

SCENARIOS

Kenya *at the* Crossroads

SCENARIOS FOR OUR FUTURE

Institute of Economic Affairs

Society for International Development

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This volume is one of the products of the 'Kenya Scenarios Project' undertaken by the Institute of Economic Affairs-Kenya and the Society for International Development.

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About the publishers

Institute of Economic Affairs

The Institute of Economic Affairs (IEA) was formed in 1994. It is a civic forum, which seeks to promote pluralism of ideas through open, active and informed debate on public policy issues. The IEA's mission is to facilitate and promote pluralism of ideas through open, pro-active debate on key policy issues. The Institute does this by providing a forum for participation of policy makers, academics, business community, other professionals and the wider civil society in the articulation of alternative policy choices.

Since its formation, the IEA's proactive policy recommendations have informed public debate on alternative policy choices. Through its activities and publications the Institute has contributed to furthering debate on policy choices and opened up areas previously seen as the preserve of the government. From this is emerging a group of professionals discussing policy issues and demanding changes in the various sectors in which they work.

Due to its broad-based membership and the diversity of issues it tackles, IEA has steadily carved a niche for itself as a credible non-partisan policy forum for dialogue as well as a knowledge broker and source of objective and reliable information.

The Society for International Development

Created in 1957, the Society for International Development (SID) is a unique global network of individuals and institutions concerned with development, that is participatory, pluralistic and sustainable. SID has over 3,000 individual members in 125 countries, 55 institutional members and 65 local chapters. It works with more than 100 associations, networks and institutions involving academia, parliamentarians, students, political leaders and development experts, both at local and international levels. This makes SID one of the very few organizations that have a holistic, multidisciplinary and multisectoral approach to development and social change.

SID has a threefold purpose:

To support development innovation at all levels—local, national, global—in order to contribute to the search for solutions to the problems of poverty, injustice gender inequity and lack of sustainability;

To encourage, support and facilitate the creation of a sense of community amongst individuals and organizations committed to social justice at the local, national, regional and international levels; and

To promote the sharing of knowledge, dialogue, understanding and cooperation for social and economic development that furthers the well-being of all peoples.

Acknowledgments

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We were privileged to work with such a dedicated group of Kenyans in the exploration of possible alternative paths for the future of our country.

Betty Maina, *Chief Executive, IEA*

Arthur Muliro, *Director, Organizational Development, SID*

Nairobi, Kenya

April 2000

What is this book about?

This booklet describes four possible futures Kenya could face over the next 10 to 15 years. They are neither predictions nor are they meant to be definitive. We present them here to stimulate debate about how we can shape the next decades in the country's life. These scenarios are the result of research, analysis and discussions in five workshops and other meetings by a group of more than 80 Kenyans of various ages and professions.¹

There are many messages from the project but two are highlighted here.

One is that, based on the economic and institutional models that have dominated the past 30 years, we have pretty much reached the furthest limits we could have gone. It is time for us to unlearn the ideas and habits that have driven us thus far and to learn double-quick and change direction in fundamental ways. Quick fixes have not been working and it would be unrealistic and foolhardy for us to keep applying them.

Two, that a successful and prosperous outcome for Kenya is still possible. However, it requires radical reorganization and

great sacrifices by all Kenyans. Changes will not come without pain and at no cost. This will only happen if there are radical changes to revive the economy and if there is a comprehensive reorganization of Kenya's primary institutions, models of governance, and relationships between the citizenry and the government.

To meet the challenge of these crises requires both enormous individual and collective resources; the demand necessary for this task well beyond personal or ethnic supply. The situation is an unprecedented one; therefore, there are no blueprints for handling it. Inevitably, we are all likely to make mistakes in the process of responding to it. No one can know in advance, what will work and what will not. It is for that reason that we all need to be willing to learn.

But what will we learn? Will we respond to the current and coming emergencies with blame, conflict and violence? Or will we learn to work together in order to survive? Will we fix the economy and invent new ways of feeding ourselves and earning a living? Or will we try to return to the old ways of patronage and "saviours" of earlier times? Will we merely recede back into our ethnic shells and find trust only in our own tribes and races? Or will we look to each group and

¹ The research findings are published as "Kenya at the Crossroads: A Research Compendium" and contains detailed research papers that were the basis of conversations during the scenario building workshops.

harness its unique contribution towards meeting these challenges?

Failure to undertake basic reforms of both our politics and institutions, and our economy will not yield the desired results and is extremely dangerous. It is crucial to pay attention to the economy for growth, and the institutions of governance for greater accountability and participation.

The problems Kenya faces need to be understood and addressed from a systematic point of view. Quick fixes will no longer work and may actually make things worse. If Kenya is to reverse decay and decline, policies and actions have to examine the models and engines of development in the country. We, as a people must also examine the structures and institutions established and the practices surrounding these institutions.

Ultimately, the future depends on the choices we make. The message of the scenarios is that, as primary actors, we are standing at the stage where we all have the opportunity to shape the future in a manner that we desire. We are gifted to be in possession of ‘Choice Cards’. The questions are: What choices will we make? What choices would we like others to

make? What will we do to assist them in making those choices?

The team foresaw four possible outcomes over the next 20 years. These are referred to as El Niño, Maendeleo, Katiba and Flying Geese.

Introducing scenarios for our future

What do you think Kenya will be like in the year 2010? What about 2020? Nobody knows, but we often try to imagine what it could be like. Yet we rarely come together as a people to think about what future we might face. So it is not clear whether we share the same thoughts about the future of our country.

Knowing about the future would help us make wise decisions. It would be good to plan our future based on sound information, or at least an educated guess. How do we plan for our children when we don't know what society they will live in? And, more importantly, what society do we want them to live in?

That is where scenarios come in. They help us think about the future and prepare us for what might happen. Scenarios are different settings within which today's decisions may be played out. They describe different paths into the future. A scenario is not a prediction. We are not saying these things will happen. A scenario simply helps us identify what might happen. Scenarios are tools to bring out people's thoughts about what

is happening and to help them face different possibilities. They can be used to identify what needs to be done in order to achieve a desired goal.

This booklet contains the findings of probably the first scenario exercise in Kenya that has taken a broad look at all sectors, and has involved diverse groups and stakeholders. In presenting this set of scenarios, we hope to set off a process of exploring possible futures for Kenya and challenge the popular beliefs people have held as given. We also hope it will influence their thinking and actions, and the people they come in contact with.

These scenarios will be used to stimulate dialogue. We also hope, through this process, to demonstrate the interwoven nature of our society and future. It shows that isolationist and lone ranger motions by any of us as individuals or institutions will not add up to much. It therefore becomes important to cultivate a culture of partnership among the various stakeholders. It is very possible that these scenarios could contribute to the action plans of both government and non-government groups, individuals and communities.

Why should we develop scenarios?

Scenarios are powerful planning tools that enable people to look into the future because it is unpredictable. In developing these scenarios, the team hoped to:

- *Anticipate and influence change:* Scenarios help identify surprises and interruptions in trends. They pull out factors that are shaping the future of Kenya. Through this revelation, scenarios help the major actors identify pitfalls, provide opportunities to influence new direction, and provide long-lasting strategies to avoid being caught off guard.
- *Lead to new ways of thinking:* The scenarios should encourage thinking beyond traditional approaches to problem solving and exploitation of opportunities. They can help break stereotypes. This new way of thinking can serve as a catalyst for radical changes. The scenarios will bring a new dimension to ongoing conversations on the problems and issues facing the country.
- *Reduce future risk:* The use of scenarios can help the government, private sector and civil society groups better determine the outcome of certain actions before they are actually taken. In addition, by being able to recognize

various signals, surprises can be minimized; signs of change recognized and our responses to them can be more effective.

- *Help develop shared frameworks:* Within the nation, it is difficult to direct focused vision. The scenarios, however, provide a framework and language for discussion and dealing with complex conditions and options. Most importantly, they help build and expand common ground, which is important for our society to address and seek solutions to our own problems.

Developing the scenarios

The process of developing scenarios harnesses the expertise of the people involved. The team involved in the project needed to understand the past and present and what has contributed to it; identify both what is predictable and what is uncertain about the future, identify plausible pathways into the future; and acknowledge different views.

The scenarios for Kenya have been developed by a group of 25 Kenyan professionals from all walks of life. This team worked from material compiled by a team of more than 30 researchers. The development of the scenarios was conducted in a period of over one year, in between five workshops.

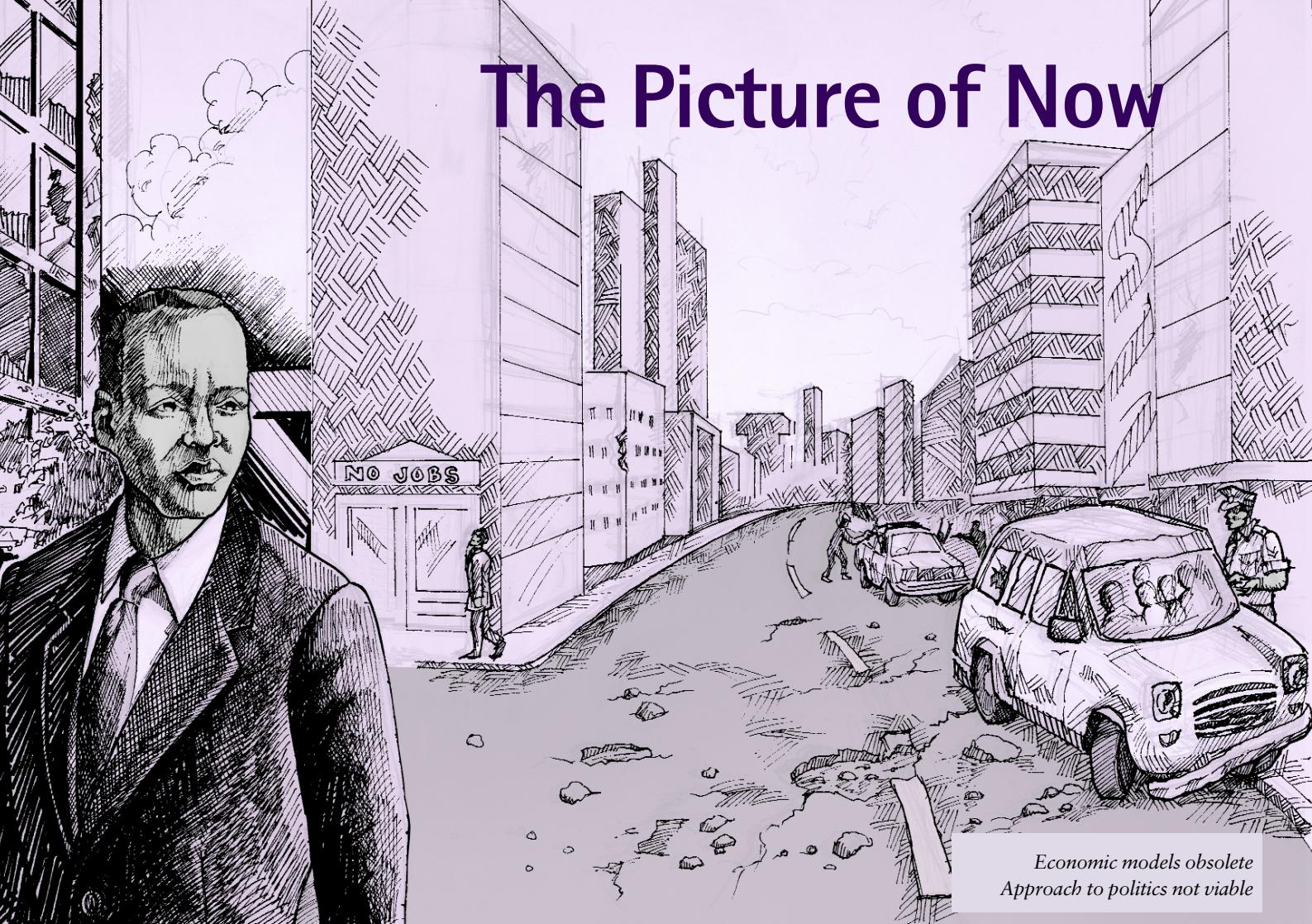
What we learned from the research

It was important to agree upon the nature of the crisis Kenya is facing at present before embarking on considering what might happen in the future.

