

UNIVERSITY OF NAIROBI
INSTITUTE OF DIPLOMACY AND INTERNATIONAL STUDIES

**THE ROLE OF ITALIAN ORGANIZATIONS IN ENHANCING BILATERAL
RELATIONS BETWEEN KENYA AND ITALY**

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ABSTRACT

With the rise of Globalization, the need for cordial relationships with other countries has become an integral part of every country's mandate. Countries have learnt to forge mutually beneficial relationships to facilitate growth and development. Failed relations can have dire consequences for the countries in question. The Bilateral relations between Italy and Kenya have considerably been on the rise with possible inflow to both countries in culture, governance approach, social capital developments, investments, and international mutual participations. However, the optimal net-worth of these relations has not been realized. This study sought to determine the role of Italian organizations in enhancing bilateral relations between Kenya and Italy. The study further sought to objectively focus on the current-status of affairs, factors inhibiting robust Kenya-Italy bilateral relations and the role of Italian Organizations in enhancing the Kenya-Italy bilateral relations. The study applied a case study research design with collection of data undertaken through a structured questionnaire and secondary data focusing on a target of 200 respondents for the collection of data, analysis, conclusion, and recommendations. The study found that there are currently many areas of cooperation between Kenya and Italy and therefore the bilateral relations between the two countries are in a positive trajectory. Currently Kenya and Italy have cooperation agreements in trade, agriculture, water and sanitation, education, health, rural and slum development, infrastructure, and security. However, cooperation between the two countries is not at optimum levels because Italian organizations have not fully enhanced the relations between the two countries. Factors such as political unrest in Kenya especially during electioneering periods, corruption, low per capita income in Kenya, high trade tariffs, unfavourable foreign policy, economic slow-down in the two countries, fluctuation in exchange rates, terrorism and other forms of crime such as drug trafficking and money laundering have also inhibited robust Kenya-Italy relations. The study concluded that Italian organizations can fully enhance the Kenya -Italy relations through increasing Foreign Direct Investments in Kenya, helping the Kenya Government in the fight against terrorism, insecurity and corruption, increasing cultural integration activities, enhancing cooperation in joint scientific projects, coming up with initiatives that foster peace and political stability in the country, and increasing development projects in various sectors in the country.

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Background to the Study

Foreign relations are integral to the development of every country.¹ They are critical in defining the overall international relationships. Foreign relations may be country-to-country, country to regions or/and country to global inclusions. The lacking foreign relations as a State maybe limiting to other existance provisions, benefits, and participatory activities that play part in a national choice for engagement by other nations.² This can best be illustrated in the case of the Cuba where an embargo restricting American companies from doing business with Cuba have severally affected Cuba's economic growth for years, while both countries are now working toward better foreign relations the effects of those failed relations will most likely be felt by Cuba for many more years to come.³

Organizations, state officers and other private sector and institutions have a hand in the relations and enhancement of country-to-country relations.⁴ Nations may lack the bilateral relations however; individual or entities may have good working relations with specific or majority countries. Their role in participation and engagement creates indirect or direct relations. Religious institutions and academic entities fall in such examples that are subjects of relation creation.

¹ Kripa S. Federalism and Foreign Relations: the Nascent Role of the Indian States. *Asian Studies Review*. December 2003. P. 2.

² Pollack, M. A. "International relations theory and European integration," *Journal of Common Market Studies*, vol. 39, no. 2, pp.221-244, 2001

³<http://www.globalsecurity.org/military/world/cuba/forrel.htm>

⁴<http://www.diplomatie.gouv.fr/en/the-ministry-of-foreign-affairs/external-activities/article/promoting-bilateral-relations>

Countries establish Embassies, Consulates and Territorial offices to boost the administration, negotiation and to represent their interests in another country (bilateral) or region (multi-lateral) or other representatives in global multilateral bodies such as the United Nations, World Trade Organizations among others.⁵ The representation in each of the areas of interest is in line with a specific agenda such as trade, cultural exchange, and natural calamity control, military power endowment among other specific or extensive matters. To that end, foreign policy is used to steer forward the foreign relations of a country.⁶

Foreign policy is simply defined as a collection of strategies applied by governments to put forward their primary agenda into the international arena with the inclusion of all parties in both public and private sectors.⁷ The continental approach with increased bilateral ties by the colonial masters and other developed relations by virtue of common interests or the language and cultural coexistence have progressively had a positive significance in steering the foreign relations.⁸ Good long-term relations between countries have occasioned developments and foreign engagements. Most of these countries have recorded either slow or silent growth in the relations progress with most merely based on the basic diplomatic functioning than more engagements and support relations that have an overall reflection in the society, Government operationalization and economic situations.

⁵ P. V. Maior, "The European Union as a federal polity? An input to an unfinished symphony," in Proc. the 21st World Congress of the International Political Science Association (IPSA), Santiago, Chile, July 12-16, 2009, pp. 19.

⁶ T. Christiansen, K. E. Jørgensen, and A. Wiener, "The social construction of Europe," *Journal of European Public Policy*, vol. 6, no. 4, pp. 528-544, 1999.

⁷ Kripa S. Federalism and Foreign Relations: the Nascent Role of the Indian States. *Asian Studies Review*. December 2003. P. 3.

⁸ Pollack, M. A. "International relations theory and European integration," *Journal of Common Market Studies*, vol. 39, no. 2, pp.221-244, 2001.

Sometimes relations between countries may become acrimonious which could lead to the closure of resident representative accreditations. However, some closures have been due to differences in multilateral participations and others in bilateral foreign policies. This is common with powerful nations. Closing residents and halting accreditations happen when differences arise. Continuity in diplomatic relations requires continuous support, exchanges, trust and confidence in ruling regimes. Diplomatic relations have been a source of merits and demerits depending on the application and levels of relations in bond. Most have recorded considerable wealth increase, exchanges performances, excellence in talent and other resource pooling, increase in exports and imports presenting better balances of trade and overall economic, political and social performances.⁹ Diplomatic relations are gateways to development and growth in country's objectivity and resource endowments.

Government participation, social, capital and political along with the legislature and judiciary add as factorial considerations for diplomatic relations.⁵ The increase of crime and unethical activities slow growth in diplomatic relations. With the higher performance of the economy, ease of doing business and accessibility leading to better diplomatic ties is evident in emerging economies worldwide. In Africa, Rwanda presents itself as good-avenue for more relations and entries. Africa has been a bay to more diplomatic relations with resource endowment and good adaptable climatic conditions, most countries bearing the similarity in the interests have shown immense diplomatic relation interests over time. Participation in the multilateral or global events and territorial waters with safe water transport has attracted similar relations.

⁹ C. Hill and M. Smith, *International Relations and the European Union*, Oxford: Oxford University Press, 2005, P. 52;

Most countries interested in the African countries either present innovative import chains or dually the export chains with significance of benefit by both countries.

1.2 Statement of the Problem

Bilateral relations are pillars to mutual engagements by countries intending to have mutual relations for the benefit and continued support in specified or universal matters.¹⁰ Foreign relations departments strive to create good relations with countries of interests and halted engagements of diplomatic ties with countries deemed not to have expected mutual relationships.¹¹ These actions have caused relations to sour or grow over time.¹² Poor or good relations by relating countries create avenues for growth and development of the bilateral ties and or undertake a transferability of relationship to the enemy parties.¹³ Accommodativeness of each nation is independent in line with their values and national interests, Kenya and Italy have a difference in such interests that define the diplomatic and nationhood engagement period.

Kenya has operational foreign relations with most countries around the globe including the Italian Republic.¹⁴ The Bilateral relations of Italy and Kenya have considerably been on the rise with possible inflow on both countries in culture, governance approach, social capital developments, investments and international mutual participations. The net worth of such has not been ascertained hence the study of the role of Italian organizations in enhancing bilateral relations between Kenya and

¹⁰ Christiansen, T. K. E. Jørgensen, and A. Wiener, "The social construction of Europe," *Journal of European Public Policy*, vol. 6, no. 4, pp. 528-544, 1999.

¹¹ Öztürk, E. Ç. "Identity, Foreign Policy and Reconciliation: An assessment of the national identity and bilateral relations within the context of constructivist theory," *New Turkey*, vol. 60, 9, 2014;

¹² Jackson, R. and G. Sørensen, *Introduction to International Relations Theories and Approaches*, Oxford: Oxford University Press, 2003.

¹³ Aalberts, T. "The future of sovereignty in multilevel governance Europe – A constructivist reading," *Journal of Common Market Studies*, vol. 42, no. 1, pp. 23-46, 2004

¹⁴ http://www.ambnairobi.esteri.it/ambasciata_nairobi/en/i_rapporti_bilaterali/cooperazione_politica

Italy. The lack of studies on the subject area of study motivated the study to answer the question: what is the role of Italian organizations in enhancing bilateral relations between Kenya and Italy?

1.3 Research Questions

- i. What is the current-status of the Kenya-Italy bilateral relations?
- ii. What are the factors inhibiting robust Kenya-Italy bilateral relations?
- iii. What is the role of Italian organizations in enhancing Kenya-Italy bilateral relations?

1.3.1 Objectives

General Objective

The study seeks to examine the role of Italian organizations in enhancing bilateral relations between Kenya and Italy.

The specific objectives are:

- i. To assess the current status of the Kenya-Italy bilateral relations
- ii. To examine the factors inhibiting robust Kenya-Italy bilateral relations
- iii. To critically analyze the role of Italian organizations in enhancing Kenya-Italy bilateral relations.

1.4 Justification

1.4.1 Academic Justification

The study is a text for reference, subject to additional inclusions and deductions (where applicable) and provides further endeavors for possible researchable areas. In

addition, the study provides new insights into the bilateral relations between the two countries.

1.4.2 Policy Justification

The study is of great resource to the policy makers of the two countries in particular Kenya in research, development, execution and overall diplomatic practice and indeed the review process. In addition, the technical inclusions would largely be contributed through the findings of this study. Further, policy makers would have new approaches in technical relations and contribute or change the traditional models of negotiations.

1.5 Literature Review

This section looks at the role of Italian organizations in improving bilateral relations from global, regional and national perspectives. This section discusses the Marxism, Realism and Liberalism theories of inter-state relations.¹⁵

1.5.1 The Realism Theory in International Relations

The realism theory posits independence in the actions of the States on relations with other States, international dynamics with considerations of the mutual benefits and endurances. Theory improved by Kenneth Waltz; the theory falls well in the explanation of the bilateral relations between countries and the independent mutual organizational approaches towards the very relating countries. The theory answers the interests, sustainability and corrective of the diplomatic endeavors of the States globally. Nations relate bilaterally, internationally and regionally in the execution of their agreeable interests. Over time, nations have participated as collection in global,

¹⁵International Relations Theory. (2017). Internationalrelations.org. Retrieved 14 October 2017, from <http://internationalrelations.org/international-relations-theory/>

regional or bilateral activities such as those in the cumulative of political, economic and social subjects for the survival.

Participation in global issues of concern has over time generated mistrust and closure of bilateral relations by nations. This is common with participatory decisions by the nations in wars, combating terrorism and mutual support in averting a natural calamity whereby either of the nations is not part of with which the other party finds converse. A case in point is where nations that have encouraged the growth of narcotics and transit channels for the sale of drugs and other crime related activities have caused challenges in the bilateral relations of nations. Another example is the recent immigrant crisis where the crossing of the maritime bodies and high-water seas of the human traffickers, has induced a conflict in relations of the nation is encouraging such which is in breach to international agreeable treaties. However, with realist approach of the nations, bilateral relations do remain independently motivated by the government of the day's interests and choices.

The realists argue that political view should be as it is currently, and not how one would wish the world would be¹⁶. Whichever action taken by two countries in agreement, should be taken as they depict and imply. When one of the two countries fail to uphold an agreement, the realists suggest that the statement implies there will be no cooperation between the two countries going forward.

¹⁶Realism in International Relations. (2017). Internationalrelations.org. Retrieved 14 October 2017, from http://internationalrelations.org/realism_in_international_relations/

The realism theory states that every country has a primary interest of self-preservation. It shows that every country must seek power and always protect itself.¹⁷

In all agreements that a country enters into, the terms and conditions stipulated will always be in its favour. The theory states that all agreements will be favorable to its development and its increment of power. The realists suggest that all countries in the International community will try to amass power at all costs. Every agreement in International relations aims to preserve its interests solely and align itself with powerful countries.¹⁸

The Realists also suggest that the only valid form of power is the military forces. They suggest that the world is a harsh and a dangerous place, therefore, every country should always arm its military to be able to fight in wars when needed to be. The power shows its military prowess and its ability to outdo its opponents. In addition, realists believe that when it comes to negotiations, countries with the strongest military have the strongest bargaining power.

1.5.2 The Liberalism Theory in International Relations

The liberals are the opposite and the primary opponents of the realists. The works of Locke's ideology inspire the liberalists. The liberals believe that the human nature is neutral on everything and that its ability improves through education.¹⁹ They have various assumptions inter-state relations.

¹⁷SparkNotes Editors. (2010). SparkNotes on International Politics. Retrieved October 12, 2017, from <http://www.sparknotes.com/us-government-and-politics/political-science/international-politics/>

¹⁸SparkNotes Editors. (2010). SparkNote on International Politics. Retrieved October 12, 2017, from <http://www.sparknotes.com/us-government-and-politics/political-science/international-politics/>

¹⁹Principles of Liberalism in International Relations. (2017). Katehon think tank. Geopolitics & Tradition. Retrieved 14 October 2017, from <http://katehon.com/article/principles-liberalism-international-relations>

The liberals believe that the increase in globalization has led to a rapid rise in communication technology, and the increased international trade means that countries can no longer rely on pure power politics to decide matters. This view means they have to rely on their country's economic power to provide goods and services to its people.

The liberals also suggest that like the realists, the world is a harsh and dangerous place but then the consequences of using military power to suppress other states most times surpass its benefits. Therefore, in the interest of protecting the country, they should try international cooperation. The country should always opt for international cooperation on all matters when dealing with other countries, in place of military prowess.

The liberals also assume that countries that go into agreements should be governed by international rules and international organizations to promote peace, cooperation, and prosperity in their countries. The liberals of this time believe countries in the same international organizations will always have the same principles and objectives in how their governments run economically. The theory stands for countries who have signed the same accord, to govern how they make their policies to ensure that there is peace and prosperity economically and socially.

1.5.3 The Marxist Theory of International Relations

Marxism is a theory of international relations based on the thoughts of Karl Marx. The theory came as a reaction to the thinking by liberalism economic theories.²⁰ Karl Marx was born in France, in a town called Trier. Karl advocated for international relations that exploited the worker who makes the product available in the market.

Marxists have gone against liberal thinkers like Adam Smith, who advocates that the government should have no part to play in the determination of market prices. Adam Smith suggests that the forces of demand and supply should determine the market prices. Marxists oppose this idea because as much as it gives low costs to consumers' through competition, it neglects the price and pay of the worker making the product. Since the prices of products will be low, the pay for the worker per product will consequently be low.

Marxists theory explain that the liberals' idea of the economy makes the rich get richer and those in powers become more powerful. The Marxists believe that the economic elite organizations use their economic power to exploit the state. For them, economic elite organizations can influence the working class or even use the domestic and international political organizations, economic institutions. The elite could even use laws to their advantage at the expense of those grinding to make the products.²¹ The Marxists are against organizations like the World Bank and the IMF for advocating policies of privatization of government businesses. They believe that the

²⁰Buecker, R. (2003). Karl Marx's Conception of International Relations. *Glendon Papers*, 2003, pages 49-58

²¹Davenport, A. (2011). Marxism in IR: Condemned to a Realist fate? *European Journal of International Relations*, Vol. 19, No. 1, pages 27-48. Available Online: <http://ejt.sagepub.com/content/19/1/27.full.pdf+html>

privatization of businesses means that those making products suffer from low wages, as the privately-run businesses may aim to reduce costs.

1.5.4 Bilateral Relations of States and Non-State Actors

A bilateral relation is a constituent of several items that includes political economic and cultural relations between two independent states. This is in contrast to unilateralism, which is an activity by one state or multiple states respectively.²² Through bilateral agreements, countries recognize one another as sovereign and agree to develop diplomatic relations. This enables them to develop diplomatic relations in a way that they can interchange diplomatic agents such as ambassadors to enhance cooperation and dialogue. This promotes peace and stability between countries creating a supportive environment to participate in international business. Two parties that have mutual agreements undertake such an agreement.

States entering into bilateral relations are not excused the occurrence of the challenges or dual problem incurrence in the engagements. Over time, nations have been known to differ on matters to which each nation finds it priority or an incursion against their authority mandates. In particular, nations bordering maritime bodies have had case challenges in relations to what length in distance is owned by each state. The Russian Federation has had bilateral disagreement in relations in the Europe, Baltic and the Asian maritime water bodies with naval patrols by the Russian Federation exceeding the recognized autonomy areas of the relating countries. Somalia and Kenya maritime legal cases depict a challenge in relations between the two countries with cases lodged in the International Courts for boundary determination.

²² C. Hill and M. Smith, *International Relations and the European Union*, Oxford: Oxford University Press, 2005.

The significance of bilateral relations is that it allows countries to carry out economic agreements, for example, Free Trade Agreements (FTA) or Foreign Direct Investment (FDI), which is signed by the countries. Such an agreement is made based on specific traits of the contracting economies whereby they agree to provide special treatment to each other. In addition, the countries bear own societal values and norms to which the citizenry is bound to adopt and inherit.²³ For example, the conservative religious approach and the allowance of liberties is a subject of debate in various countries that present minority grouping and existence. The LGBT cases worldwide apply in countries with civil liberties with conservative constraining such and imposing hefty penalties on the involvement of such activities.²⁴ This realism theory is similarly linked with dependency theory, which simply explains the reliance on one state for another state to undertake given actions, or motives.²⁵

In the less developed countries, dependence is a practical nature and is essential in the field of international relations.²⁶ In the depth of usability, the realists posit that one unit that is sovereign may not achieve the expected goals and other motives in the international system without the support of other units or integration of units.²⁷ However, the reliance for such is subjected to a given magnitude levels and a caveat to other agreeable measures on conventional and signed agreements. In application, most African States depend on the progress of others for survival, support

²³ BA Ackerly M Stern and J True (eds) *Feminist Methodologies for International Relations* (CUP Cambridge 2006).

²⁴ Wolfrum, R. (Ed.) *Max Planck Encyclopaedia of Public International Law* (Oxford University Press, 2011)

²⁵ R. Jackson and G. Sørensen, *Introduction to International Relations Theories and Approaches*, Oxford: Oxford University Press, 2003.

²⁶ J. T. Checkel, "Why comply? Social learning and European identity change," *International Organization*, vol. 55, no. 3, pp. 553-588, 2001.

²⁷ Carnegie, Allison.. "States Held Hostage: Political Hold-Up Problems and the Effects of International Institutions." *American Political Science Review* 108(01) 2014: 54–70.

and even the resource mobility.²⁸ In this case, states with an endowment in resources, highly skilled personnel or including the military and intelligence experience, they are bound to depend on others for usability or execution of the same.²⁹ This is common with the United States (US) case, which largely depends on Military Cooperation Agreements with regions, or bilateral arrangements to bolster its military experience and assert its power globally in other countries with dependency on the situation and too on the topographical experience. Agreements such as commercial cooperation are needful to aid the going concern of enterprises.³⁰ A point in case is where the Multinational Companies (MNCs) play a critical role in the affirmation of the dependency theory.³¹ The production of largescales of products or services provision would require the ready market to facilitate that and so through existing bilateral relations with agreeable terms and conditions, offer a chance to excel in such.³² This is common with companies providing drinks processing, corporate consultancy and military productions.

The bilateral relations present a gateway for increased societal relations in which parties with relations on caveat have the leeway to engage in other countries of relations. Equally, on the political front, bilateral situations are dependent on the relations pooled over time in commonness of relations.³³ For example, the Israeli and Palestine Authority independence and Jerusalem ownership have been a subject of international debate with Israel lately facing increased isolation from other countries.

²⁸ H. S. Ertem, "A Constructivist Approach to the Identity and Security Relationship: "The Identity of the Security" and "The Security of the Identity," *Security Strategies*, vol. 8, no. 16, pp. 177-236, 2012.

²⁹ P. R. Viotti and M. V. Kauppi, *International Relations Theory*, New York: Pearson Education, 2010.

³⁰ S. Guzzini, "A reconstruction of constructivism in international relations," *European Journal of International Relations*, vol. 6, no. 2, pp. 147-182, 2000.

³¹ Aisbett, Emma and Carol McAusland. "Firm Characteristics and Influence on Government Rule-Making: Theory and Evidence." *European Journal of Political Economy* 29(C): 2013. 214–235.

³² E. Ç. Öztürk, "Identity, Foreign Policy and Reconciliation: An assessment of the national identity and bilateral relations within the context of constructivist theory," *New Turkey*, vol. 60, pp. 1-12, 2014.

³³ ED Mansfield and J. Snyder *Electing to Fight: Why Emerging Democracies Go to War* (MIT Cambridge 2005).

