



## Kenya: Challenges and Prospects

*By Johnnie Carson*

In terms of U.S. interests, Kenya is arguably the most important country in East Africa. However, over much of the last decade and a half, the country has not received a great deal of serious or sustained attention from senior U.S. policymakers. Largely because of endemic corruption, serious human rights violations, and a difficult transition to democratic rule in 1992, Kenya was treated very warily by U.S. officials—it was seen as a country to be quietly recognized and courted to achieve specific U.S. foreign policy objectives, but not a country to be fully embraced and brought into the United States' inner circle of new African partners.

Despite the sometimes-tepid U.S. approach toward the government in Nairobi over the last 15 years, and thoroughly appropriate criticism of the government's human rights record, Kenya has been the most stable and reliable U.S. partner in the Greater Horn of Africa. More importantly, it has served as a regional platform for advancing important U.S. bilateral and multilateral interests. Without the use of Kenya's airports and its harbor in Mombasa, the United States would not have been able to provide famine relief to drought-ravaged Somalia between 1988 and 1993, nor massive emergency and humanitarian assistance to hundreds of thousands of Hutu refugees in the eastern Congo and western Tanzania after the Rwandan genocide of 1994.

In addition, Kenya has been the principal base for Operation Lifeline Sudan, the UN-run and U.S.-supported relief program that feeds thousands of people in war-ravaged southern Sudan. On the political side, Kenya has been the principal mediator in the U.S.-backed effort to find a peaceful solution to the 20-year-old conflict in southern Sudan, the leader in the effort to stop illegal cross-border arms trafficking in the region, and the facilitator of the only meaningful peace talks among Somalia's disputatious warlords. All of these are initiatives that we have endorsed or supported.

But recently, things have started to change in Kenya. Kenya's very successful parliamentary and presidential elections of

December 2002 have opened the door for a new government and a new era in that country. While challenges for Kenya remain as the country's new president, Mwai Kibaki, works to promote major reforms in his nation, the United States also faces challenges as it seeks to maintain its important interests in Kenya—namely the political, military, and intelligence relationships the two countries have built over many years.

### **Election Outcome**

I first went to Kenya as U.S. ambassador in the late summer of 1999, in the aftermath of the tragic 1998 bombing of the U.S. embassy, in the twenty-first year of President Daniel arap Moi's long tenure, and in the ninth year of Kenya's steep economic decline. At that time, there was every reason to be pessimistic Kenya's future. Almost everyone I encountered warned me that my tenure would be enormously difficult, that Kenya's national elections would not be held on time, that President Moi would not leave office at the end of his second five-year term, that the completion of Kenya's new constitution would disrupt the election timetable, and that the ensuing political and constitutional struggles would result in widespread violence. None of these events occurred, and all of those who predicted the end of the world in Kenya have been proven dramatically wrong.

Today, Kenya is clearly far better off than it was four years ago, and the level of optimism throughout the country is greater than it has been in the last 10 or 15 years.

The world's democratic community should applaud Kenya for its recent political accomplishments. The presidential and parliamentary elections that took place on December 27, 2002, and the successful transfer of power that occurred with President Kibaki's inauguration at Nairobi's Uhuru Park on December 30 were a remarkable success.

One does not have to look far to recognize the significance of Kenya's democratic achievement. In the last two years, six African states have held major elections. In almost every case, those elections have gone badly wrong. In Zimbabwe, Zambia, Madagascar, the Ivory Coast, and Liberia, governments are all struggling to repair or cover up the divisions and deficiencies that have resulted from flawed electoral and political processes.

In marked contrast, Kenya's elections were a model for Africa. They were peaceful, fair, and transparent, and they were carried out according to the country's constitution. Kenya's

political leaders demonstrated an impressive degree of political maturity, and the military—despite rumors that they might—did not interfere in the process. And on December 30, in a ceremony watched by a half-million Kenyans, one democratically elected president gave way to another.

### **The First Six Months**

In his first six months in office, President Kibaki has earned widespread praise for his selection of senior government officials and his commitment to implementing some of his most significant election promises.

Addressing one of Kenya's problems, President Kibaki has launched a serious attack on the culture of corruption that has given Kenya a bad name internationally and undermined the country's relations with the World Bank, the IMF, and other major development partners. The president's decision to appoint John Githongo, the widely respected local director of Transparency International, to fill a new senior position responsible for ethics and government integrity was a stroke of political genius and a clear signal that Kibaki was serious about his stand against corruption.

