

**CHINA'S BELT AND ROAD INITIATIVE AND INFRASTRUCTURAL  
RELATIONS IN EAST AFRICA REGION: CASE STUDIES OF KENYA AND  
UGANDA**

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of Degree of Master of Arts in International Relations of the University of Nairobi**

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**DECLARATION**

This Research Project is my original work and has never been presented for any other academic award to any other university.

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**APPROVAL**

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## **DEDICATION**

To my family: my dad Mr. Marsdin Mwalagho, my mum Mrs. Judith Mawondo Mwalagho, my siblings Dennis, Ednah and Peter, and my grandmother Roseline Saru for encouraging me to pursue my goal. May God bless you all for being supportive.

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## TABLE OF CONTENTS

<b>DECLARATION</b> .....	<b>ii</b>
<b>DEDICATION</b> .....	<b>iii</b>
<b>ACKNOWLEDGEMENT</b> .....	<b>iv</b>
<b>TABLE OF CONTENTS</b> .....	<b>v</b>
<b>LIST OF FIGURES</b> .....	<b>viii</b>
<b>LIST OF ABBREVIATIONS AND ACRONYMS</b> .....	<b>ix</b>
<b>ABSTRACT</b> .....	<b>xii</b>
<b>CHAPTER ONE: INTRODUCTION</b> .....	<b>1</b>
1.0 Overview .....	1
1.1 Background to the Study .....	1
1.2 Statement of the Problem .....	4
1.3 Questions of the Study.....	5
1.4 Objectives of the Study .....	5
1.5 Justification of the Study .....	5
1.5.1 Academic Justification .....	5
1.5.2 Policy Justification .....	6
1.6 Scope and Limitations of the Study.....	7
1.7 Definition and Operationalization of Key Concepts .....	8
1.8 Literature Review .....	9
1.8.1 Belt and Road Initiative from a Global Perspective: Economic and Political Implications.....	9
1.8.2 Belt and Road Initiative from an African Perspective: Economic and Political Implications.....	16
1.8.3 China-Kenya Infrastructure Dynamics.....	21
1.8.4 China-Uganda Infrastructure Dynamics.....	24
1.9 Conceptual Framework .....	26
1.11 Hypotheses .....	29
1.12 Research Methodology .....	29
1.12.1 Research Approach .....	29
1.12.2 Research Design.....	29
1.12.3 Type of Data.....	29

1.12.4 Target Population .....	30
1.12.5 Sample Size .....	30
1.12.6 Sampling Techniques .....	30
1.12.7 Reliability and Validity of Research .....	31
1.12.8 Data Analysis .....	31
1.12.9 Ethical Issues .....	31
<b>CHAPTER TWO: CHINA-KENYA INFRASTRUCTURE RELATIONS IN THE CONTEXT OF BRI.....</b>	<b>33</b>
2.1 Introduction .....	33
2.2 Selected Cases for Analysis.....	33
2.2.1 LAPSSET Corridor .....	33
2.2.1.1 Overview of the LAPSSET Corridor .....	33
2.2.1.2 Funding Structure for LAPSSET Corridor .....	38
2.2.1.3 Implementation of the LAPSSET Corridor .....	40
2.2.2 SGR .....	43
2.2.2.1 Overview of the SGR Project .....	43
2.2.2.2 Funding Structure of the SGR.....	44
2.2.2.3 Implementation of the SGR Project .....	46
2.3 Debt Trap? .....	49
2.4 Conclusion.....	58
<b>CHAPTER THREE: CHINA-UGANDA INFRASTRUCTURE RELATIONS IN THE CONTEXT OF BRI.....</b>	<b>60</b>
3.1 Introduction .....	60
3.2 Selected Cases for Analysis.....	60
3.2.1 Entebbe Express Highway .....	60
3.2.1.1 Overview of the Entebbe Express Highway Project.....	60
3.2.1.2 Funding Structure of the Entebbe Express Highway .....	61
3.2.1.3 Implementation of the Entebbe Express Highway.....	62
3.2.2 Karuma Hydropower Project .....	66
3.2.2.1 Overview of the Karuma Hydropower Project .....	66
3.2.2.2 Funding Structure of the Karuma Hydropower Plant .....	67
3.2.2.3 Implementation of the Karuma Hydropower Project.....	68
3.3 Debt Trap? .....	70

3.4 Conclusion.....	76
<b>CHAPTER FOUR: REGIONAL INFRASTRUCTURE DIMENSIONS OF KENYA AND UGANDA IN THE CONTEXT OF BRI.....</b>	<b>78</b>
4.1 Introduction .....	78
4.2 Regional Dimensions of Kenya in the Context of BRI .....	78
4.2.1 Security Dimensions of LAPSSET Corridor .....	78
4.2.2 Political Economy Dimensions of LAPSSET Corridor .....	81
4.2.3 Security Dimensions of the SGR .....	84
4.2.4 Political Economy Dimensions of the SGR .....	86
4.3 Regional Dimensions of Uganda in the Context of BRI .....	90
4.3.1 Security Dimensions of Entebbe Express Highway.....	90
4.3.2 Political Economy Dimensions of Entebbe Express Highway .....	91
4.3.3 Security Dimensions of Karuma Hydropower Project.....	94
4.3.4 Political Economy Dimensions of Karuma Hydropower Project .....	95
4.4 Conclusion.....	98
<b>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS.....</b>	<b>100</b>
5.1 Introduction .....	100
5.2 Summary.....	100
5.3 Conclusion.....	101
5.4 The Study’s Contribution to China-Africa Relations .....	102
5.5 Recommendations .....	104
5.5.1 China-Kenya Relations Specific Recommendations.....	104
5.5.2 China-Uganda Relations Specific Recommendations.....	105
5.5.3 Region-wide Recommendations .....	105
5.6 Areas for Further Research.....	106
<b>REFERENCES .....</b>	<b>107</b>
<b>APPENDICES.....</b>	<b>114</b>
APPENDIX 1: INTERVIEW GUIDE.....	114
APPENDIX 2: BELT AND ROAD INITIATIVE MAP .....	117
APPENDIX 3: AUTHORIZATION TO CONDUCT FIELD RESEARCH.....	118

## LIST OF FIGURES

Figure 1: Conceptual framework .....	28
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## LIST OF ABBREVIATIONS AND ACRONYMS

<b>AfDB</b>	:	Africa Development Bank
<b>AIIB</b>	:	Asian Infrastructure Investment Bank
<b>AMISOM</b>	:	African Mission in Somalia
<b>ASEAN</b>	:	Association of Southeast Asian Nations
<b>AU</b>	:	African Union
<b>BBC</b>	:	British Broadcasting Corporation
<b>BES</b>	:	Beijing Expressway Supervision
<b>BRI</b>	:	Belt and Road Initiative
<b>BRICS</b>	:	Brazil Russia India China South Africa
<b>CC</b>	:	Central Corridor
<b>CCCC</b>	:	China Communications Construction Company
<b>CCP</b>	:	Chinese Communist Party
<b>CDB</b>	:	China Development Bank
<b>CNPC</b>	:	China National Petroleum Company
<b>CNOOC</b>	:	China National Offshore Oil Corporation
<b>CPA</b>	:	Comprehensive Peace Agreement
<b>CPEC</b>	:	China-Pakistan Economic Corridor
<b>CRBC</b>	:	China Roads and Bridges Corporation
<b>DRC</b>	:	Democratic Republic of Congo
<b>EAC</b>	:	East African Community
<b>EIA</b>	:	Environmental Impact Assessment
<b>EPC</b>	:	Engineering Procurement and Construction
<b>EPZA</b>	:	Export Processing Zone Authority
<b>EU</b>	:	European Union
<b>EXIM</b>	:	Export-Import
<b>FDI</b>	:	Foreign Direct Investment
<b>FOCAC</b>	:	Forum for China-Africa Cooperation
<b>GNI</b>	:	Gross National Income
<b>GTAP</b>	:	Global Trade Analysis Project
<b>ICC</b>	:	International Criminal Court

