

## BOOK REVIEWS – REVUE DES LIVRES

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### AID AND INEQUALITY IN KENYA :

British Development Assistance to Kenya

by Gérald Holtham & Arthur Hazlewood

(Croom helm London, 1976)

**Reviewed by N.G. Wanjohi**

The book opens with an introduction and a background to the kind of social-economic structure that Kenya inherited at independence. On the one hand there was the European settler agricultural sector established in the Scheduled Areas formerly called « White Highlands » and engaged in plantation farming in coffee, tea and sisal, livestock ranching, and mixed farming. This sector utilized the great mass of African labour drawn from various African reserves that were maintained in various parts of Kenya. Attempts had been made, under the Swynnerton Plan, to individualize and commercialize land by consolidation and registration and thus to create what were vaguely called « a middleclass » made up of a few African landowners and a landless class made up of a mass of labourers and potential labourers constituting the rest of the African population. By 1959, when racial barriers were officially removed in Kenya, some farms or parts of farms formerly held by Europeans were allocated to a few select Africans at a small price. As independence drew near and the cry for a return of the stolen land mounted from the landless and unemployed African masses, the British colonial government persuaded its Colonial Development Corporation, the World Bank and the West Germany Government to contribute funds for the purchase of some European-held farms and reallocation to some African (not necessarily the landless) in a bid to kill the cry and at the same time protect British settler and other western interests from appropriation or nationalization by the incoming African headed government.

On the other hand, by the time of independence, business in wholesale and retail trade, manufacturing and construction industry had increasingly assumed a greater proportion of the country's GNP-vis-a-vis the entire agricultural industry. It was in this area that the British and the Western controlled capital in Kenya turned attention. It is therefore not true that after independence the British and the

West had no capital interests of significant value to protect in Kenya as the authors would like us to believe. It is also not true that colonialism had any positive role to play in Kenya as the authors wish to persuade the readers. They allege, for example, that —

*« the existence of the non-African communities, particularly the Europeans, was responsible for the development of technical, financial and governmental services to a much greater extent than might have been expected from the low average level of income in the population as a whole. »*

It should be noted that the majority of African masses, who constituted low income earners and incomeless population in Kenya, were not participants but mere victims of the development of technical, financial and governmental services. Contrary to the authors' explanation, these services were European and Asian oriented during the colonial days, and foreign capitalist and local petty-bourgeoisie oriented in the post-independence period in Kenya. Never have they been for the people of Kenya as such.

The authors then examine what they call « the aims and achievements. » They do not say whose aims or achievements these should be, but though they make some reference to Kenya Government, the whole exercise seems to be a reviews of British Government plan and activities in independent Kenya. The aims are seen to include preservation of stability based on law and order, and protection of foreign private investments and trade. The achievements are viewed to include Land Transfer Programme, Land (Consolidation) Adjudication and Registration, Small-holder cash-crop cultivation, protected expansion of foreign private investment and trade, Africanization based on « Window dressing » of senior and policy-related positions and, of course, continued flow of foreign aid to Kenya. Most of these successes are attributed to the presence of aid.

In a chapter entitled « The Facts of Aid », a brief description of various sources, types and volume of aid is provided. As expected most of the description refers to the British aid, particularly capital aid the greatest part of which went to the unproductive Land Transfer Programme and some other scattered and uncorrelated projects which had a high import content in them. These included Chemilil Sugar Factory, construction of Nairobi-Mombasa road, provision for road building equipment for North-Eastern Region, Mumias Sugar Factory, Mombasa TV, Naivasha-Suswa pipeline, livestock marketing scheme, large hermetically-sealed bins for grain storage and some educational constructions at the Kenya Polytechnic and the University of Nairobi. It is also of interest to note that British official capital aid commitments to Kenya between 1963 and 1973 was more than £ 85 million. During the same period, with a large portion of that aid still undisbursed, Britain received about £ 50 m from Kenya in amortisation and interest

payments. This was no small debt burden, particularly when a lot as U.K. aid was tied to imports for projects the benefit of which were very doubtful as far as Kenya was concerned.

British Technical Assistance has been very significant and up to about 1970 U.K. supplied nearly 70 % of expatriate personnel in Kenya, while these accounted for more than 50 % since 1973. This is one of the most defended programmes in this book particularly, as we shall see below, with regards to its influence on Kenya's policy.

The British also count to have given « aid » through the agency of their Commonwealth (Colonial) Development Corporation. This was in form of investments in commercial activities in conjunction with foreign private investors and/or some Kenya Government investment. Since 1960 this « aid », alias investment, amounted to about £ 30 million. It focused on projects of British interest including smallholder tea production through a creature of its original making—the Kenya Tea Development Authority (KTDA), large-scale (especially foreign) industrial development through Development Finance Company of Kenya (DFCK), power station construction through Tana River Development Authority (TRDA), transmission lines through East African Power and Lighting Company Ltd EAP & L), Sugar production through Mumias Sugar Company, and a housing project at Buru-Buru in Nairobi.

