



Kenya NGO Earth Summit 2002 Forum

FINANCING FOR DEVELOPMENT

A REPORT ON CIVIL SOCIETY REVIEW OF THE IMPLEMENTATION OF AGENDA 21 IN KENYA

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ACRONYMS

AoA	WTO Agreement on Agriculture
BITS	Bilateral Investment Treaties
CBD	Convention on Biological Diversity
CSD	Committee on Sustainable Development
CTD	Committee on trade and Development
CTE	Committee on trade and Environment
GATT	General Agreement on Tariffs and Trade
EU	European Union
GDP	Gross Domestic Product
GSP	General Scheme of Preferences
IEG	International Environment Governance
IMF	International Monetary Fund
MEA	Multilateral Environmental Agreement
MNC	Multinational Corporation
NGO	Non-governmental Organization
PPM	Process and Production method
SAPs	Structural Adjustment Programs
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
TNC	Transnational Corporations
TRIMS	Trade Related Investment Measures
TRIPS	Trade Related Intellectual Property Rights

TWN	Third World Network
UN	United Nations
UNCED	United Nations Convention
UNCTAD	United Nations Conference on Trade and Development.
UNEP	United national Environmental Program
US	United States
WEO	World Environmental Agreement
WSSD	World Summit On Sustainable Development
WTO	World Trade Organization

PART ONE

CRITICAL EVALUATION OF MAJOR ISSUES OF TRADE AND DEVELOPMENT IN KENYA. IS SUSTAINABLE DEVELOPMENT POSSIBLE UNDER NEO-LIBERAL GLOBALISATION?

1.0 Introduction

What can Africa do to deal with International Financial Institutions?

International financial institutions should not be looked at as major forces we are up against. They are just institutions at the service of dominant capital the G7 if you like. Their vision of globalisation is in my opinion a utopian vision, the capitalist utopia that you can run the world not as a market but a supermarket and very little more. It is a utopia, it is stupid but it is the natural utopia of capitalism. Capitalists adjust when they have an enemy who compels them to adjust. But when they feel they can run unilaterally, it can produce the maximum chaos in the shortest possible time. It does not solve the problem, or even move the system out of the crisis, but it moves into a spiral going down by with relative stagnation, low growth, relative excess of capital which does not find expansion, and, deepening of the productive system for which financial outlets have to be created continuously. It is not the technocrats of the IMF or World Bank that have thought of the system, they do not think of anything, they just implement. That is why we must create social and political forces which compels the system to adjust. (Samir Amin, 2001:101)

1.1. WTO, Globalisation and Sustainable Development

Globalisation is supposed to involve a process of expanding and stepping up social, economic and political relations across regions and continents. While it is true that globalisation could open up new possibilities that could help improve many people's living standards, it is also true that it makes life more difficult for the poor nations and marginalised people within nations. It is claimed that the striking feature of globalisation is its irreversibility. The driving force of globalisation has been, for more than a century, the expansion of trade in goods and services. Countries are said to win when they gain market access for their exports and new technology through international transfers. But without countervailing rules on the global economy, more trade is leading to increased inequality, environmental damage and pressure to erode social and human rights. In a nutshell globalisation has something do with the following¹:

- Interconnectedness and interdependence are increasing.
- Increased flow of goods and services, capital and idea.

¹ BOND (British Overseas NGOs for Development, Globalisation, DFIDs White paper and the NGO Response.

- Reduction in barriers to trade since the Second World War-has led to technological change.
- Non-trade issues have also been globalised e.g. health and environmental issues.
- Impact of communications technology and the Internet.

Concerns emerging from the globalisation process include:

- Loss of national sovereignty and erosion of national culture.
- Environmental degradation.
- Some in the North perceive a "threat" from lower cost imports from developing countries.
- Marginalisation of developing countries.
- Increasing inequality both within and between countries.

In Kenya, for instance, a number of global trends continue to condemn many to the poverty trap. Such policies have come via the Structural Adjustment Programmers (SAPs) driven by the World Bank and the IMF, which have caused mass misery and poverty. Liberalisation has led to privatisation of state corporations and the freeing of consumer and producer market. The purpose of these programmes is to integrate Kenya and Africa's economies into the global imperialist regime. Since the early eighties, economic policy changes and strategies have increasingly relied on market-based, export led, and private sector driven growth, while the foreign private sector led by the Transnational Corporations (TNCs) has become vital factor in economic development strategy. Research carried out in the 1980s and 1990s showed that SAPs have worsened the economic situation in Kenya (see part 2 of this report). The withdrawal of public subsidies for health, education and other social services resulted in transference of the "welfare" function of the state onto families and by extension increasing the burden of women and girls. This trend became entrenched as governments continued to cut back on social spending thus increasing the burden of caring for vulnerable community members such as children, the ageing, and disabled persons on families².

In addition, a number of international agreements have emerged to consolidate the structural reforms carried out by African countries and institutionalise them at multilateral level. The most important of these, the World Trade Organisation (WTO), brings under a single regime rules covering movement of goods, services, and capital,

² Guttal Shalmati, "Women and Globalization-Some Key issues", Paper Presented at the Conference: Strategies of the Thai Women in the 21st Century, Bangkok, and March 28-29, 2000.

and affects policies adopted by African countries in trade, investment and national development.

The structure of governance that is being shaped is *governments without rights, but with exclusive responsibilities for food security, and international organisations like the World Bank, IMF and the WTO with absolute rights and no responsibilities*. Since these organisations are controlled by the G7 group of countries, this structure has built into the North-South asymmetry of Southern governments with the largest number of poor and hungry people carrying responsibilities without rights for food security, and Northern governments pushing rights of their corporations without responsibilities for food security.³

1.2. Impact of the Unfair Trading System on Agriculture

With over eighty percent of the Kenyan population living in rural areas, agriculture remains the mainstay of Kenya's economy. It is therefore crucial to comprehend the global systems and institutions that have direct and indirect impacts to the economy to the agriculture of the country.

Trade liberalisation and globalisation of agriculture are supposed to increase production of food, increase efficiency of food production, improve the economic situation of farmers and improve patterns of food consumption. However in country after country, trade liberalisation is leading to declining food production, declining productivity, declining conditions for farmers in the North and in the South, and declining food security for consumers of the North and the South. Food security has always meant adequate, safe, nutritious and culturally safe food. While this meaning was inscribed in the earlier draft plans of action, it has been removed in the current draft of the World Food Summit⁴.

The liberalisation of the agricultural sector has affected the poor in a variety of ways, from losing access to local markets for their products to dislocation from traditional methods of farming and livelihood, outward migration and re-settlement. Under trade liberalisation agreements, such as in the WTO, Kenya has been importing agricultural and food products for domestic consumption (see part 2 of this report). Local and national food security is dependent on domestic production, which in turn ensures livelihood security for rural families. Imports of food accompanied by reduction in tariffs on imported goods and removal of price controls creates pressure on making local goods "competitive" with imported goods (which are often subsidised in their countries of origin). This has negative impacts on food and livelihood security for domestic producers, leading to increased economic hardship for rural families and weakening of rural, self-reliant economic structures.

The principle international agreement on agriculture trade is the Agreement on Agriculture (AoA) of the WTO. Thus far, the AoA has promoted an industrial model of agriculture that has jeopardised food security in developing countries.

³ TWN, Globalisation of Agriculture and Rising of Food Insecurity, May 2000.

⁴ *Ibid.*

The Agreement has legitimised the use of subsidies in developed countries, while narrowing the options available to developing countries, which must compete in an increasingly global market. As a result, food security, and the potential of agriculture as an engine of growth for Kenya as in the rest of Africa Africa, has been undermined.

The global food chain is increasingly distorted by the disparities in power between global agribusinesses, on the one hand, and farmers and consumers on the other. This is driving the liberalisation of agriculture and the food trade in directions unfavourable to the public interest.

Under the AoA, the US and EU have introduced exemptions benefiting them thus increasing support to their farmers. As a result of this support, world prices have fallen and the poor countries have failed to reap the benefits, mainly because of corporate control of the global food business.

Box 1. Issues for developing countries, including Kenya

The major issues for developing countries include:

- The continuing protectionism and double standards displayed by the developed countries.
- Many of the poor countries rely on preferential access to developed country, which has in many cases been eroded by the AoA and other free trade agreements.
- Despite the promises of the AoA, domestic support for agriculture has risen in developed countries, leading to dumping of subsidised food on the world market, with damaging effect to the poor producers.
- Above all, the AoA has failed to strengthen and in many cases has undermined the food security of poor households and communities in developing countries.

1.3. Trade and Environment

The issue of trade and environment and sustainable development were sought to be addressed in the run-up to and at the Earth Summit, the UN Conference on Environment and Development, held in Rio de Janeiro in June 1992.

In Chapter 2 of Agenda 21, the three instrumentalities specifically identified and linked for trade and environment to support and achieve sustainable development were open markets, finance and technology. In the years since Rio, and as became clear at the recent meetings of the working groups of the Commission on Sustainable Development, the industrialised nations have already repudiated their commitments to provide 'new and additional resources' and availability of technology to enable the South to achieve sustainable development.

The integral relationship between environment and development was reaffirmed at the highest political level at the United Nations Conference on Environment and Development (UNCED) in 1992. There was also optimism that the Rio Declaration on

Environment and Development embodied the goal to establish a new and equitable global partnership. The over-arching principle of "Common but Differentiated Responsibility" is embodied in the Rio Declaration's Principle 7:

“States shall co-operate in a spirit of global partnership to conserve, protect and restore the health and integrity of the Earth's ecosystem. In view of the different contributions to global environmental degradation, States have common but differentiated responsibilities. The developed countries acknowledge the responsibility that they bear in the international pursuit of sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command”⁵.

This principle and the two arms of technology transfer, and new and additional financial resources, set the framework for implementing the commitments of UNCED. However, as the 10th anniversary of the Rio Summit approaches and preparations are underway for the World Summit on Sustainable Development in 2002, the prognosis for sustainable development is not good.

⁵ TWN Working Paper, International Environmental Governance: Some Issues from a Developing Country Perspective, September 2001.

Box 2. Setbacks after Rio

The major setbacks on after Rio on sustainable development include the following:

The integration of environment in development has not occurred as anticipated.

The environment has deteriorated in terms of biodiversity loss, water crises, global warming, hazardous technologies and worsening desertification.

Income inequities between the rich and poor have accelerated, between North and South and within countries.

Unsustainable consumption continues, and is even spreading geographically.

Financial aid flows have decreased, instead of significantly increasing as promised at Rio.

Transfer of environmentally sound technology on special and preferential terms has not taken place, and instead the WTO's TRIPS Agreement has facilitated IPR regimes of a higher standard in developing countries, making it more costly to transfer environmentally sound technology, whilst the process of "biopiracy" (patenting by Northern corporations and institutions of biological resources and traditional knowledge originating in the South) continues unabated, if not worsened⁶.

Since Rio, two major crosscutting issues have arisen in relation to sustainable development: the globalisation process and its effects; and the governance of economic, social and environmental issues at the global level. The process of globalisation with economic liberalisation as its hallmark, has created further environmental harm, increased concentration of wealth in a handful of big corporations in each industry, and undermined the authority and autonomy of national governments to make policy. Instead of fulfilling its commitments under the Rio Declaration, Agenda 21, and MEAs, the North has turned to the World Trade Organisation in particular, to promote and obtain international rules that are increasingly acknowledged to be counter to the Rio spirit, principles and commitments. The unilateral rejection of international agreements, including MEAs, by some countries is yet another move that jeopardises the multilateralism needed to meet the challenge of sustainable development.

The Bretton Woods Institutions, especially the IMF, have also promoted and drawn many Southern countries into macro-economic policies that are adverse to the environment, destabilise national economies and create social disruptions. The governance systems of the Bretton Woods institutions (where voting rights are weighted according to share of equity and thus in favour of developed countries) and of the WTO (where the developing countries have yet to enjoy full and effective participation) can itself be argued as a major obstacle to sustainable development. Addressing the changes to these governance structures must therefore be part of the broader improvement of international governance so that a strengthened IEG can indeed help to achieve sustainable development. These institutions now have dominant roles in establishing global opinion and policies in economic and social issues (and to some extent also in environmental issues). Thus there is an urgent need to make the governance and decision-making systems of the financial and trade organisations more open and transparent, and their policies and decisions should be more openly and intensely reviewed. The CSD should be strengthened to take

⁶ *Ibid.*

on the role of reviewing their policies from the perspective of sustainable development. A regular review could be done at the annual CSD sessions⁷.

2.0 Basic IEG Principles and WSSD 2002

The Malmo Ministerial Declaration stressed that the WSSD “should review the Requirements for a greatly strengthened institutional structure for international Environmental governance based on the assessment of future needs for an institutional architecture that has the capacity to effectively address wide-ranging environmental threats in a global sing world.”

