

A Gender Analysis of Small Scale Garment Producers' Response to Market Liberalisation in Kenya

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Creation of an open economy is the main objective enshrined in Structural Adjustment Programmes (SAPs) prescribed to sub-Saharan countries by the World Bank and the IMF. Market liberalisation involves removal of controls, restrictions, and tariffs that protect the domestic market. Begun in 1986, the Kenyan liberalisation process reached its peak in 1993-1994. All prices, including those of petroleum and maize, were deregulated. Price and non-price controls as well as tariff and non-tariff barriers were withdrawn in order to allow the market to determine allocation of resources (Glendy and Ryan 2000). The policy shift did not favour industries that had evolved under the previous import substitution regime. Garment producing firms were particularly hard-hit by an influx of cheap garments imported from Asia and second-hand clothes imported from Europe and North America. Unable to compete with cheap and relatively better quality products that were now available in the market, Kenya's medium and large-size garment firms either closed down or changed their product lines (McCormick et al. 2002). The response of small enterprises to market liberalization has not been analysed despite a marked division of labour that usually exists between men and women in the trade-related activities that typify the informal sector (CBS, ICEG and KREP, 1999). Hence, this paper examines small-scale garment producers' response to policy shifts under structural adjustment and whether female and male entrepreneurs responded differently to market liberalisation.

FROM IMPORT SUBSTITUTION TO MARKET LIBERALIZATION

Upon independence (1963), the government embarked on an Africanization strategy, which aimed at promoting and increasing Kenyan entrepreneurs in trade and industry (Coughlin and Ikiara, 1991). Infant industries were protected from international competition by duties, tariffs, quotas, and overvalued exchange rates. Initially, these policies spurred growth in industries. The manufacturing sector averaged 9.1 percent growth between 1964 and 1973, aided by tapping neighbouring markets in Uganda and Tanzania, which together with Kenya formed the East African Community.

Import substitution policies generated three tiers of manufacturing. Large, multinational firms were at the top of the hierarchy, followed by state-owned