Other donors are also briefly treated in this chapter in way of comparison with the British performance. They include the U.S. AID, West Germany, Sweden, and the World Bank Govt. Of these, the Swedish give the easiest loans and most of their aid is in form of grants and are untied. They are the only donors who disburse their funds in advance of expenditure by Kenya.

On the issue of cost of aid to Kenya, the authors conclude that pecuniary costs were nil and even in case of loans no costs were realized as such funds served to accomplish what Kenya would try to do with or without aid. On policy influence or distortion, they claim not to find any evidence of cost as technical assistants did what Kenyans would have wanted to see. After all these were virtually always in form of grants. These points are taken up later in the issue of neocolonialism and aid influence on policy.

The book then turns to describing in great detail what the authors call British aid policy and administration in Kenya. They indicate that the ODM has a special document called Country Policy Paper which was introduced after 1969. This document, prepared by British economists attached to the relevant geographical department of ODM, is confidential to ODM staff. It sets out the proposed amounts and forms of U.K. aid for the next five years — « showing how this fits in with the recipient country's development priorities and the likely future aid programmes of other donors, taking into account any poli-

tical and commercial considerations which are relevant.» The authors do describe in detail how the technical assistance programme has operated in Kenya and point out that British aid-backed expatriates have been earning at least 60 % more pay (excluding fringe benefits) than their Kenyan counterparts. Their role in administration, planning and teaching in Kenyan schools is described. The chapter keeps making some comparisons between British and other donors' aid policies and relationship with Kenyan planning officials.

Of special interest here is the issue of British respect for Kenya's sovereignty and independence. The authors allege that the British lagged behind the rest of the donors in the rate of aid disbursement due to their attempt to maintain the sovereignty of Kenya by using aid to strengthen the Treasury in controlling plan development and project selection and implementation. That approach is chosen, according to the authors, because Britain's real interest has been in helping to build «a stable and prosperous Kenya» and to not carry out some imperialist mission there. The authors, however, do not tell the reader what they mean by stability and prosperity. It can only be deduced from their analysis that the British aimed at aiding some of the poorest Kenyans (perhaps via famine relief or similar reliefs) to tolerate suffering under the kind of political tranquility which affords a good chance for the foreigners and a few wealthy and powerful Kenyans to become more and more prosperous always at the expense of the majority of the citizens. But of greater significance, however, is the fact that it is out this point that the basic hypothesis of this book becomes somewhat clear. It is asserted, at least by implication, that if aid created a neo-colonial state, it would then be instrumental to the development of inequality in a country. The authors therefore spend most of the rest of their energies trying to persuade the reader that no elements of neo-colonialism are traceable in Kenya, and that what might therefore appear as inequality up to now may turn out to be greater equality based on prosperity in the long run. This point is, however, left hanging and unexplained — a fact which suggests that the authors themselves had no idea of how that could be effected in real terms without the kind of violence and repression that the British would apparently be loathe to witness.

Three projects are selected as case studies on British aid success and activities in Kenya. About one third of the book is used to describe them. They include Land Transfer Programme and Mumias Sugar Company which are viewed as some of the most successful of British aid projects, while the third, Special Rural Development Programme (SRDP) is seen as a failure mainly due to lack of support from Kenyan central government, lack of local participation in planning and subsequent mistrust and harassment by the local population.

One of the basic arguments that are maintained throughout the book is that if the type of aid that Kenya got from Britain and other

donors cannot be justified on the basis of what it has done, then it should not be condemned as it merely helped to create in Kenya what subsequently appeared to be the exact situation the African Kenyan leadership might have attempted to create with or without aid. This, according to the authors, applies to such projects as Land Transfer Programme, land consolidation adjudication and registration, encouragement and protection of foreign private investments, Western imperialist-oriented type of stability, educational system and foreign-oriented cash-crop growing by small holder farmers in addition to plantation, ranching and mixed large scale farming. This kind of arguments is impermissible as it ignores the fact that when maximum pressure of aid was put on Kenya in 1960-1964 the country was just coming out of a long period of colonial oppression and exploitation — the two amounted to colonial underdevelopment in Kenya. That was the kind of situation in which aid was applied to ultimately promote the very ideals that colonialism stood for. How, then, without the « sweet instrument » of aid and the accompanying imperialist propaganda about the sanctity of stability, private property (indeed foreign private property) and international trade, could it be that a truly independent African government would permanently suspend efforts to develop the majority of Kenyan masses in order to continue the colonial initiated development of foreign interests? To us this is not objective reasoning but a more *post facto* rationalizing exercise.