The issue of IEG is thus likely to emerge as a key issue in the WSSD process. There is legitimate concern that the UN system is weak in ensuring compliance with environment agreements compared to the powerful WTO with its enforcement capabilities and the IMF/World Bank with their ability to attach conditionalities with loans. Secondly, there is also concern that the proliferation of MEAs is creating fragmentation, diffusion and overlap in governance structures. National implementation is weak in many cases because of highly inadequate financial resources⁸.

Coherence and effectiveness are the stated reasons for some governments, especially from the developed countries, to put IEG as a central WSSD issue. A World Environment Organisation (WEO) has been proposed as one option. While there may be merit in the concept, there must be clarity regarding the purpose and the balance of power in the decision-making process of any proposed institution or framework.

Otherwise, the inequities and weaknesses in current IEG that are against the interests of developing countries will be made worse.

The overwhelming majority of members of the Open-ended Intergovernmental Group on IEG do not favour a new institution like the WEO, and the evolutionary approach is the preferred option. Governance is a broad concept and needs more analysis, but the key principles should be⁹:

The context for governance is sustainable development,

The principle of Common but Differentiated Responsibility,

⁷ *Ibid.*

⁸ *Ibid.*

⁹ *Ibid.*

Meaningful participation of developing countries in IEG.

UNCED was a milestone in making the integral links between environment and development, and the WSSD have to strongly reaffirm that important integration.

The Social Development Summit subsequently put in place the third pillar, i.e., the social dimension. A WEO is thus in danger of slipping back the agenda of sustainable development.

3.0 Environment moves onto WTO agenda

There has only been very limited progress in the environmental field since the establishment of WTO. But the link between trade and environment has been under considerations for some years now. The process started with the consideration of the trade restrictive measures to be taken by a country in pursuance of implementation of the multilateral environmental agreements (MEAs). The problems associated with eco-labeling were also being considered. Developing countries introduced the idea of linking environment with market access, transfer of technology and intellectual property rights. Despite discussions over a long period, and clarification of several of the ideas and issues concerned, consensus on the issues is not within sight.

The present WTO Agreements only refer explicitly to the links between trade and environment in four places, namely, in Article XX of general exception in GATT 1994, in the Agreement on technical barriers to trade, in the Agreement on the Sanitary and Phytosanitary measures and in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The main provisions are:

- Article XX of GATT 1994 permits a country to deviate from its obligations and take measures for the protection of the life or health of human beings, animals and plants. It also permits taking measures relating to the conservation of exhaustible natural resources. The condition is that such measures not be applied in a manner, which constitutes a disguised restriction on trade. In the case of the measure for the protection of the life or health, the built-condition is that it should be “necessary”, thus there is need for an examination to establish whether this is so and the intensity of such a measure. In the case of exhaustible natural resource clause, there is no clear stipulation regarding necessity; but it would be relevant to examine whether the natural resource in question is exhaustible and whether the particular measure relates to its conservation,
- The provision in the Agreement on Technical Barriers to Trade involve examination of technical regulations to determine whether the regulations are more trade-restrictive than necessary in order to fulfil the objective of the

protection of life or health, taking into account the risks which non-fulfilment would create.

- The Agreement on Sanitary and Phytosanitary measures authorises a country to take measures for the protection of the life and health of human beings, animals and plants. Here again, the conditions are that the measures should be necessary and not applied in a manner, which would constitute a disguised restriction to trade. (In the cases of technical regulations and sanitary and phytosanitary measures, an important condition is that these should be based on scientific evidence).
- In the Agreement on TRIPS, a country is allowed to exclude an invention from patentability if the prevention of its commercial exploitation is necessary to protect the life or health of human beings, animals or plants or to avoid serious prejudice to the environment. This provision is not related to a trade measure, but it links the environment with patents.

In an unprecedented move for the WTO, Members agreed to launch Negotiations immediately on three environmental issue-areas: (i) the relationship between WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs); (ii) procedures for regular information exchange between MEA secretariats and the relevant WTO committees, and the criteria for the granting of observer status; and (iii) the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services.

However, a qualification on (i) saying that the negotiations "shall not prejudice the WTO rights of any Member that is not a party to the MEA in question" has environmental groups such as Green Peace concerned that this could in fact prove to be a powerful disincentive for getting countries to sign on to MEAs. "These are loopholes for the US so it can duck the MEA issue," A qualifying paragraph further waters down the effect of the WTO-MEA provision --which was sought by the EU -- by saying that the negotiations on (i) and (ii) "shall not add to or diminish the rights and obligations of Members under existing WTO agreements". According to sources, this shifts the possible outcomes of negotiations on these points away from rule changes and towards clarifications or footnotes to existing rules¹⁰.

During the forthcoming negotiations, the Committee on Trade and Environment (CTE) and the Committee on Trade and Development (CTD) are mandated to act as fora to identify and debate developmental and environmental aspects of the negotiations "in order to help achieve the objective of having sustainable development appropriately reflected". As one environmental organization representative pointed out, this provision could help to elevate and focus the mandate of the CTE, where environmental discussions have remained at the purely analytical level since the WTO's creation in 1995¹¹.

¹⁰ Bridges Weekly Trade Digest, Vol. 5 No.40, Nov. 28 2001.

¹¹ *Ibid.*

Members also agreed to conduct negotiations on clarifying and improving WTO disciplines on fisheries subsidies, "taking into account the importance of this sector to developing countries". This issue had been pushed in the Committee on Trade and Environment in particular by the Philippines, Iceland, and the US, as well as by many environmental groups who have repeatedly pointed to fisheries subsidies as a one of the main factors contributing to overcapacity and consequently over fishing.

There is thus the potential danger of the use of the WTO to impose environmental measures on the South through the threat of trade sanctions. The North meanwhile may not fulfil its UNCED related obligations but instead may shift the adjustment problem to the South through the use of the WTO as the lead agency handling 'trade and environment'"

As a result of the above potential danger, the WTO should not be the forum to comprehensively study or address the overall issue of the relationship between trade, environment and sustainable development. It does not have the competence, knowledge or appropriate approach for this task. Different countries have different natural resource endowments, levels of pollution, waste and absorptive capacities, systems of production, labour and capital intensities, and levels of development. Thus, the idea of a uniform approach to solving environmental problems through an international trade agency is misplaced. Such an agency would become an instrument for inequitable burden sharing, as the balance of rights and obligations would not have been properly worked out.

In relation to environment and sustainable development, within each country some choices and balances are involved. Where an environment question involves no spill-over beyond national boundaries, the measures to protect and deal with these issues has to be left to national and domestic decision-making and jurisdiction, but encouraging governments of countries to do so by making available the necessary technology and providing additional funds. Only where there are transboundary effects should these be dealt with through regional and/or global multilateral environmental agreements and treaties, with use of trade instruments as an exception.

Any trade restriction arising out of a multilateral environment treaty should be based on a treaty negotiated in a universal forum and its adherents represent fully various regions and levels of development. Otherwise it will be a coercive instrument capable of abuse. In any such treaty, any obligations placed on the developing, particularly poorer countries, for sustainable resource management must have provisions for the transfer of necessary technology and the financial resources as an integrated contractual obligation.

Attempts to preserve and secure access to the natural resources and/or environment services of the South by negative trade instruments of threatening to shut off existing market access (whether contractual under WTO or autonomous such as GSP), rather than through positive exchanges including technology transfers and new financial resources, is a reprehensible exercise of power by the powerful over the weak. It should be rejected.

Any work programme and any international policies and actions to deal with the problems of trade, environment and sustainable development have thus to be studied and discussed in an integrated way relating to trade, finance and technology and creating equitable and interlined rights and obligations.

A more suitable forum for integrating these various facets would be the United Nations, such as in the Commission on Sustainable Development and UNCTAD. At the end of such a process, GATT/WTO can be given the jurisdiction to handle those matters where it has been determined that trade rules and/or measures are required. The process should not, in other words, be turned on its head by first assuming or deciding that trade rules and measures are needed to promote environment and sustainable development, and thus appoint GATT/WTO to co-ordinate matters relating to trade and environment.

Any institutional mechanisms, and decisions as to where these rights and obligations could be addressed, monitored and administered should come after multilateral discussions and agreements on the issue and not before. There should be no a priori assumption that WTO is the proper and main forum.

The experience of the South with the UNCED process, and with the way subjects were brought onto the trade and WTO agenda by prefixing 'trade-related' before them to place onerous burdens on the South, is a clear warning to the governments of the South against accepting any concepts, institutions or negotiating processes without adequate prior analysis and study of these issues outside the GATT and the Bretton Woods institutions.

Concepts like process production methods (PPMs), eco-dumping and 'internalisation' of costs are yet to be adequately studied and analysed in all their economic and social ramifications, particularly in the international trade context. 'PPMs' refer to the process or method by which a product is produced. 'Eco-dumping' implies that a country where environmental standards are lower is having an unfair competitive advantage when exporting its goods, which are produced by environmentally inferior methods or technologies, 'internalising external environment costs' refers to the inclusion in price of a product the estimated adverse ecological effects of producing/distributing it.

The three concepts are thus inter-related. When discussed in the WTO context, the implication is that if a country has lower environmental standards in an industry, the cost of that country's product is not internalised and the prices are thus too low, and that country is practising 'eco-dumping'. As a result, a second country that is importing from the first would have the right to impose trade penalties, such as levying countervailing duties, on goods exported by the first country. This set of ideas poses complex questions relating to concepts, estimations and practical application, particularly as they relate to the international setting.

The concept of 'internalisation of external costs' has been usefully applied at the micro-level, for instance in environment and social assessment of projects that may adversely affect communities and the ecosystem. However, the application and operationalization of this concept at the international level is fraught with many problems. In a transnationalized production system, there are serious inherent problems involved in deriving correct estimations of the "internalisation of external costs"¹².

And when this is all sought to be fashioned into an international trade policy instrument within the inherently asymmetric WTO trading system, the setting of standards and norms and trade-restrictions and retaliations to secure compliance, become a part of the

¹² TWN, see footnote 3.

manipulative protectionist process for maintaining and extending the asymmetry of the system.

There are also other problems about "internalisation of costs" and these need detailed study and analysis. There have been some studies, many superficial, about "internalisation of costs of tropical timber, or the commodity exports of the Third World and labour-intensive manufactures like textiles and leather products. But there has been very little on internalisation of costs of final Northern exports, which pass through several productions, processing stages.

For example, in terms of internalisation of costs in the international context, what would be the real costs of nuclear power generation and the storage of the radioactive wastes (with some having half-life of thousands of years) and how would they be reflected in the agricultural and industrial production processes and the prices of the end products, and subsidies to maintain such production or employment? Again "security" and policies and actions on grounds of national security are not challengeable in the WTO. However, there are many defence and other activities falling under the "national security" rubric, which do have negative environment effects. Many industries and production units, including some high tech ones, have both defence/security and civilian uses. "Internalisation" of these costs poses problems. Not internalising them would give an unfair advantage to the major powers. Or would the "difficulties" of internalising the costs of what is now being "externalised" by the industrial countries lead to indefinite postponement of their internalisation, while the exports of the South, capable of much easier "internalisation" of costs by the Fund/Bank economists be immediately forced to be reflected in their export prices?¹³

Again would the WTO system be able to enforce any of these internalised costs of northern products, which are not actually reflected in the product/process prices? Or would the WTO shrug its shoulders and keep quiet -- as in the Nicaragua sugar dispute (of the early 80s) when the US cited national security arguments to block GATT actions or the EC actions in the Argentine-UK Malvinas/Falklands war -- and the actions of the powerful become unchallengeable on national security grounds?

And, within the parameters of an asymmetric system, how would or could the Third World countries be able to promote or enforce full internalisation of costs in the prices of products exported to them in these matters when, after many long years of negotiations, they have had to settle for the continued use by the industrialised countries of subsidies in production and export of agricultural commodities, with only a 20-30 percent cut at the end of the six-year reform period. They have also had to acquiesce in the placing of many others of North's subsidies beyond challenge through the subterfuge of a "green box" and thus enable these countries to provide environmentally unsound support to industrial agricultural production?

These examples merely demonstrate part of the problem of assessing the environmental costs of processes and production methods and estimating their values and need for deeper analysis and study.

¹³ *Ibid.*

Would the North accept the internalisation costs of the environmental protection burden or a fair share of it, or because of political and economic reasons that preclude domestic actions, use trade instruments to shift the burden to the South, as it shifted the burden of fighting 'inflation' in the 70s and 80s (and is still doing so) by forcing down energy and raw material prices (produced and exported by the South) in real terms?

And since the ultimate enforcement weapon of the WTO is only "authorised and civilised cross-retaliation", how would the global objectives of environment protection and sustainable development be advanced?

What is the production process in relation to transnational system of production and how can its real costs be assessed when countries, even such powerful countries like the US and its most important State, the State of California, with their capacity to demand or acquire the information, have been finding it difficult to assess the income and levy taxes on Transnational Corporations that evade or avoid taxes through transfer pricing?

