DETERMINANTS OF FOREIGN POLICY FORMULATION IN DEVELOPING COUNTRIES: A CASE OF KENYA

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ABSTRACT

Many African countries have been unable to build up any firm tradition or established pattern of interests behind their foreign policy. African states’ foreign policies are influenced mainly by the global political economy. The overall objective of the study was to examine the determinants of foreign policy formulation in developing countries in relevance to Kenya. Specifically the study aimed; to assess the role of stakeholders in ensuring successful foreign policy formulation, to investigate the external factors influencing foreign policy formulation in developing countries and to investigate whether there is foreign policy shift of Kenya to the East. The study took a multi-method approach which incorporates primary and secondary research of foreign and economic policies since these are likely to be often interlinked. Content analysis laid the foundation of understanding and provided the background behind many of the contemporary issues which Kenya face. It included texts outlining the history, conflicts and signed treaties. Policy papers and speeches, as well as conference and academic papers on the subject were also examined. Additional reports and statistics were gathered from the IMF, World Bank, and the UN. A cross sectional survey was used while purposive sampling was done, culminating in samples taken from foreign policy decision units, and individuals from these units. The primary research was supplemented by semi-structured face to face interviews with selected key informants in form of representatives such as diplomats, ambassadors, high profile academics, and other government representatives. The study found the way foreign policy decisions are made is influenced by a number of factors. These include, but are not limited to, the rationality of the decision-makers, an issue much explored with reference to cognition, bureaucratic competition, public opinion, and domestic politics. Foreign policy decision-making is of course also influenced by systemic factors, such as the international power structure. Although these factors are important in their own respect, this study’s objective was to assess how foreign policy formulation proceeds in the context of Kenya’s democratisation. In other words, who shapes foreign policy in Kenya and how has the transition from authoritarianism to democracy impacted upon the foreign policy decision-making process. The study recommends that Kenya should show more political will and work towards strengthening the EAC using its regional economic leadership by advocating for member countries to open up more industries in the capital and also providing opportunities for the member countries small and medium enterprises to grow. This therefore means that Kenya should carry on with its cordial relations through friendly and realistic policies towards other nations. It is also recommended that Kenya should encourage other nations to engage more in Kenya through the joint ventures.

Key Words: determinants, foreign policy formulation, developing countries, Kenya
INTRODUCTION

The world frontiers of capitalist expansion have widened in the post-1945 period through the internationalization of industrial production and the formation of a transnational monetary network.¹ A group of semi-industrialized countries has emerged as economic differentiation and stratification have grown within the so-called Third World. These countries have a greater ability than the rest of the Third World countries to attract international investment and capital, allowing them to deepen their industrialization process in the direction of the manufacturing and export of industrial goods. Their distinctive feature is a high degree of commercial, industrial, and financial integration into the world economy. Different labels have been used to identify this group of countries newly industrializing countries (NICs), upwardly mobile powers, emerging powers, semi-peripheral countries, new influential and similar terms.²

Since the late 1960s, Kenya has experienced a growing dynamism of its inter-state relations with increasing diversification of economic, political, and military relationships.³ In the same period, the internationalization of the economy has accelerated, through the crucial role of financial and industrial transnational capital in the productive structure. Most analyses of Kenyan foreign policy have focused on either one or the other of these two processes, to arrive at quite distinct outcomes as far as Kenya’s international behavior is concerned.⁴

The guiding standards of the policy are: Peaceful existence with neighbors and other countries; Resolution of contensions by quiet means; Promotion of regionalism; Respect for the balance, power and regional integrity of states; Respect for international standards, traditions and law; Adherence to the rule of non-alignment; and Justice and equality in the conduct of worldwide relations. The conduct of Kenya’s foreign relations is guided by variety of sources, including authority official documents and declarations. These include: The Constitution of the Republic of Kenya (1963); The Sessional Paper No. 10/1965 on African Socialism and its Application to Planning in Kenya; The Sessional Paper No. 1/1986 on Economic Management for Renewed Growth; Manifestos of the governing parties; The Economic Recovery Strategy for Wealth and Employment Creation (2003-2007); National Development Plans; Kenya Vision 2030; and Executive Pronouncements and Circulars.⁵

STATEMENT OF THE RESEARCH PROBLEM

Relations between Kenya and other state and non–state actors in international politics from 1990 onward were based on democratic principles. The tit-for-tat diplomacy has greatly damaged the image of Kenya. Pertaining to the issue of compliance to the prescriptions of many donor countries, the Kenyan case shows the contrary. Much of the conflict with Britain, the United States and the IMF resulted precisely from the rejection of their ideological, political and economic conditionality’s and prescriptions. Political and economic developments in Kenya in the past fifteen years have assumed global resonance. The government has also been courting the “The Look East Policy”. Through the policy, the government is trying to inviting Eastern investors and political allies, namely China, Malaysia and Iran. The Look East policy has sparked mixed reactions on the domestic arena. The United States has expressed concern over China’s relationship with Kenya, but China allayed such fears by stating that its activities in Africa did not seek to jeopardize the United States. There has been break in relationship with many countries with threats of economic sanctions from others.

The overall research problem addressed in this study is that despite the various attempts by the Ministry of Foreign Affairs to formulate efficient and favourable foreign policies, the concept is not yet well articulated although it is promoted at different levels with fragmented agencies. This has been compounded by uncoordinated approaches of the Economic Diplomacy between Ministries of Trade, Foreign Affairs, and the Presidency. As a result of this, the country remains in need of a centralized foreign policy approach and especially as far as the pursuit and promotion of external trade is concerned.

A number of studies have been done on the area of foreign policy formulation for example Lee et al., identified the lack of adequate human resource and coordination between stakeholders influenced foreign policy formulation in Indonesia. The study identified the challenges but did not seek to establish solutions. Morgenthau conducted a study to establish

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8 The Look East Policy is not a written policy but it is rather media hype.

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the foreign policy formulation being implemented by developing counties in Nigeria. The study did not evaluate the determinants or identify possible solutions to the formulation process. Dessouki identified the challenges of foreign policy formulation with respect the government and its citizen in Uganda. The study was, however based on a country as a case study. Country environment and dynamics differ from country to country.

Locally, Soko researched on the analysis of foreign policy formulation in attracting FDI. The study did not address the determinants of foreign policy formulation. In view of the foregoing, it is evident that most previous research has mainly focused on the foreign policy and FDI flow. Therefore more research needs to be conducted on the determinants of foreign policy formulation and more specifically in the developing countries focusing in Kenya

GENERAL OBJECTIVE OF THE STUDY

The overall objective of the study was to examine the determinants of foreign policy formulation in developing countries in relevance to Kenya.

SPECIFIC OBJECTIVES OF THE STUDY

1. To assess the role of stakeholders in ensuring successful foreign policy formulation.
2. To investigate the external factors influencing foreign policy formulation in developing countries.
3. To investigate whether there is foreign policy shift of Kenya to the East.

LITERATURE REVIEW

According to Olatunde et al., one of the main policies mentioned when discussing foreign policy formulation, are the Economic Partnership Agreements (EPAs). These trade agreements between the EU and the ACP countries (African, Caribbean and Pacific) are and have been negotiated for over eight years now, and only in 2008 the first full EPA was signed between the EU and CARIFORUM (group of Caribbean countries). The EPAs are meant to replace the existing trade relations under the Lomé nonreciprocal system of trade preferences, which was set up under the General Agreement on Tariffs and Trade (GATT). The Lomé conventions were no longer compatible under the new World Trade Organization’s (WTO)
rules (considered as discriminatory in relation to non ACP developing countries), and thus the WTO required the EU to set up new WTO compatible trade agreements with the ACP countries. These new agreements were decided upon in Cotonou in 2000.\\footnote{Wallace W. (2011). \textit{The Foreign Policy Process in Britain} (London: George Allen and Unwin Ltd).}

Okoth asserts that the EPAs were designed as long term partnerships to promote poverty reduction and sustainable development by fostering the smooth and gradual integration of six regions into the world economy.\\footnote{Okoth P. (2010). “Kenya Foreign Policy During the Moi Era”, \textit{African Review of Foreign Policy}, Vol.1, No. 3, July.} The progressive elimination of tariffs and non-tariff barriers, both between the ACP countries and between the ACP regions and the EU should eventually result in the establishment of regional free-trade areas. Despite possible benefits resulting from this trade regime, EPAs are claimed to be incoherent to the EU’s development policy in many different ways.\\footnote{Bell, M. (2009). \textit{Military Assistance to Independent African States} (London: The Institute for Strategic Studies, Adelphi Paper No. 15).} Where multilateral negotiations had to lead to better regional integration, now bilateral negotiations are taking place to install interim EPAs.

According to Zondi many countries are unable to negotiate with the EU on an equal basis, as they do not have enough expertise to oversee all of the complicated clauses that are included within the agreements.\\footnote{Zondi, S. (2011). Kenya. Working Paper 40. The Brookings Global Economy and Development.} The EPAs include ‘WTO+’ obligations in areas such as investment, competition policy, government procurement, current account payments, environment, social aspects, cultural cooperation and Intellectual Property Rights (IPRs) protection. These are not included in current WTO negotiations and do not necessarily have to be included for the EPA to be WTO compatible. It is often suggested by various factors involved in development cooperation that, the EU is mainly taking into account its own economic interests rather than the well being of developing countries as embraced by Art 208 of the Treaty on the Functioning of the European Union (TFEU) and by the various commitments to for instance the MDGs.\\footnote{Nieuwkerk, A. (2005). Kenya’s National Interest. African Security Review, 13(2): pp. 89-101.}

Spies assert that foreign policy makers attempt to reconcile domestic interest with external circumstances taking into account of the available means, resources, and institutions for doing so.\\footnote{Spies, Y. (2008). The Multilateral Maze and (Kenya’s Quest for Permanent United Nations Security Council Representation. Strategic Review for Kenya, xxx (1):96-123.} Spies assert that it is important to understanding foreign policy at specific domestic and external context and the interactions between these two environments. As major players in foreign policy, elite operate between institutions that continually constrain them, but oftentimes, these policy makers can work around such limits and manage the tension

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between domestic and international society. Outcomes are interesting because they answer far reaching questions about how elites achieve their foreign policy goals, specifically how they balance means and objectives.24

Prys argued that the main challenges for foreign policy lie in its implementation. The proper management of foreign policy and of the diplomatic service is central to the success or failure of the implementation of foreign policy.25 Foreign policy plus the administration of the diplomatic service and of the policy itself give rise to the implementation of foreign policy. This means that the traditional context of dividing foreign affairs into the policy and administrative aspects needs review. If not, the implementation of foreign policy will continue being held hostage to the turf wars between policy makers and administrators.

According to Muller the objectives and interests that a state seeks to promote or safeguard as it interacts with other states must be viewed against the background of its internal social structure and the configuration of political power within it.26 More specifically the class that controls and wields state power necessarily shapes foreign policy and does so, as might be supposed, in accordance with its own class interests even though these might be rationalized ideologically as the interests of the entire nation. The latter should not be taken to mean that there are no interests that can be shared by the members of a nation state in common.27

Lentner states that depending on the given political circumstances, defence of state sovereignty, national independence, and the territorial integrity of a country, among other things, all correspond to the interests of the nation as a whole.28 However, in the majority of cases, foreign policy decisions are not concerned with matters directly related to such core ‘interests or values as Holsti has termed them. Rather routine foreign policy decision making tends to centre on the so called middle-range objectives’, such as interstate economic, commercial and political relations, including attempts to influence the behavior of other states in desired directions.29


Hornby suggests that foreign policy is an extension or complement of domestic policy. The distinction between the two is thus not a matter of substance. Rather it derives from the fact that a state’s foreign policy takes account of the relevant attitudes, actions and reactions of other actors whereas its domestic policy is not, in general, burdened with such considerations. It should be clear that the more the resources and instruments at the disposal of a state, the greater it’s potential to influence the development of the international system in a direction favorable to itself. In common parlance, the more ‘powerful’ a state is, the greater is its capacity to influence other states, that is to say, the greater is its ability to achieve the objectives of its foreign policy.

