

## Role of Chinese Economic Diplomacy in Fostering Infrastructural Development in Kenya Since 1963

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### ABSTRACT

*This study investigated the role of Chinese economic diplomacy in fostering infrastructural development in Kenya since 1963. The focus was on how this partnership manifests itself in infrastructure development. This study was anchored on power theory, modernization, and dependency theories, which were triangulated to inform the conceptual framework of the study. This study adopted historical, cross-cultural, and survey research designs. Questionnaires, interview guides, and focus group discussions were the data collection instruments. The study adopted multiple sources of data, ranging from primary to secondary. Both quantitative and qualitative techniques were used for data analysis and presentation. The data obtained was presented in percentages, pie charts, bar graphs, and tables. The study found that the most popular principle in China-Kenya relations was that of mutual benefit. This study further revealed that Kenya is still largely reliant on its traditional donors for funding and that its relations with China have even strengthened its ties with Western countries. The findings further revealed that Chinese investment in Kenya's development of infrastructure was significantly beneficial to Kenya's informal sector because the lower cadre of employees, who are the majority, are acquiring skills that make them start their own businesses. Kenya should further strengthen its ties with China. Kenyan traders should take advantage of the recent lowering of export tariffs by China to encourage Kenyans to export more products to China. The Kenyan government, through its relevant agencies, should also put in place regulatory measures to ensure that Chinese imports are of standard quality. China should offer more aid to Kenya to mitigate the deficit, or in certain cases, curtail Chinese exports to reduce the imbalance.*

**Keywords:** Bilateral diplomacy, Economic Diplomacy, Geopolitics

### I. INTRODUCTION

Infrastructure, as conceptualized by the Organisation for Economic Co-operation and Development (OECD, 2002), is a holistic composite network of public utilities in any given state or region that encompasses roads, railways, ports, airports, state and private buildings, energy systems, sanitation, and telecommunication facilities that include landline and cellphone coverage. Infrastructure as a whole is a set of transportation and energy systems, and consequently, public infrastructure takes the form of educational and health institutions and other core amenities.

The United Nations International Children's Emergency Fund (UNICEF, 2012) went on to state that China's infrastructural development assistance is guided by eight principles on economic aid and technical assistance to allied states. Comparatively, UNICEF (2012) states that these principles are worlds apart from European Union (EU) principles. For instance, while China emphasizes mutually beneficial partnerships, the EU, on the other hand, tends to offer one-way, symmetric, donor-recipient relationships. Next, as China focuses on economic infrastructure development, the EU focuses more on social infrastructure development, such as fighting against corruption, good governance, and respect for human rights. China underlines the non-interference in domestic affairs of the allied states, coupled with economic development and political reforms. The other comparison is that while the EU has made aid dependent on political and social reform, China has made territorial integrity and sovereignty pre-requisites to foreign aid, with partner states signing up to the One China policy.

Therefore, UNICEF (2012) concludes that China's aid is blurred with investment support and export promotion, with no clear boundaries between state and non-state actor contributions, and that China has a policy of conditionality that lies predominantly in assuring privileges for Chinese companies and ensuring promotion of both economic diplomacy and resource diplomacy as well as access to agricultural products. UNICEF (2012) still argues that Chinese aid does come in the form of infrastructural projects executed by China's companies and tailored to individual needs, making it relatively flexible and efficient, while Chinese economic and resource diplomacy are

mainly about bilateral relations and the exchange of resources such as oil and gas from its allied states for infrastructural development. Equally, they also put emphasis on the inclusion of concessional loans, zero-interest loans, and debit relief in the investment package.

In Morazan *et al.*'s (2012) view, Brazil, Russia, India, China, and South Africa (BRICS) are some of the states that influence Chinese economic diplomacy, hence its foreign policy. He adds that virtues like principles of non-interference in others affairs, non-conditionality, emphasis on expressing solidarity among equals of the global south, and respect for sovereignty also feature in BRICS' members' states' foreign policies. Morazan *et al.* (2012) continues that multilateral settings such as BRICS are seen as the second-best option by the Chinese government, while preference lies in bilateral South-South Cooperation. He further argued that the signing of development-related agreements with Asian, African, or Latin American states is often accompanied by great ceremonial symbolism of eye-to-eye partnership, contrasting donor-recipient relations with Western states. Different from Chinese aid, Morazan *et al.* (2012) point out that considerable amount of Russia's aid is also usually channeled through multilateral organizations such as the Eurasian Economic Community, the World Bank, and the UN. Russia, therefore, does not emphasize much on expressing solidarity among equals in the global south.

