



REPUBLIC OF KENYA

REMARKS BY

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DEVELOPMENT**

TO BE DELIVERED DURING THE

***STATE DEPARTMENT FOR INDUSTRIALIZATION - UNIVERSITY
OF NAIROBI INTERNATIONAL YOUTH DAY CELEBRATIONS 2021***

SCHEDULED FOR FRIDAY, 27TH AUGUST, 2021

The Principal Secretary, State Department of Youth, Mr Charles Sunkuli, CBS

The Vice Chancellor, University of Nairobi, Prof Kiama Gitahi

Group Managing Director and Group Chief Executive Officer, Equity Group Holdings Plc, Mr. James Mwangi, CBS

Members of the University of Nairobi's Management

Distinguished Panelists

Faculty of the University of Nairobi

CEO's of various SAGAs and Representatives of the Government present

The Youth of Kenya

Distinguished participants

Ladies and gentlemen,

Good afternoon.

I am delighted to join you today as we celebrate the International Youth Day, as a post day event. Before I proceed, I wish to thank the University of Nairobi for partnering with the State Department for Industrialization in actualizing this event. I also thank Equity Group for coming to share with us industry insight on how we can improve SMEs and Cottage Industries. We look forward to deepening our continued engagement for the good of our country, even as we deal with the COVID -19 mitigation measures.

The theme of today's celebrations, "**Harnessing The Power of SMEs and Cottage Industries in spurring Regional Development**" is commendable. SMEs are the drivers of our economy, and constitute of over 90 per cent of enterprise. This is because SMEs and cottage industries

constitute the leading form of economic engagement of Kenya's youthful population and presents greatest promise of turning around our economy to provide more gainful employment for the skilled and talented youth, among others. Today's meeting accords opportunity for academia, government, industry and society to ideate on how we can synergize our working together for enhanced socio-economic development of the country and our mutual benefits.

Today's celebration, which is a joint effort between the State Department for Industrialization and the University of Nairobi, is part of *Academia-Industry-Government collaboration*, which the state department is keen to forge and strengthen. As you may be aware, this Triple Helix of University-Industry-Government relationship is increasingly gaining prominence the world over, as the most effective, efficient and the preferred development model.

Without Academia-Industry-Government working together nothing will do, and with it everything. Such collaboration creates a symbiotic engagement in which:

- 1) Industrial needs are identified and industrial strategy defined, culminating in spin-off and start-up enterprises;
- 2) Collaboration with industry, real life projects and life-long learning results in transfer of latest scientific research to industry; and
- 3) The balance between engineering science and engineering practice inform new curricula and study programmes.

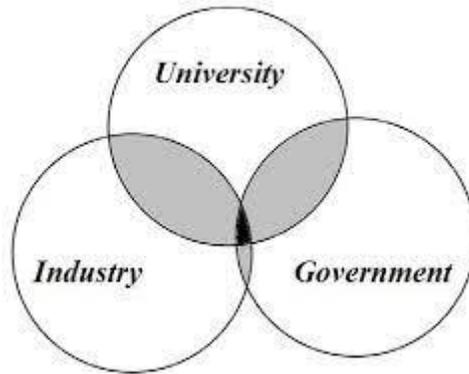


Figure 1: *The Triple Helix of University-Industry-Government collaboration*

This collaboration must derive benefit to society by addressing their concerns, needs, aspirations and even whims!. The three partners must proactively interact with the real world and keep their focus on the unfolding trends in order to provide leadership that is relevant in their respective fields. Academia must lead the way in seeking to address the skills needs for industry and provide solutions to the challenges confronting the society. Further, academia should reach out to policy makers and provide fact-based policy briefs which would in turn inform effective policy formulation. You must provide the glue which enable the partners in the triple helix to keep together for enhanced economic development. On the other hand, through such engagements, industry and government should step into the hallowed halls of academia to beta test policies and innovations for the common good, while sharing suggestions on how academia can improve course content and quality, in response to changing times. Together, we can turn the tables and convert the university from a source of job seekers into a factory of entrepreneurs.