A more comprehensive formulation of the issue of means and capabilities has been made by Habib and Selinyane. They suggest that the process of foreign policy formulation derives from five factors: natural material basic, including size of territory, population, geographic location, resources and the state and level of economic technological development; societal structure and forces, including social classes, ethnic composition and cultural and psychological factors at work in the society; contingency and situational factors, including political and economic crises, coups d’e tat, elections, massive strikes, large scale violence, military actions and war. These include the intensity of social and national drivers and reactions. The state system including the governmental machinery of decision making and; leadership, which refers to the way in which state power is used by current office holders and decision makers.

Foreign policy is a combination of aims and interests pursued and defended by the given state and its ruling class in its relations with other states, and the methods and means used by it for the achievement and defence purposes and interests. The aim and interests of a state in international relations are realized by various methods and means. The five variables cited earlier clearly all have reference for policy making and execution. It is, unfortunately not possible to assign weights to them indicating a priori their relative significance in the policy making process. Alden and Le Pere make two general observations. In the first place, the five variables may be viewed as falling into three broad categories: those which are in the nature of permanent and immutable physical realities which the policy maker cannot alter at all, or can only alter at great cost in terms of resources and time; those variables which are entirely


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amenable to manipulation by decision makers, and those which occur randomly and yet are capable of exerting decisive, impacts on the course of events.\textsuperscript{33}

The first set of variables includes the so called natural material basics and societal structure and forces. The second set refers to the state system, including the institutions and agencies government which can be changed more or less easily by those in powers or at their initiative. The third set of variables contingency/ situational factors and leadership is both unpredictable and also capable of influencing policy-making in sudden and decisive ways. There is no doubt at all, for example, that the coup de tat in Uganda in 1971 and the personality and style of leadership of General Idi Amin significantly affected the substance and direction of Uganda’s foreign policy after that coup.\textsuperscript{34}

Rana notes that in the contemporary era of heightened superpower competition for spheres of influence, even so called local or regional issues, can, and often do, assume a global character as a result of superpower intervention.\textsuperscript{35} Territorial disputes in the Horn of Africa, the civil wars in Chad and in Nigeria and the political conflict between Libya and Egypt, have all in their turn attracted a more or less pronounced measure of superpowers intervention. Such external intervention not only bedevils the search for solutions to the issues involved, it also diminishes the capacity of the developing states concerned to influence the settlement of the issue or issues. Africa underwent a far reaching transformation in the 1990s. Juma states that the post-colonial era in Africa is now, and only now, coming to an end; and the problem confronting the continent, and those who seek to understand it, is to discern what is taking place.\textsuperscript{36} The cold war and apartheid ended, and with their departure, two issues that shaped much of African foreign policy were removed. Domestically, continued economic crisis and the collapse of the neo patrimonial post colonial state and, in response, a surge in pressures for reform, shifted political calculations. These international and domestic transformations altered the topography of power and institutional arrangements across the continent and hence, the context in which foreign policy decisions was made.

In some cases, African leaders responded with strained and fragile efforts to reform their economies and political systems in others, the pressures led to state collapse. Many states fall somewhere between these two extremes with the future still in the balance. African foreign policy at the beginning of the twenty-first century is still dominated by overarching constraints on the survival of weak states. The imperatives of state survival, Ronge and


\textsuperscript{35} Rana K. (2010), Inside Diplomacy, New Delhi, Manas Publications.


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Nyangito notes, force elites to use foreign policy to garner political and economic resources from the external environment. Whether made singly or collectively, foreign policy reflects the continual attempts by elites to manage threats to domestic security and insulate their decision making from untoward external manipulation. Contemporary African elites, like their predecessors, are preoccupied with political stability, legitimacy, and economic security, issues whose importance seems to increase rather than diminish.

Foreign policy outcomes are difficult to assess with certainty in Africa mired in violent conflict and socioeconomic disintegration. The era when foreign policy was linked to strengthening Africa nation states has given way to a time of healthy scepticism. Building African institutions for conflict management and economic integration remains a critical foreign policy objective, but economic retrogression, the escalation of wars, and the decline of norms of interstate relationships continually cast a shadow of doubt on these efforts. The problem of outcomes is closely tied to the vital one of measuring substantive change. Although democratization has broadened the range of actors in the policy process, most have no meaningful impact on policies because the issues either are beyond their competence or are secondary in their priorities.

The capacity of the individual African state to exert influence on the course of events tends to decline as one move from local or regional issues to continental and global issues. This is so partly, because such issues tend to be too remote from the immediate pre-occupations of the states concerned; partly because of inadequacy of the information on the basis of which policies could be formulated; partly because of lack of resources to tackle the issues involved; and partly because many other actors may by their prior or more intensive involvement have reduced the possibilities of effective African involvement. All African states share the aspiration of developing their economies rapidly and of doing so in part of least by importing or inviting foreign capital and technology. However there is a wide divergence of views on whether, for example, transnational corporations (TNCs) are the appropriate agencies for effecting the transference of such capital and technology. Thus, where as socialist Tanzania is suspicious of the activities of TNCs, free enterprise ‘Ivory Coast pursues an open door policy with regard to these corporations.
According to Omolo foreign policy begins where domestic policy ends, and they both aim at preserving national security, which is a vital national interest. A state’s citizens are its most vital and fundamental national interest, and their protection is central to national security. Kenya foreign policy comprises the contacts, interactions, pro-actions, actions, and inaction that governments decides to take discretely, or not to take, in order to promote, project, protect, preserve, propagate, or promulgate and defend the national interests of the country concerned, as well as the image and prestige of the nation on the international stage. In this regard, diplomacy is the art of adjusting the varying and often clashing interests of states to the advantage of the state the diplomat represents, but also with a view to preserving amicable relations with other states where possible. Diplomacy is also the greatest protector, projector, and defender of national interest and image.

The strategic geographical position of Kenya and the relatively secure interests of Kenya with other nations present a huge potential for business, tourism, trade, and mediation between and among the nations and institutions of the world. It is thus essential that the Kenyan government map out an aggressive foreign policy posture that will boost Kenya’s image and prestige on the global stage at sub-regional, regional, African continental, as well as global levels. Kenya’s foreign policy continues to lay stress on non-alignment, Pan-Africanism, and on the African political doctrines and ideologies as well as on the principles of public international law and diplomacy. The foundations of Kenya’s foreign policy also include: Respect for sovereignty and territorial integrity of other states and preservation of national security, the charters of the UN and of the African Union as well as the UN Universal Declaration of Human Rights of 1948, the principles of good neighborliness, African solidarity, socialism, and peaceful co-existence, peaceful settlement of disputes and non-interference in the internal affairs of other states.

Kenya’s foreign relations splendidly trace its roots back at the time she got her independence on 12 December 1963. However before then, much had happened in her relations with the rest of the world and more superbly she came into existence. Kenya became a protectorate in 1895 (British East Africa Protectorate). Before then, she was a business concern that was run by the Imperial British East African Company (IBEACo) from 1888 under Sir William Mackinnon. The British government took her over after the IBEACo ceased to be profitable. She then became a colony in 1920 and was then renamed Kenya. During this time, Kenya’s

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foreign policy was an appendage of the British foreign policy then.\(^{46}\) This hinges on the legal definition of a colony as being part of the empire though administratively autonomous.

After independence, the need for political and economic development as well as national security drove her foreign policy especially in the early years following the path she took.\(^{47}\) Owing to the control of capital in foreign hands, Kenya could not pursue a radical foreign policy say as that of Tanzania, during the period. This was because in the assessment of the government then, Kenya could not sustain such an ‘irresponsible’ foreign policy if she was to maintain and attract foreign capital. It is said that this made Kenya to hold relatively moderate views on international events. Professor Howell in his 1969 analysis of Kenya’s foreign policy, points out sub-regional, regional and international political concerns which were domestic concerns but heavily influenced the way Kenya behaved internationally.\(^{48}\)

Keohane notes that Kenya’s diplomatic approach of wait and see has been rendered absolute by external factors for decades Kenya cannot wait for its tea, coffee and tourism competitors to capture its markets before it can react and it is therefore required to maintain the tempo of asserting itself in order to increase its presence in countries abroad.\(^{49}\) This therefore is achieved by strengthening and positioning its Economic and Commercial Diplomacy structures in order to aggressively promote Kenya’s products as well as it being the preferred investment destination within this region.

Koori explain how states conduct their external economic relations in the 21\(^{st}\) century: how they make decisions domestically; how they negotiate internationally; and how these processes interact.\(^{50}\) They document the transformation of economic diplomacy in the 1990s and early 2000s in response to the end of the Cold War, the advance of globalization and the growing influence of non-state actors such as the private sector and civil society. They explain state and economic diplomacy in depth and combine analytical chapters written by academics with case studies conveying practitioners’ insights from experience.\(^{51}\)

According to Hughes, for Kenya this can be seen under the different Administrations since independence in 1963.\(^{52}\) The first president, Kenyatta, pursued a foreign policy that


\(^{48}\) Elias,T. (2012).The Charter of the OAU.American Journal of International Law,LIX(2)


emphasized cooperation with neighboring countries, support of continental liberation movements and a mixed economy that strongly encouraged foreign investment and hence close ties with western countries. After his death in 1978, there was a smooth transition despite precarious political environment, allowing vice president Moi to become president. There were attempts to topple Moi in a coup d’état in August 1982, and later the wind of change of multiparty, democracy that blew through Kenya, but Moi was able to hold a fierce challenge and win another term of office in 1992 and again in December 1997.53

African Socialism and its Application to Planning in Kenya describe the lack of institutions in Africa and hence the emergence of personal rules. In the context of foreign policy, the most important policy formulation institutions are the presidency, often supported by the respective ministries of foreign affairs.54 Kenyatta’s style of leadership was reflected in his foreign policy. Kenyatta assumed the presidency at a time when he had achieved heroic status among Kenyans and condemnation as a leader unto darkness and death by the colonial government. At independence, Kenyatta apparently had already made up his mind about Kenya’s path in foreign affairs. Subsequent policy documents such as KANU manifesto and the sessional paper no. 10 of 1965 clearly spelled out Kenyatta’s wishes that Kenya would be built along the lines of free enterprise, tied to the west, and that the accumulation of foreign capital would be necessary for economic growth, which led to the Foreign Investment Protection Act 1964.55

The comments put forward by Otenyo outlining various factors influencing foreign policy are partially accurate.56 It is the contention, here that the input by the head of state is paramount. Kenyatta at independence was the hero who brought Uhuru (freedom, independence) but settlers and the British government had earlier been hostile. The Kenya weekly News, the Mouthpiece of the British Settler Community, described Kenyatta as being stained with the mark of the beast and in 1958, the chief secretary of the Kenya Colonial Administration, Walter Coutts, made perhaps the most representative of British commentaries: All sensible people will know that these leaders of Mau Mau are not fit to return to civilized society much less assume the mantle of political leadership. Anyone who supports the contrary view stamps himself as a supporter of bestiality, degradation and criminal activity. The British were quick to change their opinion of Kenyatta on realizing the extent of his domestic and

international support and perhaps above all his willingness to cooperate with Britain, the settlers, and foreign investors.\textsuperscript{57}

Kenyatta’s personality had a strong influence on foreign policy and he maintained Kenya in a close relationship with western states. Others perceived his stance as a wait and see policy because Kenyatta was cautious and conservative. Makinda best summed up foreign policy under Kenyatta: Kenya has effectively maintained a low profile on many of the burning issues in Africa and elsewhere, a style of diplomacy that is best described as quiet diplomacy.\textsuperscript{58} It is a style which avoids radical aggressiveness which she cannot defend or promote. It is a diplomatic posture which recognizes that the uses and functions of foreign policy of a poor nation are to promote economic and social modernization, tasks, which require the services, of development diplomats.\textsuperscript{59}

In recent years, stressors have been balanced, so as to include sustainable development, cultural diplomacy, environmental protection, and equity, stressing empowerment of the marginalized strata of society.\textsuperscript{60} Thus, while retaining the original political, military, economic, and national security interests in the political area, foreign policy options for Kenya now aim at satisfying the needs of the Kenyan people in a multidimensional way.\textsuperscript{61} A combination of bilateralism and multilateralism in Kenyan diplomacy and foreign policy now serves the nation more effectively, with special relations being pursued with the former colonial power, Great Britain and other valuable donor countries and international organizations.\textsuperscript{62} The desire to promote economic development has influenced Kenya’s approach to foreign policy while maintaining its traditional core principles and norms of non-alignment, non-interference in internal affairs of other states.

