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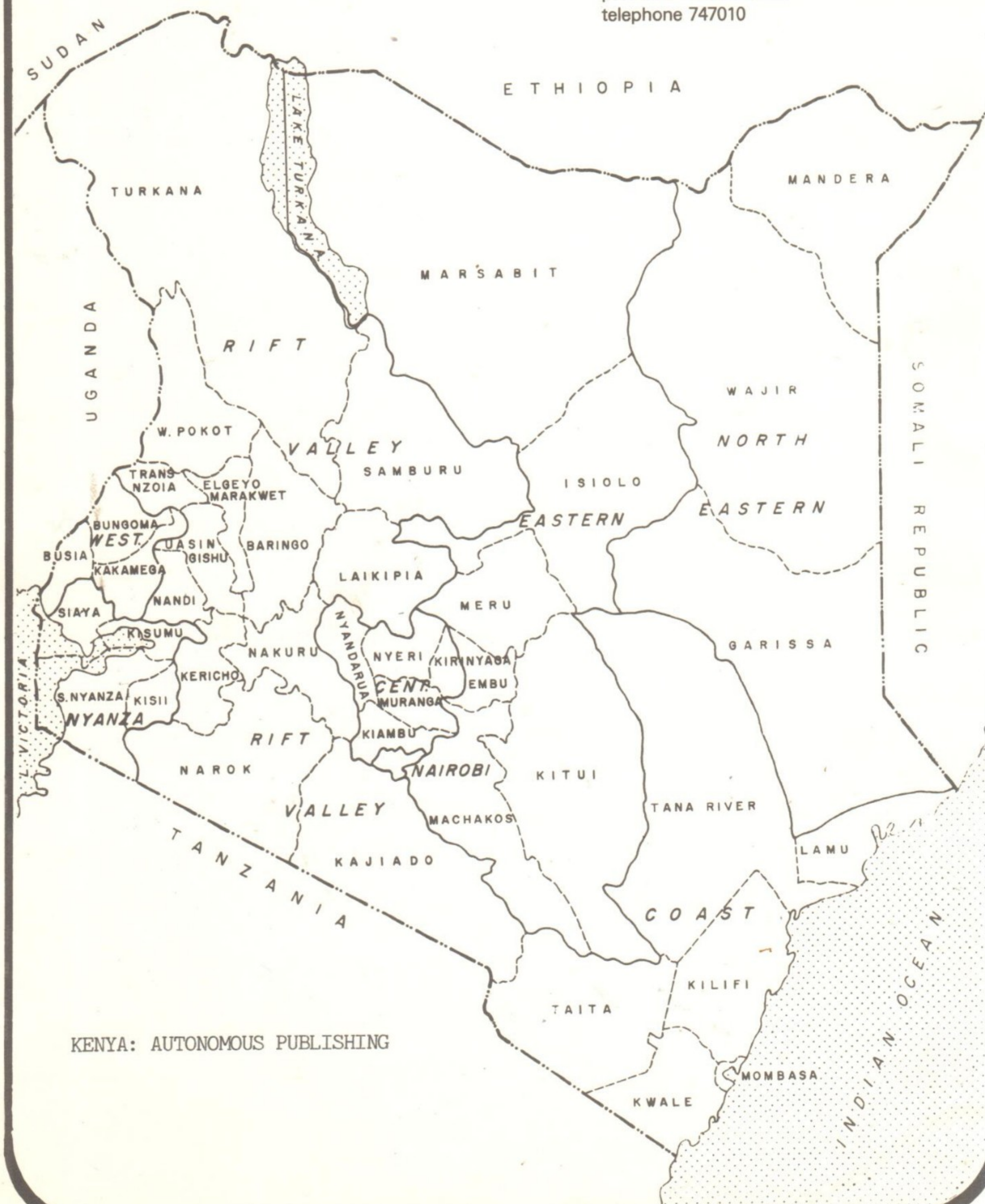

KENYA: AUTONOMOUS PUBLISHING

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AUTONOMOUS PUBLISHING CAPACITY IN KENYA.

KENYA TASK FORCE REPORT TO

DAG - HAMMARSKJOLD FOUNDATION

AND

FORD FOUNDATION

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1. Members of the Task Force:

This report to the Dag Hammarskjold and Ford Foundations was prepared by the Kenya Task Force made up of the following:

1. Leonard Okola
2. Henry Chakava
3. G-C. M. Mutiso
4. David G. Maillu

The Task Force was appointed as a followup of the Dag Hammarskjold Foundation seminar held in Arusha, April 1984 on Autonomous Publishing Capacity in Africa.

2. Introductory Note:

The Task Force was supposed to prepare a Kenya Document on Autonomous Publishing between October 1984 and April 1985. But for various reasons, the Task Force could not meet until 9th April, 1985. It decided to follow the format of the Tanzania Task Force Report in general as the Donor Agencies needed a draft by April 30th, 1985.

The work was shared among the members. The Task Force decided also to draft a statement on Autonomous Publishing in Tanzania and Kenya to form the general introduction to the Kenya Document. This was to be submitted by the Donors to the Tanzania Task Force for consideration.

Furthermore, the Task Force decided that it was expeditious to only cost one model of Autonomous Publishing. Such a costing gives all parties concerned a planning base.

Conclusions and Recommendations for Kenya:

Having prepared the document on Autonomous Publishing in Kenya, the Task Force reached the following conclusions:

1. The project on Autonomous Publishing in Kenya is viable given the existing publishing infrastructure and demand for books.

2. The project should fund at least three publishing houses in the first year. This will facilitate catering for different needs of the national market from the outset.

3. A trust should be established to handle the Donor Funds.

4. Although the Task Force shows two alternative financing methods for the Trust; ie., an annual Donor Grant and interest on Donor Deposited Funds, it thinks the latter approach is desirable.

