

Kenya Fight Inequality Alliance Usawa
March
Memorandum of Demands



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About

The Fight Inequality Alliance (FIA) Kenya is a coalition of organizations – among them rural, youth, labor, climate justice, women's rights, urban, artists, sexual minority rights, land rights and social justice movements fighting inequality in Kenya. FIA Kenya works on the premise that the gap between the rich and poor adversely undermines access to social services and the protection of fundamental human rights. The following policy proposals have been prepared by these organizations and civil society groups.

- International Budgets Partnership (IBP)
- Tax Justice Network Africa
- Daughters of Mumbi Global Resource Centre
- Oxfam Kenya
- Wangu Kanja Foundation
- Beautiful Minds Organization
- Centre for Rights Education & Awareness (CREAW)
- Dandora Hip Hop City (DHC)
- Wote Kwa Wote
- Mukuru Peace Club Initiative
- Be Kind Initiative
- Action Aid- Global Platform
- Awareness Against Human Trafficking (HAART Kenya)
- Mukuru Youth Initiative (MUYI)
- Justice Centres Working Group
- Mwafrika Mwenzangu
- Daraja Initiative
- Inuka ni Sisi
- Tribeless Youth
- Msingi Trust



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Fighting Inequality in Kenya

Today Kenya is a vibrant and growing lower-middle income economy, with GDP growing on average 5.6% annually since the 2008 financial crisis. However, the benefits of growth are not being shared equally. The numbers of super-rich individuals in Kenya are one of the fastest growing in the world. It is predicted that the number of millionaires in Kenya will grow by 80% over the next 10 years. In a decade, Kenya is forecast to rank third only to South Africa and Egypt for playing host to the highest number of super-rich on the African continent.

However, while a minority of super-rich Kenyans are accumulating wealth and income, the fruits of economic growth are failing to trickle down to the poorest. Poverty still affects millions of people's lives.

As of 2020 one in three Kenyans are living in extreme poverty, on less than \$1.90 a day. Kenya has a higher proportion of people living in extreme poverty than is typical for a middle-income country.

One in five Kenyans regularly goes hungry. The proportion of Kenyans who have access to safe water is less than in Uganda. A girl from a rich family is 73 times more likely to continue her education after secondary school than a girl from a poor family.

Kenya's income Gini Index (a measure of income inequality) could be as high as 51.8 – the highest in East Africa - after official Gini figures are adjusted to take account of top incomes. A New World Wealth survey found that less than 0.1% of the population (8,300 people) owns more wealth than the bottom 99.9% of the population (more than 44 million people).

Horizontal inequality (inequality between different groups), such as gender inequality, is prevalent in Kenya. It is important to understand this in order to capture inequalities between different groups as well as individuals. Unequal access to opportunities, such as healthcare and education, are also rife. Many of the poorest regularly die because they cannot afford healthcare, whilst Nairobi has private hospitals with world class healthcare for the richest. There are also wide regional disparities. For example, in Nairobi, average household monthly expenditure is Kenya Shillings 7,200 per adult equivalent, while in Wajir and Turkana, it is Kenya Shillings 1,440.

It does not have to be this way. Kenya does not need to be so unequal. Kenya's leaders could choose to follow a different path. What follows are concrete demands from the Fight Inequality Alliance in Kenya for steps the government must take in the following areas:

1. Debt
2. Transparency and Accountability
3. Taxation
4. Sexual and Gender Based Violence
5. Youth
6. Women's Land Rights
7. Persons Living with Disability
8. Security – Extra Judicial Executions & Human Trafficking
9. Climate Change
10. Services - Mental Health, Education and Public Health

Summary of Demands

1. Debt

We demand the government of Kenya negotiates concessions from China, ends harmful tax incentives, taxes the rich, multinationals and property-owners, and considers broad debt rescheduling.

2. Transparency and Accountability

We demand the government to make public the details of loans acquired, especially the conditions attached to them, as well as a schedule of the beneficiary organizations, mostly state corporations, the intended plans and how they use the money.

3. Taxation

We demand the government ensures corporates pay tax from capital gains, zero-rates goods and services that are disproportionately used by the poorest and removes tax exemptions from items used mainly by better-off citizens.

4. Sexual and Gender Based Violence

We demand a strong message comes from the Office of the President declaring Violence against Women a national emergency, that it is widespread and that it can no longer be tolerated in Kenya.

