PRIVATISATION, SURVIVAL AND EXPANSION OF KENYA RE: ENVIRONMENT ISSUES.

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CHAPTER ONE: INTRODUCTION Error! Bookmark not defined.

This paper is written form two key theoretical assumptions. First, that for Kenya RE to survive as an entity, it will have to keep some reinsurance business and get into direct business for in four years no body will mandatorily place reinsurance business with it. It is further assumed that it will have to be drastically reorganised to increase its efficiency. Therefore, the consultant raises issues and problems for which decisions must be made now to enable Kenya RE to continue in business. Other issues relate to long term strategic planning. The methodologies for identifying environment issues are partly from Organisational Development Theories, hence questions are put to the mangers of the organisation that ultimately must negotiate among themselves and agree on team answers. Over and above OD methodologies futurables methodologies which draws on extrapolation, subjective probability assessment and perception and imaging are drawn on. The consultant has taken part in futurables research to develop continent wide conclusions and is currently working on a group to produce regional scenarios covering East and Southern Africa.

The consultant's instructions were given in two meetings with the Managing Director before the budget. The paper has been restructured to take into account matters made more urgent by the budget, specifically that mandatory cessions, both policy and treaty, will probably be terminated in four years and the likelihood of the rates being reduced over the period.

Let me point out to the Kenya Re managers that what confront you is essentially a strategic problem. Strategic problems by their very nature do not imply certainty. Logically therefore, imaging possible solutions to them does not depend on certain answers. What the paper tries to do is to image pathways to finding a solution acceptable to you as a team. Of course if you as a group - notice not a team - or as individuals, create supposedly strategic solutions to the problems confronting Kenya RE, it will not survive and solutions will be found to its strategic problems elsewhere in society. Of course if you become or are a team, you can find ideal solutions to Kenya RE's strategic problems in frameworks beneficial to you individually and collectively. That is the logic of organisational development.

The paper is in four chapters. Chapter one is the introduction. Chapter two covers Kenya's current environment with specific subtopics on population; privatisation and national economic performance 1994 to 1997; Kenya Re's profitalisation for privatisation; structure of insurance industry; new Kenyans as managers and employees and a question whether there are new markets nationally. Chapter three presents arguments on where Kenya RE should expand to in the region and presents some selected indicative data on the countries of the region. Chapter four comments on possible international developments.

Error! Bookmark not defined.**CHAPTER 2: KENYA'S CURRENT ENVIRONMENT**Error! Bookmark not defined.

Error! Bookmark not defined.**POPULATION**Error! Bookmark not defined.

Although most businesses do not pay attention to it, a country's demographics are the most important issue in planning business both in the short term and the long term. Whatever future strategy Kenya Re will adopt, it is safe to assume its base, and therefore the bulk of its business and management staff, will always be in Kenya for at least 50 years.

According to UNDP 1994 estimates as shown in Table 2, Kenya's population was 8.3 m. in 1960. It is estimated to have been 25.3 in 1992 and to grow to 32.8 m. in 2,000 and perhaps 51 m. by 2012. The 1989 Kenya Government census data is found in Table 1. We will use this data for structural analysis for the projections do not give details. For example see the data in Table 14, the 1993 demographic and health survey, which different age group percentages. In any case, the population structure has not changed drastically in the last five years. In 1989 there were

21,452,992 Kenyans then. Of these 10,821,044 are women. Men are just about 200,000 less. How does the insurance industry target the majority women? How does Kenya Re target women particularly given that they are more concerned with family welfare and security and thus are more than likely to invest in insurance.?

More serious though, is the population's age structure. There is a sense in which the insurance industry is focused on the more active economic group. This is the age group between 30 and 64. It forms only 21% of the population. How many of them are currently insured? Those in above 65 years old generally form only 3% and are not likely to be economically active.
Those below this group, are likely to be either dependent for schooling is taking longer and marriage is being delayed or are just beginning to accumulate.

When those between 20 and 29, who form 16%, are considered, they are not likely to have much disposable income for they are starting families and trying to build capital. However, for the intermediate term, this group is the growth market. It must be introduced to insurance now so that as its disposable income increases, it can invest in policies.

Those between 15 and 19, who form 11% of the population, a will get in to the market in the next 10-15 years. How does Kenya Re target them now?. Perhaps there are no products to sell them. Why not sponsor school activities and competitions, which will cost little money in all high schools and universities so as to sell the Kenya Re, name now and collect on the advertising investment later?

In summary, planning short term and long term business expansion requires that clear thinking on targeting immediate expansion into the economically active 21%, intermediate (3-5 years) targeting of the 16 % without major disposable income now and beginning to recruit the 11% into insurance for it is clear they will not behave like the earlier two groups who up to now are basically traditionalist and invest basically in land and houses as security before thinking about insurance.

PRIVATISATION AND ECONOMIC PERFORMANCE 1994 TO 1997 Error! Bookmark not defined.

In 1987, the consultant and other colleagues developed an African future scenario. It argued *inter alia* that the decade of the nineties would essentially be a decade of poor economic performance across the continent. This scenario was published locally as a book titled BEYOND HUNGER IN AFRICA. I comment it to you for although, as usual, we, local academics, were totally ignored, our scenario has come to be. Economic growth rate is not keeping up with population growth. The SAPs have led us to the deadly paths we identified and asked African governments to take evasive action. The economic situation has been made more dismal than we even thought then by the self-inflicted inflation and the dictates of SAPs. A group of us intend to produce another scenario for the Eastern and Southern Africa region over the next year taking into account present realities.

Mudavadi tells us in the budget that our growth rate was 0.1% in 1993. It was 0.4% in 1992. He tells us it will improve. Annualised inflation has been double digit in the past two years. It is in this economic performance framework that privatisation is to take place. Although Mudavadi states that things will improve this year, one should take a conservative position in planning strategy for the future and state that perhaps we shall not see any growth which is higher than the population growth rate, 3.8% annually, until after 1977. The consultant projects that even then, the most optimistic scenario is that it will only be 2% points above population growth.

Several points need to be made from this conclusion. First, under this kind of economic performance over the next four years, disposable incomes will continue to shrink. Therefore if Kenya Re wants to a. retain the reinsurance business it has now, under privatisation b. increase its market share in the reinsurance business and c. enter direct insurance, it has to get it from existing market shares of the other insurance companies. Second, the only way to increase market share is to organise for war to capture it. Business is war. The first internal concern is to reduce operating cost to survive the down turn of the next four years. Operating cost reduction is most efficaciously done by cutting staff, cutting overheads and increasing return on invested capital including shedding non-performing assets and perhaps, given present realities, buying a company with an existing direct insurance portfolio.

Error! Bookmark not defined.**PROFITALISATION OF KENYA RE FOR PRIVATISATION**Error! Bookmark not defined.

The ultimate strategic objective of an organisation in the private sector, is to make profits to enable it to stay in the market place. This is different from strategic objectives of public institutions, which could range all the way from welfare to profit. Clearly then one of the objectives of this workshop ought to be to clarify for yourselves the ultimate objective of Kenya Re given that it has to be privatised in four years.

It is no secret that Kenya Re is not particularly profitable now even with current statutory protection. It is not clear that it is privatisable at the current level of profits. Its underwriting deficits have grown from Ksh. 62,564,338 in 1990 to Ksh. 112,777,505 in 1991 and to Ksh. 129,361,367 in 1992 according to various Annual Reports. It is expected that there will be a really dramatic jump on underwriting deficits in 1993.

Ratios of premiums written to personnel and investment income to personnel are shown in Table 11 and Table 12 respectively. Although both ratios have been growing, the ratio of net profits to personnel have not. Kenya Re net profits over the past ten years, as shown in Table 13., have not shown systematic growth but are spastic. Although in absolute terms they have grown spastically from Ksh. 62 million to Ksh. 94 million, the ratio of net profits to personnel has dropped in the same period from 298,068 to 157,496. Put another way each employees has contributed less to net profits as the years go by.

In comparison one should look at Africa Re data on the ratio of net profits to personnel from data in its 1993 Report of Accounts. Its 1993 net profit is Ksh. 202,944,000 and there were 116 workers giving it a ratio of 1,749,517. In other words, each worker in Africa Re contributed Ksh. 1,749,517 towards its net profit. For Kenya RE to achieve the African RE ratio in 1992, it would have had only 54 employees!

