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FOREIGN DIRECT INVESTMENT AND AID TO AFRICA: EXPLORING THE VIEWS OF
KENYAN ACADEMICS AND CIVIL SERVANTS

by

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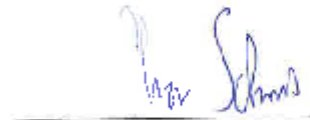
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This paper is the result of months of research, gaining the skills and motivation to carry out such a piece of work, the end result is outlined below interwoven together with the intellectual curiosity and influence I received from my professors while at Towson University.

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ABSTRACT

FOREIGN DIRECT INVESTMENT AND AID TO AFRICA: EXPLORING THE VIEWS OF KENYAN ACADEMICS AND CIVIL SERVANTS

Martin Ndegwa

This paper explores the issue of Chinese investment in Kenya through the eyes of Kenyan academics and civil servants. I discuss initial findings from interviews and surveys that explored these informants' views on Chinese aid and foreign direct investment (FDI), their effects on national economic and social development, and the emergence of Chinese economic interest in Kenya. Fundamentally, I reflect on differences between Chinese and Western aid and investment in Kenya and explore whether these informants view the Chinese-Kenyan relationship as conducive to development and sustainability in Kenya. Informants suggest that China is able to deliver aid at a speed unmatched by Western donors and confirm that Chinese investment in infrastructure dwarfs that of Western donors (Lyman, 2005). However, they also criticize Chinese investors for ignoring human rights and refusing to listen to complaints from Africans on topics that range from low wages to negative environmental effects of aid and investment projects.

Keywords: Africa; China; development; foreign direct investment; foreign aid

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ABBREVIATIONS USED THROUGHOUT THE TEXT

FDI	foreign direct investments
GDP	gross domestic product
IMF	International Monetary Fund
MDG	millennium development goals
NEAP	National Environmental Action Plan
MNC	multinational corporations
SAP	structural adjustment programs
SSA	Sub- Saharan Africa
UN	United Nations
NEC	National Environmental Council
NEMA	National Environment Management Authority

CHAPTER ONE

INTRODUCTION

Statement of Purpose

When the elephants are fighting the grass is suffering: Don't focus so much on the elephants.

The future of Africa lies with the grass - African Proverb

China's march into Africa has reminded pundits of those two proverbial elephants fighting. Evoking the battle between East and West, they opine that it will be the grass that suffers (Amosu, 2007). This African proverb illustrates the opinions of Kenyan academics and civil servants toward Chinese aid and foreign direct investments (FDI) compared to those of other Western donors. The future of Africa, and specifically Kenya, depends on its people and their interests being met through social, political and as well as economic growth. It is not a matter of which donor Kenya receives its aid and FDI from, experts insist, but rather, it is the effectiveness of that aid and FDI that is important, specifically as it pertains to the conservation and development of natural resources and the environment.

In the midst of the world's recent slew of technological and scientific advancements, African nations, among many other nations in the Global South, are still experiencing problems and hindrances despite efforts to develop and alleviate poverty. For myriad historical and political reasons, many African countries in the Sub-Saharan region remain the poorest in the world (Askouri et al. 2007). Western developed nations have come to the aid of these countries in Africa in form of financial aid, trade, and investments. These aid donor nations have all used various development models in an attempt to eradicate poverty and raise standards of living in these areas. However, Western aid has been characterized by bureaucracy, negligible results in terms of poverty alleviation or reduction, and conditions on the aid that is disbursed.

Besides Western donors, China is a new player. Though China has been named one of the top aid donors to African countries by the World Bank, which collects aid information and development statistics the world over, China's model of foreign aid is different from its western counterparts, and other western countries have expressed doubt in regards to its effectiveness for the development and long-term success of African nations. Many researchers, scientists and scholars have criticized China's interest in the Global South, suspecting that China has underlying interests in providing aid to Kenya, such as ensuring a steady supply of raw materials for their (China's) growing economic needs for manufactured goods and services. Partly for this reason, China's aid to Africa, and specifically Kenya, has been referred to as "South-South" cooperation, a concept meaning "poor helping the poor" (Abugiche, 2013).

Though China's stated objective in providing aid and FDI to Kenya has been to alleviate poverty, raise the standard of living, and to help Kenya develop, Africa a whole has not made progress in these areas during the time that they have been striving for economic development through aid and FDI. Most African countries, including Kenya, have been receiving foreign aid from both bilateral and multilateral aid donors, and despite the donors' efforts, development challenges in this part of the Global South are still termed "acute." Experts are also concerned about Chinese dominance in Africa and the perceived "Scramble for Africa."

Despite some experts' well-established doubts about Chinese motives and the effectiveness of Chinese aid, others describe China's style of aid as more conducive to poverty reduction and prosperity than that of other western donors, due to its focus on infrastructure projects and the minimal political or economic strings attached. Additionally, as part of the non-interference policy that characterizes Chinese foreign policy, the recipient country's use of the funds is not scrutinized, which is in sharp contrast to the policies of Western donors. For

example, in Kenya in 1991, in response to increasing concern over human rights abuses and political repression, donors to Kenya, including the U.S., decided to “suspend quick-disbursing aid until the Kenyan government had re-established a multi-party system, reduced corruption and implemented economic reforms” (Stokke ,1995). In this case, the U.S. made the choice to withdraw aid in order to enforce political conditionality after the end of the Cold War, when the leading donors in the decision to withdraw aid (the United States and Germany) “had no important strategic or economic interests which might be hurt as a consequence” (Stokke 1995 p. 49).

This thesis focuses upon the opinions and viewpoints of the Kenyan civil servants and academics that I interviewed during my informal fieldwork in Kenya in Fall 2013, and on those I interviewed months that follows. My interviews have employed the concept of “back casting,” whereby subjects are asked to explain the ideal outcome of China-Kenya relations, and then analyze how to change the current relationship in order to achieve the desired outcome. I will apply qualitative research methodology, including the use of semi-structured interviews and surveys, to expose the viewpoints of the informants, and I will discuss my findings as they pertain to the future of Chinese FDI and its sustainability in Kenya compared to Western FDI. I will also discuss the effectiveness of the two aforementioned types of aid and FDI in developing Kenya, Sub-Saharan Africa, and the Global South.

Why the Case of the Kenyan Academics and Civil Servants?

Beyond the stated task of elucidating the positive and negative impacts of Chinese aid and FDI on Kenya, this thesis also delves into the collective thoughts of Kenyan academics and civil servants on Chinese aid and FDI. Their opinions are essential for understanding all facets of

how Chinese aid and FDI are affecting Kenya, as these opinions reflect the general feelings of the Kenyan population. Furthermore, academics have made important inquiries into corporate responsibilities that have yielded noteworthy insights for both donors and recipients. They also offer thoughtful and uniquely informed perspectives on differences in outcomes between Chinese and Western aid and FDI. Civil servants are important in their own right, as they witness administrative reforms and policy changes as a result of aid and FDI firsthand. By virtue of their profession, education, and expertise, civil servants are intimately involved in various phases of the policy process: policy formulation and development, policy articulation, policy implementation, and policy evaluation.

For example, through their influence on education in recipient countries, most donors are able to have some measure of influence on the collective mindset of the recipients, which in turn could influence the recipients' political policies. Considering this, it is not beyond reason to suggest that China may have an interest in affecting Kenyan policy, just as many Western donors do with their respective recipients. Certainly, though, such motives are not always in the best interest of the recipients, and Kenya's academics are in the perfect position to assess this.

Research Problem

The main stated goal of donor countries when disbursing FDI to developing countries in the Global South is to help the recipient be self-sufficient economically, politically, and socially. This type of self-sufficiency was discussed in the Millennium Development Goal conference held in 2002, which stated that the aim of foreign aid (MDG agenda number eight) is to bring about sustainable development within each country's borders, and to expand economic and social growth. The Agenda 21 convention held in June 1992 led to the production of

international documents that outlined processes designed to curb issues that were facing developing countries, especially in the Global South, that included climate change, desertification, and a loss of biodiversity. These documents called for the cooperation among major stakeholders down to the grassroots levels in each country.

In this thesis, I examine if China's style of aid to Kenya is helpful and sustainable through investigational open-ended questionnaires survey and semi-structured interviews that address the three versions of the sustainability concepts, that is, Institutional, Ideological, and Academic (Mebratu, 1998). The Institutional concept will address mutual interests and whether the outcomes address the needs of the people (political). The Ideological concept addresses theories pertaining to development, and the academic sustainability concept will investigate actions taken as a result of academic studies of the relationship between China and Kenya.

Research Question

In relation to the above research problem, the research question of this thesis asks what Kenyan academics and civil servants think about the foreign direct investments from China to Kenya, particularly as it compares to that of other Western donors. To acquire, interpret and organize their feedback my survey includes the following questions: How has Chinese aid to Africa and specifically Kenya been advantageous or disadvantageous in terms of development and sustainability? How do they (the academics and civil servants) perceive the overall effectiveness of Chinese aid in Kenya?

CHAPTER TWO

THEORETICAL FRAMEWORK

“The term, “FDI Fitness” refers to a country's ability to attract, absorb, and retain FDI. The allusion to the Darwinian concept of the “survival of the fittest” suggests that it is not necessarily the biggest and strongest who survive, but rather those who adapt most cleverly and fittingly to existing conditions. In other words, it is not the largest countries, but the fittest, that obtain most FDI. Fitness denotes a state of wakefulness, the ability to react swiftly to dangers and opportunities, and creativity and flexibility in carving out a niche in which a country can survive against competitors” (Wilhelms, 1998).

Kenya in the past has had trouble attracting foreign investors to the country. Some of the factors that were attributed to this conditions; political stability and predictability in the country, labor conditions, legal environment, size of the market, openness of the economy, infrastructure and other support services availability and degree of globalization in the country (Kioko, 2012). Retrospectively Kioko (2012) explains that for a country to attract FDI it requires certain factors namely; legitimized political leaders who influence policy and decision making, professional and efficient institutions, strong and efficient political economy, resources, security and peaceful relations with other nations-external relations. Such conditions if put in place attract FDI.

To better elucidate the Chinese-Africa/ Kenya relationship in terms of FDI, aid, and their impact on development, I will examine two theories of development, the modernization theory and the dependence theory. This examination will investigate Africa's/Kenya level of “wakefulness,” and how that has affected the current state of affairs.

Modernization Theory

Modernization has influenced the growth of many African states in the postcolonial era, mainly through globalization. Modernization theory is rooted in the fact that modernization is a western ideology that emphasizes “catching up” from developing to developed. In an effort to increase development, African nations involve themselves in projects and new industries that can help create opportunities for growth.

Joshi (2005) recounts that “In African countries, as in other developing countries, industrialization in the postcolonial period became the theme for development. This theme was basically set on Western standards that included infrastructural changes such as dams and highways, social changes such as doing away with traditional beliefs and revamping educational systems with an emphasis on modern science and rationality, and political changes such as creating an efficient bureaucracy and state apparatus to preside over the decolonized domain. This three-pronged strategy was underpinned by what came to be known as modernization theory. The ideas of the modernization school of economists indirectly informed the choices of development made by the leaders of many countries” (Joshi, 2005).

Additionally Kenya is a nation that wants to transform its self to stellar growth from a simple to complex technology, from subsistence to cash crop production, from animal/human power to machine power, from rural to urban settlement. This need to transform has come about from a western view of what is development and modernization and hence the rest of the undeveloped/ developing countries should follow suit.

Modernization theory holds that Africa is underdeveloped because it failed to keep step with the rest of the world as outlined by William Rostow’s five stages of development. Rostow notes that pre-capitalist economies lack science and technology, development requires

investments in capital, and the right conditions of investment have to be created. These conditions can range from transport and communication infrastructure to tax breaks and financial incentives for parent countries (donors) and multi-national corporations (MNC) who invest. If aid or investments occur at this stage, injections of investment can lead to rapid growth. MNCs can facilitate the industrialization process and spur the rapid growth needed for developing countries to industrialize.

In “Decomposing Modernity: History and Hierarchy After Development,” James Ferguson explores myriad contradictions embedded in the Western claim on modernity and globalization. Noting that in the classic and simplified version of modernization, poor countries overcome their poverty, share in the prosperity of the “developed” world, and “take their place as equals in a worldwide family of nations,” he points out that “this vision, so crudely sketched here, amount[s] to a powerful political and economic charter. In what the world understood as a collection of national societies, global inequalities could be read as the result of the fact that some nations [are] further along than others on the ladder to a unitary “modernity” (Ferguson, 2006, p.2).

This inequality between the modern/ developed nation and the traditional/ developing nations of the third world is critical in understanding the theories of development, and in this thesis, modernization and dependency theories, which have many similarities and difference but aids in distinguishing the relationships and views between the developed and developing worlds and hence the dependency theory.

Dependence Theory

According to Theotonio Dos Santos a neo-Marxist, dependency, is a situation in which a certain number of countries have their economy conditioned by the development and expansion of another...placing the dependent countries in a backward position exploited by the dominant countries” (Santos, 1970).

This happens to be true of most of the African nations; African economies mostly are dependent on export of the raw materials to the developed nations. Third world countries are feeding the huge demands of the developed nations and at their own expense with minimal compensation hence the under-development.

