Alternatives to Kenya’s Austerity and the Militarized Response to the GenZ Revolution

By:

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When Kenya’s history is written, June 25, 2024 will live in infamy. It will be remembered as the day that an organic GenZ peaceful protest movement against financial austerity imposed by the government of President Ruto was repressed with a violent militarized response. Abductions and disappearances of protesters, internet shutdowns, extrajudicial executions, and threats of shutting down TV Stations signal that President Ruto is ready defend his vastly unpopular and unnecessary financial austerity measures at any cost. Even more, the deployment of the Kenyan Defense Forces in response to legitimate GenZ protests is inconsistent with Article 241 (2) (c) of the 2010 Constitution of Kenya that requires prior approval of the National. The deployment of these forces will only serve to militarily install austerity and to shut down legitimate protests and public debate.

The massive public opposition of the ***#RejectFinanceBill2024*** throughout the country have therefore finally laid bare Ruto's government as a neo-colonial outpost and vassal state of global capitalists. President Ruto's 62 foreign trips to 38 countries in 20 months, including one to the White House reveals President Ruto's priorities of collaborating with global capital elites and military powers who want Kenya to do their dirty work in places like Haiti and in the Middle East. These trips and the deals that have accompanied them illustrate how Ruto has enhanced Kenya's status as a neo-colony of the US and of global capitalists and their problematic vision of global security with almost no reservation.

Kenya's new neo-colonial status is also reflected by the extensive military ties Kenya has with the United States including U.S. training of Kenyan Rapid Response Force Commandos who undertake secretive counterintelligence programs. The tactics and equipment these commandos have learnt such as using armored vehicles and chemical irritants by special weapons and tactics units have been unleashed on peaceful GenZ protestors, with still more to come. Even more there are reports that Kenya will acquire additional military aircraft and a U.S. military advisor in the defense department without adding to Kenya's defense budget.

Let me be clear, even with all the half-hearted amendments, Kenya's Finance Bill 2024 represents the interests of Kenya's richest economic and political elites in alliance with global capitalists. These economic and political elites and their global counterparts are extracting Kenya's wealth through austerity measures like high taxes, services fees and a myriad of new charges. Prioritizing consumption taxes on goods and services serves the interests of global capitalist elites who profit from Kenya's debt. These additional taxes come thanks to the conditionalities imposed on indebted and misgoverned countries by the International Monetary Fund. These taxes come at a time when a Global South led movement at the United Nations is calling for a fair and transparent global tax treaty. Such a treaty would help address gaps in the global tax framework by addressing illicit financial flows (IFFs), aggressive tax planning, tax evasion, base erosion and profit shifting by multinational corporations.

It is notable that austerity programs like the one embedded in Kenya's 2024 Finance Bill, there are no taxes on the wealthy and in particular multinational corporations raking wealth out of countries like Kenya. Yet such taxes would foster more parity. In the meantime, this year the Kenyan budget prioritizes paying its external creditors who will be paid $5.1 billion in interest and principal. At the same time, Kenya will spend less than 5% of its budget this year than in 2015 per person. Kenya will spend more annually on sovereign debt interest payments than it will on education, childhood nutrition, clean-drinking water and health.

The government argues that the austerity measures are necessary to pay off the $1.5 billion that Kenya has borrowed from external creditors. The overwhelming amount of this massive debt is being used to repay prior external debt rather than being invested for public expenditures like health, education, childhood nutrition, clean-drinking water and other basic needs. As of April 2024, the government gross debt was 73% of Kenya's GDP indicating just how indebted to external creditors Kenya is. GenZ's well remember that in March 2023, the Kenyan government announced that it was unable to pay civil servants, including Members of Parliament, their March 2023 salaries because the government was broke. At the time, the Deputy President announced that the money collected in the prior two weeks by the Kenya Revenue Authority that had been set aside to pay salaries was instead used to repay government loans that had matured. Kenya's debt strategy is therefore to ensure its external creditors are guaranteed their payments no matter what.

Yet, the same budget designed to keep Kenya's external creditors happy, also finances profligate spending for Kenya's political and economic elites. At both the national and county levels, public officials allocate themselves funding for luxury vehicles, jet-setting lifestyles, new high-end housing and furniture or major facelifts for existing housing facilities including eight official residences for the President. There are budgetary allocations even for the spouses of the President and Deputy President. Every year, the Auditor General reports how government officials engage in spending sprees even while the government engages in austerity for the citizens. I have not even mentioned the endemic corruption in the Kenyan government that siphons off precious resources into the pockets of a select number of elites who are seldom held to account.