Kenya Re cannot survive privatisation, ruled in the budget as necessary in the next four years, with staff generating such low profits. It should be clear that there will not be subvention from the GoK if the SAP dictates on reducing GOK deficit are to be achieved.

For Kenya Re, privatisation further means that nobody will give it premiums mandatorily within four years. It is probable that policy and treaty cessions will be reduced to 20% in 95/95, 15% in 95/96, and 10 % in 96/97 and 0 in 97/98. This means that from calendar year 1998, it is mandatory that Kenya Re plan some income not based on cession. It has to go out and earn it. It is then clear that it has to plan its survival and implement that strategy before the four years are over.

From a strategic planning point of view, plans must be made in year one (calendar year 1994) so that the organisation has three years to convert, A VERY SHORT TIME. The logic is simply that if the plan is not made in year one, there will be no business development to carry the organisation in year four when it ceases to get mandated premiums. Arising from this conclusion then is the issue of the elements to be put into the emergency strategic plan. These are outlined below not comprehensively but as sign posts to what must begin to come out of this workshop for in the logic of OD, the responsibility for designing the future of an organisation lies with the organisation's team.

Error! Bookmark not defined.**a. Staff**Error! Bookmark not defined.

Without treading on presentation to be made later, it is clear that many staff will have to be laid off for they are not productive. There are too many subordinate staff, clerical staff and non-income generating departments, which need drastic shrinkage. Out of 600 or so people, perhaps the target for the organisation should be to end up with just about 100 or so, a 70 to 80% cut in personnel by the end of year two.

The mechanism for executing this can be the GOK SAP supported retrenchment programme mainly. Other mechanisms are normal retirement, management retirements for non-performance especially on the future planning which some will resist or have no capacity for; reorganisation; and voluntary request for retirement.

The leaned staff will need to be enabled to work more efficiently by setting specific performance outputs and penalties monitored on daily, weekly, monthly and quarterly basis. Those who do not achieve them should be dropped to allow more qualified staff for future tasks to be hired.

Error! Bookmark not defined.**b. Space Utilisation**Error! Bookmark not defined.

There is to much space wastage in Nairobi Headquarters and presumably in the other offices. The consultant walked the floors unknown. Space use is more generous than even for very profitable multinationals and other very profitable local companies. To increase income there is need to shrink consumed space and to rent the rest. The target maybe to cut space use to only 25% of current space by end of year two.

Error! Bookmark not defined.**c. Reduction in Consumable Costs**Error! Bookmark not defined.

If staff and space are cut as suggested, then normal consumables should be cut about 90%.

Error! Bookmark not defined.**d. Increasing Income from Investments**Error! Bookmark not defined.

The issue here is to get better returns from investments and to collect debts better. Specific targets on daily, weekly, monthly and quarterly basis should be set. If not met, the manager and the unit team should be retired to create space for more relevant and better performing staff. For the immediate future, there is surplus office space in most Kenya towns. It may not be possible to increase rentals drastically but this should be targeted to all lease renewals. More paying clients, not GOK, should be sought. Investigation on financial instruments should be made and those not performing terminated. Discussions with GOK should be held to seek diversification of the investment portfolio from now on. Most important is debt collection. Performance has to improve for on privatisation, the statistic on debt collection weighs heavy in the evaluation of the stock.

Error! Bookmark not defined.**e. Increased Efficiency in Premium Writing and Claims Collection**Error! Bookmark not defined.

The issue here is to get more efficient writing of premiums and collection of claims. Specific targets on daily, weekly, monthly and quarterly basis should be set. If not met, the manager and the unit team should be retired to create space for more relevant and better performing staff.

Error! Bookmark not defined.**f. Buying a Company with Direct Insurance Portfolio**Error! Bookmark not defined.

In the four years, the tasks of planning privatisation and shrinking staff and increasing efficiency, will keep the organisation so busy that perhaps it will make sense to buy a company with direct insurance portfolio rather than build up direct national business from scratch. The logic is simply that Kenya Re is known for reinsurance. It will have to build up a name in direct business if it does not buy a name. Can it survive in the future concentrating on reinsurance work only? If the answer is no, it has to get into direct insurance business. If this is so why not buy National Assurance, get government to retire its debt and use the name to get into general insurance?

True, Kenya National Assurance is in dire financial straits, staff is overblown and return per capital invested is dismal. Its attractions are that it will need to be privatised. It can get remission from government on some debt. From a policy point of view creating one ex-government company to handle both direct insurance and reinsurance is attractive to SAP movers and GOK for it will save double handling. The phasing for a take-over of Kenya National Assurance should be to allow the next two years for reorganising Kenya RE for it among other things. However, the policy decisions to allow this should be negotiated now.

Error! Bookmark not defined.**g. Management Conversion and Organisational Development**Error! Bookmark not defined.

Modern management theories (1980s and 1990s) stress that the more efficient organisations are less hierarchically structured. This leads to easier consultation, group planning and decision making, more frequent targeting and quick business adjustments as well as more democratic management behaviour. This implies that Kenya Re will need to reduce the levels of its organisational chart and regroup departments and functions. This will tighten supervision and reporting to allow daily, weekly, monthly and quarterly checks on performance. Ongoing computerisation ought to facilitate this.
The shrunken staff will need to get training in organisational development, including team building, where all levels are trained in taking collective

decisions and sanctions and abolishing the existing layering and small kingdoms which do not get management supervision on frequent planned basis.

Error! Bookmark not defined.**h. Kenya Re Privatisation Modality and Timing**Error! Bookmark not defined.

In the consultant's view, this should be by selling shares to as a wide public as possible to prevent back door privatisation where large operatives will buy it. This view is based on general interpretation that the 36 non-government insurance companies and 53 insurance brokers are essentially owned by individuals or companies on the main. There is not firm data on this for the studies of ownership are lacking but even the companies quoted in the stock exchange have large concentrations of shares by some few owners according to discussions the consultant has held with brokers mainly.

There also is a publicly stated GOK objective to distribute ownership to nationals, especially indigenous ones. the best execution of this policy so far was the privatisation of KCB. A widely held portfolio has also the other advantages of limiting individual shareholder policy input. The model of share offering should be to sell GOK shares in small lots to individuals. If it is decided not to privatise totally at one go -a desirable objective- then those individually held shares and the government ones should earn dividends equally without the peculiar blocking of some shares done in KCB privatisation.

It is proposed that 50% of the shares be offered to the public in 1998 when cession business will be ending for it is doubtful that companies will agree to continue with cessions if Kenya RE is private. These share sale funds can be used to acquire Kenya National assurance. The remaining 50% of shares should be sold to the public within ten years.

Error! Bookmark not defined.**STRUCTURE OF THE INSURANCE INDUSTRY**Error! Bookmark not defined.

Ownership. Error! Bookmark not defined.

There is limited data on the industry available publicly. Limited data provided by Kenya Re in UNDERWRITER, MAY, 1993 shows that there are 38 insurance companies and 53 insurance brokers. This data since companies like Munich Re and Swiss RE are missing from the company list and the consultant knows of about ten brokers who do not appear and they have been in the market. It is understood that Kenya Re attempted in 1983 to compile a list showing companies and brokers and their ownership. It was not completed for the data at the Registrar of Companies was incomplete given the usual missing files. In any case this data is totally dated.

It would have been useful to know exactly how many companies and brokers are in the market, the structure of ownership in terms of individuals, companies, locals and foreigners. Kenya Re, working from its data, the Commissioner of Insurance and the Registrar of Companies, Tax Department can get this data officially. The consultant recommends that this be pursued vigorously for the data is required in the refining of the privatisation and acquisition strategies.

Error! Bookmark not defined.**Employment**Error! Bookmark not defined.

The useful data on employment should be on company basis so as to allow Kenya Re to compare the staff structure and income per different types of staff structures so as to facilitate planning, setting up of targets and remuneration levels, benefits etc. In the time of the consultancy, it was not possible to collect this data.

Error! Bookmark not defined.**Premiums By Type, Demographic, Income and Region** Error! Bookmark not defined.

