation of other foodstuffs of high nutritional usefulness such as, for instance, groundnuts.

FAMILY DIETARIES

What has been said so far relates, of course, to the worker himself and the needs discussed are those of what is tacitly assumed to be a single man. It is probable, however, that only a small proportion of employed African workers actually are single, and it therefore becomes necessary to consider the requirements of some typical families. By way of illustrative examples which indicate the principles that have been employed in arriving at some of the conclusions in the main body of this report, Table IV presents the allowances appropriate to the following domestic units:—

Column (1): Man and wife.

Column (2): Man, wife and two children (age-groups 4-6 years and 7-9 years respectively).

Column (3): Man, wife and three children (a hypothetical "average" family whose allowances are arrived at from a consideration of three separate families of five, embracing children in all age-groups from suckling to 10-12).

The appropriate allowances derived from the N.R.C. tables have been used in the computations.

TABLE IV

NUTRIENT	(1)	(2)	(3)
	Man and wife	Man, wife and two children (4-6 and 7-9 years)	Man, wife and three children: "average"
Calories	5,600	9,200	10,100
Protein (g.)	130	240	285
Calcium (mg.)	2,000	4,000	5,230
Iron (mg.)	24	42	50
Vitamin A (I.U.)	6,667	10,667	12,333
Thiamine (mg.)	2.7	4.5	5.0
Riboflavin (mg.)	3.3	6.0	7.3
Nicotinic acid (mg.)	27	45	50
Ascorbic acid (mg.)	145	255	312

If we divide each of these figures by the corresponding figure in the proposed "single man's" scale (i.e. the second column of Table III), we obtain a ratio which indicates the degree of multiplication that needs to be applied to the value of each item in the "single man's" scale to bring it up to the level of what is demanded by the "family" scale. This is done in Table V.

TABLE V

NUTRIENT	RATIO "FAMILY : SINGLE MAN"		
	(1)	(2)	(3)
Calories	1.8	2.9	3.2
Protein	1.2	2.2	2.6
Calcium	3.5	7.0	9.2
Iron	0.6	1.0	1.2
Vitamin A	1.6	2.6	3.0
Thiamine	1.0	1.7	1.9
Riboflavin	1.5	2.8	3.4
Nicotinic acid	1.5	2.4	2.7
Ascorbic acid	1.2	2.1	2.6

From these ratios we can select a factor by which the figures for the basic diet of the single man need to be multiplied in order to achieve something like the indicated requirements of nutrients for the families of two, four and five individuals respectively. Table VI demonstrates the degree, on a percentage basis, to which requirements in general will be met if for these three families we take the factors 1.7, 2.8 and 3.1 respectively.

TABLE VI—PERCENTAGE OF THEORETICAL FAMILY REQUIREMENTS MET, BY USE OF THE FACTORS 1.7, 2.8 AND 3.1 IN RELATION TO THE "SINGLE MAN'S" SCALE

NUTRIENT	(1)	(2)	(3)
Calories	94	97	97
Protein	142	127	119
Calcium	49	40	34
Iron	283	280	258
Vitamin A	106	108	103
Thiamine	170	165	163
Riboflavin	113	100	91
Nicotinic acid	113	117	115
Ascorbic acid	142	133	119

The use of these factors manifestly ensures a reasonable approximation to fulfillment of the three "theoretical" families' requirements respecting Calories, and the same is true with regard to vitamin A and riboflavin, while the requirements of all other nutrients (with the exception of calcium) are appreciably exceeded. In connexion with this some of the remarks on the "single man's" scale, immediately following Table III, may conveniently be recalled at this point. Furthermore, however reasonable it might appear at first sight to comment that a more apposite dietary would be one from which these discrepancies were absent, that is to say one in which the amounts of all nutrients approximated more closely to 100 per cent of the estimated desiderata, it has to be remembered that the variety and scope of foodstuffs available is limited, for reasons already briefly discussed, and that to produce a theoretical ideally balanced dietary would constitute an "on paper" achievement largely devoid of practical applicability. It will scarcely be denied that if deviations from the calculated allowances are inevitable, it is preferable that they should be in a positive rather than a negative direction. Finally it is worth pointing out, lest the fact be lost sight of, that the diets discussed here do not purport to represent a "ration scale" to be issued to or imposed upon any section of the community whatever; all that they denote is a means of approach towards the assessment of the amount of money that must necessarily be spent by an African, or an African and his family, to ensure that at least they are not deprived of the opportunity to obtain for themselves the nutritional essentials of healthy life. The question of education concerning ways and means of making the best use of this opportunity is one that desperately needs attention, in relation not to Africans alone but to all races and communities the world over; but it is one with which this report is not directly called upon to deal.

LABOUR DEPARTMENT RECOMMENDED RATION SCALES
Nutritional Evaluation* of Scales 1-4, with N.R.C. Scale for Comparison

NUTRIENT	SCALE 1	SCALE 2	SCALE 3	SCALE 4	N.R.C. SCALE
Calories	3,435	3,461	3,389	3,197	3,000
Protein (g.)	123	120	128	92	70
Fat (g.)	56	71	54	54	—
Carbohydrate (g.)	610	585	596	586	—
Calcium (mg.)	1,054	433	1,256	961	1,000
Iron (mg.)	46	48	48	40	12
Vitamin A. (I.U.)	4,499	4,530	4,511	4,503	3,333
Thiamine (mg.)	3.06	2.88	3.23	2.81	1.50
Riboflavin (mg.)	2.50	1.61	1.62	2.39	1.80
Nicotinic acid (mg.)	15.5	18.9	25.5	15.0	15.0
Ascorbic acid (mg.)	108	103	136	158	75
Percentage of total Calories supplied by maize	69	68	70	74	

*This evaluation has been made by Dr. E. M. Case, Biochemist, Medical Department. The recommended dietary allowances of the United States National Research Council (N.R.C.) are given for the purposes of comparison.