

Kenya-China Security And Economic Cooperation: Challenges And Opportunities

Col Victor N. Mburu

National Defence College, A College of National Defence University-Kenya

Col (Dr) Charles O. Imbiakha

National Defence University-Kenya

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Abstract: The relationship between Kenya and China has improved in the last two decades and these two countries are in pursuit of building mutually beneficial relations. So far, China is involved in Kenya's economic and military security as one of Kenya's largest trading partners and through the supply of various military hardware. In light of this, there was a need to assess this relationship and establish the impediments that could be hindering the establishment of a win-win situation and to also identify the opportunities that China presents which Kenya could exploit to enhance its military and economic security. The study was guided by Realism Theory. A case study design was utilized and relevant data collected. Analysis was conducted on both the secondary and primary data from questionnaires and an interview guide. Several challenges were identified from this relationship including persistent balance of trade deficit, adverse impact of Chinese goods on Kenya's manufacturing sector, and the competition posed by Chinese SMEs against the Kenyan-owned SMEs. The study also established that China offers diverse opportunities that Kenya could exploit to enhance its military and economic security. The study concluded that challenges of unfavourable trading patterns and the competition posed by China to the local manufacturing sector and small and medium enterprises (SMEs) require urgent solutions for the two states to enjoy a mutually beneficial relationship. Similarly, the relationship between the two countries offers various opportunities for Kenya to advance militarily and economically through increased trading engagements, technology transfer, greater cooperation in defence, and by exploiting China's large tourism market potential.

Key words: Economic, Military, Security, Cooperation, Challenges, Opportunities.

1. Introduction

There has been a dramatic growth in the relationship between Africa and China in the 21st century. This profound transformation has been greeted with both excitement and confusion especially because China has promoted itself to African states as an alternative development model to the West. Kenya is among African countries where significant transformation in the relations with China has been observed.

Kenya-China relations dates back over 600 years ago when China's greatest navigator of the Ming Dynasty, Zeng He, arrived in Malindi with his treasure fleet. China was also among the first countries to recognize Kenya's independence in 1963.¹ Kenya-China relations intensified during President Kibaki administration from 2002 to 2012 following the rollout of the Look East Policy. The relations grew even stronger during President Uhuru Kenyatta's administration from 2012 to 2022.

Their major interest in this relationship has always been to develop a comprehensive and cooperative partnership through which the two

¹ Farooq, M. S., Y. Tongkai, Z. Jiangang, and N. Feroze. "China Quarterly of International Strategic Studies." *Kenya and the 21st Century Maritime Silk Road* 4, no. 3 (2018), 401-418. DOI: 10.1142/S2377740018500136.

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nations benefit equally. In pursuit of this, China has been a key contributor to Kenya's security environment, both economically and militarily. Given the rise in China's profile in Kenya over the last two decades, it is reasonable to expect that it could play even greater roles in the future. This is why it is important for Kenya to assess its friendship with China to identify the challenges emanating from this relationship and the available opportunities that could increase Kenya's gains from its interactions with China. This study therefore seeks to add to the existing body of knowledge about Kenya-China relations by conducting analysis on the challenges and opportunities that should inform the continuity of the relationship between the two countries.

2. Literature Review

According to Mulinge, China's interest in Africa is not a new phenomenon, but its presence in the region has accelerated rapidly since the dawn of the new millennium.² Gradually, China has emerged as one of Africa's largest trading partners. There has been a tremendous growth in trade volumes between Africa and China. Regissahui, however, points out that there is need for Africa to diversify the market for exports. He expresses that some African states are overly dependent on Chinese trade, and so it is important for these African states to diversify and avoid the possible negative effects if the demand in this market declines.³ A perfect example is Angola, an African country whose 60.6 percent of exports in 2020 were to China. Countries reaching over 50 percent of their exports could consider diversification through intra-African trade. Whether this is the case with Kenya, was an issue of great concern for this study.

The asymmetries of the Africa-China trade relationship are also issues of great concern.⁴ The relationship is characterised by serious imbalances of trade that might affect the long-term development goals of African countries. Malavoloneke and Ying explain that the cause for the trade imbalance is that China's exports to Africa are highly diversified; a combination of goods and services from various sectors, but Africa's exports to China are largely concentrated in raw commodities.⁵ The trend in the continent's trade balance has been on a downward spiral. The disparity is stark in a country like Nigeria. In 2021, the Chinese imports in this country were valued at \$23 billion while its exports to China dwarfed the imports eight times.⁶ This is the reality for the majority of African states trading with Beijing. Therefore, the issue of imbalance in trade between Kenya and China was a subject of investigation in this study.