The team analyzed Kenya's social, political and economic crises and compiled a list of driving forces that have shaped the past and continue to shape the present. The research findings concluded that the political, economic and social elements of the current crises are locked in a downward and self-reinforcing spiral. Simultaneous intervention on all three areas is needed to reverse the decline.

The crises in Kenya today are the manifestations that Kenya has reached the limits of its chosen economic models as well as the limits of its present political and institutional organization. This means that without political and economic reform Kenya will face a succession of small crises and emergencies in the coming years. Until now in trying to meet these challenges, we have adopted short-term solutions, which themselves have yielded more problems.

The Picture of Now



*Economic models obsolete
Approach to politics not viable*

The findings of the research created the present picture or the “Picture of Now”. This is a snapshot of the current economic, social and political conditions and how they were created. The analysis resulted in the conclusion that Kenya has reached limits on the chosen political and economic models.

Decreased agricultural productivity; reduction in arable land; an uncompetitive manufacturing sector; poor infrastructure and utilities; food insufficiency; and global marginalization among other things characterize the economic crisis.

The political dilemma is characterized by the present system’s lack of legitimacy; widespread mistrust of the judiciary; weakness of oversight institutions such as parliament; and widespread mistrust of the security forces and their partisan nature. It is clear that there is a retreat from formal institutions and an increased dependence on informal arrangements and institutions; non-delivery of services despite heavy taxation, which makes the state appear both distant and predatory, and increasing exploitation of ethnic and regional differences for political mileage.

The social crisis is characterized by the erosion of cultural values, increased criminal violence; a growing number of

unemployed youth; the inability of the health and education systems to meet the needs of the population; the collapse of many rural communities; and an increase in family violence.

These symptoms are rooted in the unsustainability of Kenya’s traditional development path based on primary exports and peasant agriculture; failure to develop a broad-based and competitive manufacturing sector; limited production of capital goods needed for manufacturing; patron-client based politics that have affected the nature of production in the country and policy formation and implementation over time; and lack of domestic and external investor confidence.

These challenges are further compounded by new trends of global liberalization and international centralization.

The political, economic and social elements of the current crisis are locked in a downward spiral of mutual cause and effect.

Breaching the limits

There are two simultaneous crises in Kenya presently. The first is the current political and governance structure. In this system, leaders need to show they have a large following. To gain this big following, leaders need money and other resources

to provide benefits to their followers. Driven by the knowledge that money is necessary in attracting following, leaders engage in a rapid accumulation of wealth. Public office is used for private gain and not public service. Over time, this need for resources becomes an established form of theft. This system works best when the economy is relatively simple, but complex problems cannot be easily handled using this approach.

The second crisis is the economic structure and production practices. Over the past 40 years, the population of Kenya has quadrupled. In that time, the simplicity of pastoralism and village-based production has been lost as populations have migrated to new areas and taken on new kinds of jobs.

When the population was smaller, an agricultural economy based on

homestead cultivation and the colonization of new lands worked well. Now, however, the lands are all colonized and the old ways do not produce good crops any more. The policy of industrial development envisaged at independence has not yielded the desired results. The skills needed to sustain this model are not available, and worldwide, the industrial model with its adverse effects on the environment—is being challenged.

The questions are how will we feed Kenya's growing population. And how can we modernize the institutions that govern us given the skills and resources we have?

There are three other factors that aggravate the situation.

One is the AIDS epidemic that has begun to wreak havoc on the productive workforce. Another is the increased globalization of finance, trade and information and the implication this has on



Education for all has become education for all who can afford it



Kenya. Further, there is the global environmental crisis, which the international community is trying to address through various treaties and agreements. These latter two: the information revolution and global environmental pressures either can be a blessing or a curse to Kenya.

The structural crises of production and governance mean that we will face a succession of other small crises and emergencies in the coming years. Some will be political, others economic, others ecological. Some can be seen almost immediately such as famine, whilst others such as increased deaths from HIV / AIDS will appear later. During this time, there are two things that will not change: two-thirds of Kenya's

territory comprises arid and semi-arid lands, which is not suitable for arable agriculture, and there will remain at least 45 different peoples with different languages, cultures, knowledge and experience.

In trying to meet these huge challenges, up until now, Kenyans have looked up to 'saviours'—wise men and women to solve their problems for them. As for the leaders of Kenya, in many instances, the first tool they have reached for is 'Ukabila'—the ideology of tribal differences. The government on the other hand has reached for many quick fixes: new policies, new directives and new people in positions of management. Neither response has coped with the situation and neither is tenable any longer. These interventions have generally yielded short-term results. As with all classic fixes that fail, the more they are tried, the more likely it is they will produce the opposite of what we desire.



The only way you can get anything anymore in this country is to have money. Woe to you if you are sick and penniless



The challenge of these crises is beyond the resources of any single individual or tribal experience. This situation is unprecedented. There are no blueprints for handling it. Therefore, we will all make mistakes. No one can know in advance, what will work and what will not. That is why we need to be willing to learn.

However, what will we learn? Will we respond to the coming emergencies with blame, conflict and violence? On the other hand, will we learn to work together in order to survive? If Kenya is to prosper in every sense of the word, then it is inevitable that a comprehensive and inclusive political settlement is reached and that a new growth path is charted.

10 The scenarios

We recognize that many people have been confronting the structural crises in Kenya and that the proposals and actions of recent times have been attempts at fixing them. However, while these actors might understand the dangers of irreversible decline, it is also important that they understand the implications of piecemeal reforms.

According to the team, the future of Kenya will, therefore, be determined by the interactions of the two major uncertainties:

1. When and how will economic recovery come?
2. When and how will we determine how we shall be governed and what will be the basis of political legitimacy?

It is the contention of the team that if the trends of the past 10 to 15 years continue, Kenya's problems will only get worse. We urgently need to move away from quick fixes and patching up and move toward finding and implementing lasting solutions. If Kenya is to prosper, a comprehensive political settlement must be reached and a new growth path must be charted. Changes will not come without pain and at no cost. There will have to be radical changes to revive the economy, far-reaching political reforms and reorganization of Kenya's key institutions.

Failure to reform both the economy and the institutions and approach to governance will lead to dire results. Piecemeal attempts will lead to an imbalance. It is like building a house where the foundation on one side is strong and on the other side it is weak. In time, the strain will show and the house will come tumbling down.

The team foresaw four possible outcomes, not necessarily independent of each other. A careful reader will discern the



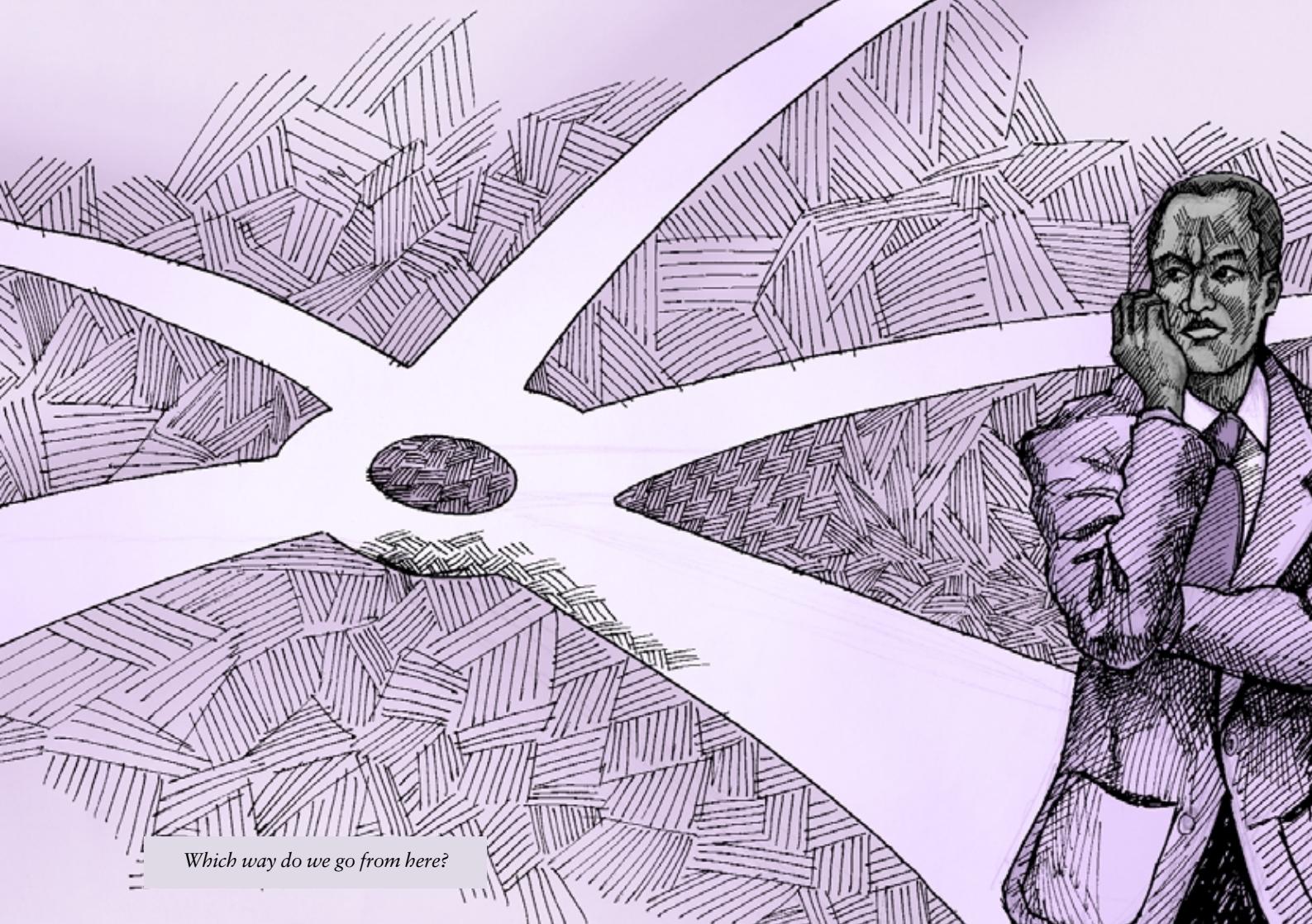
Too many people, very limited arable land—the recipe for conflict

meeting points along the way. These paths depend on the answers to the following questions:

- Will confusion and inertia thwart efforts at both economic and political reform? If so, the status quo is maintained, tension heightens and Kenya fractures into ethnic districts with new systems of government within them. This is the *El Niño scenario*.
- Will the transformation concentrate on reordering the economy while resisting agreements on needed changes in the political structures and environment? If so, economic gains will not last long as political tensions will emerge that will require sorting out in order to preserve economic headway. This is a scenario of initial rapid gains but is full of inequalities and instability, labelled *Maendeleo*.
- Will the transformation focus on institutional reorganization and the creation of democratic and locally accountable institutions while ignoring fundamental economic reform? If so, though responsive institutions will emerge, Kenya will not achieve substantial economic transformation. This is the scenario on institutional reorganization labelled *Katiba*.

