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Shadrack Wanjala Nasong'O

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**Claims and Realities of Inter-State Relations:
The Case of Kenya-Norway Aid Relations**

By Nasongo S. Wanjala

CLAIMS AND REALITIES OF INTER-STATE RELATIONS:
THE CASE OF KENYA-NORWAY AID RELATIONS.

BY

NASONG'O SHADRACK WANJALA

A Thesis submitted in partial fulfillment of the requirements for the award of the degree of Master of Arts at the University of Nairobi.

OCTOBER, 1992

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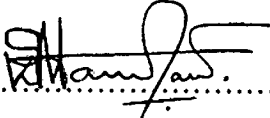


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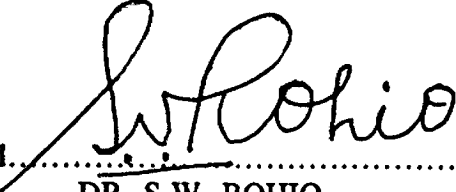
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Signed..........

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29. 09. 95
DATE

This thesis has been submitted for examination with my approval as a University Supervisor.

Signed..........
DR. S.W. ROHIO

5. 10. 95.
DATE

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I am greatly indebted to the Sasakawa Foundation (JSIF) for their financial sponsorship of my two-year post-graduate course that culminated in the writing of this thesis. Their generous benevolence is hereby acknowledged.

My sincere gratitudes are also due, to my supervisor, Dr. S.W.Rohio for providing the intellectual stimuli and scholarly criticism which generated invaluable pluses and minuses to my original draft-chapters and fruitfully refocused them to the core of the subject matter; the staff and management of the Turkwell Lodge, Lodwar for being willing informants; and Mr. Nasser Ingonga Ag. DO I, Turkana, for introducing me to his colleagues during my research in the area.

This thesis owes much to my housemate, Mr. Aggrey Khaoya Wasike, whose second-to-none gentlemanly mien even as he waged his own war on the Linguistic battlefield, ensured its smooth writing, you are, Omwami Wasike, for want of a better phrase, a true gentleman, and to my friends, Temba Masinde and Wafula Muyila for their thoroughly enjoyable company. True to saying, nobody is the whole of himself, his friends are the rest of him.

I wish also to thank my parents, Mr. Fredrick "Webuye" Nasong'o and Mrs Perita Nang'unda "Webuye" for realizing the invaluableity of higher education for their first son; and my brothers Ben Wanyonyi and Sam Wafula and Sister Everlyne Machuma for their enthusiastic appreciation of my early academic success which inspired me to aim high.

Lastly, to all those who, knowingly or otherwise contributed towards this study, to my 1990-92 classmates in the Department of Government who provided the reassurance that 'we will scale through' when the going got tough, and to Florence M. Mbuvi and Madina M. Kamau who spent their valuable time typing this work and printing the same, I wish to here and now register my appreciation.

NASONG'O SHADRACK WANJALA

DEDICATION

This thesis is SOLEMNLY DEDICATED to:

The MEMORY of

MZEE MASINDE MULIRO

Muliro was a truly illustrious nationalist and statesman;
a principled man of unequalled moral integrity;
a career politician whose political sobriety, level headedness,
and objective rationality were unparalleled among his contemporaries.

Muliro consistently and relentlessly fought;
for the principles of individual liberty, equal
opportunity, constitutionalism, and the rule of law;
in order, as he was wont to say;
to bequeath posterity with a just and equitable system.

Muliro passed away on the morning of August 14, 1992,
suddenly, mysteriously, untimely;
when the horizon of the political landscape was laden;
with evidence of the dawn of a new democratic age;
Muliro's toil, Muliro's sweat, Muliro's aspiration, Muliro's vision;

-v-

the signs of the times were pregnant with the expectation;
that the end of an era and the beginning of an epoch;
was near at hand.... imminent... reachable.... touchable....

True to saying, "You never know what is coming to you in this world, you are
here today, tomorrow you are else where or nowhere at all".

May Muliro's spirit be with us, ALWAYS

NASONG'O SHADRACK WANJALA

OCTOBER, 1992

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LIST OF ABBREVIATIONS

| | |
|-------|---|
| AMREF | African Medical Research Foundation |
| CID | Commission on International Development |
| DAC | Development Assistance Committee |
| DFRD | District Focus for Rural Development |
| DIDC | District Information and Documentation Centre |
| GDP | Gross Domestic Product |
| KANU | Kenya African National Union |
| KENGO | Kenya Energy Non Governmental Organisation |
| MDC | Ministry of Development Cooperation (Norway) |
| MUWSP | Minor Urban Water Supply Programme |
| NGO | Non Governmental Organisation |
| NIVA | Norwegian Institute of Water Research |
| NOK | Norwegian Kronor |
| NORAD | Norwegian Agency for International Development |
| OECD | Organization for Economic Cooperation and Development |
| RARP | Rural Access Roads Programme |
| TRDP | Turkana Rural Development Programme |
| UN | United Nations Organisation |
| USA | United States of America |
| USSR | Union of Soviet Socialist Republics (Formerly) |

ABSTRACT

This study aims at analyzing the claims by official records and scholarly observations to the effect that Norwegian aid, unlike aid from the major industrial powers, is objectively functional in recipient terms as observed in chapter one. The study seeks to do so by assessing the Kenya-Norway economic relationship instituted in 1965, within the realms of the interdependency and development paradigms.

Chapter two sets the pace for the said analysis by discussing the need for foreign development assistance and the component characteristics of the ideal development aid. The third chapter makes an assessment of a selected number of Norway-funded projects in Kenya, their objectives, operational results, and their impact.

The nature of the Kenya-Norway aid relationship is assessed in chapter four wherein salient policy shifts in the process of Norwegian aid administration are noted together with their development implications for the recipient. Chapter five is a synthesis of the findings and addresses the presumed Norwegian aid objectivity vis-a-vis the idea of conditionality.

The last chapter is a summary of the preceding ones and contains conclusions and recommendations. It is contended herein that whereas Norway has disbursed aid to Kenya largely in the form of grants, it has, in fact, not escaped from the general trend within the donor community towards conditionality of aid and commercialization of the same; hence practically negating the presupposed objectivity of the said aid.

CHAPTER ONE

1.0 INTRODUCTION

Chapter one is a general introduction to the whole thesis. It contains the statement of the problem that has warranted the study, the objectives and justification of the same as well as literature review, the study's theoretical underpinning and the hypotheses. Also outlined in this introductory chapter is the methodology of data collection and data analysis.

1.1 STATEMENT OF THE PROBLEM

Kenya became Norway's first cooperating partner in Africa when an agreement on economic cooperation was concluded between the two countries in 1965. Foreign economic assistance, or what is commonly referred to as foreign aid, has not only become an inescapable reality, but also a characteristic feature of the relations between Third World countries and the developed World economies. It has moved to the centre-stage of international relations so much so that it is argued that there is need for a new kind of diplomat (the development diplomat) capable of combining the exercise of traditional diplomacy with the exigencies of

economic planning. In fact, in J.D. Montgomery's words." international politics lie at the heart of foreign aid and, indeed, are the very reason for its existence.¹"

A perusal of Kenya's development plans and Budget speeches reveals a consistent expectation on the part of Kenya's development planners that there will be a continuous inflow of foreign capital into the country's development programmes. Although literature on foreign economic assistance is vast and extensive, a general glance at this literature however, attests to the great pessimism of scholars as to the real motives of foreign aid. The general argument is that foreign aid is an instrument for the creation of dependence and control of Third World economies by donor countries for the latter's benefit.

According to Deepak Lal (1976), foreign inflows are inimical to development. In one view, they represent the neo-imperialism of the capitalist world which exploits the developing countries and keeps them perpetually dependent. In another view, while private foreign investment flows may promote growth, foreign aid is at best a palliative - prevents the necessary institutional reforms required for development - and at worst, by weakening domestic incentives to save and the consequent will to develop through one's own efforts, could lead to the pauperization of the recipients.

¹ Montgomery, J.D. The Politics of Foreign Aid. (New York: Praeger Publishers, 1962) p.4

The above pessimism is vindicated by the pronouncement below on American aid. While fanning up support for aid, Eugene Black, former World Bank President, once said:

Our foreign aid programme constitute a distinct benefit to American business. The three major benefits are:-

1. Foreign aid provides a substantial and immediate market for the US goods and services.
2. Foreign aid stimulates the development of new overseas markets for US companies.
3. Foreign aid orients national economies towards a free enterprise system in which the US firms can prosper.²

In 1961, President J.F. Kennedy voiced the same sentiment as above. He said:

Foreign aid is a method by which the US maintains a position of influence and control around the world and sustains a good many

² Fundaga, C.

" The Economics of Donor Assistance", in Southern African political and Economic Monthly, (vol.2 No.11 August 1989) p.9.

countries which would definitely collapse or pass into the communist bloc.³

President Richard Nixon urged his compatriots: "Let us remember that the main purpose of American aid is not to help other nations but to help ourselves".⁴

All the above views emanate from the US, a key player in the international power game. They are glaring pointers to the fact that foreign aid is not aimed at benefitting recipients. It is geared towards securing foreign markets for the donor's products, creating jobs for the donor's nationals, it is an instrument for the creation of dependence and control, and, indeed, an ideological weapon especially in the era of heightened cold war politics.

only?

Whereas the above negative objectives and motives for aid are couched in overt language, the developing countries continue to seek for aid with a desperate fervour that has culminated in the institutionalization of foreign aid as an industry. This phenomenon has led some scholars to distinguish between aid from the major industrial nations like the US, the former USSR, Britain, France, Canada, and Germany, and that from the medium range powers including the Nordic countries, the Netherlands, and Switzerland.

³ Ibid., p.9

⁴ Ibid., p.9

The basic argument obtaining for this classification is that aid from the medium range powers is more functional in development terms than that from the major industrial powers. How far this is true or whether the American pronouncements on foreign aid quoted hereabove withstand the test of time and place can be established as an end-product of the subjection of Kenya -Norway aid relations to a rigorous analysis. The Nordic countries - Denmark, Finland, Norway and Sweden have been exonerated from exploitative tendencies in their aid disbursements. This is based on the observation that economic assistance from these countries is free from the world domination motivations of the big powers. This aid, it is contended, is targeted at critical sectors such as agriculture, education, and health, sectors which are of great importance to recipients such as Kenya. Furthermore, projects thus funded are said to service the needs of the poor.

In the area of import support, it is claimed that there has been no tying of aid to Nordic sources of supply. In fact, C. Fundaga (1989) argues that Nordic companies have to struggle to obtain foreign exchange at a time when Nordic countries are providing considerable foreign exchange support to recipient countries.

Specifically, it was envisaged, in principle, that Norwegian assistance should be extended in accordance with priorities, objectives, and development plans of recipients. All assistance was to be given on grant terms without tying aid to the procurement of Norwegian goods and services. Poverty, environmental protection, family planning, and integration of women into aid activities were progressively emphasized. Overall priority was given to rural development with increasing attention being directed towards observance of fundamental human rights.

In spite of the professed functionality of Norwegian economic assistance, it is argued that no country, big or small, enters into relations with another country without perceiving such relations as generating benefits that would serve its national interest. This, taken together with the exposition of American views on foreign aid quoted above cast doubt to the contention that Norwegian economic assistance is based on the moralistic humanitarian principle of the haves to share with the have-nots. Two fundamental questions arise at this point. Has Norway consistently pursued a policy of economic assistance to Kenya free from the conditionalities of the major powers that can be injurious to Kenya's development as official records proclaim? What has been the impact of development projects instituted through this economic partnership?

Real development assistance, as that said to be handed out by Norway, is one that would be rendered redundant after a period of time because the recipient would have fully developed, and rapidly so, to self-reliance. Would one therefore posit that given the supposed objectivity of Norwegian aid, the projects implemented therefrom will survive the absence of further funding from Norway?

The question posed above, and the issues raised thus far constitute an interesting research problem whose explanation calls for a systematic analysis of the Kenya-Norway economic partnership since 1965. This study is therefore geared towards the ultimate end of confirming or disconfirming the assumed objectivity of Norwegian economic assistance vis-a-vis its own interests and objectives in disbursing the same.

1.2 OBJECTIVES OF THE STUDY

The basic objective of this study is to put to test, for purposes of confirmation or disconfirmation, the supposed objectivity of Norwegian economic assistance to Kenya. More specifically, the study aims at:-

- (i) Ascertaining whether or not Norwegian economic assistance to Kenya has been consistently extended in accordance with Kenya's

priorities, objectives, and development plans as claimed by officials records.

- (ii) Demonstrating whether or not all Norwegian economic assistance has been given to Kenya on grant terms without tying any part thereof to the procurement of Norwegian goods and services, and;
- (iii) Assessing Norway's benefits, if any, in her relationship with Kenya and how such benefits were harmonised with those of the recipient and harnessed together.

1.3. JUSTIFICATION OF THE STUDY

Most of the literature dealing with the aspect of export capital called foreign aid is basically pessimistic about the objectivity of the same. The recurrent argument among scholars who have dealt with this issue is that foreign aid is inherently dysfunctional and can never facilitate development. However, some scholars, including L.D. Black (1968), R. Gilpin (1987), and C. Fundaga (1989), among others have gone further to distinguish aid from the major powers and that from the Nordic countries. The observation is that the latter countries provide aid which is free from the world domination motivations of the big powers. This

kind of aid is therefore said to be better suited to the developmental requirements of recipients.

These scholars however, merely stop at making the distinction. They do not delve into establishing the extent to which their distinction is valid. This study therefore finds justification in the fact that it may be the only one of its kind involving a Nordic donor (Norway) and a recipient (Kenya). It is, furthermore, undertaken with a view to establishing the validity and /or invalidity of official claims and observations of scholars to the effect that Norwegian economic assistance is positively functional in recipient terms.

Moreso, most scholarly works on inter-state relations have for long tended to interpret such relations in terms of the East-West rivalry and, ipso facto, have largely concentrated on major powers in the world system and their respective client states. Yet relations between countries such as Kenya and Norway may comprise of important attributes that might generate unique variables invaluable to a comprehensive analysis of inter-state relations. This in turn would be an important contribution to the cumulation of knowledge in the field of International Relations.

1.4 LITERATURE REVIEW

According to R. Gilpin (1987), the advanced nations have taught the rest of the world that escape from their lot is possible "... and this has made the desire for economic growth, modernization, and rapid industrialization the universal ideology of political elites in all countries", ⁵ he writes. To achieve these aspirations, Third World countries have looked forward to foreign aid and hence established relations with their more developed counterparts with a view to obtaining the much sought after economic assistance.

R. Constantino (1989) observes that the belief that foreign aid effectively promotes economic development rests in the assumption that the key to economic development is the availability of capital and that the underdeveloped countries are too poor to provide the capital for themselves. A general glance at the real motives of foreign aid however, indicates that foreign aid is inimical to development, a purpose for which it is usually fervently sought.

N.G. Wanjohi (1980) strongly submits that international monopoly capital in the form of aid has largely been instrumental in the creation of social, economic, and political conditions that are conducive to the continuation and expansion of

⁵ Gilpin, R. The political Economy of International Relations. (New Jersey: Princeton University Press, 1987) p.263.

exploitation and domination, underdevelopment, and dependence of Kenya in order to facilitate further development of the metropolis. He contends:

Contrary to the popular view, economic underdevelopment rather than development and institutional, structural, and technological dependence have increased greatly in the country's (Kenya's) life particularly in planning, agriculture, manufacturing, and trade. ⁶

Walter Rodney (1989) goes further and accuses the patterning of international trade of perpetuating the same exploitative tendencies as above. He explains: "One of the common means by which one nation exploits another, and one that is relevant to Africa's external relations is exploitation through trade." ⁷

He argues that the exploitation of underdeveloped nations by the metropolis is being intensified in new ways leading to their heightening structural dependence as a characteristic feature of underdevelopment.

It is noteworthy that this wholesale condemnation of foreign aid is directed mainly at the major western capitalist powers. What one is left wondering is whether aid from Norway to Kenya can be accused of the above or not. Has Norway, in the characteristic manner of other donors, sought to subjugate Kenya to her own interests as the above literature testify? If so, how? If not, why?

⁶ Wanjohi, N.G. "The Politics of Foreign Aid in Kenya since Independence 1963-1977." Ph.D Dissertation (University of Nairobi, 1980) p. xiv.

⁷ Rodney, W. How Europe Underdevelopment Africa. (Nairobi: Heinemann, 1989) p.31.

Aid from Norway is said to be given on grant terms and on the basis of the priorities and development plans of Kenya. It is therefore expected that this aid is more positively functional than the scholarly arguments thus far examined tend to project. To ascertain whether this is so, an analysis of the impact of the operations of the said aid on Kenya's social-economic structure is necessitated.

In spite of the decried negativity of foreign aid, Yashpal Tandon (1970) writes that if one were to be guided by official records in East Africa, the impression one gets is that there is going to be a net inflow of finance into East Africa for ever and ever. How East Africa, and particularly Kenya for that matter, can become a parasitical island of foreign benevolence in a predicted sea of exploitation through foreign capital inflows in the form of aid, as Tandon notes, is a riddle that official records say so little to unravel. In any case, the purpose of aid should ideally be to make recipients independent of aid not perpetuation of the same. It thus remains to be ascertained whether Norwegian economic assistance to Kenya has been geared towards this ultimate end.

R. Prebisch (1968) argues that the contribution of international capital is not in itself an alternative solution to the fundamental problem of underdevelopment. He admits that such resources are certainly of vital importance, but only as a means of enabling structural changes to be introduced in foreign trade so that this problem can be attacked at its roots. Prebisch contends: "Unless the causes of the

situation are thus extricated, external contributions will be required indefinitely and in an increasing volume."⁸ Perhaps the fundamental question Prebisch raises of concern herein is the extent to which Norway's aid to Kenya has contributed to such structural changes requisite for propelling the country to a better and desired course of development.

