

MICHIGAN STATE UNIVERSITY

The African e-Journals Project has digitized full text of articles of eleven social science and humanities journals. This item is from the digital archive maintained by Michigan State University Library. Find more at:

<http://digital.lib.msu.edu/projects/africanjournals/>

Available through a partnership with



Scroll down to read the article.

The impact of the structural adjustment programmes on Kenyan society

JOSEPH KIPKEMBOI RONO¹

ABSTRACT

This article examines the effects of structural adjustment programmes (SAPs) on Kenyan society. A series of economic and political reforms initiated by the World Bank and International Monetary Fund in Kenya since 1988 and especially after 1991 have transformed many aspects of the daily life of Kenyan people. These programmes have been linked to the high rate of income inequality, inflation, unemployment, retrenchment, and so on, which have lowered living standards, especially, those relating to the material resources in the family. Furthermore, the SAPs in Kenya have been linked to the increasing deviant and crime rates, ethnic hatred and discrimination and welfare problems, especially in the areas of education and health.

Introduction

WHEN KENYA GAINED Independence in 1963, it did so in a period of global economic expansion and stability. Commodity prices were generally high and the country benefited from these high prices. In addition, the country was left with significant foreign exchange reserves and was therefore able to deal with economic instability. The first decade after Independence was, therefore, a period of economic prosperity and high aspirations (Swamy 1994).

In the first decade of Independence Kenya made tremendous progress in the area of economic development in that the gross domestic product (GDP) grew by 6.6 per cent. Savings and investment were relatively high for its per capita income. The expansion of primary, secondary,

¹ Department of Sociology, Moi University, Kenya

technical and university enrolment has been generally impressive since 1963. For instance, the number of primary schools doubled between 1963 and 1983 while their enrolment rose almost five times (Ikiara 1990). In secondary school education, the number of schools expanded by almost 14 times between 1963 and 1983, while the number of students rose from 30,100 to 493,700 in the same period.

Life expectancy at birth, which at Independence was 44 years, increased to 69 years in the 1980s while the mortality rate of 219 deaths per 1000 live births in 1962 dropped to 68 deaths per 1000 live births by the 1980s. These indicators reveal that Kenya was well above the average for sub Saharan Africa (Swamy 1994:196).

While the first ten years of Independence in Kenya are sometimes referred to as the "Golden Years", marked with an impressive record of economic growth, the period 1980–1990 is sometimes referred to as the "lost decade" characterized by severe external and internal difficulties and challenges that began in 1973. Since the increase of oil prices in 1973, the living conditions of the Kenyan people, as those of most African countries, have moved from bad to worse. In addition to the increase of oil prices the 1970s presented Kenya's economy with challenges and hardships as a result of the world recession that followed the economic crisis of 1970s. These included the fluctuating prices of the country's major exports, low levels of technology, drought and famine, high population growth, the collapse of the East African Community, high rates of urbanization, increasing debt, land fragmentation, widespread poverty, disease and ignorance. These had a negative impact on the country's economy. The gross domestic product per capita fell, followed by food shortages and declining standards of living. In order to deal with these economic difficulties, the state responded in a number of ways, which are reflected in Kenya's development plans since 1980.

The most notable change in the management of the Kenyan economy was the implementation of the structural adjustment programmes (SAPs) that began to be introduced during the 1980/81 fiscal years. However, SAPs did not become an important part of economic management until after the publication of the Sessional Paper No. 1 of 1986. Since then

SAPS have been integrated as policy tools for economic management. The adoption of SAPs was aimed at restoring efficiency in all sectors of the economy and consequently raising the rate of economic growth (Central Bureau of Statistics 1997b). According to Stanley Fischer there are two types of adjustment policies,

The short run or microeconomic adjustment, which means basically adjusting to living within your means; and structural adjustment, which means changing the structure of our economy to enable your means to grow more rapidly (Fischer, April 3, 1989).