Furthermore, a review must take place of the National Action Plan against Violence and Femicide. Gender diversity is key in this taskforce. We highly recommend women to be in charge of coming up with an action plan to ensure the safety of Kenyan women.

5. Youth

We demand youth incubation hubs, sporting facilities and cultural arenas at sub county level. With different innovations and high mobile penetration coming out of Kenya it is important that the government provides more platforms to assist the growth of different innovations by providing proper mentorship, tools, and innovation and expression spaces around the country.

6. Women's Land Rights

We demand that the role of women in ensuring household food security must be recognized in policy and resource allocation, and reflected in the implementation of the Big 4 Agenda item on Food Security and Nutrition.

7. Persons Living with Disability

We demand that the President of Kenya directs relevant authorities to zero rate assistance devices for persons living with disability in Kenya.

8. Security – Extra Judicial Executions & Human Trafficking

We demand that the President upholds and protects the rule of law and in the spirit of our Constitution of Kenya which grants all sovereign power to the People.

We demand that the President of Kenya directs the response to human trafficking to a central office to streamline coordination efforts.

9. Climate Change

We demand that the government puts resources and measures in place to shield all Kenyans from the impact of climate change.

10. Services - Mental Health, Education and Public Health

We demand the fast-tracking of the implementation of The Mental Health Bill and an increase in budgetary allocation to remodeling of the Community-Based model from the current Medical Model.

We demand that the government prioritizes access and affordability of formal and informal education for all citizens of Kenya to enhance employability.

We demand that the government prioritizes promotive services. Currently, there is a high allocation to curative health at the expense of promotive and preventive health. There should be a shift to ensure that community health is given prominence to reduce the burden of disease.

Further detail

Debt

Kenyan government debt in worsening inequality, as the government has to prioritise paying back creditors over helping ordinary Kenyans. Debts are incurred for untransparent and corrupt projects that benefit economic elites, yet the cost of those debts are to be paid by ordinary Kenyan citizens. Action must be taken to rein in debt and to fairly tax the richest in Kenya.

Kenya's debt has reached a historical high of Kshs 5.968 trillion (5,968,405.95M, Sept 2019) or 57% of Gross Domestic Product (GDP) which means that Kenya owes more than it produces.

Unsustainable debt levels are harmful because instead of spending revenue on development and essential services, a large portion of revenue is instead spent on servicing debt. Borrowed money should be spent on enhancing economic output which would help to repay debt but if borrowed money is used to repay debt, no new wealth is created, which makes it difficult and costlier to repay existing and future debt. In addition, failure to repay debt can result in loss of control of income from national assets (sovereign collateral) such as the Port of Mombasa to creditors such as China if Kenya fails to repay the SGR.

We demand that the government of Kenya negotiates concessions from China, ends harmful tax incentives, taxes the rich, multinationals and property-owners, and considers broad debt rescheduling.

Transparency and Accountability

We have not been able to access the financial and non-financial expenditure reports of state corporations. However, in the public domain there have been reports of misappropriation of funds. The latest reported as affecting KPLC, KPA, Kenya Pipeline Corporation (KPC), Kerio Valley Development Authority (KVDA), Communications Authority among others. That we do not have implementation reports means that we have limited accountability on how these key actors spend public resources.

We demand the government makes public the details of loans acquired especially the conditions attached to them as well as a schedule of the beneficiary organizations, mostly state corporations, the intended plans and how they use the money.

Taxation

As the public budget suffers to repay debt and to finance existing expenditures, the Kenyan government has been working to impose austerity measures as well as to increase taxes to generate sufficient revenue.

In particular, The Finance Act 2019 seeks to generate an additional Kshs 37 billion through, among others, an increase in Capital Gains Tax from 5% to 12.5%, broadening the services to be subjected to withholding tax, increasing taxes on imported finished goods from 2% to 3.5% and imposing turnover tax for businesses not exceeding KES 5 Million in income annually. While raising sufficient revenue is necessary, the way it is

generated through taxation needs to be fair and equitable and the revenue raised should be used in the public interest. The richest people and corporations, with the broadest shoulders, should pay the most tax.

The Finance Act 2019, however, exempted some corporates from capital gains tax. This goes against the principle of equity, where those who make more should pay more. The legislation did not make any argument on how these corporates would be negatively affected if they pay the required taxes. While the increase on tax on imported finished goods is intended to spur local manufacturing, it may, however, also hinder affordable access to essential goods among the poor. While the turnover tax seeks to expand the tax base, it puts an additional burden on filing taxes for small businesses often run by women which eats into working hours and the potential revenue of these small businesses. In addition, the tax amnesty on remittances from provisions of the Proceeds of Crime and Anti-Money Laundering Act is inconsistent with Kenya's international obligations relating to money laundering and terrorism financing and poses security as well as economic risks.