Before the adoption of policy prescriptions based on them and the use of trade policy instruments, instead of national market-related instruments, to enforce compliance or compelling their adoption, concepts like PPMs, "internalisation of external costs" and eco-dumping as applied in international trade relations need to be analysed in much greater depth in an interdisciplinary way, and without *a priori* assumptions. They have to be scrutinised far more closely for their technical adequacy and their impacts on sustainable development options of the developing countries.

4.0 The Trade Related Aspects of Intellectual Property Rights (TRIPS) and the Environment

The TRIPs accord in the Uruguay Round has in fact tightened and restricted the availability of environmentally sound technology and its further innovation by creating global monopoly for the Trans National Corporations in this area.

The WTO, because of its narrow trade focus, lack the jurisdiction, competence and capacity to be a co-ordinating agency to handle these interlinked issues. Nor can this function be delegated to or allowed to be appropriated by the WTO in conjunction, or acting in tandem, with the Fund and the Bank.

Moreover, as the workings of the WTO have showed, the WTO's decision-making is dominated by only two or three major countries or entities, and a majority of parties have to accept the decisions or deals arrived at by these few. Given the reality of this decision-making process in GATT (and, in all likelihood the same will prevail in the WTO), and the current state of the international political and economic power relations, any rules developed in this asymmetric forum would most likely serve to legitimise the use of trade weapons which the North and the powerful can use against the South and the weak. But the South will be unable to use them against the North.

Also, there is a danger of extending the practice (which was so prevalent in the launching and actual Uruguay Round negotiating process) of bringing in new concepts, activities and areas under the management and control of the WTO simply by attaching the prefix 'trade-related' to the issue. This would bring issues under national jurisdiction into the area of 'international' control. For instance, the issue of intellectual property rights was brought under WTO by calling it 'trade-related', not to liberalise the 'trade' in IPRs but to

create global monopolies for the benefit of TNCs at the cost of public interest and public policy of States and their peoples.

The bringing of any issue thus under 'international' jurisdiction, and the very choice of the WTO as the international agency, pulls the location of rights and powers away from the local and national levels to an international agency that skews the treatment of the matter in favour of the powerful parties. As a result, the process by which local communities lose control of their natural resources is accelerated.

5.0 Ownership of the Natural Resources

Another crucial area that is affected by trade liberalisation and privatisation regimes is natural resources, particularly in relation to bio-diversity and traditional knowledge. A huge proportion of the rural communities in Kenya are subsistence producers who live off common lands and resources, and rely on traditional knowledge of local forests, plants, animals and fish for food and income. In these communities, women are usually responsible for meeting the family's daily food and livelihood needs, and are veritable storehouses of knowledge about local bio-diversity and traditional extraction practices. But with commercial harvesting of natural resources of value added production, increase in plantation and monocropping for export markets, and transference of land, water and resources to private companies, both bio-diversity and environment quality are seriously threatened, and local communities are alienated from the resource base they depend upon.

The loss of plant and animal species is a serious blow to the poor since they rely on seasonal diversity and variation to ensure food, income and health for their families. When communities are displaced or relocated from traditional lands to make way for commercial enterprises, the poor are particularly disempowered. Reduced access to these lands and resources, and reduced availability of local foods increase the poor's workload of family maintenance.

Bio-piracy and the patenting of women's traditional knowledge and production processes by private corporations disempower the poor in very particular ways. Not only do the poor's intellectual contribution to science, technology and know-how go unrecognised, but also, they are compelled to pay for the very resources that they have nurtured and protected for generations as these resources enter markets in form of medicines and processed foods. While the poor in such situations face the danger of losing ownership and control over their indigenous resources through trade liberalisation, they do not necessarily gain access to new resources. Nor are they compensated for the "opportunity" costs of losing access to their primary sources of food and livelihood. The introduction of new, value adding production technologies does not necessarily benefit the rural poor since they usually have neither the capital nor the basic education and skills required to take advantage of these changes. Unless accompanied by deliberate measures to transfer new technologies and know-how to the poor, the introduction of new technologies often displaces them from traditional areas of autonomy and control.

6.0 Some suggested areas for Work programme

The following are some of the areas (already covered by the or WTO rules), which could be in the Agenda of the Work programme:

1. The implications of the TRIPS agreement on environment and sustainable development. Environment and development NGOs in the South have identified TRIPS as a major threat to Southern communities' and governments' capacity to protect the environment and promote sustainable development. These concerns need to be seriously addressed. Articles 7 and 8 of the TRIPs Agreement states there should be a balance between public and private interests; and there should be balance between private returns of the IPR holder and environmental obligations.

In the context of the above, several aspects of TRIPs should be reviewed. Among the relevant subjects are: (a) rights of patent or other IPR-holders vs. the public interest and public policy of a State and its people; (b) patenting of life forms; (c) the effects of IPRs and the global monopoly created by TRIPs on the transfer of environmentally sound technologies; (d) the danger of the growth of monopolies and thus of protectionism and higher prices in such key areas as agriculture and health care.

7.0 Foreign Direct Investments, the Environment and Sustainable Development

7.1. FDI, problems and prospects

The current policy consensus around international investment tends to portray its impacts in glowing terms, especially in transferring technology, creating jobs and stimulating managerial efficiency. While external financial resources: grants and loans, portfolio investment, and foreign direct investment can make important contribution to the development process in developing countries, including theory trade potential, however on careful analysis each type of flow is seen to have drawbacks as well as benefits.

Although this may be the case for certain investments, the perception is based on little detailed analysis of whether the benefits of the host country are maximised and what are the associated economic, environmental and social costs. As a result, current approaches to fostering international investment fail to address adequately the issues of poverty eradication, environmental protection and the attainment of sustainable development¹⁴.

In fact, a variety of factors may lead to Foreign Direct Investment (FDI) having net negative impacts on a host country. To begin with, the impact of FDI depends on the sector in to which the investment is taking place, and on the regulatory, social and economic context in which the investment takes place.

FDI in natural resource sectors does not provide the host country with the same benefits as in manufacturing or services. The transfer of technology, knowledge and skills to the domestic companies, in particular may be negligible. Investment in extractive sectors can also operate with few positive links to the national economy. This is particularly the case when output generated by the investment is geared for foreign markets, for example

¹⁴ WWF International Discussion Paper, October, 2001

agriculture, mining, oil extraction and trends towards “resort tourism”-with self-contained centres relying on imports and generating minor levels of local employment. Even tax benefits expected by the host governments may prove elusive¹⁵.

Too often, multinational companies (MNCs) are hard to tax given their ability to exploit transfer pricing and other methods to minimise their liabilities. With much FDI dominated by large MNC actors, international investment can also be associated with restrictive business practices that harm orderly development of domestic industries. The risk is especially present in cases where the foreign investment is in the form of merger and acquisition by global oligopolistic MNCs, or where the domestic industry is not yet internationally competitive.

The impacts of FDI also depend on a number of national factors, including the domestic regulatory context. Sometimes investment takes place that it overwhelms the host’s country’s regulatory capacity, resulting in large-scale environmental damage.

Much of the debate on FDI and the environment has focused on the “pollution havens” hypothesis where countries lower, or do not enforce, environmental standards to encourage investors (by reducing their production costs) to relocate from countries with higher environmental standards. Investors can try and use their economic clout to pressure host countries into removing environmental regulations. The most pronounced effect of competition investment flows is the lowering of environmental regulations. Countries are fearful that, by taking unilateral action to raise environmental standards, they will risk losing a competitive edge to other, less regulated countries.

7.2. Lessons and Challenges

The web of international rules on investment is extensive. The rapid flow of international capital has resulted in a vast set of international legal rules governing investment. In addition to the more than 1,856 bilateral investment treaties (BITS), most regional economic treaties contain provisions that relate to investment¹⁶.

Since 1982 major developed countries have made efforts to have the subject of investment to be included on the GATT/WTO agenda and a major new thrust was made just before the Singapore meeting in December 1996. The main aim has been to obtain an agreement in the framework of WTO for a multilateral agreement to liberalise national policies regarding investment, such as curtailing the discretion of host countries in this matter with regard to investors.

Nevertheless, a minor agreement on investments already exists in the WTO. The Trade Related Investment Measures (TRIMS) contains measures prohibiting against different forms of regulations, which have been typically used by developing countries to promote their development agenda. Among several conditionalities on foreign investment used by developing countries, the three most frequently used are (i) domestic requirement, (ii) export obligation and (iii) foreign exchange balancing. In the TRIMs prohibits (I), there is no obligation on the export obligation and foreign exchange balancing in terms of

¹⁵ *Ibid.*

¹⁶ *Ibid.*

specific limits to the import of any raw materials or intermediate product is prohibited; but a government is not prohibited from prescribing that the overall foreign exchange brought in by the firm within a stipulated period must at least be equal to the foreign exchange taken out by the firm within that period.

Very few treaties contain provisions relating to sustainable development, except perhaps in the Preamble, and that those do, the little experience gained in their operation so far casts doubt on their relative effectiveness. Rather evidence tends to show that the provision in existing investment agreements tends to conflict with host nations' pursuit of sustainable development. These conflicts tend to occur at a number of levels:¹⁷

7.3. The conflict with domestic environmental regulation

Investment rules have taken on an increasingly anti-regulatory character, restricting policies that may infringe on the economic activities of private business. In addition, new international mechanisms have been created to give private investors new international legal weapons, including the ability to sue governments directly if public policies infringe private investment rights.

7.4. The Conflict with sustainable use of natural resources

It is essential for multilateral agreements to address any issue of economic imbalance and allow countries to preserve national policy goals such as defined development priorities or environmental protection.

In a number of investment agreements, natural resources tend to be treated like any other investment. However, in order for governments to achieve sustainable development it is vital for them to be able to impose requirements on foreign investors to transfer environmentally friendly sound technologies, use local suppliers and participate in joint ventures. Without such links to the domestic economy it has been realised that it is unlikely that FDI will raise domestic environmental standards.

7.5. The Potential Conflict with Multilateral Environmental Agreements

Conflicts could also arise under the Convention on Biological Diversity (CBD) concerning access to genetic resources. The CBD requires that access be based on the prior informed consent of the host country and that it is granted on the basis of the fair and equitable sharing of benefits.

Having agreed in Doha to negotiate investment, it is important to assess whether such an agreement would be capable of delivering sustainable development. The stakes are generally higher with foreign investment than with trade in goods. This is because investment can profoundly influence the host country's economy as well as capacity to regulate on social, cultural and environmental matters. For example, WTO cornerstones such as the "national treatment" would deprive host countries of encouraging investment based on sustainable process and production.

¹⁷ *Ibid*

Both theory and practice shows that the extent of liberalisation must necessarily be limited by other policy goals, especially in the absence of adequate international and domestic regulation. Each sphere of sustainable development-economic, social and environmental-requires international markets to be limited to some extent.

The needs of development and human rights justify limits in the economic arena. Maintenance of local cultural diversity and community economic control may necessitate limits in the social arena. Potential irreversible impacts and maintenance of communal-use rights provide a rationale for limits in the environmental sphere.

National and international efforts need to re-focus on putting in place the basic framework that allows FDI to promote rather than undermine, a country's pursuit of sustainable development. Such measures could be introduced inside regional investment agreements or through other national and international bodies.

8.0 The Debt Question and Poverty

One of the reasons that governments in many of the poorest countries have under-invested in areas vital to the achievement of sustained growth with equity is that they have been crippled by debt. In many indebted sub-Saharan Africa countries, debt repayments have absorbed one quarter of the national budget. The region has been spending \$12bn annually in debt servicing. For governments to spend more repaying creditors than they spend on basic services is both morally wrong and economically senseless, as a recent UNICEF report puts it: "hunger, disease and ignorance have never been a foundation for rapid and sustained growth"¹⁸.

Kenya owes a total Ksh. 548.8 billion of which Ksh. 152 billion is money borrowed from within while she is supposed to pay Ksh. 396.8 billion to outside creditors. Every poor child when born, automatically inherits K.sh. 34,000 while every family owes at least Ksh 12,000 towards debt servicing - a sum which most of the poor families have never held in their hands and which if left with them would improve their food security as well as their health status.

Kenya spends thirteen times more on debt servicing than on health care. She also spends four times more on debt servicing than on education. Seven times more is spent on servicing the debt than on economic service provisions such as roads and energy. The country is diverting money which could be invested in alleviation of poverty, and improvement of all the services afore mentioned, to pay interest on debts that are ultimately unplayable. Those who suffer are mostly the poorest in the society with heavy environmental damage.

Despite glaring evidence that Kenya is unable to repay its debts and that the heavy debt-burden is hurting a majority of the people while at the same time slowing down the pace of economic recovery, the IMF, the World Bank and other donors refuse to write-off the country's debt. Heavy indebtedness continues to act as a disincentive to investors because there is the implicit threat of heavy taxation inherent in debt repayment. Debt repayment

¹⁸ OXFAM Policy Paper on Globalisation.

prevents the government from investing as mentioned, in education, infrastructure, etc. Given the gloomy picture and the unwillingness of the donor countries to cancel the debts, several efforts are in place to lobby these institutions to change their position regarding Kenya and the other poor countries.