- Will there be a definite departure from destructive politics? Will the incumbency realize its position is untenable and will it reach a political settlement with the key adversaries? Will a reorganization of the institutions improve representation and participation that reflects the diversity of Kenya's people? Will this be accompanied by radical transformation of the economy to spur growth and improve distribution? If all the major actors engage in this transformation, Kenya can achieve inclusive democracy and growth. This is the scenario of *Flying Geese*.

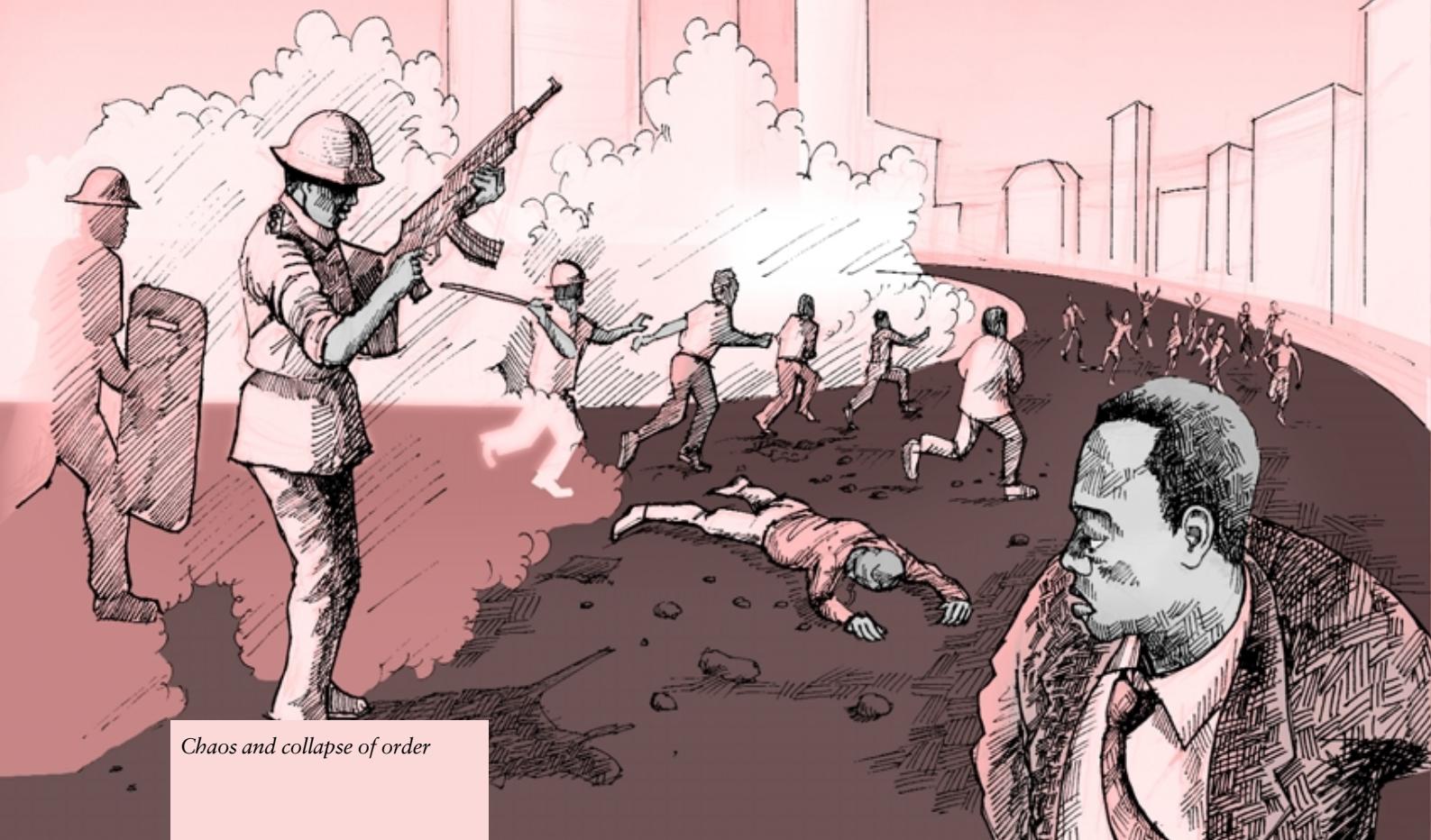
Remember...these stories are not predictions. They are just possible futures Kenya could face.



A black and white illustration featuring a man in a suit and tie on the right side. He is looking towards a circular map in the center, which is surrounded by several large, stylized arrows pointing in various directions. The arrows are composed of fine lines forming a hatched pattern. The man has his left hand near his face, possibly in a thoughtful or stressed pose. The background is plain white.

Which way do we go from here?

El Niño Road



We could choose to travel down the El Niño road. El Niño is the road of neither political nor economic reform. El Niño is the road that leads to a total breakdown of Kenya as we know it today.

We are caught in a downward spiral from Now. We fan the flames of ethnic animosity and witness the formation of ethnic militias. Widespread corruption continues unabated. Our young people have no jobs—those who survive the AIDS scourge that is. Armed gangs emerge. The constitutional crisis deteriorates. Regional conflicts escalate and threaten to spread.

It is as if the countdown has began—the clock is ticking, the time bomb may explode at any time.

Enormous pressure is brought to bear on the state. The populace is no longer confident in the ability of the state to enforce the law. The state is rapidly losing its legitimacy: Kenyans are taking no account of it in the running of their affairs. Instead, they rely more and more on informal establishments, based largely on ethnic allegiances. To aggravate matters further, the state loses its capacity to enforce the law—it can no longer hold together different groups in the delicate balance of power and rewards.

People struggle under the heavy burden of economic hardship and are unhappy with the political situation. The state is in the hands of a few ruling



*No longer ours,
only mine and yours*

elite who are exploiting it to serve their own ends. Tensions are high. Discontentment is rife. All that is needed is a spark to ignite the bomb. And the potential sparks are numerous ranging from a collapse of constitutional reform talks, a messy succession, to the escalation of conflict over water, land and other resources.

Whichever spark finally ignites the bomb, the explosion will resound throughout Kenya. The results will be devastating.

The state will try to intervene but it will fail. It will fail because it was instrumental in creating the problem in the first place and, therefore, has no moral right to offer a solution; it will fail because when it does intervene, it will still do so in a biased way, thus alienating some groups within the security

forces and compromising its authority over them; it will fail because the violence will already be too widespread for it to contain.

In the wake of this failure to resolve the conflict and the rebellion within the security forces, the ruling elite flees. And



*No longer ours,
only mine and yours*



*The only place people feel safe
anymore is among their own tribe*

as they exit, anarchy takes over. A vicious war ensues, pitting ethnic groups against each other in a desperate battle for survival and to lay claim to valuable resources such as land and water. Nairobi becomes the hub of intense combat. Everyone recognizes its strategic value, especially for the control of exit and communication points.

As the conflict continues to mount, we hear the shuffle of hurried feet. It is the sound of Kenyans repositioning themselves. Professionals leave the country. Political leaders flee. Some will start new lives abroad, others will continue to provide spiritual leadership and financial support for their people from their new vantage points. Kenya fractures into homelands based on the present geographic ethnic boundaries. The majority of Kenyans retreat to their ethnic groups and ancestral homes. These now become the political units. They are headed by dictatorial tribal chiefs who wield both political and military power. The former ethnic militias mature into fully fledged armies. These tribal chiefs largely disregard their citizens' property rights. Instead, they demand rent. They get involved in the economy and other sectors at whim.

The homelands are at odds with each other. They fight over land; they invade each other to acquire property; and

occasionally, they will reach peace agreements. The war is financed through illegal trade in drugs and arms as well as the plundering of natural resources.

Meanwhile, the economy is increasingly criminalized. Illicit trade, especially in drugs and weapons, becomes the backbone of the economy.

Will there be international and regional intervention? Eventually, yes. Initiatives will probably be taken to mediate and resolve the conflict. Kenya's neighbours will close their borders, alarmed at the



thought of floods of refugees whose numbers they cannot contain. The United Nations, afraid of being entangled in a complex internal conflict will prefer a regional settlement. Because Kenya has strategic value both regionally and internationally, it is highly likely that there shall be intervention. But it is also highly likely that the intervention shall fail. Nonetheless, there will be no wholesome withdrawal—the international community will maintain a certain minimum presence to secure strategic interests.

Eventually, the people may grow weary of the conflict and run out of resources to plunder. Homelands may begin to form peace pacts, building inter-homeland alliances. The need for collective security may lead to the formation of a federal state, still divided, in essence, on ethnic lines.