This type of data is important in strategizing future business. Part of the data can be generated from Kenya Re files by tracing sources of premiums. It is expected that it will be availed in the conference. Such data will allow Kenya Re to establish areas of focus given the other companies operations, strengths and weaknesses across types of premiums, populations, regions and incomes.

For Kenya Re itself, in 1990, 1991 and 1992 the top four sources of premiums were Motor, Accident, Fire and Marine.
Between 1990 and 1991 and 1991 and 1992 the growth rates by sector are as follows:

	1990-1991	1991-1992
International Business	52%	-60%
Marine	25%	-7%
Life	22%	10%
Accident	15%	7%
Fire	10%	19%
Motor	3%	21%
Aviation	-5%	31%

Given the 1993 drastic economic downturn, it is important that growth rate data for that year be processed as soon as possible to show how such dramatic downturns affect particular premiums. This and other data should be used to plan resource allocation by premium sector.

Although it is rational to see these sub-sectors as the bulk of the industry into the foreseeable future, it does not necessarily mean that on privatisation and loss of cessions, Kenya Re focuses on these. Data needs to be generated to show what sub-sectors are more profitable. For example, Munich Re has created a market for itself in informatics (computer hardware, media and software). Are there niches for Kenya Re? What is the basis of allocating resources across premium sectors within Kenya Re? Given the recurrent problems of motor insurance, should resources be allocated to it? What proportion of resources (money and personnel and space and equipment)? What should be the resource allocation basis across premium sectors? Current volumes, growth potential, return per employee, return per shilling invested or ease of management?

Error! Bookmark not defined.**THE NEW KENYANS AS MANAGERS AND EMPLOYEES**Error! Bookmark not defined.

One of the crucially hard decisions, for the management of Kenya Re too make now, to plan how to induct the new Kenyans into all levels but especially management. New Kenyans is not elegant terminology, but, sociologically and psychologically, it is exact. In ISSUES IN CONSTITUENCY STRATEGIC PLANNING by the consultant, orienting the current Parliament, these Kenyans were described as follows:

"*This Parliament and the ones to come is confronted by different Kenyans from those of the past. We, Kenyans, are different. We are young. It is estimated that only 8% of the national population is above fifty years old! This is to say that only a tiny minority of the nation has an adult experience of pre-independence. Only about 24% of the nation's population is above 30 years old. This is to say that more than three-quarters of the national population has been born since independence!*
...
We are Kenyans and do not have our development reference on tribes. We aspire to modernity. Our leaders are many for development cannot just be economic. Some are dancing stars. Others are athletes. Still others are religious leaders. Some are bankers, teachers, pimps, farmers, rugby players, engineers and so forth. We are not locked into seeing leaders only in Kenya. For us a mwanasiasa is a contradiction in terms for one has to have a profession. For us political leadership is what one does to fulfil community obligations and not an occupation. We look for solutions to specific personal and community development problems. Jobs and inflation are currently priorities. For us the legislator is just one of the many in society who are in leadership positions and not necessarily the supreme leader. We are aware that the old folk do not share our vision of poly leadership for development."

The key objective of this quotation was to underscore that the new group is extremely disdainful of political authority unlike the obedient older generation. One needs to add that they are not just young but more educated, equally disdainful of authoritarian leadership, at home and work, and they verbalise their views strongly. They increasingly are footloose in employment behaviour, moving from job to job on the basis of conflicts with authoritarian bosses and for little improvements in their incomes. They market skills ruthlessly. They are the future and one ignores them at great corporate peril whether in the political or corporate arena.

These attributes are desired by modern management elsewhere but are generally anathema to most Kenyan managers who belong to the pre-independence socialisation system which is not only authoritarian but also puts premium on personal loyalty and in situations of insecurity, tribal. There must be developed a human resources development strategy within Kenya Re whose primary objective is to involve these new Kenyans. Elements of what this must include are defined by Mario Risch, of the Swiss Insurance Training Centre, in a better way than this consultant can. In his paper to the 21st. African Insurance Conference, titled HUMAN RESOURCES DEVELOPMENT: A VISION FOR THE 21ST.CENTURY, he writes as follows:

"*Many strategies lack visionary force which instils commitment. Vision indicates what a company stands for. It reveals the singularity, the future path and the intrinsic values. A vision is fundamental feeling of direction. It appeals to the senses and fosters emotional involvement. A vision nurtures a spirit of enterprise. Elaborating a vision means building a castle and living in it.*

A vision has a strong orientation force. It gives an aura of involvement in something important and of performing a valuable task. It calls for commitment and identification.

Current strategic perception needs to be more extensive. Corporate and social interweavement is complex. Complex systems can not be readily grasped by analytical, causal thought. Overall networked thinking is called for. Intuition and sentiment have to be incorporated.

If this is the reference to human resource development for organisations in the future Kenya RE included, it is important that some of the issues identified be addressed now within it.

The structural problem of management generations is going to cripple most organisations in the next few years as those born after independence, mainly patriotic, ruthlessly independent and thus not particularly interested in personal or tribal loyalties, arrive at management levels. Since there are opportunities in other companies elsewhere, and not necessarily within the country, many will be trained at great d by organisations only to leave within a few years if not challenged by the organisations. Challenging them is giving them tasks, rewarding them accordingly and allowing them to develop future pathways for the organisations.

Retention of these individuals is an important objective, which Kenya Re should strategize on now. It can be achieved first by making the young managers upward mobile. Evidence for this is found in the banking sector where most of the key operatives are very young. The international hotels have also converted almost all of their staff to include these new Kenyans. To allow them upward movement, there must be clear retirement of the old generation. Second, they must be allowed to image the future for many have more relevant skills e.g. computer literacy. Above all else they are innovative. In this sense they are a resource to be exploited.

The consultant's view is that a team of such young managers should be charged with the Kenya RE's basic restructuring and long range planning for they can bring to the task creativity not found in the older management levels. This is most efficaciously done as a Task Force under the Managing Director.

Error! Bookmark not defined.THE NEW MARKETS

Expansion of Urban Markets Error! Bookmark not defined.

Some agencies estimate that by the year 2000, 32% of Kenyans will be living in urban areas. The consultant's view is that this is an underestimate based on the practice of many Kenyans collapsing to their home areas to be counted during census. A more probable estimate is closer to 40%. If this is so, the industry will have a bigger urban market than has been in the past thirty years to exploit. Since urban populations consume insurance products at a higher rate than rural ones, then there is room for general industry expansion to cover the urban houses, motor vehicles and perhaps life for these populations will begin to become generically urban and not the split personalities of the bulk of current population caught between the village and the city.

Having said this though, one points out that the products will have to be changed to get into mass markets. There is some data which argues that expansion of insurance in US did not take place until the urban poor got targeted by products which they could pay for on weekly or monthly basis. Are there unexploited mass retailing techniques of insurance not developed for the urban middle and poor classes for the Kenya market?

Targeting Renters Error! Bookmark not defined.

Increasingly not many Kenyans are to own their houses particularly in urban areas. Are there products for renters to be developed? Products to finance rental of homes over and above household good insurance, sectional titles? Offices? Business premises? This will be needed for the economic expansion whose basic character will be informal rather than the old formalised large businesses.

Targeting Rural Elites Error! Bookmark not defined.

Rural elites; coffee, tea, dairy and horticultural smallholders; rural centres' traders and teachers are likely to do very well as terms of trade shift in favour of farmers given the SAP dictates. What products are targeted to them?

CONCLUSIONError! Bookmark not defined.

The next few years will show dismal economic performance. Although this can be seen as problematic, it is not necessarily so if Kenya Re drastically cuts personnel, operating costs, collects premiums and debts more efficiently and plans systematically to privatise, introduces new products and above all recruits and train relevant managers.

CHAPTER THREE: REGIONAL ENVIRONMENT ISSUES Error! Bookmark not defined.

POPULATIONS OF REGIONAL COUNTRIES Error! Bookmark not defined.

According to UNDP 1994 estimates as shown in Table 2, Kenya's population was 8.3 m. in 1960. It grew to 25.3 m. in 1992 and is expected to grow to 32.8 m. in 2,000 and perhaps 51 m. by 2012. This data shows that Kenya is ranked number six if the 1992 populations of the countries in the region are compared.