<b>ICD</b>	:	Inland Container Depot
<b>ICT</b>	:	Information and Communications Technology
<b>IFC</b>	:	International Finance Corporation
<b>JCC</b>	:	Joint Coordination Commission
<b>JICA</b>	:	Japan International Cooperation Agency
<b>JPC</b>	:	Japanese Port Consultants
<b>KAA</b>	:	Kenya Airport Authority
<b>KAM</b>	:	Kenya Association Manufacturers
<b>KANU</b>	:	Kenya African National Union
<b>KBC</b>	:	Kenya Broadcasting Corporation
<b>KCCA</b>	:	Kampala Capital City Authority
<b>KEPSA</b>	:	Kenya Private Sector Alliance
<b>KeNHA</b>	:	Kenya National Highways Authority
<b>KDF</b>	:	Kenya Defence Forces
<b>KM</b>	:	Kilometer
<b>KNBS</b>	:	Kenya National Bureau of Statistics
<b>KPA</b>	:	Kenya Ports Authority
<b>KRC</b>	:	Kenya Railways Corporation
<b>KUFPEC</b>	:	Kuwaiti Foreign Petroleum Exploration Company
<b>KWR</b>	:	Karuma Wildlife Reserve
<b>LAPSET</b>	:	Lamu Port South Sudan Ethiopia Transport Corridor
<b>LRA</b>	:	Lord's Resistance Army
<b>LSK</b>	:	Law Society of Kenya
<b>MEMD</b>	:	Ministry of Energy and Minerals Development
<b>MNC</b>	:	Multinational Corporation
<b>MSRI</b>	:	Maritime Silk Road Initiative
<b>NARC</b>	:	National Alliance Rainbow Coalition
<b>NC</b>	:	Northern Corridor
<b>NCIP</b>	:	Northern Corridor Integration Projects
<b>NDB</b>	:	New Development Bank
<b>NEC</b>	:	Northern Economic Corridor (Northern Corridor)

<b>NRM</b>	:	National Resistance Movement
<b>OBOR</b>	:	One Belt One Road (BRI)
<b>OECD</b>	:	Organization for Economic Cooperation and Development
<b>PICI</b>	:	Presidential Infrastructure Championship Initiative
<b>PIDA</b>	:	Program for Infrastructure Development in Africa
<b>PPP</b>	:	Public Private Partnership
<b>PRC</b>	:	People’s Republic of China
<b>PROME</b>	:	Project Management Engineering
<b>RVR</b>	:	Rift Valley Railways
<b>SEZ</b>	:	Special Economic Zone
<b>SGR</b>	:	Standard Gauge Railway
<b>SPLA</b>	:	Sudan People’s Liberation Army
<b>SREB</b>	:	Silk Road Economic Belt
<b>TE&amp;P</b>	:	Total Exploration and Production
<b>TTC</b>	:	Toyota Tsusho Corporation
<b>UEGCL</b>	:	Uganda Electricity Generation Company Limited
<b>UNRA</b>	:	Uganda National Roads Authority
<b>UPDF</b>	:	Uganda People’s Defence Forces
<b>USIDFC</b>	:	United States International Development Finance Corporation
<b>WCD</b>	:	World Commission on Dams

## **ABSTRACT**

This study analyzes China's Belt and Road Initiative (BRI) and infrastructural relations in East Africa Region using case studies from Kenya and Uganda. In Kenya, the Lamu Port South Sudan Ethiopia Transport Corridor (LAPSSET Corridor) and the Standard Gauge Railway (SGR) were selected, while in Uganda, the Entebbe Express Highway and the Karuma Hydropower Project were selected. Indeed, infrastructure deficit renders both Kenya and Uganda unable to minimize commercial expenditures and compete with the rest of the international community for FDIs. This study shows how Africa's infrastructure relations with China make interdependence relations inevitable because the gaps to be addressed by the developing countries (Kenya and Uganda) are too expensive for them. The study appreciates a nexus between infrastructure relations and distance decay where, the closer the BRI is to developing states (Kenya and Uganda), the higher likelihood that the foreign policies of the latter will guide them to address existing infrastructural gaps through capitalizing on their relations with China. Consequently, this informs the infrastructural economic interdependence between China and the Eastern African states. Kenya and Uganda are benefiting from infrastructural relations with China because of the distance decay between them and the BRI. Said differently, the closer the Chinese aspirations are to those of poor African countries, the higher likelihood that the latter will 'look East', and hence the intensification of infrastructural relations. China's global strategy in the BRI is to link Asia, Africa, the Middle East and Europe; domestically it will economically open up her North Western marginalized frontiers, while politically deterring secession movements. As seen throughout this study, China's ambition thus resonates with the strategies of both Kenya and Uganda to minimize their domestic distance decays by tapping their dead capitals into their respective economies.

## **CHAPTER ONE: INTRODUCTION**

### **1.0 Overview**

This chapter presents the background to the study, statement of the problem, main questions of the study, main objectives of the study, justification of the study, scope and limitations of the study, definition and operationalization of key concepts, literature review, theoretical frameworks, hypotheses, and research methodology.

### **1.1 Background to the Study**

Infrastructure is one of the sectors that China has heightened its relations with African countries since the turn of 21<sup>st</sup> Century. These relations have taken two forms. The first is, the involvement of China in infrastructure projects financed by other donors and African government. The second is, the engagement of China in infrastructure projects funded by her government. In the latter, initially China began by exchanging infrastructure for natural resources in resources rich countries, and then extended to offering financial assistance to many resources scarce countries. China uses four instruments to provide assistance; commercial loans, grants, zero-interest loans and concessional loans (that have fixed rates and low interests), which are equivalent to the official development assistance (ODA) being offered by the West. Western states in the Organization for Economic Cooperation and Development (OECD) have for many years dominated the international financial architecture. Inasmuch as grants and zero interest loans from China are given by the Ministry of Commerce, a huge part of overseas funding from China is provided by two banks namely; China Exim Bank and China Development Bank. These two monetary institutions have since 1994 operated as part of Beijing's portfolio mechanisms to support her development aspirations (Brautigam, 2011). At the Forum for China-Africa Cooperation (FOCAC) summit of 2015 held in Johannesburg, President Xi Jinping of China delegated the Exim bank to disburse US \$ 60 billion to cater for grants, equity funds, and loans to assist developing countries of Africa. (Eom, Brautigam and Benabdallah, 2018).

China's increasing role in Africa's infrastructure sector has to be viewed through its revamped global strategy. According to Xinbo (2010), being a major power China aspires

to play international roles going by her permanent membership at the United Nations (UN) and her nuclear capability. More so, China's '*Going Out Strategy*' since 2001 requires her to be fully affiliated to the international society, despite her sovereignty concerns. The strategy is driven by variables emanating from not only within China but also from the international system, that provide incentives for international investment and export. Domestically, China has huge foreign reserves whose capital can be invested in other states to enable the internationalization the Renminbi in line with government policy. Internationally, China needs to maintain good political and economic relations with developed states as she implements her ambitious Belt and Road Initiative (BRI).

The BRI is an infrastructure project that endeavours to link Asia, Africa, the Middle East and Europe through; the Maritime Silk Road Initiative (MSRI) which is seaborne, and the Silk Road Economic Belt (SREB) which traverses the land. The BRI is a foreign policy idea of President Xi Jinping which he initiated in 2013 to promote; the coordination of policy, facilitate connectivity, uninterrupted trade, financial integration, and people-to-people exchanges. The initiative is composed of hard and soft infrastructure components. Elements of hard infrastructure are railways, highways, roads, utility stations, and power grids, gas pipelines and telecommunication networks. Other compartments include industrial parks and special economic zones, shipping facilities, and associated facilities in commerce, energy, information technology, bio-technology, tourism as well as trade fairs and exhibition halls. Soft infrastructure comprises bilateral pacts, credit lines, free trade agreements, and neoliberal measures aimed at attracting international investments. Other elements such as capacity building programs are aimed at creating a pool of talent relevant for the development of the initiative.

Since its inception, studies have emerged examining the impact of BRI on different countries across the world. According to Chhibber (2017), in Asia, India appears to be in a dilemma on whether BRI presents a threat or an opportunity, since the China Pakistan Economic Corridor (CPEC) passes through Kashmir which she claims is part of her territory that is occupied by Pakistan. Subsequently, India moves ahead to announce the Mausam project to enable her preside over relations in the Indian Ocean region. However,

Chhibber (2017) warns that the success of Asia depends on the cooperation rather than the competition between China and India. Kamel (2018) observed that the Middle East is strategically placed to empower China because it hosts the intersection of SREB and MSRI midway Asia, Africa and Europe, coupled with maritime choke points that are significant in the global energy transport system. However, the transport infrastructure will not benefit all states in the Middle East equally, considering regional rivalries and powerful regional actors eyeing the balance of power in the region. Some states are set to benefit more than others due to their economic conditions, resource endowments and strategic locations (Kamel, 2018).