The UN stand on the global matters and the overriding approach of the bilateral relations created by countries has significantly shown the increased lack of implementation otherwise the least ineffective mechanism achievement.³⁴Evidenced by this is the UN stand on the Syria civil war that erupted because of the Arab Spring phenomenon. Bilateral relations between Syria and other countries such as Turkey, Jordan and Saudi Arabia been affected. This conflict has affected relations between countries based on their perceived learning in the crisis. A case in point is the support that Russia has extended to the Syrian government that has affected the relations between the US and Russia as the former supports the Free Syrian Army that opposes Bashar Al Assad's regime. States known to act independently on the creation of bilateral ties, with grouping on international matters such as war, humanitarian support and other natural calamities; however, the variance in displaying the powerful nations worldwide has induced externalities on the overall involved parties. France has experienced poor bilateral relations with countries where French international humanitarian institutions operate. These institutions are perceived to be biased and fronting the agenda of France. Cybercrimes within the technology space has been attributed to weak bilateral relations between States. A good example is the whistle blowing website *WikiLeaks* whose leaking of classified information on relations between countries has presented diplomatic challenges between nations. Allies such as the US and Germany, for instance, have had diplomatic challenges following aggravated leaks by the website exposing hacking of top leaders of Germany. This is an example of the neo-positivist approach in which the aggrieved States have changed the foreign relations approach affecting the way the US is viewed.

³⁴www.un.org

1.5.5 Kenya Bilateral Relations with Africa

Kenya plays a pre-eminent leadership role in Africa with over 20 foreign missions.³⁵ It has been a robust player in peacekeeping missions, defining Africa's position at the UN on pertinent issues, among other issues. Kenya is a standing member of the African Union and a robust player in the implementation of the commitments agreed upon by the member States.³⁶ Realism theory explains the State act as being unique, independent with considerable agenda to attain. Over time, Kenya has taken assertive positions at the continental level. The country has recently lobbied African countries to withdraw their support towards the ICC by describing it as a neo-colonial court.³⁷ This has affected its bilateral relations with countries that hold divergent views on the same. Similarly, in regional integration, the intending state does view the other block states as federal states.³⁸ In this, the foreign policy application applies as sought by the focus on the existing commonality in the block or integration region focus. Italy focuses on Africa as a continent with different diplomatic zones. Kenya's aviation carrier, Kenya Airways, has air routes across the continent bolstering trade amongst African countries. The national carrier shows the realistic nature of Kenya's interest in the African continent. By this, the increased bilateral relations are in aid of the Kenyan interest in the reach and harnessing the African States endowment with the overall shared beneficiary.

Kenya has been a vibrant player in supporting the stabilization of countries experiencing civil strife in the continent such as Liberia, Sierra Leone and Somalia. Kenya has also been an active player in the continental and global environment and

³⁵ www.mfa.go.ke

³⁶ www.au.int

³⁷ www.standardmedia.co.ke

³⁸ Ertem, H. S. "A Constructivist Approach to the Identity and Security Relationship: "The Identity of the Security" and "The Security of the Identity," *Security Strategies*, vol. 8, no. 16, pp. 177-236, 2012.

climate change discussions. The country has provided leadership on issues such as ivory ban, game hunting, among others.

Bilateral relations that are unsustainable in the engagement by nations have been considered to be challenging. Most countries and territorial authorities have canceled relations of nations by virtue of contravening the code of relations, the diplomatic treaty violation or the overall breach of regional values and integration principles. A case in point was the boycott of the Mexico Olympic Games where nations protested against the apartheid regime of South Africa and the recent threat of withdrawal of African countries from the International Criminal Court Treaty.³⁹

Kenya has over 70 bilateral ties worldwide with 58 established foreign missions.⁴⁰ Some of them date back to the country's independence. In the East African region, Kenya has been seen as the dominant power as far as diplomatic relations with other countries is concerned. However, competitively Kenya has experienced diplomatic challenges in its dealings with countries such as South Africa, Ghana, Senegal and Egypt, among others. The sustainability of Kenya's diplomatic relations has largely been hinged on significant political developments such as elections, ease of doing business, multilateral activities such as refugee hosting and military support and cooperation in emerging global challenges such as climate change.⁴¹

1.5.6 Kenya Bilateral Relations with East Africa

The East Africa region presents a historical setting in the diplomatic relations with an evidenced inflow of Arabs and Missionaries prior to the entry of the colonialists and

³⁹<http://www.bbc.com/news/world-europe-38005282>

⁴⁰www.mfa.go.ke

⁴¹<http://www.cfr.org/region/kenya/ri191>

the eventual partitioning of Africa States. Kenya is among the founding member states of the East Africa Community and an economic powerhouse in the region.⁴² Kenya has bilateral relations with all the countries in the East Africa Region and foreign mission representation. In addition, Kenya has played a pivotal role in stabilization of countries in the region affected by civil strife. Equally, Kenya has been hosting refugees coming from neighboring countries. Many regional agreements have been crafted and signed in Nairobi. Such an example is the 2005 Declaration that also led to the establishment of South Sudan. Kenya has also contributed in bolstering foreign direct investments in the region. Bilateral ties in the region been affected by economic policies adopted by various countries. At the height of Cold War, Kenya leaned with the US and became a capitalist state. Tanzania adopted a mix of socialism and capitalism. Burundi, South Sudan, Rwanda and Uganda generally considered to have weak democratic practices, strong media censorship and authoritarianism. This variance has considerably created virtual inconsistencies in the region slowing the pace for regional integration and mobility of resources. In realist approach, the converse of such would lead to increased development and improvements of countries, as Swahili is a shared common language of communication. By this, the bilateral relations are on the mutual formality merely for foreign relations representations with limited entries in the resources, trade and cultural inclusions and participatory approaches.

1.6 Theoretical Framework

The Kenya-Italy relations apply the International relations theory of Realism. The Realism theory is the oldest theory in the politics of International relations. It is also

⁴²www.eac.int

known as political realism. The theory bases its facts from assumptions by realists. One of the assumptions is that whatever action a country takes, considering they are in a bilateral agreement, would be viewed as it is currently and not how one would wish it would be. The theory stipulates that every action by a country in an agreement will always be carefully considered by its government to ensure it does not conflict the terms of its agreement. Liberalism has been relevant in the Kenya-Italy bilateral relations because in the event Kenya or Italy fails to uphold any terms and conditions of its agreements, it will be taken as a gesture of no cooperation. The gesture will be a severe breach of the agreements and will have significant effects on the relations between the two countries.

Another assumption of the Realism theory is that every country has a significant interest in all its international interactions for self-preservation and that it will always seek power to protect itself. The assumption stipulates that the countries involved will always enter into agreements if they empower them and preserve the needs of its citizens. The agreement will also be valid if it will protect its citizens. This theory is relevant to the bilateral agreements between Kenya and Italy. The bilateral relations between Kenya and Italy seek to enhance mutual benefits for the two countries. Every country in the agreement preserves its interests and seeks to empower itself.

The liberalism theory is a product of liberal thinkers like Adam Smith. The liberalist's ideas are in direct conflict with that of the realists. They assumed that in this developing world in fields of communication and international trade, the decision-making factor is not military power only. The liberals believe that economic and social power can affect decision making in international relations. This assumption

means that when two countries come into an agreement, they can make decisions on the best way forward based on economic and social power, not based on military strength. This theory is relevant in the bilateral relations between Kenya and Italy. Both countries cooperate because of their economic and social strengths. Both countries recognize each other's strengths and weaknesses and use them to enhance mutual benefits.

The liberalism theory also assumes that the same international rules should govern countries in agreement. This theory assumes that countries who sign the same accords in the international forum are suitable for international cooperation. The theory promotes agreements between countries that share the same principles that are in international treaties signed by the same countries. For example, countries that desire to fight climate change have all signed the Paris Agreement of 2015. The countries that sign this agreement have aligned their economic goals to ensure compliance to climate change agreements. The theory is relevant in this study because both Kenya and Italy have committed themselves to International agreements that promote peace, prosperity, and cooperation. The signing of the United Convention against Corruption motivated the Kenya-Italy bilateral relations. The signing of the treaty was a significant step in the fight against corruption which has been a major inhibiting factor to the bilateral relations between the two countries.

1.7 Hypotheses

- i. The Italian organizations operating in Kenya have not fully enhanced the Kenya-Italy bilateral relations
- ii. Various inhibiting factors have hindered robust Kenya-Italy bilateral relations.

1.8 Methodology of the Study

This section discusses the type of methodology and the related components that the study adopted.

1.8.1 Research Design

The study adopted the case study research design with application of the correlational survey method. The design is essential in covering a high number of respondents within a given region of study to get a view of the same through specific elements⁴³.

1.8.2 Site of Study

The site of study was Nairobi City County and Malindi in Kilifi County. This is because most of the Italian Organizations have their headquarters in these Counties making a suitable choice for the study.

1.8.3 Target Population

The respondents' category included the Italian organizations' staff, Italian officials, and the Kenyan government officials. With a wide inclusive number of persons serving the institutions, the study targeted a total of 200 respondents. The study further categorized the respondents into three categories: the Social & Community Support for those working in the NGO, Religious and the overall community contribution including the cultural exchanges; Economic & Commercial Support included the respondents in Italian companies, business enterprises, resident representatives in export and import exchanges and Kenyan involvement in trade; Political & Foreign Support included the staff in the respective foreign affairs,

⁴³Tabachnick, B. G., & Fidell, I. S. Using multivariate statistics (4th ed.) Boston: Ally and Bacon. 2001, P.33;

governance and leadership in both countries responsible for boosting the Kenya-Italy relationships. The target population contributed to the expected outcomes and observations for the use in the analysis.⁴⁴

1.8.4 Sample Size

With the adoption of the case study research design, the study adopted a simple structured sampling technique to include all the players in the enhancement of bilateral relations. The sampling technique was used for the identification of respondents and support in the collection of data. This is because of the observable items in the study and was essential in determining an appropriate outcome.⁴⁵ The study distributed 40 questionnaires for 20 to cover the Social & Community Support, 10 to cover Economic & Commercial Support and 10 to cover the Political & Foreign Support areas.

Table 1.1: Sample Size

| Respondents | Frequency | Percentage |
|-------------------------------|------------------|-------------------|
| Social & Community Support | 100 | 50% |
| Economic & Commercial Support | 70 | 35% |
| Political & Foreign Support | 30 | 15% |
| Total | 200 | 100% |

Source: Researcher & Italian Embassy in Nairobi. (2017)

⁴⁴Kothari, C.R. "Research Methodology Methods & Techniques", Second Edition, New Delhi: New Age International publisher, 2004, P. 59.

⁴⁵Kothari, C.R. "Research Methodology Methods & Techniques", Second Edition, New Delhi: New Age International publisher, 2004, P. 31.

The correspondents in the social community included the population of Italians living in Kenya. Most of whom were in major towns like Nairobi and Mombasa. The 50% support was solely because the questionnaires were distributed in Nairobi County. The Commercial respondents referred to the population of Italian business individuals in Kenya and preference was made to those in Nairobi. The political and foreign support included correspondents in the Italian government and offices in Kenya and Kilifi, the questionnaires were distributed to 15% of them.

1.8.5 Data Collection Methods

The study adopted a semi-structured questionnaire to collect information and relevant data for the study use. The questionnaire gathers relevant subject information from the prospective identified population or elements considered in the research.⁴⁶ The study adopted a structured questionnaire with open and closed questions for use in the research. In addition, the questionnaire applied the Likert scale in the questions to measure the extents and magnitude of the variation in statements. The questionnaires were collected after 5 working days from the day of distribution. Both primary and secondary data was used for purposes of analysis.

1.8.6 Reliability and Validity

The authorization and license was presented along with the questionnaire for the respondents to fill the questions. In addition, this was essential in ensuring there was confidentiality and verification.⁴⁷ Subsequently, the study conducted a pilot test for the purposes of research reconnaissance and to enhance the quality of the final

⁴⁶Mugenda & Mugenda, (2003)

⁴⁷ Kothari, C.R. "Research Methodology Methods & Techniques", Second Edition, New Delhi: New Age International publisher, 2004, P. 31

questionnaire by incorporating the learning points from the pilot test. This ensured that the responses were useful, reliable and valid.

1.8.7 Data Analysis and Presentation

The data analysis was done using the Statistical Package for Social Sciences to provide the overall correlation outcomes of the independent and dependent variables considered in the study. The data was tested using the F-Test and the coefficient was also conducted to additionally provide the correlations. A linear model was then used to test the variable predictability. The presentations were provided in form of charts, tabulated tables and graphs with subsequent discussions thereon.

1.8.8 Ethical Considerations

The researcher got a permit to collect data from the National Council for Science Technology and Innovations (NACOSTI) as per the University of Nairobi requirements. In addition, the study ensured high confidentiality and privacy levels in the handling of the data to be provided by the respective respondents. The parties involved in the research ensured that ethical considerations were adopted in the research to ensure authenticity and goodwill into participatory endeavors by the parties⁴⁸.

1.9 Scope and Limitations of the Research

The study was conducted in the months of February to August 2017 in Kenya, covering a target population of 200 respondents working in Kenya with 20% as the sample size.

⁴⁸Mugenda & Mugenda (2003).

The study was limited to data from the start of the diplomatic bilateral relations of Kenya-Italy to present for use (2006-2016). The period was chosen because the dawn of most development projects between Kenya and Italy was in 2006 when the Italian Government cancelled the debt that the Kenya Government owed it.⁴⁹

The study was limited to headquarters of the key Italian organizations, Nairobi City County and Kilifi County as the operational area for the primary data collections. In addition, the study was limited to information data because of the associated privacy and confidentiality of the information.

1.10 Chapter Outline

The study contains the following chapters and is arranged in the following format:

Chapter One: Outlines the background to the study, the statement of the problem, the research objectives and questions, the literature review, the methodology of the study.

Chapter Two: An Overview of the current-status of the Kenya-Italy bilateral relations

Chapter Three: It provides a keen investigation and discussions on the factors that inhibit robust Kenya-Italy Bilateral Relations

Chapter Four: It provides keen analytical outcomes of the role of the Italian organizations operating in Kenya.

Chapter Five: It Provides discussions, conclusions, recommendations and study areas for further research.

⁴⁹<http://openaid.aics.gov.it/en/code-lists/recipients/248/?year=2015>

CHAPTER TWO

OVERVIEW OF KENYA-ITALY BILATERAL RELATIONS

2.0 Introduction

Kenya and Italy relations date back to the independence of the former with majority of other colonial masters in Africa opening their embassies in Kenyan capital city Nairobi as well as Mombasa.⁵⁰ Over time, the relations have considerably grown, bolstering trade and development cooperation. Kenya has an embassy in Rome while Italy has an embassy in Nairobi as well as consulates in Mombasa and Malindi. Kenya has greatly contributed in the goodwill with facilitation of Italian organizations to operate in Kenya with minimal government constraints. Cultural exchanges have been on the rise with increased interactions bolstered by the establishment of the Italian Cultural Institute in Nairobi.⁵¹

Italian organizations operate in diverse sectors: commercial, political and social, with an inclination to religious and charity organizations mostly spearheaded by the Catholic Church. The organizations have established local offices and supported schools and humanitarian activities.

A study about the traditional bargaining model applied by the Multinational Companies mostly in the Developing Countries has been argued to be out of date and no longer in beneficial application.⁵² It further posits that the mode of relations are multi-party in nature with duo tiers where tier 1 carries the host nation negotiating for the multinational companies leading to production of the FDI Macro rules and deeply

⁵⁰http://www.ambnairobi.esteri.it/ambasciata_nairobi/en/i_rapporti_bilaterali/cooperazione_politica

⁵¹http://www.iicnairobi.esteri.it/iic_nairobi/en/

⁵² Ravi, M. (March, 2001). The Obsolescing 'Bargaining Model'? MNC-Host Developing Country Relations Revisited. *Journal of International Business Studies*. Volume 32, Issue 1, pp 23–39. <http://link.springer.com/article/10.1057/palgrave.jibs.8490936>

influence the negotiations that are micro in nature for the case of tier 2. The multipolarity of states is an agent for success in spreading the enterprise endowment of the State-owned Enterprises and multinational companies to which the entry may be clear than the magnitude of benefits.⁵³ This is common with the powerful nations that execute such trade moves for bilateral benefits however creating a negative balance of trade to the interested nations. This study creates unexplained trade liberalization motives in managing the emerging agents such as globalization and the extent of protectionism policies indirectly in the foreign policies of such countries. This study seeks to provide inclusions and evidence of the enterprise endowment and the gap filling about the effect posed to the achievement of the bilateral relations.

In regional participation, in particular, the trade and political blocs such as the European Union, the operationalization, and uniqueness of the successes and failures is an attribute of the structures and the agents'.⁵⁴ The structure there is the foreign policy and the agents being the relating states that are members of the union.⁵⁵ Such is empirically clear on the need for common ideology than the singular ideology. However, it does not play well in the application of the bilateral cases in relations.⁵⁶

For example, Italy is a member of the European Union and itself being a sovereign state, its relation to Kenya adheres on the duality application of the EU policies and Italian policies. The former policies may differ due to the generality of the construction. This creates a wide gap on the variance caused by the collision of the

⁵³T. Risse, "Social constructivism and European integration," in *European Integration Theory*, A. Wiener, and T. Diez, ed. Oxford: Oxford University Press, 2004, pp.159-176.

⁵⁴M. A. Pollack, "International relations theory and European integration," *Journal of Common Market Studies*, vol. 39, no. 2, pp. 221-244, 2001.

⁵⁵https://www.princeton.edu/~cldavis/files/StateControl_Nov2015.pdf

⁵⁶A. Chebakova, "Theorizing the EU as a global actor: A constructivist approach," *The Maturing European Union-ECSA-Canada Biennial Conference Paper*, 2008, pp. 1-16.

application. This paper seeks to harness this and provide more investigated outcome on the role of foreign policy towards enhancing the operationalization of Kenya-Italy bilateral relations.

In a paper about federalism and foreign relations executions, the focused interference by the central governments and collision with the federal states in the negotiation of interested dealings and progressive government-to-government undertakings plays a stagnated endeavor in achieving either of the actions. Nigeria is in such and on bilateral engagements, with dependence on the applicable framework, delay in executions of activities and ratification of agreements will be delayed.⁵⁷

2.1 Current Status of Kenya-Italy Bilateral Relations

Bilateral relations define the conduct of political, economic, or cultural relations between two countries.⁵⁸ Under bilateral relations, states recognize one another as sovereign states and agree on the modalities to develop diplomatic relations. When this happens, sovereign states appoint personnel that conduct bilateral interactions such as collaborations, agreements, dialogue, among others. Some of these agents include ambassadors, commercial attaches, among others.

Bilateral relations enable sovereign countries to mutually agree on trade, social, political and economic engagements. This bolsters trade, social interactions through tourism, sports cooperation, direct flights, among others.

⁵⁷ E. Ç. Öztürk, "Identity, Foreign Policy and Reconciliation: An assessment of the national identity and bilateral relations within the context of constructivist theory," *New Turkey*, vol. 60, pp. 1-12, 2014.

⁵⁸ Bilateralism. (2017). In: *Cambridge Dictionary*. [online] Cambridge, United Kingdom: Cambridge University Press. Available at: <http://dictionary.cambridge.org/dictionary/english/bilateralism> [Accessed 8 Oct. 2017].

Italy as a founding member of the European Union, member of the G7 and an economic power in the manufacturing, fashion and cuisine, among other sectors, is a strategic country. Many Italian development and charity organizations have regional offices in Kenya. Foreign Direct Investments from Italy to Kenya have been on an increase.

Kenya, on the other hand, is a strategic country in Africa. The country is a gateway to the East and Central African region and the Horn of Africa. It is one of the strongest economies in Africa, a leading contributor to peace building missions and a recognized sporting nation. Nairobi hosts several multinationals and regional bodies. This chapter dissects the current-status of the Kenya-Italy Bilateral relations in depth. It provides insights into the nature of the agreements, outlining areas of collaboration, partnership and potential gaps such as trade imbalances.

2.2 Cooperation in Economic Sphere

Kenya is among the 22 countries worldwide that receive the highest amount of Italian development aid, with a total of 134 Million Euros since 1985.⁵⁹ Cooperation between Kenya and Italy economically has been evident through the funding that supports a broad range of Kenyan development priorities such as rural development, water sanitation, health care provision, slum upgrading, agribusiness, education and renewable energy.⁶⁰ Economic cooperation has also been through the trade agreements that have increased export and import between Kenya and Italy. The bilateral agreements have led to the development of many sectors of the economy as discussed below:

⁵⁹<http://openaid.aics.gov.it/en/code-lists/recipients/248/?year=2015>

⁶⁰ MASSONI, M. (2017). Kenya-Italy relations deepen. *The Star*. Retrieved from https://www.the-star.co.ke/news/2017/06/02/kenya-italy-relations-deepen_c1571940

2.1.1 Financial Grants

A financial grant is a form of International aid. International aid is money given by the government of one country or a multilateral institution such as the World Bank or IMF to help another country.⁶¹ Financial grant and donations are the major forms of economic cooperation. Financial cooperation between Kenya and Italy has been majorly offered with the aim of promoting development projects in sectors like water and sanitation sector, and agricultural sector.

