**Gen Z led rejection of Finance Bill 2024 in Kenya**

In recent weeks, Kenya experienced protests led by the youth. What started as an online social media opposition to the punitive Finance Bill 2024 turned into a full-blown street protest. The protests successfully forced the government to beat a retreat and withdraw the bill altogether after unnecessary tragic deaths, injuries, forced disappearances, and destruction of property due to excessive use of force by the police and infiltration of the peaceful protesters by goons. The protests have seen the emergence of a new generation of young people (Gen Z) as the face of protests in Kenya. The issues raised are core issues affecting not only them but workers and society at large in Kenya.

**The Finance Bill 2024 and contentious issues**

A Finance Bill is part of the national budget process where the government proposes financial measures for the coming financial year. It details the revenue and expenditure targets in the national budget including taxes, expenditures allocation, financial policies and proposed law changes to achieve them. In Kenya, the process goes through several steps from drafting of the Bill by national treasury; approval by cabinet; first reading in parliament; publication and public participation; debate and approval by parliament and senate; presidential assent; and implementation by government.

The discontent about the Finance Bill 2024 started when the draft was published on 9th May 2024 and presented to parliament on 13th May 2024 for the first reading. This opened the doors for public participation and scrutiny of the draft Bill as the process continued in parliament. The Bill proposed to raise additional taxes amounting to USD 2.6 billion to reduce budget deficit and repay debts. The draft bill contained several contentious proposals that various stakeholders raised. They included the following highlights: introduction of 16% VAT tax on bread from zero rate status; introduction of eco levy on locally manufactured products which increased cost of basic commodities including sanitary pads, diapers and affected local manufacturing; 25% excise duty on vegetable oils which could have raised cooking oil prices by up to 80%; introduction of VAT on financial services which would increase mobile money transfer costs; introduction of 2.5% motor vehicle tax; 5% taxation of per diems for employees; increased pension contributions limits; introduction of 6% digital services tax; and 16% VAT on transportation of sugar cane which would raise prices of sugar, among others.

This was the second Financial Bill under the Kenya Kwanza Coalition government led by President Ruto following their election in 2022. This 2024 Bill was a continuation of the trend in the Finance Bill 2023 which increases taxes for basic commodities such as fuel, introduced new levies, and increased statutory contributions such as social health insurance and pensions. In 2023, the government explained the increase of taxes, levies and cost of government services as necessary for government to settle external and internal debts which had accumulated over time and was on the brink of defaulting. Kenya’s debt burden stands at 68% of GDP which is higher than 55% recommended by International Monetary Fund and World Bank.

Despite the challenging economic situation occasioned by rising cost of living, reduced purchasing power, rising unemployment, and high costs of doing business among others, there was a general expectation from the citizens who felt already overburdened with taxes and other levies that the situation would improve in 2024. This was not helped by the political leaders making promises that the situation would indeed improve from the previous year.

There was already a quiet discontent among the populace over the poor basic services such as health, education, and infrastructure provided by government despite increased taxation in 2023. Defunding of universities also meant that higher education was out of reach for most youth who had qualified to join universities. This situation was exacerbated by the perception of government failure to institute austerity measures to cut unnecessary spending while they imposed punitive measures on its citizens. For example, renovation of Statehouses and lodges was allocated KES 1.6 billion (USD 12.3m) in the budget and many foreign trips by President Ruto including recent trip to United States of America which costed approximately KES 200 million (USD 1.5m). In addition, some high-ranking officials close to the president were flaunting in public large sums of money and luxurious items such as expensive flashy cars, watches, and designer clothing which costed millions of shillings while the people languished in poverty amidst tough economic times.

There was also a perception that President Ruto had consolidated power to himself rendering his cabinet largely ineffective; total control over parliament which had passed several punitive laws without regard of the public they represented; a suppressed judiciary due to reduced funding from government following perceived anti-government rulings; and a perceived compromised civil society in bed with government.

This coming from a government that was popularly elected to power due to its campaign manifesto of implementing a bottom-up economic model provided the perfect background for anger and protests ignited by the punitive proposals in the draft Bill.

**The rise of Gen Z and their key demands**

Online protests began as soon as the draft bill was published on 9th May 2024 with many stakeholders calling on the members of parliament to reject the draft finance bill with the popular hashtag #RejectFinanceBill2024 trending for several weeks.

Gen Z is a term is a term used to describe people who were born in late 1990’s to early 2000’s. This group of young people aged between 12 and 30 started to mobilize using social media (TikTok, Facebook, X, Instagram, Zello, WhatsApp, etc) for rejection of the draft finance bill and eventually became the new face of protests in Kenya.

