



Neoliberalism, Development and Feminist Well-Being Economy

**Understanding the Impact of Neoliberalism and International Financial
Institutions policies on Kenya's Macro Economy to Inform Advocacy
for a Feminist Well-Being Economy**

FINAL REPORT

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ACRONYMS

| | |
|-------------|--------------------------------------|
| AAIK | ActionAid International Kenya |
| FEW | Feminist wellbeing economy |
| GBV | Gender-based violence |
| GDP | Gross domestic product |
| GNH | Gross National Happiness |
| GRB | Gender-responsive budgeting |
| IFI | International Financial Institutions |
| ILO | International Labour Organization |
| IMF | International Monetary Fund |
| MNC | Multinational company |

EXECUTIVE SUMMARY

The Young Urban Women program funded by the Hewlett Foundation is a three-year project (2023-2026) implemented in Ghana, South Africa, and Malawi seeking to advance policy that supports feminist economic well-being of young women. It aims to empower feminist movements to mobilize at grassroots, national, regional, and global levels to be heard by their governments, as well as IFIs, in calling for the rejection of neoliberal economic policies in favor of a feminist wellbeing economy, including by investing in care economies, access to decent work, social protection, and gender responsive public services. The project's logic avers that a feminist wellbeing economy seeks to create a more equitable and just society by challenging gendered power imbalances, valuing care, and wellbeing, promoting sustainability, and prioritizing the needs and rights of all individuals. Feminist economic alternatives (FEAs) focus on care economies and the well-being of individuals and the planet which stands in contrast to the dominant neoliberal approach. The FEAs challenge and reject the ongoing imperialist and colonial exploitation of people, particularly women, and resources in the global South perpetuated by the global North.

The study focused on the nexus of neoliberalism economics, urbanization, and gender inequality to critically analyze the effects of neoliberal macroeconomic policies in Kenya on young urban women. The study opted to assess the dimensions of neoliberalism in Kenya, their manifestation as everyday dynamics of urban life and their effects on three key components of urban young urban women: access to critical social services (education, health, and safety from violence), economic livelihoods/security; and unpaid care work). To bring out the nuanced relationship between urban spaces, quality of life and feminist economic alternatives, the study also included the urban ecology as a dimension of neoliberal economics in Kenya. Conceptually the study aligns with the Appadurai (2000) view that under rampant neoliberal economic order, a series of social forms can emerge to contest, interrogate, and reverse the excesses of neoliberal economic developments and instead spur new, innovative but often peripheralized and radical forms of knowledge, activism and social mobilization that proceed independently and in contest to the dominant actions of corporate capital and the compromised nation-state system. Such emergent forms require strategic information and knowledge from the margins and grassroots hence the inclusion of a micro-level qualitative study of young urban women as case studies.

The study focused on the following objectives:

- i) Evaluate the effects of neoliberal policies on Kenya's macroeconomic indicators, including GDP growth, employment rates, income distribution, and poverty levels.
- ii) Assess the role of IFIs, Global North countries and donors in shaping Kenya's economic policies, fiscal management, debt sustainability, and structural reforms.

Macroeconomic policies refer to how governments make decisions about how to raise and spend revenue, which ends up having a big impact on the everyday lives of all women and girls. Macro-level economic policy can be used by governments to realize the needs and rights of all its residents; however, doing so is a political choice. The politics of neoliberalism and counter movements require a deliberate appreciation of its colonial vestiges and the necessity for a decolonializing effort at cascaded levels from the global to the personal with the attendant multisectoral overlaps. Decolonizing the global economy and dismantling its systemic and structural pillars requires an intersectional approach which can recognize the multiple oppressions it is built on. These include colonialism, land occupation, and the transatlantic trade in human beings (known as the slave trade). They extend to apartheid, race capitalism, and the exploitation of Global South communities and women's labour. Decolonizing the global economy requires the demolition of systems and structures that support the Global North's coercive and inequitable power in global economic governance.

The experiences and effects of neoliberalism in Kenya are reflect the long and complex histories of colonization, defined by interactions between the Global South (alongside marginalized groups) and dominant group interests in global and national contexts, exacerbating how decisions in the Global North impact the Global South. In the process, women's experiences – particularly those living at the intersection of other forms and systems of oppression like race, sexuality, disability, geography, economic quintile – tend to be excluded from decision-making processes and get exposed to disproportionate experience of its negative consequences.

Neoliberal macroeconomic policies advocated by IFIs and donor countries in the North have promoted deregulation, austerity, privatization, and trade liberalization are implemented globally promoting limited government involvement, competition, and individualism. The policies had negative impacts on urban populations due to limited government public spending on essential sectors

such as social welfare, health, and education. This has resulted in increased socio-economic burdens on unpaid workers and the unemployed population in cities.

The principal proponents of neoliberal economic policies IFIs, and particularly IMF and the World Bank, and donor nations have a mandate from their shareholders and citizens to provide both sophisticated analysis and effective financing models to address global issues such poverty, trade, and investment. IFIs have comparative advantage in mobilizing resources and channeling them into projects that can effectively address large scale needs like transport and health systems. Taxation, liberalization, and privatization reforms have caused sky-rocketing fuel prices and costs of household user products making lives of the poor unbearable. Most of the vulnerability targeting social sector interventions made by the government are ineffective in mitigating the harmful effects of reforms.

The opening of market economies has led to the displacement of people with concurrent integration into global circuits of labor migration and products through relations between multinationals, governments, civil societies, and businesses. This has led to the migration of people from rural areas to towns and from one country to another providing cheap labor within the country or abroad as the case of domestic laborers moving to the middle east from Mombasa and surrounding counties. This is a juxtaposition of outcomes whose impact is both negative and positive for urban communities since there are job opportunities on one hand while on the other, the wages are meager, and poor working conditions that put them in perpetual precarity, insecurity sexual abuse and violence. Young urban women, who are a diverse group in age, social status, education level and aspirations are all exposed to the precarity of the resultant socio-economic system of the macroeconomic policies.

The most devastating effects of the neoliberal macroeconomic policies implemented by the govern affecting young urban women are evident in the continuing reduction in social spending. The proportion of total government budgets allocated to education, health, and social protection. The share of social spending to total budget decreased from 26.49% to 23.06% between 2019 and 2022, and as a share of GDP decreased from 7.3% in 2019 to 6.06% in 2022 Though experiencing the effects of the policies in their everyday lives, few Kenyans are aware of the actual interlinkages between their daily struggles and experiences and the IFIs directives that influence the macroeconomic policies which reduces funding of social sectors. Unfortunately, they are not alone- even their leaders and policy makers: according to one professor: *'... many of our political and policy leaders do not make that connection. It is worse for ordinary citizens let alone young urban women in the marginalized informal settlements.'* This

highlights and legitimates the need for concerted advocacy to increase public awareness and action to agitate for reorientation towards a feminist economic alternative model.

From the findings, the study makes the following recommendations:

- i. Establish and expand the National Social protection schemes to cover young mothers and the unemployed to include employment benefits and grants towards engaging in the informal economy and poor urban neighborhoods.
- ii. The macroeconomic policies need to be focused on creating an enabling environment for young women to participate in policy development, implementation, and accountability mechanisms as well as facilitation to engage in economic activities to enhance their economic security, including by providing interest-free tailored credit schemes for starting businesses.
- iii. Adopt progressive domestic taxation mechanisms that enable the government to finance gender-responsive public services and social protection; while ensuring MNCs pay their fair share of tax reviewing tax holidays and double taxation treaties, ensuring sufficient taxation of the mining sector, rather than increasing VAT, or placing an undue tax burden on small domestic businesses, especially in the informal sector
- iv. Advocate for and implement robust feminist economic alternatives that deliberately invest in gender responsive budgeting and planning nationally by ensuring the national and county budgets are designed to address the specific needs and rights of women and other marginalized groups, especially the young urban women.
- v. Ensure multinational corporations pay their fair share of taxes by strengthening anti-tax avoidance policies.
 - a. Scrap unnecessary tax exemptions for corporations and richer individuals, and review tax treaties to ensure that they support revenue generation and do not give away taxing rights unnecessarily.
 - b. Strengthen the capacity of national revenue authorities to curb illicit financial flows, through corporate country-by-country reporting and exchanging data on profits and wealth holdings.
- vi. Strengthen labor policies and rights, especially for informal, vulnerable, and unemployed workers.
 - a. Ensure workers have rights to unionize, strike and bargain collectively, in line with ILO conventions.

- b. Legislate in all countries against gender discrimination, rape, and sexual harassment, and for equal pay.
 - c. Increase minimum wages to match per capita GDP.
 - d. Invest far more in national structures enforcing labor legislation, including encouraging the informal sector to progressively comply with laws and provide social protection to their workers.
 - e. Invest in public sector jobs and public works to cut unemployment and increase unemployment benefits.
- vii. Adopt progressive domestic taxation mechanisms that enable the government to finance gender-responsive public services and social protection.
- a. Ensuring that MNCs pay their fair share of tax reviewing tax holidays and double taxation treaties, ensuring sufficient taxation of the import sector, rather than increasing VAT, or placing an undue tax burden on small domestic businesses, especially in the informal sector.
 - b. Invest in strengthened tax administrations' compliance efforts that are targeted at high-income earners and corporations.

Chapter 1: INTRODUCTION

1.1 Background

AAIK is a non-partisan, non-religious development Organization that has been working in Kenya since 1972 to end poverty and injustices. ActionAid Kenya is among the leading anti-poverty agencies in Kenya with a presence in sixteen counties, directly impacting over one million people living in poverty and exclusion. AAIK is committed in advancing Women's Rights and ensuring that Women Living in Poverty and Exclusion are at the centre of our work. AAIK commits to work with Women, Children and Youth living in poverty and exclusion to claim and realize their constitutional rights. AAIK approach is based on the pillars of Human Rights Based Approach (HRBA); which are empowerment, solidarity, campaigning and advancing feminist economic alternatives (FEA) where communities lead the change process and AAIK facilitates their actions.

AAIK is implementing the Young Urban Women program funded by the Hewlett Foundation from April 2023¹ to April 2026 in Nairobi and Mombasa in Kenya. The project is also implemented in 3 other countries: Ghana, South Africa, and Malawi. The project seeks to advance policy that supports feminist economic well-being of young women by empowering feminist movements to mobilize at grassroots, national, regional, and global levels to be heard by their governments, as well as IFIs, in calling for the rejection of neoliberal economic policies in favor of a feminist wellbeing economy, including by investing in care economies, access to decent work, social protection, and gender responsive public services.

The three-year project's logic avers that a feminist wellbeing economy seeks to create a more equitable and just society by challenging gendered power imbalances, valuing care, and wellbeing, promoting sustainability, and prioritizing the needs and rights of all individuals. *Another World is Possible*, (ActionAid, 2021), looked at feminist economic alternatives (FEAs)². Feminist economic alternatives (FEAs) focus on care economies and the well-being of individuals and the planet which stands in contrast to the dominant neoliberal approach. FEAs challenge and reject the ongoing imperialist and colonial exploitation of people, particularly women, and resources in the global South perpetuated by the global North.

² MacNally, David. 2006. *Another World Is Possible: Globalization and Anti-Capitalism*. ARP Books.