In another bold move, President Kibaki has also taken aim at Kenya's feeble and corrupt judiciary. Within days of assuming office, he created a new Ministry of Justice and Constitutional Affairs and forced the resignation of Chief Justice Bernard Chunga. Justice Chunga was widely regarded as ineffective, corrupt, and easily influenced by officials in President Moi's government. Although much remains to be done to clean up Kenya's court system, the purge at the top removes a previously encrusted and cancerous bottleneck in the legal and judicial process.

President Kibaki has also acted wisely in the selection of his cabinet members, especially those filling the most critical positions. Given Kenya's economic situation, the minister of finance is arguably the most important cabinet post in the government. In selecting David Muraria to take the job, Kibaki chose someone with strong credentials and a spotless record—and someone who would be able to win the confidence of international financial institutions and the overseas business community. President Kibaki's appointments in the Ministries of Industry, Home Affairs, Development Planning, Education, and Environment have all been above average. He has also brought on board a number of young, well-educated, first-time ministers like Raphael Tuju, Najib Balala, and Dr. Mukisa Kituyi, who are likely to move ahead rapidly in the years to come.

President Kibaki has also won instantaneous goodwill throughout Kenya by following through on one of his most widely publicized campaign pledges. During the run-up to the

election, Kibaki promised to provide free primary school education to every Kenyan child if his coalition triumphed at the polls. Although he significantly underestimated the number of children who would seek out primary school education and the amount it would cost the government, he did not retreat from his pledge. In his first major policy decision after he was sworn in, Kibaki eliminated all school fees for primary school children—a decision that continues to resonate well around the country.

Finally, Kibaki—in another politically popular move—elevated the status of women by appointing over a dozen prominent female politicians to cabinet and subcabinet positions. Although former president Moi occasionally gave lip service to the importance of women in society, during his last six years in office he did not have any women in his cabinet and only two female assistant ministers.

### **Post-election Challenges to the New Government**

Although the new Kenyan government is off to an excellent start and deserves the U.S. government's admiration and strongest support, it does face a number of very significant challenges—challenges that could derail its reform effort, undermine its credibility at home and abroad, and possibly fracture the fragile coalition that brought it to victory. Among these challenges, six stand out.

#### *Kibaki's Health*

The first challenge centers on the president himself—and the current state of his health. On December 3, three weeks before last year's national elections, President Kibaki was injured in a car accident. He sustained a broken right arm and a severe dislocation of his right foot and ankle. He was flown to London for additional medical treatment and returned to a hero's welcome on December 14. Since assuming power, the president has had to return to the hospital twice to be treated for blood clots and possibly deep vein thrombosis brought on by the long period of inactivity resulting from these injuries. Although Kibaki has resumed a nearly full schedule of domestic and international activities, some concerns about his health linger.

The sudden and unexpected death last month of Kenya's vice president, Michael Wamalwa, has caused some local political commentators to raise even more questions about the president's health. Given Kenya's regional importance and the role it plays in conflict resolution both in Sudan and Somalia, the country needs a strong, visible, and effective president capable of engaging on all the issues that face the country.

### *Delays and Conflicts in the Constitutional Reform Process*

The second challenge concerns Kenya's constitutional review process. Last year's debate over whether Kenya should go into the presidential and parliamentary elections under the existing constitution or a new constitution nearly provoked a political crisis that could have derailed and scuttled December's elections altogether. Although political leaders skillfully avoided that crisis, a new one is clearly evolving. The government that came to power in December 2002 pledged that it would make the constitutional review process one of its top priorities and that a new constitution would be completed within six months. However, as a result of the magnitude of the victory the political center of gravity around the review changed dramatically and the constitutional process has now slowed down considerably.

There is no doubt that Kenya would benefit from some constitutional changes, but the members of President Kibaki's coalition are now deeply divided over whether a new constitution needs to be rushed through and whether the new constitution should realign the division of labor within the executive branch. Having won the presidency, President Kibaki and his closest associates do not believe that presidential power should be dramatically cut and shifted into the hands of a new and powerful prime minister who could challenge or dominate a weakened presidency. Factions within the government coalition are increasingly polarized on this issue. If there is no progress on the completion of a new constitution by the end of 2003 or the first half of 2004, the constitutional stalemate could precipitate a political crisis.

### *Financial and Budgetary Shortfalls*

The third challenge concerns the government's budget and financial shortfalls. Kenya's economy has been in serious decline for the last decade. Between 1990 and 1998, the economy was largely stagnant, expanding at less than 2 percent a year, clearly below the country's still relatively high population growth rate. Between 1998 and 2001, if population growth is factored in, the economy contracted. Although the government has done a decent job of managing its budget during this difficult period, its finances are now in very serious trouble. In the last two years, the absence of budgetary support from the World Bank and IMF was exacerbated by excessive pre-election spending—some of it driven by corruption. The government now faces new demands on the public treasury generated by the decision to provide free primary education to all Kenyan children and the promise of free medical services to needy Kenyan families.