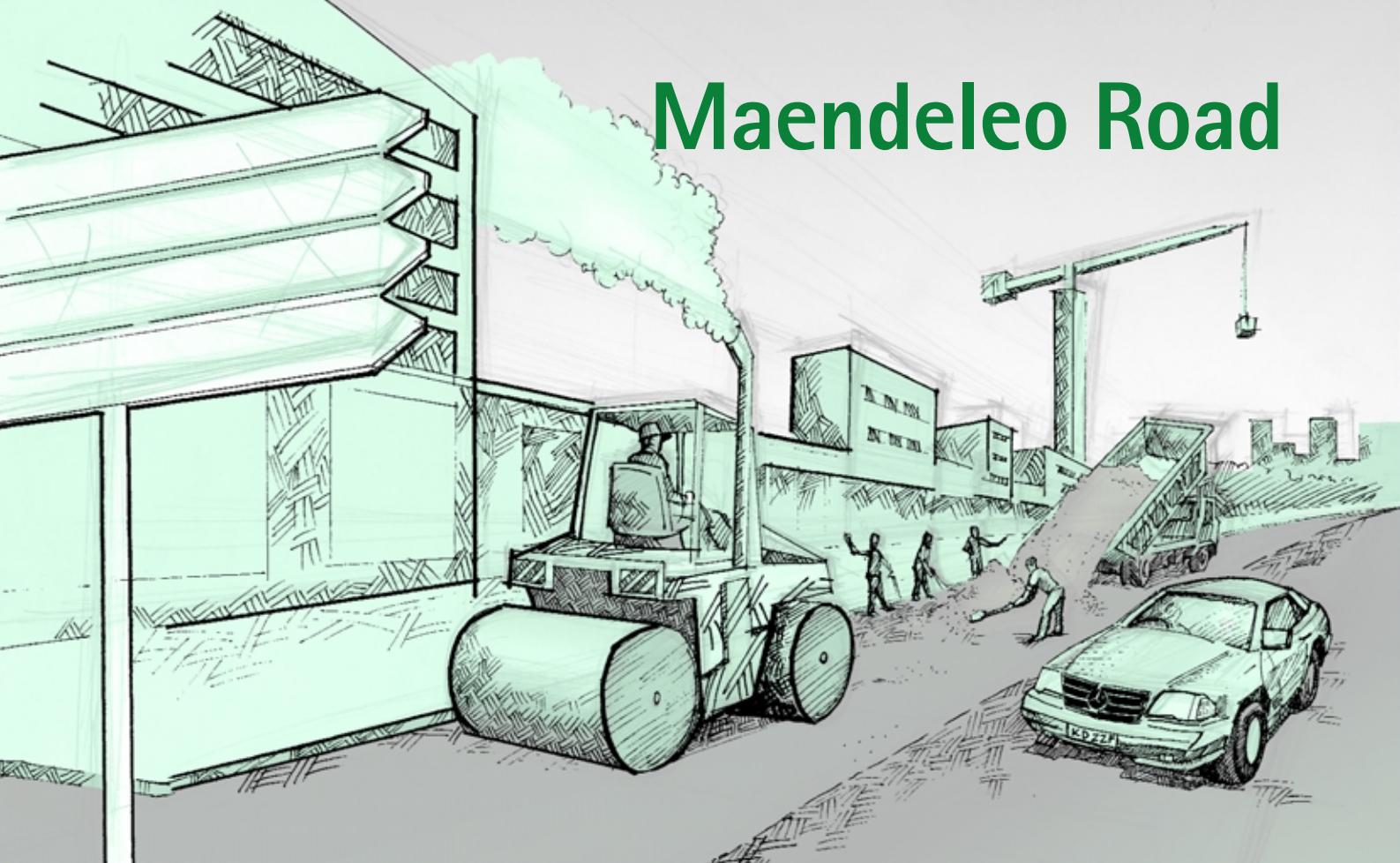
But this may take a long long long time.

Choosing to travel the El Niño road spells the breakdown of Kenyan society as we now know it with a distant and dim hope of reconstruction.



Civil war, total disintegration

Maendeleo Road



Economic development only. Nothing else matters

Suppose instead we choose to travel down the Maendeleo road.

Maendeleo is the road of economic recovery without political reform. Again, it is set against the background of Now. The government is faced with declining revenues from tax because businesses are doing badly. Insecurity is rife as

carjacking; robberies and incidents of mob justice increase sharply. Too many people are idle and unemployed.

More and more hitherto loyal groups and interests are changing their stance and there is little confidence in the government. There is increased agitation for constitutional change. It becomes increasingly apparent that domestic and foreign investors as well as donors are unhappy with the status quo. The situation draws to a head; something must be done and soon.

The government in turn is overwhelmed by these



occurrences. The key players meet and mull over the options. Should they resist the wind of change? Should they flee? Should they negotiate?

They analyze the situation and conclude that the current crisis is largely economic. So they decide to placate the irate public. They choose to travel the Maendeleo road with a view to using economic gain to put off demands for political and constitutional change. The assumption is that if the economy is growing steadily, there will be little or no demand for political change.

The government, therefore, brings together a group of experts to recommend a way to resolve the economic crisis. These experts draw up a plan, which is adopted by a government that has run out of options. Parliamentary approval is considered irrelevant, allowing the government to put the plan quickly into place.

In accordance with recommendations, the government undertakes to revamp the country's basic infrastructure. In particular, the railway network is to be expanded to reach the remotest parts of the country. It also engages in widespread restructuring of the public sector. Civil servants are retrenched and government-run institutions are sold to private investors. In order to appease high-level officials whose jobs have to be



At least now the government is taking steps to revamp the economy

sacrificed in the streamlining process, they are given the option to buy parastatals, at a very low price, as a last gesture in appreciation for their loyalty. There is a deliberate effort toward freeing capital so that government revenue is used only for social spending on sectors such as health and education.

The government implements policies to spur growth in specific high-growth sectors of the economy. These are sectors that have the potential to steer the country to economic growth. The government's efforts will undertake to shift the economy to a high-value economic model focusing on knowledge-based service industry, high-value agriculture, regional finance and tourism.

As the economy strengthens, pressure for political change eases off. The strategy has worked, or so it seems. The mood is mildly optimistic. The public is willing to give the new plan a chance. The international community applauds the economic plan. The tourism industry is revamped and there is strict protection of national parks, which leads to a renewed influx of tourists into the country. Jobs are created in public works programmes such as building the railway. There's a ready market for Kenyan produce in European markets and the country is carried along in a wave of global growth.

But how can we enjoy the fruits of economic



Because, the sectors pinpointed for restructuring are all export oriented, the state needs to stabilize its policy and its trade regimes. It does. Stabilization restores investor and donor confidence in the economy. Although the economy still has to deal with global trade and environmental issues, economic growth returns.

With new growth, new loyalties to the government have been created and it looks like good times are returning. All of these positive changes muffle calls for political reform. The prevalent attitude becomes, ‘we can let the leaders lead, they are doing a good job’.

In the meantime, during this period, the state continues to stall the process of structural reform in all its composite institutions.

Then at the time of highest growth, the potholes on this road begin to show.

The average Kenyan is still poor. Demand for higher productivity causes industries to shed labour. Unemployment and social pressure return to haunt the powers that be. It becomes increasingly evident that while economic development has made the rich richer, the poor are no better off. Though there has been growth, it has not been shared

growth and only a select sector of the society has benefited from it. As this discomfort sets in, demand for political reform intensifies once again. Another crisis is brewing.

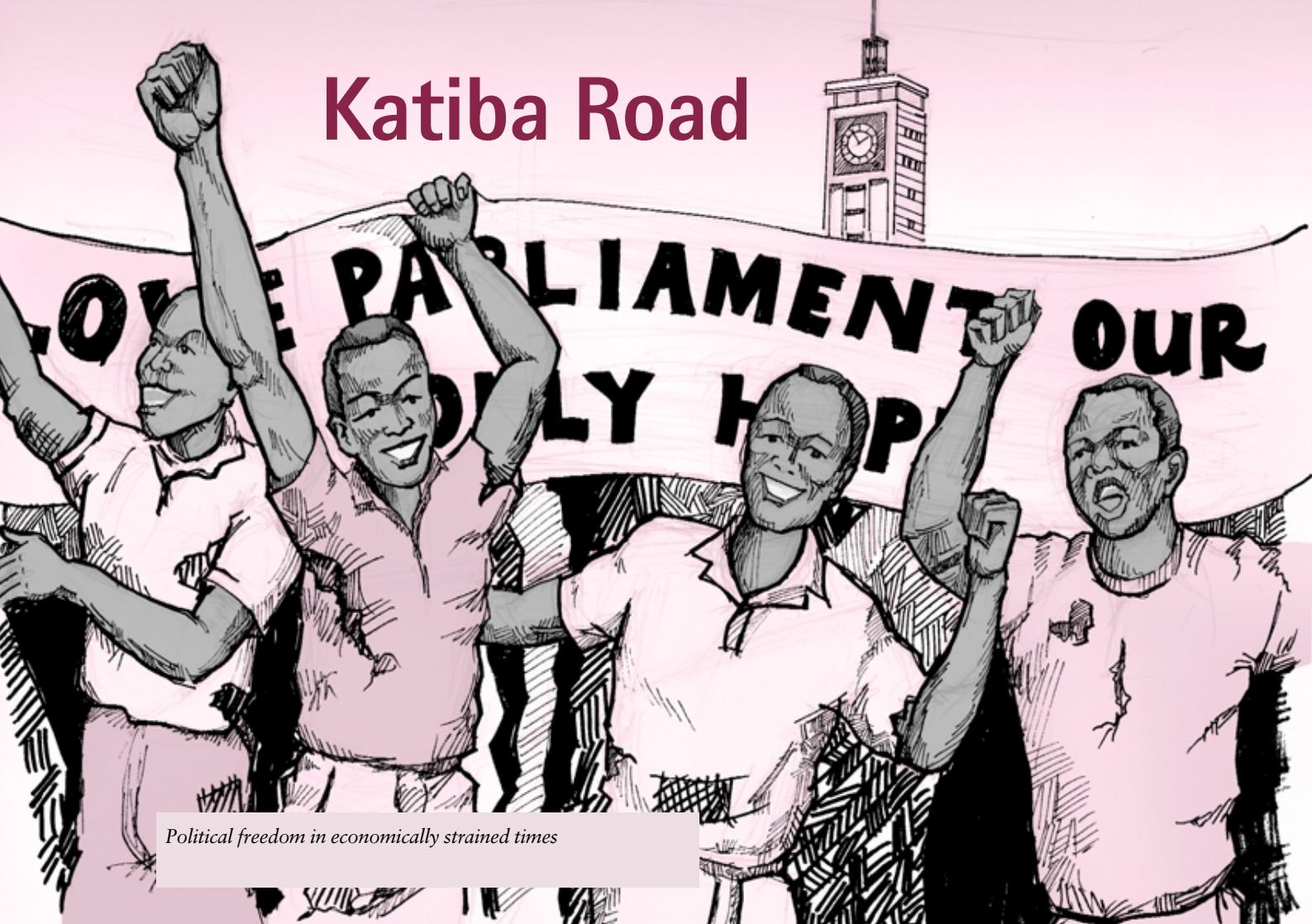
It soon becomes apparent to the public that though the economy has been revived, without the parallel social changes that come with political reform, they cannot enjoy its privileges. They now understand that their new way of life is built on a weak foundation. It is this realization that intensifies agitation for change.

How the state reacts at this juncture will determine where the country will go. Will it continue to be repressive and ignore calls for reform of its institutions? If so, it will suffer a gradual decline. If, however, at the appropriate time the state has the vision and courage to begin to implement the necessary political reforms, it will have chosen the path to a better Kenya.



Unless there is political reform, we begin to lose our gains, and go back to where we started

Katiba Road



Political freedom in economically strained times

Then there is the Katiba road. Katiba is the road of political reform with little parallel economic recovery as Kenyans search through their own traditions for comprehensive agreements.