In 2009, Italy hosted the G8 Summit in L'Aquila. At the Summit, the country was one of the proponents of the “Pact for Africa,” an initiative that sought to bolster investments, public-private partnerships and international trade to trigger development on the continent. Italy became one of the first countries in the developed world to cancel Kenya’s, over 134 Million Euros debt. The debt was converted into development projects like the WASH initiatives as a sanitation development program, the poultry project for Karungu's women as an agricultural development project; slum upgrading projects like the korogocho slum upgrade; education development program like the sponsoring of schools and, the funding of healthcare development programs.⁶²

After the G8 Summit, the Italian Export Credit Agency (SACE) has become a key cog in promoting foreign direct investments in the continent.⁶³ The Kenyan Government has been a recipient of Italian support in Official Development Assistance (ODAs). Kenya has received over KES 16.7 Billion provided as ODAs and additional of KES

61 International aid. (2017). Financial Times. Retrieved from <http://lexicon.ft.com/Term?term=international-aid>

62 MASSONI, M. (2017). Kenya-Italy relations deepen. *The Star*. Retrieved from https://www.the-star.co.ke/news/2017/06/02/kenya-italy-relations-deepen_c1571940

63 Africa Trade Insurance Agency. (2010). *Italy sees Kenya as a priority in its plans to become Africa’s leading trading partner*. Retrieved from <http://www.ati-aca.org/index.php/newsroom/press-releases-75247/2010-press-releases/206-italy-sees-kenya-as-a-priority-in-its-plans-to-become-africa-s-leading-trading-partner>

5.2 Billion in the form of credit facility support since the inception of the bilateral relationship.⁶⁴ This support has bolstered sectors such as natural resources and environmental management, the health and water sectors and overall urban and educational support.⁶⁵

The variation of resources committed and paid by the Kenya-Italy bilateral relations is well represented in the line graph below from the year 2003 to 2015.

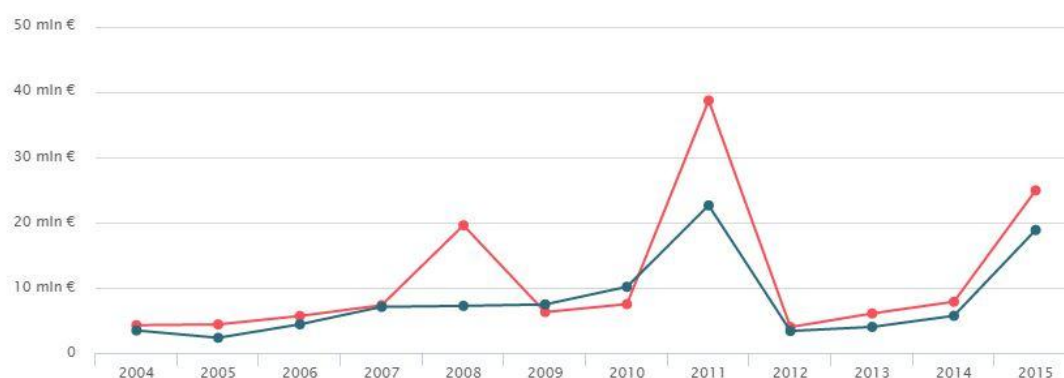


Figure 2.1: A line graph showing Variation of Resources Paid by Italy bilateral relations from 2003 to 2015

Source: Open Aid Italia

The lines represent the amount of funds, by the ODA initiative, was committed to the project programs in Kenya. The red line represents committed funds while the blue represents the funds used on the ground. The amount increases steadily from 2005 because of the declaration of the Kenyan government to commit to the Paris

⁶⁴Cooperazione allo sviluppo. (2017). *Ambnairobi.esteri.it*. Retrieved 30 August 2017, from http://www.ambnairobi.esteri.it/ambasciata_nairobi/en/i_rapporti_bilaterali/cooperazione_allo_sviluppo

⁶⁵Italy UN. (2017). *ICC: Italy joins UNSG in call on all parties to remain committed to Rome Statute*. Retrieved from <http://www.onuitalia.com/eng/2016/10/31/icc-italy-joins-unsg-call-parties-remain-committed-rome-statute/>

Declaration Act, which insured the Italian government the Kenyan government's commitment to the development program and its structural reform.

The steep increase in funds the Italian government injected into the Kenyan economy in 2011 was because of the 2011-2013 guidelines. The Finance law that was passed by the Italian government gave priority status to the Kenya for Italian Cooperation in the hope of achieving the 2015 Millennium goals.⁶⁶

2.1.2 Trade Agreements

The Bilateral Trade agreement between Kenya and Italy is an agreement where the terms of trade allow for increased export and imports of goods and services. These terms encourage businesses in both countries to always be treated fairly as per the value of the goods in the market. The terms also remove restrictions on trade to expand business opportunities in Kenya and Italy.⁶⁷ The terms dictate that every company in both countries can be able to register their businesses expeditiously, and have access to commercial services similar to all other companies.

According to the African Trade Insurance Agency, the major export countries for Italy are Angola, The Congo, Ethiopia, Ghana, Nigeria, South Africa, Sudan and Kenya.

⁶⁶ Direzione Generale Per La Cooperazione Allo Sviluppo. (2017). Italian Development Co-Operation 2011 – 2013 Programming Guidelines And Directions. Italy. Retrieved From <http://www.ambwashingtondc.esteri.it/resource/2011/03/ItalianDevelopmentCooperationGuidelines20112013.pdf>

⁶⁷ Amadeo, K. (2017). Free Trade Agreement: Types and Examples. The Balance. Retrieved from <https://www.thebalance.com/free-trade-agreement-types-and-examples-3305897>

Since the imports from Italy are greater than the exports, there exists a negative balance of trade, which regarding exports, amounts to KES 3.4 Billion to Italy against KES 9.4 Billion from Italy to Kenya. This has prompted policy makers in the two countries to work towards shifting this imbalance.⁶⁸

According to World Integrated Trade Solutions 2013, the majority of exports to Italy are animal hides and skins produced in Kenya as shown in the bar graph below:

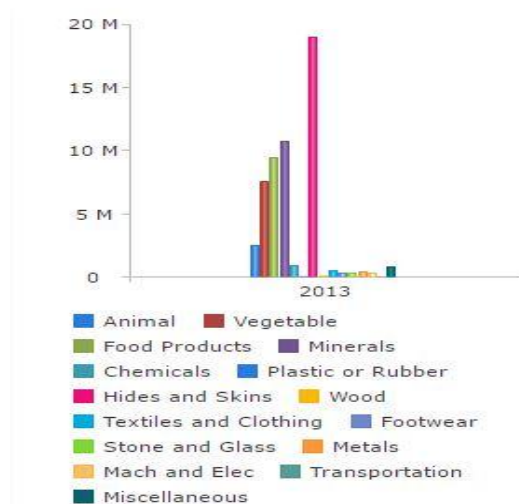


Figure 2.2: A bar graph showing Kenyan exports products to Italy 2013

Source: World Integrated Trade Solution (2013)

As Figure 2.2 shows, Kenya had many different export items to Italy like chemicals, skins and hides, textiles and clothing, among others. Skins and Hides were the leading exports from Kenya to Italy, bringing in close to 19 million shillings, followed by minerals, with 10 million shillings in export.

68 Kenya Trade Partners (June, 2013). http://www.countryaah.com/Kenya_Trade_Partners.html

According to the World Integrated Trade Solutions 2015, the majority of exports from Italy to Kenya are mainly composed of machines and electronics. The following bar graph shows the rest of the exports to Kenya.

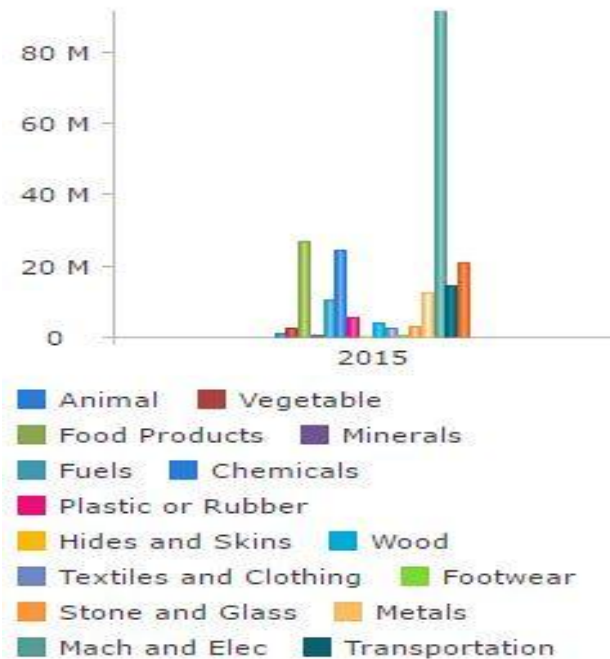


Figure 2.3: A bar graph showing Exports to Kenya from Italy

Source: World Integrated Trade Solutions, 2015

The bar graph shown above shows the export details of Italy to Kenya. Most of which are machines and electronics. The country lacks fertile ground for agriculture therefore, has specialized in the export of machines and electronics. The machine industry in Italy is the most developed in Europe, which makes it the chief exporter in machines and electronics.

2.1.3 Water and Sanitation

Water and Sanitation are among the key factors to sustainable economic development. It has a value from an economic and environmental perspective, and it needs to be managed from a socioeconomic framework.⁶⁹ Water contributes to poverty alleviation in various ways. Water of befitting quantity and quality can improve health, land productivity, labor and other inputs. Water cooperation has contributed to a healthy economic cooperation between Kenya and Italy.

In 2010, as Finance minister, President Uhuru Kenyatta signed a bilateral agreement that gave Kenya a 33 Million Euros financial assistance for the development of water resources in arid and semi-arid areas.⁷⁰ The Italian government has shown its dedication to cooperation through the financing of water projects countrywide.

The Sirisia Water Supply Project in Bungoma County is one of the water projects funded by the Kenya-Italy Debt for Development Program (KIDDP).⁷¹ In November of 2015, President Uhuru Kenyatta and his deputy William Ruto together with the Italian Ambassador to Kenya Mauro Massoni launched the project on its completion. The project would enable residents of Sirisia, Chwele, and Mayanja, in Bungoma County, access clean water and contribute to urban development in the area. Its main objective is to fortify the neighborhood abilities in the sustainable management of the natural resources. The project covers over 20,000 households and provides drinkable

⁶⁹ Water cooperation | International Decade for Action 'Water for Life' 2005-2015. (2017). Un.org. Retrieved 29 August 2017, from http://www.un.org/waterforlifedecade/water_cooperation.shtml

⁷⁰ http://www.esteri.it/mae/en/sala_stampa/archivionotizie/approfondimenti/2010/07/20100708_cooperazionekenya.html

⁷¹ <http://www.onuitalia.com/eng/2015/11/17/kenya-launched-sirisia-water-supply-project-with-the-support-of-the-italian-development-cooperation/>

water to the households. This has improved sanitation in the area by reducing water contamination.

Another water resource project funded by the KIDDP, includes the irrigation and land reclamation project in Sigor area, Bomet County. The Italian government is managing the project jointly with the national authorities as a show of cooperation with Kenya to tackle poverty as pointed out in the Kenya Vision 2030 objectives.⁷² This project aims to clean and preserve the soil fertility in the areas to enable farmers to improve agricultural production in the area.

Under the sanitation program, the WASH (Water Sanitation and Hygiene) initiative by the Italian NGOs LVIA and CCM is being implemented in Isiolo County.⁷³ The NGOs together with the local authorities in Isiolo County are implementing the project to enable easy access to safe water and sanitation services for the pastoral communities. In doing so, they are improving the living standards of the residents. Furthermore, the NGOs have collaborated with the health care providers in the three sub-counties, Isiolo, Merti, and Garbatulla, in sensitization activities aimed at targeted residents such as mothers, children and community leaders through campaigns and dedicated events. These projects are in line with Kenya Vision 2030 and the Italian Cooperation (2013-2015) which focus on environmental protection, women empowerment, and vulnerable group protection, i.e., children under five years and pregnant and lactating women.

⁷²<http://openaid.aics.gov.it/en/projects/initiative/009541/>

⁷³<http://openaid.aics.gov.it/en/projects/initiative/010191/>

In addition to the above projects, through the Kenya Comprehensive School Health Program the KIDDP has financed an educative health care campaign that is targeted at student population to improve their awareness of nutrition and hygiene.⁷⁴

2.1.4 Agricultural Sector

Through the Italian Development Cooperation, the Italian Government has supported agricultural development in Kenya. Through the KIDDP fund, it has provided Kshs. 1 billion for the extension of the Sigor Irrigation Scheme, a project that is done in partnership with the Kerio Valley Development Authority.⁷⁵ There has been a county dependency on relief food by the pastoralist in West Pokot that can be outdated if they switch to irrigated agriculture as an alternative to food production and security.

Through the Italian NGO, CAST (Church Alliance for Social Transformation) organization, they have been educating farmers in Kilifi County on the benefits of cassava production through seminars and demonstrations.⁷⁶ The project dubbed MIHOGO I, helped the residents start growing the drought resistant plants that require little rainfall and in doing so has helped the community grow economically through selling the various forms of the product.

Also through the CAST organization, the Italian funding has contributed to the food security of the people living in Kilifi district. The project dubbed 'FOOD SECURITY PROJECT' has educated the famine stricken people living around Kilifi County on

⁷⁴<http://openaid.aics.gov.it/en/projects/initiative/010599/>

⁷⁵<http://kenyanewsagency.go.ke/en/italian-government-to-fund-irrigation-scheme/>

⁷⁶<https://castkenya.wordpress.com/2015/04/30/cassava-promotional-poster/>

agricultural diversification through use of simple technology in food processing and growth of drought resistant crops like cassava.⁷⁷

In Nairobi County, the University of Nairobi in 2015 began collaboration with the Italian government to commercialize dairy farming. The Italian delegates from the Italo-Kenyan Cooperation Chambers of Commerce are currently planning to construct the largest modern dairy unit that will supply milk and dairy products in Nairobi and Kenya at large. Mrs. Rita Ricciardi, the President of the Association, also complimented the initiative pointing its advantages in fostering good trade and a sound investment relationship between the two countries.⁷⁸

⁷⁷<https://castkenya.wordpress.com/projects/mihogo-i/>

⁷⁸<http://cavs.uonbi.ac.ke/print/45858>

Table 2.1: Shows other water projects that are funded by the KIDDP

| Project | Purpose | Year | Amount |
|---|-------------------------------|-------------|---------------|
| Poultry project for Karungu's women | Livestock | 2011 | 56,313 USD |
| Production of sunflower oil in the Lake Victoria region. | Industrial crops/export crops | 2011 | 48,665 USD |
| Horticulture project for Karungu's women | Agricultural development | 2011 | 48,318 USD |
| Kenya - Sustainable Development of Irrigation and Land Reclamation In Kenya - Expert Fund | Agricultural water resources | 2013 | 45,209 USD |
| A well for the orphanage in Kaden and cultivation of wheat | Agricultural development | 2010 | 41,987 USD |
| Kenya - Sustainable Development of Irrigation and Land Reclamation In Kenya | Agricultural water resources | 2011 | 596,774 USD |
| Life conditions improvement in West Pokot. Local fund. | Agricultural water resources | 2008 | 315,448 USD |
| Kenya - Rural Development Program In Wei-Wei Valley - Local Funds | Food crop production | 2004 | 273,130 USD |

Source: Projects by Italy

2.1.5 Education Sector

The Italian government has shown its cooperation with Kenya through university scholarships, agricultural seminars, and educative campaigns and through the development of institutions in Kenya.

After the Garissa terror attack in 2015, the Italian government through its ambassador showed its full support to the Kenyan Government during the tough times by offering full scholarships to the students who survived the terror attack.⁷⁹ The show of solidarity was well-received by the Cabinet secretary for Foreign Affairs and International Trade Amina Mohamed as the Italian government also provided a soft loan to Kenya to help settle the affected students.

The Italian Cooperation, AMURT (Ananda Marga Universal Relief Team) Italy, has built schools in Likoni, Mombasa and Kangemi Slums in Nairobi for children and orphans living with HIV/AIDS. Through the AMURT educational support program, the HIV/AIDS Orphans and Vulnerable Children Program, the children living with HIV/AIDS go to daycare, get food daily and receive basic education on how to live with HIV.⁸⁰

Agricultural seminars have also been held in Kilifi County spearheaded by CAST, an Italian NGO, which educates the locals living around on ways of improving their living standards through agriculture and agribusiness.

The Italian government in 2013 awarded seven Kenyan students full scholarship to join other students from the several African countries to attend Masters in Geomatics

⁷⁹<http://www.capitalfm.co.ke/news/2015/04/italy-offers-25-scholarships-to-garissa-attack-survivors/>

⁸⁰<http://www.africa.amurt.net/category/kenya/>

and Irrigation at the “Istituto Agronomico per l'Oltremare” (IAO) in Florence.⁸¹ The scholarships were designed to foster deeper relations between Kenya and Italy and encourage students to achieve university education.

2.1.6 Health Sector

The Kenya-Italy cooperation in the health sector has been focused mainly on helping people living with HIV/AIDS, the poor people and marginalized communities. AMURT Kenya and the Lombardia Region of Italy, ASL Mantova, have partnered to take a primary healthcare project in Kenya through local supervision of UNICEF and The Ministry of Health in Kenya. The main aim of the project is to raise health awareness issues among the residents around the three hospitals (Kangemi, Likoni and rural areas of Nyanza) in Kenya through well-trained field agents. The Lombardia Region of health institutions will also carry out a study on the methods of maintaining sanitary health in African Countries for deprived social groups.⁸² Through this cooperation in the health sector, both countries achieve a better understanding of ways of tackling various health issues facing the two countries, especially Kenya.

The Italian government is also involved in the strengthening the provision of health services for maternal and child health in South Imenti District, Meru County, Kenya. In this initiative funded by the KDDP, there are improved healthcare services to mothers and children in South Imenti and the improvement of professional skills among the health care workers⁸³.

⁸¹http://www.ambnairobi.esteri.it/ambasciata_nairobi/it/ambasciata/news/dall_ambasciata/20131105studenti.html

⁸²www.africa.amurt.net/healthcare/

⁸³<http://openaid.aics.gov.it/en/projects/initiative/010325/>

In addition, the Italian government has participated in improving retention in HIV/AIDS programs in Kenya. This project which is implemented by the Italian NGO Acap Sant'Egidio is aimed at enhancing quality services offered to HIV/AIDS patients in hospitals across the country to fight the spread of the virus. The initiative applies an integrated approach where health care, food supplementation and physio-social support is done concurrently. The project partly contributes to the achievement of the Millennium Development Goal of fighting HIV/AIDS and improving maternal care. This shows the full commitment to the Kenya-Italy relations.

2.1.7 Rural and Slum Development

Since 2003, the Kenyan Government has been focusing on reforming its economy through structural reforms and repeatedly stated that its principles are in line with the Paris and Rome Declaration. The Paris Declaration on aid effectiveness represents a larger agreement among the International community about how to make Foreign Financial grants effective. It is committed to assisting developing country governments to formulate and implement their own national development plans, as is in their own national priorities, using their own planning and implementation systems.⁸⁴ One of the main objectives of the Kenya-Italy cooperation has been the rural development and rehabilitation of the degraded urban areas and slums in Kenya. The regeneration of the Korogocho slums in Nairobi has been one of the projects to rehabilitate slums in Kenya. Through development cooperation and close monitoring by both governments, the then Italian Ambassador, PierAndrea Magistrati, in a conference illustrated the program. He stated how both the Kenyan government and the donor community could promote national strategies to regenerate slums in order to

⁸⁴ Aid effectiveness - Appropedia. (2017). Appropedia.org. Retrieved 30 August 2017, from http://www.appropedia.org/Aid_effectiveness

achieve the Millennium Goals. The project had built a pedestrian walkway that linked Korogocho slums to Dandora slums, an office that was used by the resident's committee, and water tanks that provided safe drinking water and promoted health and hygiene initiatives in the Korogocho slums.⁸⁵ These achievements were strong steps in the economic growth of the country because the Italians worked with the local authorities in Kenya to improve trade, safety, and infrastructure of the Korogocho slums.

The Karibujua project is an NGO funded project that connects Italy to communities in the Lower Tana Delta region of Kenya who are currently living without electricity. The Karibujua project provides solar-powered lamps for children to study at night.⁸⁶ In addition, the Italian Development Cooperation (IDC) funded the Wei Wei-Sigor Integrated Irrigation-Agriculture Development Project with the objective of establishing a 275 Hectares gravity irrigation scheme targeting 256 rural families, including technical assistance, provision of agricultural machinery and social infrastructure like schools. The Wei Wei project has managed to establish suitable and efficient irrigation infrastructure successfully and has improved livelihoods of the residents.⁸⁷ The development of a rural setup like Sigor in West Pokot is a good indicator of the of Kenya-Italy cooperation in fighting poverty and improving the lives of Kenyans in marginalized areas.