5. The name of the Trust ought to be, Book Development Trust.

4. Autonomous Publishing: A Tanzania-Kenya Statement Draft:

(a) Introduction

The Publishing industry in Tanzania and Kenya, by no means different from any of the rest of Africa, has been dominated by European publishers. In the case of Tanzania and Kenya, by British publishers. At first this domination was typical of the colonial economy and ideology. In post-indepedence, a number of indigenous publishing houses sprang up, mostly state-owned, and a few private ones particularly in Kenya but still obeying the colonial ideology.

In colonial period there was very little of what one may term as national publishing houses. 'The first national publishing houses,' says Per Gedin in his 'outside view' paper, "Publishing in Africa: Autonomous and Transnational" (published in Development Dialogue, 1984:1-2), 'were parastatal organizations such as the Central African Publication Bureau founded in 1930 and the East African Literature Bureau which was started in 1947... entirely devoted to educational publishing... Lately, from the seventies onwards, a number of indigenous publishers have started their own operations in various countries. But the dominating power on the African publishing scene has been transnational publishers, or if we focus on anglophone Africa, British publishers.'

Henry Chakava of Kenya says of this, 'At different locations and times, Africans have attempted to set up an autonomous publishing houses with differing degrees of success. Many have failed to become viable in a commercial sense, and have collapsed. And a few have survived for some time - without, however, assuming the permanence or commercial resilence of their multi-national competitors.' (Development Dialogue, 1984: 1-2).

The high mortality of autonomous publishing capacity in Africa is caused by several factors. In the lead are financial constraints. Secondly, lack of strong national policy for publishing and book development in the country. Underdevelopment of this nature, unfortunately, has very adverse effects on the African people as a whole. Leonard Okola of Kenya puts it this way, 'In publishing, the exploitation becomes more subtle and yet more devastating... It is not only economic exploitation; it is also exploitation of the mind.' (Funding Autonomous Publishing in Kenya, A Proposal)

Per Gedin cannot agree with Okola any better than by submitting, 'The African book market is dominated by the sales of textbooks, especially for primary school. In anglophone countries, textbooks account for 80 - 95 per cent of the total book market. Between 80 - 95 per cent of that market is controlled by transnational publishers. Twenty years ago almost all books were imports from Europe... But as long as textbooks are produced outside the countries using them, the values of the producing country will be inherent.' To give his statement more weight, Gedin quotes the late Professor Kotei in a study carried out for UNESCO, '... It is the expatriate publisher... who controls the African intellectual system.'

'The main reason why foreign publishers confined themselves to educational publishing,' said Walter Bgoya of Tanzania in his address to the Arusha seminar, ' - and no one can say that they did not have the means to do a great deal more general publishing, and in African languages - was because it was most profitable. But there were other reasons. When they ventured into general publishing and literature in particular, they went out looking for authors who would write novels or poems they understood... The fact is, however, that these novels were better appreciated in Europe, because they had been edited for the European reader looking for something African to read.' In the already quoted Development Dialogue paper, Gedin quotes Chinua Achebe, 'The latter-day colonialist critic, equally given to big-brother arrogance, sees the African writer as somewhat an unfinished European who with patient guidance will grow up one day and write like every other European, but meanwhile must be humble, must learn all he can...'

To create a truly independent nation intellectually and culturally, it is obvious from the above argument that Africans must control their publishing industries. They should be the sole decision makers in what should be published and what should not be published.

(b) Definition of Autonomous Publishing House

Henry Chakava described it: 'An autonomous institution is one which is responsible to itself, and exercises complete freedom in the control of its policies, finances and management. An autonomous indigenous publishing house must therefore be one owned and controlled by Africans themselves, either as individuals, or as a group, or working through an independent institution; and must itself be situated in Africa.'

It is this indigenous autonomous publishing house that will explore with commitment all the diversities of publishing capacity in Africa. It will also look into the desperate situation of publishing in indigenous languages and develop reading material from other writers than those who write in foreign languages. Only then shall publishing programmes in Africa acquire true African roots.

(c) The Dag Hammarskjold Foundation Seminar

The above observations were discussed and articulated in more details in Arusha, Tanzania, at a seminar organised by the Dag Hammarskjold Foundation in April, 1984, convened to discuss the subject, 'The Development of Autonomous Capacity in Publishing in Africa.' The seminar was attended by 25 participants, mainly publishers, writers and book sellers but also policy makers, bankers and researchers. It was directed by the General Manager of Tanzania Publishing House, Walter Bgoya, and Per Gedin, the Publisher and Director of Wahstrom & Widstrand.

(d) Seminar Recommendations

It was agreed that there was an urgent need for autonomous publishing house in Africa. But such need necessitated pragmatism to combat a number of the identified factors that mitigated against development of autonomous publishing capacity. Therefore, the seminar concluded, 'In its infancy, the autonomous publishing requires support, not only from governments but also from international and donor institutions. This assistance will enable the industry to acquire the necessary instrument and develop training facilities, as well as organizational framework, that are essential for a sure foundation and subsequent health growth. This support is needed not only to strengthen the publishing industry but also printing industry and allied book trade.'

However, the support in question could not be obtained without a proper study of the nature of the desired financial support. That is, the application for such support must be evaluated in figure work based on the background publishing requirements of the country. Tanzania and Kenya were named as countries to be used for a pilot programme, later to be followed by some West African countries. To study the requirements and write up the proposal, the Dag Hammarskjold Foundation and the Ford Foundation were both requested to jointly or singly provide funds to cover the cost of this study. The study had to be taken in each country by a named Task Force to outline the organizational, managerial and legal aspects of the applicants, and to consider such issues as potential sources of funds, disbursement of funds in the form of loans or grants, grace period envisaged, and availability of institutions providing appropriate advisory services for autonomous indigenous publishers.

(e) Point of Departure

In a brief followup meeting held on 1 - 2nd April, 1985, in Nairobi between the Tanzania and Kenya Task Forces, Per Gedin and Goran Hyden representing the Dag Hammarskjold Foundation and the Ford Foundation respectively, problems facing the Task Forces were reviewed. After scrutiny of the proposals prepared by the Task Forces, it was felt that since Tanzania and Kenya operate on different political, economic, and industrial systems, each country should prepare its separate financial proposals. However, since on the other hand the two countries still share many basic requirements to achieve autonomous publishing capacity, the two should adopt a common introduction which is the draft given above. The following is, therefore, the Kenyan point of departure or deviation after the common introduction.