Thus structural adjustment programmes consist of a set of economic policies designed to generate rapid and sustainable economic growth with macroeconomic stability. SAPs that evolved over the past decade initially focused on eliminating fiscal and external imbalances and reviving growth. The implementation of SAPs has involved the following main subject areas: the liberalization of prices and marketing systems; financial sector policy reforms; international trade regulation reforms; government budget rationalization; divestiture and privatization of parastatals and civil service reforms (Central Bureau of Statistics 1997b). These elements have so far been implemented in various degrees. Because the market is expected to play a critical role in the growth and adjustment process, structural adjustment programmes also emphasize market liberalization, market competition and the development of the private sector (Central Bureau of Statistics 1997b, 1999).

The key ingredients of structural adjustment programmes are based on an economic model of private ownership, competitive markets and an outward-oriented development strategy. Developing free and competitive markets and liberalizing the price systems are necessary for allocation efficiencies. A stable macroeconomic environment is also essential to allow markets to operate efficiently and investors to make correct decisions based on market signals. Since 1980 Kenya has adopted economic reforms designed to achieve macroeconomic and structural adjustment, as well as economic growth. These programmes were initiated at the behest of and supported by the International Monetary Fund and the World Bank.

Some of the major reforms that have been undertaken by the government to date include price decontrols; foreign trade liberalization; decontrol of domestic marketing of agricultural commodities, customer and producer prices and decontrol of interest rate and foreign exchange rates. The latter includes the promulgation of the Exchange Control Act (Central Bureau of Statistics 1997b).

The SAPs are intended in the long run to improve the economy. However, in the short run, one area that suffers from the immediate consequences of the SAPs, which has been ignored, is the social aspect of human development; namely, the erosion of social services, especially among vulnerable groups, families and individuals.

In the vast majority of sub Saharan African governments, there is general agreement regarding the social, political and economic tensions, coalitions and conflicts, which SAPs have generated. In Zaire, Zambia, and Nigeria, to name a few, adjustment programmes have accentuated the delegitimization of the state, leading to political violence, riots and regime turnover and culminating in severe economic dislocation and deterioration. There is now almost unanimous agreement among intellectuals and policymakers in and outside the African continent that orthodox adjustment programmes, as devised and supervised by the International Monetary Fund and World Bank, are not working (World Bank-UNDP 1993).

An overview of the impact of structural adjustment on the Kenyan economy

These structural adjustment programmes have had numerous effects on the economy, such as inflationary pressures, the marginalization of the poor in the distribution of educational and health benefits and a reduction in employment (Ikiara 1990, Mwega and Ndulu 1994, World Bank-UNDP 1993, Swamy 1994).

The International Monetary Fund and World Bank and the government of Kenya have criticized one another on the nature of implementation of structural adjustment programmes and their consequences. The International Monetary Fund and the World Bank,

on their part, have criticized the Kenya government for undermining the implementation process by being,

Often lethargic and sometimes acting contrary to the stated policies; Transparency and financial discipline were not undertaken, trade reforms were not carried out, the pace was not incremental, and the commitment of top officials waxed and waned and thus lack of discipline and transparency dampened or nullified the structural reforms (Swamy 1994).

This was in a context showing that the adjustments were beginning to work in that the economy was showing signs of growth.

Within Kenya, the impact of these programmes has been a matter of controversy. Today, almost 20 years after they were first introduced in Kenya, they continue to be unpopular because they were accompanied by a series of conditions that were harsh and rapid. These conditions are based on economic models that do not fit the Kenyan social structure and conditions. In addition, the International Monetary Fund and the World Bank continue to add objectives and conditions to the programmes.