Today, there is a major current-account deficit. This shortfall will increase domestic borrowing by the government, leading to upward pressure on interest rates and a shortage of funds for

private-sector investment. The World Bank and IMF are expected to resume their budgetary support programs later this year, but the government's deficit could balloon even further if there is any serious delay in the resumption of the long-stalled programs of the international financial institutions.

### *Moving the Anticorruption Agenda*

The fourth challenge concerns corruption. Widespread and systematic corruption has always been a problem in Kenya. After over six months in office, the current government has demonstrated a serious commitment to fighting corruption and improving the country's image. The appointment of a senior anticorruption czar, the removal of a corrupt chief justice, and the passage of two importance pieces of anticorruption legislation reflect this commitment. Nevertheless, to prevent future corruption, Kenya will have to prosecute those who have stolen government funds, an achievement that has eluded previous governments. Over the last decade, Kenya's attorney general has never successfully prosecuted or won a conviction against any high-level government official. To cement the government's anticorruption campaign, corrupt officials must be convicted and jailed or made to turn over their illegally acquired wealth.

### *Security—Another Blast*

The fifth challenge concerns security. President Kibaki's new government must pay significantly greater attention to the issue of security. In the last four years, Kenya has been the victim of two major international terrorist attacks. On August 7, 1998, the U.S. embassy in downtown Nairobi was destroyed by a terrorist bomb. That explosion had a chilling impact on Kenya's image and on segments of its economy. Many thought that that type of sophisticated and well-coordinated attack would never happen again in Kenya. But on November 28, 2002, international terrorists carried out an equally daring and sophisticated attack—firing two shoulder-launched surface-to-air missiles at a fully loaded Israeli civilian airplane and successfully detonating a car bomb in the lobby of the Paradise Hotel in the coastal town of Mombasa.

This event was a wakeup call for Kenya, for East Africa, and for the entire international community. The preliminary investigation of that bombing confirmed a great deal that many experts had suspected: that Al Qaeda has at least one or two active cells in Kenya; that the perpetrators of the Mombasa attack were also involved in the attack on the U.S. embassy in August 1998; that the members of the cell are Kenyans; and that the Kenya cells are a part of Al Qaeda's larger global network.

These cells remain active and in all likelihood are planning more mass casualty attacks in Kenya. Kenya can ill afford another

terrorist event on its soil. Such an incident would damage Kenya's economy, undermine the country's image, and call into question the government's ability to provide adequate security for visitors and citizens.

Kenya has taken a strong public stand against terrorism, but it must continue to act aggressively and proactively in going after the terrorists and those in the population who shield them.

#### *Managing Coalition Cohesion*

The last challenge that President Kibaki faces is managing coalition cohesion. The current government is not a homogeneous and unified political body. It is a coalition of political forces representing a broad range of political and regional views. The current coalition government consists of at least 4 major political blocks and 10 lesser political groupings.

The leaders of these parties closed ranks to defeat the Kenya African National Union (KANU), erase the legacy of former president Moi, and bring change to State House and to the country. Six months into the new administration, some of the personal rivalries and suspicions that existed before the election have resurfaced. Serious differences have emerged between the Democratic Party wing of the new government and the Liberal Democratic Party (LDP) faction over the conclusion of the constitutional review process, the sharing of ministerial positions among the various political parties, the selection of a new speaker of parliament, and the exclusion of Raila Odinga and members of the LDP party from various coalition and parliamentary leadership positions.

As tensions and frustrations grow, the prospects of the coalition splintering also increase. Significantly more attention will have to be paid to keeping the coalition together in the days and weeks ahead. Should the coalition split, it could generate political instability, realignments in the parliament, and perhaps early elections. All of this will generate political uncertainty and will set back both the reform process and renewed economic recovery.

### **Challenges for the United States**

Kenya is changing, and as it evolves and becomes more democratic, the United States also faces a number of serious challenges in maintaining its preexisting strong relationship with Kenya. Failure to meet these challenges could undermine the residual confidence and friendship that Kenyan leaders have shown the United States and the political and military ties that have helped advance U.S. policy objectives in the region.