Yeebo expressed that the Chinese imports are a significant threat to the textile industry in Africa.⁷ For example, in Ghana, wax-printed fabrics have been a source of national pride for many decades, but because of the increased Chinese imports, Ghana's textile industry has collapsed. An industry that three decades ago employed over 30,000 workers can only sustain 3,000 employees currently. Yeebo explains that this has happened because 60% of all the textiles sold in Ghana are imports from China.⁸ Additionally, the imported fabrics

² Mulinge, E. *An Analysis of China-Kenya Bilateral Relations on Infrastructure Development*. Kenya Institute for Public Policy Research and Analysis, 2012,

<https://repository.kippra.or.ke/bitstream/handle/123456789/2493/DP134.pdf?sequence=1&isAllowed=y>.

³ Regissahui, M. "Overview on the China-Africa Trade Relationship." *Open Journal of Social Sciences* 7, no. 7 (2019). DOI: 10.4236/jss.2019.77032.

⁴ Muriri, D., and J. Bavier. "Insight: Africa's dream of feeding China hits hard reality." *reuters.com*. Last modified June 28, 2022. <https://www.reuters.com/world/africa/africas-dream-feeding-china-hits-hard-reality-2022-06-28/#>.

⁵ Malavoloneke, Mila, and Liu Ying. "Rethinking China-Africa trade relations: The impact of a Sino-Africa FTA on trade balance." In *Africa beyond COVID-19: acceleration towards inclusive sustainable development*. 2020. https://www.uneca.org/sites/default/files/AEC/2020/presentations/rethinking_china-africa_trade_relations_-_the_impact_of_a_sino-africa_fta_on_trade_balance.pdf.

⁶ Miriri, Duncan, and Joe Bavier. "Insight: Africa's Dream of Feeding China Hits Hard Reality." *Reuters*. Last modified June 28, 2022. <https://www.reuters.com/world/africa/africas-dream-feeding-china-hits-hard-reality-2022-06-28/>

⁷ Yeebo, Y. "Chinese counterfeits leave Ghanaian textiles hanging by a thread." *The Christian Science Monitor*. Last modified May 31, 2015.

⁸ Yeebo, Y. "Chinese counterfeits leave Ghanaian textiles hanging by a thread."

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are considered “fakes” compared to those that are produced locally because of their visibly lower quality. They are also cheaper than the authentic products. This challenge was also a subject of interest in this study.

There are opportunities for Africa to benefit from China. The massive demand for resources in China is a great opportunity for sustained economic growth for African countries. Madavo explains that securing natural resources is one of China’s priorities in Africa.⁹ Africa is richly endowed with petroleum, natural gas, gold, huge fish stocks, and high agricultural potential. China’s quest for these resources brings clear opportunities that the region can exploit. It has presented itself as an alternative to the West, but its lack of conditionality on matters of trade, compared to Western countries, makes it an attractive and formidable trading partner for African countries. It is offering real economic benefits and can fill the void in investment and trade, which are critical for economic security. The growing demand for raw materials and energy resources in China is an opportunity for the region to increase its export trade to the region. This will create many benefits for each party.

African countries have also been missing out on the opportunity for sustained growth through science, technology, and innovation capabilities transfers from China.¹⁰ China’s involvement in this region gives an opportunity to the countries to advance technologically. Technology transfers from China could also go beyond road construction and manufacturing sectors, to ports and dams building, information, communication, and technology, agriculture, and biotechnology. However, it should be noted that African states have to achieve a certain threshold in terms of local technological capabilities, skills attainment, and viable industrial development before they can capture the military and economic benefits of technological transfers from China.¹¹

According to Bavier, African nations are also yet to recognize the opportunity of the boom in Asian tourism.¹² In this report, Bavier described that at least 97 million Chinese travelled abroad in 2017 and this number is expected to reach 259 million by 2030 as the household incomes in China continue to increase.¹³ This means that China has the potential to surpass the US as the largest tourist market in the world. Ryder and Wigmore concur that Chinese tourists are worth targeting by tourist-oriented nations. A major advantage of this market is that their expenditure is higher than that of tourists from other countries, including the US tourists, according to the World Trade Organization estimates.¹⁴ This is an area that was addressed in this study.

3. Theoretical Framework

This study was premised on Realism Theory. This theory assumes that states are unitary rational actors, and so are likely to take advantage of the opportunities present in the international system.¹⁵ The theory is therefore sufficient in analysing the challenges and opportunities that exists for greater Kenya-China cooperation in security. Realists assume that states are rational, hence a state’s decision makers would be expected to leverage the opportunities that are present in order to enhance military capacity and to promote economic

⁹ Madavo, Callisto. "China and Africa: Opportunities, Challenges and Forging a Way Forward." Georgetown University.