In contrast to the Western model, China has transformed its self from an under-developed country to a developed global giant to be reckoned with. In the process, some African nations have shifted their dependence on the global North to China. This thesis seeks to understand if this new dependency on the East is sustainable, or if it simply fosters “new dependence/ neo colonialism.” China has rivaled the West in Africa through their development model, but it is as yet unclear if their development model is superior to that of the West.

Luke Amadi (2007) in “Africa: Beyond the “new” dependency: A political economy,” argues that “The ‘new’ dependency it is another stage theory! It is more aggressive, direct, compulsive and persistent - imposing Western values and disarticulating pristine African cultural norms with unit level capitalist exploitation. New dependency imposes unsustainable consumption patterns and lifestyles on the periphery nations through highly advanced technology; such as the global satellite system, the Internet, the new media, the iPhone, iPod and blackberry. The new dependency is both institutional and individualistic. It is a condition of

economic and technological dependency to keep the poor nations 'in check' for self-reliant development. It is brain washing, vitiates self-esteem and is repressive to interrogation of the status quo. In this new order China assumes a lead in the global South with soft technology.”

This neo- dependency is best described by Santos (1970) that the possibility of generating new investments depends on the existence of financial resources in foreign currency for the purchase of machinery and processed raw materials not produced domestically.

CHAPTER THREE

LITERATURE REVIEW

Current Background

Dr. Joseph Onjala, a Kenyan and a senior research fellow at the Institute of Development Studies (IDS) describes the China- Kenya relations as follows, “The current diplomatic arrangement between Kenya and China covers several areas. The People's Republic of China established the diplomatic relations with the Republic of Kenya on December 14, 1963. In the initial days, the relations between the two countries saw a fair amount of development. After 1965, the relationship of the two countries was lowered to be at the chargé d'affaires level. Towards the beginning of the 1970s, though, it gradually returned to normal. In 1978, when President Daniel Arap Moi came to power, the relationship of the two countries began to develop quickly. By the end of 2002, when a new government was formed after Mwai Kibaki was elected President of Kenya, Kibaki held Kenya’s relationship with China in high esteem, and he was eager to deepen and expand the friendly cooperation between the two countries” (Onjala, 2008).

China –Kenya relations have continued to soar over the years and part of their development agreements have many development projects outlined in this paper. In December 2013, during the groundbreaking ceremony for a China-backed 450-kilometer railway that will connect the Kenyan cities Mombasa and Nairobi, Kenya’s President Uhuru Kenyatta said that it would be a “landmark project both for Kenya and east Africa.” Such China-Kenya projects have brought about a new sense of hope for Kenya’s economic development and growth. China seems to be doing for Kenya and other Sub-Saharan countries what other western donors could not do for decades in terms of growth, trade, infrastructure, and more.

Setting the Stage for Foreign Direct Investments and Aid in Kenya

It is important for this study to briefly discuss certain spheres of Kenya's government, and whether or not FDI and foreign aid is helping or hurting progress in these spheres. These are the environment, the economy, and Kenyan political policy. They are heavily interrelated, and they play a vital role in the discussion of the success of foreign interest in Kenya.

Overview:

Mahoney in her Thesis titled *The Sino-Kenyan Relationship: An Analysis of African Motivation for Engaging with China* states "The years following World War Two proved to be some of the most influential in shaping international foreign policy over the coming century. With the formation of many new nation states and the onset of the Cold War, western countries were interested in providing aid to developing countries in an attempt to steer them towards democratic-economic development as opposed to socialist development. Kenya was staunchly capitalist and Western oriented during the Cold War and as such, had almost no contact with China directly following independence" (Mahoney, 2010).

Kenya has faced external influence that has encompassed the political, economic and cultural areas of the state affairs. This external influence has played a major part in the formulation of the economic development policies in Kenya.

Kenya has encountered no shortage of obstacles during its push toward development since gaining independence, and most of these obstacles have roots in Kenya's inability to completely diverge from traditional colonial power structures. After gaining independence in

1963, Kenya failed to shift or break away from the British influence on policy; rather, it built upon British ideas for what the country needed and how to best meet these needs. Most roadblocks towards economic development in Kenya stem from pre-independence occurrences, and most reflect the failure of Kenyan policy makers to recognize the needs of their own people. Kenya's experiences in its quest for development – its achievements and setbacks – have been products of lingering colonial policies, domestic growth initiatives, and international investment (Nulty, 2009).

As Nulty says “The lingering British colonial policies, domestic growth initiatives and international investments have been the hindrances of economic growth in Kenya. The colonial political and economic structures were expanded to accommodate the needs of a growing nation thus classifying Kenya's structures as neo-colonial” (Nulty, 2009). This described misguided progression down the path of “neo-colonial” as opposed to “developed” has been the experience of many countries in the global south, and with the emergence of China as an economic power, has caused Kenya to “look east” for development deliverance.

Developing From Within

Geographic and Political Background

“You cannot protect the environment unless you empower people, you inform them, and you help them understand that these resources are their own, that they must protect them.”

-Wangari Maathai (Kenyan Environmentalist and Nobel Peace Prize winner in 2004)

Kenya is one of the fastest growing countries in East Africa compared to surrounding nations. To the north, Kenya is bordered by Sudan and Somalia; to the east lies the Indian Ocean;

to the west is Tanzania, and to the south is Uganda. Kenya is a sovereign republic as recognized by its constitution, introduced on its date of independence, December 12, 1963. It is headed by a democratically elected president. The country is divided into eight provinces: Central, Coast, Eastern, Nyanza, Rift Valley, Nairobi, Northeastern, and Western. All the provinces are divided into Districts, which are in turn divided into smaller administrative levels. All these levels are referred to as the provincial administration and have been used by the central Government to implement policies and directives since independence in 1963.

Kenya is globally known for its exotic national parks and wild life, and it has an array of physical features that include plateaus, mountains, a rift valley surrounded by both igneous and sedimentary rocks that runs from the northern part of the country to the south, and innumerable natural lakes. Lake Magadi, situated in the south, is a crucial resource of salt, which is one of Kenya's main exports. Overall, Kenya's natural resources sustain the country's economy, and thus are an engine for the entire government.

Thoughtful management of these resources is vital to managing the standard of living in Kenya, as a large number of people in rural areas, mainly in the highlands of central and western Kenya, depend on nature for their sustenance, whether through directly consuming agricultural products or by selling them. Unfortunately, forests are diminishing in size at a high rate, as people are clearing them for immediate economic gain, due to a high poverty rate in these parts of the country.

Though Kenya is known for its lush agriculture, disparities exist according to where people are settled, and the climate also varies from place to place. In the highland areas, for

example, Kenyans receive a lot of rainfall for their crops and livestock, while in northern Kenya, droughts are frequent occurrences.

One main public health issue that can be traced to environmental problems is the non-treatment of sewage, which leads to a lack of clean water, improper drainage, and traffic congestion. In turn, this results in poor air quality in urbanized areas.

After Kenya gained independence in 1963, there were intermittent plans to protect the environment, but major plans, policies and acts did not exist until after the Rio Conference in 1992. At this time Kenya was among the countries in the United Nations, which stipulated that its members commit themselves to the principles of sustainable development, per Agenda 21. After the Rio Conference, Kenya initiated a process to institutionalize good environmental governance for sustainable development. This gave rise to the implementation of the National Environment Action Plan (NEAP) in 1994, which provided a basis for up-scaling environmental management in Kenya. The NEAP gave way to the Environmental Management and Coordination Act (EMCA) of 1999, which further increased environmental standards.

The NEAP led to the drafting of ambitious national environmental policies, while the EMCA brought together the Ministries of Mineral Resources, Agriculture, Labor, Energy, Forestry, Trade, Industry, and others in order to improve the environment. Additionally, several beneficial groups were established to enforce the EMCA. These groups include:

The National Environment Council (NEC) – The NEC is responsible for policy formulation, setting national goals and objectives for environmental protection, promoting cooperation among public departments, local authorities, companies in the private sector, and NGOs for the improvement of the environment.

National Environment Management Authority (NEMA) – NEMA is responsible for advocating for the consideration of the environment in the development of national policies, plans, programs and projects. NEMA is also responsible for preparing annual State of Environment reports. It has the following associated committees and funds:

- Public Complaints Committee
- National Environment Action Plan Committee
- Provincial Environment Committees
- District Environment Committees
- National Environment Restoration Fund
- National Environment Trust Fund
- Standards and Enforcement Review Committee

National Environment Tribunal (NET) – The NET is responsible for the arbitration of environment-related issues such as licensing and conflicts.

National Environment Action Plan Committee (NEAPC) – The NEAPC is responsible for the preparation of the NEAP. It is chaired by the Permanent Secretary of the Ministry of State for Planning, National Development and Vision 2030 while the Director General of NEMA is the secretary. (<http://kenya.um.dk/en/~media/Kenya/Documents/Mainstreaming%20Environmental%20Planning%20in%20Kenya.jpg>)

Each of these committees, plans, projects, and funds are devoted to the following environmental issues that the government of Kenya has deemed nationally important:

- Biological diversity
- Sustainable land use systems
- Water resource management
- Sustainable fisheries and marine resource management

- Pollution control and waste management
- Renewable and efficient energy
- Climate change control
- Disaster preparedness and risk management
- Integrated planning and management
- Environmental information management
- Environmental education and public participation
- Environmental economics

(Developing a National Environmental Policy for Kenya)

The problem, however, is that Kenya lacks the technology and funds to dedicate to the above issues, and the continued inability to address these issues is damaging not just to the environment, but to Kenya's economy. Therefore, in its quest to support growth, generate wealth, provide employment and at the same time eradicate poverty within its borders Kenya has decided to turn to FDI and foreign aid for support. Because Chinese loans rarely have as many strings attached to them as those from western countries, China quickly has become Kenya's best chance to quickly impact the country for the better without being bogged down by the trappings of western loans.

Economic Development Outlook in Kenya and Vision 2030

Kenya's development initiatives mirror the plans instituted in other developing nations, that is, vast amounts of foreign capital, the supremacy of agriculture, restricted development of industry, a grave dependence on the exportation of primary products, and the importation of capital and consumer manufactured goods.

Kenya is one of the 53 African countries aiming to transform into a middle-income country. For it to be successful, Kenya needs continuous infrastructure expansions in addition to a number of other projects, as delineated in Kenya's Vision 2030.

Kenya's vision 2030 is a program put into place by the Kenyan government that outlines time-bound and specific long-term goals that will enable Kenya to be a developed, middle-income country by 2030. It provides the basis for strategizing about the future, and calls for the deployment of resources into various sectors of the economy for the accomplishment of its stated goals.

The aim of Kenya Vision 2030 is to create "a globally competitive and prosperous country with a high quality of life by 2030." It aims to transform Kenya into "a newly-industrializing, middle-income country providing a high quality of life to all its citizens in a clean and secure environment." Vision 2030 also is forecasted to enable Kenya to reach its MDGs by 2015 (Kenya, 2007, p. 1).

FDI and Policy Background

The emergence of Chinese FDI in Kenya has been sudden in recent years, and the two countries have elevated their formerly weaker relation into a comprehensive partnership, with agreements that span economic cooperation, infrastructure, people-to-people exchanges, finance, environmental protection and new energy (Shengnan, 2013 China Kenya Bolster).

There has been much written about China's relationship with Africa, and whether it is to Africa's advantage or disadvantage. Historians have noted that Africa and China have had relationships dating back over 3000 years, but it was in the 15th century that China and Africa began trading directly. The first documented transaction occurred when Kenya or Tanzania

shipped giraffes and other animals aboard Chinese ships to the imperial palace in Beijing (Rotberg, 2008).

Recently, in the major news outlets and media, there have been sensational stories that describe the new scramble for Africa. These depict China as an emerging power that seeks material resources in Africa in exchange for assisting with infrastructure projects and providing quick loans ("Land grabs' – the new scramble for Africa" 2012, CNN). Critics have described China as voracious, ravenous, and insatiable when referencing its appetite for natural resources in Africa. However, Africa's leaders express a different view when talking about China, as is evident from the following selected quotes from top African officials:

“The battle for influence in the world between the West and China is not Africa’s problem. Our continent is in a hurry to build infrastructure, ensure affordable energy and educate our people... China’s approach to our needs is simply better adapted than the slow and sometimes patronizing post-colonial approach of European investors, donor organizations and non-governmental organizations” (Abdoulaye Wade, President of Senegal, January 2008).

“When it comes to China and Africa, the European Union and the US want to have their cake and eat it. In an echo of its past colonial rivalries, European leaders and donor organizations have expressed concerns that African nations are throwing their doors open too wide to Chinese investors and to exploitation by their Asian partners. But if opening up more free markets is a goal that the west prizes and extols as a path to progress why is Europe fretting about China’s growing economic role in Africa?” (Abdoulaye Wade, President of Senegal, January 2008).

“The Western ruling groups are conceited, full of themselves, ignorant of our conditions, and

they make other people's business their business. Whereas the Chinese just deal with you, you represent your country, they represent their own interests, and you do business" (African Executive, 8 October 2008) (President Museveni of Uganda).