As the scenario begins, unemployment is high, the economy is weak and the state is unable to meet its internal and external financial obligations. There is increasing discontent at all levels. This discontent shows itself in growing civic unrest, growing insecurity, and increasing isolation of the country economically and diplomatically. The security forces appear unable to contain the situation and faith in the government hits



So now the government recognizes that it has to yield to political pressure of change, or else...

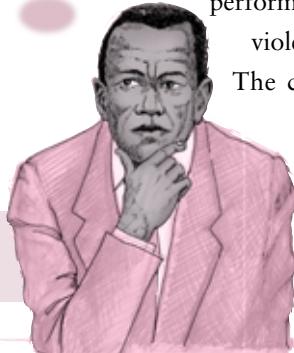
rock bottom. Kenyans everywhere are asking themselves what all these signs signify. What does it all mean? What should we do? Kenya was once such a promising nation, headed toward great things; what happened and how did we let it happen?

In an attempt to address the public worries, the government tries to put the acceptable faces of the ruling party in positions of prominence. But it is already too late. Violent clashes continue and Kenyans continue to lose confidence in the state. The crisis continues to build up. Opposition parties, religious leaders and NGO's mounting a number of demonstrations.

In support of the demonstrations, the big companies revolt against paying tax arguing that funds thus amassed are not being used to provide the essential services. Donors also withdraw their funds from the Kenyan government, including those donors who rarely tie funds to political

performance. Kenyans turn more frequently to violence to vent their anger and frustration.

The country is struggling under a heavy burden.



Everyone begins to ask: can the unity of Kenya survive?

On the brink of great and widespread violence, people begin to turn back. There is a shared recognition that something must change, but that violence is not the way forward. Religious leaders take the lead. They help to force the government to convene a negotiating forum where all stakeholders are represented. A neutral respected outsider is asked to help. He or She chairs the forum, helping everyone to reach a solution that pacifies all parties.

One of the first achievements of the forum is to shape a covenant amongst all those present. Under this covenant

everyone agrees that 1) violence is not the way forward; 2) the past is the past, and 3) Kenya will remain Kenya. With this covenant, the challenge of agreement begins and an uneasy calm settles over the country.

Strengthened by the emotional catharsis of the covenant, the forum makes several demands. Firstly, it demands the resignation of the current government executive. Secondly, it demands the installation of a government of national unity to oversee initial constitutional changes. This government of national unity will conduct elections and pave way for a new government after the elections. The new government is then expected to oversee a comprehensive constitutional reform process. Finally the forum agrees to an amnesty arrangement for key political players, in return for their departure from power.

The government, finding itself assailed from every direction, concedes to the demands. Even the popular cynics are confounded as the government steps down.



Despite these hopeful signs of political change, the economy continues to decline. More and more government jobs are lost and the people of Kenya find themselves forced to rely increasingly on their own abilities to cope. Daily life is hard and getting harder, but the patience of Kenyans creates a breathing space for political change.

After elections, the constitutional reform process begins. It is a slow and painful process. Along the way there are several disputes; about representation of interest groups in the process; about the procedures to be followed; about which issues need to be addressed. Negotiations proceed, however, despite these occasional setbacks.

A number of new institutions are established. These include commissions to deal with land issues and matters of transitional justice. The new institutions will reflect the diversity of the country. The leadership will be more accountable and the institutions will have freedom to play a greater role in the shaping and managing of their day-to-day affairs. Truth commission hearings are also instituted to investigate cases of mismanagement within the previous system.

Like young seedlings after a rain, a number of key agreements begin to grow:

- Power will be decentralized from the central government and popularly elected district administrations that are locally accountable will be put in their place;



Only a few exploit the openings. The rich-poor gap grows and poverty is still widespread

- The racial and ethnic diversity in Kenya will officially be recognized as a key national asset. This will come hand in hand with the protection of key rights within the constitution, which are further protected by the creation of a 'House of Tribes'. All groups are represented in the House of Tribes, which has the authority to settle all disputes that threaten the unity of Kenya, including those over land. The House of Tribes also elects the president of Kenya.
- In addition to the House of Tribes, there is a parliamentary Assembly, formed by members of parliament elected every five years. This assembly follows the English model with the largest party forming the government and choosing the prime minister. This is a new position.
- A single-term rotational presidency will be created among the regions. With these changes, Kenyans become confident that no region of Kenya is dominant over any other, either politically or economically.

With all this change, government increasingly withdraws from the economy. It can only be credited with facilitating an environment that is conducive to investment and business success. It also undertakes to improve the basic infrastructure

in the country with the aid of investors. Otherwise, there is no deliberate investment into the economy to stimulate it. The economy remains largely informal. Most Kenyans remain poor but they feel they are finally taking control of their own affairs, governing themselves according to their own values, sharing Kenyan space as equally as possible.

In the absence of government, local communities and NGOs take up the running of schools, as the government is unable to render even this basic social service. Public health is reduced to the basics as the private health care industry grows to cater for those who are able to pay for it.

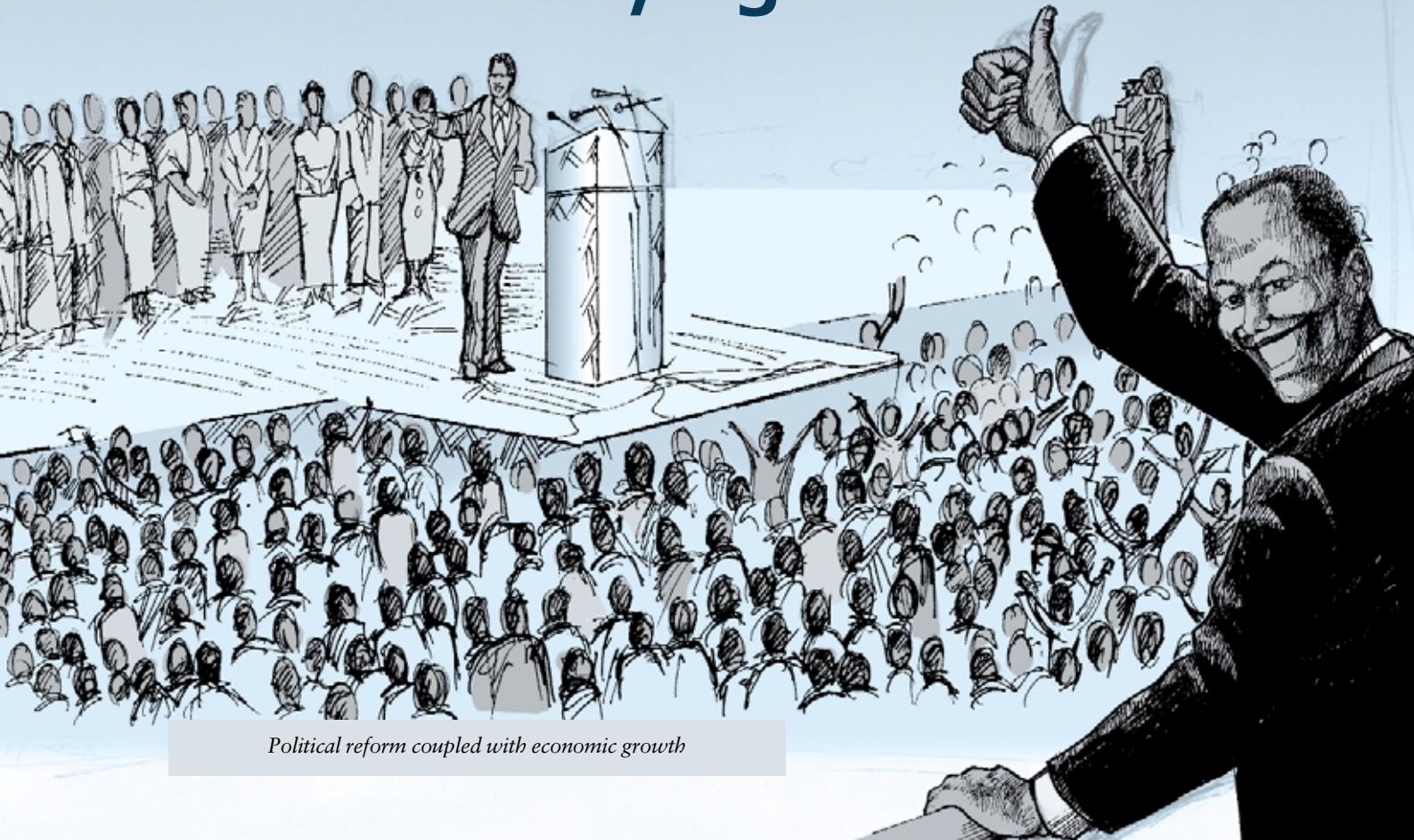
Growth, when it does occur, is mainly due to the initiative of Kenyans taking advantage of less government interference at various levels of the economic process and the decentralization of power. The growth begins at a slow pace in the informal sector, light industry and small enterprise, but slowly confidence returns to the economy, allowing for slow but steady growth.

As the key political agreements fall into place and new institutions find their feet, Kenyans flourish in a climate of peace, poorer but more confident of their long-term survival.



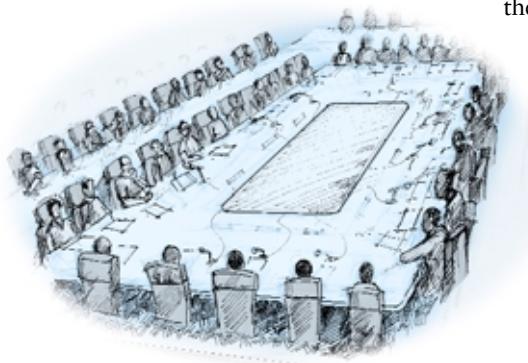
*With the improved political atmosphere comes
slow but consistent economic growth*

Flying Geese Road



Political reform coupled with economic growth

We could also choose to imitate Flying Geese. Geese in flight are fascinating to observe. They fly in V formation at all times, sometimes slowing down for those unable to keep up so as to maintain the formation. The formation is always led by a bird from the flock and the leadership rotates frequently. By flying together in the V formation, the geese, gain more power and are able to cover much greater distances than if they were flying in isolation. What's more, the geese at the back honk to encourage those up front to keep up their speed.



For the first time, all the interest groups are meeting together to discuss the crisis in our country

The Flying Geese road is paved with both political and economic reform. It begins with the present government realizing that it is losing support even amongst its own supporters. Attempts at crisis management and other quick fixes have not paid off. The government itself is wondering aloud how much longer it can hold on to power. The ruling elite begin to criticize each other publicly. Many begin searching for exit strategies, preparing for the worst.

The run-up to the ruling party elections confirms widespread discontent. Party whips are unable to control the delegates. Newcomers cause upsets at grassroots elections. At the national elections of the ruling party, a key position is captured by a relatively unknown candidate.

Youthful and determined, the victor moves quickly to secure his victory. Within a few days, he obtains the



public support of some of the key players. The ruling party engages in a massive public relations effort to boost his image. With time, it becomes clear that his victory has been engineered from the innermost circles of power.

As national elections approach, it emerges that transitional justice agreements have been negotiated with key members of the present government.