5. Indigenous Autonomous Publishing Capacity For Kenya.

(a) Choice of the Bank

We recommend that the applicants should operate a special line of credit through a commercial bank. For this purpose, we have chosen the Kenya Commercial Bank (KC) which is 100 per cent Government owned, with considerable experience in such special lines of credit for small medium-size industrialists.

Under the special line of credit arrangement, the bank shall charge a small operating fee for operating the scheme. Such fee should be charged to the borrower, but should be underwritten by the Donors.

The support should be either in form of overdrafts or loans. It should carry a grace period of 3 years.

(b) Trust Foundation

We recommend the establishment of a legal and registered Trust Fund Foundation. This body should be indepented from the publishers and must be in-keeping with the Kenya law. Initially, it should exist for 5 years and then be reviewed. For the five years it should operate strictly as a conduit for funds. It should have an office situated in Nairobi. The body shall guarantee the loans in question in accordance with the provisions laid down by the registration of such body in the interest of the parties concerned - the Kenya Autonomous Publishers and the Donors.

The body shall comprise a board of 5 trustees including an executive director who shall not be a full-time employee of the foundation. He shall work on a part-time basis, putting an average of 4 hours worth of job a week. The foundation shall have a full-time secretary. A clerk or office messenger shall work on full-time basis too. Hence, the office shall be manned as follows:

1. One part-time Executive Director
2. One full-time Secretary
3. One Clerk/Messenger

The Board of Trustees shall comprise people with the following background:

1. One Publisher (to represent the interest of Donors)
2. One Banker
3. One Lawyer
4. One Academic
5. A national figure (as the Chairman)

The Publisher to sit in the Board shall be elected to the office for 2 calendar years. Preferably, he should be named by the Donor(s). Apart from the costs of running the Trust and its advisory committee, there should be no other overhead costs involved. The law setting up the Board will make provisions for the Board's continuous renewal.

(c) Present Structure of Publishing in Kenya

The major indigenous publishing houses in Kenya are:

1. Kenya Literature Bureau.............. (with about 770 titles)
2. East African Publishing House........ (with about 750 titles)
3. Jomo Kenyatta Foundation............. (with 238 titles)

(These figures were obtained from the Publishers in April, 1985, at the time of preparing this report)

The Kenya Literature Bureau and Jomo Kenyatta Foundation are Government owned. The East African Publishing House operates on Trusteeship(?). There are other privately owned companies that number about a dozen, most of them with 1 - 5 titles. On the average, they would have 10 titles each. That brings the total number of their publications (in various languages) to 120 titles. The total number of titles published in Kenya autonomously therefore, are 1,878: in a round figure about 2,000. About 75 per cent of these publications are school textbooks.

A nation such as Kenya would starve to death literary if it had to survive on its indigenous publishing. The figures above give Gedin's statement emphasis that Kenya, too, has to rely on the multi-national publishers for their 80 - 95 per cent of book consumption. Given the nature of transnational publishing interest in Africa, one can clearly see how faulty the publishing policy or industry is. It is then absolutely clear that, as concluded at the Arusha seminar too, the publishing in Africa (Kenya in this context) is a desirable and viable economic proposition and instrument of development.

(d) Authors

It is a matter of common sense that the publishing industry in every country controls the growth of its writers. Given the below-poverty publishing capacity in Kenya, it follows that there are few writers in the country published.

'Kenya does not have a corpus of self-motivated textbook writers,' advances Henry Chakava in "Books and Reading in Kenya" (a study publication for UNESCO). But on Fiction writers, his study is positive: 'Judging by the number of unsolicited manuscripts that daily flow into local publishing houses, Kenya has no shortage of creative writers. What it lacks is the capacity and funds to contain them all. Admittedly, the quality of their writing is not always outstanding, but it is frustrating to have one's manuscript kept by a publisher for a long time, only to be returned without comments. Local publishers put more emphasis on text books because that is where the market is. One publisher frankly printed the following notice in his catalogue:

'"African publishers have to pay particular attention to the school market, and where choice is between a potential successful school book and literary masterpiece (although these can be one and the same thing) economic forces push the publisher to give priority to the former. The importance of this (notice) can be best seen when it is realised that East African Publishing House can only publish 80 of the more than 1,000 manuscripts we receive every year."

'The number of new books published in Kenya has dropped drastically since this notice appeared and yet, it can be assumed, Kenyan creative writers have continued writing with the same fervour.'

Kenya's demand for Fiction can be best understood by the quantity of Fiction books imported every year. David Maillu's print-runs of 10,000 copies were sold out in a year's time. Other popular Kenyan publications in the lead like Song of Lawino, Son of Woman, What a Husband, and so on, have done very well in the open market in this yet underdeveloped readership.

(e) Printing Capacity
The printing industry in Kenya is well developed and very competitive. The three major publishers - Kenya Literature Bureau, Jomo Kenyatta Foundation, and East African Publishing House, have each their own printing press. Panafrican Paper Mills in Western Kenya supplies all the uncoated printing paper. There are many very skilful book printers and binders in Nairobi. A good number of the leading printing houses are owned by Kenyan Indian merchants. In fact, it has been argued that Kenya has a bigger printing capacity than it actually requires. The commercial printers compete hard for work from publishers. Quite a number of the printers have four-colour printing machines and high quality of type-setting equipment.

6. The book Market in Kenya

(a) Primary School Books
The biggest market in the publishing industry is in Primary Schools. As shown in Table 2, Primary Schools contain the largest number of learners. Jomo Kenyatta Foundation is built solely on this market. Transnational publishers compete ruthlessly for sales of Primary books to the Kenya School Equipment Scheme. Publishers who do not have a stake in this market find their own survival hard going. As the number of Primary material consumers continues to increase (see Table 2), it is obvious that this market will grow to yet greater importance. One area that has been given little attention by the indigenous publishers is that which caters for supplementary readership. Nearly most of the books for this consumption are published by the transnationals. Indigenous publishing has tended to concentrate on course books, although they have a long way to go yet to produce everything required.