They focused their protests on parliament where the bill was being debated. The increased focus on parliament was due to perceived control by the ruling coalition. Gen Z wanted members of parliament as their representatives to listen to them rather than blindly pass the punitive bill being pushed by the current government that had betrayed them by breaking their campaign promises.

Gen Z was angered not only by the punitive proposals in the finance bill but also a feeling of betrayal from unfulfilled promises from the current regime after being mobilized to support them in the last elections. They faced difficult economic challenges made worse by high cost of living occasioned by high taxation, high unemployment rates, tough conditions to start new businesses, economic inequality, environmental concerns due to climate change, corruption and poor governance in government, and mental health challenges due the pressure from these economic challenges.

Their key demands to government included the following: abolish publicly funded unconstitutional offices such as Cabinet Administrative Secretaries (CAS), offices of first and second ladies, etc and redirect the funds to employing teachers and doctors; scrap the housing levy introduced in 2023; proper and detailed audit of public debt; sack government officials with corruption, criminal and integrity issues; scrap new social health insurance scheme and reinstating the previous one; constitute the electoral commission to facilitate recall of members of parliament; obey court orders including ruling to stop deployment of police to Haiti; employ contract teachers and intern doctors on permanent basis; reduce salaries of members of parliament; scrap wasteful public offices and positions and use the funds to improve conditions of public servants; increase budgets to education and health sectors including restoring school feeding program by cutting budgets to the executive; use government owned modes of transport to avoid conflict of interest; and stop state capture of parliament, judiciary and civil society.

The online pressure included writing and sending messages to members of parliament to reject the punitive Bill. Members of parliament received thousands of messages asking them to reject the contentious Bill.

The protests began to build up as parliament prepared to debate the Bill.

On 18th June the protests moved from online pressure to matching in the streets of Nairobi in opposition to the draft Finance Bill. Unlike previous protests organized by the opposition coalition which were largely violent, the Gen Z demonstrations were peaceful. They showed up in large numbers with posters, a bottle of drinking water and smartphones to stream live the protests as they braved teargas from police who tried to break up the protests. Distinct from other protesters, Gen Z was nonaligned to any political party, ethnic grouping, and economic class. They lacked any clear leadership and structure making it difficult for government to intimidate, compromise and formally engage with.

The pressure led to the ruling Kenya Kwanza Coalition to call for a parliamentary group meeting chaired by President Ruto in Statehouse on 18th June 2024. They conceded to some of the demands by protesters and removed contentious proposals in the draft Bill. This included removing the taxes on bread, cooking oil, transportation of sugarcane, financial services, and motor vehicles; scaled down on eco-levy to apply only to imported products, increased budget to employ teachers and doctors; and dropping of requirement for small businesses to apply for VAT registration. However, they introduced new taxes and requirements to try to cover the deficit including excise duty on imported eggs, onions and potatoes; and excise duty on alcohol based on alcohol content.

Although there were improvements on the draft Bill, protests intensified with calls for its total rejection.

Amidst protests, on 20th June 2024 parliament passed the Bill upon second reading. The protests intensified and spread across the country in all major towns. In some areas the protests turned violent with reported deaths and injury to demonstrators.

On 25th June, as expected, parliament passed the contentious bill upon the third reading and voting amidst intensified protests and disapproval from the opposition coalition. This was a show of muscle by the ruling coalition in total disregard of the wishes of the people led by the youth. A total of 196 members of parliament voted yes to pass the bill while 106 voting against it and three spoilt votes.

The deadliest day of the protests occurred on 25th June 2024 when police fired at the young protestors across the country tragically killing many. This included the successful and unprecedented march to parliament buildings. This led to the deployment of the military, Kenya Defence Forces in Nairobi to restore calm.

The tragic turn of events led to worldwide condemnation of the violence from national, regional and international community including the churches in Kenya, opposition coalition, business community, and civil society organizations; African Union; European Union; and United States of America among others. They showed concern and called for calm and restraint from the security forces in the use of force.

**Rejection of the Bill**

The protests continued to intensify despite the tragic loss of lives and destruction of property which forced President Ruto to decline assenting to the bill into law and call for its withdrawal on 26th June 2024. The president rejected the bill in totality which means the Bill will be completely withdrawn when parliament approves the president’s reservations.

Following rejection of the Finance Bill, the president assented to Appropriation Bill 2024 on 28th June 2024 to guarantee continuation of government operations. This is basically an amendment to the 2023 budget. It amounts to a reduction in expenditure amounting to KES 346 billion, the amount of revenue that was expected to be generated by the rejected Bill. This means the national government, judiciary, parliament, county government and constitutional commissions will operate on reduced budgets in 2024/25 financial year. This translates to reduced opportunities for employment and development as proposed by the rejected Bill and continuation of the same economic challenges.