We demand that:

- The anticipated tax measures in The Finance Act 2019 must be revised to include taxes from capital gains.
- Exempt from VAT or zero-rate those goods and services that are disproportionately used by the poorest and remove exemptions from items used mainly by better-off citizens

Sexual and Gender Based Violence

According to a Global Study Report on Homicide: Gender Related Killing of Women and Girls by UNODC 2018, one out of every five homicides at global level is perpetrated by an intimate partner or family member. Women and girls make up the vast majority of those deaths. Victim/perpetrator disaggregation reveals a large disparity in the shares attributable to male and female victims of homicides committed by intimate partners or family members: 36% male versus 64% female victims. Women also bear the greatest burden in terms of intimate partner violence. The disparity between the shares of male and female victims of homicide perpetrated exclusively by an intimate partner is substantially larger than of victims of homicide perpetrated by intimate partners or family members: roughly 82% female victims versus 18% male victims.

These crimes seem to be culturally and socially embedded and continue to be accepted, tolerated or justified with impunity as the norm. The increase in reported cases calls for an urgent need for the state to be more proactive in ensuring women and girls enjoy their rights.

We demand:

1. A strong message from the Office of the President declaring Violence against Women a National emergency, that it is widespread and that it can no longer be tolerated in Kenya.
2. A review of the National Action Plan against Violence and Femicide. Gender diversity is key in this taskforce. We highly recommend women to be in charge of coming up with an action plan to ensure the safety of Kenyan women.

Youth

Young people are the majority in Kenya. They are the future. Currently Kenya is skewed towards the richest and the oldest in society. It is time for government to act to provide opportunities for young people. We demand that the President prioritizes the following;

We demand Youth incubation hubs, sporting facilities and cultural arenas at sub county level. With different innovations and high mobile penetration coming out of Kenya, it's important that the government provides more platforms to grow different innovations by providing proper mentorship, tools, innovation and expression spaces around the country.

Women's Land Rights Now!

"Women hold up half the sky."

Women's right to land is guaranteed by the 2010 Kenya Constitution (Article 60 1, f), which clearly stipulates the elimination of gender discrimination in customs, law, and practices related to land and property. The law is far ahead of reality and practice; discrimination against women and denial of their land rights is standard practice, driving up inequality. The majority of women, especially rural women, undergo systemic discrimination in their effort to access, control and own land, as well as natural resources.

Kenyan women, carry the heaviest burden of providing food for their families. Rural women constitute 60%-80% of the agricultural labor force and provide about 60% of farm derived income (UNFAO). Despite women's enormous contribution in the agricultural sector and national GDPs, women's access to and control over land in Kenya remains at a dismal statistic varying between 1-7% (UN estimates).

We demand that the role of women in ensuring household food security must be recognized in policy and resource allocation, and reflected in the implementation of the Big 4 Agenda item on Food Security and Nutrition.

Persons Living with Disability

According to the 2007 Kenya National Survey for Persons with Disabilities (KNSPWD) report 4.6% Kenyans are living with disability with a majority of these living in rural areas. The most common forms of disabilities in Kenya are associated with chronic respiratory diseases, cancer, diabetes, malnutrition, HIV/AIDS, other infectious diseases, and injuries such as those from road accidents, falls, land mines and violence. Six functional classifications of disabilities were used to compute the prevalence rate of disability. Overall, nine in ten PWDs found disability without assistive devices a big problem.

The accessibility of the immediate surroundings plays an important role in PWDs' participation in various activities. About 15% of PWDs are likely to be affected by environmental factors on a daily basis and 3% on a

weekly basis. Further, PWDs who are unable to carry out their daily activities were more likely to be residing in rural areas (9%) than in urban areas (4%).

We demand that the President of Kenya directs relevant authorities to zero rate assistance devices for persons living with disability in Kenya.

Security – Extra Judicial Executions & Human Trafficking

Extra Judicial Executions

The status of extrajudicial killings in Kenya is alarming. Cases of police brutality intertwined with extrajudicial killings, often of youth in informal settlements, are so prevalent in Kenya, yet arrests of perpetrators leave alone prosecutions are ironically lacking. As per reports by Amnesty International and the Independent Medico-Legal Unit (IMLU) 122 and 152 deaths of civilians were reported at the hands of police in 2016 and 2017 respectively. Ironically, majority of these cases went unreported and of those that were reported, IPOA has only secured 4 convictions.