There have been useful and important contributions to the understanding of the foreign policy. However, while there have been significant contributions on the content of foreign policy, the central issue of its management as well as external challenges have not been addressed. And neither in the intellectual history of states foreign policy have there been discourses on foreign policy formulation. This paucity of research on the foreign policy


formulation, reflect the contemporary uni-dimensional aspect of the literature on, and approach to, studying foreign policy.

**THEORETICAL FRAMEWORK**

Foreign policy is generally referred to the behavior or strategy a state acts in relation with external actors. Foreign policy is composed of the goals sought, values set, decisions made and actions taken by states, and national governments acting on their behalf, in the context of the external relations of national societies. Foreign policy analysis is a slippery and contested study which involves a variety of theories attempting to understand and interpret how foreign policy is made, who made it, who implement, how and what outcome. Given the purpose and scope of the paper, the analytical approach called Foreign Policy Arena will be reviewed and used as the core framework of analysis.

Foreign policy arena is an approach in developing countries from a broad picture portrays the terrain on which foreign policy decisions are made and how actions are taken. Each terrain has certain ‘topography’ which differs depending on foreign policy under study. Arena, however, presents potential resources available for the policy maker; those resources can be physical, human, political or economic in their nature. Basically, foreign policy arena exhibits three main contexts: the international context, the governmental context, and the domestic contexts. According to Väyrynen, international context is the international domain from which opportunities and challenges for foreign policy arise. Various factors such as military, economic, political and geographic are important in understanding international context as they determine the hierarchies of power and influence in international politics. Second to foreign policy arena is the governmental context.

Traditionally, foreign policy making is seen as confined to specialized experts and is not subjected to normal politics. Types of regime, decision makers and bureaucrats are all influential components determining government’s foreign policy behaviors. The third context revolves around the domestic politics. Foreign policy is often insulated from domestic political context to ensure consistency. Except in the times of major national crisis which affects the great mass, foreign policy is viewed as far-reaching by most people who are uninformed and uninterested. Other than political features of domestic context,

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constituting national identity or cultural characteristics are also influential to foreign policy provided that it determines state’s position in the world. Within foreign policy arena, it is almost impossible to tear apart contexts and the three features: actors, issues and interests that give life and dynamism to the contexts.

Foreign policy does not happen to exist on its own, it requires participation and actors to formulate and implement. Of equal importance, issue reflects priorities of the foreign policy agenda each government places, and it determines resource allocation of each state. With regard to interests, survival and security are irreducible goals of states and usually stay at the core of national interests when formulating foreign policy.  

RESEARCH METHODOLOGY

The study incorporates both primary and secondary research of foreign and economic policies since these are likely to be often interlinked. Discourse analysis laid the foundation of understanding and provided the background behind many of the contemporary issues which Kenya face. It included texts outlining the history, conflicts and signed treaties. Policy papers and speeches, as well as conference and academic papers on the subject were also examined. Additional reports and statistics were gathered from the IMF, World Bank, UN and websites.

The primary data was supplemented by semi-structured face to face interviews with pre-selected representatives such as diplomats, ambassadors, high profile academics, and other government representatives. Cross sectional survey was used while purposive sampling was done, culminating in samples taken from foreign policy decision units, and individuals from these units. They worked embassies, missions or foreign ministries in Israel, Iran, in Europe (London, Paris, and Berlin in particular), the U.S. (Washington D.C.), and China (Beijing). The benefit of these high profile individuals was that they were uniquely placed to comment on bilateral relations and with a policy perspective that is likely to be both pragmatic and rooted in the priorities of their home governments.

A number of drivers (both economic and political) were discussed since ambassadors and diplomats were privy to the bigger picture and different strands in bilateral relations, and are also in a position to refer questions to other experts where they see fit. Often, ambassadors have been in situation for some years which covered the period which was under study, and it was these individuals the researcher gave preference to interviewing. In a limited set of circumstances, broader opinion was sought from academics and analysts who operated in an area of important foreign policy debate and had taken part in the formulation of foreign policy. Alternatively, interviews by email or phone were also considered where time, funding or accessibility was an issue. The techniques for analyzing data included content analysis and the descriptive-historical analysis methods.


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DETERMINANTS OF FOREIGN POLICY FORMULATION IN DEVELOPING COUNTRIES: AN OVERVIEW

Key Determinants of Foreign Policy Formulation

The study aimed at evaluating the key determinants of foreign policy formulation in developing countries. According to the interviews the main factor was foreign relations which has greatly improved relationships among states especially economically and these economic relations are carried out using economic diplomacy. The same sentiments are echoed by Enders et al., who states that the main factors that lead to a successful economic diplomacy is that; it should involve all the business units of the country as opposed to only the ministry of foreign affairs. This is to mean that non-state actions should be actively involved. Secondly, successful economic diplomacy depends on the structures of foreign affairs and external economic management. This will ensure that the external economic work is handled by the Ministry of Foreign Affairs.

It also ensures that countries engage easier in bilateral economic issues especially with World Trade Organization. It is also a better way for states to exploit their foreign trade and investments through development of a diplomatic network. The study findings are also supported by Kugler and Tammen by categorising economic foreign policy formulation into three phases; the first being the economic salesmanship which involves building new economic connections, second phase is the economic networking and advocacy phase, that involves coordination with other entities which deal with international economic issues and the final phase is the regulatory management and resource mobilization phase, which includes the negotiation process and requires high competency in order to advance economic interests.

On evaluating the key stakeholders who ensure successful foreign policy formulation in Kenya, interview describe the foreign policy formulation from a historical perspective to date. According to their responses colonial administration was inaugurated in Kenya in 1890 and came to an end on 12th December, 1963. The colonial state was an overseas extension of metropolitan Britain, run by a small number of British administrators and thus did not lay a strong foundation for the development of a modern African state. Its goals were to maintain

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law and order, to foster obedience and loyalty to the colonial authorities and to defend and promote the political and economic interests of the British.\textsuperscript{74}

The norms and principles that were propagated at this time were to benefit British interests.\textsuperscript{75} Kenya, like other African countries that had just acquired independence, joined the international world as an independent African state and at this particular time its foreign policy was determined by traditional variables that are national and systemic.\textsuperscript{76} The broader guiding principles of Kenya’s foreign policy were; vigilant safeguarding of national interests, maintenance of independence for people of Kenya, collaboration to foster and promote African unity, work for international peace and peaceful settlement of international disputes, respect for sovereignty and territorial integrity of other states in addition to the policy of good neighbourliness. It is in the spirit of these principles that Kenya joined regional and international organizations, contributed to peacekeeping operations and provided humanitarian support to other countries.\textsuperscript{77}

Foreign embassies were limited to a maximum of ten persons each due to resource constraints with an exception was commonwealth countries.\textsuperscript{78} The decisions with regard to the countries with which relations were to be opened were influenced to a great extent by trade. Although financial constraints limited the number of missions that could be sent abroad, ties were established with all trading partners and those countries which were potentially or actually sources of investment or assistance.\textsuperscript{79} Diplomatic missions with Commonwealth countries were of the high commissions type while relations with other countries were maintained at the ambassadorial level. The ambassador to the United States was also accredited to the United Nations.

The quality of Kenyan diplomacy compared favourably with that of other Sub-Saharan African countries. However, lack of experience and insufficiency of top-grade personnel imposed some limitations which meant that negotiations abroad for loans or other assistance were conducted by cabinet ministers. Delegations to meetings of such organizations as the OAU, the Commonwealth Conference and United Nations were often headed by the Minister for External Affairs. For Kenya, like most other African countries, important foreign policy


decisions after independence, from December 1964 to May 1966 the Minister for External Affairs. However, given the importance of the Ministry, the President must have received advice on some foreign issues from other more trusted members of the cabinet. On May 3, 1966, there was a re-organization of the cabinet, necessitated by the resignation of a group led by former vice president. Murumbi was appointed the Vice-President and Minister without portfolio. This reason coupled with a series of misunderstandings among the politicians, prompted his resignation. Kenya was a young state just emerging from colonialism and the implication was that practically, Kenya’s foreign policy was controlled by the Head of State.

They indicated that Kenya’s foreign policy was based on the principle of positive nonalignment. According to Sessional Paper Number 10 of 1965, the government asserted that the African socialism the country espoused must not rest for its success on a satellite relationship with any other country or group of countries. The government, therefore, made agreements with the major world powers and received economic and military assistance from them. Positive nonalignment was seen as a means of maintaining the country’s political independence and also as an opportunity for economic development. This principle, however, did not mean that Kenya had to remain neutral on world issues. Since independence Kenya has had no written foreign policy. This does not mean that Kenya did not have a foreign policy at all. There has been a misconception fuelled by our propensity to have policies in written form.

Among such principles was the principle of non-alignment. The largest portion of Kenya’s post-independence period was spent in the cold war era. Kenya played the delicate balance of remaining a capitalistic state while at the same time engaged the Eastern bloc for developmental projects. Case in point was the adoption of Sessional Paper 10 of 1965 which put Kenya on a capitalistic path while at the same time receiving funds for building hospitals such as the one in Nyanza. Therefore, even without a written foreign policy, Kenya was able to conduct her foreign relations with some level of predictability.

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Immediately after independence, Kenya’s foreign policy-making process was still in its rudimentary stage. The capacity for the process was not yet developed. Foreign policy was handled by the President and those close to him. Officially, there are institutions which are charged with the responsibility of foreign policy-making. These include Parliament and the Ministry of Foreign Affairs. In addition to these two, foreign policy can also be formulated at the individual level by the President and the Minister for Foreign Affairs. However, as is the case with smaller states, foreign policy is a special preserve of the President. This is true of Kenya under Jomo Kenyatta and Daniel Arap Moi.

According to study Kenya’s foreign policy, one must look deep at our nation’s history. Looking at how Kenya made its decisions on domestic matters and foreign relations could give clues to our national interests. It could also explain the reasoning behind some of the principles that held our foreign policy then and even now. This will be important in analysing those principles and examining their relevance to the reality of today’s international system.

According to the respondents studying Kenya’s political system is also important. Kenya has a new constitution with new institutions. In the formulation and implementation of our foreign policy, one needs to think carefully about the role of each institution vis-a-vis the country’s foreign policy. For instance now we have the National Security Council which is tasked to implement the Kenya’s foreign policy. To understand Kenya’s formulation process, it would be prudent to examine institutions such as these to get a fuller picture.

There is also need to look at sub-regional, regional and universal political dynamics. The fact that Kenya is at the heart of a conflict prone region warrants an examination of how the region’s security situations impact our thirst to quench national interest priorities. Also politics in Africa and the world must be interrogated to inform our policy in order to take advantage of the opportunities available and bulwark against the threats. Students of business studies would call that conducting a SWOT analysis i.e. analysing a states Strengths, Weakness, Opportunities and Threats in order to achieve its national interests.

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89 Obiozor, G. 1991: Nigeria and the ECOWAS: Towards A Dynamic Regional Integration. Published by Fourth Dimensions Limited.

90 Nuhu-Koko, A.A, 2008: Foreign Policy and President Yar’Adua’s impending Cabinet Shake-up.
The interviewees indicated that the Ministry of Foreign Affairs has been and is working on a document that provides guidelines on Kenya’s Foreign Policy. This document outlines the major themes that are to guide our foreign relations with other nations. It seeks to attain coherence in this arena by providing a reference document wherefrom our policy can be derived. It heavily relies on five pillars that are to articulate our interests in the international forum. These are economic, peace, environmental, cultural and diaspora diplomacy. These are the key areas that Kenya seeks to focus on to formulate and execute her foreign policy.

However it should be noted that the major pillar of the five is economic/commercial diplomacy. All the other four pillars are connected to the economic wellbeing of the state and especially to vision 2030. A majority of Kenya’s actions in the international arena are to be seen in this light.