Soon after he and his cabinet have been sworn in, the president unleashes an extensive agenda that signals a decisive break from the past. Within a month of ascending to power,

he replaces a substantial number of key civil servants, district and provincial administrations.

A special team of investigators is appointed to look into past economic crimes and human rights violations. Amnesty is offered to those who turn themselves in or provide information to the investigators. Key institutions are given the power they need and begin to function without government interference.

The president, his cabinet and senior civil servants make themselves accessible to Kenyans and energetically sell their vision of a new Kenya. There's a weekly radio programme; there are town hall meetings and; there are trips to all corners of Kenya to interact with wananchi. These encounters convince even the most sceptical of Kenyans that the leadership is serious about change.

The government presents a ten-point plan of national priorities to donors as a basis for negotiations. In view of the rapid pace of reform and the already visible results, the donors give the plan their stamp of approval.



Now the government is being run by people who are able to move this country forward

In the second year, the government publishes a white paper that seeks to address long-standing imbalances in the Kenyan institutional framework. The white paper is translated into all major local languages and soon becomes the subject of intense national debate. A diverse forum comprising leaders from all sectors is formed. After a year of deliberations, it proposes a number of far-reaching changes in diverse sectors. A national referendum is called to vote on these proposals. The proposals are thus approved.

At the national elections, the government is re-elected by a convincing majority. It promises to proceed with the



agreements that had been reached earlier. Five troubled years see the total overhaul of national institutions and the fundamentals of the economy. Through aggressive diplomacy, neighbours, investors and donors are convinced of the viability of 'the New Kenya Project'.

However, during this time, the stresses of the transition become glaringly evident as the uneducated and the unskilled begin to lose. This is the period of major economic transformation as the economy shifts from subsistence to high value-agriculture and other knowledge-based sources of growth. With the enforcement of environmental protection rules and the reorganization of land ownership, the government is forced to deal with the rising discontent of peasants and other interest groups. They accuse the government of sacrificing the less-well-to-do for their economic plan.

This leads to a tense period as the government seeks to defend itself while at the same time maintain its focus on the priorities. The situation is contained through a rigorous public relations effort. External financial support is able to ensure that short-term programmes to appease the discontented are

*Every ordinary mwananchi
benefits from this growth*

launched. These programmes provide retraining and help small-scale farmers to integrate.

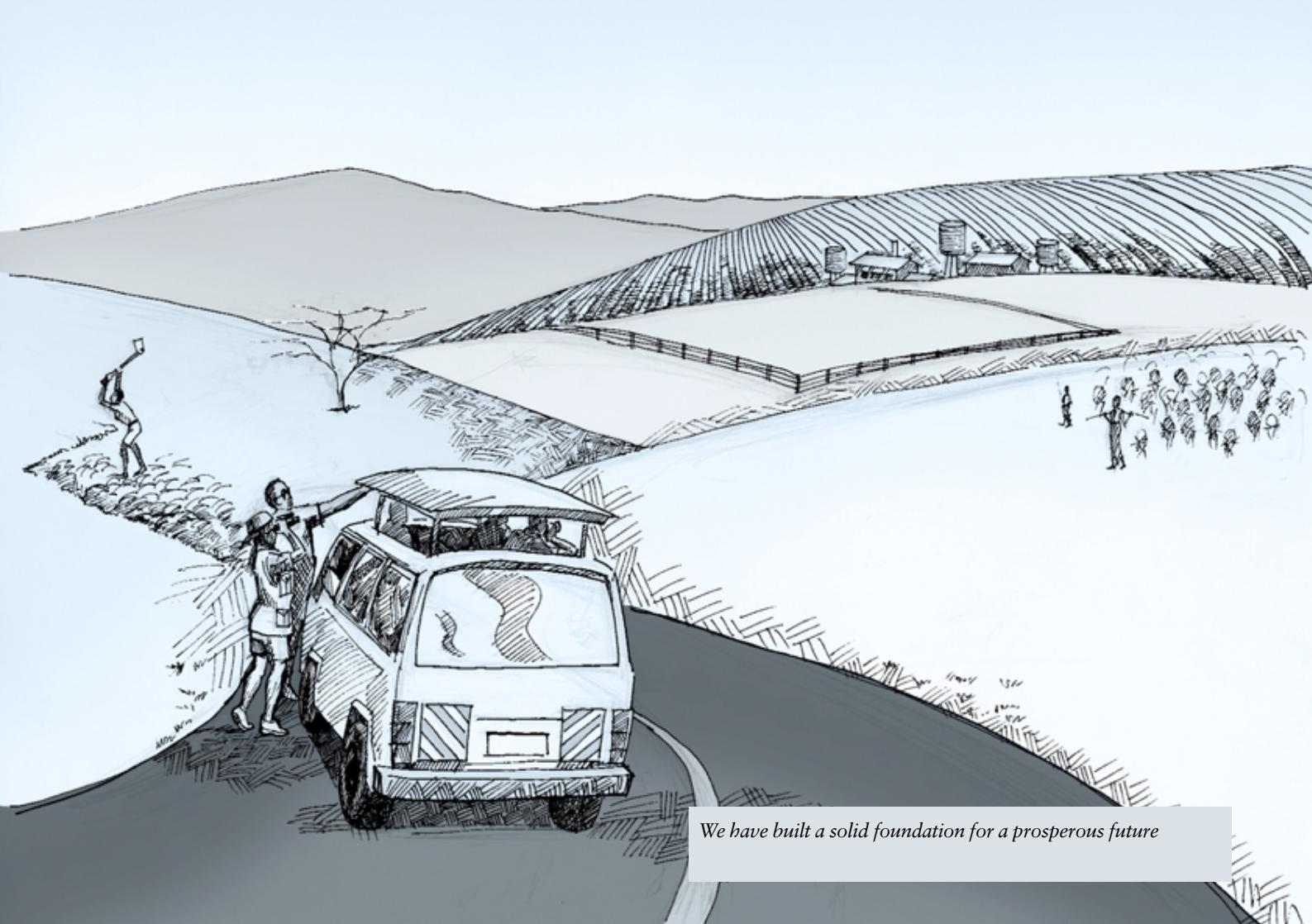
Despite continued criticism aimed at it, the government for the large part promotes the responsible use of dialogue. The meet-the-people tours continue. The frank exchange of views in various fora also continues and sometimes, as a result of feedback in these interactions, adjustments are made to government plans.

In the last ten years of this period, an increasing number of Kenyans living abroad return home to participate in the rebuilding of the new nation. They bring with them badly needed skills and some capital, which plays a critical role in reshaping the economy.

There are many challenges, but Kenyans are able to pick up the pieces. After twenty years, the point of no return has been crossed, though there are many issues still to be resolved. Kenya has put in place a system that is based on a local foundation. The government has been structured for accountability, and this has laid the foundation for a vibrant democracy in which all groups and sectors are full players and equal partners.

By this time, Kenya has regained the respect of the regional and international community. Its institutions are working, albeit with some problems. Social tensions have been largely tamed and an optimistic mood covers the country.

Ultimately, the Flying Geese is about the success of determination, strong leadership, vision and the courage to venture into the unknown and redefine the country from its soul outward.



We have built a solid foundation for a prosperous future

Over to you the reader

The message of the scenarios is that we are standing at the stage where we as primary actors, all need to shape Kenya's future. The above stories are built off the current reality of Kenya today. In other words, their starting dynamics incorporate all the factors and forces at play and influencing the country today. Whilst they may not play out the impact of all of these factors, they have sought to highlight key factors and bring them to your attention as Kenyans as to how they might play out in the future.

We would like to stress again at this point that the stories are not predictions of what will happen. They merely try to explore what might happen and how the choices you make daily in your life may cause any one of them to happen. In doing so, we want to focus the attention of you the reader to what you would do, if you were to find yourself in any of the scenarios, and also what you would need to do (or not do) in order to achieve a certain desired future.

We would like you to work out your choices as well as play out your decisions and their implications for the long-term within the context of these scenarios. This will not only improve the quality of thinking, but will also go a long way in helping build a common vision of what we would like to achieve, as well as how to attain it.

What choices will we make? What choices would we like others to make? What will we do to assist them in making those choices?

Comparing the scenarios

Main messages from the scenarios

El Niño

- ❖ Consequence of the absence of both political and economic reform
- ❖ Kenya is caught up in a conflict system
- ❖ Declining capacity of the state in providing security
- ❖ Possibility of evolving ethnic warlords
- ❖ Existence of Kenya is not given—its dissolution is a possibility
- ❖ Failure of formal institutions forces people to rediscover informality
- ❖ There is little motivation for regional (East African) intervention

Maendeleo

- ❖ Tensions of economic reform without political reform
- ❖ Bringing in new clients will transform the state

- ❖ Unshared growth is not sustainable
- ❖ Identification of new champions as key components of economic plan
- ❖ Dominant role for technocrats
- ❖ Unshared economic growth is unsustainable
- ❖ International investor and donor support for growth focus

Katiba

- ❖ Achieving political change and mobilizing collective action
- ❖ Establishing a common locus (place, person, institution) of trust
- ❖ The challenge of harmonising or negotiating different needs and wants to achieve collective agreement
- ❖ Transition arrangements
- ❖ Dealing with ethnicity positively
- ❖ Reaching a political arrangement that can improve or uplift the quality of life, without necessarily increasing personal wealth

Flying Geese

- ❖ Breaking with the past and creating something new
- ❖ Collective visions and new decisive leadership
- ❖ Building Kenya anew
- ❖ Innovation and bold experiments
- ❖ The issue of admission, repentance, restitution and punishment
- ❖ Management of rapid decisive transitions
- ❖ Inclusive and real partnerships—local, regional and international
- ❖ Building a sense of nationhood and patriotic spirit
- ❖ Society-wide institutional transformation
- ❖ Redefinition of intra-Kenya relationships

Key actors

El Niño

- ❖ Tribal leaders and negative ethnic consciousness

- ❖ Urban gangs and militarized ethnic formations
- ❖ Resistance movements (within the region)
- ❖ Kenyan security forces
- ❖ The incumbent regime

Maendeleo

- ❖ Key political elite
- ❖ Key technocrats
- ❖ Financiers and investors—private and multi/bilateral donors
- ❖ Entrepreneurs in tourism, agro-industry, high-value agriculture, and intellectual services
- ❖ Kenyan political or business types
- ❖ Regional political or business types

Katiba

- ❖ Political parties
- ❖ Religious groups
- ❖ Organized civil society
- ❖ Donor groups
- ❖ Ethnic groups or representatives
- ❖ Regional governments

- ❖ Private business
- ❖ Professional associations
- ❖ Military
- ❖ The presidency

Flying Geese

- ❖ Visionary leader widely accepted
- ❖ Team with similar vision in technocracy and politics
- ❖ Incumbency exit arrangements in first phase
- ❖ Caretaker leadership
- ❖ ‘Returnee’ reformers (from outside and those who had exited from involvement though within the country)
- ❖ Constitution reform advocates
- ❖ Local and foreign economic actors
- ❖ Fringe interest politicians and activists
- ❖ Kenyans willing to participate in this experiment