Underdevelopment theorists, S. Amin and A.G. Frank among others, posit that the dual economy of underdevelopment is an unbalanced and unintegrated economy characterized by the coexistence of a dynamic modern sector of production and a traditional one. The former is typically export-oriented and the latter, largely subsistence agriculture. This dichotomy, it is argued, inhibits the development of an internal market which is a component element and major indicator of a functionally healthy economy.

A. Tostensen and J.G. Scott (1987) point out that Norwegian economic assistance to Kenya gives overall priority to the development of rural areas. The question raised by this, vis-a-vis the above exposition is, in what ways has this direction of Norwegian aid to rural development in Kenya contributed towards harmonizing

⁸ Prebisch, R.

"Development problems of peripheral countries and the terms of Trade". In Therberge, J.D. (ed) Economics of Trade and Development. (New York: John Wiley and Sons, inc., 1968) p.296.

the dynamic modern sector and the traditional one for purposes of developing an internal market, a prerequisite to economic growth and development?

On the above score, K.H. Englund (1977) argues that it is an open question whether the sectoral orientation of the overall economic assistance reflects the economic and social realities of Kenya. About 90% of Kenya's population, he points out, live in the rural areas and most of them are still very poor by any standards. Englund's basic argument is that the bulk of capital assistance is given to the modern sector while the traditional one is largely ignored. However, given that Norwegian assistance is rural-oriented, one expects that a difference has been created by the said assistance. Whatever difference in terms of economic growth and development contributed by this direction of Norwegian aid to rural areas is what needs to be established.

Some scholars have juxtaposed aid from the small powers with that from the great powers and have drawn one definite contrast. This is that aid from the great powers is taken with a lot of suspicion because of the fear of commercial and economic penetration and domination by such powers. This attitude, L.D. Black (1968) contends, is perpetrated by policies of tied aid, where all or most of the foreign exchange provided must be spent for goods and services from the donor country. In other cases, especially during the era of heightened cold war, the recipient may find itself in the awkward position of a mere pawn on the

diplomatic cold war chessboard. In such circumstance, aid is given more in the context of the East-West competition and rivalry rather than as a genuine desire to assist the economy of the recipient.

The contrast between the above form of aid and aid from smaller powers is summed up by Black's observation thus: "... the recipient countries generally do not attribute ulterior motives to aid provided by the Scandinavian countries (Denmark, Norway and Sweden), the Netherlands, and Switzerland..."⁹ This state of affairs is explained by Tostensten and Scott (1987) in their exposition that in principle, aid from Norway is extended in accordance with priorities, objectives, and development plans of recipients. All assistance, they point out, is to be given on grant terms without tying it to the procurement of Norwegian goods and services.

C. Fundaga (1989) provides further explanation of the issues when, writing on aid from Nordic countries generally, he says that in the area of import support, there has been no tying of aid to Nordic sources of supply. He further argues that Nordic companies have to struggle to obtain foreign exchange at a time when Nordic countries are providing considerable foreign exchange support to

⁹ Black, L.D. "The Strategy of Foreign Aid. (New York: D.Van Nostrand Co. inc., 1968) p.132.

recipients. How true these assertions are to fact and practice is an open question that begs for inquiry.

There are two basic contentions on the idea of foreign aid generally. One is that efforts by Third World countries to obtain aid from outside is nothing more than cynical opportunism. A counterposition to this stand is the argument that the sovereignty of aid recipients and diversity in terms of outside resources go together, that the two are complementary and not mutually exclusive. In an apparent attempt to react to these two opposing strands of thought, W.G. Friedmann et al (1966) advance the argument that the future development of Africa will inexorably be determined by choices open to nations in their most tentative, groping, critical years of development and the conditions under which choice is exercised. African countries, Friedmann advises, must seek external resources which, to him, are essential for accelerated development. Whether the flow of resources from Norway to Kenya has contributed anything by way of development should thus be examined.

A. Krassowski (1968) takes the above issue further and argues that foreign aid has moved into the main arena of diplomatic operations and international politics, thereby assuming an important place in the dealings between states. He observes:

... since the aid operation is international, and especially inter-governmental, its success or otherwise in achieving whatever end is envisaged for it, depends on the attitudes that givers and

receivers adopt towards each other. The aid relationship is far more important than are the 'technical' aspects of aid...¹⁰

One therefore becomes interested in establishing and analyzing the kind of aid relationship between Kenya and Norway and the contribution of the same to the suitability or otherwise of the said aid.

Claims that Norwegian aid relations with Kenya are governed by the former's provision of economic assistance to the latter with selfless detachment seem to outrightly fall out of favour with Charles A. Beard (1966). Beard quotes Charles E. Hughes who, as US Secretary of State said : "Foreign policies are not built upon abstraction, they are the result of practical conceptions of national interest arising from some immediate exigency or standing out vividly in historical perspective." ¹¹ This short utterance, in Beard's view, represents the central conception of modern diplomacy in the sphere of inter-state relations.

Beard also makes reference to Alfred Thayer Mahan, the philosopher of the sea power in history, according to whom national interest is the prime consideration in foreign policy. He flatly declares thus:-

¹⁰Krassowski, A

The Aid Relationship. (London; Overseas Development Institute, 1968 p.16.

¹¹ Beard, C.A.

The Idea of National Interest.
(Chicago:Quadrangle Books, 1966) p.1

Self-interest is not only a legitimate, but a fundamental cause for national policy; one which needs no cloak of hypocrisy... it is just as true today as ever that it is vain to expect governments to act continuously on any other ground than national interest. They have no right to do so, being agents and not principals. ¹²

This conception of national interest, Beard suggests, is not confined to greater powers like the US alone. It is to be found in Realpolitik elaborated by German scholars in international relations, in the documents that pour from the chanceries of other European countries as well as in the ceremonial usages of the Orient.

Norway, one may add, is no exception from this.

The preceding arguments are pointers to the fact that inter-state relations are governed by considerations of national interest by the states concerned. That big or small, all countries enter into relations with others only after perceiving of such relations as contributing to the furtherance of their own national interest. Would therefore one argue that the claims of official records that Norwegian aid is wholly objective because it is devoid of any conditionalities that may be interpreted as serving Norwegian interests are a "cloak of hypocrisy" as Mahan would put it?

A sufficing answer to the above question and to all the others raised in the literature review concerning the impact of Norwegian economic assistance to Kenya's economy, the real rationale of the same, and the nature and exigencies

¹² Ibid.

of the process of harmonization of the donor-recipient interests in their aid relationship can only be provided as an end-product of a systematic analysis of the twenty-five year. (1965-1990) Kenya - Norway relationship.

1.5 THEORETICAL FRAMEWORK

(a) The Need For Theory

According to Stanley Hoffman, "... theory is a systematic study of observable phenomena that tries to discover the principal variables to explain behaviour and reveal characteristic types of relations among national units."¹³ It is, in the words of David Singer, "... a body of internally consistent empirical generalizations of descriptive, explanatory, and predictive power."¹⁴ Consequently, on the basic question as to why the need for theory in International Relations, Knorr and Verba (eds) assert that we need theory:

... for understanding and predicting concrete events in the realm of International Relations... (and) for clearing up one's thinking about international affairs in order to raise above the level of

¹³Hoffman, S. Contemporary Theory in International Relations. (New Jersey: Prentice Hall inc. 1960) p.8.

¹⁴ Singer, D. Human Behaviour and International Politics. (Chicago: Rand McNally, 1965) p.17.

specific events to more general statements about the patterning of international relations.¹⁵

The main task of a theory of international politics, A.M. Kaplan (1961) contends, is to investigate the institutional regularities attendant upon the course of international political life. The comprehensive and coherent nature of theory contributes in an invaluable indispensable way to the analysis, evaluation, understanding and, by extension, possible control, of relations among states. The demand for theory therefore augurs well for the scientific approach because, as Kaplan suggests further, "... we cannot reason without generalization and, where matters are complex, the web of reasoning logically takes the form of theory ..."¹⁶

To perform its role however, theory must be embedded in concrete historical reality and must, of necessity, be general. It is this generality which enables theory to accomplish its basic analytic function which is clarifying the causal relations or otherwise between isolated variables by abstracting them from reality. Essentially therefore, theory is a vehicle for the scientific approach and hence a

¹⁵Knorr, K. et.a.(eds) The International System. (New Jersey: Princeton University Press, 1961) p.13.

¹⁶Kaplan, A.M. "Problems of Theory Building and Theory confirmation in International Politics" in Knorr and Verba, op.cit., p.31.

fruitful tool for scientific inquiry without which empiricism would for ever be lost in the social sciences.

(b) Some Selected Theories of International Relations

(i) The Interdependency Theory

The interdependency theory may help explain inter-state relations like the relations between Kenya and Norway. Basically, this theory holds that states, like individuals, are necessarily interdependent. That relations between them generate certain mutual benefits which, though not symmetrical, are substantial enough to create a commitment on either side towards the sustenance of the relationship.

According to Robert Keohane and Joseph Nye (1977), the increasing complexity of the international system since World War II has led to a higher degree of interdependency. The concept 'interdependency' is said to refer to a situation characterized by reciprocal activities among actors giving rise to mutual benefits in inter-state relations. The main feature of this scenario are reciprocal, though not symmetrical, effects among states resulting from international transactions including flows of money, goods, services, and personnel.

In their 1977 volume, the two scholars quote Henry Kissinger who argues thus:

The traditional agenda of international affairs - the balance among major powers, the security of nations - no longer defines our perils on our possibilities...Now we are entering a new era. Old international patterns are crumbling, old slogans are unconstructive; old solutions are unavailing. The world has become interdependent in economics, in communications, in human aspirations...¹⁷

In the same vein, James N. Rosenau (1984) takes a look at the structural development of global affairs and concludes that these are undergoing a profound crisis of authority, and other changes of a comparable magnitude. Seeking to synthesize these developments both at the micro - and macro-cosmic levels, Rosenau focuses on the simultaneity and expansivity of patterns promoting both the coherence and the breakdown of systems and labels this patterns 'cascading interdependence'. In this conjuncture, we have, in our analysis, to proceed "... as if multi-actor situations and linkages across system levels and issue areas constitute the normal conditions under which governments frame and implement their policies".¹⁸

Essentially, interdependency theorists point out that the idea of inter-state relations is not a zero-sum game in which one party loses as much as the other gains. It

¹⁷Keohane, R. and Nye. J

Power and Interdependence:
World Politics in Transition.
(Boston: Little, Brown and Co.,
1977) p.3.

¹⁸ Rosenau, J.N.,

"A Pre-Theory Revisited: World Politics
in an Era of Cascading Inter-dependence."
in International Studies Quarterly. (No.
28, 1984) p.250.

is, rather, a two-way traffic from which both parties reap benefits, whatever transaction entered into. It would therefore be expected that the Kenya-Norway relationship generate rewards or benefits that accrue to both national entities.

(ii) Dependency Theory

The dependency theory posits that relations between a more developed state like Norway and a less developed one like Kenya are devoid of any objectivity. The basic aim of such advanced nations, the theory declares, is to subjugate the economy of the less developed state to their economies for their own benefit.

The dependency orientation, as propounded by James Caporaso (1978) seeks to explore the process of integration of the periphery (Third World) into the international capitalist system, and to assess the developmental implications of this peripheral capitalism. The approach proceeds from a structuralist paradigm which focuses on the class structure in the peripheral country, Kenya in this case, the alliance between this class structure and international capital, from Norway for our purposes herein, and the role of the state in shaping and managing the national and foreign class forces that propel development in countries.

Dependency is viewed as a historical phenomenon. It is associated with the origins of capitalism, from the slave era to the colonial era, and through the

mercantile era to the present era of transnational mobility of capital and technology. Dependency assessments therefore involve an evaluation of the ways in which alterations in the organization of capital whether in the form of loans, grants, trade, or technology transfer, define and redefine the possibilities of domestic production and development.

(iii) Development Theory

The developmental approach in International Relations tends to fall in step with the interdependency paradigm. The former asserts that the transfer of capital, technology, and other values from a donor to a recipient in the context of interstate relations serves to propel the recipient to a meaningful course of economic development.

Most economic liberals behold transnational capital as charting out a meaningful course for the development of poor economies. They view the evolution of the world economy as diffusing the process of economic growth from advanced to traditional economies through the flow of trade, technology, and investment.

In particular, B. Berberoglu (1978) singles out the diffusionist approach as the basic mode of the developmental component of the world economy. This is an acculturation view of the process of development. The developed world diffuses

capital, knowledge, organizational values, skills, and technology to a poor nation until, over time, its society, culture, and personnel become variants of those which made the developed world community economically successful.

This process of diffusion is believed by the developmental theorists to be generally benign and harmonious, not conflictual and exploitative.

(iv) Underdevelopment Theory

R. Gilpin (1987) states that this theory proliferated in response to the fact that in spite of having gained political independence, Third World countries have either not developed or at least have remained economically subordinate to the more advanced capitalist economies. They continue to be economically and technologically dependent instead of progressing into higher stages of economic development. Some of these countries, Gilpin observes, have in fact increased their reliance on external aid from advanced economics for food, capital, and modern technology. The underdevelopment theory places the responsibility for this situation to the external world economy and not on the Third World states themselves.

At the heart of the theory of underdevelopment is the assumption that the international capitalist economy of which aid packages in inter-state relations are

a major component feature, operate systematically to underdevelop and distort the economies of the less developed nations. This, the theory's exponents maintain, is a profoundly inherent feature of the normal operation of the world market economy whose nature, they contend, is detrimental to the interests of poor states.

The underdevelopment and dependency theories are closely interrelated. Proponents of these theories fervently argue that the nature of the international economy is such that the developed states are intent on further exploitation and undevelopment of the Third world. This, they contend, is aimed at maintaining the system that starkly divides the world into the haves and the have-nots for the sake of the former.

G.R. Franco (1976) buttresses this view by strongly submitting that foreign aid has been used by donors to maintain a political influence over the recipients. He argues: "... There can be no way of quantifying such political advantages accruing to the donor countries ... But they are perceived to be important by the policy makers in the donor countries".¹⁹

¹⁹Franco, G.R.

"Economic and Political Aspects of US Multilateral Aid" in Raichur, S, and Liske, G. (eds) The Politics of Aid, Trade and Investment. (New York: Sage Publications, 1976) p.157.

The interdependency and development theories will form the primary guide and frame of reference for this study. The theories have been selected because, right from the statement of the problem in 1.1, through to the literature review in 1.4 above, there are fundamentally two contending arguments on the functionality of foreign aid. The first argument has it that foreign aid is inherently dysfunctional for its basic aim is to exploit and underdevelop the recipient's economy and keep it in a dependent relation vis-a-vis the donor's economy for further exploitation. The counter argument is that such transfers of resources, especially from small powers like Norway are positively functional for they diffuse technological know-how and commercial skills needed for industrial growth and development.

Indeed it is posited that Norway disburses its economic assistance in the form of grants without tying it to Norwegian sources of supply and that it is extended on the basis of the recipient's objectives, priorities, and development plans. Such aid, it is argued, suffices in meeting the developmental requirements of recipients like Kenya.

Furthermore, the interdependency and development theories are complementary to one another as they project the economic linkages between the industrialized and the less industrialized states, the core and the periphery respectively, as serving one interest or another as much for the donor as for the recipient. Norway, for instance citing the system of reimbursement of aid funds through the

Treasury as a bottleneck to the realization of pertinent aid objectives, introduced the term 'policy dialogue' in its aid administration. This is a glaring pointer to the fact that mutuality indeed exists between donor and recipient with regard to the implementation of aid-funded projects. The two theories are thus employed in the inquiry into the Kenya-Norway relations to test the extent to which they come to terms with the phenomena they describe in respect of explaining and predicting the same.

1.6 HYPOTHESES

From the foregoing, two hypotheses may be formulated to tentatively explain the Kenya-Norway economic partnership in a donor-recipient relations perspective. The study will seek to test these two assumptions.

Hypothesis One

Inter-state relations are governed by mutual benefits. In the case of donor-recipient relations the greater the benefits of the donor, the more the aid packages it disburses to the recipient.

Hypothesis Two

The rationale for Norwegian economic assistance is economic self-aggrandizement. Claims of its humanitarian nature emanate from the lack of a political rationale (world domination motivation) and are therefore meaningless.

1.7 METHODOLOGY

Recourse will be made to documents of agreement between Kenya and Norway. Such documents establish the purposes and objectives of Norway's economic assistance to Kenya. These objectives will, where possible and necessary, be juxtaposed with operational results of the projects as contained in project evaluation reports, to determine whether the set objectives have been attained and to what extent. This process will help ascertain the rationale for Norway's economic assistance to Kenya.

Because of the difficulty encountered in seeking to obtain data from government ministries, mainly on account of classification of materials, a field trip was necessitated. In this case, Turkana district headquarters, Lodwar, was visited and data obtained from the District Information and Documentation Centre (DIDC). The district was selectively chosen on the basis that it has the largest concentration of Norwegian aid activities in the republic.

Interview schedules were also held with the District Development Officer, District Education Officer and the District Environment Officer among others, all of Turkana district, some officers at the Office of the President, Treasury, and the Ministry of Foreign Affairs and International Cooperation; as well as the Royal Danish Embassy (left to handle Norway's interests after the latter's embassy's closure in 1990) and the Norwegian Church aid mission at Wilson Airport, Langata.

To determine the rationale of Norway's aid to Kenya, the study proceeds to establish whether the said aid is disbursed to Kenya in the form of project aid or programme aid. The difference between these two categories of aid packages as well as their relevance to the developmental needs of recipients are highlighted. It thus is envisaged that in this way, a conclusion shall be reached as to the functionality or otherwise of the Kenya-Norway economic partnership.

CHAPTER TWO

KENYA'S FORMATIVE YEARS OF STATEHOOD AND THE NEED FOR DEVELOPMENT ASSISTANCE

2.0 INTRODUCTION

Chapter two begins by examining the economic forces at work especially during the colonial era which rendered foreign economic assistance an urgent necessity on the part of Kenya soon after the latter's attainment of independence. It then proceeds to discuss the need for advancing aid to recipients on the part of donors in the light of the prevailing conditions in the international system.

