Salaries & Remuneration Commission

Rewarding productivity

PRESS STATEMENT

3rd March 2013

THE REMUNERATION AND BENEFITS FOR STATE OFFICERS

The Salaries and Remuneration Commission, in performance of its Constitutional mandate, developed a proposed Remuneration Structure for State Officers, which was launched in 5th February 2013.

The structure was designed following the results of a comprehensive job evaluation exercise for State Officers and Offices established by the Constitution and a comparative analysis of the remuneration levels applicable in other comparable countries across the world. At the core of the proposed structure were the principles of sustainability, transparency, equity and competitiveness.

The remuneration determination was done by use of comparable economic factors including, the gross domestic product (GDP), revenue collection and Government's expenditure both on personnel emoluments, recurrent and the total expenditure among others. The need to reduce the disparities in remuneration levels between the highest and lowest paid public officers was also taken into consideration.

Following the launch of the Remuneration Structure, the Commission held public hearings starting with Nairobi region which was held on the 7th of February 2013. This was followed by hearings in the following towns: Kisumu, Bungoma, Kakamega, Migori, Kisii, Kericho, Narok, Nakuru, Eldoret, Kitale, Lowar, Malindi, Mombasa, Voi, Meru, Nyeri, Isiolo, Maralal, Garissa, Embu, Kitui and Machakos between 11th February, 2013 and 15th February, 2013.

During the public hearings the Commission received mixed reactions from the members of the public and stakeholders. However one thing that was very clear was Kenyans were concerned with the huge public sector wage bill. Kenyans were telling the Commission of their desire to see the economy grow by ensuring that there is greater prudence in the setting up of remuneration and benefits for public servants in addition to other public expenditure rationalisation.

Current Wage Bill

The Country is facing a big challenge on how to manage the huge wage bill. Allow me to remind you that the public sector wage bill constitutes 30.2 per cent of the total Government expenditure. This translates into over 12 per cent of GDP. The total wage bill for the current financial year alone is Kshs. 458.7 billion which is over 50% of the revenues raised domestically. Overall, Kenya’s total wage bill in the public sector has continued to increase in nominal terms.

The Remuneration Structure

The Salaries and Remuneration Commission set and consequently Gazetted Remuneration and Benefits for State Officers as required by the Constitution of Kenya, 2010. In doing so, the Commission consulted widely and received representations from members of public and key stakeholders. The Commission gave due consideration to all the input received during the public hearings, meetings, email and written proposals.

Indeed this was not an enviable task for the Commission. The Commission walked a very tight rope in trying to balance between attraction and retention on one hand and sustainability on the other. The Commission strictly adhered to and was guided by the principles enshrined in the Constitution, namely

1. The need to ensure that the total public compensation bill is fiscally sustainable;
2. The need to ensure that the public services are able to attract and retain the skills required to execute their functions;

3. The need to recognize productivity and performance; and
4. Transparency and fairness.

The Commission started with the State Officers who constitute 3% of the public servants. The Commission will in the next few weeks embark on a job evaluation for the public service. At the conclusion of the job evaluation exercise, the Commission will have produced a rationalized, harmonized, defensible and equitable grading structure for public service.

We may not have solved the issues of sustainability because we started from the premise of a huge, unaffordable and unsustainable public sector wage bill that needs to be brought down to the manageable acceptable international levels. SRC takes cognizance of feedback it received from the public hearing requesting for further reductions. We may not have incorporated the high margins requested by the majority of Kenyans in order not to derail the medium and long term national goals.

It is important to note that this is, indeed, a gradual recovery journey that requires strategic approach where reduction has to be systematic and take cognizance of the key developmental issues such as the Vision 2030 flagships and implementation of the Constitution. Any drastic reductions would impact on negatively on the development agenda and the implementation of the Constitution which have gained momentum and must go on.

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