For example, initially these programmes were meant to address economic problems but have shifted their objectives to political issues, based on Western political models. Consequently, World Bank reports moved from its traditional position of focusing purely on economic matters to emphasizing the needs for popular participation in decision-making, decentralization of power structures, accountability and the reduced role of government in the state economy. It also demanded the empowerment of popular organizations, the need for special measures to alleviate poverty and the protection of the vulnerable (Central Bureau of Statistics, 1998a, b and c; Ihonvbere 1996, Obidegwu 1989).

The government of Kenya argues that the International Monetary Fund and the World Bank have given them a bitter pill to swallow, pointing out that the reforms addressed only the long-term implications of the economy while in the short run causing hardship, especially among the vulnerable. Furthermore the pace provided by the

International Monetary Fund and the World Bank was too rapid: it was not possible to reform everything overnight and that adjustments ignored the human side of development. The Kenya government accused the World Bank of changing the goalposts in the middle of the game, arguing that the programmes began with economic reforms and ended with the aim of addressing political problems, using Western political models that ignored the nation's stability and progress.

Despite the fact that a number of studies (Ikiara 1990, Mwega and Ndulu 1994, Swamy 1994, Ihonvbere 1996) have been carried out to establish the impact of the SAPs, none of these has examined the impact of SAPs from the level of the family or individuals. At a more general level, attention has recently become focused on the negative consequence of adjustment programmes that do not pay particular attention to existing socioeconomic and political conditions.

In his study of the impact of the International Monetary Fund and World Bank adjustment policies in the Third World economies, Chossudovsky (1997) clearly shows how the structures of the global economy have fundamentally changed since the 1980s. He shows the consequences of a new financial order which feeds on human poverty and the destruction of the environment, generates social apartheid, encourages racism and ethnic strife and undermines the rights of women (Chossudovsky 1997:10). Though the question of whether adjustments have worked in Kenya has not yet been resolved, there is no doubt that they have increased economic stagnation, hardship and social problems.

One of the most important objectives of structural adjustment policies has been to reduce the budget deficit. Indeed, the servicing of the domestic debt created an unsustainable burden on the budget during the 1991–1996-development plan period. Interest payments on foreign and domestic debt absorbed 23 per cent of the budget in 1995/96 and were projected to increase to 25 per cent in 1997/98. In fact, the debt grew by 362 per cent, from Kshs36.7 billion at the end of 1990 to Kshs169.4 billion by April 1998. During the 1997/98 financial year interest payments on domestic debt alone amounted to 15 per cent of the total government expenditure (Central Bureau of Statistics 1999). Such high levels of domestic debt, together with high interest rates, have had wide-ranging

negative effects on the economy as interest rate payments on domestic debt claim a disproportionate share of government expenditure, both exacerbating the government deficit and shifting development expenditure to the repayment of loans. It also reduces private investment and the supply of loanable funds and increases the price of the funds.

While there has been a general percentage decline of government expenditure especially on public servants' wages, salaries, administration, economic and social services as well as on lending and investment, expenditures to service debts have been increasing. For example, during 1964–1969, wages and salaries consumed 31.7 per cent of the total government expenditure, as compared to 15.6 per cent during the 1990–1991 period. In the same way, expenditure on economic and social services declined from 33.3 and 35.0 per cent respectively during the 1975–1976 period and by 1990–1991, it had reduced to 20.5 and 32.9 percent respectively. In contrast expenditure on repaying and servicing debts increased from 8.3 per cent during 1964–1969 period to 31.8 per cent, giving no room for investment.

The structural adjustment programme has generally encompassed reduced relative expenditures on basic needs and social services, mainly education and health costs. Local products have been subjected to serious competition from imported ones and often from subsidized commodities. In this process, the poor have been exposed to severe socioeconomic risks such as unemployment and retrenchment.