**The External Actors in Kenya’s Foreign Policy**

Kenya inherited a fairly developed economy from the colonial rulers (British). The economy was tied to the capitalist system with many foreign investors preferring to invest in the country. The structure and development of the domestic economy were thus supported by international capital. In order to maintain the lead position in this region, Kenya’s foreign policy had to be pro-capitalist. The need for economic growth led Kenya to adopt a free market system which enabled the country to maintain and attract foreign investment. Kenya’s foreign policy aims at diversification of links in order to achieve the aim of foreign investment. External financial sources are in this sense, an important determinant of Kenya’s foreign policy. Because of its economic capacity in the region Kenya pursued the policy of good neighbourliness in Eastern Africa and nonalignment outside the region. Kenya needs market for its goods in the region; primary goods, manufactured goods and even human resources. The country’s involvement in various peace initiatives in the region is in line with the policy of peaceful cooperation and co-existence in Africa.

There are various systemic actors that condition a country’s foreign policy. Kenya, like many other developing countries, depends on external assistance for its well being. This therefore implies that its foreign policy will be non-confrontational when it comes to international organizations and other economically powerful states in the world. These organizations

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94 Ogwu, Joy U. and Alli, W. 2006: Years of Reconstruction: Selected Foreign Policy Speeches of Olusegun Obasanjo as compiled by them and published by the Kenyan Institute of International Affairs.

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influence a country’s foreign policy through the conditions that they attach to the financial assistance and other forms of aid that they provide to the needy countries.

**The United Nations Organization**

The name ‘United Nations’ was devised by United States President Franklin D. Roosevelt and was first used in the Declaration by United Nations” of 1st January 1942, during the Second World War, when representatives of 26 nations pledged their Governments to continue fighting together against the axis powers. After the Dumberton Oaks deliberations of 1944, the UN officially came into existence on 24th October 1945. The UN was instrumental in the proclamation of the state of Israel on 14th May 1948. However, over the years, the Palestinian issue has meant that the UN made resolutions that were meant to end the conflict. Most of the resolutions were perceived by Israeli decision makers as inimical to Israeli interests. In fact, it is the US Veto within the UN that has always supported the Israeli course. The dilemma for Kenya is how to support the UN resolutions without appearing to hurt the Israeli course in the Middle East conflict. The issue is that while the relationship between Kenya and the UN has been good since independence, the same cannot be said to be the case for Israel. A further discussion on this is necessary if we have to understand the dilemma for Kenya’s foreign policy towards Israel.95

In response to hostilities which broke out at various times since the creation of the state of Israel, the UN General Assembly made several resolutions aimed at achieving peace in the Middle East. On 5th June 1967, war broke out between Israel and its Arab neighbours- Egypt, Jordan and Syria.96 The UN Security Council called for an immediate ceasefire which ended the war six days later. After the Six-Day War, Israeli presence remained in various Arab territories; Sinai, Gaza Strip, West Bank of the Jordan, East Jerusalem and Syrian Golan Heights. This forced the Security Council to unanimously adopt resolution 242 (1967), which defined principles for a just and lasting peace in the Middle East.97 The principles were; withdrawal of Israeli armed forces from territories occupied in the 1967 war, termination of all claims or states of belligerency and respect for an acknowledgement of the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secure and recognized boundaries, free from threats or acts of force. 156 The irony here is that Israeli borders cannot be secure if its forces withdraw from the ‘occupied lands’.

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The resolution was not acceptable to the state of Israel. This was because it not only affirmed the need to guarantee free navigation through international waterways in the area, but also the need to settle the refugee problem justly. The issue of Palestinian refugees’ return to Israel is still a thorny one simply because their return to Israel would mean that Israel, the home of Jews, would have more Arabs, the great majority imbued with hatred for Jews. Another war (Yom Kippur War) began on 6th October 1973 when Egyptian and Syrian forces attacked Israeli positions in the Suez Canal sector and on the Golan Heights. The Security Council adopted resolution 338 (1973) which called for a ceasefire and full implementation of the previous resolution 242. Later in 1974, the UN General assembly reaffirmed ‘the inalienable rights of the Palestinian people in Palestine’ to unhindered self-determination, independence and sovereignty. It also invited the PLO to participate in the work of the Assembly and United Nations international conferences as an observer. Kenya was a non-permanent member of the Security Council from 1973 to 1974 and supported the resolutions on the Middle East conflict. Out of the 15 members, only China failed to vote and the resolution 338 of 22nd October 1973 was adopted by 14 votes.

In 1975 the General Assembly established the Committee on the Exercise of the inalienable Rights of the Palestinian people, which recommended to the Security Council that a timetable for complete Israeli withdrawal be established. It further recommended that the evacuated areas, with all properties and services intact would be taken over by the UN which, with the cooperation of the League of Arab States, would hand them over to the PLO as the representative of the Palestinian people. In 1977 the General Assembly called for annual observance of 29th November as the International Day of Solidarity with the Palestinian people. In 1978, after the Camp David accord between Egypt and Israel, the League of Arab States asked all Arab nations to refrain from supporting the treaty.

The General Assembly on its part condemned such treaties and declared the accord invalid in so far as it purported to determine the future of Palestinian people. In 1987, the Palestinian Intifada began. Palestinians in the occupied territories declared that the uprising would continue until Palestinian independence and statehood were achieved. In response, the General Assembly adopted resolutions calling on Israel to release detained and imprisoned Palestinians immediately. Israel has over the years tried to respond positively to the UN

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resolutions. Peace has not, however, been realized. This situation has more to do with the Arabs who have refused to accept the fact that Israel has a right to belong in/to the Middle East, than with the occupied territories as the UN resolutions have suggested. On 13th September 1993, for example, Israel and PLO signed a Declaration of Principles on Interim Self-Government Arrangements. Palestinian Authority was established in May 1994 and given responsibility for health, education, social welfare, tourism and direct taxation in the other areas of West Bank. The General Assembly adopted another resolution to this effect, 49/149, affirming the right of the Palestinian people to self determination. The vote for the resolution was unanimous. 103

While Kenya voted with other countries in favour of the Palestinian state, only the US voted with Israel against the resolution. 104 This clearly shows that within the UN, Kenya’s foreign policy is conditioned by the main principle for which the organization was formed, to maintain international peace and security. According to the UN charter, the stated objectives of the UN include maintenance of international peace and security, promotion of international economic and social cooperation and promotion of the respect for human rights of all peoples. Additional objectives that are inferred from the preamble or Article 1 of the charter include the development of friendly relations among nations, strengthening universal peace, practising tolerance and living together in peace as good neighbours. The UN is, therefore, an organization that harmonizes the actions and behaviour of member states through the adherence of the stated objectives. 105 It offers opportunity to member states for multilateral relations and peaceful interactions.

Despite the UN resolutions the Middle East conflict has persisted. Resolution 1397 (2002) gave a vision of two states, Israel and Palestine. 106 With the assistance of Russia, US, EU and the UN, both parties committed themselves to serious negotiations to end the violence but not much has so far been achieved. The violence and hostility in the region point towards a reversal in the peace process. The argument above has been geared towards proving the fact that the UN has not been very friendly to the state of Israel. The General Assembly has always been quick to blame Israel for the instability in the region while at the same time exonerating the Arabs from blame. Kenya on the other hand has had a very warm relation with the UN since its admission in 1963. 107

The support Kenya gives to the UN, especially in relation to the Middle East issue can be seen in certain quarters as an extreme stand against Israel. However, Kenya’s support for UN resolutions on the Middle East conflict has not affected its foreign policy towards Israel. While Kenya has remained steadfast in its support for the UN, the state has equally maintained good relations with Israel. This is simply because Kenya would not like to be seen to contradict the UN. Kenya’s foreign policy towards the UN is a matter of principle that binds all members for the sake of peace and global security. It does not in any way interfere with its foreign policy towards the state of Israel. This would explain why in 1988 while Kenya voted for the admission of PLO as a permanent observer to the UN’s General Assembly, it gave little support to Palestinian aspirations to statehood. From independence (when Kenya supported UN resolutions on peace and decolonization) to the 21st century (when Kenya supports the UN approach on the Middle East crisis and also on the war on terrorism), the purpose and principles of the UN are still upheld as a matter of Kenya’s official foreign policy position. Kenya has consistently expressed its support for the UN and the desire that the world body continues to operate effectively as an institution of multilateral diplomacy.

The UN has raised Kenya’s image in the international arena. Kenya remains the only Third World country hosting the headquarters of a UN agency; the United Nations Environmental Program, UNEP. Fifteen other UN bodies use Nairobi as their regional centre. Kenya also sends delegations to UN General Assembly and is always active in other UN summits and activities such as Peace Missions.

The Capitalist Ties

Kenya was incorporated into the Western economy as a result of British colonialism. Kenya’s domestic and international activities have always been strongly influenced by the colonial heritage left after over six decades of colonialism (1895-1963). The colonial heritage has over the years determined the economic, political and military relations with Western (capitalist) countries in general but Britain in particular. Shaw et al., argue that the colonial policy made Kenya an industrial power and that most foreign visitors found Nairobi a better place for business than any other place in East Africa. Kenya’s external policy of attracting investment can clearly be seen as a function of its capitalist heritage. Kenya grew to claim a

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high position in the periphery, becoming a client state that serves the wishes of the patron states, but able to dominate in the region. Kenya’s foreign policy has thus been affected by the centre-periphery network. According to Solingen, the world can be divided into the core (centre) and the periphery. While the core monopolizes industrial production and technology, the periphery is seen as a source of labour and raw materials. \(^\text{112}\) The division does not end there. The periphery is divided into the core/centre of periphery and the periphery of the periphery.

Kenya, as a consequence of the early capitalist ties, is the core of the periphery. This means that it is an important agent of the capitalist forces in the West. \(^\text{113}\) This further implies that Kenya’s foreign policy will reflect not only its capitalist ties but also its desire to maintain the dominant position at the periphery. This network has maintained Kenya as a dependent state hence affecting its foreign policy. This can clearly be seen in the bilateral relations between Kenya and the countries from the West. Dependence is used to mean a situation in which the economy of a certain country is conditioned by the development and expansion of another economy to which the former is subjected. The relation that develops between two or more economies, and between these and world trade, assumes a dependent nature. While the dominant ones can expand and can be self-sustaining, the dependent ones can do this only as a reflection of that expansion which can have either a positive or a negative effect on their immediate policies. Kenya’s foreign policy may, at times, have to reflect the desires of bilateral partners. \(^\text{114}\)

Foreign policy can be viewed as an externalized domestic policy. The actions or statements by a country directed to external/other actors are aimed at improving the domestic situation. The internal situation of dependent countries can only be understood if they are seen as being linked to the international economy, in which underdevelopment is a consequence and part of the process of the world expansion of capitalism. \(^\text{115}\) In the world market, parts of the system develop at the expense of other parts. The sorry economic situation of developing countries like Kenya is due not to a lack of integration with capitalism but to the way in which they are joined to this system. This linkage plays a major role in the nature of a country’s foreign policy. Kenya, like many other African countries, has been captured in the capitalist system due to various reasons such as trade, aid and technology. A number of scholars have argued

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that the technological superiority of advanced countries sets in motion automatic, persistent and cumulative forces that produce underdevelopment and perpetuate inequality. This affects foreign policy adversely.

The most important contribution of the capitalist ties to the economy of Kenya can be seen in the existence of Multinational Corporations (MNCs). They are sometimes called transnational corporations. These are large companies with subsidiaries in different countries. Through them, linkages develop between countries. Laws and policies developed in one country may affect decisions in another country through these companies. These companies often bargain with the host states in various issues including political ones which are of interest to them. At other times they may even lobby local political forces in order to influence domestic and foreign policies favourable to them.

Corporations from Europe dominate the Kenyan market. Israel’s involvement can be seen in the activities of the Amiran Company, a state-owned entity that specializes mostly in agriculture and handles the export and import trade businesses of Israel not only in Kenya but in the whole of Africa. The most important MNCs in Kenya is those established on the import substitution, producing consumer products. Israeli companies in Kenya are not very prominent in this sector. Most of them are found in the agricultural and the tourist/hotel industry (for example Mayfair and Holiday Inn among others). It is in such sectors that Israeli companies would influence and shape the character of Kenya’s foreign economic policy.