⁸⁵ http://www.esteri.it/mae/en/sala_stampa/archivionotizie/approfondimenti/2010/12/20101216_cooperazionekenya.html

⁸⁶ <https://littlesun.com/karibujua-connecting-people-kindness-italy-kenya/>

⁸⁷ Lam, H., Kyokunda, G., Foran, L., & Mousseau, L. (2005). *KIMIRA-OLUCH SMALLHOLDER FARM IMPROVEMENT PROJECT* (p. 12). Rachuonyo: GOK Publisher. Retrieved from https://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Kenya_-_Kimira_-_Oluch_Smallholder_Irrigation_Development_Project_-_Appraisal_Report.pdf

2.2 Cooperation in Cultural Aspects

Cultural diplomacy bolsters human interactions in areas such as spiritual matters, sports, language, educational exchanges, trade and other interactions. Cultural diplomacy is defined as the spread and exchange inclusion of one party's culture with another relating party's culture.⁸⁸

Cultural diplomacy has advanced through the creation of cultural institutes, resource centers, and art galleries.

Countries also promote their cultures through broadcast materials such as radio, televisions, and newspapers to promote the cultural connections and bond with the existing, new and prospective interested parties.⁸⁹ International Non-Governmental Organizations (INGOs) and religious organizations have also bolstered interactions between countries. Kenya and Italy have shown their cultural integration through religious beliefs, through cultural centers, through student scholarship programs, and through tourism.

2.2.1 Tourism Development

The Kenya Tourism Board has rated Italy as the best tourism market. Mureithi Ndegwa, the Managing Director, said that majority of tourists flock to Malindi and Watamu as their most preferred destination.⁹⁰

In 1978, Italian tourists made the Kenyan coast their adopted home.⁹¹ Since then a sizable number of Italians have settled in the country, especially in Malindi, Kilifi

⁸⁸<http://www.itamaraty.gov.br/en/cultural-diplomacy>

⁸⁹ Mariano (2012) <http://www.scielo.br/pdf/bpsr/v7n1/06.pdf>

⁹⁰ Gari, A. (2017). Kenya: Italy Best Tourist Market, Says Board. The Star. Retrieved from <http://allafrica.com/stories/201312190308.html>

⁹¹ Ndwiga B. (2013). <https://www.standardmedia.co.ke/article/2000082966/the-italian-connection-in-malindi>

County. Italy is among the major European countries present in Kenya. Today the Italian community in Kenya is the second foreign community after the British.

According to AIRE (Registry of Italians Living Abroad) data, the Italian Ambassador to Kenya says that the number of enrolled Italians is close to 2,500. In addition, Kenya, which is famous for safari activities, attracts more than 70,000 Italians annually⁹². According to an article in the "Sole 24 Ore" (January 2, 2008), it is assumed that the presence of Italians in Kenya is up to 5,000. This means 4,000 tourists and 1000 residents who have been able to understand the Kenyan culture as well as explain the same in Italy where the knowledge is still limited to stereotypes and alarming media information.

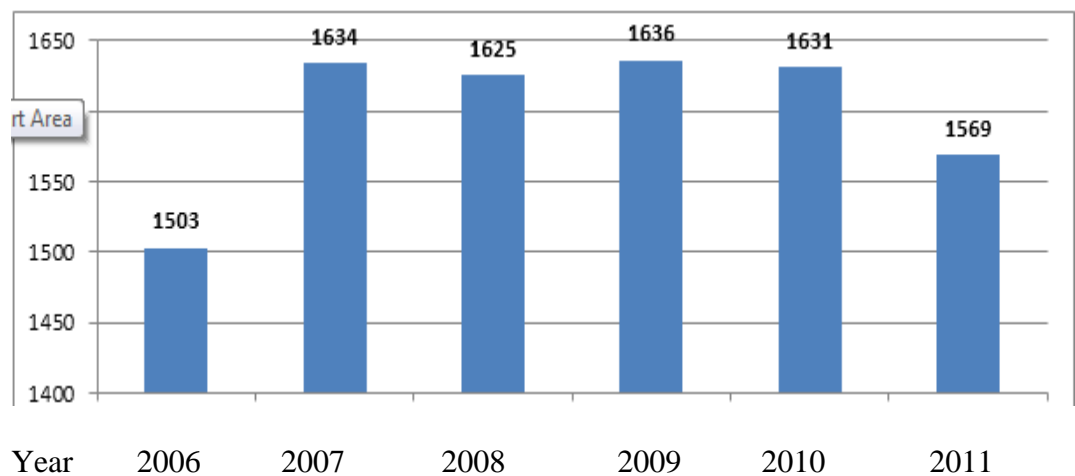


Figure 2.4: Italians in Kenya from 2006 to 2011

Source: Italian Report in the World 2006, 2007, 2009, 2010, 2011

Figure 2.4 above shows the number of Italians in Kenya between 2006 and 2011, there was a rise in the number of Italians in Kenya in 2007 which remained fairly

⁹² (Del Vigo, 2010)

constant till 2010 after which there was a slight decline in the number of Italians in Kenya.

In the year 2006, the Italian government had shown its intention to partner with Kenya through the 2011-2013 finance plan to commit to its relationship with Kenya. This is what caused the increase in number of Italians visiting Kenya until 2011. The number of Italians in Kenya in 2011 declined due to the increase in terror attacks in Kenya at that time. The Italian government had advised its tourism ministry to hold off on those going to Kenya.⁹³

2.2.2 Education Influence

In Kenya, education has always been a lot of weight. Therefore, parents and the government have invested a lot in their success. Italy, as a developed country, has been contributing to this achievement. In October 2006, Kenya and Italy signed a Memorandum of understanding for cooperation in the cultural sector. The main cultural cooperation aspects included the promotion of educational institutes in the country and in Italy.⁹⁴

In 2013, the Italian ambassador chose seven students for full scholarship to study in Italy with the main aim of cultural integration. The students' scholarships are a show of good international relationships between the two countries through the

⁹³AFP (2011). Kenya Declares War on Al-Shabaab. The Daily Nation. [online] Available at: <http://www.nation.co.ke/news/Kenya-declares-war-on-Al-Shabaab/1056-1255736-9x7xlbz/index.html> [Accessed 9 Oct. 2017].

⁹⁴http://www.ambnairobi.esteri.it/ambasciata_nairobi/en/i_rapporti_bilaterali/cooperazione%20culturale

development of knowledge of Italian language and culture.⁹⁵ The students get exposed to the traditional Italian beliefs, Italian cuisines and alcohol, and the Italian way of life.

The presence of an Italian Institute of Culture in Nairobi is also another evidence of cultural integration between the two countries. The institute provides courses that teach the Italian language. Other cultural cooperation projects involve artists from both countries in the fields of performing arts, music, and visual arts. As part of its function as a window to the Italian culture abroad, the Institute hosts exhibits, shows, concerts and conferences annually to showcase the Italian way of life and culture.

The Embassy's cultural office is also another form of resource center for cultural integration. The Institute handles procedures regarding the Declaration of Academic Eligibility and Suitability and identifies academic certificates issued by Kenyan educational authorities and universities. It is equipped with a rich library, a newspaper library and a multi-media library that is connected by satellite with Rai International, the Italian global television network broadcaster.⁹⁶

2.2.3 Fashion Imports

Culture is defined as the material traits of a social group.⁹⁷ The Italian fashion is widely popular in Kenya. The Men's suits are typically imported to Kenya, and they have affected the cultural dressing of Kenyans. This is an indicator of how the Italian

⁹⁵http://www.ambnairobi.esteri.it/ambasciata_nairobi/it/ambasciata/news/dall_ambasciata/20131105studenti.html

⁹⁶http://www.ambnairobi.esteri.it/ambasciata_nairobi/en/i_rapporti_bilaterali/cooperazione%20culturale

⁹⁷ Culture. (2017). *Merriam-Webster*. Retrieved from <https://www.merriam-webster.com/dictionary/culture>

fashion sense has trickled to the Kenyan fashion market and the cultural influence of the Italians.

MS Chiesa, the Italian Institute of Culture Director, organized an exhibition showcasing Italian fashion designs, where she displayed it next to Kenya's most widely known fashion accessory, the bag hand-painted by Michael Soi.⁹⁸ This is one of the cultural exchange projects initiated by the Italian government to increase cultural cooperation between Kenya and Italy.

2.2.4 The Italian Town in Malindi, Kilifi

According to Kantai (2014), there is a distinct Italianate imprint on the beach of Malindi where the only language, food, hotels, casinos and even flights are Italian. It is where the Italians have created a home away from home. They have set up businesses and built their hotels to put their roots in Kenya.⁹⁹ The presence of the Italian towns has attracted tourists to come to the shores of Kenya and in doing so has solidified the relations between Kenya and Italy.

2.2.5 Religious Integration

The Catholic Church in Vatican City is the headquarters of all Catholic churches in the world. Up until 1985, Italy was a state religion of the Roman Catholic. The church has been working side by side with the Italian government. The coming of the Catholic Church as missionaries to Kenya helped in the cultural integration of the Italian government through the religious aspects.

⁹⁸Gacheru, M. (2016). Kenyan and Italian cultural traffic growing. The Daily Nation. Retrieved from <http://www.nation.co.ke/lifestyle/weekend/Kenyan-and-Italian-cultural-traffic-growing/1220-3472312-wafrgwz/index.html>

⁹⁹<http://www.theafricareport.com/Society-and-Culture/kenyas-malindi-a-paradise-lost.html>

The Catholic Churches in Kenya are as old as the Kenya-Italian relations and it was through this that there have been events related to the Catholic Church. The Italians are well known for their belief in the Catholic Church. They believe in the Pope as the ruler of the Church and its work in the world. Scholars, writers, and ordinary people have tried to distinguish a Catholic family from the European model family. The Italian families are remarkably close and stay in the vicinity to each other. Their relationships are a cultural truism, and their family meal on Sunday is regarded as a sacrosanct.¹⁰⁰

In Kenya, through the Catholic Church, Italian NGOs have supported charitable work in areas such as health, education, community development and environmental conservation. There are currently 7,740 Catholic run schools in Kenya. This includes the early mission schools that were started by Catholic missionaries in 1846. Some of the popular Catholic schools in Kenya are; Loreto Msongari High Schools, Precious Blood Girls High School, and Nkubu High School.¹⁰¹ These schools are a testament to the religious integration in the Kenyan community. They show the strong bilateral historical ties between Kenya and Italy.

¹⁰⁰ Landy, T. (2014). Family, Marriage & Gender Roles. Catholics & Cultures. Retrieved 30 August 2017, from <https://www.catholicsandcultures.org/italy/family-marriage-gender-roles>

¹⁰¹ Correspondent, S. (2015). Catholic Church plays great role in education. The Standard. Retrieved from <https://www.standardmedia.co.ke/article/2000183626/catholic-church-plays-great-role-in-education>



Figure 2.5: Health Structure built by Italian Missionaries in Chaaria, Meru-Kenya. Photo by the Researcher

2.3 Cooperation in the Political Sphere

Foreign policies are tools aimed at structuring the existing, negotiating and future relationship with the country to country or regions on matters to which of the country parties do hold in practice and practice.¹⁰²

2.3.1 International Visits

A key feature of political dialogue is the exchange of high-level visits. The visit by the former Prime Minister Hon. Matteo Renzi in the wake of the terrorist attack in Garissa University expressed solidarity and political cooperation between Kenya and Italy. Other high-level visits include the visit by the Deputy Minister of Foreign Affairs in charge of the African Portfolio, Lapo Pistelli in Nairobi on August 2013 as well as the visit by the Undersecretary for Foreign Affairs, Senator Alfredo Mantica in July of 2011.¹⁰³

¹⁰² C. Hill and M. Smith, *International Relations and the European Union*, Oxford: Oxford University Press, 2005, P. 49.

¹⁰³ http://www.ambnairobi.esteri.it/ambasciata_nairobi/en/i_rapporti_bilaterali/cooperazione_politica

The visit by the President of the Republic of Kenya, President Uhuru Kenyatta on the 7th and 8th of September 2015 during the Milano Expo in Italy¹⁰⁴ shows how well the two governments are supportive of each other's interests. Other high-level visits to Italy include the meeting between The Speaker of National Assembly and the Speakers of Chamber of Deputies, Laura Boldrini and for Senate, Grasso in November 2014.

The Kenyan President, President Uhuru Kenyatta also recently attended the G7 summit in Italy to highlight Africa's rapidly growing suitability for investment. Africa has witnessed rapid development in infrastructure, technology, democracy, education, among other areas that have attracted the attention of the international community. Kenya has played a leading role in Africa's transformation, and therefore the invitation of the Kenyan President to speak on behalf of the African continent is a clear statement that Kenya is on the rise.

2.3.2 International Crime

The Kenyan and Italian governments have also collaborated to fight organized international crimes such as drug trade and money laundering. The collaboration has seen individuals suspected of engaging in these crimes deported to Italy for prosecution.

The two countries have bilateral legal agreements that allow legal assistance be granted and received in relation to investigations, prosecutions and judicial

¹⁰⁴ http://www.ambnairobi.esteri.it/ambasciata_nairobi/en/

proceedings on criminal matters through the Central Authority of the Government of Kenya.

The discussions held in Kenya at the Attorney General's Chambers on the 26th of May, 2016, centered on the progress made by the Government of Kenya since the enactment of the Mutual Legal Assistance Act of 2011 as well as exploring more areas of sustained engagement on criminal and civil justice reforms between the two governments' jurisdictions.¹⁰⁵ These legislative agreements show extensive cooperation between the two countries and are legally binding between the two countries. Other agreements between the two countries in regards to international crime include the Agreement on the promotion and protection of investments with the protocol (1996).

2.3.3 Strategic Political Position

Kenya is strategically positioned as a natural commercial hub for economic and social development in East Africa. In the Regional Integration, Kenya is a member of COMESA (Common Market for Eastern and Southern Africa) and EAC (East African Community).

Among the EAC, a special process of regional integration characterized by customs union is in the course of being realized as well as the future monetary union. The inclusions and observations of the same present the State decision on what levels and interest arguments they present in the relationship with other countries. Most

¹⁰⁵<http://www.statelaw.go.ke/italy-to-continue-supporting-kenya/>

countries have common, categorical and specific foreign policies that guide their interaction with other countries.

In 2009, Italy saw a significant reduction in exports to several African countries including Kenya with a 23% reduction. During an Italian hosted G8 meeting, it conceived an economic “Pact for Africa” strategy that included the re-engaging with Kenya, as a regional economic powerhouse, as target investments are made to boost exports to Africa.¹⁰⁶ This shows Italy’s commitment to cooperation with Kenya as an economic powerhouse. The establishment of public-private partnerships and international trade between the two countries ensures that the benefit is mutual.

2.3.4 Role of the Embassy

Kenya has an embassy in Rome as does Italy in Nairobi. Kenya and Italy have had bilateral relations since 1966. The Italian government and organizations have contributed to bolstering Kenyan institutions and processes promoting governance and democracy. These include electoral processes, peace building processes, and governance institutions.¹⁰⁷

The embassy has also contributed to the peace building process in Kenya through sponsoring of Peace campaign advertisements. The Italian Embassy in Kenya has also financed the electoral body in the quest for elections. The Italian government contributed 100 million shillings to the IEBC electoral body. Through these actions the relations between Kenya and Italy are strengthened.

¹⁰⁶<http://www.ati-aca.org/index.php/newsroom/press-releases-75247/2010-press-releases/206-italy-sees-kenya-as-a-priority-in-its-plans-to-become-africa-s-leading-trading-partner>

¹⁰⁷<http://www.ke.undp.org/content/kenya/en/home/presscenter/pressreleases/2017/government-of-italy-to-support-the-iebc-in-readiness-for-the-aug.html>

The presence of an embassy in Italy shows a diplomatic representation of Kenya. The Kenyan Embassy informs the government of the relevant political, social, economic and military events is happening in Italy.

The Kenyan embassy in Rome promotes Kenyan agricultural products in Italy through exhibits and fairs, and also promotes tourism through showcases and art galleries that glimpse into the wildlife of Kenya to maintain close and mutually beneficial collaboration with Italy through the United Nations system in Rome. Therefore, one of the Mission's mandates is to maintain and strengthen bilateral and multilateral ties.¹⁰⁸

The embassies of both countries provide visas to allow movement between Kenya and Italy in the spirit of promoting trade and cultural cohesion. They can be obtained through the embassy website in Italy or through the government portal, e-citizen, in Kenya.

Kenya has an Italian Consular stationed in Malindi whose role is to offer protection for its co-nationals from violation of their fundamental rights, offer help with inheritance procedures initiated abroad and repatriation of mortal remains of the dead.¹⁰⁹

2.4 Cooperation in the Scientific Sphere

In 1994, a bilateral agreement was struck between Kenya and Italy known as the Agreement regarding the Satellite Launch and Control Base, San Marco, in Malindi,

¹⁰⁸<http://www.embassyofkenya.it/page/foreward>

¹⁰⁹http://www.ambnairobi.esteri.it/ambasciata_nairobi/en/informazioni_e_servizi/servizi_consolari/assistenza_rimpatri_e_rimpatri_sanitari

Kenya. The Ministry of Foreign Affairs and International Cooperation (MAECI) launched an innovation and research institute to promote the internationalization of Italian Research and science diplomacy. The objective is to encourage the competitiveness in the increasingly complex global markets through new technologies and value-added products to produce positive effects on the economy and trade.¹¹⁰

2.4.1 The San Marco Space Project

This is a project initiated by the Italian government and designed by the Sapienza University of Rome as the first major Italian space research program. It was started in 1962 as a setting for scientific, innovative and operative objectives. Kenya had shown interest in space activities hence on 1st April 1987 an agreement was signed between Kenya and Italy to conduct Space activities in Malindi, and as a result of continued involvement, another agreement was signed in 1995.¹¹¹ The space center has been prompting the scientific community to train professionals from Kenyans and in doing so achieve scientific integration in Kenya.

In research and development, Italy runs the San Marco Project (Broglio Space Centre) in Malindi. This Centre has been operational since 1967 supporting space explorations, earth research, climate change and operational telecommunications and navigations.¹¹² The scientific discoveries have helped shape the scientific environment of the country. The sharing of information with the Kenya scientific community has been of tremendous help in forecasting the weather patterns in the country. The extreme weather conditions have also been monitored through the space center.

¹¹⁰http://www.esteri.it/mae/en/politica_estera/cooperscientificatecnologica/reteaddettiscientificitecnologici.html

¹¹¹http://www.ambnairobi.esteri.it/ambasciata_nairobi/en/ambasciata/news/dall_ambasciata/2014/09/20140930sanmarco.html

¹¹²http://www.ambnairobi.esteri.it/ambasciata_nairobi/en/i_rapporti_bilaterali/cooperazione%20scientifica



Figure 2.6: Satellite Image of Space Center (Centro Spaziale) Malindi

Source: Cooperazione scientifica Article

The presence of the Broglio Space Center in Kenya is a strong indicator of the scientific cooperation between Kenya and Italy. It is also a foundation for Kenya to develop its scientific sector.

CHAPTER THREE

FACTORS THAT INHIBIT BILATERAL RELATIONS BETWEEN KENYA AND ITALY

3.0 Introduction

This chapter discusses the factors that are currently inhibiting robust bilateral relations between Kenya and Italy.

3.1 Political Instability

Political instability directly affects the bilateral relations between Kenya and Italy especially in regards to trade and tourism. For instance, in the month of December 2007, just after General Election was concluded in Kenya, violence broke out across the country.¹¹³ The main reason behind the violence was alleged rigged elections which many people believed was done in favour of the then President Mwai Kibaki. The violence lasted for about 60 days but left behind series of devastations. About 1000 people lost their lives while over 500,000 were displaced from their homes. Among the sectors, which were adversely affected, were tourism and trade. Trade and tourism form the backbone of the Kenya-Italy bilateral relations. Every year, thousands of Italians arrive in the Kenyan town of Malindi to enjoy the natural sceneries at the Kenyan coast and as well as the inland.¹¹⁴ Kenya is a home to more than 10,000 Italians who live in several villas in Malindi.

Whenever there is any violence in Kenya, the news always make it to the headlines of several Italian newspapers. For example, during the post-election violence of the year

¹¹³The Star Kenya. 2017. "Kenyan Tourism Will Suffer If Elections Are Violent - Italian Ambassador". *The Star, Kenya*.

¹¹⁴The Guardian. 2017. "Kenya's Election Tensions Mean Nervous Times For Bullish Economy | Clar Ni Chonghaile". *The Guardian*.

2007, news about it was published in several Italian newspapers.¹¹⁵ This created fear among Italian citizens who had plans of visiting. As a result, most of them postponed their visits until they were sure that Kenya was safe.¹¹⁶ This led to serious losses in the tourism sector that was witnessed during and even after violence eventually came to an end the conflicting parties signed a peace accord. According to the Italian ambassador, some of them are even afraid of visiting Kenya as the country approaches another general election.¹¹⁷ The fear of violence erupting after the election is one of the inhibiting factors to tourism. So far, the Kenya police have beefed up security around the coastal region and the country at large not just to prevent any violence after elections but also to ensure that incidences of insecurity are minimized, and even the threat from terrorists is minimized.