9.0 Conclusion

As the volume of international trade continually increases, the need for global regulation of social and environmental concerns becomes more urgent. Trade liberalisation creates both losers and winners and causes a need for re-distributive policies at the international level, for instance in the form of special considerations and increased development assistance for those countries and segments of population that lose out and become marginalized. For example, without a global environmental policy, unfettered trade can lead to further pressure on the earth's fragile and limited resources.

Trade is not the only development factor, but it is an important motor for growth. In addition, trade policy and food security are fundamentally matters of justice and human rights. Although the current WTO rules were agreed by consensus, it was designed by a small number of economically powerful states primarily to promote their own economic interests. As a result, the WTO must change, from an organisation that sees trade and trade liberalisation as ends in themselves to one that places trade at the service of human development. Trade and environment are not ends in themselves, nor are the market and the free trade theology being preached to the developing world (but not practised in the US and other industrialised countries) nor the economic liberalism doctrines embraced by some Third World governments. They are only a means, whose efficacy and usefulness have to be constantly tested and weighed, and where needed modified, to achieve the objective of sustainable development.

Sustainable development is not merely a question of generational equity between the present and the future, but between the past and the present; and, within the present, equity between the privileged and under-privileged. It means the ecologically sound development of the undeveloped or under-developed South and the equally important adjustment and transformation of the maldeveloped and overdeveloped North, which with one-fifth of the world's population consumes four-fifths of the world's resources, exerting ecological pressures against the South and its poor in the present and for the future. The maldeveloped-overdeveloped North's toxic intensity of emissions/pollution as a proportion of GDP may be coming down, but is constantly increasing absolutely¹⁹.

For developing countries it is important to focus on the development aspects of the problem. Developing countries fully subscribe to the overall concern for the protection of environment. However, there may well be differences in the priority they give to this problem, particularly with respect to the problems limited to the domestic scene. Thus, while it is, no doubt important to improve or maintain environmental quality, many developing countries may find it necessary, within available means, to treat other problems such as hunger, as being of higher national priority. Where environmental

¹⁹ TWN, see Footnote 8.

effects spill across borders, there is a case for shared responsibility, though shared differentially based on the economic and technical capacity of the countries concerned?²⁰

In protecting the environment, threats of trade restrictive measures vis-à-vis developing countries are coercive, inequitable and discriminatory in character. There are more positive measures to assist developing countries in their pursuit of environmental protection and improvement. For, example, the dissemination of information, training, making available and improving the transfer of relevant technology, enhancement of market access, provision of funds, etc. are effective measures to encourage and help developing countries to adapt their production to environmental friendly processes. These are areas where little or no progress has been made since the adoption in 1992 of the Agenda 21 at the United Nations Conference on Environment and Development²¹.

Trade instruments, and more so coercive ones, when used wrongly and in particular by the powerful over the weak, harm rather than promote the cause of environment protection, labour rights, or social standards and norms. Multilateral discussion and treatment of these issues should be better taken up by United Nations agencies such as the ILO (for labour) and the CSD, UNEP, UNCTAD and the Conference of Parties of the environment treaties (for environment). Otherwise there is the risk that by attaching the pre-fix 'trade-related', issues within the competence of more appropriate fora are pulled away from these fora and into the ambit of WTO.

A reason why WTO was/is used as the agency of choice by Northern interests to take charge of more and more issues (and away from UN technical agencies with a more democratic and open decision-making systems) is that the dispute settlement mechanism and the threat of trade sanctions present in WTO enables these interests to force the South to comply. With the broadening of the jurisdiction of the WTO to include intellectual property rights, investments and services, and its integrated dispute settlement system (which enables cross-sectoral retaliation), thus allowing the WTO to have even more 'bite' than the other organisations, and would enable the North to bring the South in line.

It is thus inadvisable to give more powers to the WTO to be an agency that links trade measures (such as trade restrictions, penalties and sanctions) to environmental protection and standards.

As a result of the power imbalance between the North and South, sustainable development also requires democratic governance, not only within societies and countries, but equally so internationally. It requires an end to control and attempts at management of the world by a few nations for their own benefit. It demands an unreserved good faith acceptance on their part of international agreements and implementing them in letter and spirit.

The principle of any international agreement on agriculture trade should enshrine as its overarching goal the World Food Summit commitment to halving world food hunger by 2015. Thus far, the AoA as already mentioned, has promoted an industrial model of agriculture that has jeopardized food security in developing countries. More productive and sustainable methods exist, but are not being properly promoted.

²⁰ South Centre, *The WTO Multilateral Trade Agenda and the South* (1998), p.61.

²¹ *Ibid.*

The context for the process of strengthening International Environmental Governance must be sustainable development, with the full integration of the 3 pillars: environment, economic and social. The input for the World Summit on Sustainable Development 2002. The relationship between the current international governance structures (environment, trade and finance) and the impediments to the full realisation of the UNCED spirit and agreements should be examined in the WSSD preparations. Inputs from the open-ended Intergovernmental Group of Ministers or Their Representatives on IEG to the WSSD process should therefore address these linkages. The approach to strengthen IEG should be evolutionary and incremental, having first reviewed and assessed the current situation, where IEG is fragmented, diffused and often overlapping. Many options have been proposed, including a World Environment Organisation and bringing all MEAs under an umbrella framework. However, substance and goals should precede form, and while there is much talk and effort about co-ordination, there should be clarity of purpose and mechanisms for co-ordination and co-operation among MEAs, among the various UN entities, and between the UN system and the Bretton Woods Institutions and the World Trade Organisation. A proliferation of co-ordinating bodies can be counterproductive.

Since sustainable development is the context and environmental integrity is the focus for the process, UNEP has a key role to play. While UNEP can be enhanced to fulfil its role as the “principal UN body in the field of the environment”, UNEP is only one component of the IEG Architecture and the ultimate Sustainable Development Architecture. Similarly, other parts of the UN system, especially the Commission on Sustainable Development, as well as the Global Environmental Facility, require review. The institutions and work of the many MEAs need to be better co-ordinated so as to make MEAs more effective; some of the many issues relating to this are discussed.

An enhanced UNEP and its relationship with MEAs and other components of the IEG need to be better defined. The relationship between UNEP and the Commission on Sustainable Development is important. The relationship between the Environmental Management Group and the CSD Inter-agency Task Force mechanism needs to be rationalised. A strengthened UNEP, with a better defined relationship with the CSD, as well as the CSD itself, can discuss and throw light on cross-cutting issues such as the relationship between trade and environment (and even wider, the relationship between economics, development and environment) and the results of the discussion can influence the discussions in other fora such as the WTO and the Bretton Woods institutions.

The Global Environment Ministers Forum has the potential to raise the political profile of the environment and help bring cohesion to MEAs, as well as to take decisions on critical environmental problems, including initiating new MEAs or new actions and campaigns warranted by emerging situations. However, other Ministers have to be actively involved too. Innovative ways should be explored to engage a broader participation of other sectoral Ministers via the High Level Segment of the CSD so that the sustainable development agenda can progress.

The Open-ended Intergovernmental Group of Ministers or Their Representatives on IEG must continue to work in an open and transparent manner, with the full and meaningful participation of developing countries. Keeping in mind that the IEG process itself can lead to a proliferation of meetings, there should be more synergy between the Environmental Management Group and the Intergovernmental Group.

Whilst an enhanced UNEP is needed for IEG, correspondingly and simultaneously there should be a strengthening of the resources, capacity and role of the CSD. The integration of development and environment goals, policies and programmes is needed more urgently than before, because of the failure since Rio on this front. The paper provides some suggestions on strengthening the CSD.

Finally, for Kenya and developing countries in general a strengthened IEG means the operationalisation of the fundamental principle of “Common but Differentiated Responsibility”, transfer of environmentally sound technology, the provision of new and additional financial resources, and capacity building for meaningful participation in IEG and implementation of sustainable development.

All in all, this is also the basic meaning of the path of international Cupertino pledged at the highest levels by the nations of the world at the Earth Summit in Rio de Janeiro in June 1992. The Rio Declaration and the Agenda-21 programmes for a better, greener planet of the future adopted at the Earth Summit, is postulated on international Cupertino and partnership, not on coercion or unilateralism and exercise of power.

PART TWO

THE IMPACT OF NEO-LIBERAL GLOBALISATION ON DEVELOPMENT IN KENYA TEN YEARS SINCE RIO

1.0 Introduction from the global perspective: Neo-liberal globalisation and increased marginalisation of the poor nations and peoples’ of the world

Today’s world is shaped by three major phenomena: economic globalisation; fragmentation; and vulnerabilities without borders. Economic globalisation while generating new opportunities has been accompanied by many costs, including inequality, social exclusion and the concentration of wealth in fewer and fewer hands. (Heyzer in Camilleri, Malhota & Tehranian, 2000:xiv).

The fall of the Soviet Union and the communist states of Eastern Europe that brought about the end of the classical cold war, is one of the greatest events that ended the last two decades of the 20th Century. The effects of the fall of the Soviet Union are being felt not only in the former communist countries but also all over the world. The fall of the former Soviet Union was accompanied by the acceleration of the process of neo-liberal globalisation (Camilleri, Malhota & Tehranian, 2000:xi). The globalisation of economic,

political, social and cultural life that many agree is a continuous process dominates contemporary current affairs. Yet globalisation, which is in fact dominated by global capitalism in theory and practice, is utilising the scientific and technological revolution that is accelerating at enormous pace to turn the whole world into a market place controlled by few multinational and transnational corporations.

Global capitalism is dynamic in producing new technologies, economic growth and enormous wealth that is appropriated by few individuals or families. It transcends nation-state boundaries and seeks to remove from its way any regulations and morals, be they labour standards, taxation policies, environmental requirements, national laws, etc., that prevent it from ripping and dominating the world (Camilleri, Malhota & Tehranian, 2000:13-17; Sachs:2000). The Bretton Woods institutions, the World Bank, International Monetary Fund and World Trade Organisation provide global capitalism with the institutional framework to facilitate its operation and expansion (Econews Africa, 1999 & Camilleri, Malhota & Tehranian, *ibid.*: 33-58).

Viewed from global financial flow perspective, the world has grown much richer over the past 25 years. According to the Worldwatch Institute (in Zerihun, 1998:3), the world's total annual income rose from 10.1 trillion dollars in 1970 to approximately 20 trillion dollars in 1994 (in constant 1987 dollars). This increase has been accompanied by an improved standard of living for many of the world's peoples. But not all nations, and not all people in the richer nations, have benefited from the global increase in wealth.

Countries, mostly concentrated in Africa (this includes Kenya, of course) and Latin America, have experienced a net decline in gross domestic product over the past few decades, while many of the Western countries that have achieved a higher GDP have experienced an increase in the number of people living in extreme poverty. It is estimated that over 1.2 billion people world-wide survive on less than \$1 per day (*Refugees, Volume 1-Number 122:2001*). Furthermore the gap in national income between the richest and poorest nations continues to increase, as does the gap between the rich and the poor within most societies.

This growing inequality in economic growth rates, accompanied by the widening gap between the rich and the poor, is producing dangerous political and social problems in many countries and societies. As the masses of the poor see their chances of escaping acute poverty diminish, they are becoming increasingly resentful of those whose growing wealth is evident. This resentment is especially pronounced in the impoverished shantytowns or slums that surround many of the seemingly prosperous towns in the low-income countries, of which Kenya is a typical example. In the hostile, inhospitable and inhuman environments that characterise slums, large numbers of people, especially among the growing legions of unemployed youth, are being attracted into extremist political and religious movements that promise a better life to the majority poor. All sorts of violence, crime, prostitution, cults and violation of human rights by states and individuals have increased alarmingly. Street gangs, drug trafficking syndicates and mafia type organised crime are dominating societies and unleashing terror and insecurity.

Deep class divisions are also emerging or escalating in China and the post-communist states of Eastern Europe and the former Soviet states. Following the recent introduction of market liberalisation reforms in these countries, the gap between the rich and the poor has become considerable worse, while newly formed capitalist class (including the Mafia) has accumulated considerable wealth that they display in highly conspicuous manner. Unemployment, poverty, disease, crime, violence and lack of access to necessary social services are an embodiment of the restoration of capitalism in these countries (Martens, 2000).