"I find that the Chinese treat us as equals. The West treats us as former subjects (read slaves) which is a reality. I prefer the attitude of the Chinese to that of the West" (African Executive, 8 October 2008) (President Mogae of Botswana).

The sentiments expressed above indicate that Africans/Kenyans are not particularly concerned with Chinese motives, but are rather interested in any FDI, aid or other economic driving force that can effectively save Africa from its plight of poverty, poor technology, and lack of industry. As expressed previously and as one scholar puts it, "While far from universally welcomed by African leaders and citizens, Chinese engagement appears less threatening to Africa than engagement from Europe or the United States. This is largely because China lacks a colonial legacy in the region. Moreover, as China views Africa as a business partner, many African governments see the Chinese presence as more likely to be sustained, not only out of goodwill, but also self-interest. In many quarters, this creates a perception that the China-Africa partnership lies on a more equal plane than does Africa's relationship with the West" (Haroz 2011).

According to Robert I. Rotberg's 2008 book entitled *China into Africa: Trade, Aid and Influence*, China's foreign policy regarding Africa can be divided into three periods. These periods are 1949–1977, which was a period of normal development, 1978–1994, which was a transitional period, and 1995 to the present, which has been a period of rapid development.

The final period has clearly had the largest impact on the intertwining of Africa and China's interests and futures. Rotburg notes, "China's current thrust into sub-Saharan Africa promises to do more for economic growth and poverty alleviation there than anything attempted by Western colonialism or the massive initiatives of the international lending agencies and other donors. China's very rapaciousness—its seeming insatiable demand for liquid forms of energy, and for the raw materials that feed its widening industrial maw—responds to sub-Saharan Africa's relatively abundant supplies of unprocessed metals, diamonds, and gold. China also offers a ready market for Africa's timber, cotton, sugar, and other agricultural crops, and may also purchase light manufactures. This new symbiosis between Africa and China could be the making of Africa, the poorest and most troubled continent (Rotberg, 2008)"

Critics of the China- Africa relations have argued that Africa will end up on the losing end, with huge debts to repay, environment damage, corruption, national interests not being met, and human rights not being observed or met. This may specifically happen to Kenya too in the long run.

The question still remains, though, as to China's motives in Africa. Africa represents the answer to a number of China's current needs, including energy, emerging market investment opportunities, symbolic diplomacy, and the forging of strategic partnerships. (Konings, 2007). The main drivers for China of building a relationship with Africa are defined in two excerpts from a recent statement by the Chinese government. The first announces China's intentions while extolling the basic virtues and rewards of cooperation, reading, "China will continue to strengthen solidarity and cooperation with African countries in the international arena, conduct regular exchanges of views, coordinate positions on major international and regional issues, and

stand for mutual support on major issues concerning state sovereignty [and] territorial integrity” (Konings, 2007, p.360). The other refers to China’s own domestic policy, which promotes unity, when describing its interest in Africa. It reads, “The One-China Principle is the political foundation for the establishment and development of China’s relations with African countries and regional organizations” (Konings, 2007, p.361). Though this would seem to suggest a unity with Africa, Zweig and Jianhai (2005) interpret the situation differently, suggesting that China is interested in Africa because it wants access to energy resources, and to establish export markets for its light manufacturing, services, agro-processing, apparel, and communications offerings. Already, Africa is full of low-cost motorcycles, electronic goods, and consumer goods sourced from China.

Recognizing the opportunity that China saw in Africa, one scholar notes, “in operational terms, China’s policy was to court and recognise those African states that had achieved independence, while encouraging and supporting African liberation struggles in progress. A major foreign aid campaign was launched where Premier Zhou Enlai announced China’s Eight Principles of Economic and Technical Aid” (Kragelund, 2007). Rotberg expands upon Kragelund’s assertions, noting that “China has a unique feature in foreign policy embedded in the principle of noninterference in the internal affairs of other countries. China’s African policy has retained its principles while at the same time adapting to domestic and international conditions. China’s engagement with Africa is changing Africa with opportunities and emerging challenges. However Chinese-Africa cooperation is an example of equality and co-development in international relations” (Rotberg, 2008).

When looked at from this perspective, it follows that, though China sees opportunity in Africa, it behooves China to approach Africa as equals – an approach that Africa welcomes with

open arms. As touched on earlier, aid from China differs from that of western donors because aid offered by western donors comes with strings attached, that is, the ways in which loaned money is spent are closely scrutinized to ensure that they comply with standards and stipulations as set by the donor country. In most cases, if money is spent in a way that the western donor disagrees with, the donor will halt operations or threaten to withhold their aid. Africans, of course, are insulted by what they see as close parenting, and furthermore, African countries' need for radical development often necessitates them spending money in ways that western donors disapprove of. Playing by the rules of the West has proven to be too slow in changing the situation for many African countries, and the ideologies prescribed by international institutions like the International Monetary Fund (IMF) and the World Bank have not allowed Africa to keep step with Vision 2030. Furthermore, Africa trusts China because it sees China as having been in Africa's situation before, and as having overcome it. In accord with Africa's hopes, China emerged as an economic giant despite a western colonialist past. Therefore, Africans are attracted to the Chinese model of growth more than that of western countries. Table 1 shows China's astronomic growth as compared to other nations, which is another reason Africa is happy to follow China's lead.

Table 1: Economic Growth

Country /2008	GDP (\$bn)	Av. Ann, Growth in real GDP
PRC	2.234	9%
United Kingdom	2.199	2.7%
Germany	2.795	1.4%
Japan	4.534	1.3%
United States	12.417	3.4%
India	806	6.3%

Source: The Economist (2008): *Pocket World in Figures*, London, The Economist

Many policymakers and development experts have doubted China's ability to sustain economic growth, but judging from empirical evidence, China has surpassed expectations and kept flourishing.

Beijing Consensus

The Beijing Consensus, which delineates China's model for growth and is so termed by Joshua Cooper Ramo in a 2004 paper, has frequently been described as an example of the new physics of power and development. Transformation under the consensus has been embedded in three principles, namely, innovation, sustainability of economic systems, and self-determination (Kennedy, 2008). Kennedy explains, "By the first component, China's economic success was rooted in constant innovations that improved its total factor productivity, while the second represents China's quest for economic development which was not limited to growth but equitable distribution of wealth. The third component symbolizes the ability of China to chart and maintain her developmental policies as a model for other countries to follow and emulate (Kennedy, 2008). One scholar suggests that the Beijing Consensus is simply a summation of China's political and economic philosophies, noting, "The term Beijing consensus was the sum of the five pillars of the economic policies of China over the years which included incremental reform, innovation and experimentation, export-led growth, state capitalism and authoritarianism" (Williamson, 2010).

Washington Consensus

The term "Washington Consensus" was first coined by John Williamson in his 1989 work in which he demonstrated the inadequacy of Latin American reforms and identified areas that needed further improvement. In the work, he simply expressed the widely held view in Washington and international development institutions that there is a path that developing

countries' economic reforms should follow to absorb aid efficiently. The Washington consensus contains ten rules, namely, fiscal discipline, tax reform, the re-ordering of public expenditure priorities, adhering to a competitive exchange rate, privatization, trade liberalization, interest rate liberalization, deregulation, inward FDI liberalization, and property rights. As Sanusi Lamido Sanusi, former governor of the Central Bank of Nigeria, notes, "these rules mirrored the tenets of liberal market-oriented capitalism and policies of the then Ronald Reagan and Margaret Thatcher governments that were strong promoters of capitalism and neo-liberal ideology. Neo-liberal ideology derived its tenets from the work of 18th century Economist, Adam Smith, who advocated free trade among nations as a way of promoting global growth. The policy prescriptions of conditioning aid and compelling developing countries to open their capital accounts and promote unhindered movement of portfolio investment across international borders by the IMF and World Bank have close similarities to the tenets of the Washington consensus (Sanusi, 2012). According to Sanusi, the Washington Consensus is an outdated system that takes advantage of developing countries.

Kenya and China Relations

"When written in Chinese, the word 'crisis' is composed of two characters-one represents danger, and the other represents opportunity."

-John F. Kennedy

African economies have been open, but their unequal relationship with the rest of the world economy is prominent. Terms of trade have been falling, and have been characterized by major dependence on commodity exports, weak interregional trade (about 10%), dependence on trade with developed nations, limited inflows of FDI, and falling aid. On the domestic front, there has been heavy reliance on agriculture, limited industrialization, extensive rural and urban

poverty, and rampant unemployment. These economic obstacles have been worsened by poor governance. Moreover, Africa's deeply-rooted regional conflicts, including civil wars in Liberia, Ivory Coast, the Horn of Africa, and Rwanda, have diverted resources from development towards military and conflict resolution.

Thomas Friedman in his book *Understanding Globalization: The Lexus and the Olive Tree* states that "poor countries like Kenya and Zambia have fallen behind in the globalization age not because globalization has failed them, but because they failed to put in place even the minimal political, economic and legal infrastructure to take advantage of globalization; nations don't fail to develop per se; they fail to develop good government" (Friedman 1999, p. 356)

Despite its failure to globalize, Kenya is an important strategic alliance for China. With the exception of the 2007 ethnic clashes, Kenya is a relatively war-free country compared to its direct neighbors, Somalia and Sudan. It enjoys a stable political condition, and it has access to the Indian Ocean, which enables China to trade its goods by sea to other neighboring countries in Africa. Table 2 outlines China's numerous investments in Kenya, though as Onjala states, it is limited by the fact that "there is a lack of disaggregated and detailed data that could be of some help for the analysis of the nature and contribution of China's Trade, FDI and Aid in Africa (Onjala, 2008).

Table 2: Types of investment by China in Kenya (in thousands of dollars)

Mode of investment	Project	2003	2004	2005	2007	2010
Loans	Gambogi Serem Road	3,100	-	-	-	-
	Kipsigis-Shamkhokho Road	3,000	-	-	-	-
	Purchase of tractors	66	-	-	-	-
	Rural Tele. Devt. Programme	-	-	24,500	14,583	-
	Kenya power distribution modernisation & strengthening	-	-	20,130	6600	19,220
-	Kenya e-Government	-	-	-	-	7,688
	Nairobi Eastern and Northern Bypass Project	-	-	-	-	57,662
	Nairobi-Thika Highway Project (LOT 3)	-	-	-	-	60,289
	Drilling of Olkaria IV Geothermal Wells	-	-	-	-	55,791
Grants	Kasarani Sports Ground maintenance	39	3,620	-	43,846	12,698
-	Various courses in China	300	-	-	-	-
	Government office equipment	-	120	-	-	-
	Maize flour processing project in Bomet & drought-hit areas	-	3,330	-	1,766	-
	Tsunami relief Kenya	-	-	442	-	-
	Economic and technical co-operation Kenya	-	-	10,387	-	-
	Rehabilitation of Nairobi rds and street lighting	-	-	21,538	-	-
	Technical training courses to govt. officials	-	-	548	-	-
	Gambogi Serem Road	-	-	-	-	640
	Construction of hospital in Eastlands	-	-	-	-	1,096

Source: Adapted from Onjala J, 2008

As is clear from the above data, Kenya and China have a symbiotic relationship. Not only does China trade with Kenya and enjoy access to its raw materials, but Kenya benefits through infrastructure growth like road repair, the creation of new railways that will facilitate the transportation of goods and services within the country, and the provision of communications and linkages both between towns within Kenya and between Kenya and other countries.

Kenya has also created Export Processing Zones (EPZ) for manufacturing and production of desirable exports like clothing, and in return China has provided supplies, equipment, and free power. It also helps Kenya's military, building barracks, providing uniforms, and offering education. Table 3 shows Chinese firms in Kenya.

Table 3: Chinese Firms in Kenya

Sector	Company name	activity	Cap Cost F US\$ (000)	Cap Cost L US\$ (000)	EMP F	EMP L
MANU	Hua long auto repairs co ltd	Manu. of M/V bodies	385	0	9	23
MANU	Gold lida ltd	Manu. of PVC products	154	0	9	90
MANU	Dong fang auto assembly Co. ltd	Manu. & assemble M/V bodies	385	0	9	23
SERV	Zenith rubber roller	Re-rubberizing Rubber	131	0	1	6
SERV	Afri-China international Co. ltd	Grain handling	222	0	8	50
SERV	Fast track Kenya ltd	Recycling plastics	519	0	2	10
SERV	Datang optical Ltd	Glazing & assemble spectacles	333	0	3	327
SERV	Ando roofing products (K) ltd	Importing & selling of roofing tiles & paints	954	0	3	56

Source: Invest Promotion Centre (IPC), Kenya Investment Authority (KIA) data sets NB: MANU = manufacture; SERV = Service; CAPCOST F= capital cost (foreign); CAPCOST L = capital cost (local); EMP F= employment (foreign); EMP L= employment (local)

According to Onjala, Chinese firms have been present in Kenya since 2000 (Onjala 2008). Most of the Chinese people in Kenya are engaged in trading and manufacturing activities. They are involved in the importation of various products from China, which they either distribute to retailers or through outlets they have opened to sell their products to the public. Since the year 2000, they have been actively involved in the manufacturing of apparel. More recently, a number of them have ventured into the motor vehicle industry, where they are involved in the importation of auto-spare parts from Asian countries (Onjala 2008).