The region is defined as the countries, which Kenya currently trades with and thus could be targets of probable international expansion for Kenya Re activities.

The population of the countries is ranked as follows:

1. Ethiopia	53.1 m.
2. Zaire	40 m.
3. South Africa	39.9 m.
4. Tanzania	27.9 m.
5. Sudan	26.7 m.
6. Uganda	18.7 m.
7. Mozambique	15.1 m.
8. Zimbabwe	10.6 m.
9. Malawi	10.3 m.
10. Angola	9.9 m.

11. Somalia	9.3 m.
12. Zambia	8.6 m.
13. Rwanda	7.5 m.
14. Burundi	5.8 m.
15. Lesotho	1.8 m.
16. Namibia	1.5 m.
17. Botswana	1.3 m.
18. Mauritius	1.1 m.
19. Swaziland	0.8 m.
20. Djibuti	0.5 m.
21. Seychelles	0.1 m.

Kenya is in the high population group. This gives it a large population for Kenya Re to develop its business base. It is noteworthy that the highest population country in the region is Ethiopia, followed by South Africa, Zaire, Tanzania and Sudan. Below Kenya's population are Uganda, Mozambique, Zimbabwe, Malawi, Angola and Somalia.

It is not realistic to see Kenya Re competing in South Africa and Zimbabwe or in their proximate markets for many reasons, among which is the very rich and well-organised insurance industry controlled from Johannesburg. Contrary to the newly fashionable bush intellectualism that South Africa will be the saviour of the region, the consultant's view is that South African businesses, insurance industry included, are a threat to many regional businesses. South African is a voracious industrial power with the attendant efficiency of modernity and scale. It is precisely this that is lacking in the business culture of many of the businesses in the region. South Africa intends to take over regional businesses. The consultant explored this issue for two months in South Africa in 1993.

If one does not believe in the ravenous nature of South African business, they should ask the fruit juice sellers in Kenya. The very efficient South African juice businesses can land and deliver a litre of orange juice in Nairobi at about 50% of the cost of Kenya produced juice basically because Kenyan farm produce collection system is inadequate and juice makers are only small scale operations not capable of taking advantage of economies of scale. East African transporters are now aware that South African trucking industry is quoting at 60% of the local companies' per kilometre tonne costs. The explanation is basically managerial and scale. Witness also the acquisition of the Windsor group and attempts to gobble Yahya Towers. Until the region increases business efficiency, including scale of operations, it can not compete with South Africa. However, it is expected that Kenya Re can compete for the markets of the other enumerated countries subject to increasing its organisational efficiency.

The francophone oriented countries like Djibouti, Rwanda, Burundi and Zaire present peculiar language and business orientation to France and

Belgium, which will make business development there problematic. Witness France sending troops to Rwanda and the attendant refusal to get the peace brokerage organised by Kenya. There should be limited interest on these markets by Kenya Re for Kenya is a significant outlet to their external trade. These countries will have a population of 68 m. in 2000, the planning need is to get French speakers into Kenya RE and to initiate expansion to these areas slowly based on volume of existing business.

The consultant recommends that regional expansion priority interest be into Ethiopia, Tanzania, Uganda, Mozambique, Angola, Sudan, Somalia, in this order. This judgement is based on contiguity, business opportunity, language, and population initially. The combined population of these nations in 2000 will be 190 m. This added to the Kenya population of 32.8 m. will give a total population catchment for the eight countries of 223 m.

Having narrowed down the choices of countries for regional expansion, below we present data to assist Kenya Re to establish targeting in terms of countries and products. The reader should note that data for the other regional countries not recommended is presented in the same tables to allow the Kenya RE to investigate them if it so wishes. Commentary though is limited to the eight countries. It should be noted also that data on Kenya is included in all the ranked tables to allow ease of comparison.

There perhaps will be some that would have wished to get trend data. This is possible given time but the consultant's position is that the most current data allows Kenya Re to make the basic long term strategic decisions and subsequently process trend data perhaps in parallel with operational decisions.

GDP REGIONAL COMPARISONS Error! Bookmark not defined.

Absolute populations alone are not sufficient grounds for making arguments about business development. Clearly other variables as we detail hereunder are relevant. If one ranks real GDP per capita, the following ranking, from 1991 data, as shown in detail in Table 7 emerges.

Kenya	1,350
Sudan	1,162
Uganda	1,036
Angola	1,000
Mozambique	921
Somalia	759
Tanzania	570
Ethiopia	370

From this data, if priorities are set, based on assumptions that countries with higher GDP per capita also have probability of having higher disposable incomes, then countries like Ethiopia would have to take a back burner to the countries which seem to have higher GDP per capita. However, if ease of market entry, opportunity and lack of major competition are considered, it may be wise to consider Ethiopia seriously.

REGIONAL URBANISATION Error! Bookmark not defined.

The rate of urbanisation has been seen as one of the key variables in the growth of consumption of insurance products. The growing regional urbanisation is shown in Table 3. Of the eight countries chosen for possible business expansion, the percentage of population urbanised by 2000 are ranked as follows in descending order:

Tanzania 47%,
Somalia 44%,
Mozambique 41%,
Angola 36%
Kenya 32%
Sudan 27%
Ethiopia 17%
Uganda 14%

The point of this data is to show that although the bulk of the populations of these countries are rural, significant numbers are expected to live in the urban areas in less than ten years. For the region as a whole it is safe to say that half of the populations will be urban within thirty years. Four of the top countries will get half of their populations urbanised within 20 years. Consequently, although one could argue for initial orientation to insurance products for agricultural related employment below as the major strategy now, it must be balanced by an insurance product strategy oriented to urban-based populations within ten years.

EMPLOYMENT BY SECTOR REGIONALLY Error! Bookmark not defined.

Table 4 shows that populations of the countries selected above are moving away from subsistence to employment. The percentage of total population employed is shown ranked as follows:

Mozambique 55%,
Tanzania 47%,
Uganda 45%
Ethiopia 41%
Angola 41%
Kenya 40%
Sudan 35%
Somalia 29%,

In the same table, women in employment as a percentage of total employment is shown and ranked as follows:

Mozambique 48%,
Tanzania 48%,
Uganda 41%
Ethiopia 41%
Kenya 40%
Angola 39%
Somalia 39%,
Sudan 29%

It is clear then that women have become part and parcel of the labour force. Given their concerns for security of the family and that studies show that they invest in family welfare more systematically then male employees, it should be clear that there ought to be products tailored to them in all countries even though given Sudan's brand of fundamentalism, perhaps their entry to the labour force will be slower. Perhaps the major limitation to women entry into the labour force is their education. Table 10 shows that in all the region's countries women are less educated than men.

It is extremely hard to project data on employment by sector - agriculture, industry and services - and the consultant has only limited data for the future. Data shown in Table 5 shows employment in agriculture for the years 1990-1992 ranked as follows:

Ethiopia 88%
Uganda 86%
Tanzania 85%,
Mozambique 85%,
Kenya 81%
Somalia 76%,
Angola 73%
Sudan 72%

The balance of the employment is shared by industry and services, with services perhaps growing faster than industry. Significantly Somalia, Angola and Sudan show the highest percentage of people employed in industry and services. Such people are a market for insurance services. Given that these economies will are to begin spending on reconstruction, they become more attractive business prepositions.

COMMUNICATION IN THE COUNTRIES OF THE REGION Error! Bookmark not defined.

Indices of communication are important for not only planning consumption of insurance products but also for showing pathways to advertising as well as interaction patterns, which put a spin on advertising and/or create personal communication. Table 6 shows interesting data on communication although the data year is 1990 and fairly drastic growth on communication channels is taking place in the countries ranked. Radio is perhaps the mass communication instrument per excellence in Africa. The rank for number of radios per 100 people is as follows

Ethiopia	19
Sudan	25
Kenya	13
Uganda	11
Mozambique	5
Angola	6
Somalia	4
Tanzania	3

The second important communication media is newspapers. The rank for number of daily newspapers per 100 people is as follows:

Sudan	2.4
Kenya	1.5
Angola	1.3
Tanzania	0.8
Mozambique	0.6
Somalia	?
Uganda	0.2
Ethiopia	0.1

Clearly unless one will only be targeting urban populations, utilising the daily press will reach very few people compared to radio.