Crisis that launches it

El Niño

- ❖ “The Powder Keg and the Spark”

Maendeleo

- ❖ Either no crisis, just altered private awareness among the elite, or
- ❖ Crisis of non-delivery and cash flow problems

Katiba

- ❖ Progressive slide to chaos and violence over a period of time
- ❖ Inability of government to pay salaries, tax increases and food shortage lead to strikes and demonstrations, which go out of hand. Popular violence, anger and disintegration force broad-based negotiations

Flying Geese

- ❖ Altered private awareness
- ❖ Excesses of incumbency and exhaustion at quick fixes
- ❖ Collective realization of the deep challenges
- ❖ Collective appreciation of the Picture of Now and limits to growth and political structures
- ❖ Exhaustion of crisis management

- ❖ Exhaustion at containing coalition of change forces

Early signals/ Elements of warning

El Niño

- ❖ Informalization and privatization of security arrangements
- ❖ Constitutional and transitional crisis
- ❖ Emergence of ethnic/political warlords
- ❖ Increased militarization
- ❖ Decreased capacity of the state to provide security in certain parts of the country
- ❖ Regional conflicts—incursions of resistance movements into Kenyan territory
- ❖ Unequal national resource distribution patterns

Maendeleo

- ❖ Cash-flow problems and inability to meet recurrent obligations
- ❖ Volunteers for retrenchment
- ❖ Stagnant economic activity and reduced revenue, that is taxes

- ❖ Absorption of highly educated labour force outside the country
- ❖ Rebellion of different producer groups
- ❖ Unhappy neighbours who are subjected to corruption and delays in transit and clearance of goods
- ❖ Spontaneous privatization of state assets

Katiba

- ❖ Government's cash-flow crisis
- ❖ Increasing levels of intolerance at government intransigence and inefficiency
- ❖ Increased crime and violence
- ❖ Poverty
- ❖ Heightened political agitation loaded with messages of retribution

Flying Geese

- ❖ Cash flow problems
- ❖ Realization of urgency of reforms
- ❖ Repeated quick fixes unsustainable
- ❖ Cracks at the unity and solidarity of the ruling group, criticism and individual exit strategies explored
- ❖ Unity of opposition

- ❖ Emergence of moderate group seeking political seats
- ❖ Bungled attempts at crackdown on political reform

Main theme

El Niño

- ❖ Violence and disintegration

Maendeleo

- ❖ Growth and patronage

Katiba

- ❖ Negotiation and agreement

Flying Geese

- ❖ National rebirth and renewal

Key turning points

El Niño

- ❖ Constitutional review process
- ❖ The political transition or succession
- ❖ Responses from the regional resistance movements around Kenya
- ❖ Resource depletion

- ❖ Regional and international interventions (their nature and geographic reach)

Maendeleo

- ❖ Management improvement in public sector
- ❖ Changes in leadership
- ❖ Empowerment of many ‘Clients’ —in high value sectors
- ❖ Response to agitation by clients for political changes

Katiba

- ❖ Partial crash (violence, economic collapse, and failed negotiation)
- ❖ Installation of a transitional government
- ❖ Constitutional framework negotiations
- ❖ Devolution to the regions
- ❖ New institutions begin work
- ❖ Resolution of land questions

Flying Geese

- ❖ Realization and admission that the problem is both structural and economic by incumbency, and willingness to negotiate exit and transitional justice arrangements

- ❖ Emergence of bold leadership team and articulation of vision
- ❖ Acceptance of new leadership and emergence of constructive politics
- ❖ Phase 1a: Serious house cleaning to sweep away remnants of the past
- ❖ Phase 1b: Fast economic reforms and institutional reorganization to buttress reforms
- ❖ Phase 2: Negotiation on broad structures and constitution—elaborate and inclusive process
- ❖ Referendum on outcome of renegotiation
- ❖ Exit after two terms by reformists
- ❖ Succession of the reformers or caretakers

Main drivers

El Niño

- ❖ Kenya is already caught in a system of violence from within and without

Maendeleo

- ❖ Economic reform is the minimum survival condition

Katiba

- ❖ The shared fear of violence and disorder brings everyone back to negotiations—‘Peace at any price’

Flying Geese

- ❖ Bold experiments
- ❖ Fear of irrelevance
- ❖ Exhaustion by petty reactions
- ❖ Determination to be something different
- ❖ Decisive break with the past

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Main challenges

El Niño

- ❖ How to manage the transition
- ❖ Ability of the state to regain legitimacy and control (rein in and disband all informal military groupings)
- ❖ Developing the Kenyan identity
- ❖ Alternative resource management arrangements

- ❖ How Kenya relates to and manages the conflicts around us

Maendeleo

- ❖ Economic reforms creates strain on internal coherence of state
- ❖ Spill-overs of economic reforms (long and predictable policy cycles, secure technocracy, regularization of decision-making and institutional independence)
- ❖ Economic reforms creates a vibrant middle class that is politically assertive
- ❖ Emergence of civic institutions in the business sectors
- ❖ Skills demand of the growing economy leads to high investment in education, which heightens expectation and pressure for political changes
- ❖ Potential for capture of the state by the productive segments
- ❖ Ethnicity
- ❖ Marginalized are not well accommodated—dealt with by getting droppings from the table
- ❖ Militarization and insecurity will undermine core features of economy (services and tourism)

Katiba

- ❖ Ensuring the process is not hijacked or seen to be hijacked by special interests
- ❖ Bringing all stakeholders to the table, and then negotiating an agreement
- ❖ Getting an acceptable convenor
- ❖ Devolution of power down to the local authorities and the establishment of new institutions (House of Tribes)
- ❖ Punishment and reparations for misdeeds committed in the past
- ❖ Keeping the faith of the people in the process
- ❖ Political guarantees and guarantors of the agreements especially on amnesty

Flying Geese

- ❖ Where does the leadership emerge from?
- ❖ Will there be a considerable team for this?
- ❖ Development of a viable exit strategy for incumbency
- ❖ Will exit strategy stick? Will deals struck (in the backroom) hold?

- ❖ Uncertainty and panic of those previously sheltered by the incumbency and other hangers on
- ❖ Terms and cost of transitional justice, punishment and restitution
- ❖ Management of simultaneous economic and structural change
- ❖ Management of new civic spaces and the open feedback system
- ❖ Palliatives for those not able to participate in the economy, that is with no skills)
- ❖ Inevitable inequality
- ❖ Attracting all possible Kenyan resources—within and outside the country
- ❖ Selling the reform process and vision to neighbours and international community

Assumptions

El Niño

- ❖ Society will spontaneously divide on ethnic lines

Maendeleo

- ❖ Classic economic growth is possible quickly
- ❖ Populace will be patient and not pressurize for political reforms until after sufficient economic results are seen

Katiba

- ❖ Populace will be patient or satisfied with political reforms in spite of poor economic reforms

Flying Geese

- ❖ Exit of incumbency and that deal will stick
- ❖ Transitional justice not expensive both cost wise and image wise—do obvious criminals walk away scotfree and re-emerge in public life?
- ❖ Many willing to go ahead with bold experiments
- ❖ Charisma and vision of leadership lasts long

Most interesting and innovative idea to come out of the story

El Niño

- ❖ The recognition of 2 parallel movements that could lead to the demise of Kenya as we know it: leaders are not ashamed to be crowned ethnic leaders; increasing number of violent initiatives based on or around ‘ethnic causes’. It is a matter of time before the ethnic leaders and ethnic militia consolidate
- ❖ Resistance movements around Kenya are not spectating, but are also speculating on the events taking place here and cultivating their interests. Expansionist agendas are being revealed
- ❖ Kenya’s stability cannot be taken for granted—peace and tranquillity are fragile
- ❖ How we determine transitional and constitutional politics could determine the long-term future of this country

Maendeleo

- ❖ The meeting of the two limits in Kenya require responses on two fronts. Unwillingness to meet both challenges leads to postponement of the crisis
- ❖ The success factors of the economic transformation will force political transformations. Unwillingness to engage in some political transformation will lead to reversals in economic gains
- ❖ Regional interests may keep the political issues untackled if it does not compromise prosperity and stability in the region

Katiba

- ❖ Power is devolved down to the local level thereby giving regions greater autonomy in charting out their development path
- ❖ Recognition is made of Kenya’s ethnic diversity as a resource and this is enshrined within the new constitutional arrangement
- ❖ Move from the shackles of the current constitution to a new transition

Flying Geese

- ❖ The Picture of Now requires decisive action on all fronts
- ❖ Boldness at launch of simultaneous reforms and sailing into the little known
- ❖ Amnesty and transitional justice discussed extensively
- ❖ Real partnerships with private sector
- ❖ National institutional transformation
- ❖ Launch of nationwide debate

Economy based on:

El Niño

- ❖ Informal trading, subsistence and homestead agriculture
- ❖ Arms trade between various banditstans
- ❖ Drugs a key commodity at major entry or exit points and a source of finance to continue the wars
- ❖ Some banditstans engage in barter trade (drugs for arms and other required commodities)

Maendeleo

- ❖ Reduction in public expenditure through retrenchment and privatization

- ❖ Redirection of state resources to fast key returns in high-value, high-growth sectors
- ❖ Informal economy gradually merged and replaced
- ❖ Investment in the service sector—may bypass ‘traditional’ industry
- ❖ Focus on among others, tourism, financial services, knowledge services, high-value agriculture and agro-processing

Katiba

- ❖ The informal sector remains the most active and vibrant sector of the economy
- ❖ Efficiency of the government delivery mechanism and reconstruction of key infrastructure in the later years allows industries to develop

Flying Geese

- ❖ Reduction in public expenditure through retrenchment and privatization
- ❖ Redirection of state resources to fast key returns in high-value, high-growth sectors and service industry
- ❖ Informal economy gradually merged and replaced

- ❖ Large low value retail economy in the country-side
- ❖ High-tech, high-value sectors with global connection (back office functions)
- ❖ Increasingly, Kenya moves towards becoming a service economy—infrastructure, telecoms, regional hub (conferences, tourism)
- ❖ Infrastructure modernized
- ❖ Devolution of economic decisions to regions and bold experiments encouraged

Prevailing political leadership style

El Niño

- ❖ Patronage as a political style is taken to its logical extreme: strong executive that is unaccountable

Maendeleo

- ❖ The autocrat learns benevolence in self-defence; but accountability rises as times goes on

Katiba

- ❖ The autocrat can be transformed and held accountable by the pressure of people and circumstances as well as the new institution that diffuse power

Flying Geese

- ❖ Benevolent, open, decisive and firm hand
- ❖ Young and energetic, visible and demystified
- ❖ Educated and accountable
- ❖ Accessible
- ❖ Rooted in nationalism of Kenya

Politics of:

El Niño

- ❖ Winner takes all—quarrels over a shrinking cake and spontaneous combustion

Maendeleo

- ❖ New sharing of spoils and trade-offs as well as new clients for old patrons

Katiba

- ❖ Confusion, patience, popular pressure, experimentation

Flying Geese

- ❖ Inclusive and representative
- ❖ Reconciliation and forgiveness

Role of state in economy

El Niño

- ❖ With the collapse of the centre, the role of the state diminishes. In the terminal stages, it is characterized by asset stripping and outright criminal acts