¹⁰ Elu, Juliet U., and Gregory N. Price. "Does China Transfer Productivity Enhancing Technology to Sub-Saharan Africa? Evidence from Manufacturing Firms*." *African Development Review* 22 (2010), 587-598. doi:10.1111/j.1467-8268.2010.00260x.

¹¹ Horn Economic and Social Policy Institute. "Cooperation between China and the Horn of Africa."

¹² Bavier, Joe. "Africa Missing out on Boom in Chinese Tourism." U.S. Last modified November 23, 2018.

¹³ Bavier, Joe. "Africa Missing out on Boom in Chinese Tourism."

¹⁴ Ryder, H., and R. Wigmore. "African.business." African.business. Last modified April 28, 2021.

<https://african.business/2021/04/technology-information/chinese-tourists-could-be-the-future-of-african-tourism>.

¹⁵ Morgenthau, Hans J., and Kenneth W. Thompson. *Politics Among Nations: The Struggle for Power and Peace*. New York: Alfred A. Knopf, 1985.

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progress. Kenya being a developing country, improving military capacity and economic security are areas of priority. Therefore, it would be expected of it to get rid of any hindrances and take up the opportunities that would lead to improvement of its economic and military security.

4. Methodology

This was a qualitative study that employed a case study design, which allowed the researcher to carry out in-depth research on the study subject. A sample population of 115 respondents was used in this study from Kenya Defence Forces (KDF), the Ministry of Trade, Department of International Trade, Ministry of Foreign and Diaspora Affairs, Department of Peace and Security, and the Chinese Embassy. The researcher gathered both primary and secondary data. Questionnaires and a key informant interview guide were utilized to obtain primary data. Secondary data was sourced from published government reports and documents posted on government websites, journals, conference reports, academic books, newspapers, magazines, and periodicals.

5. Study Findings

This study had several findings ranging from an analysis of occupation of respondents, Challenges emanating from the relations to the opportunities available for greater Kenya-China economic and security relationship.

5.1 Occupation of the Respondents

Table 1 shows the occupation of the respondents. Out of the 115 persons that were targeted for this study, the researcher received responses from 76 respondents, which is 66% of the sample population.

Table 1. Occupation of the Respondents

	No of Respondents	Frequency (%)
Senior KDF Officers	71	93%
Ministry of Trade Officials	3	4%
Ministry of Foreign and Diaspora Affairs Officials	2	2%
Chinese Embassy Officials	1	1%
Total	76	100%

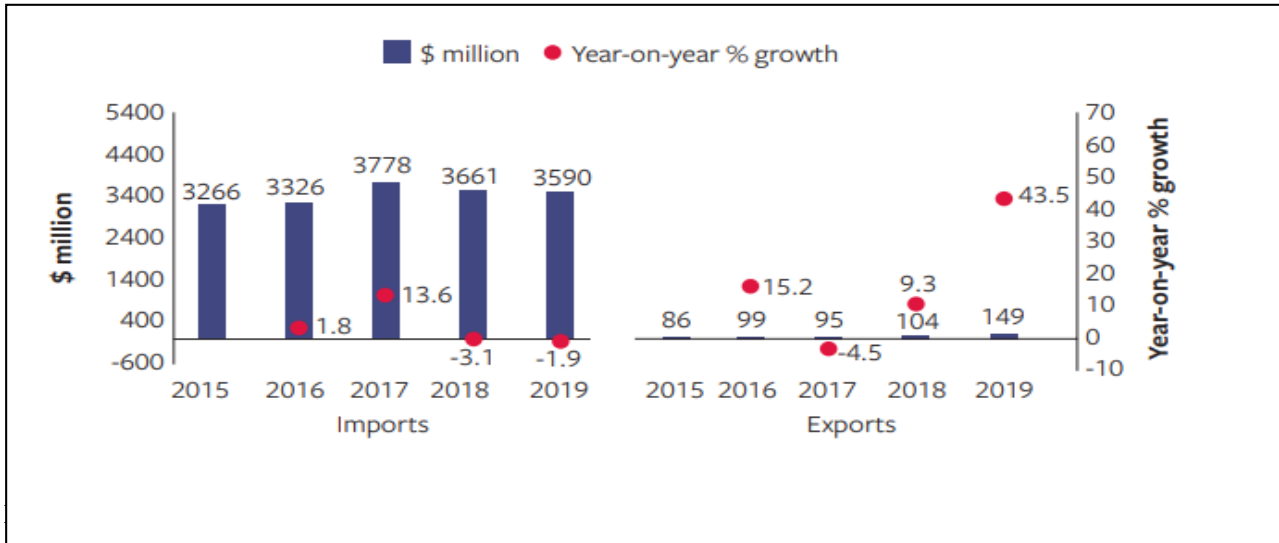
Source: Field Data, 2023.