We demand that the President upholds and protects the rule of law and in the spirit of our Constitution of Kenya which grants all sovereign power to the People.

Human Trafficking

The US State Department's Trafficking in Persons Report (TIP) 2019, lists Kenya as a source, transit and destination country for victims of trafficking. Men, women and children face multiple forms of abuses that include but are not limited to domestic servitude, commercial sexual exploitation, begging, forced labor in different industries, forced and early marriage. Victims who are both Kenyans and foreigners within the country lack basic services for protection and in some cases have been criminalized in the process.

Kenya is ranked as Tier 2 country in the TIP report denoting the fact that while the government is doing something, it is not doing enough to address the issue of human trafficking. There is no question that the issue of human trafficking thrives within an environment of inequality which makes vulnerable people susceptible to trafficking and prevents victims from healing and thriving when they leave the trafficking situations.

To effectively combat human trafficking government coordination is primary. Currently, issues of human trafficking are anchored within the Ministry of Labour and Social Protection specifically within the Children's Department. This anchoring prevents proper government coordination with all the departments involved in addressing the issue of trafficking that includes: Immigration, The National Police Service and Office of the Director of Public Prosecution all which are anchored in the Ministry of Interior. It should also be noted that trafficking affects both adults and children and the mandate of the Children's Department is limited to children.

We demand that the President of Kenya directs the response to human trafficking to a central office to streamline coordination efforts.

Climate Justice

Kenya as a country is currently a casualty of the Climate Emergency. From droughts to floods to locust invasions it is a phenomenon the 29% (14 million) of poor Kenyans cannot be in a position to shelter themselves from. For example, the immediate loss and aftermath effects of the locusts' invasion which has been influenced by weather variables induced by climate change should be anticipated by the government. Such abnormal patterns and occurrence will become normal unless policies are put in place to nurture nature and shield citizens from the unforgiving impacts of the Climate Emergency. Recurrent droughts and floods—likely to be exacerbated by increasing temperatures, heavy rainfall events and sea level rise—lead to severe crop and livestock losses, famine and displacement.

According to USAID Country Risk Report 2018; Climate risks pose serious threats to Kenya's achievement of the Sustainable Development Goals. With the largest economy in East Africa and a population of 48.5 million, Kenya serves as the regions' financial, trade and communications hub. The country's economy is largely dependent on rain fed agriculture and tourism, each susceptible to climate variability and change and extreme weather events. Increasing interseasonal variability and declining rainfall in the main rainy season have impacted cereal production in recent years.

We demand that the government puts resources and measures in place to shield the all Kenyans from the impact of climate change.

Services - Mental Health, Education and Public Health

Mental Health

Mental health is a key determinant of overall health and socio-economic in development in Kenya. According to the WHO, mental disorders account for about 12.5% of the total burden of diseases. This percentage is expected to rise this year. Mental, neurological and substance use disorders affect more than 25% of outpatients in Kenya and 40% of inpatients.

The shift from institutional care to community-based mental health is a recognized approach to addressing effectively and efficiently the challenges associated with the burden of mental health disorders and disabilities.

We demand the fast-tracking of the implementation of The Mental Health Bill and an increase in budgetary allocation to remodeling of the Community-Based model from the current Medical Model.

Education

Kenya is one of the countries in Africa that could easily pass as having one of the best education systems. The gaps in it, however, are reflected in the transitional statistics where the numbers of students starting off at the lowest level of education, are not the same as those that get to colleges, tertiaries and institutions of higher learning.

We demand that the government prioritizes access and affordability of formal and informal education for all the citizens of Kenya to enhance employability.

Public Health

According to the Kenya Health Policy (2014–2030), the 10 leading causes of death in Kenya are HIV-related ailments (29%), perinatal conditions (9%), lower respiratory tract infections (8%), tuberculosis (6%), diarrheal diseases (6%), malaria (5%), cerebrovascular diseases (3%), ischemic heart disease (3%), road traffic accidents (2%) and violence (2%).

We demand that the government prioritizes promotive services. Currently, there is a high allocation to curative health at the expense of promotive and preventive health. There should be a shift to ensure that community health is given prominence to reduce the burden of disease.