African countries being recipients of Chinese development finance is not a new phenomenon, says Brautigam (2009), but what is making headlines is the magnitude and modalities of financing these countries. From the mid-1950s to 2006, China disbursed an estimated US\$6 billion to Africa, and this amount tripled by 2015. For example, Sun (2015) adds his voice that during the Sixth Forum on China-Africa Cooperation (FOCAC), China committed to disburse US\$ 60 billion, respectively, and the financial relationship also varies in the modalities of disbursements; grants, interest-free loans, and concessional loans have been in recent years supplemented by preferential buyers' credits and resource-backed loans, especially in resource-rich countries.

In Wakhungu *et al.* (2020), in their article "Challenges and Opportunities Constraining and Enhancing Kenya and Tanzania Participation in the EAC Econo-Political Integration Process," they quote Articles 5(1) and (2) of the Treaty establishing EAC. The EAC Treaty states the objectives of the Community. The point to note is the economic theme that runs through the overall objective: The objectives of the Community shall be to develop policies and programs aimed at widening and deepening cooperation among the Partner States in political, economic, social, and cultural fields, research and technology, defense, security, and legal and judicial affairs, for their mutual benefit (5, 1).

The superpower and multinational corporations' economic diplomacy has always had an effect on the national development of allied states, where some benefit and others lose (Tjonneland, 2011). Chinese economic diplomacy entails the principle of equality, mutual benefits, and the transfer of values, skills, and technology to periphery nations. This policy is a soft power strategy to appeal to allied states such as Kenya. The policy is benefiting Kenya, according to the findings by Patroba (2010), who states that trade relations between China and Kenya have been in Kenya's favor. It is argued that China's economic diplomacy with Kenya is characterized by Chinese concessional loans, zero-interest loans, and debt relief to the recipient states. Studies on this area by Patroba (2010) and Mbaye (2010) have specifically investigated to what extent roads and infrastructural development funded by China have fostered infrastructural development in Kenya.

The objective of the study was to examine the influence of the Chinese mutual development principle on infrastructure development in Kenya and buttress the research question, which was, to what extent does the Chinese mutual development principle influence infrastructure development in Kenya?

The study was informed by three justifications, namely: academic, policy, and philosophical. Under academics, it was noted that understanding that a bilateral diplomatic relationship is a political process that is largely constructed by the elites to guide states in their internal and external relations is an open secret that is in the public domain. However, what has not been scholarly analyzed is how Chinese economic diplomacy is fostering infrastructural development in Kenya. According to an analysis by the World Bank (2013), all along, Kenya's economic policies have been influenced by not only domestic challenges but also external factors, particularly the realities of liberalization and globalization. The World Bank (2013) goes ahead to observe that Kenya is currently in pursuance of the Vision 2030 policy, which seeks to make Kenya a newly industrialized state with high living standards for its people. As much as Kenya is a member of international bodies that guarantee private investors against non-commercial risk, there is inadequate documentation on policy steps that would be taken by Kenya to cushion it against exploitative bilateral relations, which informed the policy justification, while the philosophical aspect was guided by the positivist philosophical approach given that it's an objective investigation on how Chinese economic diplomacy is fostering infrastructural development in Kenya. Although, according to Bevir (2002), the positivist approach has been a recurrent theme in the history of western thought, modern positivism was first articulated in the early 19<sup>th</sup> century by Auguste Comte. Bevir (2002) adds that Comte's school of sociological positivism holds that society, like the physical world, operates according to general laws, while Fadhel (2002) argues that positivists hold

that human understanding is gained through the application of reason. This implies that through research, one can acquire knowledge that increasingly approximates the real nature of what is being investigated. In this study, the researcher did not have any manipulative or influencing power over the happenings on the issues under investigation but was simply an examiner, assessor, and evaluator of the circumstances.