Onjala (2017) observes that absence of modern infrastructure impedes economic development and hinders the attainment of Millennium Development Goals (MDGs). Infrastructure deficit hinders the annual growth of Africa by 2%. Onjala says that infrastructure networks must be designed to link the centers of production and distribution hubs across Africa in order to supplement the process of integration (as it happens with the networks of developed economies). Since dilapidated infrastructure and minimal maintenance impede the productivity of railways across Africa, infrastructure needs to be modernized so as to attain economic development. For instance; the Kenya-Uganda Railways and the Tanzania Zambia Railway (TAZARA) have been outdated for many years. The port of Lamu could reliably provide competitive advantages for international commerce for various states, hence minimizing maritime transport costs. Thus to realize this, it is of necessity to construct large-scale transport infrastructure amidst a peaceful atmosphere in the region.

China committed more than US \$ 4 billion for the rail sector in Africa to rehabilitate old lines damaged through conflict, in addition to constructing new ones. In the Beijing Action Plan 2013-2015 of the Forum for China Africa Cooperation, China agreed to team up with African states to uplift intra-regional trade and transnational / trans regional infrastructure. Consequently, China targeted states of East Africa to invest in key infrastructure so as to support their economic development. This highlights the integration of East Africa with

the Indian and Pacific Ocean basin economy, thereby increasing the economic potential of these emerging states (Onjala, 2017).

Given the foregoing impact of the BRI in Asia and Middle East, the infrastructural gap and potential opportunities it portends for African states, this study seeks to uncover infrastructural relations in the context of the BRI by focusing on the two case studies of Kenya and Uganda.

## **1.2 Statement of the Problem**

China-Africa infrastructure relations are anchored on the principles of mutual benefit, and non-interference in the internal affairs of recipient states. Operating within the South-South Framework, in practice these principles have encouraged horizontal partnership between China and African countries on infrastructural engagement as opposed to vertical coercive engagement of the traditional development partners. In other words, recipients are treated like equals and granted opportunity to choose the infrastructure projects they would like funded in line with their development aspirations. However, in reality these aspirations are frustrated by concerns ranging from importation of labour, lack of technology transfer, environmental degradation, corruption and debt sustainability. Amidst these concerns, the BRI was launched and aimed at; promoting policy coordination, facilitating connectivity, seamless / unimpeded trade, financial integration and people-to-people exchanges. Kenya and Uganda development aspirations recognize infrastructural deficit as the main impediment to economic growth. Kenya Vision 2030 foresees enhanced ways of exploiting dead capital within a country assembled via a framework of airports, ports, railways, and roads, while Uganda Vision 2040 outlined the insufficient infrastructure in the energy, roads, railway, and water sectors as a bottleneck to the growth of Uganda. To implement most projects associated with the economic pillar, Kenya must prioritize the modernization of her infrastructure. Through the BRI, China seeks to assist the two countries fill their infrastructure deficits. In light of the concerns that have been raised about China's engagement in Africa, it remains to be seen whether implementation of the BRI would heighten the situation in the East Africa Region.



The study's research problem is situated within the growing body of studies on the impact of BRI in various regions in the world. Given that BRI cuts across a number of states, and China's preference for state-centric approach of engagement, what is yet to be fully understood is how China is managing state relations amidst these BRI region-centric infrastructure projects. This study seeks to fill this gap by focusing on Kenya and Uganda, two countries in the East Africa Region with some BRI-related infrastructure projects originally designed to promote regional integration and economic growth.

### **1.3 Questions of the Study**

- i. How does BRI influence China-Kenya infrastructure relations?
- ii. How does BRI influence China-Uganda infrastructure relations?
- iii. How does BRI inform Kenya and Uganda regional infrastructural considerations?

### **1.4 Objectives of the Study**

- i. To analyze China-Kenya infrastructure relations in the context of BRI.
- ii. To analyze China-Uganda infrastructure relations in the context of BRI.
- iii. To examine regional infrastructural dimensions of Kenya and Uganda in the context of BRI.

### **1.5 Justification of the Study**

This study has both academic and policy justifications.

#### **1.5.1 Academic Justification**

The study seeks to understand the impact of BRI on infrastructure relations between China and specific African countries focusing on Kenya and Uganda. The aim of the research is to seal existing academic gaps in relation to how BRI through the LAPSSET and SGR in Kenya, and Entebbe Express Highway and Karuma Hydropower Project in Uganda influence infrastructural assistance in Africa. Most scholars sought to understand the geoeconomics and geopolitics of China by revealing her commitment to project power globally through mega infrastructural projects under the BRI. Chhibber (2017) analyzed how China and India can settle their disputes and cooperate to maximize reciprocal

outcomes. India is in a dilemma on whether the BRI presents threat or an opportunity. Minghao (2016) examined the implications of the new opportunities presented by OBOR for China–Europe relations. Tekdal (2017) analyzed the motivations of China in crafting the BRI and its outcomes for power layout in Asia and the structure of global economy. Ehizuelen and Abdi (2018) examine the implementation of the BRI and the potential for incorporating other African states in the enterprise. They dwelt on economic drivers, opportunities and challenges of the inclusion of African states. Others such as; Ehizuelen and Abdi (2018), Ndzendze and Monyae (2019) were too optimistic about cooperation among African states, to appreciate the influence of political and economic relations of African states as a result of implementing the BRI.

This study aspires to contribute new knowledge by analyzing the influence of LAPSSET Corridor and SGR in Kenya, and Entebbe Express Highway and Karuma Hydropower Plant in Uganda, on infrastructural assistance / relations in Africa. To this end, it focuses on the political and economic relations between China-Kenya and China-Uganda as influenced by mega infrastructural projects.

### **1.5.2 Policy Justification**

Policy making will be prescribed by the outcomes of LAPSSET Corridor and SGR on China-Kenya political and economic relations, and Entebbe Express Highway and Karuma Hydropower Plant on China-Uganda political and economic relations. The findings shall be important to policymakers across Africa, as they focus on consolidating the gains made so far under the African Union, not forgetting the aspirations of the African Union Agenda 2063. AU member states will need to create avenues of dealing with the after effects of the influence that comes with foreign financed transport infrastructure systems.

Aspiration 2 of the Agenda 2063, aims at ‘integrating the continent, politically united based on the ideals of Pan-Africanism and the vision of Africa’s Renaissance’. Specifically, it states that ‘we aspire by 2063, Africa shall have world class, integrative infrastructure that crisscrosses the continent’.

## **1.6 Scope and Limitations of the Study**

The broad subject matter of this study is China-Africa relations focusing on BRI influence on infrastructural relations in Africa, in the context of; LAPSSET Corridor in the Eastern Africa region where the period of study is 2012 -2019. The rationale for choosing this period is because the mega infrastructural project was launched in 2012 and it is still ongoing.

The SGR in East Africa region where the period under study is 2013 -2019. The rationale for settling on this period is because: Firstly, it is in 2013 when the BRI was launched by President Xi Jinping of PRC. Secondly, the construction for the phase 1 of the Chinese built 472 km SGR (Mombasa –Nairobi) in Kenya by the CRBC commenced in 2014 and climaxed in 2017 at a cost of Ksh. 327 billion. Thirdly, phase 2A of the same railway (120 km) was constructed by CRBC at a cost of Ksh. 150 billion to link Nairobi and Naivasha, along with an Inland Container Depot (ICD), as from 2017 to 2019.

About the Entebbe Express Highway, the period to be focused on is 2009 -2019 since Uganda started consultations with China in 2009, construction commenced on 2012, and a section of the highway started being used in 2018. (d.) About the Karuma Hydropower Plant in Uganda, the period of study is 2013 -2019. The study chooses to focus on this period because construction of the energy infrastructure commenced in 2013 and was to end by 2019. There exists a nexus between these infrastructure projects with China's BRI and they also complement the development blue prints of both Kenya (Vision 2030) and Uganda (Vision 2040). The BRI related projects focus on the influence of foreign investment on geopolitics mostly between Kenya and Uganda. They also illuminate on how Kenya and Uganda began securing infrastructural assistance from China and the resultant debt situation. The foreign funded projects also seek to analyze the resultant security implications on Kenya and Uganda as a result of infrastructural aid from china.

During data collection, the following limitations were faced by the researcher: The Corona Virus Pandemic that broke out in March 2020 informed the Government of Kenya to restrict movements and shut down offices. Therefore, the researcher could not physically

visit targeted officials to obtain first-hand information. Even after emailing questionnaires to the ministries of: Transport and Infrastructure, Foreign Affairs and International Trade, and East African Community which the study sought to obtain data from there was no reply. The study also emailed questionnaires to various government agencies of Kenya and the foreign missions of China, Uganda and Rwanda in bid to counter the aforementioned disappointment, but there was no response. A few of those who managed to reply to the email requests said that they were too busy to participate in the research. This study also targeted foreign missions of China, Rwanda and Uganda via email but, still efforts to obtain information were fruitless. One of the successful respondents told me that she was unable to give out much information since she was also doing research.