Multinational corporations impact negatively on the economy of a host country. Like a tick that drains its host of the vital blood, these companies channel the profits to their mother countries affecting the economies of the poor host countries. It has been hard for the government of Kenya to control the operations of these companies not because it doesn’t want to but because it can’t. According to Akokpari, various factors constrain and prevent the government from effectively controlling the activities of these trans-nationals. These factors are identified as the complex nature and structure of the companies, the liberal

116 Lobell, Steven E., Norrin M. Ripsman, and Jeffrey W. Taliaferro. 2009. Neoclassical Realism, the State, and Foreign Policy. New York: Cambridge University Press.


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government policy on foreign investment and weak institutional framework for bargaining and control. This implies that MNCs have a considerable impact on the economies, trade and people of a developing country like Kenya.

**Foreign Policy Shift of Kenya to the East As Compared To the West**

Over the past 50 years, Kenya’s foreign policy shift has been drastic, from a ‘subservient’ policy that defined engagement with the developed world, Kenya’s friends have equally changed. Former assistant Minister of State John Keen says President Jomo Kenyatta and President Daniel arap Moi preferred quiet diplomacy because of the country’s strategic and economic interests. Kenya has been seen as lukewarm to the West and as warming up to China and other Far East countries.

According to the Ministry of Foreign Affairs website, Kenya’s foreign policy is a tool used to pursue, promote and protect national interests and project national values. Kenya is a member of the international community and its foreign policy has been more than once affected by systemic factors and actors. These factors and actors have not affected Kenya’s foreign policy towards other countries. Therefore, the country has realized that it needs the other countries in East Africa for it to grow economically. Kenya intensified its need for regional integration with the coming up of Grand Coalition government in 2008 after the 2007/2008 post-election violence. The coalition government came up with the Ministry of East African community which was set up to cater for the growing and expanding need for regional integration. The coalition government realized the great need for an expanded regional market growth if the country was to meet its objectives for vision 2030. Kenya’s economic diplomacy is a tool that the government has embraced in the recent years. It has used this tool in the past to boost bilateral relations with the countries in East Africa.

It is widely expected that the country’s foreign policy will focus on increasing regional trade and advocating for reforms within key trading blocs such as the East African Community and

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the Common Market for Eastern and Southern Africa (Comesa). Further progress on dismantling non-tariff barriers to trade and fast-tracking the monetary union at the EAC and Comesa will be key objectives. The uncertainty in the multilateral fora, such as the stalled WTO negotiations, has led to greater attention to regional integration. One area of interest is the strengthening of existing Regional Economic Communities (RECs) with the aim of improving trade between African countries by removing trade barriers and quickening the pace of economic integration and co-operation in Africa.

Kenya’s total trade with Common Market for Eastern and Southern Africa (Comesa) Comesa stands at nearly $1 billion, making it the country’s most important trading partner. This figure is expected to grow further once the Customs union comes into force. Comesa is already fast-tracking the creation of a Customs union, which indicates the strategic importance of economic integration to Kenya’s future trade orientation. But there are significant questions that demand reflection: However, given the strategic importance of the European Union market to key agricultural sectors such as coffee and horticulture, Kenya’s trade diplomacy is likely to exert increasing pressure on dismantling tariff and non-tariff barriers that undermine market access.

This has been most pronounced in relation to horticultural exports, which are subjected to constantly changing non-tariff trade barriers (NTBs) such as on traceability and other sanitary and phytosanitary (SPS) measures. Kenya may, therefore, push for a more enabling policy framework at the WTO on market access, including more predictable rules on SPS and dismantling NTBs to facilitate export of agricultural products. Kenya’s trade diplomacy will need to take into account several realities such as the country’s huge public debt portfolio. External debt as a percentage of GDP currently stands at about 30 per cent. While a significant proportion of this public debt was incurred when external borrowing was mostly on non-concessional terms, subsequent borrowing has increasingly been on concessional terms.


There will be significant interest in reforming the management of public debt to satisfy the huge appetite for spending on development programmes and easing the burden of external debt. Foreign policy must be one that helps stimulate capital inflows through an expansion of trade opportunities and concessional lending to support capital-intensive development projects and programmes. The overriding impetus must be towards increasing ODA and concessional lending, which will drive investment in social services and long-term development.

**Kenya Look East Policy Formulation**

During the past decade, China’s rapidly growing presence in Africa has increasingly become a topic for debate in the international media and among economists and policy analysts. The proliferation of China’s commercial actors in Africa in recent years has made government supervision and management particularly challenging. The resolution of these issues will determine the nature and content of China’s future policy toward Africa while exerting critical influence over the future development of the continent. Contrary to the conventional perception that China is interested only in Africa’s natural resources, China seeks Africa’s support for the Chinese Communist Party’s domestic political legitimacy and for China’s foreign policy agenda internationally, especially in multilateral forums, given the size of the African voting bloc.

Africa’s rich natural resources and underdeveloped market potential create abundant business potential for Chinese business players. Enhanced Chinese economic presence on the ground creates a challenge in protecting booming Chinese investment and personnel in Africa. By far, this has been the primary security concern of China in the continent. The success of the so-called China Model and relations with non-Western and non-democratic African countries have become an increasingly important goal for China, both for domestic and foreign policy purposes. While China’s unique economic approach to Kenya meets the African countries’ need for funding and infrastructure projects, the model has been widely criticized. In particular, China’s natural resource-backed loans raise questions about the country’s future and its capacity for sustainable development.

Kagwanja assert that there is a strong tendency to assert moral judgments in the assessment: China’s activities in Kenya are often characterized as evil when they are seen as representing China’s selfish quest for natural resources and damaging Kenya’s fragile efforts to improve


governance and build a sustainable future.\textsuperscript{138} However, they are characterized as virtuous when they are seen as contributing to a foundation for long-term economic development through infrastructure projects and revenue creation. While economic issues are important to the strategic positioning of Kenya in China’s overall foreign policy, Kenya’s broader role in China’s international agenda is yet to be thoroughly explored.\textsuperscript{139} As China becomes a global economic and political power, a simplistic perception of Kenya as China’s supplier of raw materials inevitably neglects other key aspects of developing countries within China’s global strategy.

Furthermore, even as China’s goals and policies have become more diversified, little effort has been spent examining China’s internal bureaucratic processes by which political, economic and security decisions are made regarding its developing countries policy. According to Juma, China seeks to satisfy four broad national interests in its relations with the continent.\textsuperscript{140} Economically, developing countries like Kenya are seen primarily as a source of natural resources and market opportunities to fuel China’s domestic growth. From a security standpoint, the rising presence of Chinese commercial interests in Africa has led to growing security challenges for China, as the safety of Chinese investments and personnel come under threats due to political instability and criminal activities on the ground.\textsuperscript{141} China also sees an underlying ideological interest in developing countries, as the success of the China model in non-democratic African countries offers indirect support for China’s own political ideology and offers evidence that Western democratic ideals are not universal.

The popular focus on China’s vast economic endeavors in Kenya especially in the extractive industries seems to suggest that Kenya is somehow critical for China.\textsuperscript{142} Politically, the continent is of small importance to China’s foreign policy agenda, with Africa playing a largely supportive role in China’s overall international strategy. Rather than being seen as key or a priority, Africa is seen to be part of the foundation on which China’s broader strategic ambitions are built compared with the struggle with big powers or China’s strenuous relationship with its neighbors, Sino-African relations have been relatively smooth and free


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of major disturbances, thanks to a shared sense of historical victimization by Western colonial powers and a common identity/affinity as developing countries.\(^{143}\)

Given the general low priority of Africa in China’s foreign policy agenda, Kenya’s issues rarely reach the highest level of foreign policy decision making in the Chinese bureaucratic apparatus. In practice, policymaking specific to Africa happens mostly at the working level and is divided among several government agencies, with the Ministry of Foreign Affairs and the Ministry of Commerce taking the lead on political affairs and economic affairs, respectively. On security issues such as U.N.\(^{144}\) peacekeeping operations, naval escort missions and evacuation missions, the Chinese military plays a significant role in coordination with the said ministries. On issues under the mandate of specific government agencies, such as Chinese medical, agricultural or technical assistance to Africa, the policy is coordinated among the concerned ministries and the agency directly involved.\(^ {145}\)

China’s Kenya strategy is not free of problems or controversies. The most vocal criticism inside the Chinese policy community is that China fundamentally lacks Kenya strategy and commercial interests have overtake other national interests.\(^ {146}\) There is a constant tension between the narrow, mercantilist pursuit of economic interests in Kenya and that pursuit’s impact on the overall health of the Kenya relationship and China’s international image. Bureaucratically, this partly contributes to the abrasive competition between concerned ministries for the leading role in China’s policy toward Africa. This conflict is most evident on the issue of China’s foreign aid to Africa.\(^ {147}\)

**FOREIGN POLICY FORMULATION IN DEVELOPING COUNTRIES: ANALYTICAL EVALUATION**

**Soft-Power approach on Kenya Current Issues**

Kenya has assumed a huge part in peace constructing that is all around perceived: in 2010 UN secretary-general Ban Ki-moon praised President Kibaki on Kenya's lead role in expediting peace in the locale, particularly in Sudan and Somalia.\(^ {148}\) As an entrenched host,

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dealer and facilitator of negotiations, Kenya is the frequent choice of venue for both provincial and worldwide peace-and-security-related talks. Of late, for instance, it facilitated chats on the political fate of Somalia’s Jubbaland area (June 2012 and March 2013); co-hosted a worldwide antipiracy gathering with the UN (February 2012); and attempted to intercede talks between Ethiopia and the Ogaden National Liberation Front (October 2012). In 2011 it sent its PM, Raila Odinga, to (unsuccessfully) intervene in Ivory Coast on behalf of the African Union (AU). 149

Kenya’s way to deal with peace building is grounded in a firm duty to a diplomatic, multilateralist, soft power way to deal with cultivating peace and security abroad. It considers itself to be a promoter of human rights on the worldwide stage while, in any case, Kenyans’ rights are much of the time abused at home which can only be ensured in conditions of peace, security and firmness, and is focused on proceeding with its part in the intercession and determination of local clashes. 150. This dedication to peacebuilding is in proof in its profound inclusion with the Intergovernmental Authority on Development (IGAD), the International Conference on the Great Lakes Region, and the multidimensional Eastern Africa Standby Force (EASF), which is due to be operational by 2015. 151

The EASF’s secretariat and planning centre, EASBRICOM (Eastern African Standby Brigade Co-appointment Mechanism) is situated in the outskirts of Nairobi and is a primacy for Kenya, giving it both status and visibility as a standout amongst the most experienced nations on the mainland as far as peacekeeping. 152 As part of Kenya’s attention on keeping up great relations with the militaries of the region on the premise that a typical comprehension helps the support of peace, the Kenya Defense Forces (KDF) participate in yearly military activities as part of either the EASF or the East African Community (EAC) regional economic alliance. Critically, Kenya aspires to driving the EASF, yet fierce competition with Ethiopia, which has the same desires and a much bigger and more experienced armed force, has prompted a diplomatic standoff on the issue. 153

Kenya’s engagement in peace backing has advanced from peacekeeping operations to more multifaceted peace implementation in conjunction with the AU. This is in acknowledgment of the worldwide accentuation on an aggregate enthusiasm for peace and security. UN peace bolster operations have been a need subsequent to 1989, after Kenya’s cooperation in its first

153 Ghalib B.B. (2013); Report of the Secretary-General in pursuant to the statement adopted by the Summit Meeting of the Security Council tagged “An Agenda for Peace: Preventive diplomacy, Peacemaking and Peace-keeping”

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peace mission to Zimbabwe (then Rhodesia) in 1979. Right now Kenya has 846 peace bolster faculty positioned abroad in South Sudan (723), Sudan (78), the Democratic Republic of Congo (DRC) (23), Liberia (21) and Lebanon (1), for the most part comprising of troops, in addition to other "specialists" and police (UN, 2013). Practically, its policy one that will proceed is dependably to react positively to related requests from either the UN or the AU. With a sure number of troops dependably sent, soldiers construct their aptitudes and preparing, in addition to earning great pay rates ($1,028 every month for AU Mission in Somalia (AMISOM) personnel).

At the continental level Kenya assumes a dynamic part at the AU, to some extent through the Kenyan deputy chair of the AU Commission. In general however, it is not seen to be an especially solid, visionary or proactive leader, as opposed to other mainland heavyweights, for example, South Africa. Neither does it look to position itself as a proportionate or adversary to other African economies, for example, South Africa and Nigeria, preferring to keep up a "humble stance", as indicated by Brigadier Henry Onyango, head of administration at the EASF.