1.2 The Research Project and Methodology

ActionAid commissioned this research to focus intentionally and explicitly on the nexus of neoliberalism economics, urbanization, and gender inequality to critically analyze the effects of neoliberal macroeconomic policies in Kenya on young urban women. The study opted to assess the dimensions of neoliberalism in Kenya, their manifestation as everyday dynamics of urban life and their effects on three key components of urban young urban women: access to critical social services (education, health, and safety from violence), economic livelihoods/ security; and unpaid care work). To bring out the nuanced relationship between urban spaces, quality of life and feminist economic alternatives, the study also included the urban ecology as a dimension of neoliberal economics in Kenya. Whereas historically urban spaces have provided freedom and opportunity to imagine alternative futures for young women, through broader access to employment and public services, under neoliberal policies they have morphed into sites of intersecting marginalization, exclusion, and exploitation, especially the young women living in informal settlements and precarious professions including unpaid care work.

As part of ActionAid project on Young Urban Women, the study avers that whereas urban spaces are constraining, marginalizing and exploitative of young women under the neoliberal economic regimes, they also carry enormous potential for advocacy and collective action necessary to pushing the transformation of the prevailing economic system towards feminist economic alternatives (FEAs). The project builds of the recognition of the biases in the prevailing economic system while demanding and putting into practice steps towards the systemic transformation of the rules of the economy. Such systemic transformation entails calling out, questioning, and dismantling unequal power relations that are in effects rooted in systems of oppression (patriarchy, racism, neocolonialism, extractivism, ableism, cis heteronormativity etc). The idea is to move towards recognizing and learning from among others indigenous economic systems and popular economies outside of capitalism economic paradigms (and affiliated social justice movements) to facilitate reconstruction of the economic systems, structures, policies, and institutions that both perpetuate and benefit from them, and focused on ensuring the democratic and accountable attainment of human rights for all and environmental preservation. The rationale of the study is to analyze and consolidate the existing evidence and additional primary data to inform AAIK's advocacy efforts for a feminist wellbeing economy and identify effective strategies for promoting Feminist Economic Alternatives (FEA's) in Kenya

alongside other fiscal justice and resistance initiatives led by civil society organizations, women rights organizations and other social feminist movements in Africa and across the globe.

1.3 Objectives of the Study

Conceptually the study aligns with the Appadurai (2000) view that under rampant neoliberal economic order, a series of social forms can emerge to contest, interrogate, and reverse the excesses of neoliberal economic developments and instead spur new, innovative but often peripheralized and radical forms of knowledge, activism and social mobilization that proceed independently and in contest to the dominant actions of corporate capital and the compromised nation-state system. Such emergent forms require strategic information and knowledge from the margins and grassroots hence the inclusion of a micro-level qualitative study of young urban women as case studies. Thus, the study focused on the following objectives:

- iii) Evaluate the effects of neoliberal policies on Kenya's macroeconomic indicators, including GDP growth, employment rates, income distribution, and poverty levels.
- iv) Assess the role of IFIs, Global North countries and donors in shaping Kenya's economic policies, fiscal management, debt sustainability, and structural reforms.

1.4 Scope of Work

Based on the guidance in the terms of Reference, the Consultant understands that the scope of the assignment to use a feminist critique perspective to collect both primary and secondary data, review relevant available literature across globe with special focus on the countries of interest, analyze the collected data and prepare an incisive report with evidence supported recommendations and advocacy strategy points. As a study centre in a global south context, it is positioned inherently as an attempt to further question the hegemonic dominance of the global north economic models while engaging in dialogue with the previous waves of feminism to among other things acknowledge the place of indigenously knowledge, women and systems in anti-domination and exploitation social change and transformation movements.

The IMF is a lending institution that provides loans to countries when they are heavily in debt and are left with no other options. In return for the loans, recipient governments must agree to stipulations supposedly designed to improve their economic performance. These conditionalities include many of the key tenets of neoliberalism (see box 1) such as the privatisation of public services, cutting public sector jobs and pay, reducing social safety nets and limiting labour rights – all measures with detrimental impacts for poor women in particular. Since the 1980s, women’s right activists have protested these conditions (commonly known then as SAPs) and the severe impacts they International Monetary Fund have on the lives of women in the Global South.

The World Bank Group is made up of five international organisations that lend money and provide grants to developing countries for specific development projects. It has two stated goals: to end extreme poverty and promote shared prosperity. However, critics question whether its work is actually worsening, rather than improving, poverty and inequality. While the World Bank does not have a formal role in macro-level economic policy advice like the IMF, it does influence macrolevel economic decision-making, in particular in shaping the investment climate of developing countries.

Source: FEMNET [The-Audacity-to-Disrupt-2020-E-version.pdf \(femnet.org\)](https://www.femnet.org/publications/the-audacity-to-disrupt-2020-e-version.pdf)

1.5 Methodology of the Study

The study was qualitative albeit with extracted quantitative data from economic reports. In line with feminist research principles, it adopted an intersectionality approach affirming that young urban women face multiple-layered forms of exclusion, marginalization, and exploitation. Overall, the qualitative research was ethnographically oriented, employing techniques that elicit experiences, narratives, anecdotes, testimonies, and observational details of the everyday lives of the people and households at the nexus of economics and age-gender-based vulnerability.

Since the main goal of the study was to understand the impact of neoliberalism (as a series of macroeconomic policies) on young urban women in the two counties of Mombasa and Nairobi, it strove to be grounded on contextual dynamics and nuance of the daily lives of the young women in Kenya generally and the two cities specifically. The deeper focus comprehensively assesses the status of urban women concerning the experience and effects of neoliberal policies- deregulation, liberalization, privatization and fiscal austerity and their inevitable outcome on taxation regimes, discerning the opportunities (if any), barriers, constraints, and challenges experienced in negotiating their everyday lives within the context of these policies. This facilitated a more robust and valid critique of neoliberalism and related policy actions by the government of Kenya as realities of young urban women’s everyday experiences with strategic long-term agenda of building advocacy coalitions for alternatives.

To gather the required primary data, qualitative data collection techniques, especially focus group discussions (FGDs) and key informant interviews (KIIs)/In-depth interviews (IDIs) were utilized.

The data was collected from policy makers and experts as key informants, young women organizations, and other CSO stakeholders with special interest in the economic policy-gender nexus interventions. The actual scope and profiles of participants for data collection was agreed on with AAIK during the inception process. Key informant interviews were conducted at county and community levels. The criteria used to identify the individuals as key informants was academic/research expertise on economics and globalization, feminism, and gender equality as well as social development policy and government budgeting. We also used engagement in civil society and grassroots activism to identify alternative voices. Lastly, we also used media, literature, and references to locate potential informants who had insights on the research issues. The interviews used open-ended questions that permit unexpected but relevant issues, followed up with either additional questions or systematic probing. The study managed to interview eleven of the twenty key informants initially targeted due to refusal (four), unavailability due to commitments elsewhere (five) and rejection by researcher after reference and past roles revealed credibility gaps in his views and testimony especially regarding his professed expertise on the subject matter (one)³. The study also conducted Focus Group Discussions with Young women in Nairobi and Mombasa to gain further understanding of the gendered impact of austerity measures and policy directives which potentially exacerbate existing gender inequalities and contribute to their marginalized status. The Focus Group Discussions with the young women in Nairobi and Mombasa provided deeper and experiential insights into the intersecting impacts of austerity measures and policy directives which potentially exacerbate existing gender inequalities and contribute to their marginalized status. The FGD's were used in filling knowledge gaps from issues arising from the macro-data and literature highlighting testimonial everyday lives and struggles by various stakeholders in their community as well as their individual reflections, observations, and experiences. The FGDs were complimented by case studies and participants observations of everyday routines of five young urban women struggling to find agency in the constrained urban spaces through employment, volunteer work, informal business, domestic work, and job-seeking.

The study further reviewed existing literature, reports, and studies on the impact of neoliberalism and IFIs on Kenya's macroeconomy, with a broad focus on gender equality, and economic and social justice through social sectors- education, health social security and economic participation of the

³ The respondent was such a diehard government- IFIs believer to the point of sounding like a zealot. On further scrutiny, I established that he worked as an officer in one the World Bank funded project. His views were too compromised, and his professional history did not add up thus undermining credibility.

young urban women. Literature sourced from the relevant economic literature including multi-disciplinary studies and critiques, policies, Kenya National Bureau of Statistics routine survey publications and the Ministry of Finance reports where available. Interviews with academic researchers, development officers in both cities who are the centre of the implementation of national, and county fiscal austerity and taxation measures were particularly informative and helpful in uncovering data, analyses, and reports on the implementation of neoliberal policies. These link different actors in politics and economics and their application of gender lenses in proposing and analyzing policies. The literature review serves as a conceptual and contextual archive of data and information regarding the process and system of economic exposure and social protection mechanisms for young urban women in the two counties. In brief, the focus of the literature review centers on reports, and studies on the impact of neoliberalism and IFIs on Kenya's macroeconomy, with a focus on gender equality, economic and social justice; and while the secondary data analysis aimed to consolidate quantitative data on macroeconomic indicators, employment, income distribution, poverty levels, and gender disparities in the Kenyan economy. The literature and secondary data collection will also include collecting and analyzing quantitative data on macroeconomic indicators, employment, income distribution, poverty levels, and gender disparities in the Kenyan economy.

Since the study employed a mixed qualitative approach, the analysis of the data involved categorizing issues according to the recurrent themes that emerged across the various levels of the collected data. Relevant themes and excerpts were identified, extracted, and used in the report to supplement the quantitative findings. Overall, the study employed a combination of five qualitative data analysis strategies- content analysis, narrative analysis, discourse analysis, thematic analysis, and grounded theory analysis. Using the software (Nvivo) alongside the traditional ethnographic methods the analysis identified issues and themes emerging from observations in the informal settlements in Mombasa and Nairobi, in-depth interviews with key informants as well as information emerging from focus group discussions. Where necessary more structured systematic content analysis was applied to breakdown any multi-dimensional break down the large primary data before applying content analysis in discussion themes and folk taxonomies, where direct quotations derived from interviews and discussions were used to provide rich and contextually evocative emic perspectives. All these findings and insights are woven in this research report.

Chapter 2: DISCUSSING NEOLIBERALISM AND MACROECONOMIC POLICIES IN KENYA

To frame the study to fully explore and understand the nexus of neoliberalism, macroeconomic policies, urbanization and young women's lives, the study zeroed in on four concepts: neoliberalism, urbanization, gender, and feminist economic alternatives. These are composite concepts that capture the range of effects from macro to micro level experiences.

2.1 Conceptualizing neoliberalism policies in Kenya

Neoliberalism is a series of flexible, constantly changing programmes to advance capital accumulation characterized free market and trade principles, flexible labour laws, the protection of private property, privatization, and deregulation (Routledge 2003, Peck and Tickell 2002). As such neoliberalism and the globalization of economic production and capital flows are both conceptual partners in modern macroeconomics and politics. Principally, neoliberal ideology implies that self-regulating markets will generate an optimal allocation of investments and resources, neoliberal political practice has generated pervasive market failures, new forms of social polarization, and dramatic intensification of uneven development at all spatial scales" (Brenner and Theodore 2002, p.5). Neoliberalism is the program committed to orthodox macroeconomic stabilization, especially through fiscal balance, achieved more by containment of public spending than by increases in the tax take; to liberalization in the form of increasing integration into the world trading system and its established rules; to privatization, understood both more narrowly as the withdrawal of government from production and more generally as the adoption of standard Western private law; and to the deployment of compensatory social policies ("social-safety nets") designed to counteract the equalizing effects of other planks in the orthodox platform⁴. Neoliberalism is contemporarily used to refer to market-oriented reform policies such as "eliminating price controls, deregulating capital markets, lowering trade barriers" and reducing, especially through privatization and austerity, state influence in the economy.