Table 4 shows Kenyan FDI from China, from 2000 through 2006.

Table 4: FDI from China 2000 – 2006

Year	Total FDI in US \$ (million)	CHINA		
		No of projects	Capital US \$ (million)	Employment
2000	110.9	9	4.08	787
2001	5.3	12	2.79	1313
2002	27.6	6	1.67	170
2003	81.7	11	13.95	493
2004	46.1	12	9.03	1414
2005	21.2	12	3.74	239
2006	51	8	2.51	681

Source: Onjalla, J., (2008, p. 13): calculations based on the Investment Promotion Centre and Kenya Investment Authority data sets

Results of Chinese Investment in various sectors

The FDI from China to Kenya has caused dramatic results for both countries. Kenya has gained the use of advanced technology. Employment numbers have gone up, as many Kenyans have been able to get jobs in Chinese firms. China, too, has experienced an eager workforce and a more places to install its companies.

Rejecting the West, Embracing the East

The progression of China-Kenya relations that enabled the current state of cooperation between countries can be divided into three historical periods, as follows:

1. The term of President Jomo Kenyatta Era (1963 – 1978): China and Kenya cooperated on a number of issues, working to eradicate piracy, build roads and bridges, and uncover oil.
2. The term of President Daniel Arap Moi Era (1978–2002): President Arap Moi's term saw the rapid progression of Chinese-Kenyan partnerships, and opened the door for FDI and foreign aid to take off.

3. The term of President Mwai Kibaki (2002 – present): A new government was formed under President Mwai Kibaki, who was excited to further deepen and expand the friendly cooperation between the two countries (China-Kenya Embassy website). China-Kenya economic relations in the Kibaki era began with high-level political contacts between the two states, followed by a series of agreements. During his visit, President Mwai Kibaki held extensive talks with Chinese President Hu Jintao and Chinese government officials, which resulted in a five-part agreement. This agreement covered official development assistance (in grants) for infrastructure and energy, extended air services between the two countries, technical assistance for assessments and classifications of standards in industrial products, and modernization of equipment and training at the Kenya Broadcasting Corporation (Gadzala, 2009, p. 209). In general, the establishment of diplomatic relations between the two countries began a series of aid and assistance provided by China to Kenya, which include Moi International Sport Center, the expansion project of Eldoret hospital, the Confucius Institute at Nairobi University, the Teaching Chinese and Joint Research Work on Vegetables program with Egerton University, and road construction projects. In May 2009, the two countries renewed a Cultural Cooperation agreement that makes the future look bright for both. (China-Kenya Website).

Chinese leaders and officials who visited Kenya mainly include: Ji Pengfei, Vice-premier of the State Council (August 1980), Zhao Ziyang, Premier of the State Council (January 1983), Tian Jiyun, Vice-premier (November 1985), Gu Mu, member of the State Council (April 1987), Wu Xueqian, member of the State Council and concurrently minister of foreign affairs (May 1987), Sun Qimeng, Vice-chairman of the NPC (November 1991), Qian Qichen, Vice-premier

and concurrently foreign minister (January 1991 in the name of foreign minister, January 1994), Chen Muhua, Vice-chairwoman of the NPC (April 1992), Jiang Zemin, President of the PRC (May, 1996), Qian Zhengying, Vice-chairperson of the NPPCC (June 1997), Tang Jiaxuan, Minister of Foreign Affairs (January 1999), Peng Peiyun, Vice-chairwoman of the NPC and chairwoman of All China Women's Federation (November 1999), Li Peng, Chairman of the NPC (November, 1999), Dai Bingguo, Minister of the International Liaison Department of the CPC Central Committee (April, 2000), Wang Zhongyu, Member and Secretary-general of the State Council (May 2000), Li Tieying, member of the political bureau of the CPC Central Committee (2001) and Zhu Rongji, Premier of the State Council (April 2002). In April 28, 2006, Chinese President Hu Jintao held talks with his Kenyan counterpart Mwai Kibaki in Nairobi. Both sides expressed willingness to jointly commit to continue to deepen friendly cooperation in all areas (Onjala 2008).

The relationship between Kenya and China continues to soar through bilateral relations and mutual cooperation. The high-profile diplomatic tour by the Chinese Premier, Li Keqiang, to Kenya on May 11, 2014 signified Beijing's new effort to consolidate its relations with Kenya as the basis of its economic strategy in Africa, which is widely viewed as the new frontier of global competition for resources and markets. The following brief (Figure 1), part of the Citizen Security Project of the Africa Policy Institute, examines the many agreements made between Kenya and China (Africa Policy Institute 2014)

Figure 1

LIST OF AGREEMENTS TO BE SIGNED DURING THE VISIT OF H. E. PREMIER LI KEQIANG ON SATURDAY 10TH MAY, 2014 AT STATE HOUSE – NAIROBI

	Agreements	Kenyan Signatories	Chinese Signatories
✓ A5 ¹	1. Agreement on the Economic and Technical Cooperation between the Government of the Republic of Kenya and the Government of the People's Republic of China (Grants)	Henry Rotich Cabinet Secretary for The National Treasury of Kenya	H. E. Gao Hucheng, Minister of Commerce of China
A5 ²	2. Agreement on the Economic and Technical Cooperation between the Government of the Republic of Kenya and the Government of the People's Republic of China (Interest Free Loans)	Henry Rotich Cabinet Secretary for The National Treasury of Kenya	H. E. Gao Hucheng, Minister of Commerce of China
A5 ³	3. The Framework Agreement on the Provision of Concessional Loan between the Government of the Republic of Kenya and the Government of the People's Republic of China	Henry Rotich Cabinet Secretary for The National Treasury of Kenya	H. E. Gao Hucheng, Minister of Commerce of China
	4. Exchange of Notes on Provision of Materials for Wild Animals Protection ✓	Henry Rotich Cabinet Secretary for The National Treasury of Kenya	H. E. Gao Hucheng, Minister of Commerce of China
	5. MoU between the Ministry of Transport and Infrastructure of the Republic of Kenya and Ministry of Commerce of the People's Republic of China on Aviation Cooperation	Eng. Michael Kamau Cabinet Secretary for Transport and Infrastructure	H. E. Gao Hucheng, Minister of Commerce of China
	6. MoU on Agricultural Cooperation between the Government of the Republic of Kenya through the Ministry of Agriculture, Livestock and Fisheries and the Government of the People's Republic of China	Mr. Felix Koskei Cabinet Secretary for Agriculture, Livestock and Fisheries of Kenya	H. E. Wang Yi, Minister of Foreign Affairs of China
	7. MoU between the Government of the Republic of Kenya and the Government of the People's Republic of China on Health Cooperation	Mr. James Macharia Cabinet Secretary for Health of Kenya	H. E. Wang Yi, Minister of Foreign Affairs of China
	8. MoU between the Ministry of Environment, Water and Natural Resources of the Government of the Republic of Kenya and the State Forestry Administration of the People's Republic of China on Cooperation in the Fields of Forestry and Ecological Conservation	Prof. Judi W. Wakhungu Cabinet Secretary for Environment, Water and Natural Resources Judi W.	H. E. Wang Yi, Minister of Foreign Affairs of China

	9.	MoU between the Ministry of Sports, Culture & The Arts of the Government of the Republic of Kenya and the Ministry of Culture of the People's Republic of China on the Establishment of a Cultural Centre	Dr. Hassan Arero Wario Cabinet Secretary for The Sports, Culture and the Arts	H. E. Wang Yi, Minister of Foreign Affairs of China
	10.	MoU on Establishment of China-Kenya Joint Laboratory for Crop Molecular Biology between the Ministry of Education, Science and Technology of the Government of the Republic of Kenya and the Ministry of Science and Technology of the People's Republic of China	Prof. Jacob Kaimenyi, Cabinet Secretary for Education, Science and Technology of Kenya	H. E. Wang Yi, Minister of Foreign Affairs of China
	11.	MoU on Investment Promotion Cooperation between Kenya investment Authority and Investment Promotion Agency of the Ministry of Commerce of the People's Republic of China	Dr. Moses Ikiara Managing Director of Kenya Investment Authority	Mr. Liu Dianxun Director General of Investment Promotion Agency of the Ministry of Commerce of China
AS 7	12.	Government Concessional Loan Agreement on Kenya Nairobi 132KV and 66KV Network Upgrade and Reinforcement Phase II Project	Henry Rotich Cabinet Secretary for The National Treasury of Kenya	Mr. Li Ruogu President of China EXIM Bank
AS 5	13.	Agreement between Tana and Athi River Development Authority and Ministry of Environment, Water and Natural Resources and China State Construction Engineering Corporation Limited for the High Grand Falls Multipurpose Dam Project	Mr. Steven Githaiga Rumuku Managing Director of Tana and Athi Rivers Development Authority of Kenya	Mr. Chen Guocai Vice President of China State Construction
AS 6	14.	Cooperation Framework for Promoting Small and Medium Enterprises Development in Eastern and Southern Africa between PTA Bank and China Development Bank	Mr. Admassu Tadesse CEO, PTA Bank	Mr. Wang Yongsheng Vice President of China Development Bank
	15.	MoU concerning the Cooperation in the Aviation Industry in Kenya and the wider East African region	Mr. Anwar Majid Hussein, Chairman of Board of Directors of Astral Aviation Airlines, Kenya; Mr. Japheth Kisilu, Chief Executive of Consolidated Bank	Mr. Chen Feng Chairman of the Board of Directors of Hainan Airlines; Mr. Lu Qingcheng, Vice President of China-Africa Development Fund

The Chinese Premier, Li Keqiang, and the current president of Kenya, Uhuru Kenyatta, signed agreements that encompassed technological transfers, technical assistance through education, energy and infrastructure assistants through loans, grants, and FDI. The brief above shows the list of 15 agreements that were signed between the two nations. Four of the 15 agreements deal directly with agriculture and environment, specifically, the provision of materials for wild animal protection, agricultural cooperation, forestry and ecological conservation, and crop molecular biology research. Five are general agreements in regard to grants, loans, investment and other economic arrangements, and four are related to infrastructure and transport, including the provision of Chinese support for electrification and dam construction in Kenya. The remaining two agreements are related to health and the creation of a cultural center.

President Uhuru Kenyatta gave a speech that praised and lauded the China-Kenya relations in reference to aid and FDI between the two countries. President Kenyatta was quoted saying, “Today, we celebrate the signing of the agreements for that new line. After setbacks, and heated disagreements, we found an honorable partner in the People’s Republic of China. Where the colonial power was committed to inequality of treatment, division and distrust, the relationship between ourselves and China is founded, as the Prime Minister reminded us recently, on four basic principles: treating each other sincerely and equally; consolidating solidarity and mutual trust; jointly pursuing inclusive development; and promoting inventive practical cooperation between our countries” (President Kenyatta Speech, 2014).

According to the African Policy brief published on May 1, 2014, “A 2013 survey showed that China is rapidly replacing the US and Britain as the top source of inspiration for many

Kenyans, with 34 per cent of them looking up to Beijing as a role model and destination for business opportunities, technology and infrastructure development” (Africa Policy Institute 2014). In the view of Kenyan officials and policy-makers, certainly, FDI and aid from China has done an enormous amount to help Kenya see the fruition of Vision 2030.

CHAPTER FOUR

RESEARCH METHODOLOGY

Introduction

In this chapter, I discuss the issue of the research methodology that underpins the results and their validity. This chapter intends to contextualize the research and in doing so, it seeks to discuss the overall methodological framework of the study.

As described in the previous chapters, this thesis draws from development approaches and theories of economic growth. Below, I describe my approach to studying and researching donor FDI and aid to Kenya. It's important to examine variables, which determine or stimulate growth and development and in this thesis; I have examined two, which are FDI and aid from foreign donors (The West and China) towards Kenya, and its effectiveness to the development efforts of the nation.

Methodology of a research according to scholars is the overall description of a research activity (Clarke R.J. 2005). That is, a methodology will describe or specify the various methods to be used throughout the research, the research paradigm(s) to be used in a research process and (research design) that is the method applied in collecting the research data, sampling methods, concepts to be used, down to the data analysis approach (Clarke R.J. 2005, p. 34). Again, methodology is '...the way in which a researcher conducts research' (Jonker J. & Pennink B., 2010). This means the various steps and procedures to be taken to come up with an analysis of the effectiveness of China FDI and aid to Africa and specifically Kenya and how these steps and procedures will be applied all through the project. In addition, this study focused on qualitative

research method to obtain qualitative data from the interviews and quantitative data from the questionnaires to illustrate the effectiveness of Chinese aid and FDI compared to the West donors.

I use a case study approach of Kenya to illustrate the importance/need for development through donor FDI and aid as is the use of semi- structured interviews and questionnaire, this approach will be used to evaluate the perceptions and thoughts of the Kenyan civil servants and academics on the effectiveness of the aid and FDI in the development quest of the nation using official documents, reports policies and other sources. The same methodology will be applied in the discussion of findings chapter and in respect to analysing the questionnaire survey administered both qualitative and quantitative approaches were adopted and as a result of the overall mixed method approach differences and effectiveness of the Chinese and the West FDI and aid effectiveness emerge, “in order to capture the social processes by which individuals and groups construct ideas about... FDI and aid ” (Bickerstaff & Walker 2003, pp. 49-50).