## II. LITERATURE REVIEW

### 2.1 Theoretical Framework

According to Wasike and Odhiambo (2016), “everyone uses theories, whether they know it or not. One cannot analyze data without resorting to causal explanations. But theories often lack the specificity needed to make and implement decisions. As a result, policymakers are often dismissive of the value of theories. No single theory captures the complexity of contemporary world politics. Theories of international relations seek to explain what states try to achieve in the external realm and when they try to achieve it. The study used power theory, modernization theory, and dependency theory. Weber (1947) defined power as the probability of one actor within a social relationship being in a position to carry out his own will despite resistance. Nye (2005) explains that the soft power of a country rests primarily on three resources: its culture (in places where it is attractive to others), its political values (when it lives up to them at home and abroad), and its foreign policies (when they are seen as legitimate and having moral authority). This is the situation China, in its economic diplomacy, claims to offer Kenya’s infrastructural development. This theory will therefore help the researcher understand the Kenya-China bilateral relationship as it addresses the first objective, which is to identify the infrastructural projects funded by China in Kenya. Modernization theory, as a corpus of development theory, emerged in the US in the 1940s and early 1950s.

The proponents of modernization theory, like Hussain and Tribe (1981); Lenin (1964); Ellis and Biggs (2001); Smith (1973); and Bert (1960), assumed that the process of industrialization, which affected most western states in the 18<sup>th</sup> and 19<sup>th</sup> centuries and has continued to affect other states, is both a liberating and progressive force that provides a model for all other states and societies to imitate. Proponents of this theory suggest that deviance in the form of political revolution and technological advancement in infrastructure may bring development to developing states (Bert, 1960). Kenya can therefore, based on this theory, achieve infrastructural development through its bilateral relations with China (a more developed state). China, in this case, will act as a model for Kenya to emulate.

Dependency theory holds that “the condition of underdevelopment is precisely the result of the incorporation of the Third World economies into the capitalist world system, which is dominated by the West and North America”, Randall and Theobald (1998) Hence, in development studies, dependency implies a situation in which a particular country or region relies on another for support, “survival,” and growth. Given that China emphasizes a mutually beneficial relationship with its allied states, this has been reflected in power theory and modernization, and dependency theory alone does not fully address the objective of the study. This therefore justifies the need for an analysis based on concepts from the three theories to inform the objective of the study.

### 2.2 Empirical Review

#### 2.2.1 Chinese Mutual Development Principle on Development of Infrastructure in Kenya

Baker (2020) explains that the driving factors of China’s foreign aid have changed over time, from political ideology to economic pragmatism with a focus on securing access to natural resources to meet the growing demand of its rapid economic development at home and on facilitating its trade and investment overseas. Entering the 21st century, China’s foreign aid does not just serve its domestic economic interests but is also becoming a channel for China to participate in global governance and promote a new international order. China’s geostrategic ambitions and sense of great-power responsibility have become a new political ideology and an increasingly important factor guiding Chinese foreign aid, with different approaches and a broader agenda. This suggests that China’s development cooperation in Africa both serves its economic interests and contributes to its identity-building as a responsible great power, which finally ended with the examination of the Chinese mutual development principle on the development of infrastructure in Kenya.

#### 2.2.2 Principles of Peaceful Coexistence

Dietz and Kyriakos (2012), in their study on Principles of Peaceful Coexistence, found that good neighborliness preventing external instabilities from spilling over to fuel frictions is a rhetoric that is characteristic of Chinese foreign policy. In 1954, then Prime Minister Zhou Enlai introduced five principles of peaceful coexistence during negotiations with India over the Tibet issue. These were: mutual respect for sovereignty, mutual non-

aggression, non-interference with the internal affairs of other countries, equality and mutual benefit, and peaceful coexistence.

Robin (2000), in an assessment of China's non-interference with state sovereignty, found out that Taoism is a principle supported by customary law and well documented in the Charter of the United Nations that almost every independent state subscribes to. For China, non-interference became weighty in the 1950s. Following US extended protection to the nationalist Kuomintang-Taiwan government (currently referred to as the Republic of China) and its later interference in the Korean War, China had to formalize the principle of noninterference in its external relations. Indeed, China saw the step by the U.S. to protect Taiwan as interference in the Civil War.

Condon (2012) examines the principle of non-interference in aid to Kenya. He then notes that a notable example of China's emphasis on its principle of non-interference is a case where China seemed to abide by its principle of non-interference in 2006. On April 28, 2006, the Dutch government announced that it was suspending nearly \$150 million in aid to Kenya because of its failure to counter corruption. At the same time, in Nairobi, China was signing a major oil exploration agreement in exchange for road building, the construction of a sports center, and infrastructure support for rice growers. This debate on what China's contemporary engagement portends for Africa has been on and on. Undoubtedly, China's engagements with Africa, especially in countries like Sudan and Zimbabwe, have generated a lot of questions and debates on China's principle of non-interference. This inconsistency in the applicability of this principle is also evident in Kenya.