(b) Secondary School Books
This market is the next biggest (see Table 2). Indigenous publishing has done far less for this level than for Primary. This is so since Primary school textbooks have been subject to statutory direction which favoured indigenous publishers. Materials for Secondary have not been favoured in the same manner. Henry Chakava pointed out ealier that Kenya lacks corpus of self-motivated textbook writers. This misfortune is more

critical in Secondary textbooks. It is in this area where multi-nationals reap handsomely and control almost completely what has to be read. The higher the ladder of education one climbs from Secondary, the more total domination of reading material is exercised by the transnationals. At the university level, the indigenous publisher has a pathetic tiny share.

With the kind of emphasis on cultural values and more relevant material for education in Kenya, the autonomous publisher has an ample room to do better than the multi-nationals in developing the right texts. This is because he is in a unique position to understand better the values and aspirations of both his people and the Government. His contribution should be indispensable with in the development of the right ideas and adoption of the suitable traditional methods and choice of the right materials for teacher training centres and adminstrative positions.

(c) Trade and Other Books

There is very little, if any, of indigenous publishing in technical books. The contribution of autonomous publishing houses should explore this market which, for the time being, is not so attractive but of great importance in national contribution. However, with Kenya Government's new emphasis on technical subjects even to the extent of being taught in Primary schools, there is certainly a growing market. The Government directive is intended to try to instil a more meaningful education for its citizens by trying to move the nation from the worship of white-collar jobs (which are hardly there anyway) at the expense of the necessary technical skills that make any nation more stable, self-reliant, and richer in its various production capacities. Obviously, teachers will need books in the implementation of this policy. As the nature of the technical education in emphasis in Kenya may not necessarily be that required in Britain (essentially they should be different) where most of the published material comes from, again, it is definitely the autonomous Kenyan publisher who is in a better position to interpret meaningfully the Government's call by developing really suitable materials. With the increase in the number of teachers in Kenya (see Table 2), backed by the sharp increase in population, as projected in Table 5, there is definitely a developing market and, ideally, the autonomous publisher must grow with it and endeavour to satisfy its demand.

Another area that has been gravely ignored by the indigenous publisher in Kenya, is that of what one could call, "Adult Reading Materials" or what one may also refer to as post-school books. A lot of this reading is concentrated on leisure books; that is, materials for entertainment. The novel is most suitable. To this is added inspirational books and a cross-section of books to perfect one's skill in either a profession or hobby. This is the area that the African Writers Series partially aimed at capturing, but the publisher's temptation to still hold the school market made the books somewhat too 'technical' and foreign. As such, the publications lost a good deal of the reader's enthusiasm to the likes of the Hardley Chase, the Dale Carnegie, and religious literature. Macmillan Education started their Pacesetters series to give answer to this demand. The series is said to move very fast, particularly because it centres on the young reader of the modern Africa in his attempt to understand his world and identify with it. Similarly, one can expect some African aesthetics rejected or edited out in the preparation of this series published in Britain.

Kenya has definitely a potential market for this post-school and leisure reading. For instance, when one looks at the number of primary school leavers or drop-outs as they are sometimes referred to, one cannot help to wonder, 'What in the hell will these people read; that is, if they must keep themselves literate and informed of their world?' After secondary school too, what will they read? What will they read after teacher training colleges, polytechnics and universities? The answer to these questions is materials published for them locally.

It is sensible to advance a claim that the ordinary citizen with a bit of income would want to read an entertaining story sometimes and somewhere, either in a book he or she has bought or borrowed from a friend. The autonomous publisher has, therefore, a very big challenge to develop hobby-reading materials in the appropriate languages for all levels of those out of learning institutions. The novel cannot keep on coming from Britain and yet bear the aesthetics of the African soul. If it must bear it, it must be developed and produced in the surrounding where it is felt and experienced

(d) Inter-African Market

The autonomous publisher should not simply aim at publishing for his own country. A novel that is really thrilling to a Kenyan is likely to be so to a Tanzanian, Zimbabwean and so on. So is an inspirational book. For this reason, it should be made available on the African market too. The link to other parts of Africa shall be laid down much more solidly by the novel and the general publishing for Africa as a whole. There are many huddles to cross nevertheless, but then an autonomous publishing house should be here to stay and grow with the spirit of the African people.

There is great danger in concentrating on one type of book, particularly for a young publisher. The publisher may hit the jackpot with one title or several school books, but then the school system is always subject to the policies of the state. A book that is in the syllabus today may be out tomorrow. Sometimes the worst catches up with the publisher of such book if the authorities decide to strike the title off the list without any notice (which is quite normal) when the publisher has huge stocks of the same title. Sometimes it needs a single man (in some cases corrupt) to express his disapproval of that text and out it goes.

The general book and the novel, if popular, will keep the publisher happy irrespective of the political weather. In a way, it is a security publication and if there is anything that a young publisher needs most, it is security of his funds. So, it is the sky which is the limit as to what a creative publisher can do for the adult reader.

<u>Table 1</u>

NUMBER OF SCHOOLS

Year	Primary	Secondary	Teacher Training	Technical Training
1979	9,622	1,721	20	16
1980	10,255	1,785	20	18
1981	10,817	1,904	20	18
1982	11,497	2,131	21	18

Source: Statistical Abstract, 1983, Central Bureau of Statistics, Ministry of Economic Planning and Development.

Table 2

NUMBER OF LEARNERS

Year	Primary	Secondary	Teacher Tr.	Technical Col.	Annual volume of readership
1979	3,698,246	396,782	9,906	7,607	4,088,541
1980	3,926,269	419,201	12,126	8,575	4,366,171
1981	3,981,162	409,850	12,596	9,123	4,412,731
1982	4,184,602	438,424	11,405	9,199	4,643,630

Source: Statistical Abstract, 1983, Central Bureau of Statistics, Ministry of Economic Planning and Development.