Implemented globally under the influence of international financial institutions such as the World Bank and International Monetary Fund (IMF) and entrenched through global bodies like World Trade Organizations and its annual forums, neoliberal policies advocate for free-market principles in various aspects of society, emphasizing limited or negligible government intervention, competition, private enterprise, and individualism (Wiegratz et al., 2022; Balan, 2023). Their amorphous nature shows that

⁴ Unger, Roberto. 1998. Democracy Realized: The Progressive Alternatives 53 (Verso).

they are not merely an economic system that promotes a free market from other forms of value but, social engineering tools that forge market society and its civilization. Further, they promote the financialization of production and the enhancement of an exclusivist system of accumulation whose core tenets are individualism, economic rationality, privatization of limited government, free markets, and globalization (Wilson, 2017; Hathaway, 2020; Wiegratz et al., 2022).

The complexity of neoliberalism is demonstrated by its characteristics: a political dogma of global economic liberalization and domestic privatization, unleashing austerity measures that facilitate markets to replace state provision and protection; financialization in terms of growing economic and political heft of the financial sector, debt, and new financial products (Krippner 2011; Tabb 2012). These processes are accompanied by growing corporate power, on a global scale (Soederberg 2010); and take-over and use of state power to drive forward marketization, financialization and concentration of financial ownership (Crouch 2011). Thus, neoliberalism is a dynamic and distributed project, evolving through distinct phases and in diverse ways in various places (Ong 2006) and drawing on multiple sources of intellectual inspiration (Stedman Jones, 2014). Neoliberalism as an epistemic systems and social project its fundamental agent- the markets, tends to accelerate the destruction of social bonds and stewardship of 'nature' (Polanyi 1974).

Thus, though often seen from their association with capitalism, neoliberal policies comprise a set of ideologies, techniques, ideas, and discourse that generate and promote specific forms of government, and social, political, and economic practices (Wiegratz et al., 2022). Neoliberalism connects political debates on economization of social life with the reformation of welfare states, and globalization (Sager, 2011). It connotes privatization of public services, reduction of taxes, deregulation of markets, flexible labour laws, and safeguarding of individual assets (Harvey, 2005, 2006; Weaver, 2016). The role of the state in promoting markets, privileging capital, and protecting private property is visible (Weaver, 2016). However, some scholars believe that neoliberalism engenders economic rigging in favour of the few elites and multinational corporations at the expense of the majority poor (Goonewardena, 2007). The state adopts state-capitalist reforms (Stiglich, 2021) to facilitate deal-making with the elites in producing urban spaces that traverse government and cooperate spheres (Gibson et al., 2023; Kuus, 2020). Unsolicited proposals become the medium by which the state facilitates negotiations with private actors (Gibson et al., 2023). The motive is to attract global investments to fund cities under

juicy contracts and transfers, allowing for monopolies over monumental public development projects (Gibson et al., 2023).

Underneath the neoliberal economic project, lies the colonial long *durée* where richer countries from the global north have exerted power over others in the global south over long periods with a view of perpetuating systematic exploration, exploitation, and extraction of resources to the detriment of the communities and people of the South. This systemic subjugation dates back to the late 1800s best exemplified by the infamous “Scramble for Africa”. In the post colonialism context, the same powerful countries have continued to exert an influence on less powerful ones through institutionalized systems that demand for particular ways of economic engagement, social organization and individual everyday lives that often get prescribed by technocrats in the distant western metropolis. Through forced retreat of the state as a service provider and custodian of citizens’ welfare, the international finance institutions promote the privatization of basic services, prescribe ways of citizen control and valuing of labour and work to the detriment of social and reproductive work.

Michel Foucault rightly posits that neoliberalism should be understood as 'the general framework of biopolitics' (Foucault, 2010); a set of rationalities (ways of thinking and acting) that are designed to contribute to governing the uncertainties and risks stemming from the neo-liberalization of life- the economic politicization and commodification of everyday lives, especially in the global South. The biopolitics⁵ of neoliberalism recreates and links the dichotomizing colonial project to the everyday lives of people especially women and girls in the global south through resulting stagnation of the countries’ economies, increasing social and economic vulnerability and exposure in Global South manifested by the provision of health services; and propelled inequalities, resulting in poor health for the most impoverished. The most dangerous quality of neoliberalism lies in its capacity to remain invisible to the common citizens, often due to its plethora of diversionary mantras which posits country politics and management systems as well as individuals’ lifestyle as the cause of poor health, poverty and social degeneration of communities thus effectively deflecting attention from wider political, economic, and social causes. Adhering to its colonial legacy, the neoliberal project is adept at generating, building, and exploiting diverse intersectionality including racist, sexist, colonial, extractive,

⁵ Biopolitics refers to the politics of ‘making live and letting die’ i.e., mechanisms or art of acquiring, consolidating and exercising power over populations in ways that have capacity to control the biological state of people- deciding who lives or who dies.

exploitative and coercive relations to wield power and expand its reach from government structures of welfare to individual bodies. Thus, in Kenya, neoliberalism is not just a macroeconomic policy targeting enterprise but an insidious hydra with tentacles that seek to manipulate and make invisible every facet of everyday lives of citizens – from taxation to public debt; from healthcare and education to care work and sexual reproductive health rights and climate change.

2.2 Neoliberal macroeconomic policies in Action in Kenya

Kenya has been implementing neoliberal economic policies for many decades. After independence in 1963, the country had a three-tier economic system comprising cooperative, private sector, and economic state systems that were complementary (Bakayoko, 2021). However, neoliberal policies were introduced towards the end of the 1980s by the World Bank and IMF, under the Structural Adjustment Programs (SAPs) that led to the privatization of cooperatives and state parastatals among other changes (Bakayoko, 2021). The SAPs became the vehicle through which financial problems of the 1980s were mitigated as the World Bank and IMF set conditions for these countries (Akala, 2021; Bakayoko, 2021). Since 1983 Kenya's policy framework emphasizes the role of the free market characterized by use of market-based pricing incentives, a liberal investment code, and a newly liberalized foreign exchange system. Deregulation, liberalization, privatization, fiscal austerity measures followed into the 1990s and 2000 when the country through the assistance of IMF and the World Bank removed import licensing, price control, foreign exchange controls, and privatized state owned enterprises (SOEs) as well as initiating measures withdrawing government provision of free social sector services especially in education, health, and agricultural subsidies (Osoro, 2016). Akala (2021) highlights that countries such as South Africa and Kenya have been victims of the above policies that were adopted based on corporatization, marketization, consumerism, and commodification with little differentiation and due regard for the socio-economic variations of the citizens in the countries.

Currently, the Kenyan fiscal policy frameworks are anchored on the Vision 2030 Blueprint⁶ whose priority objective is to increase economic growth as well as ensure sustainable debt levels cynically framed as a wealth creation pathway. The Vision combines the key tenets of the neoliberal economic policies albeit with some politically motivated social service subsidies and rebates. Every year there are

⁶ [Kenya Vision 2030 | Kenya Vision 2030](#)

efforts to rationalize budgets through reduction of public spending with concurrent expansion of taxation regimes and targets explained off as necessary to generate the required revenue for critical public spending on infrastructure, food security, education, and healthcare among others (Omondi, 2023). Hidden in these myriads of measures is the rising cost of living, education and health services and structural violence against urban poor especially young women. Overall, the macroeconomic environment in Kenya is defined by deregulation, privatization, liberalization, and fiscal austerity.

2.3 Deregulation and policy implications

Deregulation is the removal or reduction of governmental restrictions and regulations on markets and businesses aimed at creating market efficiency through competition intended to spur economic growth (Manning, 2024). Some of the earlier deregulation's outcomes were bank interest rates becoming competitive and increase prices of common goods and commodities such a fuel and gas. Furthermore, to acquire entrenched legitimacy in April 1986, Europe's Court of Justice ruled in favor of deregulation thus ushering in air industry liberalization across Europe (Sinha, 2019). Kenya has been at the forefront of implementing deregulatory measures especially, in the banking sector. Supported by the IMF and World Bank through the Structural Adjustment Programs (SAPs), they championed a trajectory of a new economic model where the government undertook comprehensive measures to achieve external and internal balances in the economy (Wafula, et al., 2013; Akala, 2021). Wafula et al., (2013) postulate that the financial deregulation of the 1990s resulted in the Kenyan government embarking on phased tariff rationalization and reductions. For instance, quantitative restrictions by banks affected five percent of imports as compared to 12 percent in 1987 before deregulations were implemented in the sector (Wafula et al., 2013). The government slowly relaxed its foreign exchange controls by introducing Foreign Exchange Bearer Certificate known as Forex-Cs which were used for automatic imports later in the year, the government abolished currency declaration forms.

Deregulation and the accompanying macroeconomic reforms undertaken by the government such as the removal of exchange rate restrictions, liberalizing interest rates, remitting and retaining of foreign exchange (Nyangito, 2000). The removal of restrictions on foreign exchange allowed the exporters to keep their earnings in foreign currency. This motivated large companies local and foreign to import more including items locally produced thus flooding the local markets with readily manufactured goods. Local business and neighborhood enterprises most of them family and women owned

especially in low-income neighborhoods suffered. With regulatory restrictions in place, small businesses were driven out of the market by the more established companies.

2.4 Privatization and policy implications in Kenya

Privatization of public services, state corporations and companies has been one of the tenets of neoliberal policies across the world. Privatization is seen as transactions that involve the transfer of public entity assets including shares of a state corporation as well as the transfer of company ownership from the public to the private sector (Privatization Commission of Kenya, 2020; Cytonn Investments, 2023). Marketization and cost-sharing in universities were introduced in the education and health sector (cost-sharing). This resulted in the reconceptualization of education and health from the common good perspective to an individual choice investment and economic venture.

Universities introduced parallel programs targeted at market needs and paying students with the government funding a smaller ‘qualifying’ proportion through loan schemes. Ironically, this opened university education rapidly with entry criteria loosened up to accommodate those previously unqualified due to grades or working schedules- which allowed many middle levels formally employed female workers in urban areas (state and private sector) to upgrade education levels thus gain promotions. Meanwhile the university curriculum was radically re-oriented towards market demands with courses deemed ‘unmarketable’ by the donors were scrapped (Akala, 2021). The situation in healthcare access is also reflected in education, especially higher education where privatization of education including public university courses has been growing and intensifying rapidly to the exclusion of the already marginalized groups especially in poor urban neighbourhoods. The shift in privatization of education emanates from the World Bank’s push in the 1980s to conceive education as a “commodity” to be purchased by those who can afford it, forcing institutions especially the universities in Kenya to tailor their curricula towards serving the needs of the market rather than the public interest (Ochwa-Echel, 2013)⁷. The privatization of higher education both in Kenya resulted in the admission of more fee-paying students without necessarily confining their merit thus many students from poor families were constrained in accessing higher or quality education. In many rural communities, some families made gendered trade-offs during decisions on financing higher education where girls were often the losers. As cyclic effects this gendered bias against girls generated a large

⁷ Ochwa-Echel, James R., "Neoliberalism and University Education in Sub-Saharan Africa" (2013). Faculty Research & Creative Activity.

pool of underpaid or unpaid domestic care workers for urban families in Nairobi and Mombasa (and recently the middle east countries).