The chapter also makes an attempt at an exposition of the component elements of the ideal development aid. It thus sets the stage for the appraisal of the objectivity of Norwegian aid to Kenya vis-a-vis these elements of ideality. The chapter ends with a brief highlight of the factors that propelled Kenya towards diversification in foreign aid sourcing. It was this move that paved the way for new channels of relationships which brought into being the Kenya-Norway economic partnership.

Generally therefore, chapter two sets the standard for the overall analysis of Norway's economic assistance to Kenya.

2.1 THE NEED FOR EXTERNAL DEVELOPMENT AID

The need for economic assistance from the developed countries on the part of Kenya, and indeed the whole of Africa and the Third World in general, was a consequence of the operations of the economics of colonialism. To explain this need for external resources therefore, it becomes necessary to highlight, at least in passing, the forces at work in the world system both in the pre-independence times and in the run-up to colonialism.

The 17th and 18th centuries marked a decline in the feudal relationships. Subsequently, the mercantilist period at the same time culminated into the completion of capitalism with the creation of a proletariat and accumulation of wealth in the form of capital and money. During this period, Samir Amin (1972) argues, the American periphery of the Western European mercantile centre played a decisive role in the accumulation of money wealth by the Western European bourgeoisie. As the 'periphery of the periphery', Africa played an equally important role in this setting. It was the principal supplier of slave labour for the plantations of America and, with this new role, Africa lost its hitherto limitless

autonomy and began to be shaped according to foreign requirements of mercantilism.

In the unfolding scenario, the processes of integration and construction of large communities begun in Africa in the pre-mercantile period were swept away like a wisp of straw on the advent of the Western colonizer. Instead, there emerged incredible fragmentation, isolation, and entanglement of peoples in the haphazard demarcation of 'spheres of influence' consequent upon the institution of colonialism. This process, Amin (1972) contends, has been the root cause of one of the most serious handicaps of contemporary Africa.

Under the conditions in which it found itself, the traditional African society was distorted so much so that dislocations both in the economy and the social fabric were ubiquitous. Having lost its autonomy, the main function of the traditional society was to produce for the world market under conditions which, because they impoverished it, deprived its members of any prospects of radical modernization.

Samir Amin argues thus:

This traditional society was not, therefore in transition to 'modernity'; as a dependent society, it was complete, peripheral, and hence at a dead end.²⁰

²⁰Amin, S

Underdevelopment and Dependence in Black Africa - Origins and Contemporary Forms" in The Journal of Modern Africa Studies. (Vol.10 No,4,1972) p.513.

It is worthy noting that Kenya, as a victim of colonialism, was part and parcel of this phenomenal conjuncture which, as A.G Frank (1981) puts it, was "... a long term structural crisis of the capitalist process of capital accumulation".²¹

Immediately after gaining political independence, Kenya nourished the fear that the acquired independence, wrested as it were, from the hands of the British colonizers in a protracted and bloody struggle, would be annulled and indeed negated if the former colonial master sought to gain a hold on the economic activities of the new state. The political elite of the new sovereign state that was Kenya also realized the inadequacy of the resources they had for their own development, and the inequality in the existing international economic order, that was detrimental to the interests of the new states. Hence the demand for better market access and for larger transfers of resources from the developed countries to the developing ones.

On the whole, the exposition below by A Vratusa sums up the state of affairs in the economies of pre-independent African states:

....economic undertakings in colonial times if any, were generally developed one sidedly, as an appendix to the economy

²¹Frank, A.G.

Reflection on the World Economic Crisis.
(New York: Monthly Review Press, 1981) p.

of the metropolis, an alien element on the indigenous soil created within strategies of transnational corporations.²²

The economies of colonial states were thus systematically incorporated into those of the world capitalist system and relegated to the status of mere appendages of the metropolitan economies. Even at the dawn of independence, the fact of Africans being drawers of water and hewers of wood for the whiteman was evidently clear in the prevailing conditions of the world economy perfectly captured in the phrase 'the international division of labour'.

P. Jalee (1968) elaborates on the division of labour referred to above when he writes:

... in a period of rapid decolonization, the international division of labour which is the be-all and end-all of imperialism, far from being modified, has grown sharper: for some, the task of producing raw materials and basic products for export in raw and semi-raw state and the subhuman living standards that go with it; for others, the factories, industrial expansion, and the concomitant high standards of living.²³

²²Vratusa, A.

"The Development process: The Importance of Public Enterprise Management" in Symposium of Management for Development. (Society for International Development - Kenya Chapter; Nairobi: March 5-8 1983) p.1.

²³Jalee P.

The Pillage of the Third World. (New York: Monthly Review Press, 1968) p.27.

African states were therefore overly poor at the time of their attainment of independence. In their efforts to steer their economies to a sound course of development, it became inevitable that they had to solicit for external assistance to augment efforts from within.

It may therefore be posited that foreign economic assistance exists ostensibly because there are great disparities of wealth between nations. It is a consequence of the belief that foreign aid effectively promotes economic development. This belief rests on the assumption that the key to economic development is the availability of capital and that the underdeveloped countries are too poor to provide the capital for themselves.

In the same vein, W.G. Friedman (1966), discussing the need for economic assistance observes thus:

The purpose of the public effort in international development financing in the broadest terms is to make resources available to the less developed countries over and above what they have as a result of their own efforts, plus the investment resources they receive from abroad on a normal commercial basis.²⁴

The essence of international development aid, Friedmann explains further, "... lies in the fact that it is a reflection of a deliberate public effort to raise the flow

²⁴Friedmann, W.G. et.al

International Financial Aid.
(New York: Columbia University
Press, 1966) p.6.

of resources to the less developed countries, whatever form the effort takes, above the flow that would take place autonomously."²⁵ The idea of economic aid has since become the major preoccupation in the dealings between states in the 20th century. It has become the preeminent feature in inter-state relations in contemporary international relations.

It is noteworthy that to establish relations of friendship and influence with a new state in the 19th century, a nation would have had the choice of diplomatic recognition, special trade arrangements, or 'protection' through standing armies. Given the intricacies of the present world however, the first choice is of negligible if any consequence while the latter two approaches would not only be inordinately costly, but also contrary to the basic tenets governing the international order. What is available to nations today, as F.M. Coffin (1964) observes, is the sensitive and selective use of aid, a constructive instrument of far greater utility than its cost in creating and sustaining a mutually helpful relationship between nations.

The need for aid, both for the developmental requirements of recipients and for donors as a policy framework, can be explained in terms of four main factors. These are, the current restraint in the use of military force, the idea of

²⁵ Ibid., p.7.

nationalism, the craving for development, as well as the expanding free world economic strength.

The end of world war II and the subsequent signing of the treaty that brought into being the United Nations Organization (UN) marked the beginning of an era of general renunciation of armed force as an instrument of statecraft. This paved way for the relaxation of international tension though it failed to water down or completely eliminate the basic contest between ways of life in the international system. In the era of muted conflict that followed the conclusion of world war II therefore, aid took a new importance as an instrument of state policy for the donors. It became a major vehicle of leadership, of influencing by doing, showing, and helping.

Secondly, the revolutionary fervour of the run-up to independence in most African countries was inspired by the spirit of nationalism. After independence, this spirit fired the new states to seek for guaranteed sovereignty free from political and economic dependence on any single power. These states therefore looked left and right for the benign hands of the multiplicity of aid donors to augment their own efforts aimed at pulling out of the economic quagmire into which they had been relegated through the processes of exploitation and underdevelopment by their colonial masters.

The spirit of nationalism of the new states was further inflamed by the craving for development in the Third World generally. In the aftermath of independence, the new states found themselves preoccupied with efforts at making measurable progress towards elimination of poverty, ignorance, and disease, as well as accelerated economic development coupled with equitable distribution of the national per capita income. It was thus held that generous aid, wise and sustained assistance of these countries by their more developed counterparts could lead to sound economies, responsible governments, and progressive societies enriching not only the recipients, but also an increasingly interdependent world.

The fourth factor is the expanding free world economic strength. This is hinged on the donors' possession of a phalanx of material wealth, human skills, and liberal values of great potential. The continued momentum of the accelerating free world assistance movement, which has been given new impetus by the disintegration of communism, could be the critical factor in helping bring about the kind of peaceful, mutually, prospering trading world which can benefit all. However, to achieve this objective, the process of assistance should not mean a mere transfer of capital from a developed country to a less developed one. In the words of the Commission on International Development (1969), "... cooperation for development means more than a simple transfer of funds. It means a set of

new relationships which must be founded on mutual understanding and self-respect..²⁶

Writing in 1964, F.M. Coffin observes that the future development of Africa will inexorably be determined by choices open to nations in their most tentative, groping, critical years of nationhood, and the conditions under which choice is exercised. To Coffin, African countries must seek for external resources for these are essential for their development. The decades of the 60's and 70's he notes, were the formative decades of the emerging nations. They were years when timely and effective assistance in helping tackle their economic problems could crystallize internal patterns of conduct and external relations for years to come.

It was against this background therefore, that developed countries sought to use aid as a new instrument of national policy. Developing states on the other hand, were propelled by the same set of events to a fervent search for external economic assistance with a devout commitment reminiscent of new states in the fragile stage of groping for their own self-actualization in the community of nations. Kenya was similarly plunged on the same course in its search for economic prosperity soon after its attainment of political independence in 1963.

²⁶ Commission of International Development, Partners in Development. (New York: Praeger Publishers, 1969)p.6

2.2 THE IDEAL DEVELOPMENT AID

Aid contacts continue to acquire an ever increasing importance in inter-state relations. The common denominator in the diplomatic dealings between Third world countries and their developed counterparts is the idea of development aid. On the potential ability of aid to succeed in meeting the objectives for which it is usually sought, A.Krassowski (1968) writes:

... Since the aid operation is international and especially inter-governmental, its success or otherwise in achieving whatever end is envisaged for it depends on the attitudes that givers and receivers adopt towards each other. The aid relationship is far more important than are the "technical" aspects of aid, not least because the latter are influenced by this relationship.²⁷

It is noteworthy that the approach of the donor towards aid giving and the policies derived therefrom, whether articulated in a formal strategy or not, are a consequence of the same complex interplay of causal variables as is case with any other policy directed towards the rest of the world. For, as J.D. Montgomery (1962) contends:

Foreign aid is a political force abroad and a political issue at home, irrespective of its successes and failures, its purposes and

²⁷ Krassowski, A. The Aid Relationship. (London: Overseas Development Institute, 1968) p.16.

its achievements, its origins and its operations, its giving and its receiving all involve conflicts of ideology and power.²⁸

It is universally acknowledged that the central purpose of aid is the development of the recipient's economy. However Krassowski (1968) observes, differences in national and sectional donor interests in political orientation and traditions necessarily produce not one but a variety of different 'ideal' aid models. Generally, one may posit, the ideal aid, the kind that is positively functional in recipient perspective, should be disbursed with optimum neutrality on the part of the donor.

Neutrality may be divided into internal and external forms. Both of these, nevertheless, proceed from the same premise that the object of aid is to avail resources to poor nations without any attempt whatsoever to influence their use, either by attaching conditions or by indirect behind-the-scenes manoeuvres. Freedom of the recipient is hailed as sacrosanct.

Internal neutrality is the neutrality of a donor towards a single recipient. Herein the donor does not seek to influence the policies of the recipient either generally or those pertaining to aid use. To achieve internal neutrality, and thereby dispel possibilities of aid being withheld, aid has to be in form of freely convertible

²⁸ Montgomery, J.D. The politics of Foreign Aid. (New York: Praeger Publishers, 1962) p.3.

foreign exchange, all in grant form, and without any form of condition, stipulation, or control both prior to and after issuance of aid.

External neutrality is the general neutrality of a donor in its endeavour to assist poor nations. It is based on the view that the donor shall provide aid to recipients on the basis of certain specified objective economic criteria such as level of poverty, literacy rate, Gross Domestic Product (GDP), and per capita income, with regard neither to political ideology nor economic orientation. This form of external neutrality is hard to attain. Whatever the basis of determining country allocation, it will favour some countries and some policies and discriminate against others. However, ideal situations are usually conceptualized for purposes of their approximation in reality. For practical purposes therefore, it would suffice to approximate to the condition of neutrality.

With regard to the above, any formula which can allocate aid on the basis of a set of measurable economic criteria would do. The formula will be arbitrary but as long as the donor is not able to reallocate aid once the formula is settled, in response perhaps to the recipient's policy decisions of economic, social, or political nature, of which the donor disapproves, the neutrality entailed therein would be functionally objective.

Whatever the case however, the idea of complete neutrality, the selfless detachment of the donor from recipient activities, political and otherwise, is elusive and difficult to attain. Donor intervention in the affairs of the recipient especially in matters pertaining to choice and implementation of aid-funded projects is inevitable. In the ideal development aid, nonetheless, there are acceptable levels of donor intervention which may not impair the objective functionality of the said aid.

Krassowski (1968) identifies two forms of donor intervention in recipient affairs. Each of these forms is based on a different supposition. The first variety is 'influence and control' based on the idea of performance criteria. This variety rests on the seemingly justifiable contention that the donor's superior range of skills, greater technical capacity, and longer development experience enable it to exercise a beneficial supervisory role both in the use of aid and formulation of development policies. In this case, specific advice is given and aid advanced, explicitly or implicitly, conditional upon a satisfactory reaction to the advice.

Instead of the donor imposing its own viewpoint of development on the recipient however, the ideal situation would be where the recipient is left to identify its own development needs and only solicited advice availed by the donor.

The second variety of intervention is 'involvement'. This starts from the fact that aid contacts act as a stimulus to the recipient. The involvement approach seeks to maximize these points of contact in an all-embracing aid relationship. The approach sees the donor as bringing a certain views and set of values and confronts the recipient with them. The resulting clash of view and attitudes helps to stimulate the recipient's thinking and action. Any influence that is thereby exercised is not direct, but a product of the stimulus to thinking and action produced by the donor's involvement' in the affairs of the recipient. In Krassowski's view however, this variety of intervention may enable the donor to seek to make use of the opportunities offered by aid giving to perform the role of 'devil's advocate'.

On further reflection, it may be contended that in order to contribute usefully towards the ultimate goal of generation of growth in the recipient's economy, the donor needs to be an instigator of criticism and reappraisal, and a champion of change. To be able to perform these functions however, the donor needs tact and perseverance, for the right to perform them is not automated by the mere fact of provision of resources. It has to be earned as it were, by intensive and steady schooling of the recipient through the intricate technicalities of the process of donor- recipient interaction.

Generally therefore, the most important single determinant of the donor government's willingness to establish a mutually beneficial aid relationship with the recipient is its political will. By this is meant the strength of the donor's commitment to the idea of development, whether motivated by disinterested concern about the levels of poverty or for political self-interest reasons. For, as J.D. Montgomery puts it "whether the main concern is with security, economic growth, or prestige, the (aid) programmes are intended to serve the national interests in a world full of danger."²⁹

Presumably therefore, where the two sets of purposes coincide is in the common interest of both donor and recipient in preserving and strengthening their commitment to continued partnership. In this way, the idea of the ideal development assistance would, in fact, have been approximated.

2.3 TOWARDS DIVERSITY IN AID SOURCES

Tostensen (1987) observes that the Norwegian interest in assisting Kenya was matched by a vigorous and clearly enunciated commitment to economic cooperation on the part of Kenya's new sovereign government. After attainment of independence in 1963, the new government in Nairobi just like others elsewhere in Africa, was concerned with establishing its political and economic

²⁹ Ibid., p.4

status by diversifying its range of external relations hitherto dominated by strongly established links with metropolitan Britain.

The evolution of development cooperation with Norway, and with other donor countries for that matter, was seen as part of a wider liberation and nation-building process. This factor greatly facilitated the initial conduct of aid negotiations between Kenya and Norway. These negotiations culminated in the signing of an agreement on economic cooperation between the two countries in 1965.

It is notable that from the time of independence, Kenya's external relations were predominantly with her former colonial master, Britain. The new administration thus felt that the interventionist tendencies exercised by donors in the process of aid giving would be minimized if several sources of funds and personnel became available. The possibility of choosing from aid agencies, it was reckoned, would reduce the extent of political involvement that followed substantial dependence on a single source.

The initiation of relations between Kenya and Norway and with other small powers like Denmark, Finland, and Sweden, may thus be seen against the background of Kenya's drive toward diversification of her external relations

especially in matters of economic aid sources. It was a consequence of Kenya's exercise of her newly acquired national sovereignty.

In fact, as to whether Norwegian aid to Kenya is a self-serving device dictated by Norway's national interest or an unprecedented act of altruism, Montgomery points out that foreign aid to underdeveloped countries "... must often sacrifice administrative efficiency to national self-determination and self-reliance."³⁰ This underscores the importance attached to sovereignty by newly independent states in their quest for a footing in international relations during their formative years of statehood.

³⁰ Idid., p.53

CHAPTER THREE

NORWAY'S BILATERAL ASSISTANCE TO KENYA, 1965-1990

1.0 INTRODUCTION

The economic aims of the new Kenya government were spelled out in the 1963 KANU manifesto. They were subsequently elaborated upon in the sessional paper No. 10 of 1965 on 'African Socialism and its Application to Planning in Kenya'. The basic economic objective was to attain a high and growing per capita income equitably distributed so that all are free from want, disease, and exploitation. These objectives were, even in the eyes of international donors, orthodox enough.

The specific strategies envisaged in the achievement of the above carefully articulated aims were regarded as typically Kenyan. The government looked forward to utilizing the best of African traditions especially the characteristic mutual social responsibility of the extended family system in the pursuit of a new path to African socialism. While keen on distancing themselves from foreign influences, the originators of Kenya's early development plans were nonetheless fully prepared to use foreign capital, personnel, and technology where these could be used to the overall national economic advantage.