### **1.7 Definition and Operationalization of Key Concepts**

**Belt and Road Initiative (BRI)** Launched in September 2013 it constitutes a Silk Road Economic Belt (SREB) and a 21<sup>st</sup>-Century Maritime Silk Road Initiative (MSRI) as shown in appendix 2. SREB joins China to Central Asia, Russia and Europe, while MSRI stretches along China's coastal strip, to Africa, Europe and another branch runs through South China Sea and the South Pacific.

Reliable information from the Xinhua News Agency states that there are sixty-six countries along the Belt and Road Initiative.<sup>1</sup> SREB as an overland highway will utilize international transport and industrial parks as avenues for cooperation, whilst the sea route in the form of MSRI will attract maritime passages that will link major harbours across the BRI (Lu, et al, 2018). In the context of BRI, the study focuses on infrastructure projects along MSRI.

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<sup>1</sup>These countries are; China, Mongolia, Singapore, Malaysia, Indonesia, Myanmar, Thailand, Laos, Cambodia, Vietnam, Brunei, Philippines, Iran, Iraq, Turkey, Syria, Jordan, Lebanon, Israel, Palestine, Saudi Arabia, Yemen, Oman, UAE, Qatar, Kuwait, Bahrain, Greece, Cyprus, Egypt, India, Pakistan, Bangladesh, Afghanistan, Sri Lanka, Maldives, Nepal, Bhutan, Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan, Kyrgyzstan, Russia, Ukraine, Belarus, Georgia, Azerbaijan, Armenia, Moldova, Poland, Lithuania, Estonia, Latvia, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Serbia, Albania, Romania, Bulgaria, and Macedonia. In the political and economic sense, countries that have entered the BRI bilateral cooperation agreement with China are BRI countries. As of January 2020, media reports indicate that China had entered BRI cooperation with 138 countries including Italy, New Zealand, Argentina and various African states.

In Kenya, the study focuses on LAPSSET and SGR; in Uganda the study focuses on Entebbe Express Highway and Karuma Hydropower dam.

**Infrastructure Relations** – According to Torrisi (2009), infrastructure refers to either a capital good availed in large volumes, that materializes courtesy of investment expenditure and features lengthy, technical consistency and a substantive capital production, or a public / merit good not just because it is public but by virtue of being all inclusive and uncontested in consumption. In the context of the study, infrastructure relations entail how Chinese, Kenyan, and Ugandan actors engage on the selected infrastructure projects, specifically focusing on the drivers of infrastructural engagement, implementation dynamics and funding structures, and how they inform regional infrastructure considerations both politically and economically in the East African region. In this study, BRI is portrayed as providing aid to spur investment in Eastern Africa, and it also provides an opportunity for Chinese firms to invest in Africa. Moreover, this research sought to find out how the recipient states of Kenya and Uganda manage infrastructural aid.

## **1.8 Literature Review**

This section is organized into four subsections: Firstly, BRI from a global perspective where focus is on the geopolitical impact of Chinese financed infrastructure in Asia and other parts of the world. Secondly, BRI from an African perspective dwells on how BRI related infrastructure projects informs international relations within states in Africa. Thirdly, China-Kenya Infrastructure dynamics where focus is on the implications of China's infrastructural assistance to Kenya. Fourthly, China-Uganda Infrastructure dynamics where focus is on the impact of China's infrastructural assistance to Uganda.

### **1.8.1 Belt and Road Initiative from a Global Perspective: Economic and Political Implications**

Giles and Tan-Mullins (2019) analyze the international calculation of China's state power in enhancing the funding and construction of infrastructure. They seek to understand how, the geo-economics and geopolitical power of China is calculated / projected through infrastructure. In addition, the authors seek to know the territorial forms that favour this

scenario and the role elites in beneficiary states play to influence subsequent outcomes. Using the case studies of Ghana and Cambodia, they argue that geo-politics and geo-economics are simultaneous. The authors conclude that there is a slim distinction between geopolitics and geo-economics since the deals are secured by banks and firms from China. According to the authors this is because of China's rise as a financier and constructor of infrastructure in the global south. Whereas this study enhances our understanding of how China projects her state power in the global south, the authors failed to illustrate how political elites in the recipient states utilize the built infrastructure to direct national interests within their specific region.

Siu (2019) uses the arguments of Kenneth Galbraith (1977:80) and Stephen Dunn (2005) to show the impacts of implementing the BRI in the world. Drawing the nexus between big corporations' uncertainty, Galbraith (1977) analyzes the necessity and trend of companies to minimize manufacturing disputes in the course of expeditious advancements in technology. Big companies are beyond small firms in terms for planning the future, courtesy of substantial investment of capital and advancements in the organization of associated contributions needed to improve technology. Borrowing insights from Galbraith and Dunn, Siu (2019) observes that partner states in BRI will prosper due to the determination of China to advance the infrastructure initiative. This has made more states to aspire taking part in the BRI despite not being located in the route.

However, the varying interests politically and socially may hinder development strategies let alone the structural differences among the states. The dominance of industrialized states coupled with the interests of their multinational corporations may be at risk. For instance, America is expected to launch the US International Development Finance Corporation (USIDFC) with US 60 billion dollars for infrastructure projects in the Indo-Pacific and beyond (Kliman) to be done by American firms. Even if poverty in BRI participant states will be reduced, this competition is bound to accelerate uncertainties from growth of international companies. Contestations will translate into a public desire to dominate regional affairs hence global uncertainties. This study adds to knowledge on geopolitics within Indo-Pacific region between China and the US in implementing the BRI, however

the interest of this research is to examine the intra-regional dynamics of East Africa as influenced by transport infrastructure.

Blanchard and Flint (2017) utilize the two concepts of territorial and economic powers of Giovanni Arrighi (1990) to examine the geopolitics of China's MSRI. The authors explain that MSRI is an economic infrastructural framework that has territorial implications between the geo-political spectrums stretching from peaceful partnership to global conflagration (violence) (2017:238). They highlight the purpose of various stakeholders at different capacities regarding MSRI and the interaction between political and economic agents in designing, implementing and outcomes arising from the infrastructural project. This study unveils possible benefits and dangers of MSRI to various parts of the world, in addition to the merits and demerits of Chinese actors engaged in the implementation of the MSRI worldwide. The China Export-Import [EXIM] Bank is among the actors from China identified by the authors. These Chinese actors will be important in understanding the implementation of the BRI in East Africa, especially how they negotiate financial outcomes with states participating in the infrastructure project.

Chhibber (2017) analyzes how China and India can settle their disputes and cooperate to maximize reciprocal outcomes. India is in a dilemma on whether the BRI presents risks or windows of opportunities. Whereas pessimists perceive the ambition as a campaign by China to enclose India, optimistic analysts think it is India's chance to receive infrastructure finance to seal the infrastructure deficit and boost growth and employment. China and India both have domestic challenges; China's debt is escalating and she is trying to adjust from a large investment and export-oriented growth to a consumer economy, while India has to tackle reforms linked to second-generation in land and labour markets, in addition upgrading her infrastructure. Similarly, both states have a frontier dispute, in addition to China's support to Pakistan. Strategically, India is not a participant state in the BRI and since she opposes the China-Pakistan Economic Corridor (CPEC) and the MSRI, she suggested her own 'Mausam Corridor' (Spice Route). This made her central to the geopolitics of the Indian Ocean, however China is against India's influence around the Sea

of South China. The objection of India traces from fact that China's commerce corridor and the railroad pass through Kashmir which is occupied by Pakistan.

Subsequently, as China interacts with states around the Indian Ocean, India is diplomatically reaching out to states located to the south of China Sea. Economically, China and India have no relations despite sharing international frontiers, thus Chhibber argues that incentives for cooperation between them shall be guaranteed by trade and investment. The foregoing study analyzes the implications of the BRI on the geopolitics in the south of Asia where China misinterprets actions of India and vice versa, leading to the competition. This inevitably provided insights for the study which examined how the infrastructure initiative informs interstate geopolitics in East Africa.