The post-election violence of the year 2007 also affected both imports and exports between Kenya and Italy. Most of the goods, which came from Italy, were stuck at the Kenyan port because they could not be transported to the mainland. For example, a trader who had imported Santa Lucia from Italy to be delivered to Nairobi could not have the goods delivered because rail and road transport from Mombasa to Nairobi was temporarily paralyzed.¹¹⁸ During the violence, which followed the general elections, angry youth along the Nairobi-Mombasa highway took to the streets and barricaded the road by burning car tires and putting large boulders to block the road. At Kibera in Nairobi, youth got angry and destroyed the railway making it difficult for trains to deliver goods in Nairobi. The post-election violence paralyzed trade for about 60 days, which translated into huge losses. Some people had to close shops

¹¹⁵The Star Kenya. 2017.

¹¹⁶The Star Kenya. 2017.

¹¹⁷The Star Kenya. 2017.

¹¹⁸The Star Kenya. 2017.

throughout the period of violence because of fear that their shops would be looted. Therefore, a repeat of political instability like the case that was witnessed in Kenya after 2007 elections may have a devastating impact on business. Most importantly, it may affect significant relations between Kenya and Italy through trade and tourism.

3.2 Corruption

Corruption has been listed among the biggest threats to Kenya's economic growth. One of the largest effects of corruption is that it affects the relationship between Kenya and international companies or even countries.¹¹⁹ For example, a company that believes in doing credible business may not invest in a corrupt nation because of the risks involved. One of the biggest risks is being blacklisted from conducting trade in the foreign country. In a corrupt country, foreign companies are always lured to pay some money in order to have their goods cleared. However, this does not mean that the customs duty is not paid.¹²⁰ Therefore, foreign companies end up paying a lot of money than a case where business is done in a transparent manner. Besides, if investigations are carried out, a company may end up being blacklisted because of corruption. Corruption also has adverse effects on the reputation of the country in the international community. It paints a bad picture of the country and makes it difficult for foreign organizations or companies to invest in the country. This greatly hurts the Foreign Direct Investment (FDI).

Corruption is one of the factors that make a country be considered unsuitable for international investors. First, the relationship between Kenya and Italy has been based on transparency, integrity, and respect for the rule of law. In other words, the business

¹¹⁹U.S. International Trade Commission. 2014. *Sub-Saharan Africa: Factors Affecting Trade Patterns Of Selected Industries*. 1st ed. Washington, DC: U.S. International Trade Commission.

¹²⁰U.S. International Trade Commission. 2014.

between the two countries can be audited by any international organization.¹²¹ However, when a country is listed among the most corrupt nations, international investors shy away because of both reputational and economic risks. The risk presented by intense corruption is real and cannot be ignored as one of the factors that can jeopardize trade between Kenya and Italy.

3.3 Low per Capita Income

The per capita income in Kenya in the year 2016 stands at 3,130 PPP dollars while that of Italy in 2016 stands at 38,230 PPP dollars. This is a nearly 10 times difference which speaks volumes about the economic performance of the two countries.¹²² The per capita income is the gross national income converted into U.S. dollars and divided by the population of the country. It gives an estimation of what is earned by an individual in a given year. This is true in countries where the income gap between the rich and the poor is minimal. A country with a huge income gap such as Kenya may give a wrong impression that people are earning a good income on average.¹²³

What does this mean to business and bilateral relations between Kenya and Italy? When Italian firms come to trade in Kenya, they rely on figures given by the World Bank such as income per capita. The reason why income per capita is important is that it provides information about the disposable income and purchase power in any particular country.¹²⁴ For instance, a country with a high income per capita is likely to attract more international business because of the perceived high purchasing power.

¹²¹Capital Business. 2017. "India Vows To Scrap Italy Chopper Deal If Graft Proved - Capital Business". *Capital Business*.

¹²²Data.worldbank.org. 2017. "GNI Per Capita, Atlas Method (Current US\$) | Data". *Data.Worldbank.Org*.

¹²³Data.worldbank.org. 2017. "GNI Per Capita, Atlas Method (Current US\$) | Data". *Data.Worldbank.Org*.

¹²⁴Data.worldbank.org. 2017.

On the other hand, a country with a low income per capita is likely to discourage trade because of the perceived low purchase parity. This explains why Italian companies may be reluctant to set up operations in Kenya or engage in trading in Kenya because of the low per capita income.

Moreover, the cost of doing business in a foreign country is always high. However, for a company to attract the loyalty of the consumers, it has to lower its prices so that it can attract low-income buyers. With the cost of operations quite high, it may be suicidal for a company to lower prices. This complicates business because the company has to generate profits even if the situation in the market requires the company to lower its prices. The government of Kenya has been committed to developing solutions including online portals like e-citizen where companies can apply for a license without going through the quite lengthy process in the office of the attorney general.¹²⁵ The electronic portal has increased the ease of doing business, which also minimizes the cost of doing business in the country.

3.4 High Trade Tariffs

The tariff rates that a country charges on both export and imports affect trade between two nations. For example, if the tariff levels on exports are high, it makes it quite difficult for a Kenyan company to export goods to Italy. On the other hand, if the tariff rates are low on exports, it makes it quite easy to import goods to Italy.¹²⁶ When tariffs on exports are high, it implies that a company has to increase the prices of goods going to Italy. This may discourage Italian buyers from purchasing such

¹²⁵ Erepository.uonbi.ac.ke. 2017. "Factors That Influence Trade Between Kenya And Thailand". *Erepository.Uonbi.Ac.Ke*.

¹²⁶ U.S. International Trade Commission. 2014. *Sub-Saharan Africa: Factors Affecting Trade Patterns Of Selected Industries*. 1st ed. Washington, DC: U.S. International Trade Commission.

products. In fact, they may look for cheaper imports from companies that are producing similar goods. Kenya has been the main exporter of goods such as coffee, tea and flowers to European countries including Italy. However, this does not mean that Kenya is the only country producing coffee in East Africa. There are other countries including Uganda that also exports coffee. If the prices from Kenya are quite high, Italians are likely to obtain the products from other countries such as Uganda. This may be a huge loss to the Kenyan farmers who depend on revenue from the exports for their well-being. Such a loss may also affect other sectors that are linked to coffee farming including seed and fertilizer companies. Therefore, tariffs on exports and imports have to be set at levels that encourage smooth trade between the two countries. Failure to do this creates a barrier to trade, which then hurts the bilateral relations between the two countries.

When tariffs on imports are high, most of the Kenyan buyers may be discouraged from purchasing Italian products. Some of the products that are doing well in the Kenyan market such as clothing and foods such as spaghetti and pizza may become too expensive for the Kenyan buyers.¹²⁷ For instance, an Italian suit worth \$100 may be increased to \$200. This implies that many customers shall opt for cheaper suits. Therefore, import duties levied on goods from Italy should be set at a level where Kenyan traders are not blocked from purchasing them. In Kenya, the government controls import duties through policies that are developed in Parliament. Import duties are a source of revenue for the government, and there is always an attempt to have them increased. The government may try to increase tariffs so that it increases or

¹²⁷U.S. International Trade Commission. 2014. *Sub-Saharan Africa: Factors Affecting Trade Patterns Of Selected Industries*. 1st ed. Washington, DC: U.S. International Trade Commission.

discourages imports which are allowed by the law.¹²⁸ However, the increase or decrease in import duties is likely to have a significant impact on the bilateral relations between Kenya and Italy.

3.5 Economic Instability

Economic instability is one of the important barriers to trade between two countries. For example, if Kenyan economy falls, Italy will not be in a good position to trade with Kenya. The trade between Kenya and Italy depends on the high economic performance in both countries. In the year 2007/2008, many countries succumbed to the global economic recession which was triggered by the financial crisis.¹²⁹ Italy was one of the countries that were affected by the world economic recession. Most of its companies found themselves unable to continue with the international business. As a result, there were massive closures of companies and a tremendous increase in the rates of unemployment. The recession was also accompanied by inflation before prices started coming down quite fast. The sharp increase in the rates of unemployment was witnessed due to massive retrenchment as companies found themselves unable to continue with their business operations.¹³⁰ One of the effects of unemployment was the decline in the disposable income among the consumers.

The effect of the global recession was also felt in Kenya. In fact, the case in Kenya was even compounded by the post-election violence which engulfed the country

¹²⁸Data.worldbank.org. 2017. "GNI Per Capita, Atlas Method (Current US\$) | Data". *Data.Worldbank.Org*.

¹²⁹Data.worldbank.org. 2017.

¹³⁰The Star Kenya. 2017. "Kenyan Tourism Will Suffer If Elections Are Violent - Italian Ambassador". *The Star, Kenya*.

immediately after the general elections were concluded.¹³¹ A lot of companies were forced to close their doors because of the insufficient income or losses. Companies that managed to survive the recession were mainly dealing in basic commodities that people needed for survival. The economic instability in the two countries made it quite difficult to trade effectively.

Therefore, bilateral relations between Kenya and Italy may be affected by factors such as political instability, economic instability, corruption and low per capita income. Political instability disrupts peace and free movement of goods and services across the nations. For example, during civil wars, people get displaced from their homes in large numbers. This makes it quite difficult to sell products or offer services because consumers are on the move. Apart from political stability, corruption has also been found to be a major barrier to trade because it damages the reputation and creates unnecessary risks. Over the years, Kenya has developed a deeper relationship with Italy based on tourism and trade. This bilateral relation can be made even stronger if the mentioned barriers are eliminated.

3.6 Terrorism

Terrorism has been a threat in Kenya since the growth of the jihadist group by the name Al Shabab. In the year 2013, the rate of terrorism along the Kenyan coast was quite high. Terrorists even took their attacks a notch higher by invading Westgate Mall in Westlands, Nairobi.¹³² The attack on Westgate Mall claimed over 60 lives. About three months after the Westgate Mall incident, terrorists also attacked a

¹³¹The Star Kenya. 2017. "Kenyan Tourism Will Suffer If Elections Are Violent - Italian Ambassador". *The Star, Kenya*.

¹³²Howden, Daniel. 2017. "Terror In Nairobi: The Full Story Behind Al-Shabaab's Mall Attack". *The Guardian*.

university in Garissa which left over 70 students dead.¹³³ The government moved quickly to assure the world that the threat was being dealt with, but this came a bit late because several countries had moved quickly to issue travel advisories to their citizens. Italy is one of the countries which has granted travel advisories after Kenya was listed among the countries facing high threats from terrorism. The effect was immediately felt on the coast because the number of tourists visiting coastal towns such as Malindi reduced significantly.¹³⁴ Hoteliers began counting losses while tour guides and small-scale traders along the coastal line also felt the impact.

Many Italian tourists are not likely to visit Kenya when the country is facing a threat from terrorists. Moreover, Italy is one of the countries with very few if no incidence of terror. The country is relatively peaceful compared to other European countries such as Belgium and France.¹³⁵ Therefore, any information regarding terrorism usually scares away tourists from visiting Kenya. Many Italian citizens live along the Kenyan coast, and when the area became a major target for terrorists, they had to travel back to Italy.¹³⁶ It is, therefore, quite important for the government to maintain security especially along the Kenyan coast.

3.7 Crime and Conspiracies

The conspiracy to hide criminals who are wanted in Italy or Kenya may affect the relationship between the two countries. For example, if Kenya declines to deport a drug dealer wanted in Italy for trial and prosecution, the Italian government is not

¹³³Howden, Daniel. 2017. "Terror In Nairobi: The Full Story Behind Al-Shabaab's Mall Attack". *The Guardian*.

¹³⁴Howden, Daniel. 2017.

¹³⁵The Star, Kenya. 2017. "Kenya Barred From Deporting Italian Drug Trafficking Suspect". *The Star, Kenya*.

¹³⁶The Star, Kenya. 2017.

likely to take such a case kindly. Hiding criminals is one of the issues that can affect the close relationship between two countries. At some points, Kenya has been accused of failing to deport some Italian criminals. If such accusations are confirmed, the Italian government may be forced to impose some sanctions on Kenya until the issue is solved.

3.8 Fluctuations in Foreign Currency Exchange Rates

Trading in Kenya is favorable to Italian investors when the value of the dollar against the Kenyan shilling is high.¹³⁷ When there is a high rate of direct foreign investment, the value of the Shilling is likely to strengthen against the dollar because the shilling is on high demand. However, if the rate of foreign direct investment falls, the strength of shilling against the dollar is likely to fall. At this point, trading in Kenya is quite favourable to foreign companies because of the economies of scale.¹³⁸ An investment that requires a high amount of expenditures may be rolled out without much financial constraints. Most foreign companies trade in Kenya by converting their foreign currencies to Kenyan Shilling. In the year 2007, the value of Kenyan shilling against the dollar fell as low as Ksh.85. This made it quite easier for international companies to trade in Kenya even if the risk was high. The lower value of currency made it possible to trade even if risks were high because of the economic recession.¹³⁹ However, after the 2007 post-election violence, the value of shilling against the dollar has been rising quite steadily. Currently, the value of Kenyan Shilling against the dollar stands at Kenyan Shillings 102. Therefore, compared to the 2007 rate, it is more expensive for the foreign companies to trade in Kenya now than it was in the

¹³⁷U.S. International Trade Commission. 2014. *Sub-Saharan Africa: Factors Affecting Trade Patterns Of Selected Industries*.

¹³⁸U.S. International Trade Commission. 2014.

¹³⁹Erepository.uonbi.ac.ke. 2017. "Factors That Influence Trade Between Kenya And Thailand".

year 2007. The following table shows how Kenya has been trading with foreign nations since the year 1995.

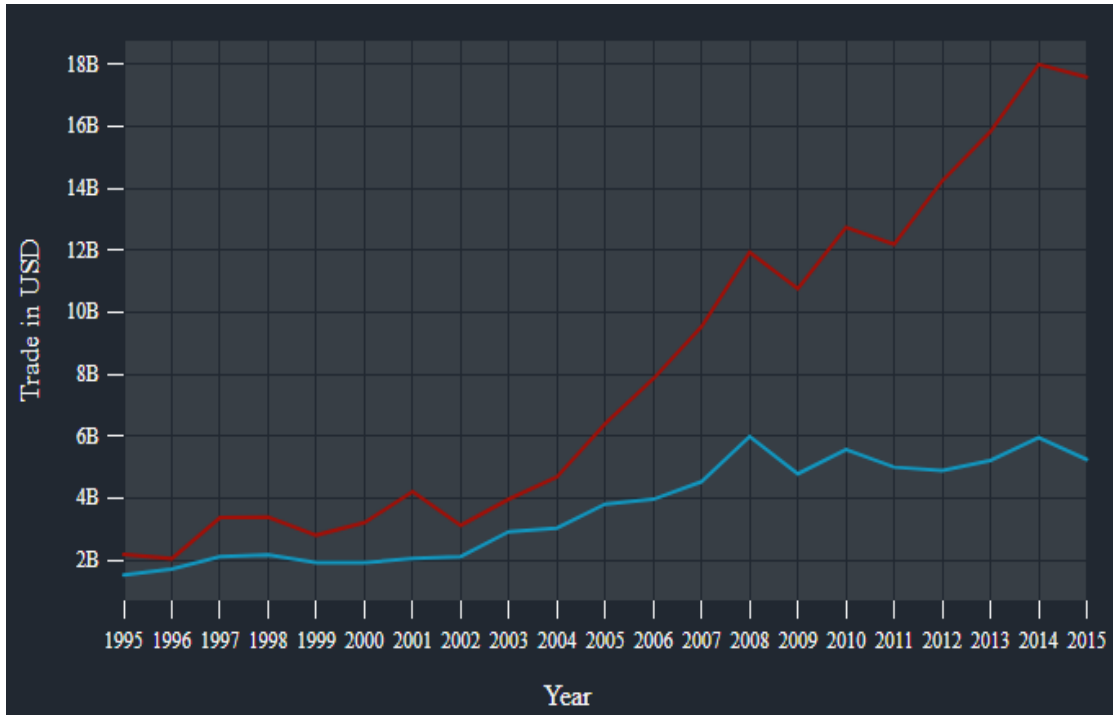


Figure 3.1: Kenyan Imports and Exports from 1995 to 2015

Source: <http://atlas.media.mit.edu>.

The information from this data shows when the trade between Kenya and foreign nations is high and times when it has been low. Again, the year 2007 has been featured as a year when the trade between Kenya and other nations was quite low.¹⁴⁰ The level of imports between the year 2006 and 2009 was quite high compared to the level of imports in 2007. This also explains why the value of the dollar was quite low over the same period. High rates of exports, for instance, contribute towards strengthening the value of domestic currency.¹⁴¹ In this case, it seems like the value of

¹⁴⁰U.S. International Trade Commission. 2014. *Sub-Saharan Africa: Factors Affecting Trade Patterns Of Selected Industries*.

¹⁴¹Erepository.uonbi.ac.ke. 2017. "Factors That Influence Trade Between Kenya And Thailand".

the domestic currency was much lower in comparison to the value of the foreign currencies. Therefore, fluctuations in the foreign currency may affect the trade relations between Kenya and Italy because it interferes with the ability of foreign companies to plan their operations.¹⁴² For example, fluctuations in the foreign currency may make trading such an expensive exercise that forces companies to rethink their decisions. Some companies try to manage the fluctuations by applying hedging strategies in order to be protected even if there are fluctuations.

3.9 Inadequate Efforts in Boosting Italy-Africa Relationships

Italy was one of the colonial masters of the African continent during the colonial period covering less than 4% of Africa including Libya, Somalia and Eritrea territories. After the end of the colonial era, Italy – Africa relations has not been robust, and Italy’s presence in Africa reduced significantly as compared to other European nations.¹⁴³ For the first time in history, an Italian sitting premier made efforts to visit the sub-Saharan African in 2014, 2015 and 2016 seeking to create strong bilateral ties with the African nations. In May 2016, Italy hosted the very first Italy-Africa Ministerial conference in Rome where more delegates from more than 40 African countries attended. Italy can greatly benefit mutually from having a robust relationship with Africa. The fact that Italy is the world’s eighth largest economy and is number seven of the most significant partner with Africa, its performance in efforts to boost Italy African relationships is below its potential

¹⁴²U.S. International Trade Commission. 2014. *Sub-Saharan Africa: Factors Affecting Trade Patterns Of Selected Industries*.

¹⁴³Amdetsion, Fasil. 2017. "Italy's History In Africa Is A Messy Affair". *Fair Observer*. <https://www.fairobserver.com/region/africa/italy-postcolonial-relations-in-africa-99543/>

Italy has had different relationships experience with her former colonies and Africa at large after most of them gained independence more so with Eritrea, Ethiopia and Somalia in the Horn of Africa. Her former colonies would have been the best places to start from in strengthening their political and business ties to the other parts of the continent.

There were many factors that became a stumbling block to the Italy and Ethiopia relations. However, the one that stood out the most was the delay by Rome to extend an official invitation to visit Italy. The emperor had anticipated so much for the invitation to visit Italy, and when it finally came, it somewhat created a stronger tie between the two countries. The relationship between Italy and Somalia hit the rocks when Somalis attacked and destroyed property belonging to the Italian companies and investors despite the promise by the Somali President Mohamed Siad Barre to protect them. Most Italian companies and their expatriate personnel left the country, and those who remained behind were forced to leave when the civil war began in Somalia. Italy's relationship with the countries in the Horn of Africa became inconsistent more so with Ethiopia which had the largest population in the region. More problems arose when disputes arose over Eritrea and the signing of the peace treaty in 1947. Italy would not come to terms that actually the colonial era had ended.¹⁴⁴ The geopolitical priorities of Italy on Ethiopia and Somalia went low following the two countries' policies that did not favor Italy's presence and increased civil wars. This affected the engagement of Italy with the horn of Africa countries and consequently to the rest of African nations.

¹⁴⁴Gentiloni: We Share The Same Fate". 2017. *Esteri.It*.
http://www.esteri.it/mae/en/sala_stampa/archivionotizie/interviste/2016/05/gentiloni-abbiamo-lo-stesso-destino.html.

Italy- Kenya relations can be traced back to 1902 when the first Italian missionaries arrived in Kenya.¹⁴⁵ These were efforts made by the Catholic Church to spread the gospel of Jesus Christ all over the world. There is no evidence to show that the then Government of Italy had plans to explore to Kenya. However, this was the time when the European nations were scrambling and partitioning Africa for colonization. Very little about Kenya must have been known during this time and there was not even a Kenyan Government in place. At this time due to the circumstances at hand, any bilateral relations between Kenya and Italy would not be possible.

After Kenya's independence and formation of the first self-rule government in 1963, Italy and Kenya signed the first bilateral relations with Kenya in the early 1980s. In 1996, Kenya and Italy signed an agreement to promote and protect investments. After the Prime Minister of Kenya visited Italy in 2009, the Italian Foreign Minister, Franco Frattini visited Kenya in 2010. In 2015 the Prime Minister of Italy Matteo Renzi made a two-day visit trip to Nairobi, at a time when Kenya was facing the hardest terrorism challenge. His main reason for the visit was to hold bilateral talks with the president of Kenya, Uhuru Kenyatta concerning the collaborative efforts that could be made by both countries in the war against terrorism.¹⁴⁶ Kenya on her side has also been making efforts also to send government officials for visits in Italy. Several Cabinet Secretaries including those of Treasury and Agriculture have visited Italy.¹⁴⁷

¹⁴⁵Italians In Tanzania - Community Groups". 2017. *Baldi.Diplomacy.Edu*. <http://baldi.diplomacy.edu/italy/Italians/ittz5.htm>.