The Africa Policy Institute (2014) evaluated China's role in security affairs. The institute reported that Sino-African relations are anchored on the principle of non-interference in the domestic affairs of other countries, and China has taken a greater role in security affairs. It has recently extended its cooperation with Kenya to the military arena in what appears to be a desire to secure interests.

Angelskar (2013), on an assessment of the Chinese government's trustworthy and friendly diplomacy toward developing nations. He reported in his study that as China attempts to increase its influence in the region, its government needs to communicate to wary allied states that the country's rise is a peaceful one. China's Buddhist diplomacy is additionally intended to project the country as the global patron and sponsor of the Buddhist world. This type of diplomacy appears to be aimed at its domestic audience. The Beijing authorities hope that promoting Buddhism internationally will generate strong appeal among Buddhists in China. They also hope to build stronger ties with both Taiwan and Hong Kong.

### 2.2.3 Chinese Negotiating Strategy

Graham and Lam (2003) further discovered that there are eight negotiation elements of Chinese business strategy. The first one is *guanxi*, meaning personal connections. The Chinese value relationships among friends, relatives, and close associates. Favors are always remembered and returned, though not necessarily right away, and ignoring reciprocity is considered immoral. The second element is *Zhongjian Ren*, which refers to the intermediary. An intermediary is important during meetings with strangers. This trusted business associate connects one with one's trusted associate, creating a personal link to one's target, organization, or executive. Intermediaries interpret the negotiator's moods, body language, and facial expressions. They, not negotiators, first raise business issues for discussion and often settle differences. Third is *Shehul denji*, which refers to social status. In Chinese business strategy, it is held that sending a low-level representative to a high-level negotiation can compromise the deal. Casualness about social status is not tolerated among people who strongly follow Confucian values of obedience and deference to superiors. The fourth element is *Renji hexie*, which refers to interpersonal harmony. Relationships of equals are cemented through friendships and positive feelings generated during months of home visits and long dinners.

Any attempt to do business without first establishing harmony is considered rude. The fifth element is *Zhengti guannian*, or holistic thinking: Chinese discuss issues simultaneously in apparently haphazard order, emphasizing the whole package over details, and nothing is settled until everything is. This holistic thinking contrasts with the Western linear approach and spawns the greatest tension between negotiating teams. Sixth is *Jiejian*, meaning thrift. Chinese bargain intensely overpriced, pudding offers with room to maneuver and using silence and patience as tactics. They expect both sides to make concessions, often after weeks of haggling. The seventh element is *mianzi*, meaning face or social capital. A broken promise or display of anger or aggression causes mutual loss of face, disastrous to any deal. The last element is *Chiku Nailao*, which refers to endurance and relentlessness. The Chinese value relentless hard work, and they prepare diligently for negotiations and expect long bargaining sessions.

## 2.2.4 Concept of Period of Strategic Opportunity

Bergsten *et al.* (2007), in their Foreign Relations Scholarly Work, examine China's relations with its periphery and major powers and claim that the concept of a period of strategic opportunity, which was conceived in 2002, describes the period between 2007 and 2027. They continue to say that this is expected to be a period during which China's relations with its periphery and major powers such as the United States are expected to remain essentially stable.

Kang (2007) assessed the Chinese concept of a period of strategic opportunity and revealed that the concept is meant to allow China to focus its attention on 'building a well-off society' at home. With America's strategic spotlight focused on counterterrorism and Iraq, China perceived a period of strategic opportunity (*zhanlue jiyu qi*) in which it could concentrate on developing its comprehensive national power. This is perceived as allowing China to have a more relaxed international environment while America reduces its earnest efforts against China. China can use this opportunity to pursue a cooperative relationship in counterterrorism, trade, and curbing Taiwan's independence.

Kang (2007) further notes that, despite the success so far achieved by the Chinese concept of a period of strategic opportunity, China's period of strategic opportunity might come to an end once America's counterterrorism efforts cease to be the priority. He argues that the U.S. believes that its security interests will be lost if it allows another power to dominate Asia (or Europe). He asserts that China has become the main adversary (*zhuyao duishou*) in America's Asia strategy because China's rise will pose a structural challenge to American hegemony in the Asia-Pacific region. Uncertainty about each other's intentions is driving a security dilemma between the U.S. and China. China, for example, charges that America's improved military ties with Taiwan are emboldening the island to pursue independence and thus damaging China's vital interests.