In the next pages, I describe my approach to studying the knowledge and thoughts of the Kenyan and civil servants in regards to the effectiveness of the Chinese FDI and aid compared to the Western donors, using qualitative research methodology in this project, including structured interviews and surveys.

4.1 Assessing (Donor) FDI and AID Knowledge to Kenya (Recipient)

Kenyan academics and civil servants were ask to voice their views, opinions and perceptions of the China-Kenyan relationship, aid, and FDI as it relates to sustainable development, infrastructure, the economy, and the environment compared to the Western FDI

and aid by use of a survey and a semi-structured interviews that were composed of open-ended questions that invoked or probed for more discussion and information and that, made it easier to measure the Kenyan population's ideas of the advantages and drawbacks of FDI from China compared to other western countries from the chosen sample of participants.

Therefore, Kedzior (2011) approach is suitable for my methodological approach to use a qualitative approach to measure knowledge, stating ; quantitative data is therefore used to identify patterns among a sample population in order to illuminate shared social knowledge and experience, and to avoid the potential qualitative pitfall of privileging individual knowledge or experience. Qualitative data, on the other hand, is used to explore the "richness and depth" that often eludes more quantitative approaches, while illuminating the processes through which diverse types of FDI and aid knowledge are reproduced, reconciled and contested.

Ghuri and Grønhaug (2002) also argued that a qualitative method of data collection is more subjective in understanding matters while quantitative approach is objective. Additionally, the authors emphasise that a quantitative approach is mostly used to gather data in a large sample while qualitative can be used in a small sample. Also an in- depth of study can be obtained through interview, observation, focus group and other instruments.

The following section on data collection provides a detailed discussion of each of the methods used to gather data for this project, addressing concerns related to data sources, instrumentation, sampling techniques, participant selection, and data storage. I then describe methods of data analysis before concluding with a discussion of some of the ethical and practical considerations that arose over the course of this project.

4.2 Research Design

The research design depends on 1) the type of research question; 2) the control over behavioral events; and 3) focus on contemporary events (Yin, 2003). The research question in this paper is a how question, what Kenyan academics and civil servants think about the foreign direct investments from China to Kenya, particularly as it compares to that of other Western donors. To acquire, interpret and organize their feedback, my survey includes the following questions: (1) How has Chinese aid to Africa and specifically Kenya been advantageous or disadvantageous in terms of development and sustainability? (2) How do they (the academics and civil servants) perceive the overall effectiveness of Chinese aid in Kenya? Hence, the design for this study is characterized as a case study (Yin, 2003).

A research design specifies a framework of how the researcher intends conducting the research process in order to solve the research problem (Babbie & Mouton, 2002; Bryman & Bell, 2007; Burns & Grove, 1993; Leedy, 2001; Ritchie, 2001). The researcher had to decide on an appropriate research design for the conduct of this research. Full account was taken of the purposes of the research and the skills and resources available to the researcher (Babbie & Mouton, 2002).

Research design is concerned with selecting the right dimensions and units to be investigated (Wad, 2008), and Yin (2003) identifies three types/designs of research relevant for a case-study approach:

1) Exploratory: useful when the problem is difficult to structure and when there is uncertainty as to what models to use and what characteristics and relations are important (Cooper and

Schindler, 2008). Moreover, it is useful when there is a need to clarify the understanding of a problem (Saunders et al, 2007)

2) Descriptive: Saunders et al (2007) states that descriptive studies are useful to gain a clearer picture of a particular phenomenon and that it is often a forerunner for exploratory or explanatory studies. They are more structured and formalized than exploratory studies and with clear hypotheses and research questions (Cooper & Schindler, 2008)

3) Explanatory: these studies go beyond what is described by descriptive studies and establish causal relationships between variables (Saunders et al, 2007) Theories are used to explain why a certain phenomenon occurs (Cooper & Schindler, 2008) and finally it provides an explanation for an event (Saunders et al, 2007).

This study addresses a complex problem and there is a need to explore it in order to identify relevant theories and clarify understanding of the problem. Hence, it takes on an initial descriptive design, establishing the theoretical foundation for the problem area. Subsequently, it moves on to a more exploratory design in order to analyze the important characteristics for exploiting the FDI and aid potential in development and sustainability of the nation of Kenya, the role and differences of foreign investments and aid from the Chinese or Western donors and the effect on poverty reduction.

4.3 Selection of the Case Study

The chosen research design is a case study, since it emphasizes full contextual analysis of a few events or conditions and their interrelations (Cooper & Schindler, 2008), which can be conducted as single or multiple cases (Yin, 2003). Yin (2003, p.13) defines the case study as a

research strategy that investigates a contemporary phenomenon within a real-life context especially when the boundaries between phenomenon and context are not clearly evident. This study complies with this definition, since the contextual conditions are believed to be significant in examining the donors FDI and aid in Africa and specifically Kenya. Hence, this is a single case study of the FDI and aid in Kenya.

A multiple case study has a clear advantage since it is easier to validate the findings and generalize from them. However, a single case study allows for more in-depth analysis and emphasis on details allowing for more strategy and evaluation (Cooper and Schindler, 2008). Here the generalization from the case study is done analytically by expanding theories instead of statistical generalization (Yin, 2003). Thus, this study is a single case study with multiple units of analysis, where the context surrounds the case (donor FDI and aid in development and sustainability in Kenya), which surrounds the units of analysis: stakeholders (investors, donors, government of Kenya (GOK)), industry and consumers and their characteristics (FDI, aid, donor finance, policies) (Yin, 2003). Moreover, throughout my thesis I have mentioned other case studies (countries) to highlight the same problems and solutions that Kenya is going through and the different approaches from the people and their leaders.

4.4 Research Strategy

The research strategy is about choosing the direction of the research process, and whether it is theoretical or empirical (Wad, 2008). There are two main research approaches; the deductive and the inductive. A combination of the two is called the abductive approach. Deduction is mainly about testing theories against empirical data and observations, thereby examining whether propositions are true or valid. This is done based on true premises that lead to valid

conclusions; e.g. if the premises are true the conclusion is also true. However, it can be difficult to assure that other causes of effect are not the actual reason for the event. (Cooper and Schindler, 2008)

The chosen strategy in this research originates from a combination of semi-structured, in-depth interviews, surveying and desk research. The combination of investors FDI and aid in the development and sustainability of Africa and specifically in this case study Kenya as a recipient offers opportunity for both qualitative and quantitative explanations. In the previous chapter I discussed Kenya FDI and its effects on development. The very essence of FDI studies is based on extensive quantitative and comparable research, leaving little room for representations, experiences and personal motives behind these deliberate investments, In order to find out the reasoning behind FDI and aid and analyze the influence of locational characteristics (Voorpijl, 2011). In this study, I will focus on the qualitative side of FDI and aid in one specific country (Kenya). The aim will be to find the effects of the emergence of Chinese FDI and aid on the development and sustainability of the Kenyan environment compared to the Western donors through the eyes and the thoughts of civil servants and the academics.

4.5 Method

While the methodology explains how the research is undertaken, this section discusses the method for answering the research questions. This study is mainly based on a qualitative method and limited/ simple qualitative methodology as shown below in the data analysis sub heading, since the goal is to gain in-depth knowledge about my informants' views on Chinese aid and foreign direct investment (FDI), their effects on national economic and social development,

and the emergence of Chinese economic interest in Kenya, compared to the existing or ongoing Western FDI and aid.

McDaniel and Gates (2006) define qualitative research as one whose findings are not subject to quantification or quantitative analysis, whilst quantitative research uses mathematical and statistical methods to analyze results and reveal information. Qualitative research often provides a lot of information at a lower cost than quantitative research. Insights gained as a result of qualitative research can be used to improve the efficiency of quantitative research.

When choosing among these two research approaches it is again important to consider which research problem for my thesis, and what kind of information I need to solve it. Since in this study I need to understand the in-depth knowledge and thoughts of the Kenyan civil servants and academics, I am going to build my research on the qualitative method. Its unstructured approach will allow the research participants to express themselves freely and provide answers and insights that I may not have even thought of. Furthermore, this method will increase the validity and reliability of my study due to the fact that I will collect primary data, own words of the civil servants and academics. Validity and reliability aspects will be further discussed in the following sections.

On the other hand, all qualitative data can be coded quantitatively and all quantitative data is based on qualitative judgment (Trochim & Donnelly 2006). In that sense it could be argued that my research will have a quantitative aspect, since the results of the qualitative research will be coded and given values in order to be able to analyze and compare them.

4.6 Data Collection

According to Yin (2003) there are six sources of evidence available in the data gathering process, which include: Documentation, archival records, interviews, direct observation, participant observation and physical artifacts. In this study this study four of the six are all applied to some extent (see table 1). A large advantage of the case study design is that it allows for the use of multiple sources of data (Yin, 2003). This can compensate for the relatively narrow data sample of a case study compared to other research designs such as surveys and experiments; thereby making it more reliable and valid. Accordingly, triangulation is useful in case study research and can be defined as the use of two or more independent sources of data or data collection methods (Saunders et al, 2007, p. 614).

This study uses triangulation in collecting data by open-ended questions interviews combined with quantitative data from secondary sources (literature review)...(Saunders et al, 2007; & Andersen, 2003). Then the data from the primary data is coded for quantitative data to identify patterns among the sample population in order to illuminate shared social knowledge or experiences and to avoid the potential qualitative pitfall of privileging individual knowledge or experience. Qualitative data as mentioned previously, on the other hand, is used to explore the “richness and depth” that often eludes more quantitative approaches, while illuminating the processes through which diverse types of knowledge are reproduced, reconciled and contested (Kedzior, 2011)

Table 5: Sources of evidence for this research

Source of evidence	Appliance in this study	Data type	Data impact
Documentation	Journals, articles and reports	Secondary	Strong
Archival records	News articles, reports	Secondary	Normal
Interviews/ questionnaire	With key informants: civil servants and academics	Primary	Strong
Direct observations (informal field research)	Two weeks presence in the country (informal)	Primary	Normal

Source: Yin (2003)

Triangulation has been performed in this study because a single method is not adequate to solve the research questions that are being explored by the researcher. Moreover the use of the four sources employed in this study enhances the validation of the collected data. As cited by Jennings (2001, p.15) “triangulation is not a tool or a strategy of validation, but an alternative to validation” (Denzin & Lincoln 1994 p.2.)

An operational plan was constructed to assist in carrying out the data collection activity. The plan was to draw from a triangulation approach three main sources of information, documentation review, questionnaire and interviews, archival records.

4.6.1 Primary Data

Preliminary outreach using field research was conducted in an informal manner beginning on September 20 and going through October 9, 2014 during my visit to Kenya. During this phase of the research, I identified many issues and concerns, that those interviewed thought to be of great significance to understanding the China-Kenya relationship. Moreover, this

approach helped me find interviewees who were then invited to become formal research participants for my questionnaires. At the outset, I relied on my father; a now retired mechanical and civil engineer with The Nairobi City Council, Water and Sewer Department, to direct me (snowball sampling) to active civil servants.

Another institution that I relied on was Daystar University, where I found and later interviewed students and professors in development and economics, who gave me valuable input.

These informal conversations were important to understanding China-Kenya relations, aid, and FDI, as well as its potential impacts on the future of Kenya. Following the informal conversations, I held more formal emails and phone conversations. Afterwards, I contacted the participants by email, asking them if they were willing to participate in the surveys and interviews. I gave the participants the option to give me feedback by email or phone conversations. All 20 participants (10 students, 5 civil servants and 5 professors) agreed to give me feedback through phone conversations for the response questions, which required more in depth conversation and thought than the other surveys.

The interviewees were selected based on their knowledge and accessibility and were made up of 10 student (completed bachelor's degree pursuing a master's degree) participants, 5 professors in academia and 5 participants in active civil service in various ministries of the Kenyan government. The Interviews were semi-structured with some pre-prepared questions for each interview, allowing for open-ended discussion in relation to the thesis research problem and questions.

4.6.2 Survey Method

Surveys are useful for obtaining information and opinions from a broader segment of a population than may be possible with other methods, like interviewing. However, the breadth of data collected using survey methods is often done at the cost of depth of analysis: questionnaires, even when field tested, are predesigned and unable to be adjusted in the field without a cost of comparability between samples, responses are often limited to those pre-selected by the researcher, and, even when more qualitative, open-ended questions are included in a survey (as in this case), researchers are rarely able to delve deeper into participant's responses or to encourage the type of back-and-forth exchange and cooperative exploration possible with more qualitative methods. Many of these shortcomings can be productively addressed by combining surveys with other qualitative methods, like interviewing (Kedzior, 2011)

In this thesis I have combined the use of survey and questionnaire method referred to as a mixed method approach so as to be effective in combining the informants knowledge and thoughts expressed in the interview and questionnaires for analysis and a more complete picture of their perceptions and in this study to answer the research question. This mixed method approach used in this study offers more information from the participants of the study and broader depth of their answers and also aided in the research design element purpose.