¹⁴⁶"Kenya-Italy Relations Deepen". 2017. *The Star, Kenya*. http://www.the-star.co.ke/news/2017/06/02/kenya-italy-relations-deepen_c1571940

¹⁴⁷"Google Translate". 2017. *Translate.Google.Com*. <https://translate.google.com/translate?hl=en&sl=it&u=http://www.ambnairobi.esteri.it/&prev=search>

During the African conference in Rome in 2016, Italian Prime Minister Matteo Renzi stressed that the country has a renewed interest to work with the African nations¹⁴⁸.

3.10 Slow-down in the Italian Economy has served as Inhibiting Factor in Promoting Robust Kenya Italian Relations

Since independence, the ties between Kenya and Italy have been gradually growing, but they have not reached the expected levels. One of the very first bilateral agreements between the two countries that made the ties stronger before was the cooperation in technical, economic and development that was signed in 1985.¹⁴⁹ The most important areas that Kenya and Italy cooperate are Health, Water, Natural Resources and Environment, and Urban development. Agreements that aim at boosting both of the country's economic growth contribute more to the robust and stronger bilateral relationships.

In 2007, Italy was hit by a financial crisis, and since then, the economy has underperformed. Due to these circumstances, the government came up with policies to reduce expenditure and increase incomes. This reduced the Government lending and signing of financial agreements that required them to spend. In 2009, the imports from foreign countries reduced significantly especially from trading partners in Africa including Kenya with 23% reduction.¹⁵⁰ This must have contributed to the decline in the strength of the bilateral ties between Kenya and Italy.

¹⁴⁸Pilogallo, Antonio. 2017. "Is The Italy-Africa Relationship Taking Off?". *How We Made It In Africa*. <https://www.howwemadeitinafrica.com/italy-africa-relationship-taking-off/>

¹⁴⁹"Google Translate". 2017. *Translate.Google.Com*.

<https://translate.google.com/translate?hl=en&sl=it&u=http://www.ambnairobi.esteri.it/&prev=search>

¹⁵⁰Admin, Super. 2017. "Italy Sees Kenya As A Priority In Its Plans To Become Africa'S Leading Trading Partner". *Ati-Aca.Org*. <http://www.ati-aca.org/index.php/newsroom/press-releases-75247/2010-press-releases/206-italy-sees-kenya-as-a-priority-in-its-plans-to-become-africa-s-leading-trading-partner>

There has been a reduction in the number of foreign trade agreements, and the agreements between Kenya and Italy have not been realized to full potential. There exist low developments in the main areas such as education. Few students from Kenya go to Italy for further studies, and the number of scholarships that are awarded to the Kenyan students are fewer compared to other countries such as the United States and Asian countries.

Italy is a country of very few resources and is strongly dependent on oil imports. The Oil crisis in Italy in 1970 affected the country so bad until it resulted in slow economic growth, high unemployment and increase in the inflation. The economy started to recover again in the early 80s due to the implementation of restrictive monetary policies that reduced inflation and growth oriented policies that reduced public spending tightening the budget deficit.¹⁵¹ This affected the international spending including to Kenya and therefore reducing the strength of the bilateral relations between the two countries. At this time when Italy is doing well economically now, it seeks to create strong financial relations with Kenya and Africa at large to tap the full potential that Africa has economically.¹⁵²

3.11 Drug Trafficking and Money Laundering

The role of Italians in the war against drug trafficking and money laundering has also been a factor that hinders the smooth Kenya-Italy bilateral relations. The main role played by criminal gangs emigrating from Sicily, Italy to aid drug trafficking has

¹⁵¹"Italy Economy - GDP, Inflation, CPI And Interest Rate". 2017. *Focus economics / Economic Forecasts From The World's Leading Economists*. <http://www.focus-economics.com/countries/italy>

¹⁵²Pilogallo, Antonio. 2017. "Is The Italy-Africa Relationship Taking Off?". *How We Made It In Africa*. <https://www.howwemadeitinafrica.com/italy-africa-relationship-taking-off/>

frustrated Kenya's and Italy's effort on its war on drugs.¹⁵³ After the discovery of the town of Malindi by holidaying Italians, in 1980, Italians started to move in huge numbers.¹⁵⁴

In subsequent years, the infamous criminal elements in Italy, popularly known as an Italian Mafia moved with them spreading drugs and prostitution in a town which already was struggling with the existing social problems. In an article published in one of the local Kenya dailies, the standard Group, detailing how Italian Mafia gained the control of Malindi town, the author exposed the Malindi's underworld of prostitution rackets, money laundering, drug trafficking and a hire for service providers with the town harboring fugitives run away from justice in Italy's Sicily.¹⁵⁵ The Law Society of Kenya reported that they had enough evidence to prove that Italian Mafia had controlled the town of Malindi and comprised the security apparatus. According to the article, the choice of Malindi as a hideout for drug traffickers is encouraged by the porous security systems. Many of these elements sneak in as Tourists and choose to stay. The seizure of huge consignments of heroin off the Kenyan coast with estimated street value of \$278 Million in November and December 2014 proved that Kenya and the Eastern seaboard of Africa was a key route for heroin destined for Europe and Asia.¹⁵⁶

¹⁵³ Paul Gitau, "How Italian Mafia Gained Control Of Malindi", *The Standard*, last modified 2017, accessed July 21, 2017, <https://www.standardmedia.co.ke/?articleID=2000061045&pageNo=1>

¹⁵⁴ Parselelo Kantai, "Kenya's Malindi, A Paradise Lost | Society And Culture", *Theafricareport.Com*, last modified 2017, accessed July 21, 2017, <http://www.theafricareport.com/Society-and-Culture/kenyas-malindi-a-paradise-lost.html>

¹⁵⁵ Paul Gitau, "How Italian Mafia Gained Control Of Malindi", *The Standard*, last modified 2017, accessed July 21, 2017, <https://www.standardmedia.co.ke/?articleID=2000061045&pageNo=1>

¹⁵⁶ Lorenzo Bagnoli and Lorenzo Bodrero, "Kenya's Drug Barons", *CORRECTIV*, last modified 2017, accessed July 21, 2017, <https://correctiv.org/en/investigations/mafia-africa/articles/2015/04/16/kenyas-drug-barons/>

Earlier on in December 2004, 1.1 tonnes consignment of cocaine was seized in the town of Malindi originating from Venezuela and Columbia. It is because of the huge criminal network in the town of Mombasa that criminal elements from Italy and other parts of Europe have taken advantage of these networks to infiltrate the coast of Kenya. For instance, in 2003, an Italian Man, De Sio Ciro was caught by police within the town of Malindi in possession of 5.64 Kilograms of heroin and sentenced to 8 years in Jail added to a fine of one million Kenya Shillings.¹⁵⁷ Few of them have been prosecuted according to the available sources from the court because cases of western suspects taken to court take too long to be prosecuted. In addition, the suspects provide heavy bribes to the local police to evade arrest. The criminal elements have also been accused of evading taxes and operating criminal cartels using the huge number of villas owned by Italians in the town of Malindi.

Another case involves three Italian nationals caught in possession of drugs in March 2017, having escaped from their home country because of criminal charges filed against them. One of the suspects, Fulvio aged 68 years, was convicted in 1993 by an Italian court for charges related to drug tracking. Subsequently, he escaped and sneaked in the country as a tourist before settling in Malindi town.¹⁵⁸ He subsequently renounced his Italian citizenship and opted to be naturalized owing to the criminal records in his countries of origin. The other suspect born in the city of Nuoro in Italy had escaped from court charges where he had been indicted for tax evasion and fraud charges amounting to £17 million. The police also found that he had direct links with

¹⁵⁷ Paul Gitau, "How Italian Mafia Gained Control Of Malindi", *The Standard*, last modified 2017, accessed July 21, 2017, <https://www.standardmedia.co.ke/?articleID=2000061045&pageNo=1>

¹⁵⁸ Stella Cheronon, "Three Italians Arrested In Coast Wanted At Home For Crime", *Mobile.Nation.Co.Ke*, last modified 2017, accessed July 21, 2017, <http://mobile.nation.co.ke/news/three-italians-arrested-in-coast-wanted-at-home-for-crime/1950946-3874194-format-xhtml-qu2ts5/index.html>

a mafia clan in his own hometown in Sicily. The Interpol had put the suspects on notice as wanted fugitives who had escaped justice. They were also charged with other charges ranging from child prostitution, drug trafficking, and money laundering. These incidences led to the branding of the Kenyan coast by international critics as a criminals' paradise where high profile criminals from foreign nations come to hide while posing as pensioners, investors and charity work hence making it even easier for them to acquire foreign identities. Despite the fact that these criminal elements have never elicited a major diplomatic spat between Kenya and Italy, it has led to more screening measures put in place by the Kenyan authorities against foreign nations coming in as tourists and these extra screening measures have frustrated innocent tourists and investors from Italy who frequent the coastal beaches for leisure activities.

Therefore, in summary, the bilateral relations between Kenya and Italy may be negatively affected by factors such as political instability, economic instability, corruption and low per capita income. Political instability disrupts peace and free movement of goods and services across the nations. For example, during civil wars, people get displaced from their homes in large numbers. This makes it quite difficult to sell products or offer services because consumers are on the move. Apart from political stability, corruption has also been found to be a major barrier to trade because it damages the reputation and creates unnecessary risks. Over the years, Kenya has developed a deeper relationship with Italy based on tourism and trade. This bilateral relation can be made even stronger if the mentioned barriers are eliminated.

CHAPTER FOUR

CRITICAL ANALYSIS OF THE ROLE OF ITALIAN ORGANIZATIONS IN ENHANCING BILATERAL RELATIONS BETWEEN KENYA AND ITALY

4.0 Introduction

Chapter four is a critical analysis of the findings of the study based on the information collected through the questionnaire. A copy of the questionnaire has been attached in the appendices section. It delves deep into the current-status of the Kenya-Italy ties and the factors inhibiting the same. It presents a way forward on enhancing these relations. It also discusses how the Italian organizations, both private and government institutions, can improve bilateral ties between Kenya and Italy.

4.1 Increasing Foreign Direct Investments (FDI)

Human capital is the amount of income generated per individual in a country.¹⁵⁹ It is the total national income divided by the population, as was discussed in the previous chapter. Although it is not an accurate depiction of the economic growth rate, it serves as an indicator of a country's standards of living.

The per capita income for Kenya is 1143 USD while that of Italy is 34,283.70 USD, as per the year 2016.¹⁶⁰ These values have been rising due to the bilateral agreements between the two countries, but they are not yet at optimum levels.

Foreign Direct Investments (FDI) is one of the ways in which the countries can enhance their cooperation and have mutual benefits. FDI in Kenya is increased through

¹⁵⁹ Per Capita income. (2017). *Business Dictionary*. Washington DC. Retrieved from <http://www.businessdictionary.com/definition/per-capita-income.html>

¹⁶⁰ Kenya GDP per capita | 1960-2017 | Data | Chart | Calendar | Forecast. (2017). Tradingeconomics.com. Retrieved 30 August 2017, from <https://tradingeconomics.com/kenya/gdp-per-capita>

projects funded by Italian organizations in Kenya as discussed in Chapter two. Investments by Italian companies in Kenya also increase the level of FDI inflow into the country. Increased Foreign Direct Investment leads to an increase in the Influx of foreign currency in the country, which in turn stimulates the economy. The Foreign Direct Investment also provides a fiscal dividend to the country, which can be used for enhancing development and growth. The economic dividends, as a result, trickle down to the people employed in form of earnings and corporate profits and to the government in form of taxes on their incomes and corporate profits.¹⁶¹

From the research findings, the study found that 68.5% of the respondents either owned or were involved in an Italian Investment in Kenya. The respondents gave various ways in which the Italian investments in Kenya contribute to the Kenyan economy as shown in the pie chart below.

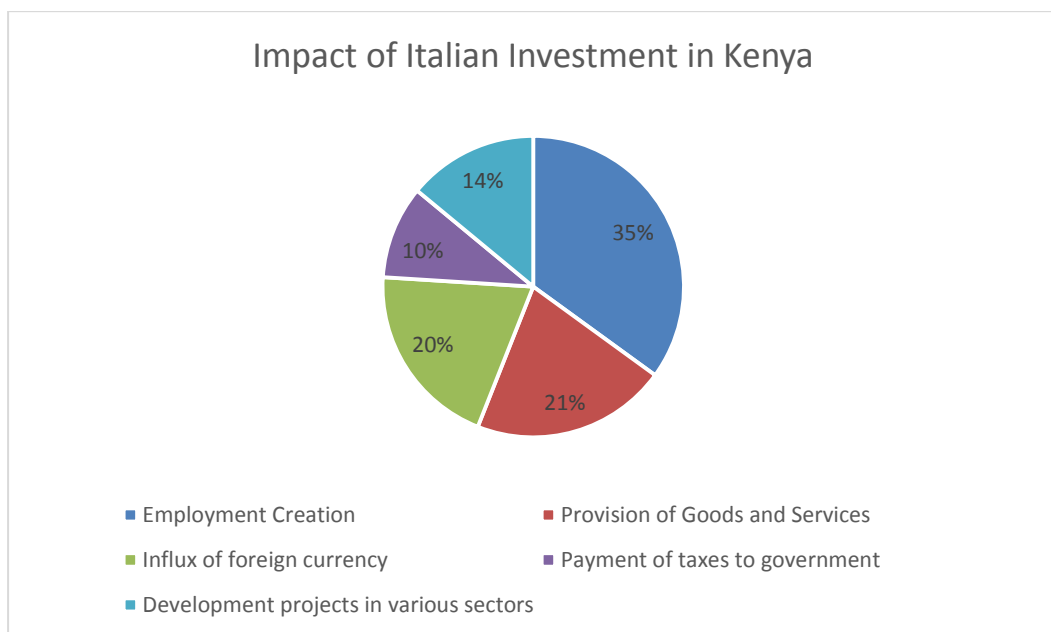


Figure 4.1: Impact of Italian investments in Kenya

¹⁶¹ Cuffe, J. (2014). Has Africa benefited from Foreign Direct Investment?. *Tutor2U*. Retrieved from <https://www.tutor2u.net/economics/blog/has-africa-benefitted-from-foreign-direct-investment>

From figure 4.1 above, the main contributions made by Italian investments in Kenya include employment creation, influx of foreign currency, provision of goods and services, payment of taxes to the government, and increased development and enhancement in various sectors. Increasing FDI goes a long way in cementing the bilateral relations between Kenya and Italy through employment creation, improvement of the Balance of Trade, and increased cooperation in social, political and economic issues. Increased FDI from Italian organizations can result in significant gains in development as well as the long-run growth of the Kenyan economy. Through the increase in the per capita income of the Kenyan population, the ripple effect goes a long way to improve the economic cooperation between Kenya and Italy. To attract more Italian investors to the country, the Kenyan government has to ensure that the inhibiting factors such as insecurity, corruption, high taxation rates, and other inhibiting factors are addressed. The respondents in this study rated the ease of doing business in Kenya and the results are as shown in figure 4.2 below.

Table 4.1: Ease of doing business in Kenya, ratings by the respondents

| Rating | Description | % Respondents |
|---------------|--------------------|----------------------|
| 1 | Extremely good | 12 |
| 2 | Good | 31 |
| 3 | Average | 40 |
| 4 | Below Average | 15 |
| 5 | Not good at all | 2 |

From the results in table 4.2, it is clear that according to the respondents, the ease of doing business is still not at desirable levels. Only 12% of the respondents believed that the ease of doing business in Kenya is extremely good while the highest percentage of them believed that the ease of doing business is average. Therefore, ease of doing business is one of the key issues that the government needs to give more attention to in order to enhance the creation of a more business friendly environment that will attract more Italian organizations and individuals to invest in the country.

4.2 Help in the Fight against Terrorism

From the research findings shown in figure 4.3 below, terrorism and insecurity was rated the most significant factor that inhibits the Kenya-Italy bilateral relations.

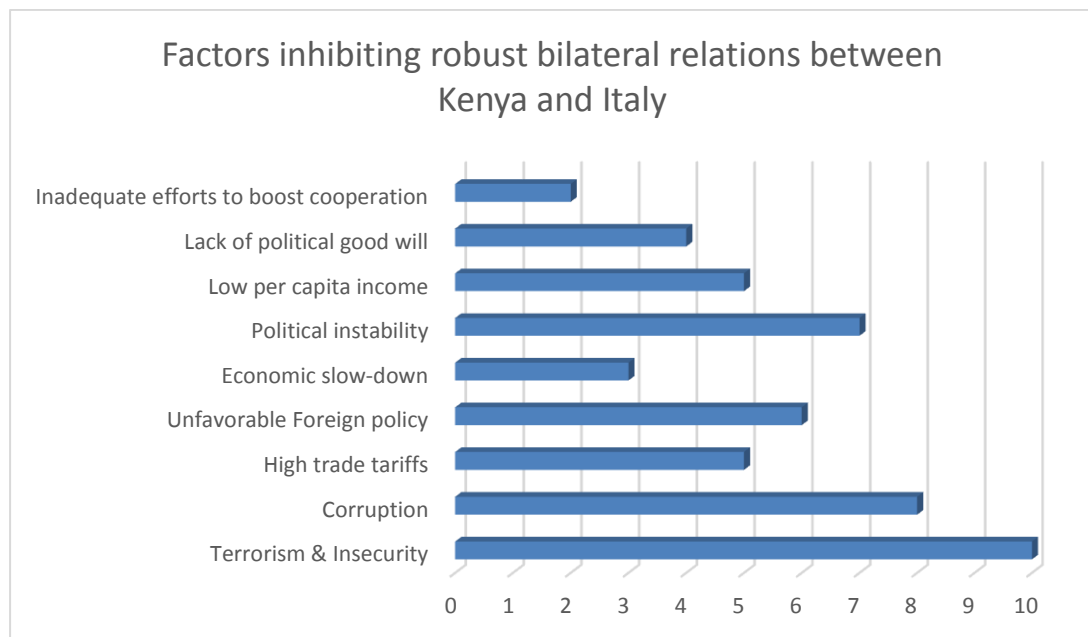


Figure 4.2: The bar graph showing rates of factors inhibiting the Kenya-Italy Bilateral Relations

Terrorism has been a thorn to the Kenyan economy for a long time. The West Gate incident almost shut down the tourism economy in Kenya.¹⁶² The constant terrorist attacks had far-reaching effects that almost brought down the economy to its knees. In order to enhance bilateral relations between the two countries, terrorism and insecurity in Kenya need to be dealt with as top priority issues. The Kenyan Government's efforts to fight terrorism and insecurity can be bolstered by the Italian government which has an Intelligence community that is controlled by the European Intelligence Agency (EIA).¹⁶³ The EIA has a Counter Terrorism Unit within its department, which helped the US in the fight against Iraq terrorist organizations led by Saddam Hussein.

The Italian letter, as it came to be known, was the one decoded by the Italian Intelligence that helped President Bush, the former US President, in the fight against terrorism.¹⁶⁴ In the field of Counter Terrorism Unit (CTU), reliable and timely intelligence plays a vital role. It makes strategic and tactical prevention have a literal sense of the meaning. It provides security personnel with the opportunity to act before a terror attack occurs, which is a tactical prevention and or, the intelligence is used as a precondition for threat analysis. The threat analysis is where a political decision is made with a long-term approach towards evolving any future security concerns, a strategic prevention.

¹⁶² Franckie, S. (2013). Kenya's tourism suffers following Westgate terror. *Global Risks Insight: Know Your World*. Retrieved from <http://globalriskinsights.com/2013/11/kenyan-tourism-suffers-following-westgate-terror/>

¹⁶³ *Worldwide List of Spy and Intelligence Agencies*. (2017). *IntelligenceSearch.com*. Retrieved 25 August 2017, from <http://www.intelligenceSearch.com/intelligence-agencies.html>

¹⁶⁴ Royce, K. (2014). Remembering the Hoax That Helped Launch the U.S. Invasion, and Later Disintegration, of Iraq. *Huffington Post*. Retrieved from http://www.huffingtonpost.com/knut-royce/italian-letter-iraq-invasion_b_5574204.html

The Kenyan government showed its political and economic will to fight these terrorist groups through the security interventions put into place. The Kenyan government has accepted the inter-governmental approach to terrorism as a tool to fight transnational crime and terrorist attacks.¹⁶⁵ The takeaway point from this is that the Italian Intelligence has a lot to offer Kenya in the fight against terrorism. Therefore, tackling the threat of terrorism and insecurity will have a ripple effect on several areas of cooperation between the two countries.