Kamel (2018) examines the impact BRI has on Middle East geopolitically and economically by juxtaposing it with politics of Western Asia, to analyze its opportunities, in addition to the risks and challenges for the region. He analyses whether the BRI adjusts the policy of China in the Arabsphere (Middle East), to understand how far China aspires to work with the Middle East to promote the BRI. Using insights from Callahan (2016), he argues that China aimed at infiltrating the international economic sequence (world commerce, institutions of global finance) in order to curve out a 'Sinocentric world', so she launched the BRI. Location-wise, the Arabsphere presents a strategic platform for China to be powerful since it is positioned at the SREB-MSRI intersection, midway Africa, Asia and Europe, in addition to possessing maritime choke points that are key to the global energy transport system. China shall attain her objectives of securing energy, seamless transport, new international chains of supply, intensified commerce and investment ties with Arabic states, by advertising her infrastructure ambitions to Western Asia.

Further still, China aspires to engineer her own movement by marketing her soft / intangible power worldwide and amplifying her military / hard power in Arabsphere. However, some states in the Middle East are positioned to improve compared to others courtesy: economic atmosphere, natural resource capabilities and geostrategic position. The Middle East is strategic for this initiative despite the geostrategic and economic



implications such as the aspirations of Iran which is also a stakeholder in the BRI. In this study, Kamel analyses the potential influence of the BRI on the geopolitics of the Middle East, thereby providing insights for the proposed study which examined the implications of BRI related; LAPSET Corridor, SGR, Entebbe Express Highway, and Karuma Hydropower dam on the interstate geopolitics in the East African region.

Minghao (2016) examines the implications of the new opportunities presented by OBOR for China –Europe relations. A Eurasian land corridor, amongst other international economic avenues will be created under the BRI, thereby minimizing trade expenses between China and Europe. Despite America’s opposition, European states support the OBOR and the AIIB making the US doubt that the whole BRI is being used by China to undermine her influence. This puts China into a quagmire (dangerous situation), inevitably making America an important variable in influencing the foreign policy of China. The author advises China and Europe to deal with America cautiously.

However, Beijing welcomed Washington to participate in the BRI in September 2015 when President Xi Jinping visited the US, showing that she does not perceive the latter as her rival. Minghao thus advocates research on China-EU-US trilateral cooperation. In his conclusion, he urges China to be cautious since European Union (EU) and her member states do not fully welcome her infrastructural initiative much as it presents opportunities. Minghao (2016) encourages EU statesmen to know how they will utilize the BRI, formulate synergies between Europe and China, and handle any obstacles that may arise. According to this study China’s prosperity lies in other economies teaming up with her to leverage each other’s development opportunities by seizing the opportunity presented by globalization through the BRI. The infrastructural initiative has extensive implications for international relations between China and Europe. OBOR has geopolitical and geo-economical implications on diplomatic ties between PRC and European states, Russian Federation, America among other great powers, therefore, it stands to affect the development and regional cooperation models of states.

Chung (2018) probes the target and implementation of China's MSRI infrastructural ambitions in South Asia, analyses the political / strategic and commercial impacts to neighbouring states engaged in the project, and notes measures that complement the enterprise. China aspires to modernize and widen maritime infrastructure along her crucial trade routes along Asian sea routes. The Indian Ocean has maritime trade routes, and so dominance over the waters translates to the ability to influence Asia. This informs contest between India and China where the former thinks that the sea is her territory whilst the latter aspires to entrench her power using the MSRI -BRI. The construction of that infrastructure is strategic for China to be influential in Asia, meaning that states that collaborated with China in the MSRI want to counter India's domination using China or desire to bargain with India for more gains. This has led to the ever-increasing Sino-Indian rivalry and an arms race where India, China, Pakistan and Bangladesh acquired new warships since 2009. The good relations between China and Pakistan as informed by MSRI and CPEC, push India closer to America and Japan. India sees this in the realist lens of a military and geo-strategic framework meant to sway the allegiance of her neighbouring states from her.

China's needs to outline her purposes for her initiative to build trust with Indian Ocean states especially India for the sake of her own reputation, so that the grand convergence materializes. The MSRI comes with an opportunity for China and India to work together since both are biggest rising powers in the international system. MSRI shall succeed if it accommodates the interests of all states along its route. This study adds knowledge on how economic and strategic implications of BRI via its MSRI component influence the geopolitics along Asian sea routes where China and India tussle to gain dominance over developing recipient states, while seeking international support. The geopolitical forces at times bordered state sovereignty hence interfering with international cooperation e.g. the construction of Hambantota sea port in Sri Lanka by China also turned out to be controversial after it was decided that it will be operated by Harbour Engineering Co. and Merchants Port Holdings (all from China) for 40 years (China's Silk, 2017). These findings are crucial in understanding the geopolitics that come with the implementation of MSRI in East Africa where my study focuses on.

Tekdal (2018) examines the time when the leadership of CCP launched the BRI, so as to authenticate the complex involvement of protective and aggressive reasons influencing the infrastructural enterprise. Using official documents and statistics, speeches, and inquiry into the modernization of the contemporary economic and political scene of China, Tekdal (2017) analyses motivations of China in plotting the BRI and its outcomes for configuration of power in Asia and the international economic pattern. China's development model led to macroeconomic issues such as; incommensurate investment-led growth, declining exports and excess production of value added goods, huge gaps in regional developmental disparity (underdevelopment of Western provinces of China), divergences in levels of income and consistent dependency on power importation. The BRI was thereby informed by attempts of a growing state to handle economic and security obstacles as she intends to be a regional and eventually a great power. The BRI is embodied in China's regional and global ambitions and is being used to manage the state competently to avoid being overthrown through aspirations such as; escalating her power in South Asia, marketing her policy to go global, making her currency (Renminbi) international and improving the governing of world economy.

China is seen to be expanding her global influence via policies that project her capacities internationally. For instance; the institution of the AIIB, the Silk Road Fund and the China Development Bank, operating different international harbours along BRI passages. These ambitions address China's peculiar challenges and ambitions due to her identities of less developed but economically a great power. BRI is comprehended to affirm Chinese qualities, in addition to the binary nature of her diplomacy, thereby making her ambitions offensive and defensive aspects of BRI. The study shows how the BRI ambition must be able to withstand operational challenges that prolong the timescale of its infrastructural projects such as India opposing the CPEC, some states having unstable political regimes e.g. Afghanistan. Despite that, the BRI appears to challenge the geoeconomical landscape all the way from South Asia to Europe. This study presents the geoeconomics of China's ambitions to address her challenges nationally and internationally, thereby providing insights for the proposed study to focus on how those ambitions influence interstate geopolitics in East Africa.

### **1.8.2 Belt and Road Initiative from an African Perspective: Economic and Political Implications**

Ehizuelen and Abdi (2018) examine the implementation of the BRI and the potential for incorporation of other states of Africa into the ambition. These authors specifically focus on the economic drivers, opportunities and challenges of the inclusion of African states. Utilizing data from China Africa Research Initiative at John Hopkins School of Advanced International Studies, and media from PRC such as China Daily and People's Daily, the authors observe that as of 2018, out of the 67 states participating in the BRI, only three were African countries (Djibouti, Kenya and Ethiopia). Like Onjala (2016), they argue that because of connectivity and market access to various economies along the initiative, there are prospects for inclusion of more African states.

They cite the completion of Addis Ababa- Djibouti railway links as having reduced the travel time and costs between the two countries. The main contribution of their study is the fact that it recognizes that indeed BRI cuts across many African states. However, the main shortcoming with the study is that it assumes that the participating states will automatically cooperate on the shared infrastructure projects. It may also be the case that Chinese-funded projects bring many countries together in one region prompting competition in attempt to safeguard their national interests. Using cases from the East African region, this study sought to examine how BRI linked infrastructure both in Kenya and Uganda influence inter-state relations.

Building on Ehizuelen and Abdi (2018), Ndzendze and Monyae (2019) acknowledge the relation between BRI and the African Agenda 2063. Juxtaposing BRI's implementation strategy with aspirations of Agenda 2063, they are optimistic in the two development plans. For example, infrastructure is at the heart of the African Agenda to accelerate brotherhood and prosperity, scientific revolution, commerce and growth. Africa should leverage on BRI which seeks to implement massive infrastructure projects such as railways, ports, bridges and roads. Therefore, the BRI transport corridors harbour the aspirations and interests of the AU Agenda 2063, meaning that the funded infrastructure projects resonate with the continental blueprint. On information communication and technology, African policy-

makers could leverage on spatial information system of the BRI. Furthermore, the course of action on BRI commits China and Africa to jointly “construct cross-border optical cables and other communication track line networks, improve international communications connectivity, and create an information Silk Road”. Like Ehizuelen and Abdi (2018), the authors are optimistic about cooperation among African states in the implementation of both the transport and ICT infrastructures. They overlook potential competition between the states involved in the acquisition of those development plans.