## III. METHODOLOGY

### 4.1 Research Design

A historical research design was used since it was suitable for tracing the historical context of the study, including documentary analysis. It is the systematic collection of past data and, subsequently, the identification, classification, arrangement, clarification, evaluation, synthesizing, elaborated, developed, and published by means of scientific methods (Hroch in Mohajan, 2018). According to Kothari (2004), survey research design enabled the researcher to obtain insight into relationships between variables and new ideas that were related to the problem. He adds that for a design of this nature, literate people who are competent and can contribute new ideas may be purposefully selected as a source of data to ensure a representation of different types of experiences. Therefore, historical research designs allowed the researcher to collect people's opinions about how China's economic diplomacy has fostered infrastructural development in Kenya since 1963. This eventually allowed the researcher to collect quantitative and qualitative data that was easily analyzed. It also gave room for a wider representation of respondents from state and non-state corporations engaged in economic diplomacy and infrastructural development in Kenya.

## III. RESEARCH METHODOLOGY

This study used a historical research design since it was suitable for tracing the historical context of the study, including documentary analysis. The procedures of historical research are similar to those of other types of research. It is the systematic collection of past data and, subsequently, the identification, classification, arrangement, clarification, evaluation, synthesizing, elaborated, developed, and published by means of scientific methods (Mohajan, 2018). The study area was Kenya, and specific study locations are Nairobi, Kiambu, and Lamu counties, where China-funded infrastructure projects are found. The target population was from the Ministry of Transport and Infrastructural Development, the Ministry of Foreign Affairs and International Trade, the National Treasury, the Kenya Bureau of Statistics, the Kenya Chambers of Commerce and Industry, the Ministry of Interior, officers from Confucian Institutes, officers from the Chinese Embassy, and the Kenya Investment Authority. Ministry of Health, KUTRRH, Ministry of Youth Affairs, Sports, and the Arts. The sample size was 384 participants, selected using both purposive and random sampling procedures. The primary data was collected using questionnaires, interview guides, focus group discussion guides, archival documents, and secondary data from books, journals, newspapers, magazines, and other relevant sources.

Data from questionnaires and interviews were organized and coded according to the specific research objectives and questions. Kothari (2004) states that coding is the process of assigning numerals or other symbols to answers so that responses are put into a limited number of categories or classes. He contends that this is necessary for



efficient analysis, and through it, the various responses were condensed into a small number of classes that contained the vital information that was required for analysis. After coding and theme identification, the data was analyzed through a descriptive, analytical approach. The researcher used version 27 of the statistical package for social sciences (SPSS) to analyze quantitative data that was collected from questionnaires and interviews. The data obtained was presented in percentages using pie charts, bar graphs, and tables. Secondary data, like libraries and the internet, was analyzed through content and thematic analysis of the information generated.

#### IV. RESULTS & DISCUSSIONS

##### 4.1 Mutual Benefit in Kenya-China Bilateral Relations

According to Chege (2015), China’s extensive economic entry into Africa has been poorly perceived in most literature. This scholar was critical of the existing literature, which alluded to the fact that African economies are under threat from malevolent Chinese investment strategies and a flood of cheap manufactured goods. When views from Kenyan political elites are compared with those of Chinese officials, it emerges that Kenya prefers Chinese development finance because of a shared vision of the development path. In other words, Chinese officials understand Kenya’s development vision in the same way Kenyan policymakers understand Chinese development aspirations. It was established that both sides understand development as rapid economic growth.

However, Chege (2015) contended that in the Kenyan case, the relationship has been mutually beneficial. Ochieng and Okoth (2015) corroborated the findings of Chege by stating that China has maintained and pursued cooperation approaches to international affairs and reiterated that its commitment to the path of peaceful development and the win-win strategy continues its path of opening up to the outside world. The notion of peaceful coexistence in China is captured in Table 1.

