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

Abstract:

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 Price and non-price controls as well as tariff and non-tariff barriers were withdrawn in order to allow the market to determine allocation of resources (Glendy and Ryan 2000).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