The surveys were administered to the participants/ respondents via email because of lack of direct access and proximity to them since I was in the United States after the informal fieldwork. The surveys were sent to the participants after the phone interviews and vice-versa for the ones that I had not been able to reach by phone at that time (scheduled times for phone

interviews) due to different time zones and their availability due to work or other issues that arose.

The survey Instrument (see Appendix C) was designed with an array of exploratory questions that were blended with open –ended questions that provided the respondents a chance to offer their insights into the project. The questions were structured in such a way that they were specific and the language was kept simple for clarity to ensure a robust and well-developed questionnaire.

Together with the questionnaire emailed to the respondents I included an informed consent for the respondent that informed them that I was student and their responses were voluntary and would be kept anonymous.

4.6.3 Interviewing

The interview process for this research was conducted via the telephone. The informants that I had met and spoken to during the informal field work and also through snowballing sampling technique had provided me with their contact information and I was able to reach them at various times for an interview. In this project informal and semi- structured interviews were employed in this research together with the use of a survey to fill in the knowledge gaps and also for more in depth investigation.

The respondents were selected based on if they were academics or civil servants. The civil servants interviewed were from various government sectors and the academics were either masters' degrees students or professors actively teaching in university.

The interviews were conducted via the phone after reading for the respondents the

informed consent that was also emailed to them prior to the phone interviews taking place. The interviews were semi- structured with some pre- prepared questions (see Appendix C) but also allowed for a conversational interview with the respondents.

The IRB consent form only permitted respondent's answers to be recorded using hand written notes. This was particularly helpful in my research due to the nature of the sensitivity of the information that I was asking and the respondents would have eschewed or become resistant to the interviews if I had used any form of digital recorders.

The respondents however were made aware that I was recording the interview by pen and paper. Therefore the author's notes were used exclusively in tandem with the questionnaire survey results for validity and data analysis, which is discussed later. The interviews were conducted in English but from time to time the respondents in answering the question would revert to Swahili and back to English.

With the interview questions being semi- structured and having an open form I was at an advantage in gathering data from the respondents because this form offered a free- flowing exchange of conversation between the participant and I, which was exploratory due to the research design used in this project.

4.6.4 Secondary Data

Other research methods included the referencing of secondary sources. This phase of the research was conducted at Towson University the summer of 2014, but was ongoing for data. Secondary sources were composed of archival records, journal articles, policies and other documents (journals etc.) from other experts in the field and books that had been written on FDI

and aid in the global south and or Kenya specifically. Identification of texts and later subjections of the research analysis allowed me to gain insight into the FDI and aid and better understanding to their application in development efforts in the Global South. All theses texts including were grouped into subsets according to type such as academic journal, articles, policy documents etc.

Most policy documents were available online, from a variety of internet sites, and I was able to perform an elementary policy analysis of Kenyan environmental policy, and also consult the Kenyan Vision 2030 document for an outline of the developmental needs of the country as a whole. Newspaper articles that contained information of Chinese and the West FDI and aid were also collected via the Internet.

Table 6: List of newspapers accessed in print and online

The Daily Nation

The Washington Journal

Standard Newspaper

China Daily

4.7 Method Critique

The qualitative method does not allow for a precise assessment of measurable effects of FDI and aid. However, this study aims for an in-depth analysis of the thoughts of the Kenyan civil servants and academics towards the Chinese and the Western FDI and aid in relation to development efforts, and therefore a qualitative method is considered most relevant.

The respondents that were interviewed may have had some bias towards their answers given (data collected) However, I have attempted to overcome this by incorporating extensive

secondary literature included in this research. Also primary data has been used to build on secondary data, meaning that there is balance between the two sources and therefore reliability and validity should be assured.

4.8 Data Analysis

Data analysis consists of triangulation in the form of in-depth and semi-structured open-ended interviews, documentation, archival records, and observation, as mentioned earlier which creates larger validity and reliability of the findings. Hence, data triangulation occurs when all these sources of data are used in data collection with the aim of supporting the analysis and findings.

In this project I used two primary data analysis discursive with simple statistical analysis (percentages) and textual analysis. While there are multiple forms of textual analysis employed in human geography, my search for meanings embedded in texts leads me to adopt a discursive approach. Discourse analysis involves the search for interconnected discursive statements in text. Discursive statements “structure the way a thing is thought, and the way we act on the basis of that thinking” (Rose 2001, p.136; Kedzior 2011).

In order to analyze the gathered data, pattern matching is used to draw conclusions based on similarities and differences in the collected data and the theoretical propositions (Yin, 1994). Hence, data reduction is applied in order to sort out what data is relevant by selectively focusing on parts of the data, as well as summarizing and simplifying the collected data (Saunders et al, 2007).

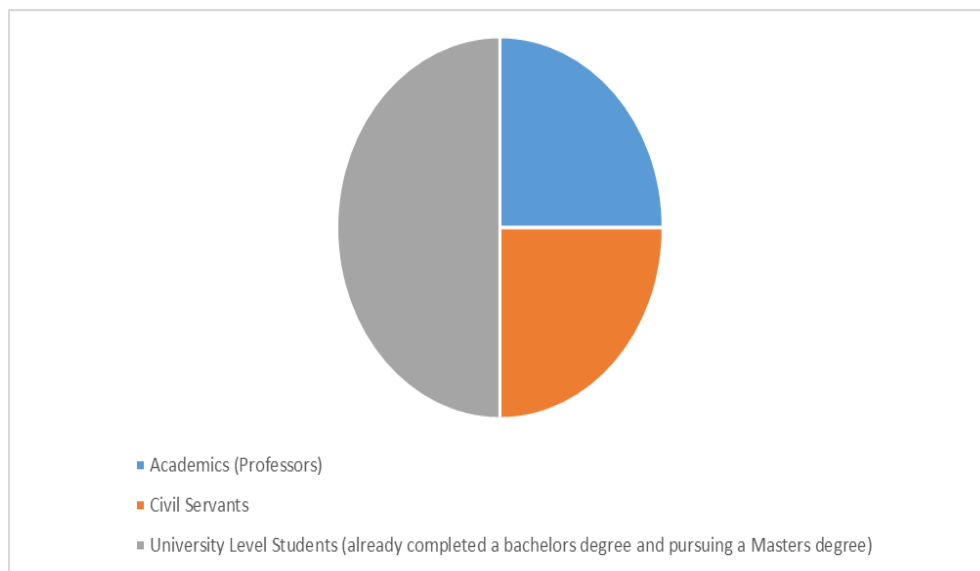
Table 7: Numbers of respondents were 20 out of 35 initially contacted. The table and figure

Table 7: Below shows the categories of respondents.

Respondents/informants (Survey/ Interviews)	Number
Academics (Professors)	5
Civil Servants	5
University Level Students (already completed a bachelor's degree and pursuing a Master's degree)	10
Total	20

(Source: from data)

Figure 2



A key criterion was to select based on key words related to the problem area from the data sources, which included the primary and secondary data. In this way internal validity is assured, since irrelevant data is left out of the analysis and relevant data is organized and structured based on the triangulation of various data sources.

Most of the data collected were subject to analysis including the surveys, interviews. Particular attention was put forward in finding FDI and aid knowledge in the texts for explanatory language they provided.

The survey data was analyzed using descriptive key words gathered from the survey feedback, which was then entered in tables and recorded for repetitive key phrases or words. For example all (100%) my respondents in the interview mentioned the word “corruption” found in the existing government and also the word “ conditions” which they stated came with the western FDI and aid in comparison to the Chinese FDI and aid.

From the survey data simple percentage calculations were performed for example percentages of the respondents who participated in both the survey and the interview.

Table 8

Respondents	Interview by phone	Response rate (%)	Returned survey	Response rate (%)
Academics (professors)	5 out of 5	100%	4 out of 5	80%
Civil servants	5 out of 5	100%	4 out of 5	80%
Masters' Level Students	10 out of 10	100%	4 out of 10	40%
Total	20	100%	12 out of 20	60%

Source: from data collected

The combination of data and their subjection to a mixed-method analysis was most helpful when comparing findings across data sources. Information gathered in interviews with the civil servants and academics could be crosschecked with similar data collected from the survey (key words), and the survey data could be compared with evidence from interviews with the civil servants and academics, which created room for validity of the research.

While this thesis adopted a mixed-method research design, the methodology was more qualitative than quantitative in nature. Even the quantitative component, the survey, contained a number of open-ended and interpretive questions (see Appendix B). Therefore, this project is open to the same critiques levied against all qualitative research, namely that it is difficult to determine validity or dependability of the data and that data analysis relies on interpretation. While the necessity of validity in qualitative research is debated (Wolcott 1994; Kedzior 2011), the use of mixed methods allows for some degree of cross-checking for validity. Survey findings were consistent with the opinions, critiques, and concerns that were identified during the interviews with the civil servants and academics.

Below I have included tables and summarized findings created from the survey instrument responses for analysis of key words and phrases (for interpretations and validation), which were combined in the analysis and discussed in the findings chapter, that follow.

1. What are the Key sectors attracting foreign direct investments and aid in Kenya?

Respondents	i	ii	iii	iv	v
1	Infrastructure	Energy	Mining	Politics	
2	Economy	Trade	Infrastructure	Environment	Science & Technology
3	Politics	Strategic location	Economic growth	Primary sector	Private sector
4	Tourism	Infrastructure	Health	Communications	
5	Agriculture	Forestry	Arts	Communications	
6	Real Estate	NGO's	Entertainment Industry		
7	Trade	Mining	NGO	Education	
8	Transportation	Agriculture	Metallurgy	Import/export	
9	Chemical	Raw materials	NGO	Agriculture	Health
10	Economy	Trade	Infrastructure	Media	Industry
11	Trade	Service	Horticultural	Textiles	Agriculture
12	Agriculture	Energy	Mining		

Responses Summary by sector	No of analyzed appearance
Agriculture, and forestry	6
Mining	7
Manufacturing	4
Construction	7
Transport/communication	5
Financial Services, Real Estate & accommodation	3
Education/Health	4
Public administration & Defense	4

Source: Analyzed data

According to the analyzed data summary outlined from the responses above, major sectors of the Kenya environmental are attracting FDI for significant growth and development of the nation in providing employment; increase stability and overall economic growth.

2. What are the major differences of FDI and aid between China and the United States?

Respondents	i	ii	iii	iv	v
Respondent 1	China has no condition	Government-government agreement	More change towards development than U.S	Interest free loans	
Respondent 2	No response				
Respondent 3	West has stringent condition	China has less conditions	China has a no ideological push	U.S pushes ideologies	China does not interfere
Respondent 4	Conditions of investment	Interference in internal affairs by U.S	China delivers what it has promised		
Respondent 5	West is only concerned on health	China is thorough in completion of projects	China- Joint Ventures		
Respondent 6	China is reliable	China has tangible projects	U.S has many conditions	China delivers	
Respondent 7	The Chinese use their own Labor	The U.S has many conditions	China- Interest free loans		
Respondent 8	China is business oriented	U.S is more humanitarian	China is more for tenders	U.S is more for NGO	
Respondent 9	Business minded	U.S is Humanitarian	China- joint aid trade and investments		
Respondent 10	U.S has conditions	U.S- Humanitarian	China- what I have for what you have		
Respondent 11	China uses their labor	U.S provides local employment	U.S is self-serving		
Respondent 12	China business oriented	U.S Humanitarian activism			

Source: Data collected

Summary of the Responses

China	United States of America
Business oriented	Humanitarian/Activism
What I have for what you have/no strings	Conditions
Interest free loans	High interest loans
Brings their own labor	Provides local employment
No interference with internal affairs	Interferes with internal politics
Offers tenders	Offers NGO's
Known to complete projects/reliable	Has halted projects/unreliable
State serving	Self-serving
No Ideological pushes	Pushes Ideologies
Offers more support towards development	Less supportive towards development
Joint government-government ventures	Less joint ventures

Source: From Data collected

From the response summary of the data compiled, it's clear to see that there is a great difference in both donors FDI and aid according to the academics and civil servants views.

3. Other than investing money, how do you think the country benefits from the presence of the Chinese Government contributions and close ties?

Respondents	i	ii	iii	iv	v
1	Bilateral relationship	Political trust	Close coordination of development	Higher education for Kenyan students	Progress in growth of international and regional affairs
2	Tourism	Development aid	Investment in middle income	Sports and cultural exchange	Eastern Medicine
3	Jobs creation	Trade partners	Friendly relations	More aid	Easy relations
4	More options to choose-trade partners	Technology transfer	Training	Debt forgiveness	Soft loans
5	No benefits	Prevent the Industries from growing	Technology transfer	Training	Sport/Stadiums
6	Cultural exchange-language	Intermarriage	Cheaper goods	Globalization	Loans
7	Culture is shared	Cheaper goods	More options	Non repay aid/loans	Ports infrastructure
8	Culture is shared	Technology transfer	Growth of private sector		
9	New ideas of development	Technology transfer	Training	International Markets	Resorts
10	Improved infrastructure	Health care options/facilities	Higher education	Cultural exchange	
11	Entertainment	New roads/highways	Exploration of minerals	Official buildings	Loans
12	Low % loans	Creation of industry	Private sector	Import export	New policies

Summary of the responses

Benefits	Appear(s)
Technological Benefits	6
Loans/forgiveness	6
Social benefits	7
Secondary cultural benefits	6
Development of infrastructure	9
Political benefits	9
Economical benefits	10

Kenya is greatly benefiting from the presence of the government-to-government cooperation with China, many of the informants cited economic, social and secondary benefits including development in infrastructure and goodwill among others after reviewing and analyzing the data.