We must create the right environment for the university to be truly an oasis of ideas and opportunities that create products, jobs and solutions to the challenges that confront society. I challenge academia to join us in initiating an entrepreneurship monitor for Kenya – and why not **“County Entrepreneurship Monitor”** which would compare entrepreneurial activities among the counties in Kenya. (*Entrepreneurial activity is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.*). Research has shown that just like in the marathon race that the more people enter the race, the more people are likely to finish. Similarly, there is need to encourage the drive to venture into business as a strategy of increasing the number of business that are conceived, start, grow and expand. This is the very reason we are engaging in this dialogue for us to candidly dialogue and improve our working with each other (Academia, Industry and government) for enhanced socio-economic development, job creation and eradication of poverty.

Ladies and gentlemen,

We all live in real world, which demands practical solutions to challenges which confront society. Ideally, Academia with its wherewithal of knowledge and experience in a spectrum of fields, observes what is happening in the world and domestic scene and approaches industry and government with proposals on how best to engage in order to address the

challenges that be for the betterment of society. On the other hand, through such engagements, industry and government steps into the hallowed halls of academia to beta test policies and innovations for the common good, while sharing suggestions and supporting academia to improve course content and quality. This is the very reason we are having this conversation for us to candidly dialogue and improve collaboration with a view to occasioning substantive positive social and economic transformation in Kenya.

COVID-19 Pandemic has indeed dealt global economy a devastating blow, resulting in scaling down and even winding up all together of many enterprises with attendant loss of jobs and incomes to many and loss of revenue which would have accrued as taxes for the Government. Nevertheless, despite this being a global occurrence, it is not time to slumber and mourn; instead we need to project our best thoughts forward and strategize to rekindle and strengthen our strategic industries for self-sufficiency and exports. You must be at the center stage of the thought process and actualization of this vision.

Ladies and Gentlemen,

It is from Academia that Industry and Government have obtained management practice that has enabled them to become more effective in service delivery. This is through better models and paradigm shifts that reduce bureaucratic delays, improve efficiency and that are strategic in working toward achieving national developmental outcomes. Academia has

also been key in shaping our national developmental plans, and in tracking their performance, while industry is the vehicle that works to achieve all this.

This symbiotic interaction is what has made some countries experience faster growth and development than others. A case in point being the Asian tigers i.e South Korea, Taiwan, Singapore and Hong Kong who between the early 1960s and 1990s, underwent rapid industrialization and maintained exceptionally high growth rates. The Asian tigers are where they are due to such collaboration of Academia, Industry and Government. I concur with John Mason (2006) who noted that **“ideas are like stars; we never reach them, but, like the mariners of the sea, we chart our course by them.”** It is through our collective ideation that we are able to chart the path towards a more prosperous Kenya. It is this symbiosis that we wish to tap into today, even as we pitch ideas.

Ladies and Gentlemen,

In 2017, the manufacturing sector was identified as the key driver for economic growth and development under the “Big Four” Agenda. The sector plays a critical role in contributing to economic growth and generating employment as the Country moves towards realization of the aspirations of Vision 2030. Its overall goal is to increase its contribution to Gross Domestic Product (GDP) by at least 15% by 2022, from 9.2% in 2016.

Whereas there are notable large industries in the country, they are not well spread out and are not able to harness local resources in a manner that would equitably and suitably improve the lives of the citizenry. Secondly, large industries have not been able to adequately engage Kenya's youth as a factor of production to provide them with a source of earning an income and grow their skills. Cottage Industries, on the other hand, can be established at the local level based on the respective location's resource endowment, thus distributing the attendant employment opportunities for youth both rural and urban to earn incomes as well as expand economic development. In addition to this, compared to medium and large industries, establishment of Cottage Industries require relatively modest capital and space and hence are affordable, with minimum barriers of entry.