Mukwaya and Mold (2018) analyze the BRI economic implications on East Africa’s commerce and prosperity using the Global Trade Analysis Project (GTAP). The BRI presents an opportunity for states to boost their infrastructure capacity. However, critics are skeptical that the infrastructure initiative may indebt participating states. East African states are working hard to attain quality infrastructure levels mostly in the transport and energy sector. International financial institutions are cautioning states to rationalize their appetite for capital investment. For instance, President Magufuli of Tanzania, suspended the Bagamoyo port project (worth US \$ 11 billion) which was to be the largest port in East Africa. Although they observe that the BRI is important, they note that its benefits will be unequal since larger states such as Ethiopia, Kenya and Tanzania would gain substantially. Since their study focused on the East African region, it provided insights that assisted us in understanding the nature of inter-state relations. This study echoed these findings.

Chen (2016) examines the influence of BRI on Sino-African investment relations. Going by the rise in China’s foreign outward investment of 2015, he postulates that if African countries are incorporated into the BRI, investment opportunities are likely to increase in the continent. The author just like Onjala (2016) and Ehizuelen and Abdi (2018), sees the opportunities likely to accompany the BRI in Africa, and if they materialize they are likely to inform the perception of participating states, thereby influencing inter-state relations which is the focus of the study.

Cabestan (2018) examines similarities between China’s BRI of 2013 and her ‘going out’ policy of the late 1990’s. He argues that China is willing to invest in projects whether

economical or not, in the short term so as to consolidate her economic and diplomatic presence and assist her large firms expanding and internationalizing. Niger, the landlocked, fragile and the poorest in the world, was not factored among initial states targeted by BRI, however the enterprise enabled China entrench her economic and political power in the state, thereby countering France. Threatened by the diplomatic activism of Taiwan, China revitalized her policy towards Africa, targeting suppliers for unprocessed commodities such as oil and uranium. China commenced her engagement with Niger in 2000s, and the uranium sector in Niger informed the intensification of their ties 2007. Niger leads Africa (but fourth globally) in producing uranium ahead of Namibia but was reliant on a Areva, a corrupt firm from France. President Tandja was instrumental in Niger partnering with CNPC to explore both the uranium and oil sectors. China also aimed at diversifying her sources of oils imports, and internationalize her oil companies. The strategy of going out preceded the BRI since Jiang Zemin introduced it and his successor Hu Jintao amplified it. The 'going out policy' was rebranded as OBOR, and it can also be argued that the latter is an extension of the former. Before BRI was launched in 2013, the 'going out strategy of China' in Africa aspired to advance equal partnership, connectedness, open market or free trade and interpersonal relationships (bonding of people).

Makundi et al (2017) examines the strategies applied by the Tanzanian government to acquire technological capacity via her engagements with China. The authors inquire the alignment and trade-offs between different incentive packages, and how they influence the will and capacity of Tanzania to secure technology from China. Tanzania's development ambition is geared to be a mid-level economy come 2025 through innovation and the utilization of advanced technology, infrastructure, industry and commerce. Tanzania also aspired to control her engagements with China to reform access to foreign capital, create employment opportunities and increase revenues. Sino-Tanzanian relations, have their foundation on the Socialism ideology as shared by Chairman Mao Zedong and Julius Nyerere during the 1960's. Attempts by Tanzania to advance technologies were grounded on plans to accept desirable investments, concessions and grant via particular regulations and incentives. Tanzania's government established the Tanzania Investment Centre in 1997 and the EPZA in 2006 to mobilise local and foreign resources for investment and

industrial prosperity, and to attract foreign investments laden with technology and commercial commodities.

However, the agencies are assisting foreign investors and are not effective in ensuring the transfer of technologies to Tanzanians. Again the policy of Tanzania to harness technological capacity from foreign expertise has been overwhelmed by the 'go-out' policy of China despite a strategic framework (2016) to guide cooperation with China on industrial development. Coming to the transfer of technology, the strategy of the government is disoriented owing to the high number of interactions being influenced by the private sector. More so, the policies of Tanzania were crippled by the rent-seeking behavior among the officials, in addition to contradicting political interests and bureaucratic obstacles. This study echoes the work of Wang and Wissenbach (2019) on the influence of clientelism in infrastructural projects, in addition to revealing why policies in recipient states fail to take off as those of the donor states work out well. Makundi et al reveal the inability of a developing state in Africa to fail to safeguard her national interest.

Walsh (2019) examines how China collides with regional security issues in Africa, and the subsequent influence on the China-Africa relations. Borrowing the notions of regionalism and regionalization channels, and a complete constructivist approach to security from Hettne, Walsh criticizes China and scholars of China-Africa relations for misinterpreting relevant regional contrasts within security forces of Africa. He introduces the role of China in Africa plus detailed accounts of relations between PRC and East Africa. He opines that the security forces of Africa apprehend China into her geopolitics and security concerns, relations that are largely informed by idiosyncratic variables and the capacity statesmen in Africa. FOCAC provides a platform where China interacts with the Regional Economic Communities of Africa at different levels.

At this point, Walsh opts for re-analyzing the interactions of China with Africa because analysts and researchers need to recognize and understand specific and different regional conditions where relations occur. To him, continental simplifications or a focus on a particular state are insufficient. Africa is widely spread out and complicated to be studied

as a single region, and so for the sake of analysis, it ought to be partitioned into north, horn, east, central, west and south. Walsh focuses on specific areas in East Africa that provide clarity into relations between Africa and China despite being different and unique. His analysis is Afro-centric since it commences with the regional security of Africa, an element that other analysts have always missed. Walsh concludes that China ought to revise her state-centric approach in order to craft an advanced and alternative regional strategy in Africa. In contemporary global politics nation-states although relevant, they are not the sole actors or units of analysis. My study complimented Walsh (2019) as it analyzed China's BRI and infrastructural relations with specific reference to; the LAPSSET Corridor, and SGR in Kenya, and the Entebbe Express Highway, and Karuma Hydropower dam in Uganda.

Were (2019) hypothesizes that infrastructure construction race among states of East Africa manifests postmodernism geared on accelerating regional integration to attain Pan-African continental connectivity. This Pan-African thought pervades interconnectedness and informs international relations via the expansion of reliable international infrastructure. The place of Africa in international political economy shall be assured by global economic interconnectedness through infrastructure. Were reinforces the link between infrastructure and Africa Agenda 2063 as presented by Ehizuelen and Abdi (2018), and Ndzendze and Monyae (2019). The railway and road networks enhance the import and export potential of the regional economies, allowing a retreat from growth models that nurtured export-led economies. Borrowing from Riordan 2016, Were argues that the rerouting of the Hoima-Lokichar-Lamu oil pipeline in Kenya to the Hoima-Tanga route in Tanzania intensified the Tanzania-Uganda relations.

The race for infrastructure development in the CC is due to the rivalry instigated by the NC. Political outcomes of the infrastructure construction in the routes are offensive hence the rivalry between Kenya and Tanzania. Borrowing insights from Mwesigwa 2016, Were argues that Kenya lost the oil pipeline deal to Tanzania due to well-knit bilateral ties between the latter and Uganda, Tanzania was instrumental in the liberation struggles to oust despot Idi Amin Dada from ruling Uganda. On the other hand, Coalition of the willing



preferred to exploit specific areas within the greater East Africa. Kenya, Uganda and Rwanda teamed up in the absence of Burundi and Tanzania to accelerate the SGR, ICT and immigration projects of the NC causing acrimony amongst Burundi and Tanzania who accused them of deliberate isolation (Trade Mark, 2015), a move that informed the blue print of the CC.

This study reveals that it is inevitable to incur foreign debt for the purposes of developing the Pan-African economic community that has been difficult to achieve in preceding years. Were (2019) approaches infrastructure development race in Africa from the lens of Pan-African transformation. However, states risk falling into a debt trap as a result of competing for development infrastructure. Whereas construction of infrastructure is key to economic growth and prosperity, it invites reliance and debt traps that impede independence and sustainable development goals as preferred by Africans. This concluded study sought to build up on these findings by examining the interstate geopolitics of East Africa in the context of Chinese built infrastructure.

### **1.8.3 China-Kenya Infrastructure Dynamics**

Marcel (2018) examines the implication of BRI on the economic development and infrastructural development of Kenya, and how that entrenches economic cooperation in East Africa. China perceives Kenya to be the hub for Africa that can open the whole of East Africa by leading the regional cooperation. To the author, BRI-related infrastructure projects like SGR, oil pipelines and Lamu Port are likely to attract direct foreign investment of \$ US 25 billion, 4 billion and 27 billion respectively. The OBOR strategy which is being rolled out in a state capitalism model is a strategy to promote the international economy through regional cooperation. My study sought to build on this research and explored how Kenya may leverage on Chinese-built infrastructure to influence regional politics.

