



Knowledge-based economy to define Kenya's future

By PETERSON OBARA MAGUTU

Economic growth is the most important means of raising people's incomes and reducing poverty in the developing world, it creates jobs and opportunities for the poor people to support their families and build more stable futures.

There is need to implement certain initiatives that can strengthen Kenya's business environment, increase people's access to international markets, improve their infrastructure and give more people access to financial services.

As cited in one of the international newsletter - IIEP 2012 *"If knowledge is a source of economic growth, disparities in its distribution become a source of inequality among nations. Studies show that income inequalities are high where enrolments in higher education are low"*. Economic growth, currently, depends on the capacity to produce knowledge-based goods.

However, the future of knowledge economies depends more on their capacity to produce knowledge through research and development rather than on knowledge-based goods.

GREATER VALUE

Hence, knowledge economies place greater value and accord higher priority to the production and distribution of knowledge. This extract is an inspiration to the current and future builders of jobs for our children locally and globally: *"Let's keep creating the next generation of dreamers, and creators, and builders. Let's close the skills gap with education that truly prepares our children for the jobs of the future. Let's help entrepreneurs harness the latest technology to build new networks of cooperation. Let's make it even easier to access capital,"* says US President Barack Obama.

The future of Kenya, in terms of a globalized knowledge-based economy are a generation of dreamers, creators and builders, who

despite enormous challenges have shaped Kenya's destiny because they got access to education and training and made the best out of it for the common good.

Take a case of Kenya's strides and great investments in information technology, recently pioneered by former PS, Dr. Bitange Ndemo. His passion and commitment helped position the country as a business outsourcing hub.

INNOVATION HUB

But more needs to be done to make Kenya a leading knowledge cum innovation hub. The government, therefore, has a gap to fill by creating a knowledge outsourcing hub. For example, we have very perfect innovations in Kenya, but there is no incubation hub for the young researchers to use it as an entrepreneurial initiative to sell these innovations to the world.

Dr James Mwangi of Equity Bank has revolutionised the banking through reaching out to thousands of previously unbanked Kenyans.

These are cases supported by a big knowledge base to enhance entrepreneurship among the citizenry for economic growth. The Jubilee Government cabinet is largely managed by professionals. This has changed the shape of government operations from a political cabinet to a knowledge-based cabinet.

RIGHT SKILLS

The big question here is: *How can the Kenya develop well educated and enterprising people with the right skills to build Kenya's future as a competitive globalized knowledge-based economy?*

Higher education institutions are a major source for the provision of the human capital required for knowledge production. The Universities in Kenya are expected to play a crucial role in generating new ideas, and in accumulating and transmitting knowledge, yet they have remained peripheral to development concerns. Although no longer the sole generators of knowledge needed for development, through their research and teaching they help to produce expertise, manage development, engineer social transformation, and preserve social values and cultural ethos.



They have a role to play in offering training programs or degrees that meet the current market trends although changes in the economy have made it a challenge to maintain an appropriate balance between national priorities and the impact of the globalization of higher education for the country.

For example, the government has been ignorant on what Supply Chain Management was until 2005 when it came up with a formal public procurement and disposal ACT. For instance, the University of Nairobi was the first public university to revise its curriculum to offer a degree in procurement and supply chain management at undergraduate and postgraduate level. But to date, some universities have not revised their

curriculums in response to these changes in the business environment.

SUPPLY CHAINS

We, urgently need mentorship programmes for our managers on global supply chains and global operations to enhance our national competitiveness in the global arena. 51 of the 100 leading economies in the world are not nations but corporations.

For example, Toyota earns Japan a lot of Income (GDP) than what the country can make from its revenues. Is there a firm in Kenya that is well managed with extensive global business network that is earning the country more than 25 per cent of its GDP? The answer is none!

The managers of most local firms have not managed the operations of their firms well hence they cannot face the global giants which offer quality and cheaper products. For example, an egg from South Africa is cheaper in the Kenyan market compared to the local eggs. Our managers need to think global and stop localizing their thinking. They should look at competition beyond the national boundaries.

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