On the other hand, the health sector introduced cost-sharing schemes with patients expected to pay minimum fees for primary health care services and significant fees for specialized services and hospitalization. The user fees formally introduced in 1989 were scrapped in 2004. However informal costs and fees remain in place due to the persistent cost-shares and opportunity costs that patients must pay such as prescription drugs and tests, record books, surgeries, and transport. Healthcare facilities have inadequate resources thus relying predominantly on donor-funded programs for critical services, supplies, and human resources. Meanwhile, public healthcare expenditure rose slightly to 2.2% from 1.9% as a portion of GDP between the 2012/2013–2019/2020 fiscal years. Despite the increase, Kenya still lags behind its commitment to the 2001 Abuja Protocol where Africa States committed to allocate 15% of their GDP to public healthcare provision. The score illustrates both deliberate delay and potential renegeing from this commitment, while there has been rapid growth of private sector health providers in the country with exponential rise in the health care costs. In urban areas, there has been a rapid increase in private hospitals, clinics, laboratory, and pharmacies often located near public facilities to supply the unavailable services. The combination of cost-sharing, reduced funding of public health facilities and emergence of a health entrepreneurship model that feeds on the deficiencies of the public facilities accompanied with an informal parasitic interdependence between the two. In the middle of this, the patients are caught in an exploitative web. Young urban women are exploited the most given that majority of patients in urban communities are women within the reproductive age who, in most Mombasa and Nairobi's slums, are forced to seek health care from privately owned, sub-standard and often unlicensed clinics and maternity homes within their communities (Fotso, 2022).

2.5 Trade liberalization and economic policy in Kenya

One of the central components of neoliberal policies in the world has been trade liberalization - the reduction or removal of barriers such as trade restrictions, quotas, and tariffs in international trade to promote the seamless flow of both goods and services across states or countries (Dullien, 2018; Majune and Mwanja, 2021). Kenya practices trade liberalization by pursuing both regional and international trade cooperation and agreements. The coming of Structural Adjustment Policies (SAPs) formed another phase in the liberalization of trade.

Under this, export promotion was given priority as SAPs became necessary due to economic instability arising from the disintegration of EAC, economic shocks like the decrease of commodity prices, and the increase in oil prices (Majune and Mwanja, 2021). In 1990, Kenya established Export Processing Zones (EPZs), the revival of Export Trade Authority, and in 1992 created the Export Promotion Council. It introduced Value Added Tax (VAT), export retention schemes, reduced, and restructured tariffs as well as the retention of 100 percent earnings from foreign exchange by exporters.

In urban areas, EPZs mushroomed creating economic opportunities where the female share in employment increased rapidly in all sectors during the nineties, particularly in industry, due to the growth of textile and garment production. Due to liberalization, the local markets were flooded with cheap imports that made production in agriculture expensive and thus lower due to the rise in the price of imported inputs such as fertilizers, seeds, and other farm inputs. These changes among others had a net effect on households as the cost of food and clothes increased rapidly affecting the quality and health of urban households negatively. In both Mombasa and Nairobi EPZs, young women are widely employed in the labor-intensive clothes and apparels exporting factories in precarious jobs with few or no social benefits, job security and minimum pay. Still their welfare is directly affected by periodic job loss due to the lack of demand (recently exacerbated by COVID 19), low competitiveness of local exporting enterprises or by the reallocation of activities by large multinational enterprises searching for cheaper labour elsewhere. In general, under the trade liberalization experience in Kenya, markets and public policies have redefined the place of young urban women within the existing gender inequalities in terms of access to resources and opportunities ambiguously. In some cases, it provided opportunity for formal employment for low educated women while on the other exposed them to exploitation (as cheap labour with significantly lower pay compared to male counterparts; insecure employees and sexualized workers designed to attract business and/or provide sexual services under duress to employers and clients), violence and precarious existence which reproduces the traditional patriarchy now intersecting with a reconfigured colonial extractive capitalism.

The Kenyan EPZs garment industry mirrors the experiences of those in Asia which operates as an exploitative venture where women work in unfavorable conditions; and are underpaid without economic security for them and their families (Jiang, 2023). Further, because the women are mostly in the low-ranking positions within these sectors, they are forced to live in unsafe informal settlements

in cities and are unable to afford child support services. Therefore, they are likely to depend on relatives, older children, and friends thus resulting in continuous struggle and it is likely to affect their mental, psychological, and physical well-being. The working conditions in many of the EPZs are characterized by lack protective policies and regulations against sexual violence and harassment at workplaces; abuse or evade provisions of labour protection laws by employing young women as casual labourers perpetually. This way they do not pay health insurance and pension dues. For young mothers, the long working hours -often standing or sitting under machines loud machines and poor ventilated halls, leaves them physically and emotionally exhausted before they start the 'second shift' - the household and childcare duties that follow the day's work for pay outside the home⁸ at home as unpaid care service providers to their families.

2.6 Fiscal Austerity as policy in Kenya

Adding to the above neoliberal policies, fiscal austerity has been carried out by various governments across the globe. Fiscal austerity as the process of reducing government output by cutting its public expenditure and a reduction on subsidies whereas the term austerity denotes a policy aimed at reducing sizeable government deficits while stabilizing its debt through tax increment or cutting expenditure. Further, Moraes et al., (2023) see austerity as a neoliberal policy aimed at reducing public expenditure while at the same time increasing taxes to improve a country's image on the international lenders on its debt repayment ability. According to Peck (2012), austerity is a condition of an extreme or enforced economy, characterized by stern oversight and existential scarcity. Further, (Davies and Blanco, 2017; Dagdeviren, 2023), expounds on austerity in cities and towns by terming it 'urban austerity'; a government inaugurated fiscal measures such as retrenchment and social expenditure cuts targeting municipalities, city governments, and the vulnerable. The austerity measures are driven by the huge debts owed by many African countries including Kenya.

Debt servicing in African countries is almost three times higher than education spending and accounts for 51% of all tax revenue. The African Development Bank Group estimates that Africa's total external debt, which stood at \$1.12 trillion in 2022, rose to \$1.152 trillion by end-2023. With global interest rates at their highest level for 40 years and as multiple bond debt securities issued by African

⁸ Hochschild, Arlie, R. and Machung, Anne. 1989. *The Second Shift: Working Parents and the Revolution at Home*. Viking Penguin.

countries reach maturity, there is no shortage of challenges in 2024. Africa will pay out \$163 billion just to service debts in 2024, up sharply from \$61 billion in 2010⁹. In recent years, repaying this debt has also become much costlier due to rocketing rates of inflation and global interest rates, leaving many countries in economic turmoil. In Kenya, debt service accounts for 58.8% of the national revenue leaving only 41.2 percent of tax revenue to finance government development programmes. The ratio of debt as a share of GDP, in nominal terms, has risen from 65.8 percent in 2019/2020 fiscal year to 71.8 percent in June 2023 (Kinuthia and Rugo, 2020); making the total nominal public and publicly guaranteed debt stock as at end of January 2024 was Ksh. 11,248.01 billion (69.7 percent of GDP) equivalent to USD 69.97 billion as at January 2024¹⁰.

The growing burden of debt repayments has the potential to threaten achievement of the Sustainable Development Goals on the continent, particularly in health, education and infrastructure. A study by Oxfam in Nairobi and Mombasa shows that though loan investments in infrastructure increased access to completed projects in health, education, water and sanitation, roads, electrification and security projects. However, at national level, the reductions in spending in health and education have negatively impacted access to quality education and healthcare to low-income households due to lack of medicines and specialized facilities in level three hospitals, inability to pay school fees and purchase learning resources. Even within those committed to the neoliberal development orthodoxy of trickle-down economics, the rise in public debt has reduced the private sector's access to credit resulting in low levels of private investments and reduced job opportunities and other economic trickle-down effects which hurt the low-income households the most. Furthermore, attempts to consolidate funds for payment of the loans through new taxes have led to increasing public distrust of government and social unrest. The increase in existing tax rates and subsequent increase in costs of production and increase in prices of basic commodities due to rising debt service burden have led to a general reduction in households' final consumption expenditure, thus affecting the daily lives of the citizens especially women in urban communities, in turn fermenting more public discontent.

⁹ African development Bank. 2024. [Annual Meetings 2024: old debt resolution for African countries – the cornerstone of reforming the global financial architecture | African Development Bank Group \(afdb.org\)](#)

¹⁰ <https://www.treasury.go.ke/wp-content/uploads/2024/03/January-2024-Monthly-Bulletin.pdf>

What Austerity Means

The most common austerity policies manifesting in Africa are characterized primarily by rapid and significant cuts in government spending on areas such as health, education, and social protection. It is estimated that 43 African countries will cut expenditures by \$183 billion cumulatively between 2022 to 2026, and continue to spend 22 times more on debt servicing than social protection. Women and girls disproportionately rely on public services and social protection measures due to long-standing gender inequalities and are often the “shock absorbers” when such services are cut, thereby immensely adding to their existing unpaid care work. This is further compounded by the increased push from IFIs to privatize essential public services as a condition of their lending. As women fulfill the lion’s share of unpaid care work, this leaves them unable to secure paid work which means that market substitutes for healthcare, education and other key services are unaffordable. Often, a further condition of IMF and World Bank loans can include the adoption of regressive, but easier to implement, taxes such as Value Added Tax (VAT) on basic goods and services, making it difficult for women to balance their respective household budgets and needs. Other examples of IFI loan conditionalities that adversely impact women include cutting the public wage bill. Women are overrepresented in public sector jobs and such a measure limits their ability to secure paid decent, further impoverishing them.

Source: FEMNET 2023. Fiscal Justice and Women’s Rights: Why Austerity Must End! Sourced: April 25th, 2024. [FEMNET | Fiscal Justice and Women’s Rights: Why Austerity Must End! - FEMNET](#).

2.7 Rethinking Neoliberalism and alternatives

Macroeconomic policies refer to how governments make decisions about how to raise and spend revenue, which ends up having a big impact on the everyday lives of all women and girls. Macro-level economic policy can be used by governments to realize the needs and rights of all its residents; however, doing so is a political choice. The politics of neoliberalism and counter movements require a deliberate appreciation of its colonial vestiges and the necessity for a decolonializing effort at cascaded levels from the global to the personal with the attendant multisectoral overlaps. Decolonizing the global economy and dismantling its systemic and structural pillars requires an intersectional approach which, can recognize the multiple oppressions it is built on. These include colonialism, land occupation, and the transatlantic trade in human beings (known as the slave trade). They extend to apartheid, race capitalism, and the exploitation of Global South communities and women’s labour. Decolonizing the global economy requires the demolition of

The IMF in Kenya: Regressive taxation as the new face of austerity- facing public scrutiny

In July, the IMF approved close to \$1 billion in new loans to Kenya, rewarding the government for implementing a host of new taxation measures closely advised by the Fund. While the US praised the reforms as a door opener for American capital and Kenyan Treasury Secretary Ndung’u conveyed deep gratitude to the IMF and World Bank, citizens took to the streets in wide-spread protests in which around 30 were killed and hundreds arrested, as the new tax hikes threaten to aggravate an already severe cost of living crisis. A public letter from the Okoa Uchumi campaign, representing 19 Kenyan civil society organisations, warned that “the glaring lack of consideration of the effects of austerity measures on growing inequality, hunger, and poverty in the country” was “harming the most vulnerable of our population” (see Dispatch [Springs 2021](#)). Moreover, the campaign called out the lack of transparency in imposing these measures, pointing out that civil society’s “collective contributions to the process has deliberately been ignored by the IMF, and the consultations are being used to legitimise a process that continues to put [the] majority of Kenyans at a greater risk of hunger and poverty.” Source: [The IMF in Kenya: Regressive taxation as the new face of austerity - Bretton Woods Project](#). Extracted on March 28th, 2024

systems and structures that support the Global North's coercive and inequitable power in global economic governance¹¹.