4.3 Fight against Corruption

The Kenyan government has been on the forefront, in the fight against corruption for the last two decades. Kenya was the first country to sign the United Nations Convention against corruption in Merida, Mexico. The former Justice Minister Kiraitu Murungi signed it and condemned the disease of corruption in the country showing the Government of Kenya's intention to rid the country of corruption.¹⁶⁶

In the fight against corruption, their Italian organizations have put tremendous efforts to fight corruption. To continue with this fight, the management of these organizations can instil ethics and compliance to integrity into their company's cultures by setting expectations, promoting core values, and providing incentives. In today's world, business leaders are more connected than ever and carry more power and influence. Through such measures, they can show their intentions to fight against corruption by

¹⁶⁵ Cherono, S. (2016). War on terror being won by brain power not gun powder, say security bosses. *The Daily Nation*. Retrieved from <http://www.nation.co.ke/news/How-Al-Shabaab-lost-battle-of-wits/1056-3467224-fx9ud2/index.html>

¹⁶⁶ United Nations. (2003). *UNITED NATIONS CONVENTION AGAINST CORRUPTION*. Retrieved from <http://www.un.org/webcast/merida/statements/pressrelease2-eng.htm>

showing the values that their businesses stand for, innovation, creation of jobs and promotion of fair and dynamic markets.¹⁶⁷

Thanks to the digitalization of the Kenya government portal, there are few bureaucratic red tapes involved in registering of businesses and corporations. The Italian organizations can encourage more investors to set-up their companies in Kenya. From the research findings, the data shows that there is a high correlation between the incidences of corruption and the extent of bureaucratic red tape. The correlation level stands at 89%. Table 4.3 above shows that corruption was rated the second highest inhibiting factor in many areas of cooperation between Kenya and Italy. Therefore, removal of this red tape will ease the regulations to open up new businesses, to register property, to engage in international trade and a profusion of other issues that relate to the ease of doing business.

4.4 Increased Cultural Integration

Cultural Integration is where people from one culture adopt the way of life of another culture, such as ceremonies, food, and language while at the same time maintaining their own culture.¹⁶⁸ Table 4.4 below shows the results of the ratings by the respondents on the current-status of cultural integration between Kenya and Italy.

¹⁶⁷Kelly, H. (2015). How businesses can take the lead on fighting corruption. *World Economic Forum*. Retrieved from <http://amp.weforum.org/agenda/2015/06/how-businesses-can-take-the-lead-on-fighting-corruption>

¹⁶⁸ Arnold, G. (2017). Cultural Integration: Definition & Examples. *Study.com*. Retrieved from <http://study.com/academy/lesson/cultural-integration-definition-examples.html>

Table 4.2: Current-status of cultural integration between Kenya and Italy, ratings by the respondents

| Rating | Description | % of Respondents |
|---------------|--------------------|-------------------------|
| 5 | Extremely good | 33 |
| 4 | Good | 46 |
| 3 | Average | 16 |
| 2 | Below Average | 5 |
| 1 | Not good at all | 0 |

In table 4.2, 33% of the respondents believe that the current-status of cultural integration is extremely good. 46%, 16%, and 5% believe that the status of cultural integration is good, average and below average respectively. The respondents also indicated the cultural activities that they have been involved in. The results are as shown in figure 4.5 below.

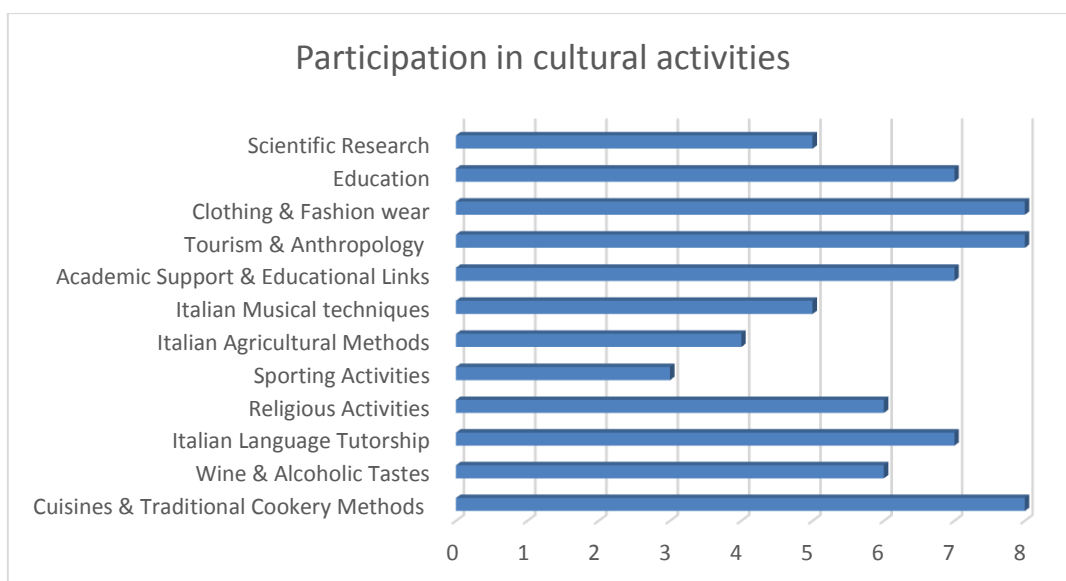


Figure 4.3: The results for Commonly Practised Cultural Activities by Italians in Kenya

From the results presented in figure 4.5, the most commonly practised cultural activities were cuisines and traditional cookery, tourism and anthropology, and clothing. However, these three most commonly practised activities only scored eight out of 10. This implies that the participation is not yet optimal. A lot more needs to be done to enhance these cultural integration activities.

In 2013, the Italian embassy provided 7 Kenyan students with full scholarships to join the "Istituto Agronomico per l'Oltremare." The significance of this scholarship is to ensure they receive a Masters in Geomatics and Irrigation in the fight against poverty and hunger.¹⁶⁹ They would also learn the Italian languages and beliefs in what is believed to be a successful cultural diplomacy program between the two countries.

¹⁶⁹*Growing cultural ties between Italy and Kenya - seven Kenyan students awarded scholarship in Italy to attend master in geomatics and irrigation.* (2013). *Ambnairobi.esteri.it*. Retrieved 26 August 2017, from http://www.ambnairobi.esteri.it/ambasciata_nairobi/it/ambasciata/news/dall_ambasciata/20131105studi.html

However, the education scholarship opportunities given to Kenyans to study in Italy are still few. In addition, some students do not fully integrate back to the Kenyan society after the scholarships in Italy. There is need to improve their re-entry into the Kenyan society through jobs and other measures. The students need to be stable before they can apply the knowledge gained in Italy. The Italian government can increase these opportunities to Kenyan students to increase the academic influence culturally to the Kenya population. With these possibilities, the Italian language will be integrated to Kenyan graduate students and will spread the influence to other parts of the country.

There are about 30 Italian restaurants in Kenya. They are mostly centered in Mombasa and Nairobi Cities. These restaurants are Italian companies that are integrating the Italian cuisines to the Kenyan population successfully as seen in the reviews on google reviews. However, the only cities with Italian restaurants are Nairobi and Mombasa. These Italian companies could enhance the cultural integration between Kenya and Italy through the Italian cuisines by investing in other towns and cities such as Eldoret and Kisumu.

Cultural integration can also be enhanced through sports activities. From the research findings, more than 50% of the Italian organizations would like to influence the sporting activities in Kenya. Sport is a global element in all cultures. It is particularly popular among the young population. Through sports, there are social interactions that can enhance the bilateral ties between Kenya and Italy. Sport, especially team games,

are a vital part of the Kenyan co-curricular activities, people are either spectators or participants.¹⁷⁰

Italian organizations can enhance cultural integration through sports between Kenya and Italy. The Italian companies can sponsor sporting activities in Kenya ranging from athletics, which Kenyans thrive in, to football clubs at local levels. As business persons, several sporting youth events can build campaigns around athletes and transform them to brands that will market their products. Beyond these brands with words and symbols, these Italian organizations will be sponsors with the power to create powerful marketing programs with mass and targeted appeal.¹⁷¹

4.5 Increasing the Scientific Community Reach to Kenyans

The respondents rated scientific projects such as the San Marco project as one of the major ways in which bilateral relations between Kenya and Italy can be strengthened. As shown in figure 4.6 below, scientific projects scored 7 out of 10 in the ratings by respondents.

¹⁷⁰*Culture and Sport*. (2017). *Coe.int*. Retrieved 28 August 2017, from <http://www.coe.int/en/web/compass/culture-and-sport>

¹⁷¹Keino, M. (2011). Local sports sponsorship looking up. *The Daily Nation*. Retrieved from <http://www.nation.co.ke/sports/TalkUp/-/441392/1162516/-/view/printVersion/-/y7vy09/-/index.html>

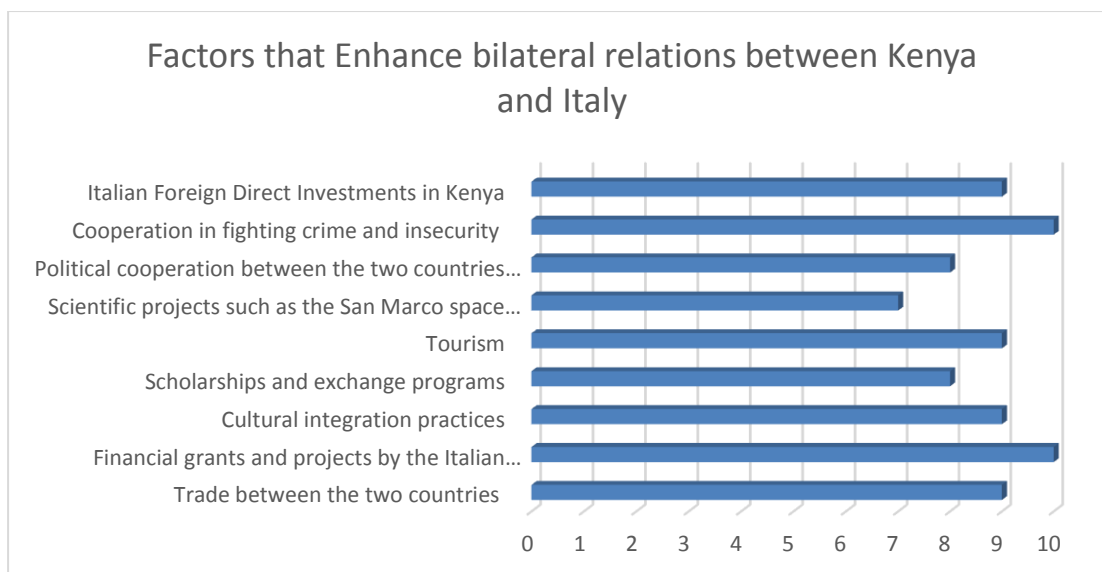


Figure 4.4: Factors that enhance bilateral relations between Kenya and Italy

Source: Survey data

The Kilifi space station program has been recruiting Italian scientists and few Kenyans.¹⁷² The study found that the best way to propel the scientific minds in the spirit of enhancing scientific cooperation between Kenya and Italy, is to expand the reach for brilliant minds.

The lives of citizens are increasingly affected, for better or worse, by the innovations of science. A couple of these innovations are relied on to prevent future threats. These scientific developments ranging from energy production to agricultural gene technology offer real benefits to the present society. The Italian space station has brilliant scientific minds that can nurture the next generation of Kenyan scientists who

¹⁷²Kamau, J. (2013). Town hosts historic space station. *The Daily Nation*. Retrieved from <http://www.nation.co.ke/lifestyle/DN2/Town-hosts-historic-space-station/957860-1936752-i01gt4/index.html>

need to understand where, and how, science and technology fit perfectly into the cultural and industrial life of the nation.¹⁷³

The Kenyan government does not have a well-outlined scientific community to consult, but with the help of the Italian scientific cooperation, they can be able to form one. Scientists are needed and are increasingly called upon to contribute to public policy and the public understanding of science. In fulfilling these responsibilities, scientists must be given time to relate the scientific knowledge to society in the most suitable way that members of the public can make an informed decision about the relevant research.

The Kenyan government has ruled out the possibility of scientific research on genetically modified crops. The Agricultural Cabinet Minister cited the main reason to be the fact that Kenya is not ready for such undertakings.¹⁷⁴ The research trials by scientists were slated to take two years, with field trials for biotech maize regularly inspected by other government agencies.

An array of new initiatives by national governments, in UK, Canada, France, and Germany, has set-up government funds to lure foreign researchers and scientists to their shores as a form of International recruitment.¹⁷⁵ The Italian scientific community

¹⁷³Elves, M., & Gibson, I. (2013). What is the scientist's role in society and how do we teach it?. *The Guardian*. Retrieved from <https://www.theguardian.com/higher-education-network/blog/2013/nov/04/science-in-society-policy-research>

¹⁷⁴Andae, G. (2017). Kenya rules out open trials on genetically modified crops. *The Daily Nation*. Retrieved from <http://www.nation.co.ke/business/Kenya-rules-out-open-trials-on-genetically-modified-crops/996-3857748-yvd6gg/index.html>

¹⁷⁵Redden, E. (2017). Ready to Go Expat?. *Insider Higher Ed*. Retrieved from <https://www.insidehighered.com/news/2017/07/26/several-countries-launch-campaigns-recruit-research-talent-us-and-elsewhere>

can set-up such programs in a bid to increase the scientific community reach to Kenyans and other African nations.

The reach to scientific and most brilliant minds can be achieved through competitive science fairs countrywide. Both Kenyan and Italian scientists should host these events to cherry pick the most brilliant of minds to join the scientific community. These will enhance the scientific cooperation and in the end, improve the lives of Kenyans and Italians alike.

4.6 Peace Building Campaigns

The Italian companies all over Kenya need to contribute to Peace campaigns during political periods and in conflict prone areas in the country. Italian organizations in the country are typically well-established and opportunity-driven entrepreneurs. All business decisions made like every other organization, such as the size of plant/office, the magnitude, and scope of distribution systems, are primarily done because they want to improve the bottom line and will consciously pursue revenue enhancement and cost reduction activities that positively affect profits.¹⁷⁶ Therefore, these come with great responsibilities to help in maintaining peace. For instance, the Kenyan 2013 elections presented various challenges to the country's business sector. The Italian organizations can participate in various ways of promoting peaceful campaigns that will create a healthy business environment.

In making donations to politically affiliated organizations or parties, Italian organizations should ensure that this is done in a manner that is not partisan at all.

¹⁷⁶Owuor, V., & Wisor, S. (2014). *The Role of Kenya's Private Sector in Peacebuilding: The Case of the 2013 Election Cycle* (pp. 10-22). Nairobi, Kenya: One Earth Future Publications.

This hedging strategy in political contributions can be viewed as a risk mitigation measure. If violence breaks out, the organizations who had donated to particular candidates may be spared the damage to their enterprises if they can demonstrate their backing.

The relevant Italian organizations can also participate in major initiatives to persuade key political candidates and government officials to a commitment to peaceful elections. Getting political officials to go on record committing to a peaceful election increases the chances that such elections would proceed without violence. From the research findings, many respondents cited political instability as an inhibiting factor to robust bilateral relations as described earlier in this chapter. Most businesses are affected during political tensions. Losses are high since there is closure of business activities for fear of looting of property and assets invested. The common matter of neutrality came up during the election period. It is a significant step in lessening the tensions. Italian organizations can adopt this method of contributing to peaceful elections.

The Italian organizations can also enhance their fight against political violence through employee management. Many companies have employed locals from different ethnic backgrounds. There tends to be political tension within the employee ranks leading to any election period. The Italian companies should conduct seminars to deal with political tensions, hence, able to foster harmony among the employees.

The political tensions are reduced through peace campaigns, contributing to political candidates on all sides and participating in major initiatives to persuade political candidates to commit to peaceful elections. The Italian organizations can also

maintain neutrality to issues during the campaign period, and conduct seminars to foster harmony among their employees and among Kenyans at large. These efforts will go a long way in enhancing the economic cooperation between Kenya and Italy.

4.7 Legal Cooperation in Extradition of Criminals

The Italian citizens living in Kenya can work with the relevant authorities to identify criminals who have fled from Italy and are hiding in Kenya while conducting illegal activities such as drug trafficking. The Kenyan intelligence in turn should collaborate with the Italian government in extraditing these runaway criminals. The Kenyan courts have shown cooperation in extraditing these criminals to their mother country to serve their sentences.

This form of cooperation can greatly enhance bilateral relations between Kenya and Italy. Many of these criminals bring their illegal activities to the shores of Kenya. Drugs and crime lords kill Kenyan residents of Kenya. The Italian organizations can participate in this manhunt to ensure criminals from their home country are extradited back to Italy so they can serve their punishment.

The Kenya Government is willing to collaborate with the Italian government to apprehend these runaway crime lords to build a close relationship with the Italian government. Through the signing of the UN Convention, Kenya is obligated to hand over criminals to the relevant authorities so they can serve their sentences.

In Malindi, the Kenyan government in league with foreign International officials were involved in an anti-narcotics drug operation. They ended up apprehending Italian

wanted criminals, a Pakistan national, an Indian national, three Mauritian nationals and a US crime boss. The Federal Bureau of Investigation agents were involved in the drug bust operation that recovered three kilos of heroine worth over Kshs10 million.¹⁷⁷ Each of the foreign nationals were extradited to their countries of origin to face charges for their criminal activities. Through intelligence sharing, the Italian government can help deal with the drug dealers.

The Italian Anti-Mafia Intelligence unit intercepted a drug ring recently and made 54 arrests. The Anti-Mafia police were fast on their tracking of shipments of about eight metric tonnes of cocaine that was imported from Colombia. Using their vast resources, they were able to intercept the drug haul before it reached the shores of Italian seaports and private airports.¹⁷⁸ Therefore, the Italian government is quite capable of hunting down these drug traffickers. Continued collaboration between the two countries will enhance progress in the fight against drug trafficking and other crimes.

¹⁷⁷Osarigo, C. (2017). Kenya to deport three Italian drug traffickers arrested in Mombasa swoop. *The Star*. Retrieved from https://www.the-star.co.ke/news/2017/03/31/kenya-to-deport-three-italian-drug-traffickers-arrested-in-mombasa_c1536010

¹⁷⁸Falzarano, F. (2017). *Jammed Up*. Retrieved from <http://news.jammedup.com/2017/01/26/italy-cocaine-bust/>

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

This study contains five chapters. In chapter one, the study discusses the background to the study and explains why the study was carried out. The chapter also outlines the problem that the study sought to address. The Kenya-Italy bilateral relations are not at optimum levels and Italian organizations have not fully enhanced the relations between the two countries. In the literature review, the chapter also discusses the Realism, Liberalism and Marxist theories of international relations and their relevance to the study. The three theories also form the theoretical framework of the study.

In chapter two, the objective was to establish the current status of the Kenya-Italy bilateral relations. Italian organizations have injected Foreign Direct Investments into Kenya mainly due to Kenya's strategic location in Africa technologically, economically and geographically.

The country has been benefitting from financial grants by the Italian government. Through the "Pact for Africa" proposition during the G8 summit, Kenya has been receiving Official Development Assistance (ODAs) through credit support and direct financial aid on several community projects. Various Italian organizations have community projects in water and sanitation, education, health services and other ongoing projects in different areas of the economy. The Italian organizations have also contributed to the slum and rural development programs that have alleviated the poverty-stricken Kenyan population.

The Italian organizations have also tried to integrate with the Kenyan people culturally. Through their cultural centres in Kenya, they have invited Italian singers and held Italian art exhibitions. The Italian government has also provided education scholarships to students to study in Italian Universities. Through these programs, there is cultural diplomacy where the Kenyan students learn the beliefs, ways of life, and ceremonies of the Italian people. Other Italian organizations have opened restaurants in Kenya to sell Italian foods, fashion stores to sell Italian wear and fittings, and hired warehouses to sell Italian brand of products such as furniture and Italian accessories. The Kenyan economy has also thrived through the tourism sector, where Italians have visited the county to sight-see the various Kenyan tourist destinations. One of the significant Italian cultural influences is the Catholic religion in Kenya. The religion has taken root in the country and has become part of the Kenyan culture through the several Catholic churches throughout the country.

The Kenya-Italy bilateral relations boast a good political cooperation standard. The many diplomatic visits are an indicator of a strong relationship between the two nations. The signing of the UN Convention allows Kenya to extradite criminals from Italy so that they can serve their sentences. These measures enhance the two governments' relations in the political sphere. There is an Italian embassy and a Consulate in Kenya to provide services to the citizens of the two countries in the respective countries.

Another area of cooperation is the scientific sphere. The Italian government has set-up a space station in Malindi Kenya that promotes the internationalization of Italian research and science diplomacy. The station supports space explorations, earth

research, climate change research and operation of telecommunications and navigation systems.

In chapter three, the objective was to explore the factors inhibiting bilateral relations between Kenya and Italy. The factors that hinder the growing relationship between Kenya and Italy include political instability, economic instability, corruption, low per capita income, high custom duties, terrorism, crime and conspiracies, unfavourable foreign policy, the slow development of the Italian economy and fluctuations in foreign currency.

Political instability has directly affected the tourism sector, which is a major income earner to the Kenyan economy. The post-election violence that occurred in the year 2007 election period is one of the worst cases of political instability in Kenya. During that time, Kenya became a hostile tourism destination, which led to the slow-down of the Kenyan economy. Many Italian nationals who were living in Kenya were asked to leave the country for fear of their safety. It was a major setback to the bilateral relations between Kenya and Italy.