Another consequence of globalisation, are the growing income differentiations based on inter-group relations in multiethnic societies. In most societies, the divide between the rich and the poor is not the only schism that matters: of far greater significance are the divisions between various strata of the poor and the lower middle class. When such divisions coincide with ethnic or religious differences, and when one group of poor people find itself mainly making less economic progress than a similar group of different ethnic composition, the result is likely to be increased ethnic antagonism, and at the extreme, increased inter-group violence or even war. The brutal civil wars in Liberia, Sierra Leon, Rwanda, Burundi, Somalia, Algeria, Democratic Republic of Congo, Sudan, Indonesia, Philippines, former Yugoslavia, Sri Lanka, Peru, Columbia, countries of the former Soviet Union, etc., that produce millions of refugees and immigrants, are examples. Kenya too continues to experience inter-ethnic clashes that have resulted in the death of thousands of people, loss of property, increased poverty, internal refugees and escalating hostility between the various ethnic groups in the country. Today insecurity is one of the greatest problems in the country that constrains freedom and development while forming the basis of violation of human rights.

It is for this reason that we arrive at the conclusion that globalisation, or neo-liberal globalisation to be precise, has not brought about sustainable development to the world. The vast majority of the people of the world continue to live miserable lives of poverty, hunger, disease and lack of shelter. Millions are dying due to starvation, preventable diseases and violence. Social inequality has escalated while natural resources are used unsustainable, without catering for the majority of the present citizens of the nations and the world and without considering future generations and the long-term consequences to life on our planet. Yet this is happening when following the achievements of scientific and technological revolution never experienced before in the history of the world, there is enough wealth and production to remove poverty and improve the welfare of all people of our planet. The world today has accumulated enough experiences and knowledge to develop while conserving the environment by using the earth's resources in a sustainable way and ensuring security, peace and human rights of all. Inhuman economic policies, ideologies and practises that breed inequality and injustices globally and within nations, prevent sustainable development in the world. In other words, neo-liberal globalisation or global capitalism to be precise, constrains the realisation of Agenda 21.

Globalisation is in fact global capitalism. It is crucial to comprehend this in order to appreciate why the contradictions of underdevelopment addressed by the Rio UNCED have escalated leaving a very pessimistic picture especially of African countries. Unlike

previous developments in capitalism, global capitalism depends less on land or capital than in information and knowledge industries. Control of research and development, patents, licences, copyright and associated with knowledge industries is critical. Box 3 provides a summary of global capitalism.

The poor nations under global capitalism are the same nations that were poor under colonialism. Under neo-colonialism, the low-tech and high-polluting industries are located in less-developed nations, while the high-tech and knowledge industries stay in richer countries. Meanwhile, the manual workers from richer nations watch their jobs disappear to less developed nations.

One feature of global capitalism is a two-tiered mass population movement. At the top of the social structure are the global elite, roaming the world as managers, guardians and celebrants of the global economy. At the bottom are the refugees and the millions seeking escape from poverty and misery, either by crossing national borders or migrating from the country to the cities. The global elite and the global underclass are colliding in the major metropolitan centres: the elites in the luxurious hotels and houses, the underclass in the slums.

On the positive side of global capitalism are relentless technological innovations, economic growth and affluence. On the negative side – in addition to problems of inequality – the problems of pollution, epidemic diseases, wars, drug trafficking, money laundering, illegal arms dealings, terrorism and corruption all increasingly tend to ignore national borders. Global capitalism can therefore be compatible with sustainable development.

Box 3. Key characteristics of global capitalism – so called globalisation

The following are characteristics of global capitalism (Camilleri, Malhotra & Tehranian, ibid. 14/15)

- Dynamism: it uses science and technology to create constant change.
- Optimism: It promises that those who embrace it will be better off, if not today tomorrow.
- Globalism: It reaches all over the world, helped in recent years by the trend towards free trade and deregulation of economies.
- Information technology: Introduction of computer-assisted design, manufacturing, inventory, electronic commerce and the free and instantaneous exchange of information and money anywhere in the world.
- Informatic imperialism: Freed by technology from local constraints, global capitalism can move to whatever level of wages, rents, taxes, and government regulation and support can guarantee the highest profits.
- Flexible capital accumulation: Production need not be centralised, but can be dispersed in the production of parts and assembly of the final product in various areas of the world.
- Transnational corporations: Most of the largest hundred economic units in the world are not nations, but TNCs which, with their size and mobility, have immense bargaining power, including the power to influence and even overthrow governments. Their strength stems from centralised, strategic and global-decision making, combined with decentralised operations in many parts of the world.
- Institutional support: The Bretton Woods institutions, the IMF, W and WTO, have facilitated and even now continue to support, the growth of global capitalism, with their advocacy of free trade and deregulation and punishment of those countries that do not toe the line.
- Competition with states and societies: Global capitalism has diminished the power of states and can often afford to ignore any harmful local effects from its activities. Civil society, particularly in the form of NGOs, has been revived in the process and presented as alternatives to the state.
- Ambivalence towards democracy: Although stable democratic institutions provide the best operating environment, global capitalism has been prepared to support stability at the expense of freedom and justice. For example, global capitalism fears and hates free trade unionism; global capitalism and the fight against international terrorism; one party system in Uganda; feudal dictatorships in the middle East, Kuwait, Saudi Arabia, UAE, etc.
- Oligopoly: While most industries are more or less dominated by a few TNCs, some industries (such as computers, aerospace, the media and pharmaceuticals) are almost entirely controlled by them.
- Destabilisation: Unregulated capitalism creates cycles of boom and bust, and unequal distribution of wealth and power, all of which tends to cause social and political instability. Global capitalism's mobility also cause local booms in currently favoured locations, then busts when the location loses favour.
- Environmental damage: Often the most profitable locations are those with the least environmental regulation. With little need to commit itself to a locality, global capitalism has caused a lot of environmental damage in less regulated areas.
- Commodity and identity fetishism: Those who embrace global capitalism tend to engage in conspicuous consumption, while those who miss out tend to fall back on cultural, religious or racial identities as a defence.
- Inequity: The rise of global capitalism has been followed by the rise in inequality between richer and poorer nations and between the rich and the poor within nations.

THE KENYAN EXPERIENCE TEN YEARS SINCE RIO : *MTUMBAISM*²², HOW THE PROCESS OF NEO-LIBERAL GLOBALISATION IS TURNING KENYA INTO A SECOND NATION

The on going process of globalisation of capitalism does not imply any expansion of the capitalist system to all countries and all continents, but rather an attempt to create a unified world system as mentioned above, with a handful of capitalist countries, with 10% of natural and human resources of the world-prospering by appropriating 90% of the resources of the countries of the South, where billions of people are compelled to backwardness and misery and to a non-capitalist, agrarian society... the most important aspect of the new phase being the political unity of the imperialist states in their ambition to impose this process as a rule of an international legal system legalizing the inclusion of the non-capitalist countries, as periphery, into the capitalist world system. (Njem, 2000:11-12)

1. Aim and objective

In this section, we will analyse the impact of *mtumbaism* to the economy, culture and psychology of Kenya and Kenyans from the perspective of globalisation. This will be based on our experiences, observations, reflections and research. Neo-liberal globalisation, i.e. global capitalism, is contributing to the underdevelopment of Kenya and compromising its national freedom and sovereignty. Increasingly, many Kenyans both professional and ordinary people, are immigrating to Southern Africa, Europe and the USA hoping to find opportunities of earning a better living. The brain drain from Kenya to the more prosperous or promising countries is inherent in the process of immigration while it also contributes to the vicious circle of underdevelopment.

2. Introduction: the reality of the phenomena of *mtumbaism* in Kenya

2.1. The trade in second hand clothes

²² *Mtumba* is a Kiswahili word that was originally used to refer to second hand clothes. This is because the first second hand commodities that were sold at a large scale were clothes. Now that today second hand commodities have become the norm rather than the exception in East Africa, *mtumba* refers to all second hand items, clothes, shoes, utensils, vehicles, machines, food, etc. In this essay, we also take the liberty to refer to as *mtumba* all foreign ideas or ideologies that are aimed at preventing progressive change and that serve to maintain the political, economic and cultural order of poverty, dependency and underdevelopment in Africa. In Kenya, like in many parts of Africa, the importation, buying, selling and consumption of all sorts of second hand items has become a culture. It is this culture and process of dependence on second hand foreign goods, values and ideas that we call *mtumbaism*.

Ten years since, the Rio United Nations Conference on Environment and Development (UNCED), popularly known as The Earth Summit, and that produced the famous Agenda 21 that is the global blue print of sustainable development, all the achievements made by Kenya in terms of industry, agriculture, trade, employment opportunities, conservation of the environment and the provision of social services such as health, education, housing, etc. have almost totally disappeared²³. As the process of neo-liberal globalisation escalates, what passes as trade in Kenya today is in fact increasingly becoming *mtumbaism*.

Kenyan markets, whether in the rural or urban areas, are today full of all sorts of *mitumba*, second hand commodities, most of which are imported from Western Europe, USA, Canada and Japan. In the 1960s, there were hardly any *mitumba* items in the Kenyan markets. Then second hand clothes were referred to as *marehemu George*, meaning the clothes of dead people personified by the dead King of England, George. This was in order to discourage people from wearing them. It was only desperate people who had to wear clothes left behind by the dead. One, therefore, had to be extremely poor in order to wear *mitumba*. In those days, the material circumstances²⁴ allowed Kenyans to conserve their pride.

Today the trade in *mitumba* has grown to be one of the largest informal/popular economies in the country. One of the biggest import commodities of the country is *mitumba*. The largest markets in Kenyan urban areas deal with second hand clothes and other *mitumba* items. Thousands of people earn their living through buying and selling *mitumba*. The majority of Kenyans now wear second hand clothes. While in the beginning one considered it a shame to wear second hand clothes and if he had to he would not reveal the fact, nowadays second hand clothes have been accepted as part and parcel of life and are sold and used openly and without shame.

The harsh living conditions brought about by the deteriorating economy, that as in most Sub-Saharan Africa began in the mid-1970s (Hamrell and Nordberg, 1992:7; Mohan, Brown, Milward Zack-Williams, 2000:4; Havnevik, 2000:26 and 40) described so graphically by Olukoshi (1998) are eroding the pride of Kenyans²⁵. Today the majority of Kenyans are so poor that they cannot afford to buy new clothes. As poverty escalates and Saps cut more and more jobs through retrenchments brought through the 'rationalisation' of the civil service, privatisation of state enterprises and the closure of local industries

²³ See, for example, "Message from the catholic Bishops of Kenya", Daily Nation/Wednesday, November 14, 2001, page 19.

²⁴As Olukoshi, 1998; Havnevik, 2000: 27; Gibbon and Bangura, 1992, explain during the 1960s up to early 1970s, the economies of African countries were performing well and causing positive development. This was more so in Kenya where the people were enjoying one of the highest standards of living in the continent. Immigration due to poverty or unemployment was hardly known. The vast majority of Kenyans who went to study abroad would rush back to Kenya as soon as they finished their studies. As for ordinary Kenyans, the idea of immigrating in search of a living did not exist. Not so nowadays!

²⁵This includes using all means possible and enduring all types of risks and degrading conditions to immigrate to foreign countries and do the kind of jobs they would not accept to do in their country of birth Kenya.

unable to compete with foreign industries, the number of those who rely on *mitumba* is increasing rapidly. Second hand clothes are seen and even accepted as the solution in a situation where millions will go naked without them. The problem is that while *mitumba* may alleviate the immediate problem it is certainly not the long term and sustainable solution to poverty. It is in fact part of the problem that constrains the development of local industry, trade and agriculture. Its implication to the cultures and humanity of Kenyans and the future of the country is horrendous, to say the least.

2.2. Other *mitumba* commodities

Again, in the beginning *mitumba* was only about clothes. However, today the majority of Kenyans buys and uses all sorts of *mitumba* commodity: shoes, socks, innerwears, blankets, bed-sheets, curtains, utensils of kinds, etc. Many vehicles and most cars on Kenyan roads are *mitumbas* imported most from Japan and also from Europe, the majority of which enter the country via Dubai and are therefore also called *dubais* (Econews, 1999). The cars also use second hand tires and other second hand spare-parts imported from Europe and Japan. All sorts of food-stuffs, milk, eggs, sugar, meat, fruits, a lot of which is considered as *mitumba* in their country of origins, are sold in the Kenyan supermarkets and open markets. Food that today in the West is regarded as junk food²⁶ and therefore unhealthy has of late appeared in the Kenyan market and is becoming more and more popular to the middle class, thanks to 'free' markets and economic liberalisation. Tobacco multinational corporations that are prohibited from advertising in the Western countries advertise freely in Kenya and encourage the youth to the dreadful smoking habit. Drinks such as *Redbull* that are prohibited in some countries in Europe on health grounds are popularised in Kenya. Unilever and Nestle, for example, the multi-nationals that have a giant share in the food and beverage industry in Kenya, have committed themselves to reject "genetically modified ingredients for their European products" (The Crucible II Group, 2000:19). However, it should be noted that the commitment of the corporations is to European markets and not Kenyan ones. So even in a situation where the question of the impact of transgenic organisms and food to health, safety and the environment has not been resolved, the corporations regard Kenyans as *mitumba* citizens of the world and can therefore afford to gamble with their lives with impunity.