Economic decline has gone hand in hand with the depreciation of the Kenya shilling, rising interest rates, the reduction of government expenditure, especially in the development and welfare sectors, the limiting of wage increases and the reduction of government subsidies at national level. There is evidence to show that the SAPs have increased the gap between the rich and the poor as well as the income gap between the rural and the urban population in Kenya thus increasing poverty. For instance, data on income expenditure distribution for 1994 (Central Bureau of Statistics 1999) show that the bottom 20 per cent of the rural population received only 3.5 per cent of the income whereas the top 20 per cent captured more than 60 per cent of the income. In 1997 the UNDP's *Human Development Report* placed Kenya 22nd. from the

bottom with an average per capita income of US\$80. The income gap between the rich and the poor in Kenya is also great: the richest 10 per cent of Kenyans having earned a total 47.7 per cent of the income. Kenya was ranked second to Brazil where the rich earned a total of 51.3 per cent of the income.

Decline in employment opportunities

One of the main objectives of accelerating economic development is to create employment opportunities for a rapidly-growing labour force. Despite the government's efforts in this area, the country has been unable to generate adequate employment opportunities, as shown by the low growth of waged employment (Central Bureau of Statistics 1997a, b and c). Between 1964 and 1973, waged employment grew by an average of only 3.6 per cent per year. There was a slight improvement for the period 1974 to 1979 when a growth rate of 4.2 per cent per year was achieved. Thereafter, however, the average annual growth declined to 3.5 per cent in the 1980s and to 1.9 per cent per year in early 1990s. Recent rates have been far below the population growth rate, leading to an accumulation of large numbers of unemployed people. Many of those who have found jobs in the small-scale agricultural and informal sectors have been underemployed.

Kenya has, since Independence, relied heavily on the agricultural sector as the base for economic growth, employment creation and foreign exchange generation. The sector is also a major source of the country's food security and a primary concern of the government. This is obvious, given that approximately 80 per cent of the country's population live in rural areas and depend on agriculture for their livelihood.

During the 1964–1974 period, the agricultural sector contributed 36.6 per cent of GDP, 1974–1979, 33.2 per cent, 1980–1989, per cent and in 1990–1995, 26.2 per cent. Throughout the 1980s and early 1990s, expenditure on agriculture as a percentage of total government expenditure has declined. Between 1980 and 1987, the agricultural share of expenditure was 8 per cent, falling to 5.2 per cent between 1993 and 1995 (Central Bureau of Statistics 1997a, b, and c). Thus, the agricultural sector has witnessed a general decline in growth from an average of 4.6

per cent per annum during 1964–1973 to 0.4 per cent in the 1980–1985 period and it has declined even further in the 1990s. This may be due to the decline of the share of agriculture in GDP noted above.

Although the economy has been creating an average of 240,000 jobs every year, the number of people unemployed is currently estimated at 2.7 million and the labour force is increasing by nearly half million jobs every year. In addition, the declines in the average size of landholding in smallholder agriculture and the increase in the number of households have exacerbated the incidence of underemployment in the rural areas. This has, in turn, led to an increase in the number of the poor. Despite the seemingly large number of jobs created in the informal sector and smallholder agriculture, many people in such jobs must be considered as the working poor.

The decline in the economy, in agriculture and in the manufacturing sectors have adversely affected employment both in the public and private sectors. The rapid and comprehensive economic reforms that Kenya is undertaking have led to significant changes in the employment situation such as the increased participation of women in the labour force and the rise of unemployment, especially among the youth (Central Bureau of Statistics 1997b).

The participation rates of urban women in employment rose from 30 per cent in the early 1980s to 56 per cent in 1995. However, women's employment is still characterized by low productivity, low pay and long hours of work. Rural women still spend a disproportionate amount of their time on unpaid work, limiting their access to income-earning opportunities. They also have a limited role in formal employment, while off-farm work often compromises their traditional roles.