Table 3

NUMBER OF TEACHERS

Year	Primary	Secondary	Technical Sec.	Technical Colleges
1979	63,361	7,565	343	692
	24,401*	7,336*	60*	
Total	91,762	14,901	403	
1980	72,029	8,229	390	732
	30,460*	7,687*	43*	
Total	102,489	15,916	413	
1981	73,499	8,916	276	694
	37,412*	8,110*	113*	
Total	110,911	17,026	389	
1982	80,664	8,277	343	720
	34,430*	8,571*	192*	
Total	115,094	16,848	535	

*Untrained Teachers

Source: Statistical Abstract, 1983, Central Bureau of Statistics, Ministry of Economic and Development.

Table 4

ENROLMENT IN TEACHERS' TRAINING COLLEGES

Year	Males	Females	Total
1980	7,246	4,880	12,126
1981	7,682	5,426	13,108
1982	6,696	4,709	11,405

Source: Statistical Abstract, 1983, Central Bureau of Statistics, Ministry of Economic Planning and Development.

Table 5

PROJECTION OF POPULATION INCREASE BASED ON 1979 CENSUS
(Increase at 4 per cent annually, to the nearest 1,000)

1979	1980	1981	1982	1983	1984
15,327,000	16,040,000	16,578,000	17,141,000	17,827,000	18,550,000

(e) Pre-Primary Market

This is another field where indigenous publishing has hardly touched. The standing regulation in Kenya is that every child must attend kindergarten before being admitted to Standard One. In other words, pre-primary education is compulsory. Most kindergarten teachers have to struggle without books. They have to improvise their own teaching materials. This problem is slightly less in urban settings where English is used as the media for instruction and teachers can use imported books that, of course, still leave a lot to be desired because they were not conceived and published with an African child in mind, taking into consideration the fact that the European child lives in an extremely different world from that of the African child.

This is one area where the autonomous publishing house can play a major role in developing the book for that child. There is obviously a great need for relevant books for this populous consumption. In rural areas where the child has to be taught in mother-tongue for some time, there is need for books in mother-tonue, and more suited to the needs of the rural child.

(f) School Subjects

Kenya indigenous publishing has made some appreciable effort in certain subjects, particularly in local languages including Kiswahili. The Kenya Institute of Education has done an excellent job in this respect. But this is only in as far as course books are concerned. At the same time, one cannot really say that what has been published so far is the very best. There is ample room yet for improved course books in local languages and also supplementary materials in the same languages. Table 6 illustrates the subjects taught in primary and secondary schools. There is a restructuring of the school system into 8 years primary, 4 in secondary, and 4 at university going on now. This should lead to other subjects giving new opportunities to the autonomous publisher over and beyond the subjects shown below:

Table 6

SUBJECTS TAUGHT IN PRIMARY AND SECONDARY SCHOOLS

Primary	Secondary
1. Mother-tongue	Kiswahili
2. Kiswahili	Mathematics
3. Mathematics	English Language
4. English Language	French/German (in some schools)
5. Sports & Games	Geography
6. Geography	History
7. History/Civics	Religion
8. Religion	Sciences (Physics, Chemistry, Biology)
9. Science	Music (in some schools)
10. Agriculture	Agriculture
11. Art and Craft	Fine Art (in some schools)
12. Health Science	Home Economics
	Asorted Technical Subjects (in some schools).

(g) Adult Education

The Government has an adult education programme in progress. The Adult Literacy Department of the Ministry of Social Services, has published several titles designed for adult literacy. But the programme has met many obstacles in getting the right books as emphasis is not placed on mere literacy as such, but on an integrated programme that educates the adult about better ways of living and how best to make use of his or her resources. Important also is skill and appropriate scientific and technological ways of harnessing the learner's world for improved healthy living. The real problem of this programme is what to offer to the adult after he has become literate. Without followup reading books that make him want to keep on reading, the already literate reverts into illiteracy. Autonomous publishing could give a contribution to this desperate situation and there is a market for his publications.

Just how intensive and effective the adult literacy programme has gone in Kenya, has yet to be shown. But there are already many centres throughout the Republic that caters for this scheme.

The family planning programme is also part and parcel of adult literacy campaign. The Kenya Government is committed to a family planning scheme to combat its excessive population explosion estimated advancing at 4 per cent and rated as one of the highest, if not the highest in the world. There is a critical lack of meaningful literature to help implement this programme. The challenge is that such literature must also be available in mother-tongue. Autonomous publishing could be a turning point against this frustration if publishers joined hands with the Government at one point to seek and publish and market the right books in the appropriate languages.

7. The Trust Costings

(a) Office Expenses - 5 Year Projection

	Year 1 Shs.	Year 2 Shs.	Year 3 Shs.	Year 4 Shs.	Year 5 Shs.
Bank Charges	6,000	7,200	8,640	10,370	12,440
Travelling.....................	10,000	12,000	14,000	17,280	20,740
Entertainment..................	5,000	6,000	7,200	8,640	10,370
Vehicle Running................	24,000	28,800	34,560	41,470	49,760
Printing/Stationery............	12,000	14,400	17,280	20,740	28,890
Postages.......................	3,000	3,600	4,320	5,180	6,220
Telephone & Cables.............	6,000	7,200	8,460	10,370	12,240
Rent...........................	60,000	60,000	75,000	90,000	90,000
Electricity & Water............	6,000	7,200	8,460	10,370	12,240
Advertising/Publicity..........	3,600	4,320	5,180	6,220	7,460
Insurances.....................	21,000	22,580	24,270	26,090	28,040
Repairs & Replacements.........	2,400	2,880	3,460	4,150	4,980
Salaries.......................	126,000	151,200	181,440	217,730	261,280
N.S.S.F........................	6,600	7,920	9,500	11,400	12,690
Pension/Provident Fund.........	6,600	7,920	9,500	11,400	12,690
Subscriptions..................	3,000	3,600	4,320	5,180	6,220
Publicity/Promotion Expenses...	6,000	7,200	8,460	10,370	12,440
Directors fees & Expenses......	24,000	25,800	27,740	29,820	32,060
Audit Fees.....................	5,000	5,380	5,780	6,210	6,680
Fees & Licences................	2,000	2,400	2,880	3,460	4,150
Legal Fees etc.................	1,000	1,200	1,440	1,730	2,070
Depreciation...................	60,000	60,000	60,000	60,000	60,000
Staff Welfare..................	6,000	7,200	8,640	10,370	12,440
Miscellaneous Expenses.........	9,800	11,760	14,110	16,930	20,310
	415,000	467,760	545,030	635,480	724,410