Onjala (2017) analyzes financing arrangement of Chinese-funded infrastructure projects and proceeds to examine how that financing structure affects the international debt position in Kenya. Based on primary and secondary data, he analyzes financing structure of road infrastructure projects such as the Northern and Eastern Bypass Projects, SGR and Kenya

Airports Authority (KAA). He argues that the completion of the projects has increased employment opportunities, improved connectivity and also presents prospects for East African integration; however, like other Chinese funded infrastructure projects in Africa, increased borrowing has raised concerns over transparency and accountability in the procurement processes, and debt sustainability. To manage the debt, the author urges the Kenyan government to prioritize the implementation of the infrastructure projects so that they can reap returns in the long run. From the case study provided by the author, we can obtain insights on how China deals with individual African countries. In addition, he provides insights on how Kenya may manage Chinese credit lines in the long run.

Onjala (2012) examines the kind and size of infrastructure implemented and questions its role in developing Kenya. Using existing data from secondary sources such as; government information and scholarly materials, Onjala appreciates the infrastructure deficit in the transport (roads and railway) and energy sector that hinder the global competitiveness of Kenya. Borrowing insights from the Government of Kenya 2011c, Onjala observes that infrastructure accounts for nearly 10% of Kenya's GDP. China is a generous donor to Kenya, and by 2011 her Official Development Assistance (ODA) to the latter was US \$ 622.9 million (Ksh. 49.83 billion). In the past, Kenya largely benefitted from Chinese financial and technical assistance that went a long way in promoting substantial infrastructural ambitions. The China-Kenya development collaboration is currently backed up by the Forum for China-Africa Cooperation (FOCAC) Action Plan 2010-2012.

The following are some of the projects financed by China, some of which are still under implementation; The eastern and northern by-passes in Nairobi aim at decongesting the capital, rendering it free from traffic. In bid to bridge power generation and transmission gap, Kenya is drilling the Olkaria IV Geothermal wells. In its efforts to distribute power and advance its systems, Kenya Power is implementing 132kv transmission line at Rabai (Kilifi)-Garsen (Tana River) and Lamu. In the ICT sector, the e-government worth US \$ 36 million (Ksh. 3.10 billion) was funded by China, and was to connect government ministries. Still in ICT, the National Optic Fibre Backbone Infrastructure (NOFBI) worth US \$ 36 billion (Ksh. 3.12 billion) was financed by PRC to link major towns within Kenya,

amongst many more projects. In 1987 the bilateral economic cooperation between the two states, China's contribution to the construction of the Moi International Sports Centre was 52% of the total cost US \$ 52 million (Ksh. 930 million) interest-free loan. Kenya also proposed a list of other infrastructure projects to the Exim Bank of China for financial considerations. Onjala concludes that Kenya accepted all this aid and investment from China as it appeared to mitigate the harmful prescriptions of the political North.

However, he calls for more studies to be conducted in order to analyze the shortcomings of securing aid and infrastructure investment from Beijing owing to; The wide trade deficit that Kenya has with China. The funding of infrastructure largely creates employment chances to firms and human labour from China hence conflicts with local workers. Therefore, the exposure to Chinese investment and infrastructure modernization in Kenya points that; Going by the variety of development projects in Kenya, Beijing's strategy has an upper hand over the West. Renminbi is prominent in the infrastructure sector, across the most important avenues of economic growth in Kenya, and therefore in accordance to Kenya Vision 2030. The development exposure offers Kenya lessons from China which has global presence and competitive mileage in areas such as provision of services, manufacturing and infrastructure. (Shikwati, 2012).

Wang and Wissenbach (2019) examine whether clientelism was involved in the construction of SGR Phase One (from Mombasa to Nairobi). Through interviews, observations and media reports the authors examined whether clientelism was present at project planning and costing, local supplies and logistics, land acquisition and compensation and labour management. They found out that clientelism was present at project planning where the project ideas emanated from Chinese investors but were taken over by Kenyan business elites with deep political connections. Although the civil society organizations like Kenya Private Sector Alliance and Kenya Association of Manufacturers asked President Uhuru Kenyatta to publicly announce 40 percent inclusion of local materials, they played a lesser role in logistic service owned by members of political class. Furthermore, clientelism also triumphed in land acquisition and compensation, but less of it in labour-relations. The strength of this study is in the conclusion arrived at by the authors

noting that implementation of infrastructure projects in developing countries is always faced by socio-political challenges. They observe that in Africa, Asia and Latin America, policy-makers underestimate political risks associated with the implementation of donor-funded projects. This conclusion is useful for this study because in the implementation of the shared infrastructure projects like SGR, there is need for participating states to assess political risks in order to put in place appropriate mitigation measures. For shared projects, assessment of geo-political risks is vital in understanding the national interests of the participating states.

#### **1.8.4 China-Uganda Infrastructure Dynamics**

Ssemanda and Zhao (2018) observe that since 2010, China has been the main wellspring of Foreign Direct Investments (FDI) and the major commercial partner for Uganda, taking over from classical sources of FDI. Through a concessional loan from EXIM bank, China will have built 600 km of roads worth US \$ 909.8 million in Uganda by 2021, and the latter will use her oil to pay the loan. Uganda prefers China because she is reliable and can be trusted with infrastructure loans over Western institutions such as the World Bank whose conditions too demanding. Uganda secured a Chinese soft loan worth US \$ 106 million in 2012, where Beijing supplied equipment for making earth roads which are cut off during rainy seasons. To repay the loan, Uganda was granted a grace period of 10 years for the coming 40 years, but was guaranteed to get services for those equipment by China. Through the China Communications Construction Company (CCCC) Ltd, Uganda also undertook the Entebbe Expressway (51 km) road infrastructure project courtesy of US \$ 476 million loan from Beijing via the Exim bank. The condition for granting this loan was that Uganda gives a Chinese firm contract for construction.

Uganda is also constructing her SGR (worth US \$ 12.8 billion) which apart from linking major parts of the country, also aims at connecting her with the neighbouring East Africa. With funds from Exim Bank, the first phase of her SGR is being implemented by China Harbour Engineering Corporation (CHEC). To seal the energy infrastructure deficit, Uganda plans to construct new hydropower dams, and has brought China on board to finance works such as; Karuma hydropower project, Isimba hydro power dam, and Ayago

hydropower project. However, the International Monetary Fund (IMF) has cautioned Uganda against over borrowing, citing that if it is not controlled, debt burden will escalate. Regardless of the foregoing, Ssemanda and Zhao (2018) conclude that China's infrastructural aid to Uganda is supreme since the footprints of the Asian giant are all over (from the transport sector to the energy sector and health sector). However, despite the opportunity to prosper, Uganda ought to check her appetite for loans and raise her own money domestically to avoid debt.

Ogwang` and Vanclay (2017) examine how firms from China and their concept of 'Resources for Infrastructure Agreements' in the extractive firms of Africa enrich those states and vice versa. In 2006 Uganda discovered oil reserves, and since this discovery, China began financing infrastructural developments in road and electricity sectors in Uganda. Uganda also plans to construct the SGR using US \$ 2.3 billion from China to connect with the oil-rich West Nile region, Kenya and South Sudan, although according to China, that depends on Kenya's commitment to finance the Naivasha-Malaba segment of the railway. Uganda was to prove that the construction of the railway is commercially viable and that she could repay the loan once granted by China. Oil discovery is what influenced Uganda to consider infrastructure but despite her poor revenue history, China is willing to risk by financing. The refinery will handle 60,000 barrels of crude oil daily then the remainder will be ferried to Tanga via the pipeline. The 1,445km long pipeline shall boost regional integration, and is Africa's longest heated oil pipeline. The CNOOC along with CCCC, Total E&P, Total S.A. and Tullow Uganda are competing to construct the pipeline. Uganda may resort to resource financed infrastructure model where she will pledge her future revenues from a resource development project to reimburse funds used to finance infrastructure construction (Halland et al 2014). Chinese direct investment which is concessional and commercial, substantively benefited resource-rich states such as Angola, and lately Uganda. This study builds on the argument of Were (2019), where at some point cooperation collides with competition where not only states but European companies wrestle with Chinese firms to secure infrastructure deals with an African state. Therefore, my study sought to analyze how China's BRI infrastructure informs infrastructural relations in East Africa region.