Phones in a country are important for business operations. The rank for the number of telephones per 100 people is as follows.

Kenya	1.5
Angola	0.7
Mozambique	0.6
Tanzania	0.5
Sudan	0.3
Uganda	0.3
Somalia	0.2
Ethiopia	0.1

Other communication data on tvs, post offices and motor vehicles is presented in the same table. It is offered as a baseline to Kenya Re planners of business expansion in these countries.

LITERACY IN THE REGION Error! Bookmark not defined.

Of more interest are the levels of literacy among adults for studies show that literacy has a direct impact on consumption, insurance products included. The rank for adult literacy is as follows:

Kenya	70.5
Tanzania	55.0
Uganda	50.5
Ethiopia	50.0
Angola	42.5
Mozambique	33.5
Sudan	28.2
Somalia	27.0

In general it can be concluded that the countries with better communication seem also to have more adult literacy and as is shown in Table 7 also more years spent in school.

TECHNICALISING THE REGION Error! Bookmark not defined.

In development theory, technicalising society comes out of investment in education, technology, science and the proportions of technicians and scientists who are involved in research and development work. Countries in the region have not systematically collected data on these issues. The limited data easily available is offered in Tables 8 and 9, to be a baseline for Kenya Re. The increases in technicalisation ought to signify increases in innovation and industrialisation leading to demand for products so oriented.

Out of the two tables, attention is drawn to Table 9 showing that countries are investing in education. From Table 8 attention is drawn to the following rank of science graduates as a percentage of total graduates.

Angola	45%
Uganda	26%
Kenya	24%
Ethiopia	24%
Mozambique	21%
Tanzania	20%
Somalia	13%
Sudan	3%

It is interesting that Angola, Uganda, Ethiopia and Mozambique whose development was slowed by internal turmoil have clearly set to produce the scientists needed. Given their good natural resources base, this augurs well for the long-term development and thus reinforces the need for Kenya

Re to pay attention to possible business in these countries.

Error! Bookmark not defined.**LIFE EXPECTANCY IN THE REGION**Error! Bookmark not defined.

Life expectancy is of crucial concern to developing insurance instruments. The following rank shows life expectancy in countries of the region. On the whole there is not much spread particularly if one notes that the countries with lower life expectancy had wars in the past two decades and this may be shaping this data.

Kenya	58.6
Tanzania	51.2
Sudan	51.2
Mozambique	46.5
Somalia	46.4
Ethiopia	46.6
Angola	45.6
Uganda	42.6

CONCLUSIONError! Bookmark not defined.

The UNDP annually develops an index called the human development index, which compares all sorts of variables on the well being of the people of many countries. In a way this is seen as an improvement over the comparisons based on gross national product. In this index Kenya, in 1994 is ranked 125. The rank for the other regional countries is as follows:

Human Development Index	Country
60	Mauritius
83	Seychelles
93	South Africa
87	Botswana
117	Swaziland
120	Lesotho
121	Zimbabwe
125	**Kenya**
127	Namibia
138	Zambia
140	Zaire
148	Tanzania
151	Sudan
152	Burundi
153	Rwanda
154	Uganda

155	Angola
157	Malawi
159	Mozambique
161	Ethiopia
163	Djibouti
165	Somalia

In this index Kenya is ranked eight among the twenty-two countries of the region.

Given the data presented above, which compares Kenya with other countries in the region, it is the consultant's view that the eight countries offer a large population base as an undifferentiated base for long term business development. However, it should be clear that the actual business base should be in Kenya, for the next twenty years, given the fact that the business was initiated here, and the favourable demographics. During this time, Kenya Re should plan to expand regionally so as to edge business bets. Probably Mozambique and Angola will present the best bets for quick expansion for there will be many opportunities and the South African and Zimbabwe firms will not really have comparative advantage there. To try and get this market, Kenya Re needs to recruit Portuguese speakers now to begin to develop it.

There should be major efforts made to expand in to the contiguous countries of Tanzania, Uganda, Sudan, Ethiopia and Somalia. Similarly, Rwanda, Burundi and Eastern Zaire utilise Kenya for fairly extensive trade. These markets should be expanded.

It is important that a group of young, innovative and highly aggressive managers be charged with the strategic planning for this expansion now. Perhaps they should be a task force under the Managing Directors Office to facilitate their total freedom in planning and implementing their plans. They can be drawn form the existing operating divisions. Such efforts should be used for identification of the future management team.
CHAPTER FOUR: GLOBAL ENVIRONMENT ISSUES Error! Bookmark not defined.

Error! Bookmark not defined.**HOSTILITY TOWARDS KENYA**Error! Bookmark not defined.

One of the realities of international existence for Kenyan businesses now is the fact that the international community has decided that Kenya is next to international pariahs. They claim we deserve this given our lack of democratisation and corruption. Whatever one thinks of the merits of this attitude, it is there. It is not likely to go away for Kenya has been personalised, in the eyes of international opinion makers, to be the current government and the holders of power. Since there is every probability that the same group will be in power for the next eight or nine years, it is not likely this attitude will go away.

The impact of this in terms of Kenya Re's strategic interests is simply that it may limit how much business it can do with international organisations or outside the region. It will be an issue if Kenya Re wants to raise funds internationally or get international contracts or get international shareholders. These are not idle questions for from a purely business point of view it may be useful to raise cheaper funds for some of the activities it plans. It is doubtful it can raise funds as the private reinsurance company has just done. On the other hand, if it reorganises and privatises to become more profitable, it may overcome this environmental huddle.

DONOR DEVELOPMENT FUNDS IMPACTS Error! Bookmark not defined.

It is a fact that donors are not giving Kenya as much funding for development as was the case up to three years ago. This has direct impact on the wider economic performance of the country and indirectly to premiums.

Donor funding is increasing very fast for Uganda, Tanzania , Mozambique and Angola. If for no other reason, insurance of projects should interest Kenya RE in these countries. In the long term, many donors are interested in the development of natural resources of these countries, especially in Mozambique and Angola, and this becomes another reason why attention should be paid to them.

Pressures to privatise are afoot in the region. This opens niches to be exploited in insurance in all the countries as donor funds go to the private sector of these countries as part of official development assistance.

ENDING OF INTERNATIONAL RECESSION Error! Bookmark not defined.

There is partial evidence that the international economy is beginning to get out of the slump of the middle nineties. Several think tanks argue that international demand will be as buoyant as it was in the fifties in the next five years. This means that there will be demand for a lot of Africa's primary commodities although the mix may change. For Kenya we can look forward to increased sales of horticulture, tourism (if the perceived instability is erased), tea and coffee.

For the Tanzania, there will be major expansion in the tourism industry, horticulture (Kilimanjaro area has been receiving more investors than Kenya, including Kenyan business which are moving there, over the past five years mainly driven by cheaper landing and fuel costs at Kilimanjaro Airport), forest resources, possibly gas, oil and coal. One should note in passing that the Tanzania road infrastructure has been modernised in the past five years and electronic communication is to be privatised and modernised in the next few years with external resources. This should lead to a boom for which there will be insurance needs.

The international trading system is changing and perhaps the long-term consumers of the primary products will in the net fifteen years be all Asian. Note first that the main bilateral aid giver to Kenya is Japan. It is yet to match its role in aid in trading. There is some evidence that the Five Tigers and Japan buy primary products from Kenya and the region’s countries from European middlemen and thus the statistics do not show a proper reflection of their purchases.

Since these economies are growing faster than those of the West, who are mainly investing in unified Germany, Eastern Europe, former Soviet Union and China in that order, it is important that organisations like Kenya Re begin to build bridges to Asian countries. Japan, Taiwan, Korea, Hong Kong, India, Singapore and China should be of interest. They will be looking to set up extracting industries in the region to get natural resources. This should give room for insurance products.

LACK OF RESOURCES FOR REGIONAL INTEGRATION INSTITUTIONS Error! Bookmark not defined.

