

Contemporary Development Challenges in Kenya

Thursday, October 1, 2009, 9:30 am – 11:00 am

The Brookings Institution, 1775 Massachusetts Ave., NW, Washington, DC

Although Kenya has long been viewed as an institutionally strong and democratic country, the violence following the elections of December 2007 has shaken its developmental progress. While the country has managed to forge a coalition government and is attempting to right its course, issues that had been kept beneath the surface, such as corruption and ethnic rivalries, have come to the fore. A letter from assistant secretary of state Johnnie Carson earlier in September to 15 prominent Kenyan officials highlighted the U.S. government's concern about the political state of affairs in Kenya. The letter supposedly warned the officials that their future relationship with the U.S. government hinged on their active support for institutional reforms and for prosecutorial justice for perpetrators of the post-election violence. This letter engendered a backlash from Kenyan President Mwai Kibaki, who demanded a retraction.

Against this backdrop, on October 1, 2009 a high-level delegation of officials from the office of the president and government of Kenya visited the Brookings Institution to discuss some Kenya's developmental challenges. The event, which was hosted by the Africa Growth Initiative, featured a panel with: Mr. Raphael Tuju, special advisor to the president; Mr. Sam Mwale, principal accounting officer in the Office of the President; Ambassador Amina Mohammed, permanent secretary in the Ministry of Justice and National Reconciliation; and Mr. Thuita Mwangi, permanent secretary in the Ministry of Foreign Affairs. Mwangi S. Kimenyi, a senior fellow in the Africa Growth Initiative at Brookings, moderated the panel. Thirty individuals from the U.S. federal government, policy institutions, the private sector, and the Embassy of Kenya also participated in the roundtable discussion. The attendees participated in a wide-ranging conversation on the current obstacles for development in Kenya. The discussion touched on the key political, economic, and social challenges currently affecting Kenya's development. The deliberations focused particularly on economic reforms, corruption, constitutional reform and the issue concerning the prosecution of the perpetrators of the post-election conflict.

The proceedings began with opening remarks from three of the panelists. Mr. Tuju began by discussing the social and political transitions that Kenya is currently managing. A few current issues pose the largest challenges: the constitutional change being considered, the population bulge that has resulted in a large youth population, and the effective functioning of a coalition government. Based in part by the speed with which Kenya handled the post-election turmoil, Mr. Tuju said he was optimistic about Kenya's resilience to solve each of these problems.

Mr. Mwale highlighted a number of issues related to the economy, stating that Kenya's economy must be transformed to rely on industry and services, and that this transformation must also incorporate the needs of millions of unskilled poor people. To begin this transformation, investment is necessary, particularly in infrastructure. For example, the construction of railroads along new routes will bring previously underdeveloped regions of the country into connection with the major trade cities. A number of other issues will shape the path of development as well,

including the need to shift to green energy, to increase human capital through education, and to increase credit access and marketing capabilities to all Kenyans. Mr. Mwale expressed his belief that there will be progress in each of the areas as Kenya's institutions strengthen over time.

Ambassador Mohammed also expressed optimism and said that the government has successfully identified the key challenges facing Kenya and has already begun to address them seriously. The biggest challenges are governance and corruption, which affect all of society and inhibit pro-poor policies, and the key to addressing these problems is strengthening institutions. Ambassador Mohammed noted that a number of institutions to deal with the various issues were already in place, such as the panel of experts currently addressing constitutional reform, the independent election commission, the Truth, Justice, and Reconciliation Commission to resolve the post-election conflict, and judiciary reforms. New institutions such as the National Human Rights Commission and a Public Complaints Commission are also in place and are meant to help the vulnerable access justice.

Following these remarks, the panelists fielded a number of questions. Some of these questions again related to the issue of corruption. One participant brought up the public outcry over the potential reappointment of the anti-corruption chief, Aaron Ringera, who has been criticized publicly for not bringing senior officials accused of corruption to trial during his first term. The panelists responded that the institutions were the key part in fighting corruption and that strong laws, courts, and prosecution are all needed. The example of Ringera demonstrates the strong desire of the public to root out corruption. One of the panelists observed that tribal instincts can lead to shielding and even edification of corrupt officials among their own ethnic group, which makes fighting corruption more difficult. The panelists said that Kenya had made significant progress on corruption since 2003, and that it was still the top priority, despite the setback of the last election.

There was some discussion on the different mechanisms of seeking justice for perpetrators of violence in early 2008. Regarding the Truth, Justice, and Reconciliation Commission, the panelists noted that it does not have prosecutorial powers but it can make recommendations and execute compensation for victims. As for prosecution extending to the International Criminal Court, the panelists said that it would be difficult to show that the domestic process was broken enough to give the ICC jurisdiction. In addition, it was their opinion that the ICC can be inefficient and slow in bringing justice.

The roundtable also discussed a number of issues related to the Kenyan economy. With regards to infrastructure development, the panelists brought up financing options being pursued, including government-issued bonds for the first time, as well as public-private partnerships and partnerships with foreign governments. One question raised discussed the apparent disconnect between aid policies and trade policies on the donor side. The panelists acknowledged that this problem was important, emphasizing the aim of the Kenyan government to harmonize the two and expressing interest in working on these issues with specific countries like the United States.

The panelists also discussed climate change, expressing concern about the future economic costs of potential flooding that might result from climate change. The most recent national development plan, which was prepared in 2006, did not address this issue heavily. However, the

panelists expressed commitment both to the upcoming global climate change meetings in Copenhagen and to an increased focus on climate policies domestically.

When asked about Kenya's economic transition, the panelists emphasized the current window of opportunity, in particular highlighting the potential for the financial services sector. To exploit this window, it is also necessary to increase exports within the region, in part by increasing productivity in industries that are already developed. Tourism is obviously an important part of the economy, but other sectors are being emphasized to lessen tourism's relative importance. For instance, Kenya would like to transform cities like Nairobi into regional hubs for health and education services. The panelists discussed the idea of reverse migration for skilled members of the diaspora and emphasized that although a department already exists to deal with diaspora, it needs to be further integrated into the development agenda. The contribution of the diaspora to development through, for example, remittances was noted as important to the country.

The roundtable ended with discussion of Ambassador Carson's letter. The panelists observed that Kenya's bilateral relationship with the U.S. is very important and concern over reforms is justified. However, as observed by a number of participants, by targeting individuals rather than institutions, the letter was problematic and its intended results may not be forthcoming. This final topic was a fitting end to the discussion, as it highlighted the tensions that can arise between domestic politics and foreign intervention. At least in the view of this delegation, change will most likely come from internally-motivated institutional reforms.