Corruption is also a major threat to the robust ties between Kenya and Italy. It makes a country unsuitable for foreign investment because of the reputational and economic risks involved. Due to the long procedures in getting business documents, foreign investors use brokers who can get these documents faster upon payment of bribery. The inability to get the right documentations for business in a country scares away investors because of the increased costs involved. Corruption affects the ease of doing business in the country and therefore discourages Foreign Direct Investments.

Income per capita is an indicator of the standards of living in a country. Low income per capita inhibits the economic relations between Kenya and Italy because it lowers the purchasing power of Kenyans. This consequently discourages investors because they are unlikely to generate enough sales for their products in a market characterized by buyers who have low purchasing power.

High custom duties also discourage trade between the two countries. The healthy relationship between Kenya and Italy is put on the pedestal when high tariffs are charged on Italian imports. This factor is dynamic depending on the government decisions on trade items entering the country. The government always increases and decreases the tariffs on imports to discourage and encourage imports. When high tariffs are charged on imports, the traders are forced to increase their prices in order to include maintain their margin. This results in low sales, which eventually discourages traders. High tariffs therefore, discourage trade between countries, and this in turn affects the relationship between countries.

Economic instability is also a major factor that inhibits the bilateral relations between Kenya and Italy. The global recession of 2007/2008 is one such instance of economic instability. The moment affected the Kenyan economy to a large extent. Italian companies also strained to sustain labor and investment costs. Some of the effects of the recession included employee layoffs, termination of contracts awarded to suppliers, high inflation rates, economic slow-down among other effects. The occurrence of another economic crisis may cripple Italian organizations that have directly invested in the country's economy, thus, inhibiting robust economic cooperation between Kenya and Italy.

Terrorism is also a significant threat to the bilateral relations between Kenya and Italy. Disruption of business activities due to terrorist attacks affects the economy. Businesses close for fear of being attacked leading to losses which scare investors away from Kenya. The presence of a determined terrorist group that targets Kenya in itself scares potential investors from coming to Kenya. The terrorist groups also scare away tourists who come to visit the Kenyan vast tourist destinations. Terrorism therefore threatens the robust bilateral relations between Kenya and Italy.

Crime and conspiracy to hide criminals from Italy has also affected the relationship between Kenya and Italy. These runaway criminals from Italy who seek refuge in Kenya, have led to tensions in the strong bilateral relations in Kenya and Italy, therefore, affecting the relationship between the two countries.

The slow-down of the Italian economy has also affected the strong bilateral relations between Kenya and Italy. The reduction in exports from Italy after the global economic crisis of 2007, hit the trade between Kenya and Italy. It reduced the foreign trade agreements made between Kenya and Italy; hence, the relations between the two countries have not realized the full potential. The little developments in the education sector is an indicator. Few Kenyans have been given scholarships to study in Italy compared to the number of opportunities given to other countries like the US and Asian countries. The restrictive spending policies in Italy to foreign countries have also weakened the bilateral ties between Kenya and Italy.

Fluctuation in foreign currency is another factor that affects the thriving relations between Kenya and Italy. The value of the Dollar to the Kenyan Shilling affects the

trading ability of investors and traders. The amount of foreign direct investment also affects the value of the Shilling. Higher Foreign Direct Investments strengthen the Kenyan Shilling because of the inflow of foreign currency into the country.

In Chapter four, the study aimed to show how the Italian organizations could fully enhance the Kenya-Italy bilateral relations. This has been vividly discussed through the role of Italian organizations in improving relations between Kenya and Italy. These roles include increased direct foreign investment, inclusion in the fight against terrorism and corruption, intensified cultural integration programs through education, food and sporting activities, contribute to peaceful campaigns, and increasing scientific integration.

Increased direct foreign investments is a role that is taken by both private and governmental organizations. The Italian government has injected up to KES 5.2 Billion in credit facility to health, water, environmental, education, and urban development sectors of the Kenyan economy. Through these investments, there is the eradication of poverty and improved infrastructure, which enhance the bilateral ties between Kenya and Italy. The private companies have also employed Kenyans and increased their income per capita. These contribute to improving the economic strength of the Kenya-Italy relationship.

The Italian government can also help in the fight against terrorism. The Italian intelligence community, the Counter Terrorism Unit, can directly inject their expertise in the fight against the Al-Shabaab group of Somalia. The injection of expertise will

stop the terror attacks from disrupting the business environment and foster the robust Kenya-Italy bilateral ties.

The Italian organizations countrywide can help fight corruption in the country. The Kenyan government showed commitment to the fight against corruption through the signing of the UN Convention. The Italian business, through their management, can play their part by imparting strong business ethics and a culture of adherence to core values. This will show the kind of businesses being run and their support and willingness in the fight against corruption. The digitalization of the official online portal is also another indication that the Kenyan government is working towards a transparent and bureaucracy-free system of service provision. It has made it easier to start businesses by availing the means to get licenses and certification. Italian companies can invite other businesses to set-up their investments in Kenya to enhance the strong ties between Kenya and Italy.

The Italian organizations can also strengthen the bilateral relations culturally through education scholarships, the Italian cuisines, and sports among other activities. The Italian government should increase the number of opportunities given to the Kenyan students in the form of scholarships, to study in the Italian universities. During their re-integration into the society, they will influence their peers to learn the Italian language and culture, thereby improving the Kenya-Italy bilateral relations.

The number of Italian restaurants is awe-inspiring, but they are highly concentrated in two cities only, Nairobi and Mombasa. These Italian restaurants can set-up more branches in the other towns in Kenya to increase the cultural influence on Kenyans.

Sports sponsorship can also help in business branding and marketing of products because sports is a universal activity and easy to relate. These will enhance both the cultural and economic ties between Kenya and Italy.

The Italian organizations can also contribute to the fight against crime. Criminals from both Kenya and Italy involved in illegal activities such as narcotic trafficking, poaching, illegal weapon trade, and child trafficking pose a threat to the relations between the two countries. The Italian communities can also help identify these criminals through the community policing strategy to rid of them for peaceful and healthy Kenya-Italy bilateral relations.

The Italian community can also contribute to peaceful campaigns during election periods. These Italian businesses have employed Kenyan staff who will have different opinions in the politics of the nation. The organizations should conduct seminars for staff and the general-public to curb the political tensions in a bid to campaign for peace. The organizations can also influence political candidates to commit to peace agreements to ensure they will maintain peace during elections. These measures will provide a politically stable environment for businesses to thrive and eventually, strengthen the Kenya-Italy bilateral relations.

The Italian organizations can also enhance the scientific integration through scientific research outreach. The Italian government has stationed a space centre in Malindi that has recruited scientists from Italy and few Kenyans. The scientific mind is another way of enriching the bilateral relations of Kenya and Italy. Through scientific

outreach, the Italian scientific community can offer training to the scientific minds in Kenya and help them appreciate the role of scientists in the society.

This chapter concludes the study based on the research findings. The objective of the chapter is to outline the take away points on the role of Italian organizations in enhancing bilateral relations between Kenya and Italy. It further outlines the action areas and recommendations. Lastly, the chapter cites some suggestions for future research.

5.2 Conclusion

The main objective of the study was to examine the role of Italian organizations in enhancing bilateral relations between Kenya and Italy. As described in the above section, the study specifically sought to carry out an assessment of the current-status of the Kenya-Italy bilateral relations, examine the bottlenecks of robust Kenya-Italy relations, and to analyze how Italian organizations can help in enhancing the relations. The study collected data from Italian organizations, the Italian government, and the Kenyan government. The data was collected through a questionnaire as well as examination of various policy documents and agreements obtained from the Italian Embassy in Nairobi and the Kenyan Ministry of foreign affairs.

The study found that there are currently many areas of cooperation between Kenya and Italy and therefore the bilateral relations between the two countries are in a positive trajectory. Currently Kenya and Italy have cooperation agreements in trade, agriculture, water and sanitation, education, health, rural and slum development, infrastructure, and security. Through various projects across the country, Italian

organizations have been on the forefront in reducing poverty, improving access to health care services especially in marginalized areas of the country, improving access to water and sanitation services, improving agricultural produce through better farming practices and provision of farm inputs, improving access to education, and employment creation. Cultural integration between the two countries has also been strengthening through initiatives, which include cultural festivals, cuisines, sports, educational scholarships, tourism, clothing, religion and learning the Italian language. The two countries are also cooperating in the fight against drug trafficking and terrorism. In the scientific sphere, cooperation between the two countries has taken root through the San Marco Project, which is a space research project based in Malindi, Kenya.

On the factors inhibiting robust bilateral relations between the Kenya and Italy, the study noted that the current-status of the bilateral relations between the two countries is below its potential owing to various challenges. From the research findings, the main inhibiting factors include political unrest in Kenya especially during electioneering periods, corruption, low per capita income in Kenya, high import tariffs, economic slow-down in the two countries, fluctuation in exchange rates, terrorism and other forms of crime such as drug trafficking and money laundering.

The research findings approved the first and second hypotheses of the study which hypothesized that Italian organizations have not fully enhanced the Kenya-Italy bilateral relations and that various inhibiting factors have hindered robust Kenya-Italy bilateral relations respectively. The study suggest that Kenya and Italy can achieve

many more mutual benefits if the inhibiting factors are addressed and if the full potential of Italian organizations in enhancing the bilateral relations is unlocked.

The study also achieved its third objective, which was to analyze ways in which Italian organizations can enhance the Kenya-Italy bilateral relations. A critical analysis revealed that Italian organizations have a major role in optimizing the level of Kenya-Italy bilateral relations. In Chapter four, the study found that some of the key areas include increasing Foreign Direct Investment (FDI) by Italian organizations in Kenya in order to stimulate economic growth in the country. The Italian government can also further support Kenya in the fight against terrorism using the expertise and technological advancement of the Italian security arm. Cultural integration initiatives also play a major role in enhancing bilateral relations between the two countries. Italian organizations are pivotal in enhancing the Kenyan-Italian cultural integration.

In the fight against corruption, the Italian government in particular has a major role to play especially in creating legal frameworks and supporting the Kenyan counterpart in investigations, arrest and extradition of criminals. Another key role of the Italian organizations is participating in peace initiatives in Kenya especially during election periods to avoid a repeat of the 2007-2008 post-election violence, which largely affected the bilateral relations between Kenya and other countries including Italy.

5.3 Recommendations

Based on the research findings, the study makes the following recommendations that can be used by policy makers and other stakeholders in the Kenya-Italy bilateral relations to enhance the cooperation between the two countries.

Firstly, there is need for further cooperation between the two countries in addressing the bottlenecks that are currently hindering strong bilateral relations between the two countries. Although there is cooperation in many spheres, there is more to be desired. All stakeholders from both Kenya and Italy need to come together and come up with cooperation agreements or joint initiatives to tackle bottlenecks such as terrorism and other forms of crime, corruption, trade imbalances, poverty, and political tension.

Secondly, a lot more needs to be done to unlock the potential of Italian organizations in enhancing the Kenya-Italy bilateral relations. On cultural integration, the gap between the current-status and the expected or desired state can be closed through implementation of more initiatives and enhancing the current one. For instance, more initiatives need to be developed to increase cultural integration through sports. In addition, the Italian government needs to increase the number of scholarships given to Kenyan students to study in Italian universities. In addition, more exchange programs between Kenyan universities and Italian Universities need to be rolled out to encourage more cultural exchange among students from both Kenya and Italy. On trade, the tariffs charged on imports especially by Italy need to be reduced in order to lower the current trade imbalance between the two countries. In addition, the Italian government should open its market to more Kenyan goods to enhance trade.

The Kenyan government should also put in place more measures to improve the ease of doing business in Kenya in order to attract more Foreign Direct Investment from developed countries like Italy. Creating an enabling environment for Italian organizations and investors to operate in Kenya will stimulate economic growth in the country and this will have a ripple effect on the Kenya-Italy bilateral relations.

5.4 Suggestions for Future Research

The study sought to analyze the role of Italian organizations in enhancing the Kenya-Italy bilateral relations. However, since bilateral relations are two-way, this study recommends that future research can also be done to include the role played by Kenyan organizations too.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

EVELYN GACHERI MBAABU
University of Nairobi, IDIS
PO Box 23155-00100
Email: mbaabueve@gmail.com

August 2017.

Dear Sir/Madam,

RE: RESEARCH STUDY QUESTIONNAIRE

I am undertaking a research study on the “*The Role of Italian Organizations in Enhancing Bilateral Relations between Kenya and Italy*”. This research is towards the partial fulfillment of the requirements for the award of the Degree of Master of Arts in International Studies at The University of Nairobi, Institute of Diplomacy and International Studies.

The purpose of the study is to establish the current state of the Kenya-Italy bilateral relations, including the factors that are hindering robust bilateral relations between the two countries and to determine the role of Italian organizations in enhancing these relations.

I kindly request for your support in filling the attached questionnaire which has been designed to collect relevant information for the study. Please be assured that your responses will be treated with utmost confidentiality and will be anonymous and secure. The information will be used for statistical purposes only and will not be shared with any third party.

We shall be glad to share the research findings with you if you so wish.
Thank you.

Kind regards,

Evelyn Gacheri Mbaabu.

**APPENDIX 2: QUESTIONNAIRE ON THE ROLE OF ITALIAN
ORGANIZATIONS IN ENHANCING BILATERAL RELATIONS BETWEEN
KENYA AND ITALY**

SECTION 1: DEMOGRAPHIC INFORMATION

1.1 What is your Gender?

- a) Male
- b) Female
- c) Transgender

1.2 What is your age bracket?

- a) 22-30 Years
- b) 31-40 Years
- c) 41-50 Years
- d) 51-60 Years
- e) Above 60 Years

1.3 How long have you lived in Kenya?

- a) Less than 1 Year
- b) 1 - 10 Years
- c) 10 - 20 Years
- d) Above 20 Years

1.4 How long have you lived in Italy?

- a) Less than 1 Year
- b) 1 - 10 Years
- c) 10 - 20 Years
- d) Above 20 Years

1.5 Which citizenship do you hold?

- a) Kenyan
- b) Italian
- c) Duo Kenyan & Italian

If Duo Kenyan & Italian, how many cumulative years have you lived in the two countries?

- a) Less than 5 Years
- b) 5 - 10 Years
- c) More than 10 Years
- d) Not Sure

1.6 Please indicate the Italian organization that you work with/are associated with.

SECTION 2: CULTURAL INTEGRATION

2.1 Please rate the current level of cultural integration between Kenya and Italy on a scale of 1 (Weak) to 5 (Very strong). Please tick the appropriate rating

| | | | | |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|

2.2 How often are you involved in Cultural Activities between Kenya and Italy?

- a) More than 12 times in a year
- b) 5 to 12 times in a year
- c) 1 to 5 times in a year
- d) Not At All

If you picked choice a, b or c above, please indicate what you believe is the level of influence of the Italian Culture on the relations between Kenya and Italy. Please rate on a scale of 1 to 5 where 1 indicates 'Lowest influence' and 5 'Highest influence'.

- a) 1
- b) 2
- c) 3
- d) 4
- e) 5
- f) Not Sure

Please also indicate the kind of effect below.

- a) Positive
- b) Negative
- c) An average mix of positivity and negativity

2.2 Which of the following cultural activities that promote cultural integration between Kenya and Italy are you currently or have you ever been involved in? [Please mark multiple choices]?

| Activity | Tick Here |
|--|--------------------------|
| Cuisines & Traditional Cookery Methods | <input type="checkbox"/> |
| Wine & Alcoholic Tastes | <input type="checkbox"/> |
| Italian Language Tutorship | <input type="checkbox"/> |
| Religious Activities | <input type="checkbox"/> |
| Sporting Activities | <input type="checkbox"/> |
| Italian Agricultural Methods | <input type="checkbox"/> |
| Italian Musical techniques | <input type="checkbox"/> |
| Academic Support & Educational Links | <input type="checkbox"/> |

| | |
|-------------------------|--|
| Tourism & Anthropology | |
| Clothing & Fashion wear | |
| Education | |
| Scientific Research | |

Other (Please specify)

2.3 In your opinion what barriers/challenges inhibit robust cultural integration between Kenya and Italy, and hence negatively affect the bilateral relations between the two counties? Please tick where appropriate

- a) Language barrier
- b) Unfavorable government policies
- c) Cultural norms of Kenyans
- d) Few integration activities
- e) Inadequate commitment to cultural integration
- f) Corruption
- g) Insecurity
- h) Others (Please specify)

2.4 In your opinion, what should be done to boost cultural integration between Kenya and Italy?

SECTION 3: FOREIGN POLICY

3.1 Are you familiar with the Kenya Foreign Policy?

- a) Yes
- b) No
- c) Not Sure

If **YES**, does it affect your stay or operations in Kenya?

- a) Yes
- b) No
- c) Not Sure

Please give more details

3.2 Is the Kenyan foreign policy in tandem with the Italian Foreign Policy?

- a) Yes
- b) No
- c) Not Sure

3.3 Has the Kenyan Foreign Policy promoted your operations in your area of interest?

- a) Yes
- b) No
- c) Not Sure

If **No**, which of the below would be the attribution?

- a) Mismatch with the Italian Foreign Policy
- b) Kenyan Practices which are against my wishes
- c) A Gap of Italian Practices in Kenya
- d) Others (Please specify)

SECTION 4: ECONOMIC COOPERATION

4.1 Do you own a business enterprise in Kenya or are you involved in any Italian investment in Kenya?

- a) Yes
- b) No
- c) I prefer Not to Mention

If **YES**, in what ways do you believe the enterprise stimulates the Kenyan economy?

- a) Creation of employment
- b) Provision of Goods and Services
- c) Influx of foreign currency
- d) Payment of tax to the government
- e) Others (Please specify)

4.2 Please rate the ease of doing business in Kenya on a scale of 1 to 5 where 1 indicates the lowest level of ease while 5 indicates the highest level of ease.

| | | | | |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|

4.3 Do you think the Kenyan Government regulations are suitable for Italian individuals or organizations to invest in Kenya?

- a) Yes
- b) No

c) Not Sure

4.4 What corrective measures should the Kenyan government put in place to improve the ease of doing business? [Please, tick multiple choices where possible]

| Corrective Measure | Choice |
|--|--------|
| Adjust Taxation Laws | |
| Adjust Time of Business Registration | |
| Adjust Preferential Terms for Italian Business Community | |
| Provide Exemptions per the number of employed Kenyan labor | |
| Provide Exemptions per the invested capital | |
| Other (Please specify) | |
| Other (Please specify) | |

4.5 Based on your observation and experience, what other factors hinder robust economic integration or cooperation between Kenya and Italy?

- a) Corruption
- b) Insecurity
- c) Unfavorable trade tariffs
- d) Slow-down in economic growth
- e) Fluctuations in exchange rate currencies
- f) Low per capita income
- g) Unfavorable foreign policy
- h) Inadequate efforts to boost the cooperation
- i) Lack of political goodwill
- j) Others (Please specify)

SECTION 5: BILATERAL RELATIONS BETWEEN KENYA AND ITALY

5.1 How would you rate the current status of the bilateral relations between Kenya and Italy?

- a) Weak
- b) Average
- c) Strong
- d) Very strong

5.2 Based on your observation and experience, what factors are currently enhancing the bilateral relations between Kenya and Italy? Please rank them in order of significance

Where 1 indicates “Most significant”

- | | Rank |
|--|--|
| a) Trade between the two countries | <input type="checkbox"/> |
| b) Financial grants and projects by the Italian organizations to support areas such as healthcare, water and sanitation, agriculture, education, and housing | <input type="checkbox"/> <input type="checkbox"/> |
| c) Cultural integration practices | <input type="checkbox"/> |
| d) Scholarships and exchange programs | <input type="checkbox"/> |
| e) Tourism | <input type="checkbox"/> |
| f) Scientific projects such as the San Marco space project | <input type="checkbox"/> |
| g) Political cooperation between the two countries e.g. International visits | <input type="checkbox"/> |
| h) Cooperation in fighting crime and insecurity | <input type="checkbox"/> |
| i) Italian Foreign Direct Investments in Kenya | <input type="checkbox"/> |

j) Others (Please specify)

5.3 Based on your observation and experience, what factors hinder robust bilateral relations between Kenya and Italy? Please rank them in order of significance

Where 1 indicates “Most significant”

| | Rank |
|--------------------------------------|--------------------------|
| a) Terrorism and insecurity in Kenya | <input type="checkbox"/> |
| b) Corruption | <input type="checkbox"/> |
| c) Political instability in Kenya | <input type="checkbox"/> |
| d) Economic slow-down | <input type="checkbox"/> |
| e) High trade tariffs | <input type="checkbox"/> |
| f) Unfavorable foreign policy | <input type="checkbox"/> |
| g) Others (Please specify) | <input type="checkbox"/> |

5.4 Do you believe that Italian organizations play a major role in enhancing bilateral relations between Kenya and Italy?

Yes

No

If **Yes**, In your opinion what are the major ways in which the Italian organizations can enhance the bilateral relations between the two countries?

Thank you for taking your time to fill this questionnaire.