Given the end of the Cold War, interest in Africa in general has waned. Witness how the genocide in Rwanda and the simmering wars in Angola, Liberia, Sierra Leone, Sudan and Somalia are now not important. It is not likely then that there will be money spent on creating investments, which serve more than one country as was the case before. This means that the major investments in regional infrastructure especially power, roads and telecommunications will have to be financed within African resources. This opens a new area for investments by the African insurance industry for other continents insurance industries have been significant actors in financing infrastructure geared to increasing industrialisation. This means that Kenya Re should as a matter of urgency set up to participate in regional financing institutions as part and parcel of its going regional. It can be useful for Kenya for in the next ten or so years the country will not have enough electricity and it will have to buy it from either Uganda, Tanzania and in the long run Zaire and Mozambique. Is there room for investing in infrastructure in these countries to serve Kenya? In 1970s in a course at the University of Nairobi, the consultant used to teach that our future energy will have to be imported for local generating capacity is three to four times more expensive than countries in the region simply because we do not have good power dam sites. Nothing has changed yet.

KENYA AS HOLLAND: A SERVICE ECONOMY Error! Bookmark not defined.

By way of conclusion, the consultant would like to end this paper with an idea that is increasingly attractive to those who image the future. This is the idea that Kenyan businesses should think of the country as a potential Holland. The logic is simply that the country like Holland, has very few natural resources compared to neighbours like Tanzania, Uganda, Sudan, Ethiopia, Mozambique, Angola, Zimbabwe and Zambia. Second, the country and the population has invested in education so much that it is ahead of the region in human resources development, including businesspersons. Third, its communications infrastructure, including international airport and seaport, is not bad other than the current problems with maintenance of the ports, telephones and roads. Its location is ideal for servicing not only the proximate region but the rest of the continent. These variables make it attractive as a service centre for the region and to some extent Africa. This is so recognised by South African businesses that they intend to set up in Kenya for regional trade. Witness the oil company seeking to build up oil refining and products business here although their South African plant is new. This fact was even recognised by Rhodes during the last century and is internalised in the Lonrho long-term strategic plans. Other Western international companies have recognised this for a long time.

It therefore seems to those who are into futurables that an attractive scenario is to build on these attributes and to make the Kenyan economy the premier service economy for the region. This is the role Holland plays in Europe.

Of course a few public policies have to be rationalised in terms of freeing banking, creating a totally convertible currency, improvements in infrastructure maintenance, privatisation of telecommunications and increasing the number of Kenyan who are internationally multi-lingual. These are possible.

In this context, Kenya Re can image its future for if Kenya , the service centre, takes off, one fantastic growth industry, again like Holland, will be insurance. This is a positive future, what remains is for you managers to image what you can do about it after reorganising.

I thank you.

muticon/kenya-re
27/6/94

TABLE 1: KENYA POPULATION BY SEX, AND SINGLE YEARS OF AGE 1989. Error! Bookmark not defined.

AGE	MALE	FEMALE	TOTAL	% (TOTALS)
All Ages	**10,631,948**	**10,821,044**	**21,452,992**	**100**
WP	**14,745**	**10,514**	**25,259**	**0.12**
Under 1	406,896	401,127	808,023	
1	339,376	332,431	671,807	
2	395,398	394,426	789,824	
3	394,036	390,479	784,515	
4	376,154	371,373	747,527	
0 - 4	**1,911,860**	**1,889,836**	**3,801,696**	**17.7**
5	395,411	385,214	780,625	
6	348,483	346,501	694,984	
7	329,640	324,319	653,959	
8	337,055	339,833	676,888	
9	333,644	330,346	663,990	
5 - 9	**1,744,233**	**1,726,213**	**3,470,446**	**16.18**
10	357,543	349,798	707,341	
11	275,086	278,519	553,605	
12	313,294	305,357	618,651	
13	275,792	274,273	550,065	
14	282,836	278,494	561,330	
10 - 14	**1,504,551**	**1,486,441**	**2,990,992**	**13.94**
15	269,650	269,966	539,616	
16	245,138	250,199	495,337	
17	220,209	218,091	438,300	
18	251,041	258,524	509,565	
19	192,343	204,573	396,916	
15 - 19	**1,178,381**	**1,201,353**	**2,379,734**	**11.09**
20	239,353	287,546	526,899	
21	169,477	186,922	356,399	
22	167,132	194,079	361,211	
23	151,695	168,826	320,521	
24	162,237	176,508	338,745	

20 - 24	**889,894**	**1,013,881**	**1,903,775**	**8.87**

AGE	MALE	FEMALE	TOTAL	
25	200,811	226,741	427,552	
26	159,798	169,319	329,117	
27	143,298	150,582	293,880	
28	147,157	171,309	318,466	
29	131,674	129,789	261,463	
25 - 29	**782,738**	**847,740**	**1,630,478**	**7.60**
30	201,347	223,216	424,563	
31	100,167	88,635	188,802	
32	116,759	107,777	224,536	
33	86,462	80,646	167,108	
34	79,235	75,684	154,919	
30 - 34	**583,970**	**575,958**	**1,159,928**	**5.41**
35	135,682	138,973	274,655	
36	84,689	83,106	167,795	
37	91,439	85,160	176,599	
38	75,553	80,878	156,431	
39	73,742	70,070	143,812	
35 - 39	**461,105**	**458,187**	**919,292**	**4.29**
40	129,214	145,211	74,425	
41	64,206	57,014	121,220	
42	70,638	60,346	130,984	
43	55,663	52,669	108,332	
44	48,337	49,199	97,536	
40-44	**368,058**	**364,439**	**732,497**	**3.41**
45	86,451	92,893	179,344	
46	49,925	54,950	104,875	
47	49,169	46,172	95,341	
48	49,381	52,051	101,432	
49	46,296	47,496	93,792	
45-49	**281,222**	**293,562**	**574,784**	**2.68**
50	84,509	99,672	184,181	
51	33,647	33,061	66,708	
52	42,127	36,524	78,651	
53	38,463	33,936	72,399	
54	37,239	37,553	74,792	

50-54	**235,985**	**240,746**	**476,731**	**2.22**

AGE	MALE	FEMALE	TOTAL	
55	49,426	47,783	97,209	
56	37,091	33,396	70,487	
57	32,376	30,596	62,972	
58	31,147	33,903	65,050	
59	29,037	35,574	64,611	
55-59	**179,077**	**181,252**	**360,329**	**1.68**
60	58,490	74,910	133,400	
61	26,114	28,158	54,272	
62	24,539	23,356	47,895	
63	20,689	20,217	40,906	
64	20,715	21,350	42,065	
60-64	**150,547**	**167,991**	**318,538**	**1.48**
65	35,358	37,645	73,003	
66	16,079	14,234	30,313	
67	22,821	18,555	41,376	
68	19,755	21,830	41,585	
69	19,715	24,778	44,493	
65-69	**113,728**	**117,042**	**230,770**	**1.08**
70	35,819	43,011	78,830	
71	16,813	17,486	34,299	
72	11,193	12,367	23,560	
73	7,845	7,962	15,807	
74	11,324	10,435	21,759	
70-74	**82,994**	**91,261**	**174,255**	**0.81**
75	26,922	23,401	50,323	
76	9,221	8,693	17,914	
77	8,529	7,090	15,619	
78	10,914	9,788	20,702	
79	11,036	11,536	22,572	
75-79	**66,622**	**60,508**	**127,130**	**0.59**
80+	**82,238**	**94,120**	**176,358**	**0.82**

SUMMARY

65 - 80+ 3%

30 - 64 21%
20 - 29 16%
15 - 19 11%

TABLE 2: DEMOGRAPHIC PROFILES OF KENYA AND HER NEIGHBOURS Error! Bookmark not defined.