In its endeavour to assist Kenya, Norway saw the country as satisfying, at the time, the poverty criterion in terms of low GDP, per capita income as well as other criteria including an overall aid orientation conducive to social justice and development, geared towards satisfying basic needs, and responsiveness to the needs of disadvantaged groups. It was on account of the latter criterion, one may surmise, that Norway's aid activities in Kenya have been mainly concentrated in Turkana district, one of the most remote regions of Kenya hitherto wholly ignored by the colonial regime.

This chapter sets out to discuss some of the major Norway funded projects in Kenya. It seeks to highlight the impact of these projects vis-a-vis the objectives for which they were planned and implemented. The projects that will be examined include the Kenya-Sudan link road, the minor urban water supply project, the Nataba aquaculture project, and other forms of bilateral assistance related to these.

3.1 THE KENYA-SUDAN LINK ROAD

Generally, Norwegian aid to the Kenyan road sector began in the mid '60s representing a mix of project and technical assistance. This included supervision, and construction as well as partial design and later maintenance of the Kapenguria - Marich pass-Kalakol road extending over 325 km; planning, including feasibility

study, design and supervision of the construction of the Lodwar - Juba road, a total distance of 580 km; financial and technical assistance to the Roads Branch of the Ministry of Transport and Communications at headquarters; and financial and technical assistance to the Rural Access Roads Programme (RARP).

Of all these, the construction of the Kenya-Sudan link road extending over 800km from Kapenguria through Marich pass, Kainuk, Lokichar, Lodwar, via Kakuma to Juba in the Sudan, constitute the largest single project in the history of Norwegian aid to Kenya. The project was launched soon after the signing of the 1965 agreement on economic cooperation between Kenya and Norway.

Planning work for this international trunk road connecting Kapenguria in Kenya with Juba in the Sudan began in the late 60's. The project was essentially a realignment of already existing roads and was completed in 1975. The total cost was NOK 235 million (Norwegian Kronor) of which Norway financed NOK 200 million representing slightly above 60% of the total cost. The balance was offset by Kenya. These figures include supervision, 20% of total, but exclude operation and maintenance expenses.

The main objective of the project was the provision of an effective road connection as a transport outlet for anticipated increase in fish catches from lake Turkana, and as a general access road to one of Kenya's remotest districts. The

urgency of this project was further compounded by the serious droughts of the early 1970's and the consequent need for relief supplies to reach the hard hit Turkana the fastest possible.

Given the project size and the volume of funding involved, further non-economic justifications extending beyond the needs and potential of Turkana district alone contributed in varying degrees to the original decision-making processes. Turkana was literally cut off from the rest of the country in terms of communication. In addition to this, security and geopolitical concerns are said to have entered the transport equation. These reinforced the need for the project and influenced its speedy implementation.

Also relevant factors included long-term regional considerations relating to trade with the southern Sudan and beyond as well as the need for a link-up with the then envisaged Pan-African transport network. So far, available documents indicate that the road construction has had far-reaching consequences including generation of economic activities.

Impact of the road Construction

In september 1982, the NORAD commissioned a study to evaluate the road realignment project impact in northern Kenya. The study group consisted of a

three-man team of independent consultants including Thomas Hart, a land use/remote sensing specialist who was on the staff of Ecosystems Ltd, Nairobi; James Ellis, a range ecologist and was Ag. Director of the Natural Resources Ecology Laboratory at Colorado State University, US; and Terrence McCabe, an anthropologist and doctoral candidate at the State University, New York at Binghamton. The team took thirty manweeks, spread over six months and submitted its report in April 1983.

The evaluation established that the Kenya-Sudan link road, constructed along the route of a poor four-wheel drive tract from Kapenguria through Kainuk, Lodwar, and Kakuma to Juba, became the main access route into Turkana from other parts of Kenya. The objective of creating accessibility to the area and thus opening it to the rest of the country was therefore attained.

The road infrastructure represents the main component of the development thrust in Turkana district. The road realignment led to the development and growth of urban centres such as Kainuk, Kalimarok and Lokichar due to their proximity to the new road, and the influx of destitute pastoralists knocked out of the nomadic system by livestock loss through raids, droughts and disease. These towns have provided an important alternative to pastoralism as individuals may work as wage labourers, traders and handicraft producers.

The road has further played a critical support role in the enhancement of economic diversification. There has been a boost in the security of the region, increased traffic along the road and increased population size in the "Awi" (household) settlements along the road. This has generated an increasingly thriving market for goods and services which only existed in a rudimentary form prior to road construction.

Increased availability of goods such as maize meal and the higher prices paid for livestock in the wake of the road realignment have made local pastoralists more willing to market their animals. It is noteworthy that improved and regular access to grain products is a most important effect of the road construction on the lives of the nomadic pastoralists. There thus has been an incorporation to a marked extent, of the local pastoralists into the cash market economy of Kenya.

However, whereas changes in the kinds of material possessions by the pastoral Turkanas may indicate a closer integration of the nomadic community into the national economy, it may be observed that the types of material objects being purchased are merely more efficient replacements for items produced locally and may not therefore be sufficing indicators of significant change in the pastoral system per se.

Similarly, the emergence of urban centres has led to higher demand for wood for construction, fuel, and forage. Harvesting of wood from the local countryside has resulted in an area of denudation surrounding the towns. This aspect tends to annul efforts aimed at combating the desertification of the region with far-reaching environmental consequences.

In the same vein, ethnic heterogeneity has increased among shopkeepers and other traders since road construction. The arithmetic of business ownership however, indicate that almost all the businesses are owned by non-Turkanas who flocked into Turkana from elsewhere since the opening-up of the hitherto closed-in region. The bulk of the Turkanas hence remain largely unaffected by these new developments and oblivious to the opportunities of business enterprise engendered by the modern infrastructure in their midst.

Furthermore, it is the contention of the three-man evaluation team that from the NORAD viewpoint, the predominant consideration from the project's inception were the needs of the fisheries project on Lake Turkana. Claims at variance with this view, they assert, can hardly be more than mere rationalizations after the event with the benefit of more than a decade of hindsight. These are therefore more of positive side-effects of the project rather than a realization of the basic objectives for which the project was set up.

It is important to note, nonetheless, that one of the basic objectives of the project, that of facilitating accessibility to the hitherto remote region was attained. With this attainment also came a closer incorporation of the economy of the region into the national economy through economic diversification.

3.2 THE MINOR URBAN WATER SUPPLY PROGRAMME

Norway's involvement in the Kenya water development sector dates back to 1966. Involvement at this time was mainly in the form of technical assistance. It was not until 1974 that an agreement on financial assistance was signed between Kenya and Norway, and was to cover a five-year period. Norway undertook to provide upto 50% of programme costs with an overall ceiling of NOK 30 million. The programme consisted of the construction, rehabilitation, and augmentation of 42 water supply and treatment plants in minor urban centres and the provision of sewerage facilities for 8 minor urban centres.

It is noteworthy that Kenya's second development plan (1970-74) established a strategy that sought to encourage minor urban centres to evolve in their own right as poles for economic growth and to stimulate development in adjacent areas. The minor urban water supply programme (MUWSP) thus formed part of Kenya's growth centre strategy. A major objective of this strategy was to check rural-urban exodus.

This Norwegian aid package to Kenya also included ancillary assistance such as the establishment of a laboratory for water-testing, the building of offices and stores in some of the MUWSP districts, the training of sewerage operators and inspectors, upgrading hydrology and geology sections of the water resource survey department, and provision of a technical stores fund. Technical assistance was provided over and above the financial commitment.

The first five-year agreement ended in 1978. Subsequently, a review mission was formed to review the performance of the aid programme during this period. It was established that only about ten water supply projects representing about 24% of the total, and only 6% of the sewerage projects had been financed by the resources originally planned. Initially, the cost of the five-year programme had been estimated at Ksh.72 million (NOK 60 million) in 1973. This therefore necessitated an upward adjustment of the initial cost estimates. New costing was put at Ksh.375 million (NOK 255), with Norway still to cover 50% of the cost and the remaining to be offset by Kenya. Consequently, the original agreement was extended to 1983 with an additional Norwegian commitment of NOK 70 million.³¹

³¹ Tostensen, A. and Scott, J.G. (eds) Kenya: Country Study Norwegian Aid Review. (The Chr. Michelsen Institute: Deraplication No. 224, 1987) p.165.

Keen on monitoring the performance of the programme, the NORAD commissioned an evaluation of the MUWSP in 1982. The aim was to evaluate the programme's role in the context of the growth centre strategy with special emphasis on the socio-economic impact of water supply on households, businesses, institutional, and industrial consumers as well as on the social aspect of water consumption patterns.

The evaluation came up with one major shortcoming with regard to project implementation. This was the slow completion rate of projects. Only 14 out of 42 projects, slightly over 33% of the total, had been completed. The evaluation also underscored the vital contribution made by the programme in providing consumers with portable water.

Significant irregularities were however noted in supply arrangements. It was established that the programme catered only for 60% of urban residents in the areas served. The resultant effect was a rise in informal and illegal distribution of water by individually connected consumers, who in many cases charged exorbitant prices. The evaluation further asserted that the principal beneficiaries were the relatively better off, while the complete absence of operating kiosks and public standpipes largely denied the unconnected households access to water except through illegal purchases at high prices.

It therefore becomes clear that whereas the well-to-do families greatly benefitted from the MUWSP, the relatively poor remained largely unaffected. Hence the generation of economic activities in areas adjacent to MUWSP towns was never fulfilled. Moreso, even though the programme contributed to the evolution of minor urban centres as nuclei for economic growth, its contribution to the checking of rural-urban migration in the context of the Kenya government's growth centre strategy was negligible.

3.3 AID TO THE TURKANA RURAL DEVELOPMENT PROGRAMME

Norway began its operations in Turkana district in the second half of the decade of the '60s with provision mainly of famine relief and the subsequent work-for-food programme. The area later developed into the main concentration of the Norwegian aid effort in Kenya. After witnessing the impoverishment of the Turkana, Norwegian experts in the area felt that there was need to improve the welfare of the Turkana by creating alternative subsistence opportunities for them. Norway thus sought to cooperate with Kenya in the development of Turkana district with the basic aim of improving the general standard of living of the people in the district while at the same time taking care to interfere as little as possible with the ecological balance.

The Norwegian experts contended that since the livestock sector had proved inadequate in catering for the subsistence of the Turkana, additional means of subsistence had to be developed. Norway, through the NORAD, worked out an integrated and inter-sectoral development programme covering fisheries, education, health, forestry, water supply, and livestock development. This, it was believed, was the recipe for the solution of the Turkana's problems.

a) The Nataba Acquaculture Project

The project falls under the general rubric of the Lake Turkana Fisheries management project. It was a result of an agreement between Kenya and Norway signed on 3rd November, 1980, with a view to cooperating on the rural development of Turkana. The main aim of the project was to develop methods for acquaculture on tilapia feasible for locally based cultivation in Turkana. The ultimate goal was to secure a high and sustainable annual production of tilapias. The project's objective was in tune with the Norad's policy to the effect that research and development should address problems of local development. Kenya, on the other hand, viewed the project as a national one, arguing that Lake Turkana represents a considerable national asset whose development requires a long term view.

The Nataba aquaculture project was mainly an experimental one whose establishment was justified by five main factors. These were:

- (i) Stable warm water throughout the year.
- (ii) Water rich in mineral nutrients with high density of algae in the gulfs, hence a perceived high potential for algal and fish production.
- (iii) Sunshine almost daily for algal production and solar power.
- (iv) A fish-eating human population with good organisation for fish trade.
- (v) A marine research station being established at Kalakol.

Even without regard to the human factor therefore, the project was technically viable and justified. Being a largely research project, a research unit was set up at Nataba with twenty small boats and fishing equipment to experiment with tilapia culture under controlled conditions.

The Norwegian project team included: Prof. Jan Raq, University of Tromso: team leader; Asst. prof. Inge Thoscsen, University of Tromso: project Manager;

Thorbjorn Damhaug, Norwegian Institute of Water Research (NIVA): research manager; Torsten Kallquist, NIVA: Division Manager; and Eivind Lygren (NIVA): research manager.

Activity at the Nataba station focused on studies relating to growth of tilapia on algae as the main feed source and included studies of genetic diversity of local tilapia strains with regard to growth rate, and sexual maturation tendency; primary production studies of algae which serve as feed for tilapia; and studies of aquaculture systems involving re-assimilation in algae ponds of waste and excrements from fish ponds.

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A project review for the experimental tilapia culture at Nataba was established in early 1986 and submitted its report in December of the same year. The project reviewers, Mr. Ossi V. Lindqvist of University of Kuopio, Finland and Mr. Malcolm Beveridge, of Institute of Aquaculture, University of Stirling, Scotland observed that the prospects of establishing aquaculture either to produce fingerlings for restocking Lake Turkana or in terms of small scale fish rearing by local people were poor. The role of the aquaculture project, they submitted, must be re-evaluated.

The variables that the reviewers examined included pastoralism, soil texture, harvesting techniques, infrastructure, and technology. It was observed that only

46% of the population was settled and hence the idea of aquaculture would have minimal if any impact. Secondly, soils along the shores were noted to be sandy and hence ponds are difficult to establish and cultivate. This is compounded by inherent tendencies to leave the ponds unguarded for long periods given the nomadism of the locals whose distribution in 1983 is as shown in Table one below.

Table 1: population distribution density in Turkana district, 1983

| | SETTLED | PASTORAL | TOTAL |
|--|---------|----------|---------|
| POPULATION | 77,000 | 91,800 | 169,400 |
| POPULATION PERCENTAGE | 45.8% | 54.2% | 100% |
| AREA IN KM ² | 4,630 | 57,893 | 62,523 |
| AREA PERCENTAGE | 7.4% | 92.6% | 100% |
| POPULATION DENSITY PER KM ² | 16.9 | 1.6 | 2.7 |
| COMBINED LIVESTOCK DENSITY | 16% | 84% | 100% |
| LIVESTOCK UNITS PER KM ² | 17.8 | 8.5 | 3.4 |

Source: Zumer-Linder, Reassessment of the Forestry Project Report. 1983, p.2

Also, harvesting may require special equipment which may not be fully integrated with available fishing gear. Hence the idea of subsistence aquaculture, it is contended, may only be a remote possibility on Lake Turkana.

On the question of infrastructure, the reviewers, Lindqvist and Beveridge, contend thus:

... fish farming system requires a reliable and functional infrastructure to serve it. Its services involve such tasks as provision of fish seed and maintenance of brood stocks that are physiologically and genetically of high quality...³²

Yet it was observed that there abound many social constraints in and great distances to Lake Turkana. The difficulties in land communication make the region a hardship area and therefore expensive to service in terms of the wear and tear on vehicles.

The technology at the station is termed as 'appropriate' and is supposed to be simple and inexpensive to operate. However, the two reviewers established that some components, particularly the solar battery system are highly complex and require constant servicing and attention.

³² Lindqvist, O. and Beveridge, M. "Project Review of Experimental tilapia Culture on Lake Turkana." (Report to NORAD, 1986) p.8

In the final analysis the review team concludes that the experimental aquaculture project at Nataba "... is of national and international value addressing, as it does, one of the major technical constraints to the development of aquaculture in the tropics".³³ They however go further to assert that it is of little local relevance, at least in the short-term perspective. This observation outrightly conflicts with the NORAD's policy that development projects should focus on the developmental needs of the local population.

On the whole therefore, and in respect of the above findings, the Nataba aquaculture project may be said to be a white elephant. Whereas it was meant to benefit the Turkana, at least in the NORAD's policy standpoint, it was a government-to-government negotiation in which no reference was made to the locals, the supposed beneficiaries of the same. Although large amounts of capital went into the project, a total of US dollars 46,000, not much has been generated from it and it has achieved practically nothing by way of uplifting the standard of living of the Turkana. The main objective of the project therefore remains a far cry in the form of a documented agreement of intent and purposes.

b) The Kenya-Norad Forestry Project

³³ Ibid., P.9.

It is noteworthy that consequent upon the completion of the Turkana road realignment in 1975, settlements along the road corridor experienced an upsurge due to the economic activities engendered as discussed in 3.1 above. This growth of settlements affected the vegetation in their immediate neighborhoods. A perimeter of small woody plants removal to a radius of 3 km was experienced. Small herds of livestock based in the settlements also prevent the development of herbaceous cover and woody regeneration.

This, coupled with the fact that the Turkana terrain is largely arid, led to efforts by the NORAD directed towards the forestry project in the late '70s. The project was an ambitious one and involved fencing of pieces of land and planting of various species of trees in different parts of the district. This activity was mainly concentrated in Kalakol, Katilu, Lodwar, and Lowarengak. By 1983, a total of 8,100 trees had been planted in the four areas as shown in the table below.

Table 2: Trees Planted in Turkana in four areas by 1983

| AREA | HECTARES | FENCE (M) | NO. PLANTED | SPECIES |
|------------|----------|-----------|-------------|---------|
| KALAKOL | 13.4 | 2,600 | 1,500 | 40 |
| KATILU | 14.3 | 2,400 | 3,400 | 20 |
| LODWAR | 14.9 | 4,000 | 3,000 | 35 |
| LOWARENGAK | 3.4 | 1,000 | 200 | 10 |
| TOTAL | 46 | 10,000 | 8,100 | 105 |

Source: Adapted from Zimmer-Linder, 1983 Reassessment of Forestry Project Report, p.5.

The survival rate of these trees is between 50% and 90%. On average therefore, it can be safely projected that out of the total of 8,100 trees, about 5,670 trees or 70% have survived.

In addition to the trees planted in the fenced-in areas as shown in Table 2, individual 'awis' (households) were also encouraged to plant trees whose seedlings were provided free of charge. A system was evolved whereby payments of one shilling per survived tree per month were made. This was a tremendous boost to the incentive to tend young seedlings as it became an important source of revenue.