4. What are the challenges facing foreign direct investment in East Africa and particularly Kenya?

Respondents	I	Ii	Iii	Iv	v
1	Discrimination	Competency	Corruption	Lack of Updated policies	Lack of data
2	Competency	Transparency	Unequal balance of trade	Political Instability	
3	Export oriented	Environment degradation	Corruption	Human rights	Labor rights
4	Taxation	Poor structure of business	Loop holes in the government system	Lack of data	
5	Corruption	Corruptions	Corruption	Environment degradation	Competition

6	Security threat	Infrastructure development	Length of registration period	Corruption	CSR
7	Corruption	Security	Transparency	Lack of data	
8	High Taxation	Terrorist Claims	Corruption	Loss of markets for local traders	
9	Competition from local industries	Lack of political Goodwill	Insecurity	Infrastructure	
10	Corruption	Transparency	Cheap china products		
11	Lack of CSR policies	Corruption			
12	Corruption	Internal security			

Summary of responses

Challenges of FDI	Count
Corruption	11
Infrastructure development	2
Internal security/politics	4
Transparency	3
Rights- Labor/human	2
Lack of policies	8
Others	2

Corruption, and lack of policies were challenges cited by the informants most.

5. What are the challenges facing FDI & AID in East Africa and particularly Kenya? Any differences in your opinion of the FDI and aid in Kenya from China and Western donors?

Respondents	i	ii	iii	iv	v
1	China debt relief	China investments backed by government	Western aid –social political areas	China- Infrastructure development	
2	No response				
3	U.S negative agenda than China	Less conditions			
4	Chinese terms are straight forward	They both look out for their interests	U.S -interest in Human rights	Encourage trade win -win	
5	China more friendly	Conditions	Interference		
6	China is raising the living standards of Kenya	U.S Social/environment responsible	China- no aggregate data		
7	Chinese FDI is more innovative	U.S & China both have agendas			
8	China offers access to international markets	Both for their security	U.S- SAP		
9	Clear objectives from china	Hidden agendas	China- top down approach	U.S- grassroots	
10	China- market driven	U.S- SAP			
11	South- South	Targets resource rich countries-China			
12	Hidden agendas	Natural resources seeking- China/U.S			

China	United States of America
Offers Debt relief	Aid focused on social, political area
Investments are backed by the government	Often interferes with internal affairs
Infrastructure development	Terms come with conditions
Terms are straight forward/clear objectives	Structural Adjustment Programs (SAP's)
Encourage trade (win-win)	Grassroots movements
More friendly	Social & environmental responsible
South-South	
FDI and aid raising living standards for Kenyans	
FDI more innovative	
FDI offers access to international markets	
Top- down approach	
Market driven	

Source: From Data

Although the informants supplied more benefits for the China FDI and aid, they also expressed that the U.S was more social and environmental conscious than the Chinese and expressed concerns that both parties have hidden agendas for resources that accompany their interests in the nation.

6. Is the FDI and aid from China aiding in achieving the millennium developmental goals (MDG) compared to the West? If so, how or why not?

Respondents					
1	Yes!	Infrastructure	Training	More agricultural production	Jobs creation
2	Yes!	Offers linkages to amenities	Good housing		
3	Yes!	Loans for resources provision			
4	Yes!	Stable source of finance			
5	Yes!	Long term goals from China	U.S can opt out any time		
6	Yes!	Technology	Access		
7	Yes!	Unconditional support	Shared experiences of poverty		
8	Not sure				
9	Yes and no!	Both are			
10	Yes!	Shared experiences			
11	Yes!				
12	Yes!				

In response to this questions 10 of the 12 informants expressed positively that the FDI and aid from China was aiding achieve the MDG's. However one informant was not sure while one expressed both a yes and a no. Some of the reasons that the positive informants mentioned included; New technology, long term goals, steady supply of finance for projects, job creation,

unconditional support, also 2 of the 12 informants cited that China and Kenya have shared experiences of poverty.

CHAPTER FIVE
DISCUSSION AND FINDINGS

*Upon an island hard to reach
the East Beast sits upon his beach.
Upon the west beach sits the West Beast.
Each beach beast thinks he's the best beast.
Which beast is best?... Well, I thought at first
that East was the best and the West was worst.
Then I looked again from the west to the east
and I liked the beast on the east beach least.*

Dr. Seuss, West Beast East Beast

Sustainability: Chinese FDI vs. Western FDI

Michael Todaro and Stephen Smith define development as, “the process of improving the quality of all human lives. Three equally important aspects of development are 1) raising people’s living levels – their incomes and consumption levels of food, medical services, education etc. through relevant economic growth processes; 2) creating conditions conducive for the growth of people’s self-esteem through the establishment of social, political and economic systems and institutions that promote human dignity and respect; 3) increasing people’s freedom by enlarging the range of their choice variables, as by increasing varieties of consumer goods and services” (Todaro and Smith, 810).

In recent years, China has deepened its cooperation with Kenya in political, economic and cultural areas through the Forum on China-Africa Cooperation (FOCAC). China has not withheld its loans, grants and FDI incentives in the name of development aid and cooperation. This FDI and aid is the inroad that China has used to gain access to African nations and Kenya in particular.

Kenya has faced myriad internal and external issues that have been barriers to development, such as negative perceptions by investors about political instability, poor governance, corruption, inadequate infrastructure, insecurity, crime, theft, and policy instability (Onjala, 2008). This has affected the well-being of its citizens and the economic growth of the country. Recently, Chinese FDI has been viewed as a catalyst that can pull Kenya toward development.

The United Nations conference on Trade and Development (UNCTAD) in 1999 identified four different types of FDI: natural-resource-seeking, market-seeking, efficiency-seeking, and strategic-asset-seeking foreign investment.

Natural-resource-seeking FDI is the investment in the exploitation of raw materials, which are mainly exported without being transformed. This covers investment in extractive industries like mining, quarrying, and seeking petroleum. Natural-resource-seeking FDI is believed to be more volatile than other investments, given the combination of capital-intensive projects and the sensitivity to the fluctuating world price of oil and minerals (UNCTAD, 2005).

Market-seeking FDI is mainly situated in the manufacturing and service sectors (telecommunication and electricity) in developing countries. It became an important alternative for exporting goods in the 1960s and 1970s, when many developing countries introduced import

substitution policies. Besides trade barriers, high transportation costs, country-specific consumer preferences, and country-specific market structures can be a reason for market-seeking investment.

Efficiency-seeking FDI occurs when part of the value chain is located abroad in order to improve profitability. Traditionally, these investments take advantage of lower labor costs in developing countries by allocating the labor-intensive parts of the production processes there. Efficiency-seeking investment is situated in the manufacturing and service sectors.

Strategic-asset-seeking FDI usually takes place at a more advanced stage of globalization and concerns investment in research-and-development capabilities, mainly in the more advanced developing countries (e.g. software development in India).

Chinese FDI to Kenya mainly falls into the first three types of FDI identified above, that is, extractive, market-seeking, and export-oriented. Extractive FDI implies new development opportunities for mineral rich countries. Recently, discoveries of oil, water reserves, niobium (used for strengthening steel), coal, iron ore, and gold (Kenya Standard newspaper see link below), coupled with the industrial and economic growth prospects in Kenya have made Kenya an attractive FDI recipient. While development efforts rely mainly on the collection of raw materials, the excess is used for export to generate revenue for the country. However, ensuring that these revenues actually materialize requires an adequate legal and institutional framework along with an appropriate balance between the interests of the private sector, China, and Kenya (UNCTAD, 2007).

The role of FDI in the development of low-income countries is controversial. On one hand, FDI is viewed as a major stimulus to economic growth (see, for example, Walden and

Rosenfeld, 1990; Chowdhury and Islam, 1993; Rodan, 1997; Borensztein et al. 1998; Gries, 2002). These authors argue that foreign investors can provide the capital, technical, and marketing know-how needed for growth. On the other hand, however, FDI is sometimes said to undermine the very process of development (Razin et al., 1999). Detractors of FDI argue that FDI can have adverse effects on employment, income distribution, and national sovereignty and autonomy. There is also a danger of foreign reserves diminishing when profits are repatriated (Gathaiya et al. 2014).

Chinese Aid (Development Assistance) to Kenya

Foreign aid is a broad term describing the help one country gives another through some form of donation. The donors and recipients may be government or non-governmental bodies. Donations may go directly from the donor to the recipient, or they pass through other bodies. The purposes of aid differ, but are commonly grouped into three broad categories: relief, military, and development assistance (McCormick, D. et al, 2007). China's aid to Kenya falls under official development assistance from one government to another.

China bases much of its foreign policy on the Five Principles of Peaceful Coexistence, which are: 1) mutual respect of sovereignty, 2) mutual non-aggression against other sovereigns, 3) mutual non-interference in internal affairs, 4) mutual benefit and equality, and 5) peaceful co-existence (Jiabao, 2004).

Chinese aid typically does not fit the description of Official Development Assistance (ODA) as described by Deborah Brautigam. In her book *The Dragon's Gift*, she explains that the rules and norms about foreign aid have been forged not by a global institution, but primarily by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation

and Development (OECD)—a group of countries of which China is not a part. Therefore, to assess China's impact on these rules and norms, it is necessary to have a sound idea of what China is actually doing as a donor. The actual effects of the Chinese Model can at present best be understood by examining the opinions of those academics and civil servants who contribute to the discourse and take part in Kenyan development firsthand.

Some western media members and experts have depicted China as “neo colonists” in Africa, but while they are indeed interested in minerals and raw materials to feed their huge economy and other demands, the West's interests are basically the same in Africa. But, as Joseph Stiglitz notes, “even when not guilty of hypocrisy, the West has driven the globalization agenda, ensuring that it garners a disproportionate share of the benefits, at the expense of the developing world” (Stiglitz, 2003 p.7).

A major difference between western and eastern aid in Kenya is that the Chinese have a non-interference policy, and have been accused of supporting regimes in Africa that are pro-dictatorship. While the west emanates a sense of human rights and good governance in their aid disbursement, Deborah Brautigam (2011) argues that the west has been known to have donor preference, and has also benefitted from supporting dictatorships.

William Easterly (2006), author of *Tyranny of the Experts: The Forgotten Rights of the Poor and an Elusive Quest for Growth* has urged repeatedly that the U.S. and Europe, along with institutions like the World Bank and the IMF, forget and ignore the rights of the poor, particularly when it comes to economic rights and freedom of choice. Easterly argues that many western donor countries affect government to the point of technocracy in recipient countries.

The western technocratic approaches to development traces back to the colonialist era, and nations that have had such experiences with the west are now in favor of the Chinese model of development. Historically, Kenya has followed the western model of development. As Elsie Fourie notes, “Unlike the Washington Consensus, the development paradigm prompted by this lesson-drawing is historically-contingent and views nation-building by a strong, visionary political leadership as the country’s single most important priority. Because it favors large physical infrastructure projects, rapid economic growth, technologically-optimistic solutions and a civilisatory discourse, its divergence from the recent mainstream emphasis on grassroots participation, 'basic needs' and institution-building is even more striking (Fourie 2013).”

Fourie (2013) goes on to mention that Kenyans are experiencing and drawing from the modernization theory of the 1950s and the 1960s, and these theories are mostly embedded in the leaders, business people, technocrats and planners, who were involved in the preparation of the vision 2030.

The Chinese non-interference policy poses the risk of causing Kenya to adopt Chinese ideologies and politics. Fourie notes that while “the West advocates for political liberalization and democracy..., the Chinese enforce an authoritarian rule and capitalism in their model of development both at home and in the donor country” (Fourie 2013). Other critics, like Brautigam, for example, disagree with this notion and cannot see evidence that China’s recipient countries are more authoritarian-friendly than they would otherwise be with western aid.

Abugiche mentions that “Kenya views China-Kenya bilateral relationships as mutually beneficial and not exploitative, and China is interested in Kenya mostly for trade or economic purposes” (Abugiche, 2013, p.62). Not all critics agree, however, that Kenya benefits from

Chinese aid. In the article, “Food Replacing Oil as China M&A Target of Choice: Commodities,” the author expresses concerns that China’s agricultural needs can force its recipient countries to stress agriculture more than other areas of industry.

Brautigam notes that it is difficult to overestimate China’s agricultural interest in Africa. He writes, “China has 20 percent of the world's population, but only 9 percent of the world's arable land and 6 percent of its fresh water resources. The growing middle class has increased demand for meat and soybeans that are used to feed livestock. It seems likely China would be interested in the millions of acres of uncultivated land in Africa (Brautigam, D. 2009).