Despite the victory of Gen Z to force the government to reject the Finance Bill 2024, it came at a huge human cost. According to Kenya Human Rights Commission a total of 39 people were tragically killed, 361 injured, 32 cases of enforced or involuntary disappearance and 627 arrests of protesters as of 1st July 2024.

**What does this mean for trade unions and other civil society organizations**

Although the face of the protests was that of Gen Z, they raised critical issues affecting workers and society at large. The key issues relevant to labour included increased taxation, levies, and statutory obligations leading to loss of purchasing power; increased cost of running business leading to loss of jobs; poor services from the government despite high taxation; unemployment including call to employ more workers such as teachers and doctors as well as improve their conditions; inequality in sharing of government budget; corruption and good governance; democracy, freedom of association and freedom to protest; and government policy to export labour without proper safeguards for the worker rights and conditions.

Driven by their recent struggles with government, the most notable active participation in the protest from the trade union movement came from the Kenya Medical Practitioners Pharmacies and Dentist Union (KMPDU) which stood in solidarity with the protesters through their “Medics for Kenya” initiative. They issued solidarity messages, provided free medical services to those who were injured, led blood donation drives and provided sound systems for the protesters countrywide. During the protests, some of the medical staff providing those services were attacked by the police and some were even abducted for their participation in the protests.

The Kenya National Union of Teachers (KNUT) petitioned the government to speed up the response of issues raised by the youth including increased funds to the education sector, employment of teachers and mitigate against disruption of learning by the protests. In a rejoinder, a group of former Kenya Civil Servants Union officials and members called for labour unions to join the protests and fight for their rights especially deduction of salaries for new levies without the express consent of workers.

The Federation of Kenya Employers on their part called on government to de-escalate the deteriorating situation to protect lives and livelihoods. They decried the disruption of businesses during the protests and called out the police to refrain from using excessive force in handling protesters.

The Law Society of Kenya (LSK) was at the forefront to represent the protesters who were unlawfully detained and abducted during the protests through their “Stand up for Justice” Campaign.

In general, the protests by Gen Zs have put pressure on civil society organizations including faith-based organizations (such as churches and mosques); professional bodies; trade unions; business community; and non-governmental organizations who have found themselves at crossroads for perceived alignment with government. Some have made concerted efforts to try to reclaim their integrity and independence by trying to endear themselves to the protesting youth. For example, some churches provided safe havens and medical camps for protesters during the demonstrations in attempt to endear themselves to the public.

**What next?**

Despite the rejection and withdrawal of the Finance Bill by the government, protests have continued relentlessly. The focus shifted from the rejected Finance Bill to other issues affecting Kenyans. This included corruption and poor governance challenges; the call to reconstitute the electoral commission to enable recalling rogue members of parliament; a call for dissolution of an ineffective cabinet, a call for civil society organizations including churches not to offer platform for political leaders; and a call for the resignation of the president.

However, the protests have metamorphosed following infiltration by hired goons associated with politicians aligned with government who have taken advantage of the protests to loot, destroy property and attack erstwhile peaceful Gen Z protesters. For example, on 2nd July 2024, the protests were marred by violent attacks from the armed groups. This called for a rethink of the approach and back to the drawing board for Gen Z.

The president toned down and initiated a national dialogue process dubbed National Multi Sectoral Forum (NMSF). It seeks to engage all the stakeholders to address the key issues raised by the youth including unemployment, national debt, corruption, representation and taxation policy. The forum is composed of representatives from religious organizations, civil society organizations, professional bodies, business community, academia, student leadership, parliamentary leaders and Council of Governors. In addition, the President agreed to a virtual meeting with Gen Zs on X Spaces on 5th July 2024.

The olive branch was rejected by the youth because they prefer to remain leaderless and fluid in structure. It is expected that the Gen Z will continue to put more pressure on government to make changes on the issues raised. Already the government this week shelved a prior plan to increase salaries for members of parliament and other high-ranking officials. Some county governments have also shelved their plans to introduce finance bills for their counties following the protests.

More protests are planned on 7th July 2024 to mark the historic seventh July Day of nationwide protests.

**Conclusion**

The successful anti Finance Bill 2024 protests have seen the rise of a new generation of young people (Gen Z) who are brave and ready to fight for their rights. Although their success came at a huge human cost, it sent a clear message to government and civil society actors to address key challenges affecting the youth and society at large. This included broader issues of corruption and poor governance, inequality, democracy, economic freedom, political accountability, and transparency.