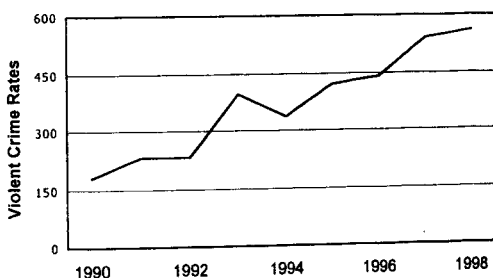
The increasing number of youth raises an additional employment problem. Already, youth are disproportionately represented among the unemployed. For example out of 450,000 pupils who complete primary school each year, only 150,000 proceed to secondary schools while youth polytechnics can only cater for 40,000. As a result, the majority of the youth remain unskilled: this inhibits their opportunities for gainful employment in either the formal or informal sectors (Central Bureau of Statistics 1997a, b and c).

Among other changes, a large proportion of the labour force is joining the informal sector (Central Bureau of Statistics 1997a). The government has liberalized some aspects of the labour market, leaving market forces to determine appropriate wage levels. The low levels of unemployment in the rural areas are a reflection of the corresponding high levels of underemployment among the youth, especially in family-owned enterprises such as farms (UNICEF 1998). Estimates based on the 1988–1989 labour force surveys show that employment in the small-scale agriculture and pastoralist sector rose from 5.9 million in 1992 to 6.2 million in 1996. However, the sector's share of total employment declined from 68 per cent in 1992 to 59 per cent in 1996 due to a significant shift from rural small-scale farming activities to the informal sector. In fact, by 1996, unemployment was estimated at 19 per cent. Indeed, the reversal from the low unemployment of the 1970s and the 1980s is largely a result of the adjustment programmes.

The impact of the structural adjustment programmes on crime and deviant behaviour

The result of the SAPs on the economy has been the stagnation in real per capita income growth, which is mainly linked to increasing poverty and unemployment that is associated with the upsurge of the “culture of violence” and resultant crime rates in Kenya. The comprehensive implementation of the SAPs between 1991 and 1993 were immediately followed by a jump in the number of criminals and crime rates, which also went down slightly in 1994 as the economy also improved. Statistics show that the total number of prisoners in Kenya shot up from 106,200 in 1989 to 111,712 in 1991 to 115,689 in 1992 to 124,949 in 1993 and jumped to 130,173 in 1994 before dropping to 118,050 in 1995, when the economy slightly improved (Central Bureau of Statistics 1996). At the same time the total number of criminal offences reported to the police increased from 89,533 in 1989 to 91,404 in 1991 to a high of 101,966 in 1992 before dropping to 94,702 in 1994.

During the same period, although violent crimes and other offences against persons showed a general decline, property crimes generally increased between 1989 and 1993. As the economy improved in 1994,

Fig. 1: Reported cases of violent crime in Nairobi

SOURCE: CENTRAL BUREAU OF STATISTICS, (1998d)

crimes against persons, such as murder (including attempted murder), rape (including attempted rape) began to go up again, while violent crimes such as manslaughter and assault continued to decline.

In Nairobi the reported cases of violent crimes showed the same trend, but indicated another jump from 336 cases in 1994 to 420 in 1995; 440 in 1996 to 539 and 5600 in 1997 and 1998 respectively as shown in Fig. 1. On the other hand most property crimes such as robberies, housebreaking, theft of money worth over Kshs400, theft of vehicles, bicycles, produce, theft by servants, receiving stolen property and offences against property also recorded a reduction in number of cases in 1994. The only exception of property crimes that showed an increase in 1994 was the theft of stock other than cattle.

The impact of the structural adjustment programmes on education

Since Independence Kenya has made tremendous progress in the area of education as measured in the number of educational institutions and enrolments in primary and secondary schools, tertiary institutions and universities, as well as in the general improvement in literacy rates. At Independence education in the new nation was seen as a prerequisite necessary for the overall development of the country. The government emphasized the need for all citizens to team up to build schools and educate the children. Education was therefore integrated in the five-

year government development plans and was also taken seriously by both the government and the people of Kenya.