			ESTIMATED POPULATION (MILLIONS)		POPULATION DOUBLING DATE	
HDI RANK		**1960**	**1992**	**2000**	**(AT CURRENT RATE)**	
161	Ethiopia		24.2	53.1	67.2	2014
140	Zaire	15.3	40.0	51.0	2013	
93	South Africa		17.4	39.9	47.9	2020
148	Tanzania		10.2	27.9	35.9	2012
151	Sudan	11.2	26.7	33.2	2016	
125	**Kenya**	**8.3**	**25.3**	**32.8**	**2012**	
154	Uganda		6.6	18.7	23.4	2014
159	Mozambique		7.5	15.1	19.4	2015
121	Zimbabwe		3.8	10.6	13.2	2014
157	Malawi	3.5	10.3	12.6	2012	
155	Angola	4.8	9.9	13.1	2010	
165	Somalia		3.8	9.3	11.9	2013
138	Zambia		3.1	8.6	10.7	2015
153	Rwanda		2.7	7.5	9.8	2011
152	Burundi		2.9	5.8	7.2	2015
120	Lesotho		0.9	1.8	2.2	2019
127	Namibia		0.6	1.5	2.0	2013
87	Botswana		0.5	1.3	1.7	2015
60	Mauritius		0.7	1.1	1.2	2060
117	Swaziland		0.3	0.8	1.0	2017
163	Djibouti		0.1	0.5	0.6	2014
83	Seychelles		*(.)	0.1	0.1	2075

* (.) Less than half the unit shown.

SOURCE: Human Development Report 1994.

TABLE 3: GROWING REGIONAL URBANIZATION Error! Bookmark not defined.

		URBAN POPULATION (AS % OF TOTAL)		POPULATION PER KM^2
HDI RANK	**1960**	**1992**	**2000**	**1980-90**

161	Ethiopia	6	13	17	..
140	Zaire 22	29	46	..	
93	South Africa	47	50	66	..
148	Tanzania	5	22	47	..
151	Sudan 10	23	27	..	
125	**Kenya 7**	**25**	**32**	**1,590**	
154	Uganda	5	12	14	..
159	Mozambique	4	30	41	..
121	Zimbabwe	13	30	35	..
157	Malawi 4	12	16	..	
155	Angola 10	27	36	..	
165	Somalia	17	35	44	..
138	Zambia	17	42	59	..
153	Rwanda	2	6	11	..
152	Burundi	2	6	7	..
120	Lesotho	3	21	28	..
127	Namibia	14	29	35	..
87	Botswana	2	27	43	..
60	Mauritius	35	41	43	3,800
117	Swaziland	4	28	46	..
163	Djibouti	63	86	85	..
83	Seychelles	..	..	..	..

SOURCE: Human Development Report 1994.

TABLE 4: REGIONAL EMPLOYMENT AND WOMEN IN LABOUR FORCE

Error! Bookmark not defined.

		LABOUR FORCE (AS % OF TOTAL POPULATION)		**WOMEN IN LABOUR (AS % OF TOTAL LABOUR FORCE)**	
HDI RANK		**1990-92**		**1990-92**	
161	Ethiopia		41		41
140	Zaire	37		36	
93	South Africa		38		39
148	Tanzania		47		48
151	Sudan	35		29	
125	**Kenya**	**40**		**40**	
154	Uganda		45		41
159	Mozambique		55		48
121	Zimbabwe		41		48
157	Malawi	43		51	
155	Angola	41		39	
165	Somalia		29		39

138	Zambia	32	29
153	Rwanda	46	54
152	Burundi	53	53
120	Lesotho	46	44
127	Namibia	29	24
87	Botswana	33	38
60	Mauritius	41	30
117	Swaziland	24	34
163	Djibouti	..	..
83	Seychelles	44	43

SOURCE: Human Development Report 1994.

Error! Bookmark not defined.TABLE 5: REGIONAL EMPLOYMENT BY SECTOR Error! Bookmark not defined.

		PERCENTAGE OF LABOUR FORCE IN					
		AGRICULTURE		INDUSTRY		SERVICES	
HDI RANK		1965	1990-92	1965	1990-92	1965	1990-92
161	Ethiopia	10	86	88	5	2	9
140	Zaire	82	71	9	13	9	16
93	South Africa	62	32	13	30	25	38
148	Tanzania	10	91	85	3	5	6
151	Sudan	81	72	5	5	14	23
125	**Kenya**	**86**	**81**	**5**	**7**	**9**	**12**
154	Uganda	10	91	86	3	4	6
159	Mozambique	8	87	85	6	7	7
121	Zimbabwe	21	79	71	8	8	13
157	Malawi	92	87	3	5	5	8
155	Angola	79	73	8	10	13	17
165	Somalia	16	81	76	6	8	13
138	Zambia	54	79	38	8	8	13
153	Rwanda	8	95	90	2	2	3
152	Burundi		94	92	2	2	4

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120	Lesotho	91	23	3	33	6	44
127	Namibia	..	43	..	22	..	35
87	Botswana	88	28	4	11	8	61
60	Mauritius	37	16	25	30	38	54
117	Swaziland	..	74	..	9	..	17
163	Djibouti	..	..	..	..	..	..
83	Seychelles	..	..	..	..	..	..

SOURCE: Human Development Report 1994.

Error! Bookmark not defined.TABLE 6: COMMUNICATION PROFILE Error! Bookmark not defined.

HDI RANK		DAILY NEWSPAPERS (COPIES PER 100 PEOPLE) 1990	RADIOS (PER 100 PEOPLE) 1990	TVs (PER 100 PEOPLE) 1990	POST OFFICES (PER 100,000 PEOPLE) 1991	PHONES (PER 100 PEOPLE 1990-92	MOTOR VEHICLES (PER 100 PEOPLE) 1989-90
161	Ethiopia	0.1	19	0.2	..	0.3	0.1
140	Zaire	..	10	0.1	1.3	0.1	..
93	South Africa	3.5	30	9.7	..	13.1	12.8
148	Tanzania	0.8	3	0.2	3.7	0.5	0.3
151	Sudan	2.4	25	7.1	..	0.3	..
125	**Kenya**	**1.5**	**13**	**1.0**	**..**	**1.5**	**1.2**
154	Uganda	0.2	11	1.0	..	0.3	..
159	Mozambique	0.6	5	0.3	1.6	0.4	..
121	Zimbabwe	2.1	8	3.0	2.8	3.0	

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157	Malawi	0.3	22	..	..	0.5	0.3
155	Angola	1.3	6	0.6	0.7	0.7	1.6
165	Somalia	..	..	4	1.2	..	0.2
138	Zambia	..	1.2	8	3.1	..	1.2
153	Rwanda	0.2	(.)	6	..	..	0.2
152	Burundi	0.4	0.4	6	0.1	0.6	0.2
120	Lesotho	..	1.1	7	0.6	..	1.2
127	Namibia	..	15.3	17	2.1	..	6.0
87	Botswana	3.6	1.5	12	1.6	12.8	5.0
60	Mauritius	5.7	7.4	36	21.7	9.4	6.8
117	Swaziland	6.7	1.3	16	2.1	8.3	3.2
163	Djibouti	..	2.0	8	5.2	..	3.1
83	Seychelles	7.6	4.6	46	8.7	7.1	14.3

SOURCE: Human Development Report 1994.

TABLE 7: LIFE EXPECTANCY, ADULT LITERACY, SCHOOLING AND ADJUSTED REAL GDP Error! Bookmark not defined.

HDI RANK		**LIFE EXPECTANCY AT BIRTH (YEARS) 1992**	**ADULT LITERACY RATE (%) 1992**	**MEAN YEARS OF SCHOOLING 1992**	**ADJUSTED REAL GDP PER CAPITA USD 1991**
161	Ethiopia	46.4	50.0	1.1	370
140	Zaire	51.6	74.0	1.6	469
93	South Africa	62.2	80.0	3.9	3,885
148	Tanzania	51.2	55.0	2.0	570
151	Sudan	51.2	28.2	0.8	1,162
125	**Kenya**	**58.6**	**70.5**	**2.3**	**1,350**
154	Uganda	42.6	50.5	1.1	1,036
159	Mozambique	46.5	33.5	1.6	921
121	Zimbabwe	56.1	68.6	3.1	2,160
157	Malawi	44.6	45.0	1.7	800

155	Angola 45.6	42.5	1.5	1,000	
165	Somalia	46.4	27.0	0.3	759
138	Zambia	45.5	74.8	2.7	1,010
153	Rwanda	46.5	52.1	1.1	680
152	Burundi	48.2	52.0	0.4	640
120	Lesotho	59.8	78.0	3.5	1,500
127	Namibia	58.0	40.0	1.7	2,381
87	Botswana	60.3	75.0	2.5	4,690
60	Mauritius	69.6	79.9	4.1	5,211
117	Swaziland	57.3	71.0	3.8	2,506
163	Djibouti	48.3	19.0	0.4	1,000
83	Seychelles	71.0	77.0	4.6	3,683

SOURCE: Human Development Report 1994.

