

KENYA'S INEQUALITY CRISIS: THE GREAT ECONOMIC DIVIDE

Findings From The Oxfam Kenya Inequality Report

June 2026
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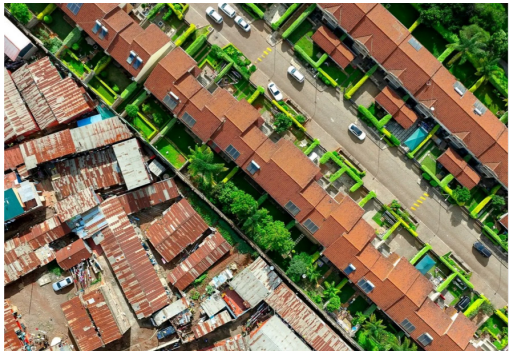
OXFAM

EXECUTIVE SUMMARY

Inequality has been recognized as one of the most severe risks facing the world. Kenya is no exception. While the country has seen a solid economic growth since 2015, a majority of Kenyans are poorer today than they were then. But a few have amassed enormous amounts of wealth. This shows that the problem is not growth but lack of redistribution policies and political will to ensure that those at the bottom are lifted. Nearly half of Kenyans live in extreme poverty, i.e., on less than KES 130 per day. Yet, the richest 125 Kenyans have more wealth than more than three-quarters of Kenyans, about 43 million people. But there is still hope. With a strong political commitment and radical policy reforms, a more equal and prosperous Kenya is within reach.

THE FACE OF TODAY'S KENYA





The inequality gap in Kenya is reaching staggering levels.

The richest

125 Kenyans have more wealth than

43 Million Kenyans

The richest

1% hold

78% of all financial assets

CEOS in Kenya's

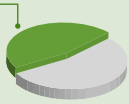
10 largest companies earned, on average,

214x more than a teacher between **2023** and **2024**



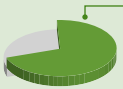
Nearly half of Kenyans live in extreme poverty

46%



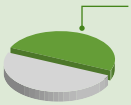
Since **2015**, an additional seven million Kenyans have fallen into extreme poverty

The number of Kenyans facing hunger is



71% higher than it was in **2014**

The cost of food is

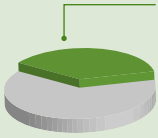


50% higher than it was in **2020**





The system allows a few to multiply their fortune, while millions are denied the most basic services. **It's a policy failure—and it can be reversed**



The number of Kenyans living in poverty has increased by

37% since **2015**



60% of all new wealth created between 2019-2023 was captured by the top **5%**,



while the bottom **50%** got

3%

The income share of the richest



1% has increased by a quarter since **2019**, while that of the poorest half has fallen

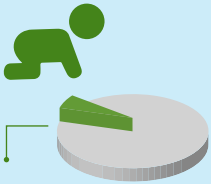


Inequality varies widely across the counties
Historical factors can explain some of this (ASALs)
Nairobi and Turkana most unequal

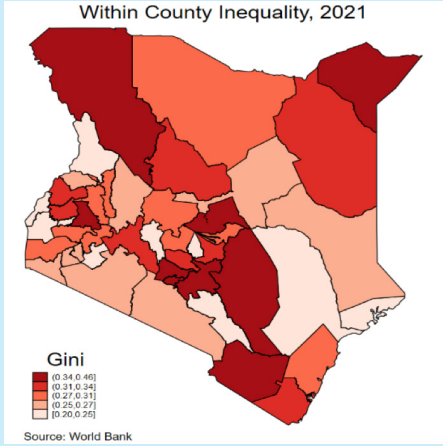
In Turkana,



4/5 people lack food or the money to buy food, and



6% of children do not see their fifth birthday



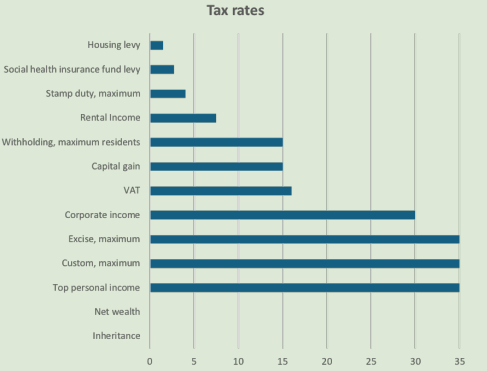
KEY DRIVERS OF INEQUALITY

1 Government redistribution policies



a). Tax system

- Labour income is taxed more than capital income
- Indirect taxes hit poor the most
- Thus, the tax burden disproportionately falls on the poor and the low-paid workers in the formal sector.
- Recent reforms likely to widen the gap