Agricultural aid is a main reason that China is accused of land grabbing in developing nations in the global south. According to Muldavin, “China’s global role in land grabs is not separable from its domestic issues. To understand China’s role therefore requires a simultaneous and nuanced understanding of China’s contemporary development. The Chinese state plays host to international business and development aid interests, partnering with domestic and state companies to expand large-scale commodity production. China’s evolving aid regime and associated state and quasi-state companies are international investors in land-intensive businesses-palm plantations, timber concessions, mining and energy extractive industries, infrastructure projects, agribusiness, and government development projects” (Muldavin 2012).

Certainly, this type of land grabbing and emphasis on agriculture is not conducive to helping Kenya shift its reliance from agriculture to industry or a service-based economy, which is how they will ultimately achieve Vision 2030.

Summarized Findings from Survey and Interview Questions

What are the impacts of China's aid and FDI on the Kenyan government?

China has increased the Kenyan government's ability to negotiate deals with other countries, as they have given the impression that Kenya is a willing and able partner in business. China forgives debts, and disburses grants as opposed to loans. China has given the country leverage to negotiate on FDI deals with other countries.

Is the Kenya-China bilateral relationship bringing the goals of Vision 2030 closer to fruition? If so, what is it about China's relationship with Kenya that is different from the FDI and aid from other donor countries?

Yes! China has recently offered \$10 billion in low cost loans to Africa over the next ten years, which President Uhuru has used to lend to young people who represent the future of Kenya. China has also invested over \$2.5 billion in Kenya, which has commissioned the building of hydropower plants, new roads, two multimillion dollar ports, and an Ethiopian transport corridor. Chinese aid has also allowed for soft loans to create employment, an increase in tourism, subsidized materials, and quality, affordable manufacturing.

In terms of the development of the Kenyan government, how does China compare to other donors and investors?

Above all, Kenya enjoys China's no-strings-attached loans, which they can use however they see fit. Some Kenyans, though, are concerned that each educational institution that China has built contains a Confucius center. This strikes some Kenyans as a way for China to impose its ideologies on tomorrow's leaders of Kenya. Kenya has also enjoyed the chance to learn technological and managerial skills from China.

Kenyans have also seen a higher rate of employment, though local contractors argue that Chinese companies have forced Kenyan companies to close because they were unable to compete. Kenyan contractors have demanded the government introduce protective measures for local companies, arguing that infant industries need to be protected so that they can grow and become profitable. However, the Kenyan government has confidence in the Chinese contractors for their high quality of work. Kenyans are also losing contracts, as the Chinese are negotiating government to government for contracts. In this way, the awarding of tenders, which is meant to be fair and transparent, is violated. For these reasons, Kenyans feel that local companies might be better served with western FDI.

How does the development of the China–Kenya relationship impact you as a civil servant or academic?

Academics can see that every university is on the verge of operating a Confucius center, where Chinese culture, values, and languages are exchanged. The impact is that Kenyan values and attitudes may slowly be watered down by Chinese ones.

Civil servants tend to see the government's corruption and poor decision making, as aspects of the relationship that seem operational at first glance gradually deteriorate as time passes.

What are the vulnerabilities, threats, or risks that Kenya may face with bilateral agreements on FDI and aid with China compared to western donors or investors?

Upon analysis of the no strings attached and non-interference policies, some fear that FDI from China will fortify oppressive regimes or elites that are not working in the interest of poor people or development in general. Others fear that social and environmental standards weaken as the relationship continues with Kenya.

Another fear is that Chinese trade will weaken the ability to promote good governance in Kenya. In general, Chinese aid is closely tied with infrastructural projects, which in turn are often linked to the extraction and exportation of minerals and oil to China. This is an indicator for some that the aid might hurt Kenya in the long run, but in the short term it seems to be working.

How has the FDI and aid from China affected the national policies on development in terms of procedures and practices?

Government to government communication is how contracts are assigned and how development plans are laid, as stated earlier. Kenya uses Innovational for Poverty Actions (IPA), which are randomized evaluations that fight poverty. Kenya uses more of its own government organizations than Private Kenyan companies to make decisions, whereas the government may not necessarily be as qualified to make these choices. This opens the door for corruption.

CHAPTER SIX

CONCLUSION AND FUTURE RESEARCH

In conclusion, from the academics and civil servants perspectives, substantial growth has occurred as a result of the Chinese aid and investments as a result of their engagement and relationship with Kenya compared to the West. The Chinese strategy has benefited both parties so far but the informants were skeptical of long term visions and stated that, although it has been good in many situations, the investments and aid may come at a price in the future compared to West.

From this research most of the informants have taken a very strong stand that the Chinese investments and aid are producing results that have taken years to occur as composed to the Western donor, however they still remain skeptical stating that the China is good for the short term approach and for the quick/fast development that they need however for long term approach they still favor the United States stating democracy and grassroots movements are of great importance to the common man of the nation.

The informants have stated issues like Chinese products dominance of the local markets, competition for tenders with local contractors, fear of culture dominance, environmental degradation. The biggest fear that arose from the informants was that the China-Kenya relationship will not promote good governance which will impact the interests of the poor people and their basic needs for sustenance not being met and at this point they would prefer or favor the West investments and aid.

This shows the divide among the peoples some who support democracy while others support authoritarianism. Those that long for democracy state that through this democracy and its

freedoms the state would be able to focus more on the development of the country, while those that support authoritarian rule in Kenya, seem to perceive that that's the only way Kenya can "attain economic growth and efficient central planning".

Kenya has been able to lay the groundwork for its development efforts with the help of Chinese FDI and aid, despite the speculation from opponents, and critics of China-Kenya relations. Continued research on its sustainability is necessary down the road, but based on the opinions of the civil servants and academics I interviewed, there are high hopes for the future of Kenya.

The people interviewed for this thesis all clearly agree that the major difference between the FDI and aid from the Chinese compared to aid from the West is that China clearly defined its goals, exercised a hands-off approach to internal affairs, and ensured Kenya that current relations with China have no bearing on future diplomatic relations with China. From these points, one can conclude that the Kenyan government has clearly taken its stand on whom to turn to when seeking aid for the purpose of realizing Vision 2030.

Participants of this study remained skeptical about the possibility of immense debt that the country could incur as a result of its quest for modernization. So far, skepticism has been kept in check by optimism for the future.

Table 5: Kenya's National Profile

GDP	\$77.14 billion (2012 est.) country comparison to the world: 84
Population size	44,037,656 (July 2013 est.) Country comparison to the world: 31
Median population age	18.9 years old
% Population below the poverty line	50%
Key commodities exports	Tea, horticultural products, coffee, petroleum products, fish, cement \$6.285 billion (2012 est.) Country comparison to the world: 104
Key trading partners (exports)	Uganda 10.5%, Tanzania 10.2%, Netherlands 7.1%, UK 6.7%, US 5.8%, Egypt 5.2%, Democratic Republic of the Congo 4.5% (2012)
Birth rate	30.08 births/1,000 population (2013 est.) Country comparison to the world: 44
Average life expectancy	Total population: 63.29 years Country comparison to the world: 180 Male: 61.84 years Female: 64.77 years (2013 est.)
Infant mortality rate	Total: 42.18 deaths/1,000 live births Country comparison to the world: 51 Male: 46.89 deaths/1,000 live births Female: 37.37 deaths/1,000 live births (2013 est.)
Adult literacy rate	Definition: age 15 and over can read and write Total population: 87.4% Male: 90.6% Female: 84.2% (2010 est.)
Work Force	18.89 million (2012 est.) Country comparison to the world: 32
Environmental Conflicts	Water pollution from urban and industrial wastes; degradation of water quality from increased use of pesticides and fertilizers; water hyacinth infestation in Lake Victoria; deforestation; soil erosion; desertification; poaching degradation; there is also wetland degradation and severe oil spills that have took place throughout the county.

Appendix A: Institutional Review Board Approval for Human Subjects



EXEMPTION NUMBER: 14-X124

To: Martin Ndegwa
From: Institutional Review Board for the Protection of Human
Subjects Stacy Spaulding, Member 
Date: Monday, April 14, 2014
RE: Application for Approval of Research Involving the Use of
Human Participants

Office of Sponsored Programs
& Research

Towson University
8000 York Road
Towson, MD 21252-0001

t. 410 704-2236
f. 410 704-4494
www.towson.edu/ospr

Thank you for submitting an application for approval of the research titled,
*Chinese Foreign Direct Investments and Aid: The Case of Kenyan
Academics and Civil Servants Knowledge*

to the Institutional Review Board for the Protection of Human Participants
(IRB) at Towson University.

Your research is exempt from general Human Participants requirements
according to 45 CFR 46.101(b)(2). No further review of this project is
required from year to year provided it does not deviate from the submitted
research design.

If you substantially change your research project or your survey
instrument, please notify the Board immediately.

We wish you every success in your research project.

CC: J. Smith
File

Appendix B: Informed consent

Informed Consent: Participants 18 years of age and older

Dear _____,

My name is Martin Ndegwa and I am a student at Towson University working on my master's thesis. I am conducting a research study entitled: FOREIGN DIRECT INVESTMENT AND AID TO AFRICA: EXPLORING THE VIEWS OF KENYAN ACADEMICS AND CIVIL SERVANTS

The purpose of this study is to examine what role the Chinese foreign direct investments (FDI) and aid plays in Kenya's economic development, and more specifically investigate the perceptions and knowledge of the academics in higher learning institutions and civil servants in office to what extent do they view the China- Kenya relationship and whether it is mutually beneficial to development and sustainability of Kenya's environmental, socio- political and socio- economical and socio- political environment. Data will be collected by issuing questionnaires to the participants with questions regarding their perceptions and knowledge of Foreign Direct Investments (FDI) and AID to Kenya

Your participation will involve filling in the questionnaire. Your participation in this study is voluntary. If you choose not to participate or to withdraw from the study at any time, you can do so without penalty or loss of benefit to yourself. The results of the research study may be published but your identity will remain confidential and your name will not be disclosed to any outside party.

In this research, there are no foreseeable risks to you.

Although there may be no direct benefit to you, a possible benefit of your participation is of adding more information to the research field about Foreign Direct Investment and aid and especially FOREIGN DIRECT INVESTMENT AND AID TO AFRICA: EXPLORING THE VIEWS OF KENYAN ACADEMICS AND CIVIL SERVANTS

As a participant in this study, you should understand the following:

1. You may decline to participate or withdraw from participation at any time without consequences.
2. Your identity will be kept confidential.
3. MARTIN NDEGWA, the researcher, has thoroughly explained the parameters of the research study and all of your questions and concerns have been addressed.
4. Data will be stored in a secure and locked area. The data will be held for a period of three years, and then destroyed.
5. The research results will be used for publication.

“By signing this form you acknowledge that you understand the nature of the study, the potential risks to you as a participant, and the means by which your identity will be kept confidential.

Your signature on this form also indicates that you are 18 years old or older and that you give your permission to voluntarily serve as a participant in the study described.”

Signature of the interviewee _____ Date _____

Appendix C: Questionnaire for the survey

Questionnaire for Research Project

FOREIGN DIRECT INVESTMENT AND AID TO AFRICA: EXPLORING THE VIEWS OF KENYAN ACADEMICS AND CIVIL SERVANTS. Thank you for participating in this research survey. It is requested that you do not put your name or any contact information on the survey to ensure that your responses confidentiality of the responses.

What are the key sectors attracting foreign direct investments and aid in Kenya?

- (i)
- (ii)
- (iii)
- (iv)
- (v)

What are the major differences in investor's parent country's foreign direct investments and aid to Kenya from China compared to the United States or European Union?

- (i)
- (ii)
- (iii)
- (iv)
- (v)

Other than investing money, how do you think the country benefits from the presence of the Chinese Government contributions and close ties.

- (i)
- (ii)
- (iii)

- (iv)
- (v)

What are the challenges facing foreign direct investment in East Africa and particularly Kenya?

- (i).....
- (ii).....
- (iii).....
- (iv).....
- (v)

Any differences in your opinion, of the foreign direct investments and aid in Kenya from China and other Western Donors?

- (i)
- (ii)
- (iii)
- (iv)
- (v)

Is the foreign direct investments and aid from China aiding in achieving the millennium developmental goals (MDG) compared to the West? If so, how or why not?

- (i)
- (ii)
- (iii)
- (iv)
- (v)

Any Observations/Suggestions?

(i)

(ii)

(iii)

(iv)

(v)

Phone Interview Response questions

1. What are the impacts of China's aid and foreign direct investments (FDI) to the Kenyan government?
2. Is the Kenya- China bilateral relationship bringing the goals of the vision 2030 closer to fruition? If so what is it about China relationship with Kenya that is different from the FDI and aid from other donor countries?
3. In terms of the development of the Kenyan government, how does China compare to other donors and investors?
4. What are the long term and short-term effects of the bilateral relationship with China?
5. How does the China –Kenya development aspects impact you as a civil servant or academic?
6. What are the vulnerabilities, threats or risks that Kenya may face with the bilateral agreements on FDI and aid with China compared to other (Western) donors or investors?
7. How has the FDI and aid from China affected the national policies on development in procedures and practices?
8. Is the Chinese FDI and aid contributing to the national efforts or reaching the millennium developmental Goals of reducing poverty creating employment etc. and if so how?
Compare the East and West aid and foreign direct investments and aid efforts.

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