Error! Bookmark not defined.TABLE 8: REGIONAL HUMAN CAPITAL FORMATION Error! Bookmark not defined.

HDI RANK		SCIENTISTS AND TECHNICIANS (PER 1,000 PEOPLE) 1986-91	R & D SCIENTISTS AND TECHNS. (PER 10,000 PEOPLE) 1986-89	TERTIARY GRADUATES (AS % OF CORRES. AGE GROUP 1987-90	SCIENCE GRADUATES (AS % OF TOTAL GRADUATES) 1988-90
161	Ethiopia	..	..	0.2	24
140	Zaire	..	..	0.2	27
93	South Africa	..	..	..	

		..		
148	Tanzania	..	..	0.120
151	Sudan	0.4	..	0.43
125	**Kenya**	**1.3**	**..**	**0.224**
154	Uganda	..	..	0.126
159	Mozambique	..	..	0.021
121	Zimbabwe	..	..	

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SOURCE: Human Development Report 1994.

Error! Bookmark not defined.TABLE 9: REGIONAL EDUCATION IMBALANCES Error! Bookmark not defined.

HDI RANK		SECONDARY TECHNICAL ENROLMENT (AS % OF TOTAL SECONDARY) 1988-91	TERTIARY NATURAL AND APPLIED SCIENCE ENROLMENT (AS % OF TOTAL TERTIARY) 1990	TERTIARY STUDENTS ABROAD (AS % OF THOSE AT HOME) 1987-88	PUBLIC EXPENDITURE ON EDUCATION (AS % OF GNP) 1960	1990
161	Ethiopia	4.8	0.5	40	17	0.8
140	Zaire	27.4	..	15	2.4	0.9
93	South Africa	..	..	..	1	3.0
148	Tanzania	5.8	..	62	31	2.1
151	Sudan	4.1	21	27	1.9	..
125	**Kenya**	**1.6**	**32**	**17**	**4.6**	**6.8**
154	Uganda	2.9	2.5	22	10	3.2
159	Mozambique	6.3	6.0	60	11	..
121	Zimbabwe	10.6	1.7	27	8	0.5

157	Malawi	2.4	25	14	2.1	3.4
155	Angola	5.9	40	30	0.3	..
165	Somalia	..	..	..	10	0.9
138	Zambia	2.9	2.8	29	14	1.6
153	Rwanda	4.2	..	26	38	0.3
152	Burundi	3.5	12.8	40	19	2.4
120	Lesotho	3.8	3.6	..	11	3.2
127	Namibia	4.7	1.9	17	..	..
87	Botswana	8.4	4.6	22	24	2.7
60	Mauritius	3.7	1.4	29	..	3.0
117	Swaziland	6.4	1.4	36	12	..
163	Djibouti	3.3	15.9	..	..	..
83	Seychelles	8.5	29.0	..	..	..

SOURCE: Human Development Report 1994.

Error! Bookmark not defined.TABLE 10: HUMAN CAPITAL FORMATION Error! Bookmark not defined.

HDI RANK		ADULT LITERACY RATE (AS % OF AGE 15+) TOTAL 1992	FEMALE 1992
161	Ethiopia	..	..
140	Zaire	74	63
93	South Africa	..	..
148	Tanzania	..	..
151	Sudan	28	13
125	**Kenya**	**71**	**60**
154	Uganda	51	37
159	Mozambique	34	21
121	Zimbabwe	69	61
157	Malawi	..	..
155	Angola	43	29
165	Somalia	27	16

138	Zambia	75	67
153	Rwanda	52	39
152	Burundi	52	42
120	Lesotho	..	..
127	Namibia	..	..
87	Botswana	75	66
60	Mauritius	80	75
117	Swaziland	..	..
163	Djibouti	..	..
83	Seychelles	..	..

SOURCE: Human Development Report 1994.

TABLE 11: RATIO OF PREMIUMS WRITTEN TO PERSONNEL 1982-1992 Error! Bookmark not defined.

YEARS	PREMIUMS WRITTEN	PERSONNEL	RATIO PW/P
1982	405,192,862	210	1,929,490
1983	482,671,356	290	1,664,384
1984	543,572,082	310	1,753,458
1985	597,254,144	352	1,696,745
1986	647,982,502	376	1,723,358
1987	792,445,607	413	1,918,754
1988	899,373,321	419	2,146,476
1989	1,089,683,626	483	2,256,074
1990	1,347,358,355	503	2,678,645
1991	1,504,245,205	540	2,785,639
1992	1,652,601,724	600	2,754,336

TABLE 12: RATIO OF INVESTMENT INCOME TO PERSONNEL 1982-1992 Error! Bookmark not defined.

YEAR	INVESTMENT INCOME	PERSONNEL	RATIO II/P
1982	38,150,579	210	181,669
1983	41,427,698	290	142,854
1984	45,147,333	310	145,637
1985	59,762,387	352	169,780
1986	79,333,962	376	210,995
1987	90,091,667	413	218,140
1988	113,296,257	419	270,397
1989	125,394,852	483	259,617
1990	158,021,348	503	314,158
1991	196,697,449	540	364,255

1992	223,859,514	600	373,099

TABLE 13: RATIO OF NET PROFITS TO PERSONNEL 1982-1992 Error! Bookmark not defined.

Year	Net Profits(NP)	Personnel(P)	Ratio NP/P
1982	62,594,241	210	298,068
1983	41,487,466	290	143,060
1984	46,068,014	310	148,606
1985	41,894,562	352	119,018
1986	48,639,443	376	129,360
1987	54,509,816	413	131,985
1988	40,769,822	419	97,302
1989	51,328,493	483	106,270
1990	95,457,010	503	189,775
1991	83,919,944	540	155,407
1992	94,498,147	600	157,496

TABLE 14: KDHS HOUSEHOLD POPULATION BY AGE, RESIDENCE AND SEX 1993

	Urban			Rural			Total		
Age Group	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-4	13.6	13.5	13.6	17.2	15.4	16.3	16.7	15.2	15.9
5-9	10.8	14.0	12.4	18.3	17.9	18.1	17.2	17.4	17.3
10-14	9.6	11.1	10.3	17.1	16.5	16.8	16.0	15.8	15.9
15-19	8.4	10.9	9.6	11.5	9.1	10.2	11.0	9.4	10.2
20-24	10.2	16.2	13.1	6.5	7.6	7.1	7.0	8.7	7.9
25-29	11.9	11.4	11.7	4.5	6.1	5.3	5.6	6.8	6.2
30-34	11.4	8.1	9.8	4.6	5.2	5.0	5.6	5.6	5.6
35-39	7.6	4.7	6.2	3.3	4.0	3.7	3.9	4.1	4.0
40-44	5.2	3.2	4.2	3.3	3.4	3.4	3.6	3.4	3.5
45-49	4.2	1.7	3.0	2.7	2.3	2.5	2.9	2.2	2.5
50-54	2.4	2.4	2.4	2.1	3.7	3.0	2.2	3.6	2.9
55-59	2.2	0.9	1.6	2.1	2.3	2.2	2.1	2.1	2.1
60-64	1.2	0.6	0.9	2.1	2.4	2.2	1.9	2.2	2.1
65-69	0.5	0.4	0.4	1.5	1.5	1.5	1.3	1.3	1.3
70-74	0.4	0.5	0.4	1.3	1.0	1.1	1.2	0.9	1.0
75-79	0.1	0.2	0.1	0.6	0.6	0.6	0.5	0.6	0.5
80+	0.2	0.2	0.2	0.8	0.7	0.8	0.7	0.6	0.7
Missing/Not Known	0.3	0.0	0.2	0.4	0.2	0.3	0.4	0.2	0.3
Total Number									
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	2673	2529	5202	15616	17406	33022	18289	19935	38224

Source: Demographic and Health Survey 1993. CBS.

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