2.3. Kenyans are consuming *mtumba* ideas and culture

Mtumbaism is not about material goods alone. It is also about, education, ideas, culture. In the era of great scientific and technological revolutions in the world, particularly information technology, Kenyans import *mitumba* knowledge from the West. To make it

²⁶Here we refer to the food sold by multi-national corporations such as *Macdonald's* that are increasingly being criticised for their sub-standard or unhealth foods. One of the impacts of globalisation and trade liberalisation is the coming of *Nandos*, a South African food company equivalent to *Macdonald's*. *Nandos* is dominating the food market in Kenyan towns where it sells frozen chicken, meats, pizzas and hamburgers, most imported from outside the country. It is having a negative effect on the eating habits of Kenyans, small-scale local restaurants, trade and agriculture.

worse, this is happening when knowledge is increasingly being privatised and commercialised in the name of Intellectual Property Rights (IPRs), and in the process underdeveloped countries like Kenya marginalised in relation to scientific research and information (The Crucible II Group, 2000; RAFI).

Yet, today, in the era of globalisation knowledge is deemed to be the most important factor of determining the development of a nation (ibid., 2000:4). Books that are no longer needed in schools in Europe, USA and Japan are either sold or donated for use in schools, colleges, universities and other educational institutions in Kenya that are too poor to afford up to date ones. Many Kenyan scientists and researchers in Kenyan institutions of research and higher learning use second hand equipment bought from the northern countries or donated to them. In the age where computers are invaluable in the search for knowledge, there are hardly any computers available to universities and institutes of research and higher education in the country, leave a lone schools. What is worse there are hardly any public libraries in the country, and the few that exists contain mostly archaic publications and educational facilities. But the scarce resources available in the country disappear through corruption or are squandered through importing luxurious cars and other goods for the Kenyan elites.

The Kenyan mass media depend on foreign news agencies such as Reuters, Associated Press, Anglo-American, AFP, BBC, CNN, Sky News, etc., for the global news they print and broadcast to Kenyans. The majority of the Kenyan journalist, whether from the print or electronic media, write and broadcast platitudes on democracy, human rights, governance, gender, etc., that strengthen imperialism in the country. American and British films, many of which were produced several months or years ago, dominate Kenyan national television and the videos in private homes. And while this is happening local films made by local artists hardly find the attention of both private and state televisions. Second hand commercial advertisements are preferred to local made ones to the detriment of local advertising companies (*The Daily Nation*, 2000/08/09). In the meantime, there are hardly any efforts by the government of promoting local artists, many of who languish in poverty or have to survive by other means other than their necessary creative endeavours.

The import and consumption of pornography has increased. Even gender activists led by the petit-bourgeoisie women and men, the majority of whom are in NGOs sponsored by Western countries, do not find it necessary to struggle against pornography in the country. Yet pornography is very humiliating and dehumanising, especially to women, as much as it is allowed by bourgeoisie freedoms. At the same time, anti-social habits, such as homosexuality, that are regarded as anathema by the cultures of Kenyans are today being imposed as agendas for discussion by donor nations through the media and some local NGOs. Instead of, for example, struggling to change the material conditions that force people, especially women, into prostitution, some people especially in NGOs, are now making money by making seminars to organise prostitutes whom they call 'sexual workers' to form trade unions. Yet prostitution is one of the worst manifestation of the degradation and exploitation of the poor, especially women.

NGOs, that are supported by the foreign aid in all ways and that are presented as an alternative to the state (Olukoshi, 1998), are strong holds of bourgeoisie ideas and values in the country. Many are led by extremely greedy 'professional' beggars who are experts of writing proposals for 'aid' money, rubbing shoulders with foreign diplomats or donors, organising seminars and workshops in urban areas and publishing books, mostly in English, that remain in their luxurious offices. Corruption, tribalism, nepotism, cronyism, lack of transparency and accountability, intrigues, etc., are characteristics of the majority of Kenyan NGOs. The foreign donor organisation, that in many cases are led by people who are just as greedy and corrupt, know this, but as long as the local NGOs continue to embrace neo-liberalism in theory and in practise, consciously or unconsciously, they will continue to receive funding.

Thus in the process of *mtumbaism*, like most of other African peoples under the WB-IMF SAPs analysed in *The Politics of the Opposition in Contemporary Africa* (Olukoshi, 1998), and in Gibbon and Bangura (1992), Kenyans are made to depend on the Western male dominated bourgeoisie values and outlook. They are taught that bourgeoisie democracy is not only the Alfa and Omega of democracy but also that it is above classes, states and nations. Today terms such as 'human rights', 'good governance', 'transparency', 'accountability', 'gender', 'peoples participation', 'grassroots', etc., have become household words. Yet as long as they remain devoid of history, context and class analysis, as long as they are not integrated in the anti-imperialist struggle, they will remain as hollow and elusive as bourgeois's democracy itself.

Neo-liberalism, assisted by the Kenyan state, pro-capitalist NGOs, electronic and print mass media and bourgeoisie intellectuals and politicians of all sorts, strives to make Kenyans believe that there is no alternative to the capitalist system and the new imperialist world order called globalisation. By implication this means that Agenda 21 is only a pipe dream that will never be realised. In this way, imperialism shapes the everyday worldview of Kenyans. So it happens, as wa-Thiong'o (1993) observes, that Africans are made to view and measure their cultures from standards set by outsiders who advocate for the globalisation of contemporary bourgeoisie values embodied in the neo-liberal paradigms.

2.4. *Mtumbaism* is a manifestation of crude globalisation

Mtumbaism is yet another testimony²⁷ about how globalisation has made a large section of human beings into second hand citizens of the world. It is about the inequality between the North and the South, the rich and the poor, in the era of globalisation based on capitalist ideology and praxis, and how this relationship impacts on the livelihoods, economies, cultures and psychology of the people of all countries. It is about the struggle for survival of the people whom Fanon (1967) has called the wretched of the earth,

²⁷As we have already observed, a lot of literature on globalisation such as The Crucible II Group, 2000; Camilleri, J.A., Malhotra, K., Tehranian, M., 2000; Sachs, 2000; etc., are of the view that while globalisation and trade liberalisation have greatly stimulated the flow of goods, services and information in the world, the process has increased the marginalisation of the nations of the South and of the poor within nation-states through out the world.

people who today have to depend on things and ideas produced and disposed of by other people. In the face of capitalist globalisation that worships the power of money and the 'wisdom' of market forces, the creative potential and humanity of billions of marginalised people is being squeezed out.

Within the rich countries, it is the poor or people from the working class and immigrants who are reduced to the depending on *mitumba*. *Mtumbaism* has therefore a class character both at the national and international level, with the poor and marginalised people being reduced to consuming things used and not needed by other people. Consumerism and conspicuous consumption are characteristics of capitalist morality. In a system based on competition, exploitation of person by person and the worship of material things rather than human values, there is a tendency of buying, accumulating and disposing of things even when they are still useful. For example, one would buy a shirt or a blazer, use it for one week and throw it away to buy a new one. There are second hand commercial and charity shops where people can dispose of their *mitumba* "to help the poor people of Africa and the third world" and clear their conscience in the process. This is what starts the process of the accumulation and globalisation of *mitumba* as witnessed everyday in Europe, Canada and USA, etc.. *Mitumba* cannot accumulate from the poor people of the South and the North who cannot afford to throw away things until they are sure they are no longer useful. Not surprising, in rich countries of the North, the majority of the consumers of *mitumba* are immigrants, mainly from the third world, who form the bulk of the poor and marginalised, or whose cultural roots, values and obligations cannot allow them to engage in bourgeoisie consumerism even when living in foreign countries.

2.5. *Mtumbaism* and 'Aid'

Mtumbaism has a parallel with the phenomena of foreign aid. Like aid, *mitumba* flows are from the North to the South, from rich to poor nations and not the other way round. Decades of foreign aid to Kenya have not brought about self-reliance and development. Instead, the country has become poorer and more dependent and indebted. That is why many people in Kenya would subscribe with the views expressed by the likes of Yeebo (1985:30):

What passes off as 'aid' in the third world is nothing but a form of economic control aimed at keeping poor countries on a political leash. It is only when this form of containment does not hold out the advance of progressive forces, as it happened in Grenada under the New Jewel Movement, that direct and crude forms of intervention are used.

When there are calamities such as drought, floods, famine, war, etc., its normal for those out of the calamities to donate things, including second hand items, to the victims. Such charity is humane and is driven by the desire to reduce suffering, to save life and to help fellow human beings in need. Under these circumstances one should not be ashamed to give or accept such aid, even in the form of used things.

However, when one becomes perpetually dependent on things used or not needed by other people, *mitumba*, under all circumstances then certainly there is something wrong.

A government that allows its country, economy and people to be dominated by foreign aid or imported *mitumba* cannot be relied upon to lead the country towards liberation and development (Yeebo, 1985:30; Babu, 1986:62-63). A global economic system that is geared towards ensuring that underdeveloped countries like Kenya remain beggars forever can neither be just nor sustainable.

Therefore, those philanthropic individuals and charity organisation both in the North and in the South that participate in the business of perpetually flooding poor countries with imported second hand clothes and other items are, whether consciously or unconsciously, helping global imperialism to harm the economies, cultures and humanity of the poor people of the world. Such 'aid' cannot bring about sustainable development. What they need to do instead is to provide moral and material support to progressive forces struggling against both internal and external oppression and for freedom with a social democratic agenda.

2.6. Aid is not inherently bad

However, it is important to stress that we are not arguing that aid is inherently bad. Aid plays a positive role when it is given to a country in order to help it start off on the path of sustainable development (Yeebo, 1985:30). Such aid is of solidarity nature, is progressive, genuine and was, in fact, an embodiment of the coping strategies of African societies alluded to by Havnevik (2000:38-48).

For example, among the Dawida²⁸, there existed a system called *kuturuyana*. This system was a form of aid of helping less successful members of society to move towards success. A person without a cow would be given a cow by his relative, friend or neighbour to look after. The first calf of the cow would belong to the person given the cow. The second calf would go to the original owner of the cow, then the third calf would go to the person given the cow to look after, etc., etc. In the mean time the one looking for the cow would be using the milk and manure of the cow. This applied to all domestic animals and it ensured that every member of society would own cattle, goats, sheep, chicken, etc. at one time or the other. If we think of the Chinese proverb, this was the type of aid of teaching others to fish rather than giving them fish all the time. It is an example of sustainable aid that characterised many traditional African societies.

There was also *ngua* and *ngambi*. A person who needed to build a house or till a large piece of land would prepare food and request his relatives, friends and neighbours to come and help him or her. He would also expect to help others in the same way. Other times a few friends would organise to work for each other in turns continuously for a certain period of time. This was called *kiko*. We consider this genuine aid, as it is reciprocal, devoid of paternalism and meant to ensure mutual progress. The popular *harambee* (Hill, 1991:1) movement in Kenya that is the basis of Kenya's rural development has its roots in the culture of *ngua*, *ngambi* and *kiko*. Unfortunately, the spirit of *harambee* has been abused by the corrupt regimes that have ruled Kenya since

²⁸ The Dawida mainly come from Taita-Taveta District of Coast Province of Kenya.

independence. Just as imperialism distributes 'aid' and 'loans' to the same nations it exploits and impoverishes, and just as the capitalists and feudalists everywhere use charity and sympathy to the poor to win their love, confidence and trust and to ensure the stability of their oppressive systems, in the same way the ruling classes in Kenya amass their wealth by exploiting the poor and then bribing them (their victims) with a few crumbs of the wealth taken from them in the form *harambee* donations. The progressive spirit of *harambee* of working together for the common good has become a burden over Kenyan citizens as the government increasingly abrogates its duty of using the national taxes to initiate and run development projects.

3. There was a time Kenya was free from *mtumbaism*

In order to comprehend the impact of *mtumbaism* and dependency to the Kenyan society today, it is necessary to make a more detailed historical analysis of culture and development in Kenya. After all, we can learn from history about what to do and what not to do, that is if we do not wish to repeat history. Again, as wa-Thiong'o (1979) and Mluma (1991) argue, it is impossible to fully comprehend the issues and problematics of development in Africa without appreciating the role of culture in the process of development and the impact imperialism has had and continues to have on African cultures.

Historical analysis of Kenya like that of the rest of Africa based on the writings on African history and socio-economic development, Rodney (1974), Davidson (1969 and 1984); Cabral (1980); Nyerere (1968); Were & Soper (1986); Were & Wilsons (1972), shows that the culture of *mtumbaism*, of dependence on things produced by foreigners for our basic needs, was never the culture of Kenyan communities. The reactionary culture of resigning to fate and losing faith in our creativity and ability to solve our own problems; this chronic disease of dependency - believing that we can never develop without foreign aid; this was never the culture of our ancestors. It was a culture imposed upon the Kenyan people first by colonialism and then neo-colonialism, and perpetuated by the regime controlling economic and state power. Today, in the era of neo-liberalism, a new form of capitalist globalisation, this negative culture has taken even stronger roots as evidenced by the phenomena of foreign 'aid' and *mtumbaism*.