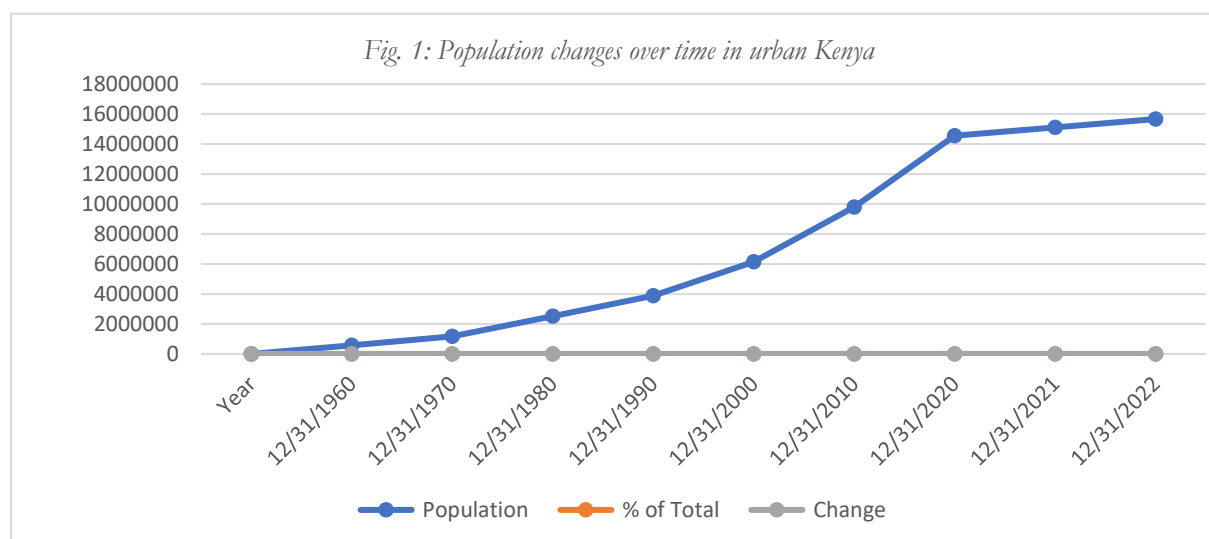
The experiences and effects of neoliberalism in Kenya are reflect the long and complex histories of colonization, defined by interactions between the Global South (alongside marginalized groups) and dominant group interests in global and national contexts, exacerbating how decisions in the Global North impact the Global South. In the process, women's experiences – particularly those living at the intersection of other forms and systems of oppression like race, sexuality, disability, geography, economic quintile – tend to be excluded from decision-making processes and get exposed to disproportionate experience of its negative consequences.

¹¹ [Imagining Feminist Wellbeing Economies.pdf \(actionaid.org.uk\)](https://www.actionaid.org.uk/publications/imagining-feminist-wellbeing-economies)

Chapter 3: FINDINGS: EFFECTS OF NEOLIBERAL MACROECONOMIC POLICIES ON YOUNG URBAN WOMEN KENYA

3.1. Urbanization and urban population growth in Kenya

Kenya's urban history dates back several centuries, as is evident in many towns and trading centres along the country's coastline that have existed for more than a thousand years. The building of the Kenya-Uganda Railway had a considerable influence on the development of urban areas in Kenya's interior. Kenya's capital Nairobi owes its existence to the decision by the railway company to establish its headquarters where it now lies. Combined, a third of Kenya's population – about fifteen million people – lives in urban areas. By 2050, it is projected that more than half of the country's population will be urban¹². The growth in urban population is summarized in the graph below:



In principle, urban women, and girls as citizens are empowered by the Constitution of Kenya 2010 and various pieces of legislation, such as the County Government Act, the Public Finance Management Act, the Urban Areas and Cities Act, and various legislation and guidelines at the county level to influence these processes. Being the spaces where development is shaped, and resources are allocated and spent, they can either produce justice or injustice; therefore, the citizen must occupy these spaces and use them effectively towards the realization of just cities. However, due to the neoliberal politics and economics, urban communities in Kenya are at the forefront of the contact and experience of the effects of neoliberalism as enacted through the combined macroeconomic policies

¹² Towards a Just City, 2020.

of liberalization, privatization, deregulation, and austerity measures by both local and national governments.

The relationship between urbanization and effects of neoliberal macroeconomics policies was in theory that of mutualization; the city benefited as a site of consolidating production, commerce, and marketization while companies enjoying liberalized economies consolidated their activities within them. In Kenya, this consolidation of import business led to rise of cheap goods go-downs, dealerships in secondhand clothes and motor-vehicles as well as EPZs while stifling the manufacturing businesses located outside the city. For instance, it saw the demise of Eldoret-based Rivatex, Kisumu-based KICOMI, among others. Thereafter, skilled, and semi-skilled workers lost jobs in the periphery and moved to the cities creating a mass of cheap labour. Among them were young women, many of whom begot the current generation of young women who call the city home.

Case study: effects of liberalization on agriculture- the end of Mumias sugar

Jane who lives in Mukuru Kwa Njenga in Nairobi was born in Mumias town to a family of eight. In 2006 she dropped out of school, at form two after her parents failed to pay her school fees for two terms. Her father was a sugar can farmer who had supplied the local Mumias sugar factory previously a blue-chip company in Kenya's Nairobi stock exchange. The factory had suddenly gone broke after sugar importation was allowed into the country, with rumors that Mumias itself had been importing and packaging sugar instead of manufacturing. For two consecutive years it had no paid farmers and workers. Her father was one of the farmers who had delivered cane to the factory. After dropping out, a distant relative convinced her to come to Nairobi and 'help' as a house girl. 'She told me she will pay me good money- Ksh. 4000, free food and a place to stay'.*

Since then, Jane now aged 32 years, has been through eight employers getting paid a minimum wage of Ksh. Seven thousand with two teenage daughters of her own. She left the first three employers because of sexual assault. In the first case, 'the woman of the house after failing to pay her for six months suddenly accused her of seeking to sleep with her husband. It was not true.' In the second and third homes, the husbands attempted to rape her. She could not go back home or continue with school- her parents eventually died – Mumias is yet to pay for the cane they supplied. Her siblings also dropped out of school. Ironically One of her brothers sells is a security guard at a sugar warehouse in Nairobi owned by one of the large duty-free importers.

Source: Jane 32-year-old woman living in Mukuru Slums, interviewed on March 23rd, 2024.

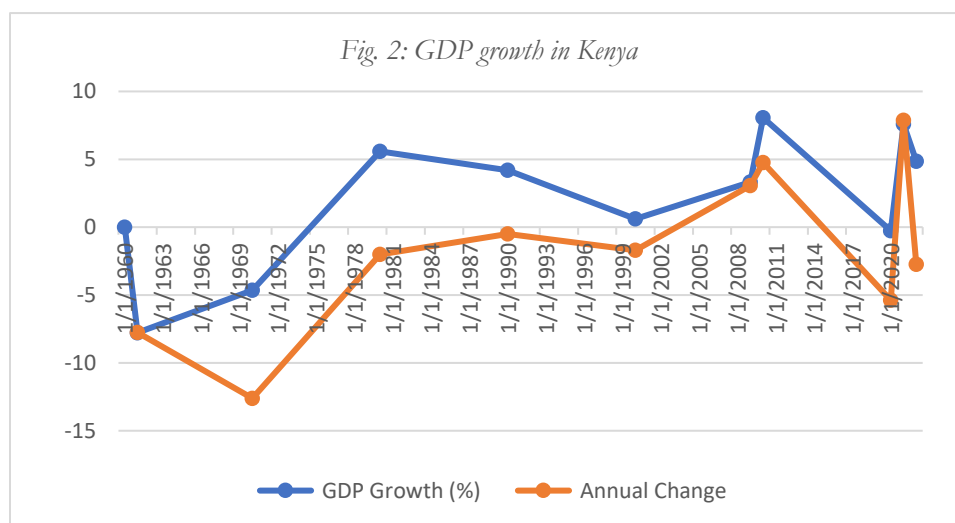
Both Mombasa and Nairobi dealt with neoliberal urbanization in fairly similar fashion: by consolidating local and nation state efforts towards 'attracting investors' with the role of the state and the regulations governing urban interventions geared towards making life easier for corporations. This framework established flexible guidelines advantaging certain actors while assigning a sanctioning role to the state that imposes codes of conduct for urban residents and workers (Calonge, 2015) while arranging urban settlements in favour of industries and EPZs. Informal settlements increased closer to the industrial areas to mitigate the death of public transport facilities while on the other hand urban

construction regulations were relaxed to boost real estate and economic development through densification and vertical expansion of cities¹³ (Martinez, Barbosa and Thoene, 2024). Furthermore, as have been observed in other urban communities across the globe, austerity and its repercussions on urban communities is driven by urban austerity governance (Peck, 2012; Davies and Blanco, 2017) and shapes the daily existence of the urban communities often negatively by as public budgets cuts led to downsizing of public services (Davies and Blanco, 2017). This happened in both Mombasa and Nairobi whose city and municipal councils laid off public service workers through early retirements and outright redundancy.