**Table 1**  
*Respondents’ Rating of Principles of China’s Economic Diplomacy to Kenya (N=23)*

Principle	Rating		
	Totally agree	Disagree	Uncertain
Mutual benefit	21(91.30%)	1(4.34%)	1(4.34%)
Non-interference in each other’s internal affairs	20(86.95%)	1 (4.34%)	1(4.34%)
Equality	1(4.34%)	18(78.26%)	4(17.39%)
Mutual respect for sovereign and territorial integrity	19(82.60%)	3(13.04%)	1(4.34%)
Mutual non-aggression	19(82.60%)	2(8.69%)	2(8.69%)

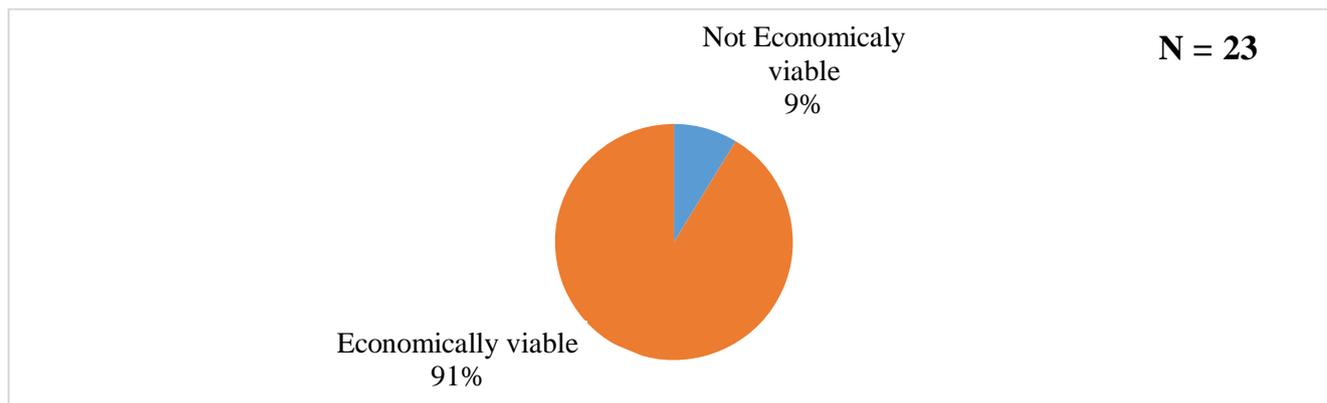
Graham and Lam (2003), further discovered that there are Eight Negotiation Elements of Chinese business strategy. The first one is *Guanxi*, meaning Personal connections. The Chinese value relationships among friends, relatives and close associates. Favors are always remembered and returned, though not necessarily right away, and ignoring reciprocity, *Hui bao* is considered Immoral. The second element is *Zhongjian ren* which refers to the intermediary. An intermediary is important during meetings with strangers. This trusted business associate connects one with one’s trusted associate, creating a personal link to one’s target, organization or executive. Intermediaries interpret negotiator’s moods, the body language, and facial expressions. They, not negotiators first raise business issues for discussion, and often settle differences. Third is *Shehul denji*, which refers to social status. In Chinese business strategy, it is held that sending a low-level representative to a high-level negotiation can compromise the deal. Casualness about social status is not tolerated among people who strongly follow Confucian values of obedience and deference to superiors. The fourth element is *Renji hexie* which refers to interpersonal harmony. Relationships of equals are cemented through friendships and positive feelings, generated during months of home visits and long dinners.

Any attempt to do business without first establishing harmony is considered rude. The fifth element is *Zhengti guannian*, -holistic thinking: Chinese discuss issues simultaneously in apparently haphazard order, emphasizing the whole package over details, and nothing is settled until everything is. This holistic thinking contrasts with Western linear approach, and spawns the greatest tension between negotiating teams. Sixth is *Jiejian*, meaning Thrift. Chinese bargain intensely overprice, pudding offers with room to maneuver and using silence and patience as tactics. They expect both sides to make concessions, often after weeks of haggling. The seventh element is *Mianzi* meaning face or social capital. A broken promise or display of anger or aggression causes mutual loss of face,

disastrous to any deal. The last element is *Chiku nailao* which refers to endurance and relentless. The Chinese value relentless hard work and they prepare diligently for negotiations and expect long bargaining sessions.