**Rising Status: Kenya’s Growing (Economic) Confidence**

Kenya perceives that regional security is closely connected with monetary prosperity. As a result, the Kibaki government concentrated intensely on regional financial mix under the support of the restored EAC, which has a combined a total national output of $79.25 billion and populace of 135 million. The EAC's objectives are to enhance flourishing through a typical business sector and eventually to have a common currency. The EAC has additionally been holding transactions with the Common Market for Eastern and Southern Africa and the Southern Africa Development Community on a much greater facilitated commerce course of action. Advance up to this point has been moderate, with contending national interests hampering the procedure. Kenya has an undeniable part to play in driving this procedure, however has yet to adapt to present difficulties. Its enrolment of the EAC is, on the other hand, considered essential for continued monetary advance and will remain a need for the new Uhuru Kenyatta government.

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154 Sinclair, M. 2012: Learning to Live Together: Building skills, values and attitudes for the twenty-first centre. Published by UNESCO.


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Kenya's benefits are numerous: it is home to the biggest seaport in East Africa (Mombasa), and controls access to landlocked Uganda, Rwanda, Burundi, eastern DRC and South Sudan through its Northern Corridor.\textsuperscript{161} It is as of now effectively looking to exploit developing markets as it tries to make itself a middle wage nation through its "Vision 2030" development plan, and proactively concentrates on monetary diplomacy as a major aspect of its foreign approach. Current efforts have borne fruits: Kenya is presently viewed as a regional pioneer in the manufacturing, correspondences, and services segments, for example, supermarkets and banks, additionally to transport. As the origin of the cellular telephone cash exchange marvel (e.g. m-pesa), in addition to the Ushahidi crowd sourcing instrument, Kenya is endorsing itself as a "Silicon Savannah" specialized center in direct rivalry with South Africa, Nigeria and Ghana.\textsuperscript{162}

Since oil was found in Turkana in March 2012, Kenya has been situating itself as a petro-carbon center point and lead frontier economy.\textsuperscript{163} The business estimation of the oil strike will be known in a few years and oil may go ahead the business sector in six or seven years. Kenya's aggressive Lamu Port and South Sudan Transport (LAPSSET) Corridor venture is a key part of its planning to significantly enhance related infrastructure: the attention is on building up another transport passage from another port in Lamu to connect with Ethiopia and South Sudan comprising a new road network, railroad, oil refinery, oil pipeline, two new air terminals, and resort urban areas on the coast and in Isiolo.\textsuperscript{164}

Regardless of an enormous budget shortfall, an underperforming development rate (4.3\% in 2012), a broadening current account deficiency, handicapping poverty and numerous various difficulties, for example, high power costs, starting 2013 Kenya is seen to have incredible monetary potential.\textsuperscript{165} President Uhuru Kenyatta has promised to make Kenya "the most obvious spot to do business in Africa" with an "African Lion economy". Other regional powerhouses are observing the nation's ascent. indeed, supporting Kenya's developing certainty is the exponential development of its association with China.\textsuperscript{166}

This governs everything from infrastructural advancement, (for example, roads, power plants and subsidizing for LAPSSET) to the supply of ammo and weapons telecommunication


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equipment, and textiles; oil investigation; and expansion grants and interest free advances. While the European Union (EU) remains Kenya's biggest exchanging accomplice, representing 19.2% of all its exchange (China is second at 11.7%), Kenyatta will keep on looking towards the BRICS nations for vital organizations later on as a major aspect of a geostrategic realignment. He will likewise take Kenya in a more free, patriot, Africa-driven and decisive course than before with zero tolerance for Western interference or apprehensions about working with ICC indictees. A focal tenet of Kenyatta's foreign approach will be "freedom" from Kenya's colonial past, including by looking for global associations on the premise of fairness, and a conclusion to Western authority on the world stage.

**Kenyan Foreign Policy in East Africa**

With the end of the Cold War in the mid-1990s, Kenya's foreign strategy started to focus on East Africa. The general objective is to uphold quiet existence with different countries; while advancing regionalism. Kenya looks for incorporation and co-operation as an approach to propel its own particular economic prosperity within the structure of worldwide co-operation and multilateralism. Economic advancement through expanded market access and improved innovation has turned into a high need. For example, Kenya is progressively putting resources into renewable vitality to enhance power generation, in order to give small and medium size enterprises (SMEs) more prominent access to power. It is likewise investing vigorously in the information, communication and technology sector (ICT).

Regional incorporation forms a noteworthy segment of its foreign approach and is pursued through different regional activities, for example, the East African Community (EAC); Common Market for Eastern and Southern Africa (Comesa), African Caribbean and Pacific-European Union (ACP-EU), Intergovernmental Authority on Development (IGAD) and Indian Ocean Rim-Association for Regional Cooperation. This position reflects understanding that Kenya's improvement is attached to that of its territorial neighbors, and that of the worldwide economic system.

Its territorial activities are basic to Kenya's economic tact. As pointed out by preceding secretary general of the EAC, Ambassador Juma Mwapachu, regional economic communities (RECs) have turned into an increasingly desirable developmental path. Changed exchange is a noteworthy segment of RECs and a key driver of venture in light of the fact that economic region gets to be alluring to investors just if its economy permits free development of merchandise and services; the genuine inspiration for exchange, hence, are substantial

markets, which is the reason regional integration is of such significance to Kenya. RECs, for example, the EAC are working towards opening extensive internal markets governed by free commerce. It is just by creating such vast interior markets that a nation, for example, Kenya can draw in the right sort of ventures and accomplish sizeable markets for its items.

The collective frontiers of states in the region, their traditional attraction; joint colonial history; association; and a potential business sector of near 130 million individuals, together make the EAC a doable plan. More current advancements aside, East African nations are equally dedicated to incorporation through their contracts under the 1982 Lagos Plan of Action for the Economic Development of Africa 1980–2000. Different drivers include the case of combination by the EU and the re-development of South Africa as a conceivable mainland economic domination, against the foundation of the declining fortunes of East African economies, especially that of Kenya.

Contrasted with its neighbors, Kenya relished a decent deal of political steadiness before the violence that took after the 2007 elections, and nationals from the region came to view Kenya as a place of refuge from distinctive degrees of shakiness in the own nations. Kenya has taken an interest in noticeable local strategic activities and gave authority in explaining territorial clashes, as it did amid the Sudan peace process that ended in the development of the new state of South Sudan and the foundation of a transitional national government later the transitional central government in Somalia. The nation likewise has high diplomatic standing emerging from its facilitating a portion of the biggest conciliatory missions and international politics in sub-Saharan Africa, while keeping up a moderate profile in global legislative issues by receiving a stance of 'quiet diplomacy'.

In most worldwide contentions or emergencies, Kenya utilizes a 'sit back and watch' stance as per its standards of non-interference in the internal issues of different states. In spite of the fact that the requirement for it to accept an obviously hegemonic position in the region is normal theory in media and academic circles, the administration rather opts for friendly relations to advance the development of its business interests over the area; a position taken particularly since the expanded association of the private segment under the national economic recovery strategy (ERS) changes for Employment and Wealth Creation of 2003–2007. This agreeable stance has been pointed fundamentally at moderating relentless reasons for alarm going to negative notions especially from Tanzania towards following the breakdown of the first EAC in 1977.

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EAC partners stay on edge over the disappointment of past territorial activities amid the early post-autonomy period, as a result of a hidden negativity across the board around then. Researchers, for example, Prys noticed that past incorporate activities occurred at the height of the Cold War; hence the breakdown of 1977 can be credited fundamentally to ideological contrasts: the right and left-wing ideological positions taken at that time by Kenya and Tanzania respectively and the ideological somersaults performed by Uganda, that undermined solidarity of reason required for the EAC to work. 178

**Economic Diplomacy as a Pillar of Foreign Engagement**

The push of Kenya's worldwide political issues has changed considerably, from the survival of the state and its authority towards more prominent consideration regarding exchange and venture issues. 179 As indicated by the Kenyan High Commissioner to South Africa, Ambassador Tom Amolo, a procedure of more noteworthy democratization helped move the needs of foreign engagement towards economic tact, which turned into an essential instrument in seeking development; thus its depiction by government authorities as a key pillar on which the nation's foreign policy is grounded in quest for its improvement goal of turning into a middle income and industrialized economy by 2030. 180

Economic tact, in the Kenyan setting, is not a thought that depicts qualifications of approach and practice, but instead a response to changes in the worldwide environment. 181 The principle inspiration for conducting foreign strategy along these lines is the quest for expanded capital flows into the nation and the region, given Kenya's dedication to incorporation activities through exploring alternative sources of improvement help and promoting itself as a good destination for foreign direct investment (FDI), tourism and conferencing. Furthermore, the need to bolster Kenyan ventures within the region and past the region is roused by a need to extend access to built up business sectors around the world. 182

Monetary tact is in this way an avenue through which to advance fair principles of worldwide exchange while fortifying RECs, particularly the EAC and Comesa, to serve as competitive springboards to developing and worldwide markets. Finally, it is an instrument that supports the quest for conventional and renewable sources of vitality through improved innovation, and by looking for sources of finance for related undertakings, for example, the extraction of

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geo-thermal resources. Sound economic procedures and a record of realism in foreign strategy and territorial affairs have put Kenya to a position of relative administration that makes it exceptionally versatile to worldwide changes. Since freedom in 1964 this sober mindedness has taken the form of ‘positive lack of bias’ in outside relations. At first, this was seen as a way to defend Kenya’s national uprightness in a world of force domination of weaker states was the fundamental characteristic for global undertakings. Consequently, it turned into a position through which Kenya tries to protect that character in a domain in which worldwide occasions have noteworthy national and regional repercussions.

In following this strategy the nation has shunned ideological and geopolitical organizations together; seeking neutral co-operation without respect for other countries political or economic inclinations, while avoiding open military confrontation. This posture expresses itself particularly in Kenya’s economic dealings. At independence, it acknowledged the difficulty of separating itself from the economic and political ties arising out of its colonial past. Now, however, it must recognise shifts in the global economic power structure. Hence despite dependence on foreign markets for its primary exports, sources of imports or aid, and the rapid changes taking place in the international arena, Kenya always avoids any form of external pressure from any one country or group of nations. It has traded with former members of the USSR, with Asia; and with European and North American countries, in order to create an economy not wholly reliant on any one bloc.

In this way Kenya maintains its objective of preserving the structure it built to its own design, based on the precepts of African socialism and drawing on whatever influences it considered appropriate to its particular circumstances. This is especially true of its assumption of free market policies. Ultimately, Kenya has not experienced any kind of paradigm shift; its emphasis on economic diplomacy seems rather to be a consequence of domestic political interests that are keen to ensure their continued survival and standing.

**Economic Planning For Investment: Stakeholder Inclusion in Policy and Practice**

East Africa’s institutional framework for regional and international trade is evolving rapidly. If Kenya is to achieve the aim of Vision 2030, it will require an international trading

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environment that encourages the expansion of manufactured and non-traditional goods or services. In pursuing this end there are a number of trade policy challenges to deal with. First, the country has to design and implement a trade strategy and other, related domestic policies that facilitate growth and diversification in its export capacity.

Secondly, it must formulate and negotiate effective trade strategies, at a regional and international level, that bring about deeper integration and improve market access for its exports, while gaining access to globally competitive inputs. Lastly, it has to increase the capacity of its economy to meet the challenges and opportunities arising from globalisation. Kenya has therefore developed an NTP that recognises existing policies and the need to develop a coherent growth path, with a view to creating a policy environment that facilitates development of the private sector. The NTP highlights constraints and challenges in international and domestic trade within the context of existing trade policies, while identifying strategies and programmes to sustain the economy within the parameters of Vision 2030.

While the conduct of its economic planning, development and diplomacy is bound to change with the recent discovery of oil in Turkana, Kenya presently suffers from a lack of revenues from high-value natural resources; and a scarcity of land. Njuguna Ndung’u, governor of the Central Bank of Kenya, and Oxford University’s Paul Collier, among others, have pointed out that economic growth is widely accepted as a necessary condition for social peace, in the aftermath of the violence that followed the elections in 2007. Kenya aims to achieve sustained, rapid economic growth by attracting higher levels of investment: to do so, it must mobilise extra resources and reduce the cost of business to promote its integration into global and regional investment markets. This perspective informs the kind of continuity in policy making, from the ERS through to Vision 2030, which also prompted the formation of the NTP.