3.2 Effects of neoliberal policies on Kenya's macro indicators

3.2.1. Effects on the gross domestic product (GDP)

As a measure of four core economic factors: government spending, consumption, net exports, and business investments, Kenya's GDP is erratic and often deceptive because under neoliberal policies, the Kenyan GDP has been oscillating between growth and stagnation over the years. The result of the SAPs on the economy has been the stagnation in real per capita income growth, which is linked to increasing poverty and unemployment that is associated with the upsurge of the "culture of violence" and resultant crime rates in Kenya (Rono, 2002). The foundational effects of SAPs were on agriculture which was and remains the most important contributor to Kenya's GDP at 24.9 % through tea, coffee, and horticulture as the leading export earners for Kenya. In particular, the policies of liberalization opened the Kenyan market to



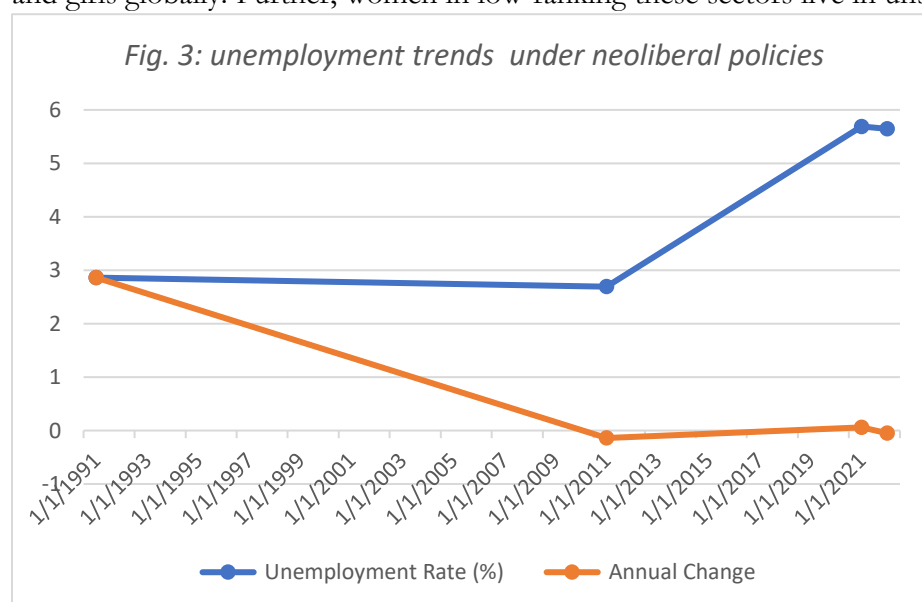
cheap agricultural imports such as sugar, rice, maize, and textiles that suffocated the cotton, sugar, and maize industry. Thus, the country's GDP fell right from the onset of the

neoliberal policies.

¹³ <https://doi.org/10.1016/j.rspp.2024.100058>

3.2.2. Effects on employment growth

The assumptions made to justify neoliberal policies include enhanced business efficiency and performance that would lead to increased productivity and demand for more quality employment opportunities. Overall, as a result or despite the measures taken to increase fidelity to neoliberal inspired macroeconomic policies in Kenya, unemployment and underemployment are rampant with unemployment rates increasing from 5.2% to 6.6% while underemployment increased from 8.3% in 2020 to 12.3% in 2021. Total employment contracted by approximately 4% from 18.1 million workers in 2019 to 17.4 million workers in 2020. In the formal sector, wage employment contracted by 6.4%^{fourteen}. The informal sector, which accounts for 83.4% of total employment, contracted by 3.6%, particularly impacting women who are overrepresented in this sector. Studies show that more women (20%) compared to men (12%) were impacted by loss of jobs and income during the COVID-19 crisis (GoK/UN Women, 2021)^{fourteen}. Liberalization of Kenyan markets opened the country to ‘sneeze effects^{fifteen}’ of the larger economies whenever they experience economic crisis brought about by large greed and speculations of multinational corporations and banking sectors. The unfolding macroeconomic shocks that took place resulting in an economic crisis have had an impact on women and girls globally. Further, women in low-ranking these sectors live in unsafe informal settlements in



cities and are unable to afford child support services. Therefore, they are likely to depend on relatives, older children, and friends thus resulting in continuous struggle and it is likely to affect their mental, psychological, and physical well-being.

¹⁴ UN Women and KNBS, 2021. An Assessment of the Gendered Effects of the Covid-19 Pandemic on households in Kenya

¹⁵ Alludes to the common adage: “when the North sneezes, the global south catches and suffers the cold/flu;” or “when the north overindulges, the south suffers the hungover/headache.”

Experiences of EPZs by young urban women in Kenya

Susan, who has worked for two years in an EPZ factory in the Athi River area on the outskirts of Nairobi, said her employer had never remitted any of the deductions from her pay to her social security and hospital insurance accounts. "It is not work. It is as if we are in prison," she told IRIN. "When you go to [a government] hospital, you are turned away because NHIF [National Hospital Insurance Fund] does not receive our payments," she added. Janet, a helper in a garment factory in Nairobi's Ruaraka area, said she sometimes works around the clock, with only short breaks. "If you don't meet your target, you will be detained inside the factory even if it means working until morning," she said.

Female EPZ workers tell even more depressing tales of verbal and sexual violence they suffer at the hands of their "masters", including rape and beatings. "They order you to go upstairs [to supervisors' offices]. If you refuse, you are fired. If you accept, you could be raped, and the next day the story will be told to all your colleagues," says Grace, a machine operator at an EPZ factory in Ruaraka. Sexual harassment in the workplace has raised tensions, leading to high divorce rates between spouses working for the same employers. The mistreatment in the workplace also forces many female workers to delay or postpone marriage, childbirth, and other nurturing roles, according to Grace. "They touch your breasts and buttocks, and you are not to complain. They do not care if you are a mother or someone's wife," Grace told IRIN. "We just stay because we have nowhere else to go. Those who tried to hit back and defend themselves have been arrested by the police and jailed," she added (quoted from the New Humanitarian)¹.

Source: [The New Humanitarian | Focus on working conditions in EPZ companies](#) (Extracted on 30th April 2024)

Vagaries of liberalization: *the collapse of investments in large economies in 2008 had a trickle-down effect on the developing countries where financial transfers shrank with export markets adding to the pre-existed shocks in fuel and food prices. Changes in trade patterns as markets shrank led to the loss of jobs in countries that were suppliers of commodities. Women were mostly affected as they made up to 80% of the workers in export manufacturing in developing and middle-income countries. This resulted in women seeking alternative jobs such as housework where young girls were involved.*

Source: UNAIDS, 2012.

Unexpected Outcomes: *Closing of garment industries in Asian countries during the 2008 financial crisis, and the increased unemployment in East and Southern Africa during the economic crisis got exacerbated by austerity and deregulation policies leading to explosion of sex work by young women Cuts in health and social services by the government lead to an influx of costs in education and medical thus impacting women and girls negatively where the latter is likely to drop out of school in favor of other siblings. In Nigeria, when the crisis hit, there was an increase in girls leaving school for young siblings and boys.*

Sources: UNAIDS, 2012 and Jiang, 2023.

3.2.3 Effects neoliberal macropolicies on income distribution

Income distribution in Kenya is characterized by growing inequality attributable to by the existence of unequal opportunities or life chances and unequal conditions such as livelihoods, goods, and services. The country was ranked 143 out of 189 countries in the UNDP Human Development Index in 2019 (UNDP, 2020)¹⁶ and came in at 95 out of 156 countries globally (and sixteen out of thirty-five in Sub-Saharan Africa) in the Global Gender Gap ranking of gender equality in 2021 (WEF, 2020)¹⁷. Income inequality as measured by the Gini Index stands at 0.408; with the share of income for the top 10% standing at 30.3% compared to 16% for the bottom forty%.¹⁸ Inequalities in the distribution of growth, income, and socio-economic indicators remain key policy concerns in Kenya. The inequality, usually structured and recurrent, results into an unfair or unjust gap between individuals, groups, or households relative to others within the urban population. Among the pervasive drivers of the entrenched inequality are gender and age discrimination and geo-social locations – three factors that intersect on young urban women’s lives. Studies have confirmed that:

“... the direct effects from the liberalized and deregulated manufacturing in urban centres were highest for the urban rich (73.8 percent), an indication that these households own most of the factors of production (labor and capital) in the manufacturing sector. This is much higher than the direct effects of manufacturing on the other households, at 53 percent for the rural poor, 52.7 percent for the rural rich, and 56.2 percent for the urban poor. The differences in the direct effects point to the level of income inequalities among households that stem from the ownership of the factors of production. Benefits from injections vary according to households. The highest urban expenditure decile benefits more than any other household group” (Gakuru and Mathenge, 2012)¹⁸.

The inequality is manifested in the population density across the cities: they are higher than 1,000 people per hectare in the slums – compared with as low as four per hectare in Nairobi’s wealthy areas with similarly distributed social amenities and services.

¹⁶ UNDP, *The Next Frontier—Human Development and the Anthropocene: Human Development Report (2020)*.

¹⁷ World Economic Forum, *Global Gender Gap Report 2020*

¹⁸ Poverty, Growth, and Income Distribution in Kenya: A SAM Perspective (AGRODEP Working Paper 0001 June 2012) [Introduction \(ifpri.org\)](https://www.ifpri.org/publication/poverty-growth-and-income-distribution-kenya)

3.2.4 Effects on poverty levels and young women

Poverty remains pervasive. More than half (53%) of the population – 23.4 million Kenyans – are multidimensionally poor and deprived in the realization of at least three basic needs, services, and rights. Of the multi-dimensionally poor, 54% are female, while children comprise the largest share (48%), followed by youth (25%) (GoK, 2020)¹⁹. Between a third and half of the country’s urban population live in poverty. The country is urbanizing at such a speed that it is projected to be 50 per cent urban by 2020, and half of all Kenya’s poor will be living in urban areas. About 60 per cent of Nairobi’s population – around two million people – are living in slums with limited or nonexistent access to water, sanitation, housing, education, and healthcare services. The young women interviewed and engaged in focus discussion groups expressed their sense of fear, inadequacy, and constant worry over access to basic needs like water, food, transport to town and even security in their own dwellings. To access services in public schools, hospitals, or even vital documents such as birth certificates and identification card, all of them confessed of ‘giving something small’ the euphemism for bribery which further depleted their meagre resources.

Habida, aged 24 a mother of two stated she had gotten herself a 76-year-old retiree from Germany living in Mtwapa. She is immensely proud of her ‘mzungu babe’ who she guarded jealously from her friends because he could be easily grabbed. ‘Hapa ni Sodomu bro. Ukisileki unachungwa hawa ni mvewe hapa-- This is Sodom my brother, if you snooze you lose fast- these here are hawks’ pointing to her peers in the group.” “He helps a lot, pays bills for me and my kids but I must go out with him a lot. Sometimes his friends are nasty- they touch you and insist you were some ridiculous dresses.... But you cannot have it all.’

Mwanaisha a 27-year-old mother of a seven-year-old daughter said she sells chips and groundnuts to supplement her ‘other sources’- which she could not disclose. Her daughter helps with the banking in the evenings and weekends- ‘... she must learn to work and survive here. We are not in Nyali where kids have bicycles....’

Source: FGDs in Majengo Mombasa, March 25th, 2024

FGD participants in Majengo Mombasa indicated that prices of food, rents and water from vendors have been increasing forcing many of them to reduce the quantity and variety of food they prepared, frequency of showers and trips they made to the beach which is one luxury young women in Mombasa enjoy compared to those in Nairobi. Those with young children experiencing such situations confessed that they have had to devise ‘*mbinu za kusurvive*’ survival tactics many of which were illegal and dangerous. In Mombasa’s Majengo Muslim young women get married to older men with means

¹⁹ KNBS, Comprehensive Poverty Report: Children, Youth, Women, Men & Elderly from National to County (2020)

to support them as third or fourth wives, often negotiated by families. However, such marriages are not beds of roses either- many of them end up as divorced parents – given the ease with which *Talāk* – the Islamic divorce allowed is easier for men. Whereas there is recourse for them in Islamic law, many cannot afford representation in the kadhi’s courts hence end up without any child support or compensation. The non-Muslim young women in Kisauni have a similar survival strategy which involves hooking up with older men often retirees from Europe. Many of them perform both girlfriend and domestic care givers to these retirees where incidents of abuse and sexual assault are rampant.