Whereas the forestry project contributed much towards lessening environmental degradation and creating a generally habitable environment in Turkana, it was hampered by two main factors, the first being the Turkana way of life. As McCabe et al. observe:

...land use (in Turkana) is predominated by nomadic pastoralism with very flexible herding patterns resulting in population aggregations and disaggregations according to forage and security conditions. Moves may occur with an annual frequency of six to fifteen times.³⁴

³⁴ McCabe, J.T. et al. "Road Impact Evaluation: A Case Study in South Turkana". (Report to NORAD, April 1983)p.3.

This has been a major mitigating factor against the survival of family plots of trees as they are left unattended for long periods.

The second factor is lack of water or its inadequate supply. Of the four areas mentioned in Table 2, only Lodwar has a constant supply of water lying as it does within the confluence of the Kawalathe and Turkwel rivers. Handpumps, shallow river wells, and the piped Lodwar water project constitute the three principal sources of water for Lodwar. Should such facilities be extended to other areas, they would go a long way in alleviating the water problem and thereby encouraging and sustaining efforts at afforestation.

Turkana district, as pointed out at the beginning of this chapter, was the main concentration centre of the Norwegian aid activities in Kenya. Yet Lodwar, the district headquarters, remains a service centre rather than an industrial town. Occupations in the service sector built on the provision of government services are dominated by non-Turkanas who enjoy relatively high standards of living based on relatively high salary and wage earnings and income from trade. There thus is little scope for the absorption of the Turkana into this sector. Short of a major discovery and exploitation of natural resources therefore, the Turkana population whom the heavy presence of the Norwegian aid activities was meant to improve, will continue to live in abject poverty, surviving mainly on famine relief, begging and handouts.

This state of affairs vindicates J.E. Ellis et.al's (1983) observation that in Turkana, as elsewhere, the development programmes have created pervasive changes at the local level. The management personnel of these programmes, it is observed, are hard pressed to modify the projects' emphasis to meet continual shifts in local response. At times, these short-term management adjustments preoccupy the field project personnel to the extent that the longer-term influences of their programmes are ignored.

Apart from extending assistance in the fields of agriculture, forestry, water supply, and environment protection, the NORAD has also offered assistance in the fields of education, health, and to a number of NGOs. The latter include the Green Belt Movement, the Cooperative Movement, the Kenya Energy Non-Governmental Organization (KENGO), Limuru Girls' Centre, Child Welfare Society of Kenya, Association for the Physically Disabled of Kenya, and African Medical Research Foundation (AMREF) among a host of NGOs.

In education and health, the building of the Turkana Teacher's Resource Centre, and the Lokitaung Sub-district hospital are notable examples. Activities at the fully-fledged resource centre at Lodwar however stalled in 1990 with the severing of diplomatic relations between Kenya and Norway while the sub-district hospital remains incomplete.

3.4 TECHNICAL ASSISTANCE

According to Tostensen et.al. (1987), one of the features of the early period of cooperation between Kenya and Norway was a relatively open and liberal approach to the use of technical assistance personnel. The Kenya government saw this partly as a prerequisite for the attraction of foreign development aid and Norway used the opportunity to help prepare and supervise the implementation of particular projects it was funding.

Kenya's second development plan (1970-74) spelled out the country's position on the subject of technical assistance. It reads in part: "Kenya acquires technical assistance from foreign governments and international organizations in order to remove short-term manpower constraints and thus enable Government to plan and execute the development plan programmes..."³⁵ More specifically, the need for technical assistance arose, at least in the initial stages of Kenya's statehood, by shortfalls in the numbers of qualified citizens required for the high and middle-level posts in the public sector. These shortfalls, it is asserted, are not all simply problems of inadequate numbers of individuals with appropriate formal educational training;

... almost all high and middle-level posts require the possession of significant experience on the part of persons occupying these

³⁵ Kenya Government, National Development plan.
(Government Printer, 1969) p.127.

posts... Technical assistance is therefore required in order to provide young professionals in their own fields, an opportunity enabling them to acquire the practical experience which is a prerequisite for assuming major responsibilities.³⁶

Technical assistance has thus been availed for three main reasons:-

- (i) to provide specific technical expertise which could not be obtained locally.
- (ii) to assist with the professional training of local staff.
- (iii) to prepare and supervise specific programmes which the aid organization is funding through grant loan.

For many aid agencies, the third role has tended always to assume a special significance and indeed the basic criterion for advancing technical assistance personnel.

Project assistance comprising both technical and capital assistance is an important element in the Norwegian aid programme. It accounts for approximately a quarter of the total. The number of technical assistance personnel almost trebled between 1965 and 1971 (see Table 3 below) amounting to 534 Norwegian personnel in Kenya in 1971 up from 185 in 1965.

³⁶ Ibid., pp.6-7.

Table 3: Number of Norwegian Technical Personnel in Kenya 1965-71

| | 1965 | 1969 | 1970 | 1971 |
|-----------------------|------|------|------|------|
| TEACHERS | 30 | 170 | 199 | 201 |
| ADMINISTRATORS | 1 | 8 | 8 | 15 |
| ADVISORS | 47 | 77 | 95 | 155 |
| OPERATIONAL PERSONNEL | 48 | 105 | 111 | 103 |
| OTHERS | 59 | 111 | 92 | 100 |
| TOTAL | 185 | 471 | 505 | 534 |

Source: adapted from OECD, Flow of Resources to Developing countries (Paris: 1973) p.232

It is noteworthy that 1965-71 was the period when relations between the two countries picked up in earnest and most bilateral dealings negotiated and arranged.

Table 4: Value of Technical assistance in Million US Dollars

| | 1965 | 1969 | 1970 | 1971 |
|----------|------|------|------|------|
| DIRECT | 1.4 | 3.8 | 4.2 | 5.3 |
| INDIRECT | - | - | 0.1 | 0.5 |
| TOTAL | 1.4 | 3.8 | 4.3 | 5.8 |

Source: adapted from OECD, Flow of Resources to Developing Countries (Paris: 1973) p. 232.

From Tables 3 and 4 it is observable that whereas the number of technical assistance personnel from Norway to Kenya increased by 65% between 1965 and 1971, the value of technical assistance personnel to developing countries during the same period increased by 76%.³⁷

Apart from the technical assistance personnel attached to Norway-funded projects, in January 1969 the NORAD signed an agreement with the Ministry of Economic Planning and Development of Kenya, on technical assistance. The main object of the agreement was for the NORAD to provide technical assistance to the ministry for a regional planning and development project for Eastern Province. The agreement was to be in force for three years from the date of agreement and was subject to extension and/or modification upon mutual agreement by exchange of letters.

The project was carried out by a provincial planning team in accordance with the terms of the agreement. The aims of the project were:

- (i) To assist in the formulation of a long-term integrated regional development plan for Eastern Province as a basis for concrete development programmes and budgets, and as a framework for specific projects and their priorities.

³⁷ OECD., Geographical Distribution of the Flow of Resources to Developing Countries. (Paris: 1984) p.127.

- (ii) To provide advisory services in connection with annual and long-term sector development plans and programmes.
- (iii) To provide advisory services in relation to the planning and implementation of individual development projects.
- (iv) To train Kenyan personnel with the aim of strengthening planning organizations.

The NORAD provided salaries and other emoluments and covered costs of international travel and transport of personal belongings for the NORAD members of the team. These included an economist, for collection, registration, and processing of statistical data; an agronomist, for technical and economic problems related to agricultural method studies and experimental work; an engineer, to deal with water supply problems, installations and operations as well as provide technical expert help for projects and constructions; and one physical planner to handle overall physical planning and localization problems.

The Ministry of Economic Planning and Development on the other hand, provided salaries and other emoluments to the locally recruited professional members of the provincial planning team, and supporting staff. It was also provided in the agreement that the ministry shall make arrangements for the exemption from all import and export duties and charges, and meet any harbour

duties in respect of equipment and other supplies provided by the NORAD for use by the provincial team in the execution of its functions.

The technical assistance personnel received hefty payments in salaries and related emoluments and in terms of customs duties waivers for goods imported by the same personnel. Yet the fruits of the project in which they were involved were only a remote possibility. Generally, technical assistance constitute 25% of Norway's aid disbursement to Kenya. Table 5 below shows the value of the same between 1979 and 1982.

Table 5: Total Receipts by Kenya from Norway (1979-82) in Million US Dollars

| | 1979 | 1980 | 1981 | 1982 |
|----------------------|------|------|------|------|
| PROJECT FUNDING | 18.1 | 21.4 | 21.3 | 23.3 |
| TECHNICAL ASSISTANCE | 6.1 | 7.1 | 7.1 | 7.8 |
| TOTAL RECEIPTS | 24.2 | 28.5 | 28.4 | 31.1 |

Source: OECD, Geographical Distribution of Financial flows to Developing Countries. Paris: 1984,p.127

According to Paul Streeten (1972), the talk about failure of aid, like the observation on the provincial planning team of experts above, and lack of absorptive capacity, amounts to little more than saying that certain forms of technical assistance have been absent, inadequate, improperly administered, or wrongly chosen and have thus prevented recipients from making better use of a larger volume of capital aid. Streeten submits that in the light of this, there is need to make technical assistance more effective. He argues that it is not enough

to provide 'experts' to carry out certain assignments. The experts' contribution has to be integrated into the whole complex development effort and must activate the latent indigenous resources. Otherwise far too much technical assistance never takes root and simply reinforces the enclave nature of so much foreign investment and foreign aid.

A more careful planning of the aims of technical assistance, recruitment, and training of experts, and evaluation of their contribution to and impact on the economy therefore becomes not only necessary but also imperative. Neither counting sums of money, nor counting numbers of experts is a relevant exercise in such a review of the quality of technical assistance, Streeten opines.

The Commission on International Development (CID) (1969) asserts that often, technical assistance has been considered the province of sectoral ministries to be arranged directly with functional ministries or institutions in the recipient country. The MDC/NORAD is a case in point. The Commission points out that there is need to bring all bilateral and multilateral aid agencies working in a country into the process of integrating both forms of assistance, since capital assistance provided by one source may be buttressed by technical assistance supplied by another, and since conflict and duplication among various sources must be avoided.

Wholly in agreement with the idea of technical assistance, Cairncross (1968) believes that the underdeveloped countries need guidance from economists, engineers, and administrators in deciding which industries could both find a market, given the prevailing poverty, and supply it at a reasonable cost, given the scarcity of nearly every kind of resource except unskilled labour. They need guidance on the techniques that they may borrow without making too heavy demands on capital, skill, and managerial ability. They also need guidance on methods of organizing industrial research and bringing the results to the attention of those who might apply them. Yet Cairncross admits that such guidance is not easy to give. Nonetheless, he writes thus; "But if there is a strategy in technological transfer, it is on issues of this kind that it should concentrate... it is here, perhaps, more than in any other way, that technical assistance might help."³⁸

Whereas the World Bank indicates that technical assistance will continue to be required, it cautions:

But the rush to use expatriates must be resisted by African and donor governments alike. Technical Assistance must be

³⁸ Cairncross, A.K. "The International Transfer of Technology". In Therberge J.D. (ed) Economics of Trade and Development. (New York: John Wiley, 1968)

from Norway to Kenya, worsen the situation. Development assistance in this case becomes a substitute for domestic saving. The organisation for Economic Cooperation and Development and the Development Assistance Committee (1980) state further that if aid does not arouse, at least it feeds any local tendencies toward corruption. In P. Jalee's words, "Most of the ruling persons, classes and groups in the countries of the Third World are the objective allies of imperialism "...⁴⁰

The above observations relate to the nature of the aid relationship established between a donor and a recipient. It is this fundamental aspect that the next chapter addresses in respect of the Kenya-Norway relations.

⁴⁰ Jalee, P. The Pillage of the Third World. (New York: Monthly Review Press, 1968) p.51

increasingly used to build local capacity and institutions, which in the past has taken second place to doing the job.³⁹

The Bank's 1989 study further states that time has come for donors to switch technical assistance towards building up local capabilities and increasing the supply of qualified people through training programmes. Reversing brain drain from Africa should be part of such a programme because technical assistance not only reflects the short supply of certain African specialists, but the inability of institutions especially in the public sector, to attract and retain qualified nationals.

The World Bank's caution against the use of expatriates is, perhaps, based on the fact that such expatriates consume a sizeable amount of the aid disbursed which could otherwise be put to other worthy use. In Table 5 above for instance, for the four years under review, a total of 28.1 million US dollars went to technical assistance representing Kshs.910.4 million at current (1992) exchange rates. It is worthy noting therefore, that technical assistance needs to be refocused and better managed to give priority to capacity building through training and, over time, be reduced in absolute terms.

On the whole question of foreign aid, J,Tendler (1975) asserts that the availability of development assistance causes recipients to perceive such foreign exchange as an alternative to the raising of domestic revenue and that grants, such as those

³⁹ World Bank, Sun-Sahara African: From Crisis to Sustainable Growth. (Washington, 1989), P.181.

from Norway to Kenya, worsen the situation. Development assistance in this case becomes a substitute for domestic saving. The organisation for Economic Cooperation and Development and the Development Assistance Committee (1980) state further that if aid does not arouse, at least it feeds any local tendencies toward corruption. In P. Jalee's words, "Most of the ruling persons, classes and groups in the countries of the Third World are the objective allies of imperialism "...⁴⁰

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⁴⁰ Jalee, P. The Pillage of the Third World. (New York: Monthly Review Press, 1968) p.51

CHAPTER FOUR

THE NATURE OF THE AID RELATIONSHIP

4.0 INTRODUCTION

Chapter four sets out to assess the nature of the aid relationship between Kenya and Norway. Drawing a distinction between two broad categories of aid, the chapter discusses recipient and donor preferences of types of aid and their developmental implications for the recipient country.

The chapter further discusses the mode of Norwegian aid disbursement to Kenya, noting salient policy changes in the funding procedure; it highlights the elusiveness of mutuality in inter-state relations, and ends with a section on the problems inherent in attempts at measuring aid effectiveness.

4.1 PROJECT AND NON-PROJECT AID

From the examination of Norway's bilateral assistance to Kenya in chapter three, it is observable that Norwegian assistance is largely in the form of project aid,

rather than non-project or programme aid. The nature of these two forms of aid have different implications on the development requirements of recipients.

(a) PROJECT AID

Project aid usually involve the establishment or extension of some specific physical structure on the one hand, or organization or activity on the other. Projects such as the Kenya-Sudan link road, the MUWSP, and the Nataba aquaculture project, fall under this category of aid. In providing project aid as Norway has done in Kenya, the donor is seen to be supporting a particular activity, confined to a specified location, and serving specific objectives; an activity lending itself readily to accounting control and progress supervision.

According to Krassowski (1968), project aid usually attaches some or all of the following conditions:

- (i) that aid be restricted to the capital costs of new projects excluding recurrent costs, replacements, and working capital such as spare parts and raw materials.

(ii) that aid be restricted to the direct import content of projects, that is, to the capital imports required for projects and not covering capital costs of a local nature such as local labour, surveying, contracting costs, and materials.

(iii) that the source of aid-financed imports be restricted to the donor country.

(vi) that certain categories of projects be excluded, such as state-owned industrial and manufacturing enterprises, or projects likely to compete with donor exports to third countries.

(b) NON - PROJECT/PROGRAMME AID

Programme aid, as opposed to project aid, is that form of aid which is not subject to detailed itemized agreement between donor and recipient on its use. Such aid does not produce easily identifiable and tangible evidence of "proper" use. The formal and popular distinction between project and programme aid is essentially one of expenditure-control or degree of donor discretion on how aid is to be used.

Example of non-project aid include:

- (i) Budgetary assistance
- (ii) Plan aid
- (iii) Balance of payments support
- (iv) General-purpose aid
- (v) Commodity aid.

Budgetary assistance, what Britain calls grants-in-aid of administration, goes towards meeting the overall deficit of a recipient's recurrent or ordinary budget. It is often provided in the form of "free" foreign exchange. The recipient government makes its budgetary expenditure in its local currency, the consequent import demand is met from the donor's deposit in the recipient country of its currency, which is used as foreign exchange. In so far as the additional import demand generated is smaller than the external contribution towards the budget, this "surplus" foreign exchange is available to meet other consumption or investment import needs.

Alternatively, budgetary aid may be available in an "inconvertible" form, requiring the imports generated by the additional domestic expenditure through the budget, which have been made possible by the aid, to be bought in the donor country. Another possibility commonly adopted by the US is to provide

commodities of various kinds for local sale by the recipient government. The local currency so raised can be used for normal budgetary expenditure or for repaying, usually the Central Bank, government debts previously incurred.

The purpose of budgetary aid therefore, whether in the form of cash or commodities, is to meet a shortfall in the government revenue, or to avoid inflation and balance of payments complications where a revenue shortfall has already been made through deficit financing.

The other forms of non-project aid (plan, balance of payments support and general purpose aid) are analogous to budgetary aid with the distinguishing feature being that they are linked not to budgetary needs but to other requirements. If there is a development plan, this can provide a framework for aid, otherwise needs may be established with reference to the overall public investment programme, or projected foreign exchange gap, or some other criterion.

In practice, the formal conditions which apply to programme aid are less restricting and are relatively easy to bypass. In most cases, often programme aid is necessitated by fact of the recurrent and/or the indirect import content of the development plan being underestimated.

(c) DONOR AND RECIPIENT PREFERENCES

(i) Donor Preference

Most aid sources prefer project assistance. This type of assistance makes their aid identifiable and also facilitates the sale of the aid programmes within the governments of donor countries. The execution of a project, furthermore, can easily be supervised and the donor can identify its funds and check on the technical efficiency with which they are used.

According to the Commission on International Development (C.I.D.) (1969), bilateral donors sometimes have special expertise along lines appropriate for certain kinds of projects, and their manufacturers may be particularly interested in exporting certain types of equipment. Such manufacturers sometimes merely seek the prestige and publicity of identification with well known projects.