5.2 Challenges that Threaten Greater Kenya-China Security Relations

This paper notes several challenges arising from the existing Kenya-china economic relations including unfavourable trading patterns, China's imports and their impact on Kenya's manufacturing sector and impact of China's investments on Kenya's Small Scale and Medium Enterprises.

5.2.1 Unfavourable Trading Patterns

Trade is critical to Kenya's economic security. The respondents were asked about the trend in the trade balances between the two countries within the last two decades, and 84% of them responded that the balances were heavily skewed in favour of China. This is confirmed by the study conducted by the Overseas Development Institute (ODI) on the annual value of goods traded between Kenya and China from 2015 to 2019. Figure 1 illustrates the total amount of exported and imported goods within the period.



Source: Raga, Mendez-Parra, and D. Willem te Velde, 2021

From Figure 1, it is clear that Kenya has been importing more goods from China than it has been exporting. For instance, in 2019, imports were 24 times more than the exports to China. Trade deficit in 2015 was at \$3.1 billion and by 2019 had increased to \$3.4 billion. In between the two periods, fluctuations in the level of goods traded between the two countries was observed. A study also revealed that on average, Kenya's imports from China from 2015-2019 represented 0.006% of China's total world imports.¹⁶ This is proof that China is a world trade giant. Almost half of the imports from China during this period were electrical equipment and machinery. Other imports included plastics, iron and steel, mechanical appliances and parts, among others. Umidha reported that the huge balance of trade deficit has raised concerns among experts because it indicates trade relations between the two states are heavily in favour of China, even though it has continually expressed the need for a win-win situation with its African partners.¹⁷ The trade balance favours China mainly because Kenya has focused on commodity and agricultural exports, while China's imports are manufactured goods.

5.2.2 Chinese Imports Impact on Kenya's Manufacturing Sector

From the study, 89% of the respondents agreed that Chinese manufactured goods are a risk factor to de-industrialization in Kenya and is a contributor to unemployment. One of the respondents explained that the cheap imports from China have flooded the Kenyan market to the detriment of the local manufacturers. Another respondent gave examples of Kenyan manufacturers that have succumbed to the competition from Chinese imports. They include Eveready and Sameer Africa formerly Firestone. Dry-cell battery was one of the major products produced by Eveready, but it was unable to compete against the cheap electric operated flash lights imported from China. The respondent went ahead to explain that Sameer Africa was also forced to close down its tyre production business that had operated for

¹⁶ Raga, S., M. Mendez-Parra, and D. Willem te Velde. *Overview of Kenya-China bilateral trade*. Overseas Development Institute, 2021. http://cdn-odi-production.s3.amazonaws.com/media/documents/Overview_of_Kenya-China_bilateral_trade_ZYpLGy1.pdf.

¹⁷ Umidha, S. "Kenya's Trade Balance with China Worries Economists." *People Daily*. Last modified March 9, 2022.

over 50 years because of the increased competition from Chinese tyre imports. The respondent mentioned that Bata is another manufacturer whose performance, though still in business, has been greatly affected by the cheap shoes from China that have flooded the Kenyan market.

Kenya's textile industry also has been affected. According to Yusuf, the importation of cheap textile products from China has been a threat to their businesses, and as a result, they have reduced the number of manufacturing jobs available to Kenyans. The African Cotton and Textile Industries Federation reported that at least 30,000 containers of clothes are imported by Kenya annually from China and other parts of the world.¹⁸ In 2016, the Business Daily reported that Kenya is at risk of premature decline in industrialization because of the flooding of the Kenyan market with cheap Chinese manufactured goods coupled with poor domestic conditions.¹⁹ The growth of this sector declined from 5.6% in 2013 to 3.4% in 2014.²⁰ This was majorly attributed to the low level of development in Kenya's manufacturing sector. Kenya Association of Manufacturers (KAM) also proved the negative repercussions of China's goods on local manufacturing by reporting that this sector's share of the Gross Domestic Product (GDP) has been stagnant for many years now. Limited increases were recorded only from 1990 to 2007 when it was averaging at 13.6%.²¹ In recent years, however, the numbers have remained below 10%, and that is why Kenya is unable to compete against China's well-developed manufacturing sector. Newcomb study confirmed Yeebo's assertion that Chinese imports have affected the manufacturing sector in Africa. He carried out a study that showed that Chinese manufacturers are known for copying the designs of local products, which they then produce cheaply and introduce in the local market at lower prices.²² Kenyan manufacturers are therefore unable to compete against such and they end up losing buyers because consumers prefer to purchase the cheap Chinese products.