(b) Staffing

Part-time Executive Director....	Salary	Shs. 6,000 p.m.
Secretary........................	"	Shs. 2,000 p.m.
Clerk............................	"	Shs. 1,500 p.m.
Messenger........................	"	Shs. 1,000 p.m.
Total		Shs.10,500 p.m. x 12 = 126,000

(c) Directors Fees/Expenses

5 Board Members, Meeting 4 times a Year @ 1,200/- each = Shs. 24,000/-

(d) Office Furniture and Equipment

Cost of Partitioning........................	Shs. 10,000
Manager's Desk.............................	Shs. 3,000
4 Clerical Desks & Shs. 1,250/-	Shs. 5,000
6 Ordinary Chairs & Shs. 500/-	Shs. 3,000
Shelves, etc................................	Shs. 15,000
1 Calculator................................	Shs. 5,000
1 Typewriter................................	Shs. 50,000
Others......................................	Shs. 10,000
Total......................	Shs.101,000

(e) Motor Vehicles

One small van.............................. Shs.180,000

(f) Cost of Financing the Trust

1. By Direct Grants	Year 1 Shs.	Year 2 Shs.	Year 3 Shs.	Year 4 Shs.	Year 5 Shs.
(a) Preliminary (Trust Formation) Expenses ..	20,000	-	-	-	-
(b) Office Expenses.......	355,000	407,760	485,030	575,480	664,410
(c) Office Furniture - Equipments...........	101,000	-	-	-	-
(d) Vehicles..............	180,000	-	-	-	-
	656,000	407,760	485,030	575,480	664,410
Less Income on Disposal of Assets - say	-	-	-	-	100,000
Total Required...........	650,000	407,760	485,030	575,480	564,410

2. On Income from Invested Funds

The Table below shows the level of invested funds needed to finance re-current office expenses at various levels of Returns on Investments.

R.O.I. %	Year 1	Year 2	Year 3	Year 4	Year 5
	Investments Shs. '000				
Running Expenses...	355	408	485	576	504
12	2,958	3,400	4,042	4,800	4,217
13	2,731	3,138	3,731	4,431	3,877
14	2,536	2,942	3,464	4,114	3,600
15	2,367	2,720	3,233	3,840	3,360

In addition to the above, the funds to purchase capital equipment amounting to Shs. 281,000, and trust formation expenses estimated to be Shs. 20,000, will be needed in the first quarter of the first year. In arriving at the above, the following assumptions have been made:

1. Depreciation charge of 12½ on cost of office furniture and equipment, and 25% on motor vehicles.

2. Insurances will be 7½ of the replacement value of assets.

3. An insurance increase in expenses at 20% compounded annually, except on Insurances, Directors fees and Audit fees which have increased by 7½. No increases in Depreciation have been provided for.

4. Pension and N.S.S.F. - 5% of the salaries.

5. Generally speaking, income from the invested funds would be drawn after every six months. This would mean that funds would be made available for investment at least six months before the Trust starts operations.

6. Rent will remain unchanged during the first 2½ years, and then will increase by 33%.

(g) Notes on Office Expenses

1. Travelling: It is expected that the team manning the Trust will be involved in some consultations between themselves, prospective authors, printers and other related parties. These may not all be in the vicinity of their places of work and as such travelling expenses will be inevitable.

2. Vehicle Running Costs: Repairs, maintenance, road licence, inspection fees, fuel, and lubricants. This covers only running costs in the town, and excludes expenses on up-country trips if any.

3. Printing and Stationery: Cost of Stationery including letter-heads, files, envelopes and other ancillary items.

4. Rent: Cost of hiring offices. This works out to be 15,000 shillings per month.

5. Insurances: This is only estimates for premiums on office furniture, equipment and motor vehicles. It does not include insurance cover for (a) Burglary and house Breaking (b) Public Liability (c) Life covers and personal accident (d) All Risks Insurance, etc.

6. Subscriptions: Costs of membership by the Trust and its senior officers of any trade, profession or other organisations with a view to furthering the Trust's interest. Cost of periodicals, publications, technical journals and magazines.

7. Fees and Licences: Cost of rentals and rates, trading/show licences, fines and penalties.

8. Depreciation: Depreciation charges on the vehicles, and office furniture/Equipment at the following:
   1. Van 25% p.a.
   2. Furniture Equipment 12½% p.a.

9. Miscellaneous Expenses: This is the cost of various items not delt with under any other heading, such as: donations, employers engagements expenses, training expenses.