A feature of Kenya's formal education and training systems since the attainment of Independence has been the rapid growth in enrolment at all levels of educational institutions, resulting in corresponding increase in educational expenditure. For instance, the share of recurrent expenditure on education in Kenya more than doubled from about 15 per cent in 1960s to 30 per cent in 1980 to 35 and 40 per cent in 1987 and 1995 respectively, becoming a major burden on the taxpayer. In spite of the impressive progress the government of Kenya has made in the field of education, however, significant educational issues, which have not been adequately addressed, remain and new ones have emerged that warrant immediate attention. Perhaps one of the most crucial barriers to both educational access and success is the issue of inequality in the provision of education.

At Independence in 1963, the entire primary school enrolment was just under 900,000 while secondary education was only 30,000. In contrast, by 1980, the corresponding numbers were 3.9 million and 400,000, respectively, representing average growth rates of 9 per cent and 16.5 per cent. In order to cope with these enrolments, the government rapidly expanded university education. Thus, from a single university in 1970 with a total student population of 5,000, the corresponding population rose to 41,000 by 1995 (Central Bureau of Statistics 1999). This tremendous increase in enrolment rates at all levels of learning created interrelated problems, especially with respect to the cost and quality of education and employment opportunities. The increasing cost of education has witnessed increasing rates of gender bias, non-enrolment, grade repetition and dropout rates that have begun to increase at all levels of education, particularly among children from poor families whose parents cannot afford to raise the required funds for their education.

Through the policy of cost-sharing, structural adjustment programmes are linked to increasing rates of non-enrolment, grade repetition and dropout in educational institutions, especially at the primary level. Further, the marginalization of the poor in terms of education and the decline in quality of education in Kenya is also associated with these

Table I: Increase of health specialists from 1984 to 1985

Health specialist per 100,000 people	1984	1985
Doctors	7.8	14.7
Dentists	0.3	2.6
Pharmacists	1.6	5.2
Registered nurses	22.8	26.4
State enrolled nurses	29.9	85.4

programmes. Those who failed to enrol, complete or dropout of school find it difficult to secure employment, generally become frustrated and often end up as social misfits (Rono 1992). All these factors lead eventually to children from well-to-do families taking up educational opportunities at higher levels at the expense of those from poor families. In the long run this promotes social inequality and underdevelopment.

The impact of structural adjustment programmes on health

At Independence the area of health was one of three priority sectors, the other two being education and poverty, that needed urgent attention in order to address the inequalities created by the colonial administration and development. Health was targeted because good health constitutes one of the basic human needs and contributes significantly towards enhancing and maintaining the productive potential of a people. Improved health has a positive impact on longevity, adult productivity, earnings, the quality of life and socioeconomic development (World Bank-UNDP 1993:317).

The government's commitment towards the improvement of health was demonstrated by the "free" health services introduced soon after Independence. Members of the public were encouraged to participate in constructing health centres, clinics and hospitals and government trained nurses, medical officers and doctors. In this way, health structures and personnel increased, as Table I shows.

As a result of significant increases in medical personnel, facilities and improvements from Independence to 1993, the crude death rate dropped from 20 to 9 per 1000 while that of infant mortality declined from 120 to 60 per 1000 live births and life expectancy increased from 40 to 60 years.

Although the medical facilities and personnel have shown an impressive expansion since Independence, the oil crisis of 1973, the high rate of population growth and, recently, the economic crisis associated with the structural adjustment programmes have placed heavy pressure on a budget that is already in deficit. The government's response has been further cuts in its expenditure on social services, especially in health and education. Consequently, the quantity and quality of medical and other services has deteriorated substantially, negatively affecting the Kenyan people in general and particularly the poor and other vulnerable groups. In 1988 the government was forced to promote the idea of cost-sharing to the health sector so that the beneficiaries would have to pay part of the cost of health, especially of medication and the government the other part, mainly the costs of personnel. While one of the main requirements for the Kenya government in the SAPs was to rationalize and reduce expenditure, government has found it difficult to do so without worsening socioeconomic, health and political problems.