#### *Don't Take Kenya for Granted*

First, it is important that the United States not take Kenya's

friendship and partnership for granted. The United States must nurture its relationship with Kenya. With a new democratic government in power, a vibrant civil society, a strong political opposition, and a sophisticated media, Kenyans will no longer quickly follow the U.S. lead or accept U.S. views with the same unquestioned loyalty and support of previous years. Kenya's newly elected government will have to work hard to bring political leaders and public opinion into line with the country's traditionally strong pro-American policies. And the United States will have to work even harder to convince Kenyans and the Kenyan government about the rightness and efficacy of those policies.

#### *Support a Democracy Dividend*

Second, because of the enormous success of its December 2002 elections, Kenya deserves a democracy dividend. In the past few years, a half-dozen states in sub-Saharan Africa have held national elections. With only one or two exceptions, those elections have been deeply flawed and have in several instances plunged their countries into deep and sustained political crises. As a friend and partner to the United States, Kenya's democratic success should be rewarded with additional development assistance—not less. The United States should do everything it can to support Kenya's new democratic government—to demonstrate our support for the country's democratic process and the shared goals that the United States and Kenya hold. A democracy dividend, which can take many forms, appears well justified at this time.

#### *Expedite Antiterrorism Assistance*

Third, the United States needs to follow through in a more timely and appropriate manner on its pledges of assistance to help Kenya in its battle against international terrorism. Since the August 1998 bombing of the U.S. embassy in Nairobi by Al Qaeda terrorists, Kenya has been on the front lines of the global war on terrorism. Immediately following 9/11 and in recognition of Kenya's security needs, the United States announced and offered assistance in the field of antiterrorism. Some key parts of that assistance have been very slow to arrive. As Washington continues to encourage the government in Nairobi to improve its security and to work with it on combating global terrorism, it must deliver on its promises—or run the risk of undermining U.S. credibility and support in an area of great concern.

#### *Develop Creative Economic Packages*

Fourth, the United States needs to be more creative in helping Kenya to jump-start the revitalization of its economy. It is important that Kenya's economic growth go hand in hand with its resurgent democratic practices. Kenya's government has set some lofty economic goals—creating 500,000 new jobs and

100,000 new or refurbished housing units and stimulating foreign direct investment.

Given Kenya's importance, the United States needs to reach deeper into its diplomatic and development tool kit to find ways to aid Kenya. Kenya should be a prime candidate for the Millennium Challenge Account, and the United States should consider establishing an investment fund of \$50–75 million exclusively for Kenya—along the lines of the funds for Hungary and Poland. The United States should use U.S. Trade and Development Agency funds more aggressively to stimulate large-scale direct investment in the housing sector, revamp the telecommunications sector, and expand industrial production. It should create a small U.S.-Kenyan trade council to explore other areas of bilateral cooperation in the economic and trade sectors and organize a series of highly focused trade missions to stir interest in particular economic sectors.

*Ensure that the Bilateral Agenda Is Not Dominated by Terrorist Issues*

Finally, the United States must not allow the issue of counterterrorism—despite its obvious importance to us all—to dominate or distort the overall U.S. agenda and relationship with Kenya. Although there are concerns in both Washington and London about how rapidly and effectively Kenya has responded to the terrorist threat that exists in that country, we must not lose sight of Kenya's overriding economic, political, and military importance to the United States. Making cooperation on security and counterterrorism a centerpiece of the U.S.-Kenya relationship will distort and eventually sour the relationship.

### **Kenya's Prospects Remain Bright**

Despite its multiple challenges, Kenya's prospects remain good. If Kenya can successfully reestablish its relationship with the IMF and the World Bank, it should be able to get the financial relief package and the international financial “good housekeeping seal of approval” that will restore investor confidence, infuse more money into the economy, and help restore business confidence at home and abroad.

Kenya has the ingredients to succeed. It has one of the strongest educational systems in Africa, with over 16 universities and one of the highest rates of literacy on the continent. This has helped to create the largest non-oil- and non-mineral-based economy in sub-Saharan Africa and one of the most deeply rooted business and professional classes in Africa today (probably second only to Nigeria). There is no doubt that Kenya has the largest and most diversified economy in the region, and with the success of the December 27 elections, it now has one of the strongest democracies in Africa.

If the United States and the international community play their part by recognizing and supporting Kenya's political renewal, its ongoing regional importance, and its significant economic potential, we can help Kenya successfully overcome the challenges it faces. That, of course, is in our common interest.

*Ambassador Johnnie Carson served as U.S. ambassador to Kenya from August 1999 to July 2003. He is currently senior vice president at the National Defense University in Washington, D.C. This article is based on a presentation by Ambassador Carson on September 11, 2003, at an event cohosted by the CSIS Africa Program and the Woodrow Wilson Center. The views presented are those of the writer and do not represent the views of the U.S. Department of State or its Africa Bureau.*

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