The CID observes, nevertheless, that if aid is to be deployed so as to maximize its contribution to development,

.... there is no apriori case for limiting it to project aid where the recipient's stage of development is reasonably sophisticated and

its further growth is heavily dependent upon imported raw materials, spare parts, and other such inputs. ⁴¹

Where there is a substantial goods industry, it is further noted, the lack of foreign exchange to finance such imports of raw materials, spare parts and other inputs is often the first constraints upon development. Provision of such funds would therefore suffice and this need not be tied down to the complex exigencies of project financing.

(ii) Recipient Preferences

According to Friedmann et.al (1966), recipient governments prefer external assistance to be in the form of general-development grants, untied to the source of procurement, and available for local and external costs. This type of assistance is preferred because it permits each government to carry out its plan as drafted. When assistance is limited to projects, Friedmann contends, it is frequently impossible to convert much of the plan into projects, and this leads to distortions of the plan.

Non-project aid is more consonant with developmental needs of recipients. Such aid, the CID (1969) observes, may be spent by the recipient on a more or less

⁴¹ Commission on International Development, Partners in Development. (New York: Praeger Publishers, 1969) p.9.

restrictive list of eligible imports regardless of whether the purpose is to set up new projects or simply to keep the economy operating. Besides capital equipment, spare parts, and replacement components, such imports may include raw materials and even consumers' goods.

It is noteworthy that programme aid requires a more extensive concern with the general economic growth of the recipient on the part of the donor. The productivity and contribution to growth of such aid can only be demonstrated on the basis of a careful analysis of the total development effort. Non-project (Programme) aid also makes it possible to support major policy changes by relieving initial foreign exchange deficits arising from say liberalization of import restrictions or devaluation.

Programme aid also makes the task of managing a strained foreign exchange budget much easier than when procurement for each individual project is covered by special regulations. Moreover, it goes a long way in mitigating the worst problems of tying by facilitating a shift of purchases towards markets with special price advantages for particular commodities.

According to Krassowski (1968), the policy implication of the above categories of aid is that in most countries, one cannot rely on project aid alone unless it is rid of the various conditions listed above, or unless the donor has a very limited

interest in the recipient country and provides only a small part of that country's aid. To be effective, development assistance has to be in the form of programme aid, or an appropriate combination of programme and project aid, Krassowski asserts.

In determining the correct mix of programme and project aid, recourse has to be made to the economic requirements and administrative and technical capacity of the recipient. Questions of administrative efficiency have to be addressed. Furthermore, the correct blend is significant from the point of view of controlling and influencing aid use, or recipient development policies in general.

On the whole, project aid offers less scope than programme aid for the cruder forms of misuse of funds. Accounting control and supervision of aid funds are easier and administratively simpler in the case of a development project. All one needs to do is to check that distributed funds are spent on the project for which they were intended. With programme aid, a similar process would require the vetting of all government accounts.

However, though project aid ensures, without extensive vetting, that the aid funds actually transferred are used in a specified way, it cannot go beyond this. Similarly, as Krassowski argues, if the aim is to ensure the sensible use of aid, that is, going beyond mere prevention of outright corruption, the degree of real,

as opposed to supposed, control that project aid bestows is small, relatively speaking.

4.2 NORWEGIAN MODE OF AID DISBURSEMENT TO KENYA

From the very beginning, it was conceived that Norwegian assistance to Kenya was to be hinged on the basic needs approach and was to be extended on recipient's terms, with the recipient setting the objectives and priorities and the donor providing financial and technical assistance including training for purposes of contributing to the realization of the objectives. A fundamental principle of this approach, as noted in chapter one, is that assistance was to be channelled through the structures of the Kenya government so as to enhance the administrative capabilities and capacities of indigenous institutions.

It is noteworthy however, that the above principle has never been formulated in absolute terms nor has there been strict adherence to its requirements in the Kenya-Norway aid relationship. For instance, the selection of certain projects, like the Nataba aquaculture project, to the exclusion of others on the basis of Norway's own priorities rather than those of Kenya may be said to constitute a mild degree of interference in the recipient's domestic affairs. This applies irrespective of how justified the selection may appear in terms of the donor's special fields of competence or special interests. Similar selection processes by

a multitude of donors may cumulatively result in the non-funding of requests accorded high priority by the recipient country itself.

Furthermore, Norway cannot be said to have escaped the general trend in the donor community towards conditionality and commercialization of aid. As a result, the principle of recipient orientation as originally conceived has been modified at least in its application if not as a formalized change of policy. In their Norwegian aid review, Tostensen and Scott (1987) quote Norway's white paper No. 36 of 1984-85 as introducing the term 'active dialogue' citing political and administrative structures and policies in recipient countries as impediments to the realization of aid objectives.

Seen as a euphemism for conditionality, the phrase 'active dialogue' or 'policy dialogue' indicates an increasing willingness on the part of the Norwegian Ministry of Development Cooperation (MDC) to engage in policy discussions with the Kenya government. This points to the fact that Norway's aid to Kenya is not on recipient terms after all, but involves to a great extent, a measure of mutuality. By introducing 'active dialogue' in the terminology of aid administration, an admission is made of the realization that contradictions and differing views do exist. This in turn has led to a departure from the original position of aid disbursement on recipient terms along lines of the basic needs approach.

A further change in the principle of recipient orientation in the administrative practice of aid disbursement to Kenya became evident in the early 1980s in the aftermath of the country's economic problems emanating from the second oil shock and the drought crisis. During this period, MDC/NORAD decided to introduce a direct payment system. This was on account of Norway's concern over the slow implementation rate of Norwegian-funded projects. The slow implementation rate resulted from the sluggishness inherent in the government's payment system of reimbursement through the treasury and from deficiencies in the Kenya budget procedures of including external funds in the printed estimates, as appropriations-in-aid.

Under the new arrangement, NORAD personnel operated accounts jointly with their Kenyan colleagues outside the government machinery to speed up implementation of projects. There were cases whereby accounts were operated by the Norwegian Embassy! In 1984, about 88% of the Norwegian project funds were disbursed through the direct payment system.⁴² Yet, it is worthy noting, Kenyan procedures require all such funds to be included in the printed estimates as appropriations-in-aid under the development vote. This obligation has thus been circumvented not only with regard to the direct payment system, but also

⁴² Tostensen, A. et al. (eds) Kenya: Country Study and Norwegian Aid Review. (The Chr. Michelsen Institute: Derap Publication No. 224, 1987) p.155

due to the lack of planning of Norway's assistance to such details as to correspond to items in the Kenyan budget estimates.

Tostensen and Scott (1987) observe that the direct payment system had short-term advantages in that it sped up disbursement and project completion rates. Aid administrators and expatriate personnel, they note, were able to point to concrete outcomes of their endeavours within reasonable time limits. In the long run however, the effects of such a system can be detrimental to practical progress in institution building, and the realization of acceptable organizational and operational standards within the Kenya administrative system, attributes which the said Norwegian assistance was envisaged to enhance.

In this particular case, the above scholars contend, it would appear that any serious concern for long term objectives with lasting impact has been sacrificed in deference to requirements of short term expediency, deriving from a sense of urgency and impatience on the part of aid personnel and Kenyan project staff. By 1986, the scholars note further, aid officials nursed the fear that dispensing with the direct payment system as the Kenyan government required, would slow down implementation rates of projects and lead to insurmountable red tape problems.

Critically looked at, the above state of affairs need not arise at all if alternative methods of overcoming the stated problems are actively sought. Even if the eventual outcome should entail lower disbursement and implementation rates, it would be advisable to avoid haste in order to contribute usefully to the most important objective of institution-building, involving the effective development of the partner country's administrative structures, instead of jeopardizing and perhaps defeating the same through hasty action.

4.3 THE ELUSIVENESS OF MUTUALITY

According to J.D. Montgomery (1962), whether the primary motivation in aid giving is to establish mutually beneficial relations with the recipients or otherwise, "aid programmes are the instruments of a general political strategy, although it may not always be clearly defined, or consistently pursued"⁴³ F.M. Coffin adds onto this by asserting that "... the national interest in aid is not direct, immediate, visible, or even certain".⁴⁴

Montgomery writes that foreign aid may become a centre of political controversy in the host country. It is usually administered on behalf of the donor state by

⁴³ Montgomery, J.D. The Politics of Foreign Aid.
(New York: Praeger Publishers,
1962) p.4.

⁴⁴ Coffin, F.M. Witness For Aid. (Boston: Houghton Mifflin
company, 1964) p.95

individuals who are cultural strangers, and received by a government which wavers between intellectual gratitude and emotional resentment. The assistance is usually circumscribed by administrative requirements alien to the traditions of the host government and often tied to unsought advice. For the success of foreign aid, Montgomery points out, both governments assume responsibility and, by extension, mutuality, but for its failures, neither government assumes responsibility. Still, not all the changes the aid phenomenon introduces are equally desired by the two cooperating partners.

From the foregoing, it is observable that one of the most confusing aspects of foreign economic assistance is the deceptive quality of the mutuality that is supposed to exist between aid-donor and aid-recipient. Diplomatic enthusiasm tends to exaggerate the common purposes between cooperating partners even to the extent of overlooking differences of interest and policy.

Montgomery (1962) has it that the areas of greatest mutuality in foreign aid are those affecting the ends of security and economic development. For the recipient, each of these two elements represents an unimpeachable objective of sovereignty and, indeed, a prerequisite to national survival. However, if the term 'security' is to be restricted to the establishment of domestic law and order (stability), then the donor risks interfering with a sensitive matter of national sovereignty no matter what it proposes, and thereby jeopardizing the idea of mutuality.

In his attempt to answer the 'why' of aid, F.M. Coffin (1964) states that aid is a potential principal bulwark of world peace and a stimulator of trade, investment, and free enterprise throughout the world. The mutuality entailed in this explanation is obvious. However, Coffin's second assertion that some nations advance aid in order to redress problems of agricultural surplus and other economic dislocations in their own economies indicate the subjectivity of such aid disbursement. It becomes a mere convenience for the donor and whether it positively contributes to the economic welfare of the recipient becomes irrelevant insofar as the donor is concerned. Aid in this case would be serving strictly unilateral purposes.

On whether there is any sense of mutuality in the phenomenon of aid and why countries seek to assist others even when some of their own people survive below the poverty line, Reinhold Niebuhr personifies states and contends thus:

Nations, as individuals, may be assailed by contradictory temptations. They may be tempted to flee the responsibilities of their power or refuse to develop their potentialities. But they may also refuse to recognize the limits of their possibilities and seek greater power than is given to mortals.⁴⁵

It therefore becomes clear that the exercise of extending economic assistance has become fashionable on the part of donors, rather like the possession of nuclear

⁴⁵ Niebuhr, R. in Coffin, F.M. op. cit. p. 116.

facilities in the era of heightened cold war politics. For a nation to demonstrate that it belongs to the prestigious community of the developed nations, it has to disburse aid, the greatest attribute of the developed world economies. The mutuality engendered therefrom, it may be argued, would be more accidental than deliberately intended.

Generally, the idea of mutuality constitute an elusive phenomenon and indeed a thorny issue in inter-state relations especially of a donor-recipient nature.

4.4 PROBLEMS OF MEASURING AID EFFECTIVENESS

The central concern of the Norwegian development assistance from the very beginning was with targetting aid to poverty alleviation. Most of this assistance was directed towards rural areas, mostly Turkana district, the most wanting and hard hit in terms of development and poverty. After a period of time , it was realised that the trickle-down mechanism adopted in the aid administration did not work along lines originally envisaged. Consequently, attempts were made to design projects in such a way as to reach specifically targeted groups of poor people.

However, the approach of targetting aid at specific groups be they the poor, women, children, the handicapped, or whatever:

... has not been demonstrably successful thus far. It has proved exceedingly difficult to design projects in such a way as to circumvent social processes and structures that otherwise distort the distributional pattern of benefits to the detriment of designated target groups. ⁴⁶

The possibility of reaching disadvantaged groups in the same circumstance and via the same social and political structures and processes which produced those groups is highly unlikely.

A strategy to alleviate poverty, it is argued, should not only , or not even primarily, be concerned with redressing a poverty situation once it has arisen but should in the first instance address the processes which produce poverty and deprivation. Some of these include lack of employment opportunities, shortage of arable land , and high rates of population growth relative to available resources. This is seemingly an ambitious objective and would require special policy dialogue between donor and recipient on the said processes. Otherwise current trends in Turkana point to increased poverty and misery for the lot of the Turkana nomads, the heavy concentration of Norwegian aid activities in the district notwithstanding.

⁴⁶ Tostensen, A. et al. op.cit. p.156

Systematic evaluation of aid activities has increasingly been recognized as a valuable and even essential tool of development promotion management. The principal question in such evaluation is, does aid as a whole work? Is it on balance, worthwhile? The Organisation for Economic Cooperation and Development (OECD) and the Development Assistance Committee (DAC) (1980) assert that this kind of question is routinely posed by academics, looming only intermittently politically. It is always an underlying question, albeit implicitly, for broad policy decision-makers. The two institutions, OECD and DAC, go further and state that aid professionals never quite forget the question partly because from long-run experience, they know how difficult it is to answer definitively.

Nonetheless, the question assumes acute insistence whenever circumstances, including strained overall budgets, place the aid effort under increased pressure. To address the question raised above concerning aid effectiveness, one needs to determine the extent to which solid, honest justification for the economic development assistance overall can be marshalled. First, one would need to identify, as has been done in the projects discussed in chapter three, the purpose or purposes for which the aid flow was intended, doing this with sufficient precision to permit the scaling of achievements.

Aid effectiveness can therefore only be measured relative to specific objectives set for a project or a programme. If such objectives are unambiguous and readily quantifiable, such as the building of a road from one point to given standards, at a specified cost, and within a certain period of time, as the Kenya-Sudan link road in chapter three, then the task of measurement is straightforward.

In the case of the Kenya-Sudan link road recourse was first made to the descriptions of pre-project baseline trends existing at the onset of the project. This was necessary in order to establish causative relationships between the project and the changes resulting therefrom. At this stage it was possible to make predictions of project impacts. Subsequent reference to project monitoring results and project evaluation reports confirmed some of the predictions and modified others. It is important to note that the discovery of unpredicted impacts at the monitoring stage constitute the most significant contribution of the impact evaluation process.

A problem arises where the objectives of a given project defy quantification. Such is the case with certain forms of socio-cultural enhancement and institution-building programmes, which are not easily quantifiable. Conceivably, some qualitative assessment of effectiveness can possibly be arrived at in such cases. Admittedly, this would be accomplished with a lesser degree of exactness and with more scope for subjective judgement.

The problem is further compounded by the existence of multiple objectives for the same project, with no stated hierarchy of importance. In this case, there will have to be as many assessments as there are identified purposes. It may be noted however, that the danger here is that there might be no intellectually satisfying way of adding up the collective assessments of differently aimed activities into a single total.

The second step in addressing the issue of systematic evaluation of the achievements of aid is to proceed, aimed-activity by aimed-activity, to assess benefits and sort out the bits and pieces attributable to aid flows. The extent to which set objectives have been attained need to be gauged, and account taken of the efficiency with which inputs have been translated into outputs. Furthermore, note has to be taken of inadvertent or by-product benefits and the purposes against which these benefits have to be measured identified.

Finally, in order to arrive at activity -by-activity estimates of net achievements, one would inevitably have to take stock of costs inescapably in the form of alternative benefits foregone (opportunity cost) by engaging in this project rather than some other. These costs may also be in the form of unwanted side-effects produced by the activity undertaken.

In the final analysis, it may be stated that difficulties shall inevitably encumber and plague attempts at rigorous global analytical assessments of development assistance at each of the levels discussed above. The positive point that obtains is that essentially, the three analytical levels taken together constitute a fruitful approach that would facilitate the translation of what development assistance in general is accomplishing into terms sufficiently precise to be at least theoretically answerable.

CHAPTER FIVE

NORWEGIAN AID OBJECTIVITY AND THE IDEA OF CONDITIONALITY

5.1 CLAIMS OF AID OBJECTIVITY

In Chapter One, claims were noted to the effect that Nordic countries, and Norway is one of them, advance aid which is free from the world domination motivations of the great powers. Such aid, it is further claimed, is objectively functional in recipient terms and therefore consonant with the development needs of recipient countries.

Official records proclaim that in principle, Norwegian aid is extended in accordance with the priorities, development plans and objectives of recipients; and that all assistance is given on grant terms without tying the same to the procurement of Norwegian goods and services. It was also envisaged from the very beginning that Norwegian aid disbursement would proceed within the framework of the basic needs approach with special emphasis on recipient or partner orientation. Essentially, it meant that aid was to be extended on recipient terms.

Elements of the ideal development aid are further discussed in chapter two(2.2). Herein it is argued that universally, it is acknowledged that the principal objective of foreign aid is the development of the recipient's economy. To do this, aid has to be disbursed with optimal neutrality on the part of the donor with the latter's political will strongly committed to the idea of development.

This Chapter sets out to analyse the extent to which these claims of Norwegian aid objectivity are true and whether Norway's aid to Kenya can be said to have been characterized by the elements of aid ideality discussed in chapter two. In essence, the chapter aims at ascertaining the non-conditionality or otherwise of the Norwegian economic assistance to Kenya vis-a-vis the research findings in chapters three and four; and the factors hampering the objective impact of the said aid.

5.2 REALITIES OF THE AID ADMINISTRATION

(a) Aid Tying

From the onset, it is arguable that the idea that Norwegian aid is provided wholly on grant terms without tying the same to the procurement of Norwegian goods and services is true to a very limited extent. It is only true that most of the assistance is in the form of grants, but its objectivity with regard to non-tying is

a mere abstract principle in the officialdom of documented government declarations. It has never obtained in practical reality.

It has been observed in chapter four that Norwegian aid to Kenya is essentially in the form of project aid. This form of aid is restricted to the capital costs of new projects excluding recurrent costs, replacements, and working capital such as spare parts, and raw materials. Furthermore, the source of aid-financed imports is restricted to the donor country. In the case of Norway, these included power generating machinery, hand tools, plastic pipes, tubes and hoses used in the MUWSP; the solar power battery system used in the Nataba aquaculture project; metallic salts and inorganic chemical elements used by the Eastern Provincial planning team; as well as woven products of stainless steel, zinc and zinc alloys used for bridge railings in the construction of the Kenya-Sudan link road.