By redefining the role of government and increasing participation from the private sector, the ERS fostered growth of up to 7% a year until the 2008 violence. Included in the strategy were an update of company law, and improvements to the customs and tax administration to enhance its regional competitiveness. The reform agenda was anchored on a reassessment of the role of the government as provider of an enabling environment for private sector growth and investment, and emphasised three key themes: first, strong economic growth supported

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by a stable macroeconomic environment; secondly, enhanced equity and poverty reduction; and thirdly, improved governance and effectiveness in the economy. 194

The ERS also put in place structural reforms, in particular regulatory reforms in telecommunications, railway, and energy sectors. Trade openness improved with the reformation of the EAC and by 2009, Kenya had emerged as one of the most highly rated African business environments. 195 In examining Kenya’s growth opportunities, Vision 2030 seeks to capitalise on Kenya’s strategic geographical position, and on the manufacturing sector; its potential as a trade and distribution hub make it key to unlocking the potential of the region as a whole. Its geographical location is central to the growth strategy: as a coastal, resource-scarce developing country, it is well placed to grow rapidly by exporting items, the production of which can be expanded without encountering natural obstacles. In the event of complete consolidation of the EAC into a political federation, Nairobi would probably be a major beneficiary. 196

Vision 2030 notes that Kenya must achieve high levels of sustained growth for at least two decades by increasing savings and investment; transforming its wholesale and retail trade into foreign ventures within the region; and improving the competitiveness of the manufacturing sector through exploiting regional access. 197 The vision, finally, hopes to spur financial sector strategies to enable massive infrastructure development and competitiveness and identifies and develops targets for different sectors in the quest for the rapid growth and development embodied in national objectives.

Diplomacy for Investment Promotion: The Management of Foreign Policy

Over the past few years Economic diplomacy has heard an increased effect on FDI flows. The Kenya Bureau of Statistics Foreign Investment Survey for 2010 shows an increase in Kenya’s foreign liabilities from about $4 million in 2007 to $5 million in 2008. 198 FDI increased by 21.5%, from roughly $2.5 to $3 billion, while FDI inflows fell to $500 million. 199

In support of export market development, the EPC has organised and facilitated participation by Kenya’s exhibitors in international trade fairs and exhibitions in Zambia, Malawi, Tanzania, Uganda, Egypt, Rwanda, Sudan, Democratic Republic of Congo, Zimbabwe,
Mozambique, China and the US. Such events consolidate and expand business in existing markets while helping product diversification for improved access into emerging markets.  

Kenyan exhibitors could use the events to gauge the competitiveness of their products, appoint agents and distributors, study consumer trends and identify joint venture opportunities.  

Tourism has continued to perform well despite various problems. The government has committed itself to an enabling environment including promotions aimed at attracting tourists from emerging economies.  

Despite security threats and travel advisories by foreign governments in 2011, international visitor arrivals increased by 13.3%, from 1.6 million in 2010 to 1.8 million in 2011.  

Nevertheless, the country’s diplomatic resources require further change. As economic consultant Ivan Mbirimi has pointed out, African countries must embrace the basic tenets of economic diplomacy when embarking on major economic development.  

For Kenya this involves setting targets; consulting stakeholders; exploring the boundaries of difficult issues in order to define ultimate state objectives; researching agendas of negotiating parties; and identifying future world economic scenarios to assess their effect on its own economy. This in turn requires review of the roles, initiatives and conduct of diplomacy; by officers and government agencies, in the negotiation and advancement of the state’s interests.  

To do this it is necessary to understand Professor Makumi Mwagiru’s maxim that there is a clear distinction between the management of diplomatic services on the one hand and foreign policy on the other.  

Both are mainly administrative functions, but the former entails dealing with the resources necessary for ensuring efficient implementation of foreign policy, whereas the latter is concerned with effective implementation of a strategy that facilitates external relations. The latter aspect requires astute co-ordination of consultations and negotiation with different, interested parties such as elected representatives, ministries, academia, NGOs, the media and the public.  


Kenya’s constitutional changes are in part aimed at eliminating partisan political considerations from the creation of ministries by forcing the amalgamation of ministries. Nonetheless, comprehensive reforms are still necessary to deal with problems such as those arising from secondment of officers to other ministries, which can cause friction and hamper harmonious working relationships. The reforms should be revised to recognize the interdependency of issues highlighted by Organski and Kugler.²⁰⁸ Any restructuring should instigate the recruitment of personnel familiar not only with questions of international economics but also with international developments diplomacy in the modern world requires versatile actors capable of dealing with a wide variety of issues. This knowledge should be deployed to attract inward investment through growth-orientated external relations.²⁰⁹

**Political Influences and Risks to Prosperity**

Economic growth is extremely sensitive to perceptions of political and macroeconomic risk because uncertainty undermines private investment. Perceived political risk in Kenya can be reduced only through proper conduct of the 2013 general election and the implementation of the new constitution.²¹⁰ Despite persistent squabbles between partners in the ruling coalition that hold up the pace of implementing new laws, there is need to develop credible institutions before the next election; election cycles tend to slow down government as officials turn their attention towards election campaigns.²¹¹

Since 30 November 2011 Kenya has held the chair of the EAC, but as it collectively focuses on the quest for peaceful and credible elections, the country’s interest in EAC activities is bound to wane.²¹² Kenyan members of the East African Legislative Assembly have already voiced concern over the lack of direction from their government; two months after having been sworn in they were yet to meet the president for briefing on their responsibilities, during which time their counterparts from other EAC member countries had already completed the same procedures. Blame is being directed at the EAC minister, Musa Sirma, who has shown little interest in the matter.²¹³

Media reports indicate that much of his efforts are focussed on the Prime Minister Raila Odinga’s presidential campaign and his personal political forays in the Rift Valley province.

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whence he hails. The new constitution is expected to put an end to such clashes between administrative and political interests, with the appointment by the president of technocrats or professionals who will then be vetted by parliament rather than politicians to head up ministries. During the violence of 2007–2008 Kenya’s collapse was somewhat abated through a national dialogue and reconciliation initiative led by former UN secretary-general Koffi Annan. It set out a programme of reforms that led to the formation of a coalition government that facilitated the passage of a new constitution. The constitution will harmonise foreign policy with trade policy, and reduce the number of ministries when the constitution is fully implemented. President Kibaki has already stated that under the new dispensation international trade issues will fall under foreign affairs, so diplomats can now give even more prominence to the promotion of foreign trade.

Implementation of the new constitution, however, involves its own complexities. Debates over the supremacy of the Kenyan constitution over the EAC treaty have been played out in public, as they were in the budget announcement of July 2011. The new constitutional provisions almost held back the parliamentary budget reading, which according to the EAC treaty should be done simultaneously by EAC member governments. In addition, although a merger between the MoT and the MFA is expected to take place, questions arise over the fate of MEAC which was created to meet the need for all EAC members to facilitate out their integration functions. Compounding this problem is the question of how to include Kenya’s newly formed county governments in integration efforts, so that they will not hamper progress by exercising the constitutional powers they enjoy to make their own rules.

Another issue that raises the level of Kenya’s political risk is the uncertain outcome of cases at the International Criminal Court (ICC) at The Hague, where six suspects, including senior politicians, face charges of crimes against humanity. Four of the six had their charges confirmed during September and October 2011. The judicial process is expected to continue hand in hand with the election cycle of 2012–2013. It is to be hoped that a recurrence of heightened political tension that engulfed the country prior to the suspects’ facing charges will not be repeated. Nevertheless, two of the defendants are currently running for the presidency and insist that they will still seek high office, despite the standard of personal integrity demanded of such candidates under the new constitution and the Leadership and Integrity Bill that is now under stakeholder review.

Remarks by US Secretary of State Hillary Clinton in private meetings with top Kenyan officials alluded to the possibility of sanctions if either of the two suspects became

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These events, together with debates attending the implementation of the new constitution, have raised fears among both foreign donors and domestic interests concerning the overall integrity of Kenya’s elections. The process seems to have battered Kenya’s international image as a result of the government’s attempt to win AU support for postponement of the ICC cases diplomatic forays that served as a distraction from the economic thrust of its diplomacy. By internationalising its factional in–fighting Kenya has become diplomatically ‘hobbled’; it has a weak and divided government as a result of the circumstances that led to the formation of its ‘grand coalition’.

Questions over delays in implementing the constitution and fears of a repeat of violence at the next general election provide a serious challenge to diplomats, and officials of promotional agencies, tasked with assuring investors of the country’s stability. For a country seeking to promote itself as an investor and tourist friendly destination over the long term, fears about political instability compounded with the increasing threat of terror attacks before and after the country’s military engagement in Somalia could have a negative impact on economic growth. These issues have a tendency to raise political temperatures through ethnic based rhetoric and other disruptive activities that together may shake investor confidence.

Beyond these issues, the challenge of improving Kenya’s business environment still remains. East African countries are engaged in reducing the regulatory burden of businesses, reducing bureaucracy, facilitating the formation of new business enterprises and other similar measures that reduces corruption and facilitate business. In a comparative examination of the World Economic Forum’s Global Competitiveness Index; the Heritage Foundation’s Index of economic Freedom; Transparency International’s Corruption Perception Index and the World Bank’s Doing Business Report, by the Institute of Economic Affairs (IEA) Kenya is noted as a mixed performer whose economy mainly suffers from high corruption. Tackling the vice is therefore very important in improving the business environment. While the appointment of commissioners for the new Ethics and Anti-Corruption Commission (EACC) has gone through a great deal of political gamesmanship that, aroused negative perspective over the authenticity of the fight against corruption; a newly reconstructed judiciary has rejuvenated this struggle with its defence of the constitutional chapter on

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So far this institution has criticised the executive and parliament for not making appointments accordingly and trying to hinder EACC operations through restrictive legislation. This stand to protect and uphold the constitution, while engaging in reforms that seek to expeditiously deliver justice is increasingly being viewed as a welcome assertion in the improvement of the rule of law.

China’s Foreign Policy towards Africa

Together with the growth of China’s strength, the recent years have witnessed the growth of expectations for China among developing countries. Some developing countries even hope that China could become a counter weighing power against the United States. True as it is that China has quadrupled its GDP in the last nearly three decades, generally China remains a developing country in almost every way. For instance, economically, China’s GDP per capita, US $1700 in 2005, is lower than quite a number of developing countries; its total GDP is only about a quarter that of the US; and China has a long way to go to improve its economic structure. Due to various constraints, in the near future, China’s assistance for the developing world would still be moderate, and the resources to be mobilized for the resolution of international crisis will still be limited.

In the longer run, with the further growth of its capabilities, China would certainly play a bigger role to commensurate with its strength and capabilities: contribution to the world of not only material but also cultural and spiritual products, investment of more efforts and resources in the resolution of international crisis and promoting global cooperation facing up to various non-traditional security threats. Africa has always had a significant proportion in China’s foreign policy consideration since the founding of the People’s Republic of China in 1949 and formal diplomatic relations started after the Bandung conference. It has become a customary practice that Chinese foreign minister would always choose Africa as his first visiting destination at the beginning of a year.

The recent years have seen some most significant occasions in Sino-African relations: the three (2000, 2003, and 2006) China-African foreign ministers meetings within the mechanism of Forum on China-Africa Cooperation (FOCAC), the publishing of China’s African Policy on January 12, 2006, the Beijing Summit of FOCAC on November 4, 2006,

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228 Ghali B.B. (2013); Report of the Secretary-General in pursuant to the statement adopted by the Summit Meeting of the Security Council tagged “An Agenda for Peace: Preventive diplomacy, Peacemaking and Peace-keeping”
African Development Bank (ADB) annual meeting in Shanghai in May, 2007, and the frequent high level visits between the two sides. But among all these latest events, the most important is the definition of the new type of strategic partnership, namely, political equality and mutual trust, economic win-win cooperation and cultural exchange.