#### 4.2 Economic Viability of Chinese Loans to Kenya’s Infrastructural Development

This study found out that Chinese loans to Kenya’s infrastructural projects are given at an interest rate of (2.0%) with a grace period of 7years. This is coupled with a repayment period of 20 yrs plus a commitment fee of (0.5%) and a management fee of (0.5%). This study revealed that Chinese infrastructural development in Kenya is sustainable as shown in Figure 1. Looking at the key characteristics of how Kenya relates with China, it is evident that China is a core state while Kenya is a peripheral state according to dependency theory. This is because as much as China earns interest from the loans that it gives to Kenya, the terms and conditions are equally favorable to Kenya.

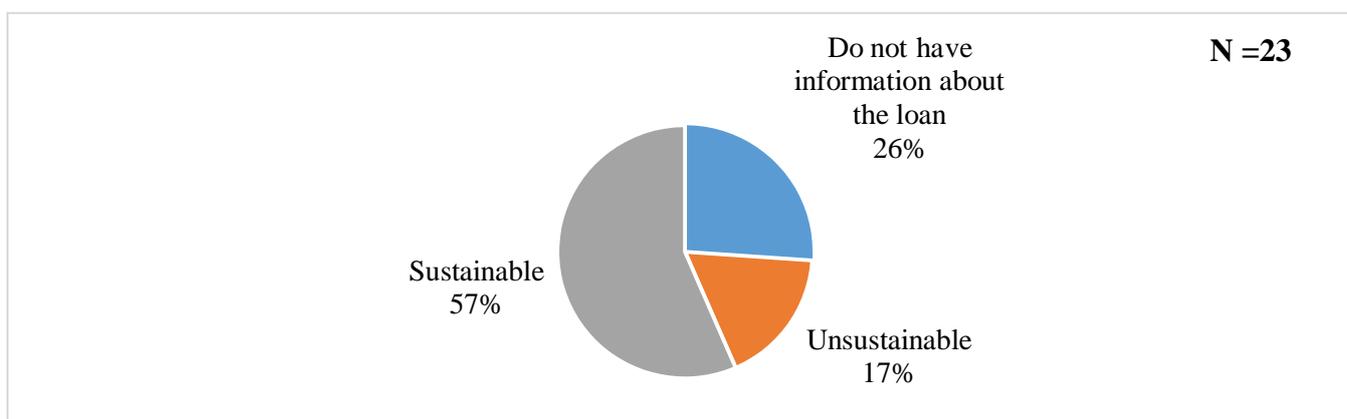


**Figure 1**  
*Views from Respondents on Economic Viability of Chinese loans to Kenya*

Twenty-one (21) respondents out of twenty-three (23) which is (91.30%) rated this infrastructural investment as economically viable to Kenya while two (2) (8.69%) rated it not economically viable to Kenya. Going by the respondents’ view, the researcher concluded that Chinese loans to Kenya is economically viable.

#### 4.3 Sustainability (Interest Rates, Maturity and Grace Period) of Chinese Loans

Thirteen (13) of the respondents which is (56.52%) totally agreed that the loans are sustainable while four (4) (17.39%) found the loan unsustainable as the remaining six (6) (26.08%) had no information about the loans sustainability as shown in Figure 2.



**Figure 3**  
*Views from Respondents on Sustainability of Chinese Loans to Kenya*

Kenya National Chambers of Commerce and industry during a focus group discussion had the following to say on sustainability of Chinese funding infrastructural projects in Kenya:

*The projects are sustainable hence economically viable as the support is opening economic opportunities in the region (Adminstrator, 18/5/2023, Nairobi).*

The statement affirms the allegation that although Kenya does not have the resources that attract China to other states, Kenya is strategically placed as a get way for trade in Eastern and Central Africa.

#### 4.4 Greater Beneficiary between China and Kenya

The researcher required the respondents to state which states between Kenya and China do benefit from the funding of infrastructural projects by China both in the long term and short term. The responses found were as follows in Table 2:

**Table 2**

*Respondents: Level of Agreement on the Greater Benefactor between China and Kenya (N=23)*

China's infrastructural projects in Kenya	Totally agree	Disagree	Undecided
Are beneficial to both states at the same degree	4(17.39%)	14(60.86%)	6(26.08%)
Are only benefitting China	21(91.30%)	2(8.69%)	0(0.00%)
Are only befitting Kenya	3(13.04%)	15(65.21%)	5(21.73%)
Are largely in Kenya's favor	18(78.26%)	0(0.00%)	5(21.73%)
Are largely in China's favour	21(91.30%)	0(0.00%)	2(8.69%)
Are currently largely in China's favour but will gradually favour Kenya	21(91.30%)	2(8.69%)	0(0.00%)
Are currently in Kenya's favour but will gradually favour China	2(8.69%)	0(0.00%)	21(91.30%)