This means that the system of international tendering that ensures purchase of goods from markets with special price advantages is effectively circumvented to the advantage of Norwegian manufacturers. This is a manifestation of one of the cardinal principles of aid tying and a wholesale negation of all claims to the contrary.

It is also highlighted in chapter three that most of the projects established and implemented by the NORAD were joint ventures between the Kenya government and its Norwegian counterpart. In the Minor Urban Water Supply Programme (MUWSP) for instance, Kenya provided for upto 50% of the programme's total cost. Yet it is likely that such domestic resources mobilized for an aid-financed project may not be truly additional but are simply diverted from other programmes. Such resources may comprise public sector investment mixes which are rearranged for purposes of minimizing the self-help content with a view to maximizing the supply of foreign assistance.

According to P.Jalee (1968), the above form of mixed investment is the worst form of neo-imperialist exploitation for it ties up the indigenous capital of the host country and denationalizes it; the indigenous becomes the prisoner of its foreign partner. In the case of Kenya, externally supported development projects usually give rise to recurrent expenditures equivalent to some 10-15% of original project cost. Hence the provision of development finance has far-reaching budgetary implications.

It becomes increasingly apparent that donor policies such as the Norway's under discussion have contributed a great deal to the current difficulties with regard to the interrelated development and recurrent budgetary problems. This is on account of their narrow focus, for purposes of serving unilateral donor interests, on the

funding of development projects per se and their limited regard to recurrent expenditure implications. It will thus be necessary in future for donors to ensure that their programmes are fully integrated into the Kenyan administration's planning and budgetary processes, and that such programmes should support rather than undermine the country's rationalization procedures.

(b) Institution Building

An overriding long-term objective of Norwegian aid to Kenya, and indeed all development assistance, is to contribute to the strengthening of indigenous institutions. The realization of this objective involves the transfer of technology and know-how and equally calls for efforts to facilitate the accumulation of knowledge and experience by Kenyans in an institution-building process. Development and progress towards self-sustaining growth is heavily dependent upon the acquisition of such skills. Consequently, foreign experts and overseas training programmes constitute an important part of development assistance.

This idea of effective institution-building, though established as an integral theme of Norwegian aid disbursement to Kenya, has not been practically addressed and has been mitigated against by a number of practices in the process of Norway's aid administration. The MDC/NORAD's extensive use of consulting services from Kenya-based but predominantly Norwegian-staffed companies greatly

hampers the cause of institution building. It is worthy noting that virtually all those contracted to review and evaluate the operational results of projects discussed in chapter three were non-Kenyans mostly from Norconsult and Ecosystems Limited. These include James Ellis, Thomas Hart, Terrence McCabe, Ossi Lindqvist, and Malcolm Beveridge among a host of expatriates mainly provided through technical assistance. The planning, research, and implementation of the Nataba Aquaculture project for instance, was done solely by a group of expatriates consisting of Jan Raq, Inge Thoscsen, both of university of Tromso, Norway, Thorbjorn Damhaug, Torsten Kallquist, and Eivind Lygren, all of Norwegian Institute of Water Research (NIVA).

In this respect therefore, the indeginization of the reservoir of knowledge generated from aid activities is made a mirage. Claims of Norwegian aid objectivity are thus further eroded by this aspect of the NORAD's practice of procuring consultancy services from Norwegian companies, albeit based in Kenya. It would have served a useful developmental purpose for Kenyan if contracts for Norwegian commercial firms included clauses that would facilitate the transfer of know-how and the retention of experience by Kenya individuals and institutions working in collaboration with the Norwegian firms. This issue has however not been addressed in practical terms.

As observed in chapter four, Norway, citing political and administrative structures and policies as hindrances to the attainment of pertinent aid objectives, introduced the term "policy dialogue" in aid administration in its 1984-85 white paper No. 36. This created a new approach whereby the NORAD personnel operated accounts jointly with their Kenyan colleagues outside the government machinery to speed up project implementation, with some accounts operated by the Norwegian Embassy in Nairobi. This change of policy wholly defeats the fundamental principle of recipient orientation that aid should be channelled through the structures of the Kenya government with a view to enhancing the administrative capacities and capabilities of indigenous institutions.

It has been argued in chapter two that for economic assistance to be functionally objective in recipient terms, it has not only to be disbursed with optimal neutrality and a strong commitment on the part of the donor to the idea of development, but the donor should also be an instigator of criticism and reappraisal, and a champion of change in order to contribute meaningfully to the process of economic development in the recipient country. It was thus incumbent upon Norway to assess the Kenya system of reimbursement of aid funds through the Treasury and evaluate the difficulties, especially of sluggishness, inherent therein with a view to eliminating them. In this way, Norway would have contributed usefully towards the enhancement of efficiency in the administrative structures concerned.

By resorting to the direct payment system therefore, the NORAD was shirking Norway's commitment to effective institution-building in Kenya, an exercise touted from the very beginning as an imperative developmental component of the Kenya-Norway aid relationship. Furthermore, as already observed elsewhere, the term "policy dialogue" can be nothing more than a mere euphemism for aid conditionality.

(c) Recipient Priorities

The idea of Norwegian aid objectivity was further claimed in the declaration that it would be based on the priorities, objectives, and development plans of recipients. Generally speaking, Norwegian aid to Kenya has kept within the framework of this provision. The Kenya - Sudan link road for instance, opened up the hitherto inaccessible Turkana district, created a variety of positive changes as discussed in chapter three, brought the Turkana into the mainstream of the Kenyan society and into the functional national economy with its creation of economic diversity in the region. This was in keeping with Kenya's economic objectives from the attainment of independence of uplifting the standards of living of Kenyans especially the hitherto marginalized ones so that all are free from want and deprivation.

The forestry project was also in line with the Kenya government's endeavours geared towards environmental protection and maintenance of ecological balance. Similarly, the MUWSP was well within the framework of the projected aims of the second development plan (1970-74). This plan aimed at encouraging the growth of minor urban centres as poles of economic growth to curb rural - urban migration. To this end, the MUWSP contributed, in its small way, by implementing water supply projects in some targeted urban centres aimed at stimulating further growth and investment in the centres and in adjacent areas.

However, there are some projects that were chosen on the basis of donor priority rather than recipient priority. Notable among these is the Nataba aquaculture project which was designed, planned, and implemented strictly by some selected members of staff of the University of Tromso, Norway, and of the Norwegian Institute of Water Research (NIVA). These were, Prof. Jan Raq and Asst. Prof. Inge Thoscsen (Tromso), Thorbjorn Damhaug, Torsten Kallquist, and Eivind Lygren (NIVA). Even the project reviewers in 1986 came up with the conclusion that the project was of no local relevance, long term and otherwise. This means that the NORAD was unable to operate according to its own set criteria including the assertion that research should address problems of local development.

In the same vein, the instituting of the direct payment system and evasion of Kenya government structures in aid disbursement amounts to overlooking

recipient priorities on the part of Norway. In this way, NORAD staff began operating directly with the district administration notably in Turkana without going through the central government machinery. Yet, as Tostensen and Scott (1987) point out, the Ministry of Development Cooperation (MDC) and NORAD should make strenuous efforts to assist the government in implementing its carefully prepared programme for budget rationalization. Administratively, this should be done by complying with the time schedules and other requirements in the budgetary process which are designed to ensure that all donor funds are included under the appropriate budget heads of relevant operating ministries.

It may be posited therefore, that the District Focus for Rural Development (DFRD) should not be interpreted to mean a devolution of autonomous decision-making power to the district level. In essence, the DFRD only entails a decentralization of functions relating to the implementation of development projects and programmes. Otherwise the determination of national priorities and the control of revenue and budget ceilings are centrally retained in the Ministries of Finance and Planning and National Development. Hence the DFRD does not mandate MDC/NORAD to relate directly with the district administration without proceeding via central coordinating organs of government.

Furthermore, it is imperative that all external funds be subjected to the strict determination of priorities introduced under the budget rationalization programme

which requires that all projects, the mode of funding notwithstanding, should be subjected to the same selection process as normal development projects. This ensures implementation of priority projects. This budget rationalization programme is the prime mechanism for ensuring proper macroeconomic management of the public sector.

On the aspect of technical assistance, it is observed that much of it is primarily designed to influence recipient policies and procedures directly through provision of technical expertise and indirectly through training and association tailored to influence attitudes, and increase analytic skills. Such skills often reflect the donor's view of what needs to be done rather than the host country's priorities. Thus the transfer of technical know-how becomes a mechanical projection of the donor's own perspective of technology and education while, as the Commission on International Development (CID) (1969) notes, a recipient may need new and different solutions to its unique problems. There thus is need to reorient technical assistance for it to play a more meaningful contribution to the acceleration of development in the recipient country's economy.

5.3. FACTORS HAMPERING THE IMPACT OF NORWEGIAN AID

As observed in chapter one, Kenya is the oldest of Norway's cooperating partners in Africa. In spite of this however, the country is not Norway's leading aid

recipient in the region. The NOK 187 million committed to Kenya by Oslo for the year 1990-91 for instance, was less than half of what Tanzania received for development assistance from Norway the same year.⁴⁷ At the 1990 exchange rates, the commitment to Kenya was less than 2% of Kenya's annual revenue from taxes.⁴⁸

Furthermore, given the fact that Kenya shares the funding of Norwegian-sponsored development projects sometimes upto 50% of total cost (see 3.2) illustrates that Norwegian contribution has been very small indeed, hence its minimal impact. Yet this meagre contribution has been used to tie up domestic resources which, as observed in chapter four, are not additional to the external outlays but are simply diverted from other public investment programmes with far-reaching distortional implications on Kenya's budgetary procedures and the economy generally.

Although Norway's economic assistance to Kenya has largely been in the form of grants, it has had limited impact because of its allocation to expatriates and technical assistance personnel. In 1988 for example, an evaluation of the NORAD'S Nairobi office revealed that it had 28 staff members. The administrative overheads for the office amounted to NOK 10 million (Kshs. 40

⁴⁷ The Weekly Review, (Friday 26 October, 1990) p.7

⁴⁸ Ibid.

million), nearly 5% of Norway's commitment to Kenya that year. This, coupled with the NORAD'S preference for Norwegian firms in the awarding of consultancy contracts heightens the extent to which the objectivity and positive impact of Norwegian aid to Kenya has been hampered.

Indeed, a number of Norwegian firms have managed to establish themselves in Nairobi and have gained a commercial foothold in the Country's economy mainly on account of contracts involving Norwegian aid financing. A notable example here is Norconsult, established in Nairobi by Norwegians and staffed by the same for purposes of serving Norway's consultancy needs in its aid administration in Kenya. The said firm has, over time, owed its very existence to subventions from the NORAD. Norway's orientation in this regard is inconsistent with the practice of Kenya's other bilateral donors who have encouraged the awarding of consultancy contracts to local firms in order to promote local institution-building. It thus is ironical that Norway was committed to the same cause as observed in chapter one.

Another factor that has reduced the overall impact of Norway's economic assistance to Kenya is the fact that the said development aid makes no provision for funds to maintain the projects once the NORAD withdraws. Some Norway-funded projects have run into problems in the wake of the donor's withdrawal. It should be noted however, that this problem is not peculiar to Norwegian aid.

Generally, the development aid sector in Kenya is replete with white elephants on account of problems of recurrent expenditure.

Norwegian development assistance to Kenya has also been criticized for being too widely-scattered. Norway's largest presence has been in Turkana district where it began operating in the late 1960s providing mainly famine relief. The NORAD'S involvement in the district has been so extensive that by 1988, Norwegian assistance to Turkana accounted for almost 60% of the district's annual development budget, with eleven expatriates attached to various projects in the area. After more than two decades of operation in Turkana however, the NORAD has very little to show for it. The integrated and intersectoral development programme developed by the NORAD as discussed in 3.3 earlier may be cited as a good example of how donors should not impose on people development strategies based on assumptions and premises that are culturally alien to the intended beneficiaries.

On whether aid has limited impact because it promotes dependence and inefficiency, there is a strong streak of argument not only in the recipient countries but also among critics in the donor community, that food aid, with which Norway began its operations in Turkana, can enervate indigenous agricultural effort. The critics stress that generally, aid has a crutch effect for it tends to delay and dampen the emergence of self-reliance. It substitutes for

internal resource-raising and diminishes the recipient's incentive to use its own scarce capital and other resources efficiently.

Choice of projects on the basis of donor rather than recipient priority has also contributed greatly towards lessening the impact of Norway's aid to Kenya. As observed in 5.2 above, some projects in the Kenya-Norway economic partnership were chosen strictly on donor priority rather than the recipient's. Yet, at the heart of efficient aid policy is the development relationship. This relationship, as pointed out in chapter two, must be based on a clear division of responsibilities which, nevertheless, must meet the needs of both partners. In this regard, for true aid to obtain, initiative must come from the recipient which judiciously selects a project that would use local raw materials and operate to meet a priority need of the internal market.

It is on account of the above that P. Jalee writes:

Countries like Sweden and Switzerland (and Norway for that matter) which have never had a colony or dominated one underdeveloped country more than another one are, nevertheless, qualitatively as much imperialist as the United States or Great Britain, they are only quantitatively rather less imperialist and the increasing internationalization of oligopolistic and monopolistic capitalism makes it difficult to measure the extent of the difference.⁴⁹

⁴⁹ Jalee, P.

The Pillage of the Third World. (New York: Monthly Review Press, 1968) p.15.

P.Jalee (1968) adds by arguing that for the Third World, there is no hope of ending exploitation and underdevelopment within the framework of the imperialist system alluded to in the above quotation. He asserts that imperialism remains unchanged and, most emphatically, that the exploitation and underdevelopment which it causes are growing more severe. With or without political independence therefore, the Third World, in Jalee's words, remain the pillaged and the imperialist states the pillagers.

Norway's aid to Kenya has had limited impact because, as Friedmann contends;

Economic development aid is a battle for political influence, and because the political objectives are long-term and world-wide, they cannot, in most cases, be productive of immediate and concrete results.⁵⁰

F.M. Coffin adds by explaining that the key link in the chain of reasoning about aid policy "... is a conviction that it is in the national interest (of the donor) to pursue that policy with perseverance" .⁵¹ It is this political motivation in aid disbursement that has contributed to the continuity of the flow of aid packages

⁵⁰ Friedmann, W.g. et.al. (eds) International Financial Aid (New York: Columbia University Press, 1966) P.43.

⁵¹ Coffin, F.M. Witness For Aid (Boston: Houston Mifflin Company, 1964) p.254.

from the developed world economies to the underdeveloped ones even when it is glaringly evident that such disbursements of economic assistance are achieving almost nothing by way of contributing to the economic growth and development of the recipient country.

On the whole, it may be posited that in order to establish a positively objective aid relationship with the recipient, the donor should view the said recipient as host not supplicant and should be prepared to adapt in good part to the recipient's interpretation of its own needs. Otherwise, as it stands, the availability of foreign economic assistance causes a recipient government to quite rationally switch around its priorities and increase the foreign exchange component of its public sector investment projects in order to get more external investment out of the same amount of domestic revenue thereby distorting its own economy.

CHAPTER SIX

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

6.1 SUMMARY

In the first chapter of this study we are treated to claims by official records to the effect that aid from Norway is disbursed free from the conditionalities attendant upon aid disbursements from the major powers. That the said aid is extended on recipient terms, in grant form without tying any part thereof to Norwegian sources of supply, and on the basis of the recipient's own priorities, objectives and development plans. These claims form the basic core around which the study revolves in an effort to find confirmation or disconfirmation of the claims by examining the realities of the Kenya-Norway economic partnership.

Chapter two discusses three key issues. These include the factors leading to the need for external economic assistance on the part of recipients, an exposition of the ideal development aid, and Kenya's move towards diversity in foreign aid sourcing during the country's formative years of statehood.

It is noted that the need for external economic assistance on the part of Kenya from the very beginning of statehood was a consequence of the economics of colonialism; the inadequacy of available resources; the craving for development on the part of the Kenyan statesmen; and the consequent belief that foreign aid effectively promotes economic growth and development. This standpoint was coupled with the restraint in the use of armed force in the international system, and the expanding free-world economic strength in which donors sought to use aid as a principal bulwark of world peace.

It is pointed out that there is a universal acknowledgment that aid is meant for the recipient's economic development. To achieve this noble goal however, it is argued that aid has to be free of conditionalities and disbursed with optimum neutrality on the part of donors. The recipient has to interpret its own needs, set out its objectives, priorities, and development plans and only solicited advice availed. The aid, moreover, has to be in the form of freely convertible foreign exchange and in grant form.

Nonetheless, mention is made of the inevitability of conflicts of ideology and differences in national and sectional donor interests. It is asserted that political will is the most important single determinant of the donor's willingness to establish a mutually meaningful and beneficial aid relationship with the recipient. By this is meant the strength of the donor's commitment to the idea of

development whether motivated by disinterested concern about the levels of poverty or for political self-interest reasons.

It is further stated that Kenya's move towards diversifying economic sources which led to the establishment of relations with Norway was an exercise of the newly acquired sovereign rights. It was part of the wider liberation and nation-building process intended to secure a multiplicity of sources of aid in order to forestall the interventionist tendencies attendant upon heavy reliance on a single major donor. It was thus against this background that the Kenya-Norway economic partnership was instituted in 1965.

Chapter three discusses a selected number of Norway-funded projects in Kenya. These include the Kenya-sudan link road, the Minor Urban Water Supply Programme (MUWSP), the Nataba aquaculture project and the Kenya-Norad Forestry Project as well as a section on technical assistance in its various forms.

It is observed that the Kenya-Sudan link road constitute the single largest project instituted by the Kenya-Norway economic partnership, with a percentage funding of 40% and 60% respectively. By creating accessibility to the region, the project met one of its basic objectives. The road became the main component of the development thrust in Turkana. It facilitated increased security, traffic and population and hence a thriving market for goods and services hitherto existing

only in a rudimentary form. There was a marked degree of economic diversification and thus the incorporation of the locals into the national economy as a result of the road construction.