The defensive argument against the accusation of neo-colonialism in Kenya is all the more intriguing and contradictory. The authors argue that aid has no doubt had the effect of maintaining liquidity in the economy and hence facilitate intensified development of foreign private interests. This was done through giving aid for government development expenditure and thus diverting the government from borrowing from locally based commercial financial institutions, particularly the banks. The resources for which the government might have competed were therefore released to the private sector, mainly foreign private sector. Indeed the authors point out that in 1967 only 2.6 % of total commercial bank loans and advances went to Africans and African farm enterprises. There is no evidence that the situation has improved since then. Though the authors might expect some of the aid to have gone into government investment in private (especially foreign) enterprises, they do not attempt to show even the estimated extent of that kind of investment. This might as well suggest that it could be very negligible and ineffective in terms of policy affecting the economy. The analysis therefore tends to be self-conclusive: i.e., aid assisted to promote the colonial initiated western foreign private investment in a manner and degree which Kenya could avoid in the absence of the kind of aid she received. Indeed, the exercise suffocated the development of African and truly Kenyan economy — private or public centred. This amounts to neo-colonialism promoted by western aid.

The same argument would go for foreign trade based on mainly foreign oriented cashcrop production by many smallholders in addition to the main producers who are still foreign capitalists. Whether it is in tea, coffee, sugar, dairy or beef production, the purpose is the same, i.e. to exploit land and labour of the peasants and workers who produce low cost foodstuffs and raw materials for the metropolises in return for the expensive machineries, luxurious goods, and other products of metropolitan industries (foreign or locally based). Was not that the other rationale of colonialism? Is it not a sign of deeprooted neo-colonialism?

The authors have also tried to persuade the reader to the belief that aid-backed technical assistance had very little, if any, influence in the shaping of policy in post-independence Kenya. They take the example of Sessional Paper No. 10/1965 to demonstrate the kind of policies the Kenya followed. But in spite of all existing evidence, the authors, for some funny reason, prefer not to caution that this document was drafted by foreigners in search of their acceptance and protection by post-independence Kenya. It was then articulated by a few African leaders who excelled in the worship of the dubious wisdom, love and patriotism which the expatriates included in the pages of that and other policy documents, including the Development Plans. Their folly, however, came out clearly later on. For the purpose of development of Kenya, by Kenyans and for Kenyans, and for the purposes of solving her problems of mass poverty, mass unemployment, mass inequalities, and general mass underdevelopment, the strategies laid down in Session Paper No.10/1965 and in other subsequent policy statements, have proved to be a sad flop. This is not because of population explosion, inflation, «bad» administration, lack of technical personnel etc., but rather because that document merely legitimized western foreign oriented and colonial based interests, the sole *raison d'être* of which was and remains the underdevelopment of Kenya. That to us constitutes neo-colonialism.

The authors' contention about lack of expatriate influence on Kenya's policy is also in direct contradiction with their own confession to the effect that the expatriates, particularly the British and the World Bank aid-backed ones, were virtually always the makers of, or most instrumental in the making of, Kenya's Development Plans. We wonder what other evidence of technical assistance influence on basic policy should be sought. Why should one, therefore, wonder that the London Foreign and Colonial Office, and later on the ODM, should insist on aiding only the projects which were contained in the Development Plans? In fact, the authors reveal again, Kenyan Treasury civil servants do not seem exclusively concerned to establish priorities. Due to expatriate, especially British, influence which is sometimes effected through powerful Kenyan Politicians, such priorities or plans turn to be British (or World Bank) plans on Kenya not Kenyan

priorities or plans on Kenya and for Kenyans. Perhaps the authors should have considered this view as a more creditable explanation of why the other donors, especially the smaller powers in the Scandinavian area, have had very little regard for Development Plan based projects.

Lastly, the authors are somewhat relieved that, after all, a shift from urban and capital-intensive development to rural development has been accepted by both the Kenya Government and the donors. This is as a result of International Labour Organisation (ILO) Commission's report on Kenya, 1972, and subsequent World Bank reports all of which, to the embarrassment of some proponents of development in Kenya since 1963, revealed diplorable degrees of poverty, unemployment, inequalities and misery of the majority of Kenya peoples. But as this rural development is being planned by expatriates and is expected to boost up western interests in Kenya, we stand sceptical as to whether it will be able to arrest underdevelopment and begin the development of this country. We insist that the planned rural development is intended to operate within the very capitalist system which has exploited and underdeveloped this country from 1900 up to the present day. As such, our considered view is that all the coffee, tea, potatoes, beans, milk, beef, sugar, etc. which will be developed under the new programme, will not be to the improvement of health, hunger, unemployment, incomes, or equality of the Kenyan masses. As in the colonial era, and as has been the case so far, rural Kenya will become more intensily exploited and underdeveloped in order to cheaply feed, employ, make happy and further develop the peoples of the metropolises. In the meantime every economically profitable activity in Kenya, whether industry, agriculture, or business, will remain basically foreign and foreign-oriented.

With these few remarks, and many more would need to be made, one must find the book challenging. If only it would provoke anger, it remains a vital reading for students of neo-colonialism in the Third World. Indeed one would say the real title of this book should be « In Defense of Neocolonialism in Kenya. » It is therefore a must for those seeking for ways and means to liberate the underdeveloped Third World from the ruthlessness of Western imperialism.