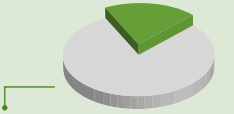


b). Public services



- Access to quality public services and outcomes is determined by wealth and socioeconomic status
- Low and declining spending; funding is not equitably distributed to where needed the most
- Low spending on public services forces households to incur out-of-pocket expenses on healthcare and education
- Recent policy reforms could worsen access to health and education

The poor bear the heaviest burden:



A child from the poorest **20%** gets 5 fewer years of schooling than from the richest

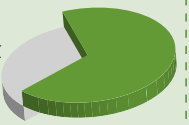


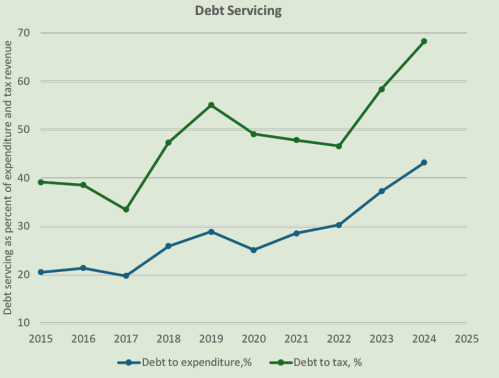
Evidence shows that a contributory health system is not the best way to achieve Universal Health Coverage, especially when informality is extreme.



Debt servicing crowding out public spending

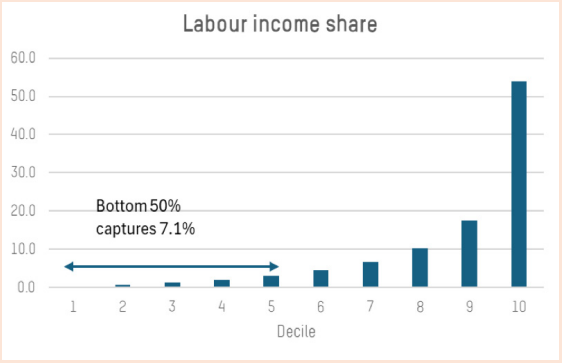
68% of tax revenues went to service debt in **2024**





2 Job market

Family backgrounds largely determines job quality



High informality, joblessness, low-quality jobs, high wage inequality, declining workers' pay

The richest **10%** of workers capture > half of all labour income

Wages are **11%** down since **2020**

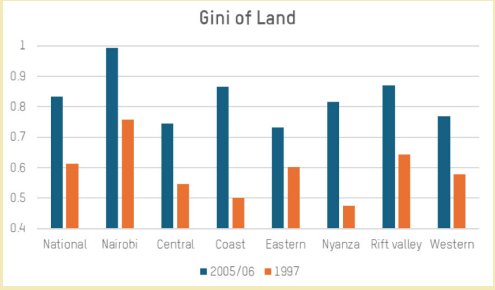
Labour income share in the GDP is falling

3 Asset ownership –land

Majority of Kenyans depend on land-farmers, livestock keepers

A few wealthy individuals hold massive pieces of the land

Unfair land distribution is a product of colonial legacy, cronyism and corruption



4 Gender inequality

Wide gap between men and women

Asset ownership in male-headed families is **3x** greater than in female-headed families

Women earn **65%** of what men earn

Only **4%** of women from the poorest

20% have legal ownership of agricultural land

Women are most impacted by the crisis in public services, the job market, the tax system, and debt servicing

POLICY RECOMMENDATIONS

1

Set targets to reduce inequality - should be achievable, time-bound. Aim for a Gini of income of below 0.3, and a Palma ratio of below 1 (ratio of income of the top 10% to that of the bottom 40%).

2

Ensure universal access to quality public services, free of charge at the point of use

- Increased social spending, efficiency and equality of the spending
- Move away from the contributory healthcare system to tax tax-based system
- Increase Inua Jammi coverage and amount to at least half of the population
- Improve public education quality, not just spending

3



Increase the progressivity of the tax system to ensure the richest pay their fair share

- PIT restructuring and aligning the CGT with the PIT system
- New progressive wealth taxes-inheritance, property, and net wealth taxes
- Eliminate unnecessary tax exemptions, strengthen revenue administration
- Use taxpayers' money prudently –to lift morale

4



Address and punish corruption, curb wastage of public funds and reduce misuse of public resources

5



Create quality jobs: Public works expansion; conducive environment for small and medium businesses-registration, tax; training and retraining workers; enforcement of labour laws to include the informal market; pay transparency; progressively formalise the informal sector

6



Close gender inequality gaps: Invest in care services-child care, WASH; Increase paid maternal leave to 6 months; Close gender pay gap; eradicating regressive social norms

7



Advocate for a fair and equitable international financial system:

- Support for tackling public debt, and refrain from austerity policies advice
- Cooperation on cross-border tax evasion and avoidance



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