The historians explain that thousands of years before Europe invaded our country and continent, we African people had a rich and dynamic material and intellectual culture. Before colonialism arrived in Kenya, our ancestors were not living in caves, under trees or on top of trees. Neither were they sitting and waiting for foreign aid or God to come to provide them with shelter or to teach them how to build houses, toilets, etc. Our people had developed their own housing systems. They were living in well built houses which not only provided sufficient shelter to them commensurate with their environment and historical stage of development, but which were also designed and built with the

aesthetics that considered and appreciated their concrete material needs, customs, morality and philosophy of life²⁹.

From wood, our ancestors were making different kinds of furniture, utensils, tools, works of art, weapons, etc. They were skilled in pottery, using clay to make many sorts of pots, household objects, which are still used and commended by science.

Thousands of years before the coming of colonialism in Kenya, our people had an agricultural system that was developing. They had managed to tame many types of grain, root, stem, fruit and vegetable crops and they were increasing their quantity and quality to meet their food needs. In the same way, they were already breeding different varieties of animals and birds. Bee keeping was common while fishing was part and parcel of the culture of those communities that lived near the sea, lakes and rivers. All this means that our ancestors had agricultural diversity that assured them a rich variety of foods that provided them with not only plenty to eat but also with a highly balanced diet, which, besides, was composed of several delicacies. It is this farming system that has been described by Rodney (1974:40) in the following words:

In the centuries before the contact with Europeans, the overwhelming dominant activity in Africa was agriculture. In all the settled agricultural communities, people observed the peculiarities of their own environment and tried to find techniques for dealing with it in a rational manner. Advanced methods were used in some areas, such as terracing, crop rotation, green manuring, mixed farming and regulated swamp farming. The single most important technological change underlying African agricultural development was the introduction of iron tools, notably the ax and the hoe, replacing wooden and stone tools. It was on the basis of the iron tools that new skills were elaborated in agriculture as well as in other spheres of economic activity. Most African societies raised the cultivation of their own particular staple to fine art. Even the wide spread resort to shifting cultivation with burning and light hoeing was not as childish as the first European colonialists supposed. That simple form of agriculture was based on a correct evaluation of the soil potential, which was not as great as initially appears from the heavy vegetation; and when the colonialists started upsetting the thin topsoil the result was disastrous.

Thus traditional agricultural systems of the African peoples was organised to meet the food and other needs of the family in particular and the society in general. The culture of farming for the market far from our land to meet the needs of foreigners at the expense of the local requirements was not the culture of our ancestors. Neither was the culture of

²⁹To illustrate, one of the writers of this report actually saw this housing system among his people, the Dawida, when he was growing up between 1960 and 1967, before the land consolidation destroyed the villages. He has described a typical Dawida house in his MA thesis in Literature (1997). The unpublished thesis is available at Department of Literature of Stockholm University, The Scandinavian Institute of African Studies, Uppsala, and University of Nairobi Library. Dawida's historical and cultural heritage, philosophy, property and land tenure, food and drink, agriculture and animal husbandry, natural resources use and management, medicine and health, social customs, political and legal systems, material culture, etc., is summarised by various researchers in Were and Soper (1986).

malnutrition, hunger and eating the same food day and night all the year round. Even now as we write, we remember, with great nostalgia, the traditional dishes that are disappearing, or have already disappeared, as the culture of cash-crops for foreign markets and importation of food is imposed upon the Kenyan people.

Long before British colonialism invaded Kenya, our ancestors were progressing in the field of science and technology. Science and technology was developing to meet the increasing material and other requirements of the societies. Our people, for example, already were identifying and extracting iron, copper and other metals from their ores. At the same time, they had developed the technology of producing high temperatures that enabled them to smelt the metals and to make iron tools and implements. To hunt and to protect themselves from their enemies, they were developing weapons and perfecting the art of war. In the field of astronomy they were able to study and to provide names to several heavenly bodies. Through this observation they could, for example, recognise the changes of the seasons and predict the weather to enable them to plant and harvest the right crops at the right time. Thus our people were advancing in physics and chemistry and were creatively using the sciences to add to the quantity and quality of their cultural progress and diversity. While our ancestors were using science to make the things they needed, Kenya's *mtumba*-type education system produces graduates of physics and chemistry who cannot produce the things produced by our ancestors as education is increasingly alienated from economic planning and real production.

In the field of biology, our ancestors were able to classify many living things into plants and animals. In turn, they were also able, to a large degree, to classify the animals into mammals, birds, insects, fish, reptiles, etc. In the field of botany, they knew and gave names to many different species of plants. They also identified several plants according to their use values. They were also moving forward in the field of medicine and health. They could identify, classify and treat many types of diseases. They were increasing their abilities to combat many types of viruses that were affecting human beings, their animals and crops. Long before contact with foreigners, the Kenyan people had made their contribution to the global cultural and biological diversity analysed by The Crucible II Group (2000:9-10). By losing our linguistic and cultural diversity through the emphasis on education alienated from the local reality and from production, we are also losing the invaluable indigenous knowledge that is necessary for sustainable development.

In short, as time moved on, our people were increasing their knowledge of the laws of nature and were using them to improve their lives in their environment. This also indicates that they were developing their productive forces, they were increasing their material culture both quantitatively and qualitatively. Yes, contrary to what is happening today, we were not static, we were making history, we were moving forward, we were developing and we were doing so depending on mobilising our own internal human and natural resources.

In the area of intellectual culture, long before colonialism, our ancestors were living in organised societies that conserved peace and harmony within the societies. They were governed by definite codes of conduct, morals, philosophies, customs, values and beliefs.

For example, the institution of the elders had the responsibility and the authority of leading the society and ensuring conflict resolutions, observation and conservation of the environment and cultural values, and unity and development of the families and societies. This is, in fact, the basis of the indigenous institutions whose role in development is discussed by Havnevik (2000:38-48).

In the arts, literature, music, dances, theatre, pottery, handicraft, curving, painting, etc., we had made a lot of achievements that shine widely to this day.

We had our own education system that had the aim of teaching different skills needed by the family and society and to pass the cultural heritage of the society to the younger generation to ensure continuity. Nyerere (1968:45) describes this education:

The fact that pre-colonial Africa did not have 'schools'-except for short periods of initiation in some tribes- did not mean that children were not educated. They learned by living and doing. In the homes and on the farms they were taught the skills of society, and the behavior expected of its members. They learned the kind of grasses that were suitable for which purpose, the work which had to be done on the crops, or the care which had to be given to animals, by joining with the elders in their work. They learned the tribal history, and the tribe's relationship with other tribes and with the spirits, by listening to the stories of the elders. Through these means, and by the custom of sharing to which young people were to conform, the values of society were transmitted. Education was thus 'informal'; every adult was a teacher to a greater or lesser degree. But this lack of formality does not mean that there was no education, nor did it affect its importance to society. In deed, it may have made the education more directly relevant to the society in which the child was growing up.

In the above quotation, Nyerere shows that traditional African education embodied the culture of the societies. It united theory and practice and was aimed at meeting the material and intellectual needs of the people. It was delivered through participatory and interactive methods in which all parents and adults played the role of teachers or facilitators. In this regard not only was the education democratic by involving everyone in acquiring and sharing knowledge and experience, it was also able to preserve and sustain the cultural heritage of the society through bringing together the young and old generation in the process. In this regard, the formal or school education introduced in Africa by European colonialism, is wasteful and inimical to the culture of the people since, as wa-Thiong'o (1979) argues, not only is it alienated from social production, but it also does not involve parents and the community outside the school system in the education process. Schoolteachers and government bureaucrats become the sole experts and medium of the 'formal education' that implement curricula that ignore or look down upon local or indigenous knowledge (The Crucible II Group, 2000:9-10) that has been developed for thousands of years. Yet in the end it has always turned out that it is the 'formal education' that is irrelevant to the needs of the society for failing to integrate the new and the old, tradition and modernity, science and intuition, theory and practice, the community and the school system.

4. Learning from history

We have attempted to point out that Kenyans had rich and dynamic cultures long before the invasion of colonialism. However, we have not said that the cultures were complete and more developed than they are today. For development itself is a continuous process. Our basic concern is, like all human beings in the world, Kenyans (and Africans for that matter) were creating and developing their material and intellectual cultures (Rodney, *ibid.*). We were determining and shaping our own destiny long before colonialism or contact with Europe. And this is a challenge to Kenyans today when are dependent on foreign aid and even *mitumba* for our livelihoods. It is the basis for self-criticism: there was a time in our history when we were independent and acted accordingly, we were relying on our creative work and labour and our resources to solve our own problems, fulfil our needs, develop ourselves. Then we believed in our abilities and ourselves, we were free and increasing our freedom. How come today we have resigned to poverty, dependency and *mtumbaism* and accepted to be a second hand nation? It is for this reason that the late Babu (1980:52) found it necessary to remind us: “This mentality of dependency, the mentality of asking for alms and charity, which is becoming universal in our countries, must be combated vigorously before it evolves into a habit”.

Unfortunately, the negative mentality pointed out by Babu has become a habit, a culture. That is why Johannesburg summit of 2002 should be a call to Africans, particularly Kenyans to rise up and engage in this combat in words and deeds. And while doing so we should not forget that our economic problems are not entirely of our own making. There are global dynamics that continue to impact negatively upon our nation, destroying our sovereignty, underdeveloping us and reducing us into a *mtumba* country. What follows is a brief analysis of these internal and external processes.

5. The internal and external factors that have forced Kenyans into *mtumbaism*

5.1. Social impacts of SAPs

Like in other African countries (Hamrel, S. and Nordberg. O., 1992:7), from the mid-1980s and particularly in the 1990s hitherto, Kenya has registered significant growth in corruption, mass poverty, crime, slums, unemployment, domestic violence and all forms of violence, violations of human rights and class inequality. Most of Kenyans today live in abject poverty, want, and suffering and are even dying of famine and preventable diseases. The gap between the rich and the poor has widened alarmingly. Today, Nairobi like other Kenyan towns, has become a symbol of the dilapidation, crime, ruin, corruption, exploitation, oppression and loss of all the achievements Kenya had made since 1963 (Hamrel, S. and Nordberg. O., 1992:7). As the Kenyan print and electronic media, reports of the Auditor General, Parliament Investment Committee, etc. reveal continuously, thieves, robbers, cone men and women, war mongers, tribalists, and incompetent people are now in charge of the highest affairs of the country. Under the Moi dictatorial regime state power is still used to impose the bad governance upon the country

even when constitutionally the country is a multiparty democracy with over forty registered political parties, thirteen of which are represented in parliament.

A farmer who today is suffering from hunger can only have hope of defeating it tomorrow if he or she can see the seeds he or she has planted growing. As far as the Kenyan economy is concerned, nothing positive is being done hitherto that can provide hope that after three, four or five years the economy will recover or improve. There are no indications yet that at one point or the other we shall begin get more employment, better roads, better medical and health services. Neither are there any signs showing that the present hunger, poverty, insecurity, water and electricity shortage and other manifestations of underdevelopment in the country will end as soon.

The World Bank-IMF's appointed team of civil servants, popularly known as the dream team, that is directly responsible to the twin Bretton Woods institutions and not the Kenyan government or nation, has so far done nothing significant that will provide the solution to the economic problems. Instead, the 'dream team' is trying to implement the neo-liberal WB-IMF's SAPs that have hitherto failed to solve the problems of underdevelopment anywhere in Africa (Olukoshi, 2000; Olukoshi, 1996; Olukoshi, 1998; Havnevik, 2000; Moyo, 2000:11-16); Gibbon, Bangura and Ofstad, 1992; Giles, Brown, Milward, and Zack-Williams, 2000). And the conditions imposed upon Kenya by the IMF-World Bank since they resumed financial aid in June this year, are the harshest ever imposed on any nation in recent times. They have compromised even the little national sovereignty left to the country (Redfern, 2000; Kiseru, 2000; Ochieng, 2000; Munaita, 2000). Yet, in fact the country has not been receiving any substantial aid or loans from the WB and IMF for about ten years now. Instead, it has been using a large portion of its GNP to service the foreign loans. The fact that somehow it has managed to survive from total collapse hitherto does suggest that with proper governance and development strategies it can develop sustainably without depending on the imperialist financial system.

It is out of the scope of this essay to discuss why SAPs continue to fail to deliver economic development, poverty eradication, good governance and generally improve the welfare of the people. In any case, this subject has been researched and discussed extensively, including in the literature quoted in this report. Our main point is that, the implementation of SAPs based on the neo-liberal ideology, i.e., anti-statism, privatisation, trade liberalisation, rationalisation of the civil service, cost-sharing and cutting government expenditure on public social services, retrenchments, etc., have driven the majority of Kenyans deeper into poverty and underdevelopment.