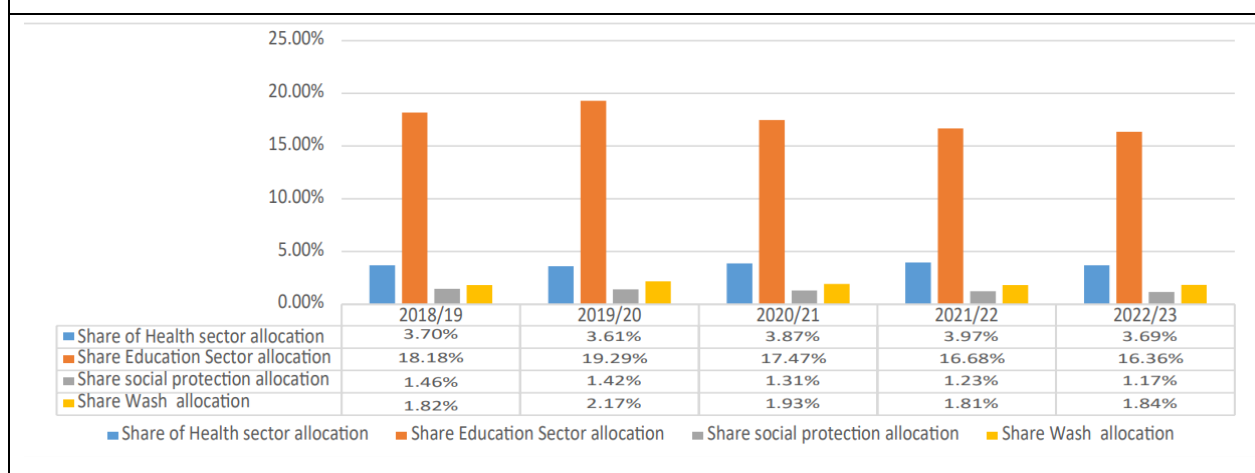
A woman in Nairobi's Mukuru slum fetches water for her children. Credit: Oxfam GB

In Nairobi comparable stories were told with minor variations- instead of old Europeans, the young women acquired ‘sponsors’ – well-to do men often married who pay the girls’ bills and keep them as mistresses in different residences away from their families. In Mathare the young women confessed that many of them had such arrangements irrespective of their professional status. Akinyi, a young lawyer who works as an associate in the city said that with the low salaries they earn- law firms pay legal associates as low as forty thousand per month- one had to have a sponsor. *“If you are lucky, you get one who lives in Karen and get you a furnished apartment in Kilimani. Then you have hit the jackpot... if you are sharp, that is your ticket out of eastlands.”*

3.2.5 Effects on Public Spending on Social Sector

Social spending consists of the proportion of total government budgets allocated to education, health, and social protection. The share of social spending to total budget decreased from 26.49% to 23.06% between 2019 and 2022, and as a share of GDP decreased from 7.3% in 2019 to 6.06% in 2022 (see Figure 4). In nominal terms, the total investment in the social sectors increased by 25% from Ksh. 612.2 billion in 2018/19 to Ksh. 766.3 billion in 2022/23, however the share of total budget has decreased²⁰.²⁶ Expressed as a share of the total budget in 2022/23, health sector allocations account for 3.69%, while education is 16.36%, social protection is 1.17%, and water and sanitation are 1.84%.

Fig. 4: Budget Allocation to Social Sectors, 2018-2021 (Share of National Budget)



Source: Program based budget analysis – by UN Human Rights Commission 2023.

The country's spending on social sector driven by macroeconomic policies' austerity measures falls short of the internationally and regional recommended minimum thresholds for social expenditure. In health sector, the Abuja Declaration, and the World Health Organization (WHO) recommend 15% of the national budget and 5% of GDP, while in education the Incheon Declaration has established 20% of the total budget and/or an investment of 6% of GDP as the minimum. The International Labour Organization (2020) proposes countries like Kenya invest 3.3% of GDP towards universal package of social protection²¹. The low investment in social sectors has implications for the realization

²⁰ These estimates are based on the programme-based budget analysis.

²¹ ILO, 2021. World Social Protection Report 2020–22: Social protection at the crossroads: in pursuit of a better future International Labour Office – Geneva.

is a juxtaposition of outcomes whose impact is both negative and positive for urban communities since there are job opportunities on one hand while on the other, the wages are meager, and poor working conditions that put them in perpetual precarity, insecurity sexual abuse and violence.

The adoption of the neoliberal macroeconomic policies mandated by requirements by international institutions forced many developing countries to abandon domestic industries that were untenable due to their new liberal status. This resulted in mass lay-offs and unemployment, forcing the urban population to relocate to informal settlements hence making families susceptible and vulnerable in the unsafe environment (Jiang, 2023). Further, the influx of the informal sector became a source of cheap labor for entrepreneurs who subcontracted especially for industrial manufacturing, sweatshops, and special economic zones. This was against the backdrop of a large gender-differentiated labor market in the urban setting where men had more money, contacts, and education as compared to women who were excluded and found it hard to get manufacturing or construction jobs (Jiang, 2023). In developing countries, some have alluded that the development of Export Processing Zones (EPZs) in cities has resulted in the creation of jobs; a reprieve for urban populations while there are those with the view that EPZs operate in those countries due to tax concessions and cheap labor (Lee, 2014). Either way, the urban populations have been impacted by the expansion of these firms. While highlighting the plight of women as major players in urban community settings, Jiang (2023) expounds that neoliberal policies have become channels of globalization that shape the world's political, cultural, and economic spheres. Further, it has integrated the globe into a capitalist market economy championed by the International Monetary Fund and the World Bank thus requiring cheap labor in a tier political economy that propels women to the rear (Jiang, 2023). Therefore, austerity, deregulation, and privatization among other neoliberal policies affect women negatively in developing countries.

The correlation between gender parity and poverty paints a different picture. For example, in Sub-Saharan Africa, of the eighty-three learners who completed primary education, only 73 finished lower, and only 40 completed upper secondary (ActionAid, 2017). A 2014 review on privatization and girls' education revealed that they are less likely to access private schools as compared to boys (p.34). Further, a report by the U.N committee on discrimination against women-CEDAW, concluded that private education had negative consequences against girls and women (ActionAid, 2017; Atkinson-Handley, 2019).

3.3 The role of IFI and Global North in shaping fiscal policy in Kenya.

3.3.1 Role of IFIs

The study explored place of IFIs, Global North countries and donors in shaping Kenya's economic policies, fiscal management, debt sustainability, and structural reforms in the context of the everyday lives of young urban women in Kenya. The formal view is that IFIs are institutions that provide financial support and professional advice for economic and social development activities in developing countries and promote international economic cooperation and stability. Broadly speaking, IMF provides temporary financial assistance to member countries to help ease balance of payments adjustment. MDBs provide financing for development to developing countries through the following instruments:

- i) Long-term loans (with maturities of up to 20 years) based on market interest rates. To obtain the financial resources for these loans, MDBs borrow on the international capital markets and re-lend to borrowing governments in developing countries.
- ii) Very-long-term loans (often termed credits, with maturities of 30 to 40 years) at interest rates well below market rates. These are funded through direct contributions by governments in the donor countries.
- iii) Grant financing is also offered by some MDBs, mostly for technical assistance, advisory services, or project preparation.

According to the economic policy experts interviewed for the study, the International Financial Institutions (IFIs) like the IMF and the World Bank and global north countries, especially the USA and UK, have continually prioritized debt repayments as a condition of the loans they provide. The IMF continues to play a leading role within 'the international financial architecture,' by setting macroeconomic policy and financial sector issues globally and in Kenya specifically, as well as being dominant and uncompromising proponent of austerity policies imposed in Kenya. This succinctly captured in the latest Consolidated Country Reviews which assert that under

'...the (Kenyan) authorities' commitment to fiscal consolidation while protecting essential social and developmental spending should support efforts to *bring down the debt burden* toward the new debt anchor of 55 percent of GDP in present value terms by 2029. Implementation of the *Medium-Term Revenue Strategy* would be key to reverse the erosion in the tax base while promoting equity and fairness in the tax regime and create more space for spending to improve public services' (IMF, 2023: 2).

In lay language the IMF is here lauding the harsh measures taken by the government to increase austerity, constrict spending on public services while increasing the taxation including proposing on new tax categories. And for these measures the Fund asserts further that the country's monetary policy has demonstrated:

“Monetary policy has demonstrated its ability to react to inflation shocks and anchor expectations. The Central Bank of Kenya should continue to act decisively to ensure that inflation converges firmly to the target. Strengthening of the monetary policy framework would support price stability and external sustainability. The exchange rate should be allowed to respond flexibly to market conditions’ (IMF, 2023:3).

In the same report, the Fund along with other IFI and leading northern countries ‘stressed the need for continued fiscal prudence, supported by domestic revenue mobilization and expenditure rationalization.’ The concept of expenditure rationalization in practice means cutting down spending on social programs and increasing the level of taxation despite the increasing inflation and cost of living. This concern over macrolevel indicators of the country and deliberate disregard for the micro-level is typical of IFI and donor countries. Thus, to many Kenyans the role of the IMF, World Bank and donor countries is to facilitate debt acquisition and repayment to external lenders, spending on large projects through which international companies and consultants repatriate the loan funds while reducing investments in public services. While these roles of the IMF and other IFIs seem innocent and good intentioned in the broadest sense, their actual materialization is more extractive and deliberately geared to benefits leaders and lending nations at the expenses of the quality of life in the borrowing countries like Kenya. What they may evaluate as positive does not often translate to positive social and life indicators for the citizen of the targeted countries.

Case study: *Rahab Wambui a resident of Kawangware sells cosmetics in Nairobi's River Road as a shop attendant where she used to earn about Ksh. 14000 (100 USD) on commission basis per month, barely enough to provide for her son and sister. However, since Chinese traders joined in the informal cosmetics market, there is little traffic into the shop, her commissions have dwindled: 'I can barely earn enough for the daily fare to work. We can hardly eat a decent breakfast now. We only make supper- a single meal is all we can afford.'*

(Interviews with FGD participants in Kawangware, Nairobi on 28th March 2024)

For Rahab, it is not just the Chinese competition but the reduced number of people who can still afford to spend on cosmetics since the government increased taxes on cosmetics, fuel, electricity, and other household goods. Her case illustrates the different permutations of effects of the neoliberal policies championed by the IFIs and larger economies that loan money to the country. An economist interviewed for the study at the University of Nairobi, asserted that few Kenyans are aware of the actual interlinkages between Rahab's experiences and the IFIs directives- in fact according to the professor, *'not many of our political and policy leaders do not make that connection. It is worse for ordinary citizens let alone young urban women in the marginalized informal settlements.'* What Rahab and many young urban women may not know is that the taxation is part of the obligations put on the Kenyan government by IMF and other IFI as part of an International Monetary Fund (IMF) program in the country to optimize 'revenue mobilization while rationalizing expenditure' on sectors and programs deemed non-productive.

The study sought to establish how the IFIs affect the country's macroeconomic policies and how that impacts on the young urban women as citizens. The simple finding is this: the international financial institutions play a key role in shaping national policies by providing finance, technical assistance, and funding infrastructure and economic projects that are favorites of the economic and political elites in the country. In Kenya, they facilitate acquisition of loans and grants that are invested in large projects such as highways and ports. In turn they ensure that policies are enacted that reduce public spending in social development sectors and concurrent tightening of taxation regimes and consolidating government revenue towards payment of the loans. The loans and funds that flow into the country benefit the elite while the burden of paying them is borne by the poor and marginalized both employed and unemployed.