There are alternatives to austerity and the violence President Ruto is using to prop up austerity and his increasingly authoritarian governance. President Ruto should not sign the 2024 Finance Bill into law before exploring these alternatives. Instead, the Ruto government should more seriously consider these alternatives. These alternatives include many that were made by Kenyans in the public participation phase. Such public consultation and participation should extend to all financial affairs relating to the strategy the government uses to raise taxes including the Medium-Term Revenue strategy that has so far been a secretive affair underwritten by the International Monetary Fund. By having a robust public debate, the government would displace its disproportionate reliance on the narrow type of econometric modeling and neo-classical economics that inform its budget estimates and economic planning. Econometric modeling and the narrow economic vision adopted by his neo-liberal economic vision must be complemented by broader visions of economic well-being that center the rights of Kenyan citizens. Further, by prioritizing elimination on wastage including many unnecessary and illegal public offices (such as Chief Administrative Secretaries) and making an earnest effort at curbing corruption, recovering stolen public assets and resources, would be a first stab at reducing the need for excessive new consumption taxes and charges.

Second, President Ruto should deprioritize debt repayments especially given Kenya's precarious budgetary circumstances. Since debt repayments of interest and principal take such a large proportion of the budget, there is less money for essential public services like education, water and health. This is compounded by the austerity measures adopted to raise revenue such as user fees to access these formerly free public services. Reducing payments on Kenya's external debt is no easy proposition, and that is why President Ruto must put his mouth where his money is in his quest for reforming the global debt and financial architecture. Instead of seeking puny reforms that entrench the global debt system and its yoke on countries like Kenya, Ruto should seek outright debt cancellation - - or even outright declare that Kenya cannot and will not pay. After all, Kenya's GenZ's have spoken. Why should they have to pay for debts they did not accrue? Why should their future be forever mortgaged so that the Gods of global capital do not put Kenya in their mortal peril? Kenya's GenZ's do not care for wasteful spending, corruption, and even less the interests of global

capitalists who will milk Kenya dry even if it means there is no funding for public utilities. And why can Ruto and his government not explore sources of capital beyond those offered by Wall Street?

To emphasize, debt cancellation should be a key demand Kenya should pursue, with or without Ruto. Kenya would not be the first to seek and get such cancellation. The London Debt Agreement of 1953, effectively cancelled Germany's external debts. This cancellation has been cited as a key factor accounting for Germany's post second world war economic success. Cancellation of sovereign debt was also pursued when in 2003 the Paris Club agreed to an 80% reduction of Iraq's external debt that included bilateral debt of over 42 billion, non-Paris club bilateral debt of over 67 billion, commercial debt of 20 billion and multilateral debt of half a billion dollars. So, it is not novel at all to seek and get debt cancellation.

There is indeed further justification for seeking outright debt cancellations. High-emitting countries, primarily in the Global North, bear significant historical responsibility for the climate crisis yet it is countries like Kenya that are bearing the short end of the stick for this crisis. Demanding debt cancellation constitutes reparations for compensation for the climate crisis caused by these rich countries. The money saved up from the cancellation would then be invested not only for public needs, but also to fund the energy transition and to break the cycle of climate vulnerability and economic instability.

Third, President Ruto must abandon his commitment to military solutions for global and Kenyan problems. Militarizing the response to the GenZ revolution is short-sighted, ineffective and inconsistent with the 2010 Kenyan Constitution. His problematic embrace of United States and its military and security solutions for a complex world are inimical to Kenya's interests. Kenya should not be a vassal state of the United States serving as its military subordinate while the US executes its security military agenda often inconsistently with international law and African interests. The US's security assistance to Kenya comes bundled with the type of militarized solutions we have unfortunately witnessed in response to the GenZ revolution in Kenya, and we must reject such solutions.

In short, GenZ's must reject President Ruto's commitment to austerity and to military solutions and instead opt for peaceful solutions that promote dialogue and understanding and that are consistent with Kenya's 2010 Constitution.

Nothing less will resolve the current crisis.

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