It is noted however, that whereas the types of material possessions purchased by the Turkanas, may indicate a close integration of the nomadic community into the national economy, the kind of material objects being acquired are only more efficient replacements for items produced locally and may not therefore be sufficing indicators of significant change in the pastoral system per se.

Furthermore, the growth of towns has led to higher demand for wood fuel and construction timber leading to an increased area of denudation with far-reaching environmental repercussions. Similarly, the mushroomed businesses in the area are mainly owned by non-Turkana outsiders. The Turkanas remain largely unaffected and oblivious to the opportunities of business enterprise engendered by the new infrastructure in their midst.

The MUWSP, funded equally by Kenya and Norway (50% each), was part of Kenya's growth centre strategy set out in the second development plan (1970-74). The strategy sought to encourage the growth of minor urban centres in the rural areas to evolve as poles for economic growth and thereby stimulate development in adjacent areas with the key objective being to curb rural-urban exodus.

The MUWSP, entailed the construction, rehabilitation, and augmentation of 42 water supply and treatment plants in minor urban centres. It is stated however, that for the period 1974-83 only 14 out of the 42 targeted projects had been implemented with the only objective impact being provision of portable water to consumers. It is argued that the programme catered only for the relatively better-off as lack of operating water kiosks and public standpipes in the areas served meant that the relatively poor remained largely unaffected leading to informal and illegal distribution of water by individually connected consumers at higher prices. It is further contended that there was minimal, even negligible, if any generation of economic activities in areas adjacent to the MUWSP- served urban centres as originally envisaged and hence the objective of curbing rural-urban migration went unfulfilled.

In chapter three, we further see that the Nataba aquaculture project and the Kenya-Norad Forestry Project were implemented within the framework of aid to the Turkana Rural Development Programme (TRDP). The TRDP's main objective was to improve the general standards of living of the Turkanas by providing alternative subsistence means given the inadequacy of the pastoral system.

The Nataba aquaculture project, it is pointed out, was an essentially experimental project whose aim was to develop methods for aquaculture on tilapia feasible for

local cultivation in Turkana for purposes of securing high production of tilapia for both local and international trade.

In spite of the existing conditions favouring such an undertaking however, from the analysis of such factors as soil texture, nomadic pastoralism, power technology, harvesting techniques, and the great distances to Lake Turkana, it is concluded that the feasibility of an aquaculture project on Lake Turkana is of very remote possibility and that it is of very little local relevance. This, it is contended, is in outright conflict with the Norad's policy stand that research and development efforts should address problems of local development.

On the Kenya-Norad Forestry Project, it is noted that the exercise was mainly concentrated in four areas in Turkana district. These are: Kalakol, Katitu, Lodwar and Lowarengak. With an average survival rate of 70%, it is projected that 5,670 trees out of 8,100 trees planted have survived with a notable impact on lessening environmental degradation. The main mitigating factors against the project, it is observed, have been the flexible herding patterns of the Turkanas that have left family tree plots unattended for long periods, and the lack of water or its inadequate supply.

Chapter three also addresses the issue of technical assistance, said to constitute 25% of Norway's aid to Kenya. It is established that aid in this form was

necessitated by shortfalls in the numbers of qualified Kenyans needed for the high and middle level posts in the public sector, or lack of the requisite experience thereof. It is noted however that the said technical assistance was increasingly used to prepare and supervise programmes funded through grants than assistance in professional training and provision of specific expertise unavailable locally. This meant that quite a sizeable proportion of the development grants went into the payment of salaries for these technical assistance personnel and other related emoluments.

Chapter four is an analysis of the nature of the aid relationship between Kenya and Norway. The chapter discusses, inter alia, the nature of Norwegian aid disbursement to Kenya, the elusiveness of mutuality in inter-state relations, and difficulties inherent in efforts at measuring aid effectiveness.

It is observed that Norwegian aid to Kenya has mainly been in the form of project aid rather than non-project or programme aid. The differences between these aid forms are highlighted together with their developmental implications for recipients. It is pointed out that Norway's preference for project aid is based on the fact that such forms of aid make its overall aid effort identifiable and facilitates easy supervision of aid funds use. Moreover, project aid entails procurement of goods or materials for the project from the donor country and this serves the commercial interests of the donor's manufacturers. On this score, it

is observed that if aid is to be deployed so as to maximize its contribution to development, there is no a priori case for limiting it strictly to project aid.

On the other hand, it is pointed out that recipients prefer aid in the form of general development grants (non-project aid), available for local and external costs. Such aid permits the recipient government to carry out its development plans as drafted. Furthermore, it is contended, such programme aid requires a more extensive concern on the part of the donor with the recipient's general economic growth. It also mitigates against the problems of aid-tying inherent in project aid by facilitating a shift of purchases towards markets with special price advantages for particular commodities. For aid to be effective, it is contended, it has to be in the form of programme aid or an appropriate blend of both programme and project aid.

On the mode of Norwegian disbursement of aid to Kenya, it is asserted that it was originally conceived that aid was to be disbursed in accordance with the basic needs approach and on recipient terms whereby the latter sets its own objectives and priorities and Norway provides technical and financial assistance to contribute towards the attainment of the set objectives. Assistance was to be channelled through the Kenya government structures for purposes of enhancing administrative capabilities and capacities of indigenous institutions.

It is observed in chapter four however, that the principle of recipient orientation and aid on recipient terms was never formulated in absolute terms, neither has there been any strict adherence to its fundamental requirements. The introduction of "active dialogue" in the terminology of aid administration in the mid 1980's negated the above principles. In the same vein, the introduction of the direct payment system in the early '80s meant effective circumvention of the idea of channelling aid through indigenous institutions to enhance the administrative capacities of the same. This was sacrificed at the altar of the NORAD'S considerations of short-term expediency and haste in implementation of aid projects citing sluggishness and bureaucratic red tape inherent in the system of reimbursement through the Treasury.

It is further argued that the deceptive quality of the mutuality that is supposed to exist between aid-donor and aid-recipient is one of the most confusing aspects of foreign aid, and that the enthusiasm of diplomatic bargaining tends to exaggerate the common purposes between the co-operating states even to the extent of overlooking glaring differences of interest and policy.

The problems of measuring aid effectiveness are also discussed in chapter four. It is pointed out that aid effectiveness can be measured relative to specific objectives set for a project/programme. If such objectives are unambiguous such as the building of a road from one point to another to given standards, time and

cost, measurement is straightforward. Problems are said to arise where objectives defy quantification such as certain forms of socio-cultural enhancement and institution-building. In such cases, qualitative assessment of effectiveness is brought into play but with a lesser degree of exactness and more scope for subjective judgement.

In such analyses of aid effectiveness, it is contended, there is need to take stock of costs in the form of alternative benefits foregone (opportunity cost) by engaging in the project rather than some other as well as the inadvertent side-effects of the project/programme undertaken. In this way, it is asserted, the measurement of aid effectiveness would, in aggregate terms, have approximated exactness.

Chapter five is a synthesis of the findings in Chapters three and four and discusses the same in relation to the proclaimed Norwegian aid objectivity and the idea of conditionality. It is observed that though Norwegian aid to Kenya is extended largely in grant form, it is mainly project aid meaning that the source of aid-financed imports is restricted to the donor country. In this way, the system of international tendering which facilitates procurement of goods and services from competitive markets is effectively evaded for purposes of serving the interests of the donor's manufacturers.

It is further observed that in Norway's aid disbursement to Kenya, there is no provision for recurrent costs, replacements, and working capital including spare parts and raw materials. This means that most projects implemented run into operational problems once the donor withdraws. Similarly, the joint donor-recipient funding of projects, at times up to 50% each as was the case with the Minor Urban Water Supply Programme (MUWSP), leads to distortion of the recipient economy with far-reaching budgetary constraints.

On the issue of institution building, it is noted that this issue has not been practically addressed with its main mitigating factor being the NORAD'S preference for Kenya-based but foreign staffed consulting companies. The use of non-Kenyans in project monitoring and performance evaluation therefore, defeats the institution-building objective as the reservoir of knowledge generated from aid activities remains the preserve of foreigners. In the same vein, the direct payment system begun in the early 1980's whereby accounts for aid funds were operated outside the Kenya government structures defeats the same cause.

It is highlighted in chapter five still, that whereas recipient priority was considered in the choice of the MUWSP which was in line with the Kenya government's 1970-74 development plan; the Kenya-Sudan Link Road which generated some economic diversity in Turkana thereby contributing to the government's commitment to uplifting the living standards of its citizens; and the

forestry project which addressed the imperative question of environmental protection; nevertheless, the Nataba Aquaculture Project was chosen solely on the basis of donor priority and served as a training ground for the donor nationals who engaged in experimentation with a designed aquaculture system. The project was found to be of no local relevance as far as Turkana district's priority needs were concerned though it addressed one of the most important constraints of aquacultural development in the tropics.

On the whole it is pointed out that among the factors hampering the positive impact of Norwegian aid to Kenya include: limited funding leading to joint financing of projects with the recipient sometimes upto 50% of total cost; allocation of aid finances to expatriates and technical assistance personnel amounting to 25% of the total aid effort; preference of non-indigenous consultancy firms in the award of consultancy contracts; lack of provision for funds to maintain projects once the NORAD withdraws; choice of some projects on the basis of donor rather than recipient priority; restriction of aid-financing imports to the donor country; and aid's general crutch effect which delays and dampens the emergence of self-reliance on the part of the recipient.

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From the analysis of Norwegian bilateral assistance to Kenya in chapter three, it is observable that the bilateral programme has consistently had a high degree of poverty orientation with a traditional emphasis on rural development, social programmes, and the development of public utilities. In this way, Norway has contributed quite substantially, to the uplifting of the standards of living in the rural areas to which it has directed its aid activities.

It should be noted that cooperation for international development, like the Kenya-Norway economic partnership under study, is not projected towards closing all the gaps and eliminating inequality. This is an impossible task. Such cooperation is mainly geared towards reducing disparities and removing inequities to enable poor countries to forge ahead in their own way into the industrial and technological age towards economic independence rather than dependence.

The tying of aid to the procurement of Norwegian goods and services and the choice of some projects on the basis of the donor's priorities discussed at length in chapter five is an obvious design to serve strictly unilateral donor ends. As to why a recipient like Kenya should accept such forms of aid, it is contended that the African countries, in quest for aid, must agree to arrangements, however

onerous or unwise, for there is all the difference in the world between a country which can choose and one that must submit.

As noted in chapter two however, new initiatives for development including priority determination and objectives should ideally be identified and set by the recipient. These should also encompass the mode of resource transfer, choice of development projects, as well as adoption of technology. This is the hallmark of economic independence alluded to above and any form of aid that would work towards this ultimate condition is one of the best forms of aid a recipient can procure.

One hastens to aid, however, that economic independence does not mean autarkic forms of development in the recipient economy. Neither does it negate the inevitability of continued inter-state economic relations. It only implies that the said relations are essentially based upon equitable and just forces of interplay with the realization that both donor and recipient belong to a world community living in a global village.

The research findings tend to confirm the first hypothesis that inter-state relations are governed by mutual benefits, the asymmetry in favour of either side notwithstanding. In the Kenya-Sudan Link Road, Kenya's benefits were in the opening up of the hitherto remote Turkana region, the generation of economic

diversity in the said area, and the incorporation of the same into the dynamic national economy; the MUWSP contributed towards Kenya's growth centre strategy which sought to encourage the growth of minor urban centres as poles for economic growth to curb rural-urban migration while the Kenya-NORAD Forestry Project addressed the issue of environmental protection with which the government was principally concerned, to the extent of later on forming a ministry to cater for the reclamation of arid, semi-arid, and wasteland.

Norway's benefits from the above projects lay in the provision of employment to its nationals, directly through technical assistance personnel constituting 25% of the total aid effort as observed in the preceding chapter, and indirectly through the tying of aid-financed imports to Norwegian sources of supply and the award of consultancy contracts to Kenya based but largely Norwegian-staffed firms, especially Norconsult. It is further observed in the fifth chapter that the NORAD's Nairobi office administrative overheads consumed quite a sizeable amount of aid funds. With a staff of 28 (mainly Norwegians) in 1988 for instance, the administrative overheads amounted to NOK 10 million (Kshs. 40 million), almost 5% of Norway's commitment to Kenya during the same year.

Hypothesis two on the other hand, holds only to some extent. The hypothesis states that the rationale for Norwegian economic assistance is economic self-aggrandizement and claims of its humanitarian nature emanate from the lack of

a political rationale (World domination motivation) and are therefore meaningless. Whereas it is true that Norwegian aid to Kenya has greatly benefitted Norway economically as observed above, the humanitarian component is also evident in Norway's provision of famine relief in Turkana in the late 1960s and early 1980s; and in its projection of aid towards poverty alleviation and rural development.

Furthermore, the assertion in hypothesis two that there is lack of a political rationale in Norway's aid disbursement is disconfirmed. One may not be able to pinpoint the political rationale but, as observed in chapter five, economic development aid is a battle for political influence. Political objectives are said to be long-term and world-wide and being so, they seldom are productive of immediate and concrete results.

Generally therefore, economic assistance is provided in a considerable variety of forms and programmes which have arisen in response to diverse and complex motivations on the part of donors. The desire to promote the long-term economic development of the recipients is only one of these motivations. Hence the paradox that the purposes of economic development are not always served by what qualifies as external economic aid as the case of the Nataba Acquaculture Project demonstrates.

Indeed, even if the objective of donors were exclusively to promote development, this would still be true only to some extent given the complex nature of the development process. Additionally, it does not necessarily mean that aid advanced for purposes other than the development of the recipient's economy yield no developmental results for the recipient.

The really effective form of aid in the long-run, as it has been argued in the preceding chapters, is an improvement in the terms of trade, enabling Third World States to earn their foreign exchange and hence their sustenance, through exports. The fundamental problem is to find ways of increasing export earnings of developing countries. This is related to the problems of trade and fluctuating commodity earnings. Hence the need for new international commodity agreements and an international insurance fund to stabilize prices.

The above however, are not exclusively questions of economics. They cannot therefore be undertaken by a single donor like Norway towards a recipient like Kenya. They involve political decisions insofar as they depend on basic choices as to the kind of world to be built. They not only demand courage and sacrifice by all concerned, especially the major actors in the international system, but also demand a long-term view rather than short-term perspectives.

Otherwise, in spite of Norway's overall orientation of its aid towards rural development and poverty alleviation in its aid relationship with Kenya, the problem of rural development, poverty alleviation, and uplifting of rural living standards for Kenya remain overly gigantic even on the most optimistic assumptions.

6.3 RECOMMENDATIONS

To improve the positive effectiveness of the Norwegian economic assistance to Kenya, and indeed all forms of aid from other sources generally, a number of issues need to be addressed. First, in the case of the Kenya-Norway aid relationship, the MDC/NORAD should consider moving away from a narrow focus on specific projects towards a greater proportion of programme assistance. This will more fully address the operational and staff development priorities of the Kenya government institutions involved.

Particular consideration should be given to the feasibility of funding specific outlays in the recurrent budget framework which are required in connection with developmental activities designed to make more effective use of existing investments and capacities. Furthermore, it is imperative that all external funds be subjected to the strict determination of priorities introduced under the budget

rationalization programme which is the prime mechanism for ensuring proper macroeconomic management of the public sector.

Secondly, there is need to emphasize the strengthening of Kenya's own capacity to assist vulnerable groups in society within the resources available. Increasing attention should therefore be directed towards training and staff development programmes especially in those fields in which the MDC/NORAD has been traditionally involved. In addition, the Kenya-Norway economic links should not focus exclusively on a narrow donor-recipient relationship. The relationship should also address two-way trade promotion objectives.

Thirdly, it is observable in the analysis of the Kenya-Norway economic relationship that with each aid-funded project come different requirements of technical assistance and various varieties of conditionalities. This has resulted in the swamping of the aid sector with expatriate personnel whose nature and quality the Kenya government seem to have found difficult to monitor and maintain their records. There thus is need to improve the quality, cost-effectiveness, and management of technical assistance.

The Kenya government should develop a bank of reliable data on the numbers, composition, and disposition of the technical assistants working in the country and formulate clear policies to govern the use and eventual phasing out of technical

assistance. This exercise should be linked to long-term plans for public sector manpower development. A new approach needs to be evolved whereby local authorities are requested to nominate professionally qualified candidates for technical posts linked to particular programmes. This would offer real advantages including immediate familiarity with local conditions, ease of recruitment, limited overhead and expatriate-linked emoluments. Above all, this exercise would make a long-term contribution to local competence and expertise within Kenya.

Finally, to eliminate the deadlock prevailing with regard to the extremes of economic dependency and independence, there is need to create new strategies within the framework of interdependence. What is needed is to develop, in qualitative terms the scenario of sharing of benefits between donor and recipient both in the immediate and long-terms. The first step for Kenya towards this end is for the country's policy makers to move out of the abstraction of diplomatic enthusiasm proclaiming mutuality in aid negotiation fora and into the realities of assessing what such aid disbursements are generating for the country's economy, and hence be able in future to negotiate for the type of aid that would have more positive ramifications.

In conclusion, it may be noted, as observed elsewhere, that there will never be attained an unassailable data-based proof of development assistance's macro-effectiveness that will quiet all its critics and skeptics. Aid is an inescapable

reality and, just as there are good taxes and bad ones, there are also good and bad forms of aid. What needs to be advocated is not aid in its past historical totality, but aid of particular kinds, patterns, and predominant tendencies as elaborated in chapter two. Or else, as long as the de facto composition of aid remains so complex, not only with multiple purposes, but also subject to puzzles concerning complicated causality and to the dangers of deleterious side-effects, there will remain ample opportunity for critics disposed to attack it and for skeptics to cast doubt on its basic claims.

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