Scholars like Onjala are optimistic about the impact of China's imports on Kenya's manufacturing sector and economic security of the country in general.²³ According to Githaiga, the optimists argue that this trade partnership has created gains for the country because it has opened up a way for Kenya to grow its exports to China, and has also offered consumer welfare gains in the form of cheap manufactured goods.²⁴ Buying cheaper goods means more disposable income. The imports also give manufacturers access to inexpensive inputs and other intermediate goods necessary in production of final goods. Although imports from China are cheap, they do not displace the local products entirely. Additionally, China produces cheap goods to meet Africa's growing demand for such commodities.²⁵

From the available data it is clear that Chinese products are adversely affecting Kenya's manufacturing sector. This sector is largely under-developed compared to that of China, and its performance appears to have deteriorated further because of the availability of cheap goods from China. The closure of operations of manufacturers such as Eveready and Sameer Africa, formerly Firestone tyre manufacturing business, are a clear indication that this sector has been greatly affected. Bata and other textile industries are also

¹⁸ VOA. "Chinese Imports Threaten Kenya's Textile Industry." VOA. Last modified July 12, 2013.

¹⁹ Business Daily. "Chinese Imports Threaten Manufacturing Goals in Kenya." Business Daily. Last modified April 3, 2016. <https://www.businessdailyafrica.com/bd/economy/chinese-imports-threaten-manufacturing-goals-in-kenya-2112398>.

²⁰ Business Daily. "Chinese Imports Threaten Manufacturing Goals in Kenya."

²¹ Kenya Association of Manufacturers. *Manufacturing in Kenya under the 'Big 4 Agenda*. 2018. <https://kam.co.ke/kam/wp-content/uploads/2018/10/KAM-Manufacturing-Deep-Dive-Report-2018.pdf>.

²² Newcomb, C. "The Impact of Chinese Investments on the Kenyan Economy." Master's thesis, Chapman University, 2020. https://digitalcommons.chapman.edu/cgi/viewcontent.cgi?article=1003&context=international_studies_theses.

²³ Onjala, J. (2008). *A Scoping Study on China-Africa Economic Relations: The Case of Kenya*. African Economic Research Consortium.

²⁴ Githaiga, Nancy M. "Kenya-China Trade in Manufactured Goods: A Competitive or Complementary Relationship?" *Open Journal of Social Sciences* 09, no. 03 (2021), 96-117. doi:10.4236/jss.2021.93007.

²⁵ Ibid

struggling because Chinese products have flooded the Kenyan market.

5.2.3 Impact of China Investments on Kenya's Small and Medium Enterprises

The data shows that 95% of the respondents expressed that Chinese Small and Medium Enterprises (SMEs) are a threat to the locally owned SMEs while only 5% did not view China as a threat. Kenya's economy is comprised of both the formal and informal sectors. Majority of the unemployed persons have found themselves trying to make a living in the informal sector. SMEs are part of this sector, which comprises of almost 98 percent of all the businesses in the country. Their role in stimulating this country's economy cannot be over-emphasized. The notable features of Kenya's SMEs are low costs of entry, labour intensity, and small-scale operations. The growing Chinese FDIs in Kenya have seen several of Chinese SMEs infiltrate the economy. The challenges that these businesses pose to the locally owned SMEs are compounded by the obstacles that exist in this sector. One of the respondents explained that China's SMEs are a threat because even after they have established base in Kenya, they do not supply much of the locally produced products, but instead stock up on products from China. One example that he gave is the newly established China Square.

The locally owned enterprises face diverse challenges that limit their ability to compete against Chinese establishment. The major impediments are lack of working capital, limited access to market information, and technological challenges. It is common for the business owners to use informal sources of funding like small lending companies which charge exorbitant interests or contributions from close associates or family members.²⁶ Local entrepreneurs also lack the skills that are needed to succeed in such ventures, including managerial and economic skills, because there are no opportunities available for formal training. On the other hand, Chinese SMEs have a competitive advantage in these areas, and also in pricing. This has forced the local enterprises to engage in unsustainable price competition, which often results in losses, or closure of businesses altogether. Additionally, Chinese owned SMEs have unique network arrangements that makes it easy for them to conduct business in the host country, which is also another source of competitive advantage. Although these challenges exist, it is notable that the Chinese-owned enterprises in Kenya provide numerous job opportunities for the locals and earns the government revenue through taxes.