It is against this background, the State Department for Industrialization is rolling out the **One Village One Product (OVOP)** initiative, a development model initiated in 1979 in the rural Oita Prefecture (County) of Japan by the late Dr. Morihiko Hiramatsu when he served as the Governor of the Prefecture. The model has since been replicated in several other countries in the world with commendable results. Kenya had adopted this model in the past, but due to lack of requisite resources, the programme slowed down.

Through the model, each village identifies a valuable local resource then adds value to it through either processing, sales and marketing activities.

The Concept targets to utilize the locally available resources to create jobs and wealth for the local communities across the country.

Ladies and Gentlemen,

As you may be aware, Cottage Industries are increasingly becoming key in lifting many developing economies to their next level of Industrialization, as experienced in Japan, India, Colombia, Brazil, Taiwan and Thailand among other countries. Kenya has the opportunity to do the same through the One Village One Product (OVOP) initiative, in which each village (i.e minimum-economic-size area) identifies a valuable local resource for manufacturing and value addition through processing, sales and marketing activities.

The OVOP model aims at achieving regional socio-economic development based on adding value to locally available resources in the country through resource identification, processing, quality control and marketing of the resulting products, ***“unda unachotumia, na tumia unachounda (uutu)”***

OVOP has 3 principles, namely: identification and development of resources at the local level, self-reliance and human capital development. Through this initiative, the Government will demystify industrialization by acting as a catalyst for community mobilization in the undertaking of value addition at the local level, aggregating at the regional level in readiness to

maximize on the country's manufacturing and export potentials, thus securing greater regional market dominance.

The OVOP initiative will also ensure that local content is achieved through planned sourcing, alignment, and processing of raw materials to the next level of production for bigger industry, or as finished goods in themselves. OVOP as a concept is also key in youth empowerment and employment as they would not need to migrate to take part in Kenya's industrial revolution.

Ladies and Gentlemen,

The State Department for Industrialization is also working with the youth more closely through the Kenya Industry and Entrepreneurship Project. The aim of the project is to increase innovations, productivity and competitiveness for select private sector.

The project is working with the Youth by strengthening the innovation ecosystem in various ways. The Ministry is working with innovation intermediaries that includes incubators, accelerators, Innovation Hubs and boot camp providers. Through enhancing these institutions and developing sustainable frameworks, more youths will be able to be supported to develop startups and enhance their entrepreneurial capabilities.

Once the intermediaries have developed the startups, the project has a Industry Startup Linkage program to provide the youths with innovative

startups an opportunity to grow their innovations with the Industry players. This sub-component will further build the soft skills for the startups and enhance their confidence to discuss, negotiate, and enter into business engagements.

In addition, the project has an Industry-Academia platform where students will be able to develop solutions for Corporate challenges that will be done through the project arrangements. Lastly, the International Acceleration Process provides an opportunity for the local ecosystem to access international resources that includes markets, mentors, venture capitalists and international challenge funds. We will ensure that even through such projects, we also empower the peri-urban and rural youth to take part in Kenya's economic transformation.

I wish to conclude my remarks, **ladies and gentlemen**, by welcoming Kenya's academia to be more proactive in reaching out to government and industry to proffer ideas and solutions, even when we are slow to do the same. That is the idea behind the creation of a university as a center of learning, research and outreach. It is our collective task to work towards realizing the words of the Founding Father of the Republic, Mzee Jomo Kenyatta in seeking to **become architects of the future**.

One aspect of the roll out of OVOP Phase III will entail resource mapping and profiling opportunities for investment purposes. What resources are we likely to find at the universities? How about your intellectual property?

Kenya constitution 2010 provides for recognition of intellectual property and obligates the government to promote, support, protect and enhance the intellectual property rights of the people of Kenya. As brain workers we anticipate to harness your intellectual endowment to build a better, greater Kenya.

I look forward to our interaction today, and to deepened partnerships going forward.

Shukran.