The findings as tabulated in Table 2 revealed that China will benefit more from the infrastructural projects it funds in Kenya both in long and short term. Twenty-one (21) out of twenty-three (23) respondents which is (91.30%) totally agreed that only China is benefitting. On the other hand, twenty-one (21) respondents which is (91.30%) indicated they are largely favoring China. The same respondents of (91.30%) revealed that Chinese infrastructural projects in Kenya are largely in China's favor but will gradually favor Kenya. An interview done to a senior director from Kenya's National Chamber of Commerce argued in favor of the assertion saying that:

*Kenya also exports a lot to China and they offer Kenyan companies favorable contracts. This is done in exchange of the infrastructural projects awarded to the Chinese (senior director, 3/5/2023, Nairobi).*

China's effort to fill the gap of the trade imbalance between itself and Kenya was revealed by this argument. Of the twenty-three (23) respondents, three (3) (13.04%) agreed that Kenya stands to benefit while two (2) (8.69%) revealed that Chinese infrastructural projects in Kenya are currently in Kenya's favor but gradually favor China. They cited resource exploitation in exchange for funding infrastructural projects as a threat to Kenya. An administrator from ministry of interior added that:

*These infrastructural projects funded by China are the ones making our leaders to allow China to import so many products to Kenya thus killing our local industries. Kenya Imports a lot of products from China which make Chinese companies and citizens to benefit. So as much as it looks as if it is favoring Kenya, it will gradually kill our industries in China's favor (Administrator, 18/5/2023, Kiambu).*

According to this respondent, there is fear that Chinese imports in Kenya are threatening the local industry. He argued that as much as the current picture seems to favor Kenya, if the trend continued, China would stand to benefit as Kenya industries would be dying slowly. This assertion is equally held by Wanjiku (2018) who suggested that China really underscores the conditionality in assuring privileges for Chinese companies. However, none of the respondents was undecided on whether these infrastructural projects are only benefitting China but will gradually favor Kenya. Therefore, this study concluded that engagements between China and Kenya in infrastructural projects that Chinese fund in Kenya are largely in China's favor.

This is corroborated by Juma & Odhiambo (2021) in their article: Geo-Political factors Influencing Kenya and Tanzania Foreign Policy Behaviour Since 1967. "The south-south in this case Kenya and Tanzania cooperation can be traced back to the historic Asian-African Conference, or the Bandung Conference, held in Indonesia on April 18-24, 1955, to promote political self-determination, mutual respect for sovereignty, non-aggression, noninterference in internal affairs and equality."

## V. CONCLUSIONS & RECOMMENDATIONS

### 5.1 Conclusions

China's economic diplomacy is guided by its five principles of peaceful coexistence. The most popular principle in China-Kenya relations has been cited as being that of mutual benefit. The study revealed that Chinese loans to Kenya's development of infrastructure were given at an interest rate of 2.0% with a grace period of 7 years. This is coupled with a repayment period of 20 years plus a commitment fee of 0.5% and a management fee of 0.5%. These revelations were, however, marred with a lot of secrecy. These terms and conditions have been described as being economically viable and sustainable, but largely in China's favor.

This study has further revealed that Kenya is still largely reliant on its traditional donors for funding and that its relations with China have even strengthened its ties with Western countries. This is due to the fact that Western states are fighting for their place in Eastern Africa, which is gradually being taken over by China.

The study concluded that Chinese values are guided by the three Chinese philosophies of Confucianism, Taoism, and Buddhism. Along this line, it can be concluded that the transfer of these values as entrenched in China's foreign economic policy is low for Chinese road construction firms in Kenya. The study further concluded that China's capacity building is expected to spur economic growth in Kenya. This revelation attests to the truth behind China's principle of mutual development in its bilateral trade relations.

### 5.2. Recommendation

The researcher recommends that given the revelation that China is actually out to ensure a mutually beneficial relationship with its allied states, Kenya should to further strengthen its ties with China. However, Kenya should not adopt a "Look East policy" but instead maintain its non-Aligned policy. The Kenyan government through its relevant agencies should also put regulatory measures to ensure that Chinese imports are of standard quality. China should offer more aid to Kenya to mitigate the deficit, or in certain cases curtail Chinese exports to reduce the imbalance.

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