5.3 Opportunities for Greater Kenya China Cooperation on Security

Kenya and China can build a mutually beneficial relationship. This means that Kenya must leverage the opportunities that China presents to gain more economically and to improve the capacity of its security forces. In this regard, the respondents were asked their opinion on ways that China can help enhance Kenya's national security. The findings are presented in Figure 2, which shows that the respondents mentioned four areas of opportunity that China presents. Kenya could leverage these opportunities to enhance its economic and military security. There are opportunities for trade, technology transfer, security cooperation and tourism.

²⁶ Gadzala, Aleksandra. "Survival of the fittest? Kenya's *jua kali* and Chinese businesses." *Journal of Eastern African Studies* 3, no. 2 (2009), 202-220. doi:10.1080/17531050902972600.

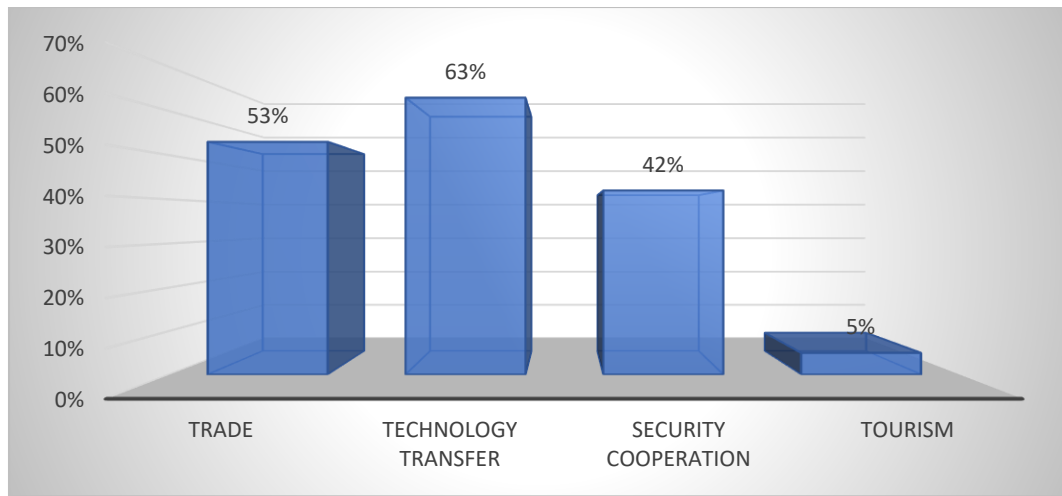


Figure 2. Opportunities for Kenya to Enhance National Security

Source: Field data, 2023

5.3.1 Trade

Figure 2 shows that 53% of the respondents believe that Kenya should continue to leverage available trading opportunities with China. According to Figure 1, its exports to China in 2019 was US\$ 149 million. World Bank data shows that Kenya’s exports to US in 2019 was US\$5.8 billion.²⁷ The Kenya-US trade figures illustrate Kenya’s potential in trade. Kenya is not rich in mineral resources like many other African countries, but as an agricultural country, it could take advantage of the demand in China as it has done in the USA. ODI investigated the Relative Competitive Advantage (RCA) of diverse Kenyan exports in Chinese market against their demand over a five-year period. The analysis presented in Table 2 Category A are exports that could be promoted further in the Chinese market. Category B products need more improvement to meet China’s demand, while Kenya can consider moving away from Category C and D products.

Table 2: A Matrix of Kenya’s Exports to China, 2015-2019

²⁷ World Bank. "Kenya Trade Summary 2019." World Integrated Trade Solution (WITS) | Data on Export, Import, Tariff, NTM. n.d. <https://wits.worldbank.org/CountryProfile/en/Country/KEN/Year/2019/Summarytext#>:

	Increasing RCA	Decreasing RCA
Increasing Chinese demand	<p>Category A products</p> <ul style="list-style-type: none"> ● Plants and fresh cut flowers. ● Black tea. ● Coffee. ● Macadamia. ● Pineapples. ● Oil seeds and oleaginous fruits. ● Gelatin. ● Cigarettes. ● Vegetable and bast textile fibres. ● Hides of bovine or equine (in dry state) and sheep (in wet state). ● Natural gums, gum-resins and oleoresins. ● Ores and concentrates of iron, manganese, copper, titanium, zirconium. ● Metals (e.g. brass, copper, aluminium scrap). 	<p>Category B products</p> <ul style="list-style-type: none"> ● Hides and skins of goats, in wet state. ● Meat of horses, asses, mules or hinnies. ● Plastic in primary form. ● Chemical products and preparations. ● Iron or steel cast articles.
Decreasing Chinese demand	<p>Category D products</p> <ul style="list-style-type: none"> ● Sinking machinery. ● Plastic scrap. ● Prefabricated buildings. ● Hides of bovine or equine, wet-salted or preserved. ● Processed livers, roes and milt of fish. ● Live mammals other than selected primates. ● Herbicides. ● Garments of synthetic fibres. ● Precious (other than diamonds) and semi-precious stones. 	<p>Category C products</p> <ul style="list-style-type: none"> ● Sesamum seeds. ● Cashew nuts. ● Lobsters. ● Hides and skins of bovine or equine and other animals other than ovine, bovine, goats, swine and reptiles, in wet state. ● Petroleum oils, not light oils and preparations. ● Iron or steel articles. ● Monumental or building stone.

Source: Raga, Mendez-Parra, and D. Willem te Velde, 2021

Category A products shown in Table 2 are the products whose demand has been increasing in China. Therefore, there is a great opportunity for Kenya to increase the volumes of exports of many of these goods to China. Another advantage is that Kenya holds huge potential in the productions of Category A products. For instance, Kenya is ranked the 3rd largest producer of flowers in the world. The interviewee also explained that:

...Due to the increased pursuit for a better life, the demand for agricultural products in China is growing...

He confirmed that the demand for coffee, black tea and flowers from Kenya is especially increasing because of their great quality. There is also increasing demand for the Category B products. Kenya, therefore, has to improve its manufacturing sector in order to take advantage of this demand.

The study established that the greatest challenge was the unfavourable trade patterns between Kenya and China. Trade balance has been in favour of China and Kenya's trade deficit has widened over time. It was, however, determined that although China is benefiting more, it is interested in the establishment of a win-win situation where both countries will benefit.

5.3.2 Technology Transfer

According to Figure 2, 63% of the respondents agreed that technology transfer is a great opportunity that exists for Kenya from its continued relations with China. Some of the respondents explained that there is a need for technology transfer to improve military industrialization, especially in arms manufacturing to boost self-reliance. The Kenyan military could also benefit from other defence technologies from China. The respondents also recommended greater technology transfer in infrastructure development. One respondent expressed

....that China should establish science and technology centres for diverse sectors

in the country...

Above assertion is a recognition that China is a manufacturing powerhouse and so it presents Kenya with diverse opportunities to improve its manufacturing capacity, which will affect the nation's economic security positively. In 2015, during China-Africa Summit, China promised to engage in capacity building in Africa.²⁸

The interviewee stated that, already, China has made significant efforts of technology transfer in Kenya. He stated that China recognizes that upgrading the local technical and training institutions is an important step for efficient technology transfer, to equip Kenyans with advanced skills and knowledge. In this regard, China established Luban Workshop in Machakos University, a training programme for technological skills development. He also expressed that the Chinese companies in charge of various infrastructure development projects in the country, such as the SGR and roads, ensure to conduct technical skills transfer to enable locals take over the projects after completion. He explained that China has also established several factories in Kenya, including an automobile repair factory, ceramic factory (KEDA), and a textile factory, as part of its efforts of technical skills transfer in Kenya. Considering China's potential in industrialization, there is more that it could do to help Kenya transform into a highly industrialized nation through technology transfer.

5.3.3 Security Cooperation

Figure 2 shows that 42% percent of the respondents opined that there is an opportunity for greater security cooperation between Kenya's security forces and China. Opportunities exist for Kenya to strengthen its relationship with China in matters defence. The areas suggested by the respondents for greater cooperation are military training, provision of support programmes for training on the use of military hardware acquired from China, and exchange programmes for military technicians. Kenya should leverage on these opportunities to enhance the capacity of its security forces, which in turn will make the country more secure. China's most visible security profile is the sale of arms, but it has also diversified to artillery systems, unmanned aerial vehicles (UAVs), missiles, tanks, maritime patrol craft, Armoured Personnel Carriers (APCs), among others.²⁹ China has been engaging in building institutional capacities of various countries, including the development of defence industries and sharing of defence technologies. Engaging China in this area will help in boosting the level of innovation in the Kenya Defence Industries.