8. The Publishing Costings

(a) Office Expenses - 5 Year Projection

	Year 1 Shs.	Year 2 Shs.	Year 3 Shs.	Year 4 Shs.	Year 5 Shs.
Bank Charges............	12,000	14,400	17,280	20,740	24,880
Travelling..............	36,000	43,200	51,840	62,210	74,650
Entertainment...........	15,000	19,200	23,040	27,650	33,180
Vehicle Running.........	60,000	72,000	86,400	103,680	124,410
Printing Stationerr......	36,000	43,200	51,840	62,210	74,650
Postages................	12,000	14,400	17,280	20,740	24,880
Telephone & Cables.......	18,000	21,600	25,920	31,100	37,320
Rent....................	120,000	120,000	140,200	160,000	160,200
Electricity & Water......	12,000	14,400	17,280	20,740	24,880
Advertising & Publicity..	60,000	72,000	86,400	103,680	124,410
Insurances..............	101,130	108,710	116,870	126,630	135,060
Repairs & Replacements...	12,000	14,400	17,280	20,740	24,880
Salaries................	348,000	417,600	501,120	601,340	721,610
N.S.S.F.................	17,400	20,880	25,060	30,070	36,080
Pension/Prov. Fund.......	17,400	20,880	25,060	30,070	36,080
Subscriptions...........	10,000	12,000	14,400	17,280	20,740
Publicity & Prom. Exp....	40,000	48,000	57,600	69,120	82,940
Reading & Editorial......	48,000	57,600	69,120	82,940	99.530
Directors' Fees & Exp....	24,000	25,800	27,740	29,820	32,050
Audit Fees..............	30,000	32,250	34,670	37,270	40,060
Fees & Licences	5,000	6,000	7,200	8,640	10,370
Legal Fees..............	6,000	7,200	8,640	10,370	12,440
Bad Debts...............	15,750	31,500	59,850	88,200	123,170
Depreciations...........	159,000	159,000	159,000	159,000	34,000
Staff Welfare...........	15,000	19,200	23,040	27,650	33,180
Commission to Distributor	105,000	210,000	399,000	588,000	821,100
Miscellaneous Expenses...	20,000	24,080	28,800	34,560	41,470
Stock Depreciation.......	-	-	-	-	84,700
	1,354,680	1,649,500	2,097,730	2,573,450	3,092,720

(b) Titles to be Published	Year 1	Year 2	Year 3	Year 4	Year 5
Previous Years' Tiles	-	10	20	32	44
New Titles....................	10	10	12	12	15
Total.........................	10	20	32	44	59

(c) Production and Sales Schedules in Units

	Year 1	Year 2	Year 3	Year 4	Year 5
Opening Stock..........	-	25,000	25,000	30,000	30,000
New Prints	50,000	50,000	60,000	60,000	75,000
Reprints...............	-	-	40,000	80,000	128,000
	50,000	75,000	125,000	170,000	233,000
Less Sales.............	25,000	50,000	95,000	140,000	195,500
Closing Stock..........	25,000	25,000	30,000	30,000	37,500
Stock Value at Cost....	385,000	385,000	462,000	462,000	577,500

Print Run at (a) New Titles - 5,000 copies
(b) Reprints - 4,000 copies

(d) Sales Plan

1. 50% of new titles will be sold in the year in which they are printed and the remaining 50% in the following year.
2. Reprints will be sold in the year in which they are printed.
3. 25% trade discount and 10% Royalty on Selling Price.
4. Average cost of Book production will be 26.8% S.P.
5. Gross Margin per Book will be 37.5% of S.P.
6. Annual increase in expenses has been assumed to be 20%, except Insurances, Directors' Fees and expenses, and Audit fees which have been increased by 7½% p.a. Depreciations remain unchanged.
7. Bad Debts - 1.5% on nett sales.
8. The life cycle of a book is 4 years; hence stock depreciation has been provided for only in the 5th year.
9. The following cost/price structure will be representative of all titles sold:-

	Gross Sales %	Net Receipts %	Shs.
Selling Price	100.0	133.3	56.00
Less Trade Discount......	25.0	33.3	14.00
Nett Sales	75.0	100.0	42.00

Less Cost of Sales	Gross Sales %	Nett Receipts %	Shs.
Royalty......................	10.0	13.3	5.60
Printing Cost.................	26.8	35.7	15.00
Cost of Sales.................	36.8	49.0	20.60
Gross Profit..................	38.2	51.0	21.40

10. Customers will be granted 60 days credit and cash sales will be 5 of nett sales.

11. Printers will allow 30 days credit, but other expenses will be paid in the month in which they are incurred or thereabout.

12. The firm will achieve the optimum size of its operations in the 5th year. Any future growth will require further evaluation in terms of organisation structure and long/short term capital requirements, etc.

13. (a) Staffing

Managing Director..........	Salary.....	Shs. 10,000 p.m.
Editor....................	"	Shs. 7,000 p.m.
Salesman..................	"	Shs. 5,000 p.m.
Secretary.................	"	Shs. 3,000 p.m.
Messenger.................	"	Shs. 1,000 p.m.
Accounts Assistant.........	"	Shs. 3,000 p.m.
Total...............................		Shs. 29,000 p.m. x 12 = 348,000 p.a.

(b) Furniture and Equipment

Cost of partitioning offices...........	Shs. 20,000
Managing Directors' Desk...............	Shs. 5,000
5 Desks @ Shs. 2,000 each..............	Shs. 10,000
1 Managing Director's Chair	Shs. 2,000
8 Clerical Chairs @ Shs. 500	Shs. 4,000
Shelves, Cabinets, Stools, etc.........	Shs. 50,000
1 Calculator..........................	Shs. 10,000
1 Typewriter..........................	Shs. 50,000
1 Duplicating Machine..................	Shs. 50,000
1 Photo Copier........................	Shs. 50,000
Other Small Expenses...................	Shs. 20,000
	Shs.271,000

(c) Motor Vehicles

One Car..........................	Shs. 300,000
One Sales Vehicle................	Shs. 200,000
	Shs. 500,000

14. Commission to the distributor is assumed to be 10% of receipts. If two or more publishers are assisted, it would be more economical for them to run their own distribution jointly. In any case, should a single publisher find that his distribution costs amount to less than what he is paying the distributor, he should arrange to do his own distribution.