The impact of structural adjustment on politics in Kenya

The adjustment programmes in Kenya have ushered in political pluralism, greater democracy, accountability and respect for human rights. But the programmes have heightened ethnic tensions, polarized communities and increased violent ethnic clashes that resulted in hundreds of people dead and thousands displaced. Furthermore, the programmes have also attenuated national leaders into a kind of tribal chief. Today, tribalism has permeated all sectors of development and is now one of the greatest obstacles to economic growth and expansion.

The impact of structural adjustment on poverty

It is estimated that the prevalence of absolute poverty in the country has been rising. The total population below the absolute poverty line in

1994 is estimated at 11.5 million of which 10.3 million are in rural areas (Central Bureau of Statistics 1998a). In rural areas the number of people living below the absolute poverty line was estimated to have increased from 40.2 per cent in 1982 to 46.4 per cent in 1992. Within urban areas the incidence of absolute poverty was estimated at around 29.3 per cent in 1992. By 1992 an estimated 11 million Kenyans, or about 43 per cent of the entire population, were living below the absolute poverty line (Central Bureau of Statistics 1998a).

The impact of this economic decline has been increased inflation, poverty, unemployment, underemployment, retrenchment and forced retirements. Although the government was committed to the reduction and eventual eradication of poverty in Kenya immediately after Independence, it has experienced difficulties in implementing its plans. Consequently, poverty has not only persisted, it has also increased significantly in the 1990s, negatively affecting all sectors of development and the family unit in particular.

Measures by the state to deal with poverty

The first aim of the independent government was to improve the standards of living of the people of Kenya through education and health, increasing the GDP and real incomes and creating employment opportunities. These goals have dominated all five-year plans and the different economic phases. In the first 10 years Kenya pursued a mixed economy policy; a pro-capitalist development path aimed at maximizing economic growth (Mwega and Ndulu 1994). The strategy was contained in a Sessional Paper entitled *African Socialism and its Application to Planning in Kenya*, published in 1965. In this model economic development was to be achieved through the trickle-down process.

A World Bank report in 1975 acknowledged the progress that Kenya had made since Independence but also identified unemployment, poverty and income distribution as the disappointing.

The need for a poverty eradication plan arises from the persistence of poverty, mainly as a result of failures in implementation rather than the design of plans and aims (Central Bureau of Statistics 1999). According to the *National Poverty Eradication Plan, 1999–2015* (Central Bureau

of Statistics 1999) the objectives of the National Development Plans and the National Policy Frameworks have been:

Too lofty and macro in their focus to be able to address *how the macro structural and socially contextualized problems translate into micro problems of equity, and access to economic opportunities and social services for the poor and vice versa* (Central Bureau of Statistics 1999, my emphasis).

As opposed to the previous National Development Plans and other attempts to address poverty and disadvantage, the National Poverty Eradication Plan 1999–2015 (Central Bureau of Statistics 1999) bridges the gap to address the needs of the poor. In addition, it analyses the context of past efforts to combat poverty and recognizes the need to overcome multiple constraints placed by sectors and institutional settings. Furthermore, it focuses on policies and sets operational priorities, seeking to achieve pro-poor economic growth and services that were absent in previous attempts.

The plan signals government's determination to address poverty, not only as a political necessity and moral obligation, but also on the grounds of sound economic principles that recognize the critical role and potential contribution of the poor to national development. But while government is committed to eradicating poverty at the structural level in the long run, the most vulnerable groups, families and individuals in the meantime are facing the negative impact of economic and social stress and particularly that of the chronic scarcity of material resources in the family.

Conclusion

In spite of the impressive economic achievement in the first two decades of Independence, the last two decades have witnessed a general decline in the economy, which has impacted negatively in nearly all areas of development. This is mainly attributable to the introduction of the SAPs in 1980s and particularly in the 1990s.