The growing number of Chinese personnel in the country and its investments in foreign nations are some of the factors that have contributed significantly in making China more inclined to participate in building the security capacity of its strategic partners like Kenya. One of the interviewees expressed that:

China is open to cooperative opportunities with Kenya to enhance security locally, regionally, and continentally. In addition, China is willing to provide more training slots for both the military and the police and can also customise the training according to the needs of the Kenya's security forces...

He also said that China is ready to provide Kenya with equipment that they need to enhance the capacity of its military and police force. Further, he mentioned that China is ready to carry out joint exercises, such as joint naval exercises, with Kenya's security forces. The exploitation of these opportunities would alter Kenya's military security landscape significantly and make the country more secure. It

²⁸ Sanghi, Apurva, and Dylan Conte Johnson. "Deal or no deal: strictly business for China in Kenya?." *World Bank Policy Research Working Paper* 7614 (2016).

²⁹ McDonald, S., and M. Burgoyne. *China in Africa: Opportunities, Challenges, and Options*. 2019. https://dkiapcss.edu/wp-content/uploads/2019/09/7-China_in_Africa-Carter-Gilpin-Paul_Nantulya1.pdf.

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would enhance the capacity of Kenya's security forces to protect the nation against external threats, such as terrorism, and to counter the internal security threats, including ethnic conflicts.

5.3.4 Tourism

The interviewee mentioned tourism as a key area of opportunity that Kenya could leverage to improve its economy. He explained that Chinese are highly interested in touring Kenya to explore various attraction sites in the country. Chinese are adventurous and willing to pay for adventurous experiences, and Kenya is capable of meeting this demand. The interviewee went further to say that before the COVID-19 pandemic, Kenya was receiving thousands of Chinese tourists annually. Biegon, citing data from the Kenya Bureau of Statistics, shows that 131,000, 192,000 and 230,000 Chinese nationals visited Kenya in 2016, 2017, and 2018 respectively, and were hosted in various hotels across the country.³⁰ For many years, the West, especially the US has been Kenya's largest tourist market, but now China is also showing great potential. The growth in the numbers of tourists in the years that followed was interrupted by the Covid-19 pandemic, but now China has re-opened its borders and is allowing outbound travel. This is a great opportunity for Kenya that will boost economic security of the nation through creation of job opportunities and revenue for the government.

In sum, concerning the opportunities that exist for Kenya from its relations with China, the study established that trade presents unlimited opportunities for Kenya. It was determined that the Chinese market already has a high demand for Kenyan products such as black tea, flowers, and coffee. An analysis of the relative competitive advantage of other Kenyan exports presented by Table 2 revealed that the demand of other commodities, such as oil seeds, nuts, pineapples, vegetables, meat, and hide among others was also increasing. Therefore, Kenya has an opportunity to concentrate on growing its export volumes and value addition of these products. Another opportunity that exists is in technology transfer to enhance military industrialization for the Kenyan forces to achieve self-reliance through local production of a variety of military hardware. Other areas of technology transfer identified were infrastructure development and manufacturing.

The study determined that there is an opportunity for increased security cooperation between Kenya and China. Among the opportunities that Kenya's security forces could exploit are the military training opportunities in China, exchange programmes for military technicians, and also asking China to offer support programmes that provide training on the use of military hardware acquired from this country. During the study, it was determined that China is ready to increase the number of military training slots that it offers to Kenya's security forces annually and that it can tailor-make them according to their needs. It is also ready to supply the military hardware that the country needs, and to engage in joint military exercises such as joint naval exercises.

Tourism was the other opportunity identified. As a result of the growth in the relations between the two states, China has gradually emerged as a large tourist market that Kenya should exploit to improve the country's economy. For many decades, Kenya's tourism sector focused on the West, but it should now diversify to include China.

6. Conclusion

The study concluded that challenges of unfavourable trading patterns and the competition posed by China to the local manufacturing sector and small and medium enterprises (SMEs) require urgent solutions for the two states to enjoy a mutually beneficial relationship. On the other hand, it was determined that their relations offer various opportunities for Kenya to advance militarily and economically through increased trading engagements, technology transfer, greater cooperation in defence, and by exploiting China's large tourism

³⁰ Biegon, Eric. "Tourism Boost as Chartered Flight from China Lands in Kenya." KBC. February 11, 2023.

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<http://dx.doi.org/10.29322/IJSRP.13.08.2023.p14032>

market potential. As explained by realists, states are rational actors, and so, the most rational decisions for Kenya would be to implement solutions that will enhance the competitiveness of its manufacturing sector and address the challenges facing local SMEs. The state should also take full advantage of all the opportunities that China presents in trade, technology transfer, defence cooperation, and tourism.

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