15. Rent will remain unchanged during the first 2½ years after which it will increase by 33%.

(e) Receipts From Sales are Projected Below

	Year 1 Shs.	Year 2 Shs.	Year 3 Shs.	Year 4 Shs.	Year 5 Shs.
Gross Sales.............	1,400,000	2,800,000	5,320,000	7,840,000	10,948,000
Cash Sales..............	52,500	105,000	199,500	294,000	410,000
Bad Debts...............	35,000	70,000	133,000	196,000	273,700
Trade Discounts.........	350,000	700,000	1,330,000	1,960,000	2,737,000
	437,500	875,000	1,662,500	2,450,000	3,420,700
Estimated Receivables...	962,500	1,925,000	3,657,500	5,390,000	7,527,300
	1,400,000	2,800,000	5,320,000	7,840,000	10,948,000

Receipts From Sales

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Sales.............	52,500	105,000	199,500	294,000	410,000
Debtors - Current......	802,080	1,604,160	3,047,920	4,491,670	6,273,750
Outstanding............	-	160,420	320,840	609,580	898,330
	854,580	1,869,580	68,240	95,250	82,080

(f) Projected Profit/Loss Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Sales...........	1,400,000	2,800,000	5,320,000	7,840,000	10,948,000
Less Trade Discount...	350,000	700,000	1,330,000	1,960,000	2,737,000
Nett Sales............	1,050,000	2,100,000	3,990,000	5,880,000	8,211,000
Less Cost of Production...........	375,200	750,400	1,425,760	2,101,120	2,934,060
Rayalty...............	140,000	280,000	532,000	784,000	1,094,800
	515,200	1,030,400	1,957,760	2,885,120	4,028,860

Gross Profit (Loss).....	534,800	1,069,600	2,032,240	2,994,880	4,182,140
Overheads..............	1,354,680	1,649,500	2,097,730	2,573,450	3,092,720
Profit (Loss)...........	(819,880)	(579,900)	65,490	421,430	1,089,420
Accumulated Profits (Losses)...............	(819,880)	(1,399,780)	(1,334,290)	(912,860)	176,560

(g) Cash Flow Projection

Sales..................	854,580	1,869,580	3,568,240	5,395,250	7,582,080
Grants.................	1,510,300	518,560	86,140	-	-
Cash Surplus	-	-	-	-	366,130
	2,364,880	2,388,140	3,654,380	5,395,250	7,948,210
Payments.					
Fixt Assets............	771,000	1,459,000	1,878,880	2,326,250	2,850,850
Running Expenses.......	1,179,930	1,459,000	1,878,880	2,326,250	2,850,850
Production Costs.......	343,950	719,140	1,369,500	2,044,870	2,681,330
Royalty................	70,000	210,000	406,000	658,000	828,520
	2,364,880	2,388,140	3,654,380	5,029,120	6,360,700
Cash Surplus C/f.......	-	-	-	366,130	1,587,510
	2,364,880	2,388,140	3,654,380	5,395,250	7,948,210

(h) Notes on Expenses

1. Travelling: This will be important both for the M.D. to attract new manuscripts and discuss the same with authors, and for the salesman to solicit orders. The expenses include meals and accommodation, fares and other related incidental expenses.

2. Vehicle Running: Cost of vehicle repairs, maintenance, fuel, lubricants, licences and inspection fees.

3. Rent: It is expected that this will average Shs. 10,000/- per month at least for the first 2½ years.

4. Insurance: The breakdown of expenses for the first year is:

   (a) Stocks - 28,130

   (b) Assets - 58,000

   (c) Others - 15,000

   Total.... Shs.101,130

It is estimated to be 7½% of the replacement value of assets and provision has been made for an increase in premiums of 7½% p.a. thereafter.

5. Publicity/Promotion Expenses: Since specific selling points will have been identified, the budget does not cover extensive advertising in local daily newspapers where rates are very high but in selected few magazines and periodicals.

6. Reading/Editorial Expenses: Low staffing in the editorial department will mean that the editor will not be in a position to evaluate all manuscripts on time to cope with the production and sales schedules. External aid will therefore be necessary to supplement his work in this regard, in addition to the cost of artwork and illustrations where needed.

7. Directors' Fees: The composition of the board of directors will be similar to the Trust.

8. Depreciation: Charges per annum are:
   (a) Office Furniture and Equipment - 12½% p.a.
   (b) Vehicles - 25% p.a.

9. Miscellaneous Expenses: This is the cost of various items of small value not dealth with under any other heading. It also covers contingencies which may have been ignored or understated as well as the following likely expenses:

   Cleaning expenses, consumables, donations, shows and displays, security expenses and nett loss on inspection copies.

10. We have provided for 60 days credit and therefore not all sales made will be collected during the year of sale, hence the differences in nett sales per year and nett cash collected.

(i) <u>Conclusion</u>

1. The Publishing House will require grants of Shs. 1,510,300, Shs. 518,560 and Shs. 86,140, in the first, second, and third years of operations respectively. Thereafter it will be able to finance itself without further external assistance.

2. The heavy losses made in the first and second years will be wiped out in the fifth year. From that time it is expected to continue making annual profits of Shs. 1.09 million.

3. Should it be required to repay the grant, it would be in a position to start doing so in a modest way from the 4th year of operation.

4. For the plan to be workable, it is imperative that all essential preliminaries will have been done so that there will be no undue delays in the printing and sales activities - eg, identification of markets and proper titles for such markets.

5. Should the Publishing House be financed through a loan, then the interest payable and repayment arrangements need to be incorporated in the profitability and flow statements. Such a loan should be negotiated such that:-

   (a) interests are relatively low
   (b) has a moratorium of 3 years.

BUDGET: AUTONOMOUS PUBLISHING, KENYA TASK FORCE

1. Task Force Membership:

Leonard Okola..................	$500
Henry Chakava..................	$500
David G. Maillu................	$500
Gideon Mutiso..................	$500
Total..........................	$2,000

Sub-total.......................................$2,000

2. Task Force Chairmanship:

Leonard Okola..................	$500

Sub-total....................................... $500

3. Consulting:

Henry Chakava (accounts)........	$500
David G. Maillu................	$500
Gideon Mutiso..................	$100
Total	$1,000

Sub-total....................................... $1,000

4. 9 Copies Production/Binding/Mailing etc.

Cost........................... $500

Grand-total..................................... $4,000

Copies to:

1. Dag Hammarskjold Foundation
2. Ford Foundation
3. Per Gedin
4. Walter Bgoya
5. KCB - Chairman
6. Leonard Okola
7. Henry Chakava
8. G.C.M. Mutiso
9. David G. Maillu