Take the so called cost sharing for example, in implementing these anti-social policies no measures are taken to in favour of the already over-burdened poor of the poor. The consequences are disastrous. As we write, Kenyans are dying of hunger in the rural and urban areas. Unable to even afford medical consultation fees and the cost of medicine, many Kenyans have turned to quacks or are simply dying of curable diseases in their homes. Today even hospitals are prisons for those unable to pay medical fees after treatment, which is if they are lucky to be admitted in the first place. While public

hospitals are collapsing, private hospitals are mushrooming in rural and urban areas. Even nurses are opening private hospitals to mint money from the sick. Medical ethics of saving or prolonging life are no longer valued, it is money that counts. The law of the jungle now determines the fundamental human right, the right to life. It is survival for the fittest with the rich exercising more rights to a long and healthy life.

The education front is no better. More and more pupils and students from poor families are dropping out of school, universities and high institutions of learning simply because they are unable to pay school fees, not to mention lack of jobs for those lucky enough to get the education. Lack of education facilities, poor working conditions of teachers and lecturers, poverty among students and members of staff are contributing to the low standards of education in Kenya's educational institutions today that were subject of Mazrui's (2000) wrath against the Kenyan regime recently. Coping strategies in the form of *harambees*³⁰ organised by families, relatives, friends and communities to pay for hospital bills or fees for education are part and parcel of everyday life. But the problems are such that the coping strategies are unable to cope, living things to fall apart. Kenyan education today reflects and embodies the gross inequality in the society. The children of those who are well off attend the best schools and receive the best education. The children of the poor attend poor schools and receive poor education, if at all. Yet the fate of the children of both the rich and the poor is determined the same national examinations!

The worst thing is that the government, capitalist and imperialist mass media strives everyday to convince the masses that the prescriptions of the WB and IMF in the form of SAPs are not only inevitable but the only solution to the problems confronting the country. In other words, we told, there is no alternative to neo-colonialism, poverty, suffering, dependency and underdevelopment!

4.2. Impacts of Saps to the economy - trade liberalisation

4.2.1. On the sugar industry

The World Bank/IMF's economic prescriptions of 'live everything to market forces' even where the majority of Kenyans actually survive outside the market, have helped to kill the country's agriculture, industry and commerce.

On the sugar industry

Kenya is self-sufficient in sugar. Sugar has altered land use in Western Kenya. Many of the peasant farmers who were using their land to produce food crops, mainly for subsistence but also for sale, used a lot of their prime land for planting sugarcane since the beginning of 1970s. While in the 1970s this reduced agricultural diversity and food security, it at the same time raised the standard of living of the people of Western Kenya that became a sugar zone through the payments they received for selling their cane. The

³⁰Here *harambee* refers to fundraising activities, as they are popularly known in Kenya.

sugar factories in Mumias, Nzoia, Miwani, Muhoroni, Soni, fed by cane from small-scale and large-scale farmers were operating well and employing hundreds of thousand of workers both directly and indirectly.

But starting from the mid 1980s, and particularly in the 1990s, Kenya's sugar industry has been in trouble. This is blamed on many factors, including corruption, mismanagement and the El Nino climate. The greatest share of the blame, however, is attributed to neoliberal globalisation. Before the country started implementing SAPs, the sugar industry was protected from foreign imports. With trade liberalisation Kenya's sugar industry faced unfair competition from cheap imported sub-standard or *mtumba* sugar entering the Kenyan market, often smuggled through the Mombasa Port by people connected to the leadership of the country. Unable to sell their sugar and therefore to buy and pay the cane of farmers, the factories started laying off workers. Increasingly, the dilapidating and often unserviced machines for crashing the cane were unable to absorb the crop. Cane began to dry in the farms uncut. Burning of the cane in the large-scale farms by the workers and small-scale growers were common. Today the sugar industry, though producing surplus sugar, is in a crisis as it can hardly sell its sugar. For the country is now importing sugar, often of *mtumba* quality. While the rich elites make millions from importing the sugar, the collapsing of the sugar industry is increasing unemployment and poverty, particularly in Western Kenya, and therefore the number of those who have to rely on *mitumba* consumer goods for survival.

4.2.2. On the textile and shoe industry

The 1980s saw the dominance of imported *mitumba* clothes in Gikombaa Market, all other Nairobi popular markets and of all the urban and rural areas in the country. It is at this period when Kenya's economy started falling rapidly, increasing the number of poor Kenyans. Now the import of *mitumba* is a big business that is also controlled by the ruling class of Kenya, including well-connected individuals in the power circles. Unable to sell their textile and shoe products to the growing masses of poor people who cannot afford new clothes and shoes, many Kenyan textile industries have closed and the remaining are at the brink of closing. The Limuru Bata Shoe Company that has closed its Voi branch is tottering at the brink of total collapse. The implication is the increase in the number of unemployed and therefore more poverty and *mitumba* customers. It also means the destruction of Kenya's cotton agriculture and the livelihoods involved. What is worse, it means that the country is losing the skills of making clothes and shoes. Tailoring, shoe making and repairing that formed an important informal economic sector is also disappearing as people wear ready made *mitumba* clothes and shoes. *Mtumbaism* is therefore also destroying the creativity of Kenyans as they are made to depend on foreign designs and choices of the clothes and shoes they wear - this has negative implications on their culture.

4.2.3. Impact on local businesses

What is true about the textile and sugar industry is also true about the milk, rice and cashew nut industry/agriculture that has been destroyed by corruption, mismanagement

and the trade liberalisation policies being imposed upon the nation. Globalisation and trade liberalisation has forced Kenya to remove or reduced trade restrictions to imports of all kinds and to stop the protection of local industries and businesses. This means that apart from global second hand clothes and shoes, the Kenyan markets are now flooded with cheap commodities (that include clothes, fruits, meat, chicken, vegetables, milk and milk products, rice, fish, medicine, cosmetics, alcohol, etc. from India, Pakistan, China, Hongkong, Taiwan, the West and all over the world. Many of these commodities enter the country through corruption, i.e., without paying import duty or without being satisfied by the Kenya Bureau of Standards. They are therefore sub-standard goods or *mitumba*-type. Foreigners are allowed to engage even in retail trade, including selling fish, chicken, eggs, fruits, *ugali*, chips, meat, beer, taxes and all types of hawking while Kenyans close businesses or go unemployed. With hardly any meaningful employment opportunities, the vast majority of the residences of our towns irrespective of their education or skills have been turned into hawkers and petty traders who merely eke for a living.

4.2.4. Impact on import substitution industry

Kenya's import substitution industry that was seen as a strategy towards the industrialisation of the country is now threatened with extinction. A good example is AVA, a motor vehicle assembly industry that used to be one of the largest employers in Mombasa (Econews, 1999). The company grew due to the government's policies of the 1970s of protecting local industry. Following globalisation and trade liberalisation, tariffs on imported vehicles were lowered. It became cheaper to import new cars directly from Japan or Europe than to buy the ones assembled locally at Mombasa. Again, *mitumba* vehicles mostly imported from Japan but also Europe via Dubai, dominate the Kenyan markets. As a consequence of this, AVA is on the verge of closing, adding to the economic problems of Mombasa that is already ravaged by the collapse of all major industries, including the cashew nuts, sugar and tourist industries.

Thus instead of developing towards industrialisation by realising its agricultural and manufacturing potential, the country is being reduced into a nation of only selling all forms of imported goods, including garbage. The effect of this is seen in the increasing unemployment and poverty and strengthening the vicious circle of *mtumbaism*. Ten years since the Rio UNCED Kenyans have not began to realise sustainable development. Instead they have sank deeper and deeper in the pit of poverty, underdevelopment and dependency. For the Johannesburg post Rio summit of 2002 not be another conspicuous UN summit that uses billions of dollars to promise the poor of the world a better life that remains a dream forever, it must address the reality of capitalism and imperialism that are the driving force of the so called globalisation.

5. Summary and Conclusion

No country in the world has ever developed through dependency on aid or loans from imperialist countries. Neither has any country developed by perpetually relying on exports of unprocessed agricultural and mineral goods while importing all manufactured

goods from foreign countries. All industrialised countries of the world initiated their development by first protecting their industries and targeting their industries to harness the human and natural resources of their countries, to develop the home market and to integrate them in the production process. That is why countries like Cuba, North Korea and Libya that do not depend IMF-WB loans and strategies for development, countries that have rejected the neo-colonial economic path of development being imposed upon Kenya, African and other third world countries, these anti-imperialist countries have made unique progress towards social progress. They have preserved their national sovereignty, are respected for what they are and are not regarded as global *mitumba* nations, as much as they are hated by the imperialist system.

The basis of Chinese enormous development was the revolutionary economic strategy of self-reliance, harnessing its own natural and human resources and building and organising its economy to meet the needs of its people (Sison, 2000:7-13; Babu, 1979:85). China jealously protected its industries from foreign domination, rejecting capitalism and imperialism and opting for socialism, from 1949 up to the 1990s when it started implementing capitalist economic reforms. Still with strong state control of the economy and politics of the country, with its national sovereignty still intact, China is participating in economic globalisation from the position of strength. At the same time, by opting for the restoration of capitalism in the name of economic growth, China has moved out of the road of sustainable development and is creating the capitalist contradictions that causes a lot of pain and suffering to the majority poor and exploited citizens.

Countries of the former Soviet Union and Eastern Europe have now joined Africa and other third world countries in the path of underdevelopment, dependency, exploited and dominated nations by rejecting the socialist path and opting for capitalism. The process of capitalist restoration in the countries took 35 years, from 1953 up to 1989. After fully entering the arena of the market economy dominated by global imperialism, these countries that used to provide aid to the third world before 1989, have today become beggar (*mitumba*) nations, are losing their sovereignty and are infested with all the social, political and economic contradictions of third world countries (Martens (1953:3).

In short, our contention is that until we start focusing our political and economic policies towards self-reliance strategies, producing our basic needs and sustaining the industries and agriculture meeting this goal, we cannot start developing. We will continue to sink deeper and deeper into *mtumbaism* as long as we continue to allow our economic policies and affairs, and our destiny, to be determined by imperialist nations, institutions and ideology, i.e., what in our opinion is the euphemism for globalisation. After 30 years of misleading us to follow the path of dependency on foreign 'aid' that has not brought about economic development (or even economic growth) to Kenya (Kaniaru, 2000), the present regime continues to force us along the same painful path of slavery and stagnation. Clearly, therefore, the question of alternative forms of leadership and governance is part and parcel of the process of seeking the solution towards sustainable development in Kenya.

The former President of Tanzania, Mwalimu Julius Nyerere, used to remind Tanzanians and Africans, that while dependence on other people for material needs is bad, it is even worse to be dependent on other people's ideas³¹. *Mtumbaism* is destroying our humanity; we are being made to think we are lesser human beings than others whom we are increasingly depending upon for our livelihoods. When Kenyan men and women wear *mitumba* innerwears, for example, psychologically they cannot regard themselves as the equals of the original users of the items. Liberating ourselves from *mitumba* ideas or decolonising our minds as wa-Thiong'o (1991) puts it, is a necessary step towards social and national liberation - the road towards poverty eradication and sustainable development. Decolonising our minds will lead us towards focusing the struggle primarily at empowering the people politically and economically to struggle for civil and political liberty³², in order to remove the neo-colonial capitalist system being imposed upon the country by the process of neo-liberal globalisation. This is the path of liberating Kenya and Africa from *mtumbaism* and of moving towards freedom, social justice and progress, i.e., sustainable development.

The words of Babu (1979:7) quoted below summarise our basic argument in the report and suggest the alternative path towards the realisation of Agenda 21 on sustainable development in Kenya:

At UNCTAD V in Manila in May this year, Prebisch courageously admitted his error of the 1960s and told the developing countries, "we have lost the way and taken the wrong path." He said that after 30 years of development in Latin America, differences between the privileged consumer classes and others were increasing and 40% of the population was below the poverty level. This was because of the system of development based on imitation of capitalist production of consumer goods in marginal areas. He said that as long as development was based on the existing models with the support of the centre (that is advanced capitalist world), any attempt to link with the centre is a pipe dream that will ultimately lead to explosive social consequences. He emphasised that the mere play of market forces could no longer solve the problems of development. He advised developing countries not to wait for the centre to solve its problems and then tackle theirs, but to act on its own, by setting up "autonomous development processes, mobilising their own national resources, human and material, and establishing new industries and technology.

³¹This was in his speeches called *Ujumbe wa Leo* that used to be broadcasted by Radio Tanzania while he was President of Tanzania.

³²Even the Kenyan political scientist and scholar, famous all over the world and known for propounding bourgeois values, has come to this conclusion. Addressing a press conference at Mombasa, his home town, on September 18, 2000, he called upon Kenyans to rise up against the Moi-Kanu regime in power (The Daily Nation)

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