3.3.2 Structural Reforms in Kenya

Ideally, Structural Reforms aimed to tackle obstacles to the fundamental drivers of national economic growth by liberalizing labor, product, and service markets, thereby encouraging job creation and investment and improving productivity. The reforms were designed to boost an economy's competitiveness, growth potential and adjustment capacity. The SAPs that ushered the neoliberal economic policies in Kenya were principally designed among other things to reduce the preponderance of unproductive investments in the public sector; to restore efficiency in all sectors of the economy; to raise the rate of economic growth; to achieve viable balance of payment; to reduce dependence on mono-economy and on imports by restructuring and diversifying the productive base

of the economy (Nwagbara, 2011). However empirical and theoretical studies. continue to demonstrate that the SAP strategies instead of salvaging the economic depression prevalent in the continent worsened the living conditions of the people (Oxfam 2020).

The economic policies dictated by the IFIs, and Washington have facilitated the process of global economic integration while shrinking government budget deficits, eliminating hyperinflation, and maintaining debt-payment schedules. As government balance sheets improve however, there trivial (if any) improvement on the base for sustainable, social economic development. Instead, the reforms have bankrupted local industries, increased dependency on food imports, decimated social services, and fostered a widening gap between rich and poor. Aware of the growing disparities and structural violence against the poor and those left behind, the IFIs have made efforts to mitigate the harsh social impact of SAP-mandated economic restructuring and austerity measures. The IFIs have sponsored social investment funds programming aimed at reducing the social and political impact of SAPs through temporary job programs and other relief measures. The goal of these social investment funds is to provide temporary relief and assuage public disillusionment and unrest as the countries wait for benefits of neoliberal reform to start trickling down while structural reasons for poverty, unemployment, and malnourishment go unaddressed.

The experiences and anecdotes shared by key informants during the study indicate that the SAP reforms have been big burden to the poor in Kenya. Taxation, liberalization, and privatization reforms have caused sky-rocketing fuel prices and costs of household user products making lives of the poor unbearable. Most of the vulnerability targeting social sector interventions made by the government have been ineffective in mitigating the harmful effects of reforms. This especially worse among young urban women who lack not only the knowledge of the existence of such programs but also lack the necessary access mechanisms. With the end of the structuralist model of development, deregulated liberalization that forced competitive insertion into the world market accompanied by removal of trade and financial barriers and rapid privatization of utilities, the structural reforms created a volatile and hostile environment for young women as part of the vulnerable groups in urban areas.

3.3.3 Conclusion

The IFIs, and particularly IMF and the World Bank, have a mandate from their shareholders to provide both sophisticated analysis and effective financing to address global issues such poverty, trade,

and investment. IFIs have comparative advantage in mobilizing resources and channeling them into projects that can effectively address large scale needs like transport and health systems. Indeed, IFIs have been playing this role for many years but never on a scale commensurate with the problems. Their efforts are hampered by concerns relating to their legitimacy, their effectiveness, their use of conditionality, and their financial capacity.

In 2006, MDBs agreed on a Common Performance Assessment System to provide a consolidated source of data on how IFIs and global north countries donors can ensure they contribute to positive development outcomes with a human face. They identified seven data categories which would enhance

Through elaborate collaboration between the IMF, MDBs, and bilateral aid programs of wealthy countries, under the standard IMF macroeconomic reforms, loans were tied to such policies as extensive privatizations, rapid economic deregulation, the liberalization of trade flows, and cuts to the number or pay of civil servants and to the availability of public services. In other words, the power to impose policy reform conditions as a precondition for loan tranches gave IFIs extensive power over reshaping the domestic political-economic environments of borrowers (Kentikelenis and Babb, 2022)¹

all round accountability including social safeguarding: country-level capacity development, performance-based concessional financing, results-based country strategies, projects and programs, monitoring, and evaluation, learning and incentives, and interagency harmonization. Deliberate efforts have been invested in stronger safeguards to ensure the proper use of funds, with policies and procedures in place to prevent fraud and corruption and to protect people and environmental resources that the projects they finance might endanger (Bhargava, 2006).

3.4 Feminist economic alternatives for young urban women

In view of the failures of neoliberal economic policies for young urban women, the discussants in the FGDs in Mombasa and Nairobi proposed a more women-centered approach to economic policies. They agreed that macro policies should be geared towards addressing inequalities and advance more just and green societies, to transform employment situations and working relations for young women

Among their leaders were a couple who have been to advocacy workshops and were more robust in their proposals: 'Macropolicies must aim to respect all lives as more worthy in policy than corporations and businesses. We need economic alternatives that put "Humans over profit," "green over greed" and "rights not privileges"- YUW Activist in Mombasa – FGD April 21st, 2024.,

and strengthen property ownership laws to enable the accrue inherit and assets. They further proposed that it was critical, especially for young urban women with children and dependents, that the state expands welfare and social protection schemes.

A feminist economic alternative would encompass deliberate and systemic economic well-being of the young women in urban communities. This means ensuring the young women can equally participate in and benefit from decent work and social protection; access markets and have control over resources, their own time, lives, and bodies; and increased voice, agency, and meaningful participation in economic decision-making at all levels from the individual, the households and society including international levels²³. For feminist economic alternative advocates, ‘...public policy should prioritize social outcomes and social reproduction (or care work), to eliminate all forms of structural discrimination, exclusion and domination and secure the health of the planet and humanity. Key demands of these feminist manifestos include people-centered planning, which prioritizes household welfare including universal, affordable, and accessible healthcare; intersectional, nonracist approaches to policymaking and women’s rights; and a reframing of ecological concerns and equitable distribution including women’s land rights, food production and food sovereignty’ (ActionAid, 2023)²⁴. Such an approach reject policy prioritization of profits over people and presents a new vision for society and communities through a systems-wide approach that acknowledges the devastating impacts of colonial legacy, the continued illicit financial flows, tax evasion, agri-business and capitalist extraction of natural resources and using indicators that do not foreground the use of GDP as the prime measure of development and human well-being.

²³ <https://www.unwomen.org/en/what-we-do/economic-empowerment/>

²⁴ **Imagining Feminist Wellbeing Economies -**

Chapter 4: STUDY CONCLUSIONS AND RECOMMENDATIONS

4.1 Summary of Findings

Neoliberal macroeconomic policies advocated by IFIs and donor countries in the North have promoted deregulation, austerity, privatization, and trade liberalization are implemented globally promoting limited government involvement, competition, and individualism. The policies had negative impacts on urban populations due to limited government public spending on essential sectors such as social welfare, health, and education. This has resulted in increased socio-economic burdens on unpaid workers and the unemployed population in cities.

The principal proponents of neoliberal economic policies IFIs, and particularly IMF and the World Bank, and donor nations have a mandate from their shareholders and citizens to provide both sophisticated analysis and effective financing models to address global issues such poverty, trade, and investment. IFIs have comparative advantage in mobilizing resources and channeling them into projects that can effectively address large scale needs like transport and health systems. Taxation, liberalization, and privatization reforms have caused sky-rocketing fuel prices and costs of household user products making lives of the poor unbearable. Most of the vulnerability targeting social sector interventions made by the government are ineffective in mitigating the harmful effects of reforms.

The opening of market economies has led to the displacement of people with concurrent integration into global circuits of labor migration and products through relations between multinationals, governments, civil societies, and businesses. This has led to the migration of people from rural areas to towns and from one country to another providing cheap labor within the country or abroad as the case of domestic laborers moving to the middle east from Mombasa and surrounding counties. This is a juxtaposition of outcomes whose impact is both negative and positive for urban communities since there are job opportunities on one hand while on the other, the wages are meager, and poor working conditions that put them in perpetual precarity, insecurity sexual abuse and violence. Young urban women, who are a diverse group in age, social status, education level and aspirations are all exposed to the precarity of the resultant socio-economic system of the macroeconomic policies.

The most devastating effects of the neoliberal macroeconomic policies implemented by the govern affecting young urban women are evident in the continuing reduction in social spending. The proportion of total government budgets allocated to education, health, and social protection. The

share of social spending to total budget decreased from 26.49% to 23.06% between 2019 and 2022, and as a share of GDP decreased from 7.3% in 2019 to 6.06% in 2022. Though experiencing the effects of the policies in their everyday lives, few Kenyans are aware of the actual interlinkages between their daily struggles and experiences and the IFIs directives that influence the macroeconomic policies which reduces funding of social sectors. Unfortunately, they are not alone- even their leaders and policy makers: according to one professor: ‘... *many of our political and policy leaders do not make that connection. It is worse for ordinary citizens let alone young urban women in the marginalized informal settlements.*’ This highlights and legitimates the need for concerted advocacy to increase public awareness and action to agitate for reorientation towards a feminist economic alternative model.

4.2 Recommendations

- viii. Advocacy for the government to expand the social protection schemes to cover young mothers and the unemployed to include employment benefits and grants towards engaging in the informal economy and poor urban neighborhoods.
- ix. The macroeconomic policies need to be focused on creating an enabling environment for young women to participate in policy development, implementation, and accountability mechanisms as well as facilitation to engage in economic activities to enhance their economic security, including by providing interest-free tailored credit schemes for starting businesses.
- x. Adopt progressive domestic taxation mechanisms that enable the government to finance gender-responsive public services and social protection; while ensuring MNCs pay their fair share of tax reviewing tax holidays and double taxation treaties, ensuring sufficient taxation of the mining sector, rather than increasing VAT, or placing an undue tax burden on small domestic businesses, especially in the informal sector
- xi. Advocate for and implement robust feminist economic alternatives that deliberately invest in gender responsive budgeting and planning nationally by ensuring the national and county budgets are designed to address the specific needs and rights of women and other marginalized groups, especially the young urban women.
- xii. Ensure multinational corporations pay their fair share of taxes by strengthening anti-tax avoidance policies.
 - a. Scrap unnecessary tax exemptions for corporations and richer individuals, and review tax treaties to ensure that they support revenue generation and do not give away taxing rights unnecessarily.

- b. Strengthen the capacity of national revenue authorities to curb illicit financial flows, through corporate country-by-country reporting and exchanging data on profits and wealth holdings.
- xiii. Strengthen labor policies and rights, especially for informal, vulnerable, and unemployed workers.
 - a. Ensure workers have rights to unionize, strike and bargain collectively, in line with ILO conventions.
 - b. Legislate in all countries against gender discrimination, rape, and sexual harassment, and for equal pay.
 - c. Increase minimum wages to match per capita GDP.
 - d. Invest far more in national structures enforcing labor legislation, including encouraging the informal sector to progressively comply with laws and provide social protection to their workers.
 - e. Invest in public sector jobs and public works to cut unemployment and increase unemployment benefits.
- xiv. Adopt progressive domestic taxation mechanisms that enable the government to finance gender-responsive public services and social protection.
 - a. Ensuring that MNCs pay their fair share of tax reviewing tax holidays and double taxation treaties, ensuring sufficient taxation of the import sector, rather than increasing VAT, or placing an undue tax burden on small domestic businesses, especially in the informal sector.
 - b. Invest in strengthened tax administrations' compliance efforts that are targeted at high-income earners and corporations.

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