These have affected the economy through declining government expenditure, especially on public servants' salaries, administration,

economic and social services and increased government lending and expenditures to service debts. Families and the vulnerable have been exposed to severe socioeconomic risks such as inflation and unemployment, which have worsened poverty and increased regional differentiation as well as the gap between the rich and the poor. The SAPs have been linked to the stagnation in real per capita income growth, which is mainly associated with increasing poverty and unemployment and is related to the upsurge of the "culture of violence" and the deviance and crime rates in Kenya, particularly of violent crimes.

Furthermore, the declining economy has been associated with increasing rates of non-enrolment, grade repetition and dropout in educational institutions, especially at the primary level. Moreover, marginalization of the poor in terms of education and the decline in quality of education in Kenya is also linked to the SAPs. With the vigorous implementation of the SAPs in 1990s, the quantity and quality of medical and other services have deteriorated substantially. While one of the main aims of the SAPs was to rationalize and reduce government's expenditure, government has found it difficult to do so without worsening human misery. The SAPs have reduced the once respected national leaders to the status of tribal chiefs and heightened ethnic tensions, regrouping and violent clashes that resulted in hundreds of people dead and thousands displaced.

References

- Central Bureau of Statistics, 1993. *Demographic and Health Survey*, Nairobi, Government Printer
- 1996. *Welfare Monitoring Survey, II, 1994: Basic Report*, Nairobi, Government Printer
- 1997a. *Economic Survey, 1997*, Nairobi, Government Printer
- 1997b. *National Development Plan 1997–2001*, Nairobi, Government Printer
- 1997c. *The Second Participatory Poverty Assessment Study: Kenya, Vol. I*, Nairobi, Government Printer, June

- 1998a. *First Report on Poverty in Kenya Vol. I: Incidence and Depth of Poverty*, Nairobi, Government Printer, June
- 1998b. *First Report on Poverty in Kenya, Vol. II: Poverty and Social Indicators*, Nairobi, Government Printer, July
- 1998c. *First Report on Poverty in Kenya, Vol. III: Welfare Indicators Atlas*, Nairobi, Government Printer, August
- 1998d. *Statistical Abstract*, Nairobi, Government Printer
- 1999. *National Poverty Eradication Plan 1999–2015*, Nairobi, Government Printer, February
- Chossudovsky, M. 1997, *The Globalization of Poverty*, London, Zed
- Fischer, S. 1989. Vice-President and Chief Economist of the World Bank, in a speech to the G-24 Deputies, April 3
- Ihonvbere, J.O. 1996. Economic crisis, structural adjustment and Africa's future? In Emeagwanli, T.G. *Women Pay the Price: Structural Adjustment in Africa and Caribbean*, New Jersey, Africa World Press
- Ikiara, J. 1990. *Industrialization in Kenya: In Search of a Strategy*, Kenya, Heinemann
- Mwega, F.W. and Ndulu K. 1994. Economic Adjustment Policies. In Barkan, J.D. *Beyond Capitalism verses Socialism in Kenya and Tanzania*, Nairobi, East African Educational Publishers
- Obidegwu, C. 1989. *Recent Economic Trends, Adjustment and Poverty in Sub-Saharan Africa*, Washington DC, World Bank
- Rono, J.K. 1992. *Factors influencing the rate of dropouts among the secondary school students in Nandi district of Kenya*, unpublished M.A. thesis, University of Nairobi
- Swammy, G. 1994. *Adjustment in Africa: Lessons from Country Case Studies*, Washington, DC, the World Bank
- UNDP 1997 *Human Development Report*, Washington, DC
- UNICEF and Government of Kenya 1998. *Situational Analysis of Children and Women in Kenya*, Nairobi, Government of Kenya
- World Bank and UNDP, 1993. *Kenya: Challenge of Promoting Exports*, Washington, DC, World Bank