Maendeleo

- ❖ Attempts at both a facilitative but firm and enlightened hand. Will find loopholes in international agreements for some state direction of the economy in first take-off phase
- ❖ Secure technocrats
- ❖ Clear and longer policy cycles

Katiba

- ❖ Through the devolution process, the state plays two major roles—that of facilitator (international negotiations, ensuring key infrastructure etc) and that of regulator

- ❖ Maintains an agent role through appointment of regional governments and central government

Flying Geese

- ❖ Facilitator and regulator
- ❖ Infrastructure
- ❖ Global negotiations and presence
- ❖ Partnership with private sector and concrete participation through private sector principles and participation ie economic councils
- ❖ New public management principles for state involvement in economy and regulation

Origin of rules, nature of their enforcement

El Niño

- ❖ Rules emerge based on expediency Enforcement random and by decree

Maendeleo

- ❖ Respect for rules but selective application at first
- ❖ In second round more wide-scale rule application

- ❖ Rules originate from international agreements where they exist

Katiba

- ❖ Regional and sub-regional laws defer to national laws and recognize supremacy of constitution and national laws

Flying Geese

- ❖ Rule of law and institutions applies rules to all impartially
- ❖ Broad consensus on the codes
- ❖ Independence of judiciary
- ❖ Strengthen specific courts i.e. commercial courts and industry tribunals and arbitration mechanisms
- ❖ Rules applied from international treaties and some homemade

Boundaries of political decision-making

El Niño

- ❖ Banditstans are ethnically defined and take the shape of present administrative boundaries
- ❖ Banditstans will have representation in other parts of the world

Maendeleo

- ❖ National level as understood
- ❖ Strong determined centre with economic agenda
- ❖ Regional political and business influence may be mediated by ethnicity

Katiba

- ❖ At the first level, this is within the regions and is then linked to a national process which is mediated by a dual chamber system—the National Assembly and the House of Tribes

Flying Geese

- ❖ National and local level: devolution but also recognition of national disparities
- ❖ Executive president and strong parliament
- ❖ Open democracy: involvement of all relevant stakeholders at all levels of decision making

Global finance

El Niño

- ❖ Hot money only

Maendeleo

- ❖ Donor and Foreign Direct Investment money available as needed

Katiba

- ❖ International capital is less important than domestic capital

Flying Geese

- ❖ Donor and Foreign Direct Investment money available as needed but directed at national priorities

Land reform

El Niño

- ❖ No land reform

Maendeleo

- ❖ Incentives and pressure for the utilization of vacant land
- ❖ Discouragement of parcelling below a certain size

Katiba

- ❖ Land issues are on hold in the beginning. A land commission is appointed by the transitional government to review all

- land allocations in the past and to process any new land deals
- ❖ Local authorities take a lead role in land allocation issues within their region. All land allocations must however be reviewed and approved by the House of Tribes

Flying Geese

- ❖ Imposition of taxes for vacant land with first phase of reforms
- ❖ Comprehensive land reform during institutional reforms
- ❖ Improper allocations reviewed comprehensively
- ❖ Search for new land tenure system
- ❖ Parallel systems of land tenure
- ❖ Local level decision-making and subsidiarity
- ❖ Speedy decision and issuance of titles and certificates

Corruption

El Niño

- ❖ Major driving force, which defines all activity

Maendeleo

- ❖ Diverted and tactfully restrained—‘quid pro quo’ takes place behind closed doors. One big ‘buy off’ is organized around the privatization reforms
- ❖ Favours linked with performance (implicit monopolies)
- ❖ Preferential access to contracts for some clients but linked with performance and delivery
- ❖ Eventually reduces with rule-based systems

Katiba

- ❖ Eventually leads to bankruptcy of government
- ❖ A key opening issue within the negotiations—leads to creation of a commission to address transitional justice
- ❖ Amnesty period for people to surrender ill-gotten gains. Disclosure of wealth clauses
- ❖ Stiff sanctions and efficiency of the system in the long-run

Flying Geese

- ❖ Key issue in action plan

- ❖ Past dealt with in transitional justice arrangements—confession encouraged and the criteria for punishment or restitution and amnesty agreed on
- ❖ Amnesty for some
- ❖ Discouraged and harsh punishment for future crimes
- ❖ Strengthening of anti-corruption agencies and prevention mechanisms
- ❖ Education

Donors/investors

El Niño

- ❖ Donors stay, but only do refugee assistance, which prolongs the conflicts. Investors take off, except those engaged in illegal trade such as drugs and guns

Maendeleo

- ❖ Stay. Very happy with reforms. Fund the first phase of economic change
- ❖ Infrastructure project should attract Foreign Direct Investment

Katiba

- ❖ Partially withdraw in reaction to the chaos and intransigence of the regime to

go through with agreed reforms. Play a critical role in bringing all parties to negotiating table and support the new, more focused reform programmes

- ❖ Diminished clout as local capacity developed in programme formulation

Flying Geese

- ❖ Stay Happy with reforms. There's need for initial boost from donors for takeoff
- ❖ Infrastructure project should attract Foreign Direct Investment,
- ❖ Follow government's plan and not impose own therefore weakened policy control
- ❖ Alignment of donor priorities with national priorities

Gender marginalization

El Niño

- ❖ Women are targeted on ethnic lines during the conflict

Maendeleo

- ❖ 2-tier impact: professional women do well, but poor women continue to suffer in early years

- ❖ Women initial labour force in some high value agriculture and processing
- ❖ Women among the last to benefit from reform
- ❖ Possibility of male marginalization from service economy

Katiba

- ❖ Women participate actively in the change movement and rights debate. Negotiations yield specific allowances in regional governments for women's representation
- ❖ Gender policy determined during negotiations and implemented during transition takes off slowly

Flying Geese

- ❖ 2-tier impact: professional women do well, but poor women continue to suffer in early years
- ❖ Women initial labour force in some high value agriculture and processing
- ❖ Possibility of male marginalization from service economy

Disenfranchized youth

El Niño

- ❖ Become highly militarized

Maendeleo

- ❖ New economic opportunities absorb youthful energy but not enough people are absorbed
- ❖ Most opportunities for skilled labour in relevant field and export of skilled labour

Katiba

- ❖ In early years, energies go into political protest. Enthusiasm wanes as negotiations drag on
- ❖ Continue to be a social problem because of unemployment. Economy cannot grow fast enough to accommodate rising numbers of young people
- ❖ Donor funds support youth reintegration efforts

Flying Geese

- ❖ Outlets for youthful energy sought in new economic opportunities, but not

- enough people are absorbed. The pressure is defused but not eliminated
- ❖ The informal economy takes in some people as well
 - ❖ Most opportunities for skilled labour in relevant field
 - ❖ Some excluded due to lack of skills
 - ❖ Credibility of regimes and reform plans keeps many young people expectant

Health and HIV

El Niño

- ❖ Health declines during period of conflict due to destruction of facilities and non-replenishment of essential supplies as well as skilled personnel; HIV epidemic accelerates; humanitarian groups try to make a dent, but conflict restricts their reach/scope of impact

Maendeleo

- ❖ Triaged health care and rationing creates 2-tier system; private sector clinics grow, but poor people lose out HIV grows rapidly among the poor
- ❖ Modalities for AIDS management could run counter to Rights discourse

Katiba

- ❖ Health situation continues to decline in initial years. Local governments work with private health co-operatives; the response to HIV demands higher political skills
- ❖ National government withdraws from primary health care, which is farmed out, to the regional governments

Flying Geese

- ❖ Clear AIDS management plan that focuses on altering behaviour and ensuring medicine available
- ❖ Will continue to take a toll on productive labour force
- ❖ Government continues to sets national health policy in conjunction with regions, train doctors and spearhead Research and Development (R&D) in health
- ❖ Business takes increasing responsibility for health care for employees. In cooperation with private health care providers, social security benefits invested in health care

Global role

El Niño

- ❖ The new global trouble spot. Kenya becomes a place to be avoided

Maendeleo

- ❖ Study case with economic take-off
- ❖ When the crisis sets in there shall be doubts

Katiba

- ❖ Kenya is invisible and marginal in early years. Later gains reputation as the 'voice of reason' reflecting experience of managing complexity and diversity
- ❖ Towards end of scenario period, joins Egypt, South Africa and Nigeria in spearheading regional integration at continental level

Flying Geese

- ❖ Economic take-off distinguishes Kenya as the new African star. It is also a star with successful institutional reorganization
- ❖ Regional commercial anchor

Regulatory system

El Niño

- ❖ With the collapse of the centre, no regulatory systems will exist. Banditstans will develop own and varied regulatory systems over time

Maendeleo

- ❖ Regulatory framework increasingly gets predictable and stable and may undermine regime

Katiba

- ❖ Government reasserts its role. Institutions are strengthened and rules enforced in transparent manner

Flying Geese

- ❖ Regulatory frameworks predictable and stable from the word go

Technology

El Niño

- ❖ Hi-tech military hardware; low-tech production technologies/military industry put in place

- ❖ State-of-the-art communications technology within banditstans

Maendeleo

- ❖ Some infrastructure improvements see new communication technology being introduced
- ❖ Partnerships with key international firms for delivery and introduction of new technology though discouraged by need to placate old loyalties

Katiba

- ❖ No clear technology policy
- ❖ Businesses build technology locally for the external market

Flying Geese

- ❖ As economy picks up and investor confidence increases, existing plant and machinery is replaced with modern state-of-the-art equipment
- ❖ High tech for regional service centre
- ❖ Government discourages and punishes dumping of obsolete technologies
- ❖ Investment in information technology through partnerships with key

- international firms for delivery and introduction of new technology

- ❖ Strive to keep up with technological changes in the North
- ❖ Regional inequalities

Whom do you trust?

EL Niño

- ❖ My kind, my homeland

Maendeleo

- ❖ My patron and his or her connections

Katiba

- ❖ The process and each other

Flying Geese

- ❖ The nation and institutions I helped create

Kenya at the Crossroads: Scenarios for our future describes four possible futures Kenya could face over the next 10 to 15 years. They ARE NOT predictions nor are they meant to be definitive. They are presented here to stimulate debate about how we can shape the next decades in the country's life.

These scenarios were developed following extensive research that concluded that: one, *based on the economic and institutional models that have dominated the past 30 years, we have pretty much reached the furthest limits we could have gone*. It is time for us to unlearn the ideas and habits that have driven us thus far, and change direction in fundamental ways. Two, *that a successful and prosperous outcome for Kenya is still possible. However, it requires radical reorganization and great sacrifices by all Kenyans*.

This publication is one of the results of the Kenya Scenario Building Project undertaken by the Institute of Economic Affairs Kenya in collaboration with the Society for International Development between 1998 and 2000. Other products are *Kenya at the Crossroads: A research compendium* and a PowerPoint Presentation.

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