Some international scholars might argue that China is conducting neo-colonialism in Africa. China’s African policy and the latest developments should be observed both historically and within the context of globalisation and the common development mission of developing countries as well. China, on the one hand, is expanding economic assistance free of any political conditions through governmental channels; on the other hand, China attaches great importance to economic cooperation with the purpose of promoting economic development so as to achieve win-win results. China’s African Policy listed ten areas of economic cooperation: Trade, Investment, Financial cooperation, Agricultural cooperation, Infrastructure, Resources cooperation, Tourism cooperation, Debt reduction and relief, Economic assistance, Multilateral cooperation.

China and Africa face similar internal and external problems and challenges of development, which determines that the two sides share views regarding the current international system. Both sides have similar positions regarding major international principles like state sovereignty, territorial integrity, national dignity and human rights. Therefore, China regards cooperation and coordination between the two sides as important for China and Africa as well. Though it is China’s long-term strategy to strengthen its relations with Africa, China’s Africa policy and China-Africa relations are also facing various challenges. In the first place, China has long abided by the principle of sovereignty and non-intervention into internal affairs, but the recent years have seen more and more disputes regarding that principle, which exists not only in developed but also in developing countries. Some countries would emphasise the importance of sovereignty as maintaining peace while others would argue that indifference to domestic conflicts as irresponsible.

Secondly, China’s policy of de-linkage between economic cooperation and domestic politics is being frequently challenged by developed western countries, which would always argue China’s policy would dilute the effects of international efforts pressuring domestic good

229 Sinclair, M. 2012: Learning to Live Together: Building skills, values and attitudes for the twenty-first centre. Published by UNESCO.

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governance. Thirdly, China has become a market economy to a great degree, and the regular running of Chinese enterprises is driven by economic profits. Chinese government has to accommodate its market economy mechanism to its commitments to African countries.

Fourthly, China-Africa cooperation has well developed at governmental level, but how to sustain the favourable China-Africa relations will largely depend on how to deepen the relations at grassroots levels. That is to say, the two sides should also strengthen relations at various levels: between local governments, between companies, and between peoples. Fifthly, as a developing country, China has the same kind of domestic economic structure with African countries, as a result, Chinese commodities might be competing with African products in international market, and even have impact on their domestic similar industries.

In conclusion, the last three decades witnessed the changing of China’s international identity from a revolutionary to status quo country, which is both the result of China’s domestic agenda, namely, the reform and opening-up policy, and the changing of international agenda, namely, the ending of the Cold War and the growing importance of economy in a country’s overall strategy. As the US might define democracy and liberty as its core national interests, home and abroad, China attaches the most importance to peace and stability, which is related not only to its history and tradition as a peace loving nation but also to its diplomatic mission of building a favourable international environment for its ambitious economic development. In addition, Chinese elites are also well aware of the lessons of the bloody experiences all through the history, the modern history in particular.

Kenya Perspective on China-Africa Relations

Rapid economic modernisation of the Chinese economy in the post-reform period, and subsequent global expansion in search of resources and markets, particularly its recent expansion into Kenya has elicited interesting commentary, some of it bordering on ideological prejudices and cultural stereotype. Bergeijk warned of the potential threat of China’s Kenya penetration and worried about the potential of large numbers of Chinese companies and citizens which could undermine Kenya’s prospects for development, perhaps conveniently unmindful of the large numbers of American and western European companies that have been operating in Kenya for a long time.

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and citizens which have dominated Africa’s economic skyline over the last century with very questionable contribution to Kenya’s development record.241

The fact of the matter is that China’s emergence as a global power is a fait accompli. There is not much that we can do to stop it. And moreover, it is an economic and political development which is bound to have profound implications for many regions in our globalising world economy.242 Thus for small global players like Kenyan economies, the challenge is to think how we propose to engage this China’s rising profile in the country. Perhaps it needs to be pointed out that in a fast globalising world economy, China’s rapid economic modernisation has implications for every country in the world and not only in the Kenya. Moreover, there is nothing profoundly new about China’s presence in Kenya.243

The main challenges facing the Sino-South Africa partnership is the terms of the bilateral trade. Kenya exports mainly raw materials to China, while China exports manufactured goods to Kenya. As Roskin puts it, this is a classic North-East model the East (Kenya) exporting raw materials, and the North (China) exporting finished products.244 South Africa and Africa cannot continue exporting raw materials indefinitely. At one stage, the continent is bound to run out of raw materials.

Obviously South Africa’s failure to add value to its China exports, and for that matter, its exports in general is not a very well informed strategy. This is a problem that confronts almost all African countries, and that is, how to move up the production chain and start adding value to the exports.245 Kenya needs to engage China on this issue of export of raw materials. One option would be that instead of exporting raw materials, China’s firms would invest in respective African countries with a view to adding value and therefore exporting finished product. China’s demand for raw materials provides a perfect opportunity for Africa to reconfigure how they propose to deploy their resources. A strategy which seeks to add value before export would certainly trigger off industrial processes with potential backward linkages to provide employment and develop productive forces within the continent.246

This partnership should engage China on China’s conduct in Kenya. China’s policies, it is alleged have tendencies of supporting undemocratic regimes, and to undermine the fight against corruption and good governance.247 Sudan is often cited as an example of China’s

241 Bergeijk. P. (2009), Economic Diplomacy and the Geography of International Trade, 155 (Hague)
support for undemocratic and oppressive regime. China continued sale of arms in the midst of the unabated Darfur conflict cannot continue to be ignored. It is also in China interest to understand that given recent targeting of Chinese oil workers in Ethiopia and Nigeria, its non-interference principles could ultimately work to its own detriment.\textsuperscript{248}

Finally, the partnership ought to engage China on issues around improving China’s ambiguous positions at the UN Security Council. China’s position has demonstrated huge rhetorical support but very little concrete action in support of Africa’s positions. China for example, supported Sudan at the Security Council and threatened to use its veto power to block oil embargo against Sudan.\textsuperscript{249} Similarly South Africa needs to engage China more robustly in two areas, namely, reform and restructuring of the UN, with a view to bringing African representation to the Security Council, and reform of the global trading system with a view to improving access of developing countries to the markets of the developed. Finally engagements to strengthen South-East cooperation. China’s observer status in IBSA provides possibilities of strengthening the co-operation.\textsuperscript{250}

\textbf{CONCLUSIONS}

Foreign Policy Framework document summaries Kenya’s foreign strategy, as it has developed since autonomy in 1963.\textsuperscript{251} Kenya’s foreign policy framework document gives a complete blueprint that reacts to the changing progress on the worldwide political scene.\textsuperscript{252} This approach contains compelling systems and instruments intended to pursue Kenya’s qualities and interests in an increasingly aggressive world. As the principle foreign policy instrument, the Ministry of Foreign Affairs work with the appropriate government institutions to guarantee that the conduct of Kenya’s foreign policy is pro-active, successful and very much planned. The fundamentals of Kenya’s foreign strategy were laid amid the long battle for national freedom from imperialism. From the start, the planners of our Republic underscored the inseparable connection between national autonomy and humankind’s larger freedom, equity and the undisputable right to a common legacy.\textsuperscript{253}

Kenya's foreign approach is guided by a strong conviction that our own particular future is inseparably fixed to the strength and security of our surroundings and legacy as the essential source of our nationhood, occupation and success. It is also connected to the strength and

success of our neighbors in East Africa, and the rest of Africa\textsuperscript{254}. As an effect of this rational approach, Kenya's foreign policy standards, which rose amid the period, have stood the test of time: quiet coexistence with neighbors; fairness and power of all states; well-disposed relations with all countries; determination of contentions by serene means; adherence to the guideline of non-alignment; and equity in the conduct of global relations. Kenya effectively produced commonly useful cooperations with the West while productively captivating the East through its arrangement of positive non-alignment\textsuperscript{255}.

Kenya is forging closer ties with emerging markets of Asia, Middle East, Latin America and the Caribbean, as well as Eastern Europe. Dubbed the Look East Policy, the strategy is one of the pillars of Kenya's foreign policy considerations which was publiced when the then NARC government took over power from KANU which had ruled Kenya for 40 years.\textsuperscript{256} This policy emphasizes improved relations with countries from the East and top officials of the then new government from the onset, with declarations – mainly not based on substance - that they shall go East if the UK and the US-the traditional allies kept on lecturing the government on corruption. Chapter two discussed the history of Kenya's foreign policy and it emerged that Kenya have had a historical relationship with other nations that goes back to the pre-independence period. It also emerged that the Kenya was under the British colonialism and the struggle for independence, a background that has led to genuine friendly relationship between other countries. Policy decisions also reflect actual and perceived external factors. In chapter three the study focused on the external actors and factors that condition Kenya's foreign policy. Kenya’s foreign policy towards the UN, for example, has not affected its relations with other countries.\textsuperscript{257}

The study showed that in the UN, Kenya has always taken stands that are in line with UN principles. This is because Kenya did not want to go against the UN principles of maintaining world peace, security, good relations among states and upholding human rights. Chapter four discussed the domestic factors and the economy was the most important influence in Kenya's foreign policy. Kenya’s economy relies heavily on agriculture, an aspect in which Kenya has received considerable assistance from other nations.\textsuperscript{258} Kenya has had scientific and technical agreements with developing countries in Africa, having agreements meant to improve the agricultural potential of the country and hence improve the economy. Kenya’s foreign policy since independence has been a function of national interest. It was indeed clear from chapter five that Kenya’s foreign policy under Presidents Jomo Kenyatta and Daniel Arap Moi was aimed at achieving national interest. This was propagated through a policy of retaining the

\textsuperscript{256}Blaug, G. (2012). The Methodology of Economics, or, How Economists Explain. (Cambridge University Press.) Brand Kenya Board, Strategic Plan 2009-2012 (Nairobi)
\textsuperscript{258}Bergeijk. P. (2009), Economic Diplomacy and the Geography of International Trade, 155 (Hague) International Academic Journals
status quo under the guidance of ‘positive nonalignment. Under the first two presidents, Kenya’s foreign policy was that of loyalty, mutual assistance, accommodation and genuine friendship.

RECOMMENDATIONS

This study has laid bare the extent to which national interests impede any meaningful integration process more so, due to Kenya advancement of its interests. The study recommends that the country reviews its foreign policy as regards the EAC integration and drops its quest to become hegemony since this is the very reason that led to the collapse of the first cooperation between Kenya, Uganda and Tanzania. Instead Kenya should work towards making Kenya a preferred destination of goods and services in the region and a reliable friend and trade partner. It should work towards streamlining its institutions to rid of corruption which impedes business transactions in the region.

This is because rent seeking perpetuates a culture of impunity which derails implementation of various protocols that member countries have alluded to. With the promulgation of the new constitution 2010 it is expected that Kenya strictly adheres to promoting regional integration and respect of international treaties it has ratified as it has committed itself in the new constitution more so the EAC treaty Kenya should see EAC integration as one of the ways of achieving regional peace and it should thus work with the other countries to promote coexistence that has minimal suspicions that it will renegade on its promises. In addition, it should show more political will and work towards strengthening the EAC using its regional economic muscle as opposed to working towards derailing the integration process. This should be through advocating for member countries to open up more industries in the capital and also providing opportunities for the member countries small and medium enterprises to grow.

The theme should be that of united we stand to gain more as opposed to being divided which would lead to more loss. This should the pursuit of Kenya and it should accord its young

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people opportunities and training on what East African integration poses for them thus encouraging exchange programs that would open up the young people’s minds. Discovery of oils should be a step towards Kenya introducing courses on oil exploration in conjunction with its counterparts in east Africa so that Kenya can have experts in mining and minerals exploration. Although the study found that economically the balance of trade is tilted to favour Kenya in EAC, it is the study’s recommendation that a lot can still be done to improve this situation. This therefore means that Kenya should carry on with its cordial relations through friendly and realistic policies towards other nations. It is also recommended that Kenya should encourage other nations to engage more in Kenya through the joint ventures.

Given the rising wave of terrorism, this study recommends that collective response should be enhanced to combat international terrorism. Although a range of measures have been taken (the tabling of anti-terrorism bill, security precautions at airports and creation of international counter-terrorism forces) a lot more can still be done about the security at the border points. All states have/should have an interest in bringing to an end this fight on international terrorism. Kenya should realise that her national interests can be served well only through cooperation.