## **1.9 Conceptual Framework**

Different theories have been advanced to explain China-Africa relations, the following theories were found to be suitable for this study: Economic Liberalism explains how infrastructure activates FDI flows into Africa. Dependency theory appreciates the consequences of managing debt in mega infrastructure and the ever increasing overreliance of African states on Chinese aid, while realist paradigm on geopolitics has been adopted to explain the implications of China's BRI on East Africa Region.

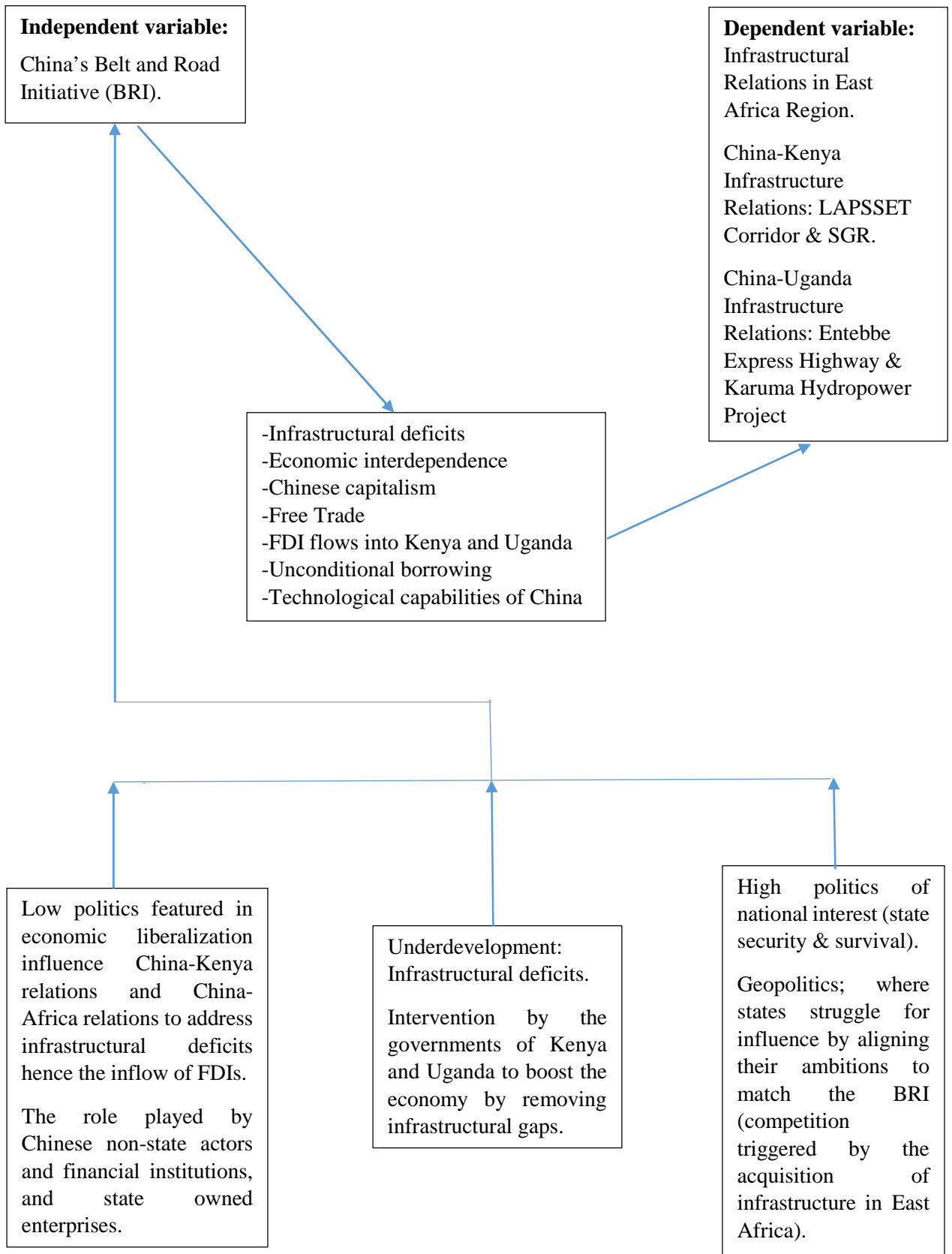
Economic liberalism is also commercial / interdependence liberalism, it is influenced by Adam Smith (1723-1790), David Ricardo (1770-1823), Richard Cobden (1804-1865) and John Bright (1811-1889). Competition is never ending so commercial liberalism accords full priority to the markets which manage economic areas that are competitive (Bresser-Pereira, 2017). The low politics featured in economic liberalization influence China-Africa cooperation to address infrastructural deficits hence the inflow of FDIs into Kenya and Uganda. However, this inclination to peace, collaboration and integration denies it the ability to focus on the effects of; anarchy, self-help and security dilemma, thereby creating a compelling reason for this study to adopt the realist perspective. Excessive competition attracts inequality and severe individualism, and hence inequality in the global scene which makes some states develop as others become poor, rendering the latter dependent on the former. It is at this point that the dependency paradigm becomes relevant to this study. Dependency theory is influenced by Raul Prebisch, Andre Gunder Frank, and Immanuel Wallerstein. It explains that the international system has the core (metropolitan) which is dominant and the periphery (satellite) which is dependent on the former. Dependency entails changing relations between the center and the periphery, since the patterns of interactions between the two variables produce different (unfair) patterns that attract inequality among states.

Classical realism draws inspiration from the writings of Niccolo Machiavelli (1469-1527) and Thomas Hobbes (1588-1679). Defensive realism was advanced by Kenneth Waltz (1975), while offensive realism was advanced by John Mearsheimer (2001). Whereas classical realism explains international politics as an outcome of instinct traits of human

nature such as lust for power driven by egoism and selfishness, defensive and offensive realisms explain international politics as a result of anarchy. Defensive realism opines that the anarchy in the international system motivates states to focus on their own security. Powerful states seek to preserve the status quo using defensive strategies (Waltz 1979), and discourage hostile ambitions that can alter the balance of power and interfere with their safety. Offensive realism notes that the existence of scarce security is what compels states to maximize their power for their survival (Mearsheimer 2001) owing to the anarchy in the international system (Lobell, 2010).

Therefore, study constructs the following conceptual framework from the above theoretical strands, variables and variable indicators that are streamlining this study, as shown in figure 1.

**Figure 1: Conceptual framework**





### **1.11 Hypotheses**

China's BRI has promoted China and Kenya infrastructure relations.

China's BRI has promoted China and Uganda infrastructure relations.

China's BRI has undermined regional infrastructure drives.

### **1.12 Research Methodology**

This section outlines the following subtopics: research approach, research design, type of data, sampling design and techniques, reliability and validity, data analysis and ethical issues.

#### **1.12.1 Research Approach**

This study utilized qualitative approach. Understanding the influence of the BRI on infrastructural relations in Africa's Kenya and Uganda required recollection of historical events that have shaped the relationship between the two countries.

#### **1.12.2 Research Design**

This study employed a longitudinal case study research design. A longitudinal research design was utilized because as it allowed for retrospection of respondents' experience since the inception of the four infrastructural projects in both Kenya and Uganda. Therefore, the data was gathered over a period of time to understand the influence of the infrastructural assistance on relations between Kenya and Uganda. Case studies allowed the researcher to understand the complex political and economic dynamics involving the implementation of LAPSSET, SGR, Entebbe Express Highway and Karuma Hydropower dam in the region. Therefore, the aim of this study entailed the utilization of the case studies to explain the focus of the study using the dependency perspective to debt in infrastructural funding, and realism approach to geopolitics as opposed to generating a new theory.

#### **1.12.3 Type of Data**

This study used both secondary data and primary data. Under secondary data, the study conducted relevant literature review of published material. Archival or historical materials on railway, desktop review was also utilized. The use of secondary data was economical

and time saving, it made the collection of primary data more specific as it pointed out the gaps on information to be collected, and it was also accurate. Under primary data, the study gathered data using electronic / online open ended structured interview with knowledgeable individuals who assisted in responding to the research questions.

#### **1.12.4 Target Population**

Target officials were to be drawn from; the Ministries of Transport and Infrastructure, Foreign Affairs and International Trade, EAC in Kenya, Kenya Railways Corporation, Kenya Investment Authority, Export Promotion Council in addition to officials at the High Commission of Uganda, and the Embassy of China, and key informants from academia and civil society.

#### **1.12.5 Sample Size**

Because of the heterogeneity of the population, the study aimed at sampling at least 30 respondents. According to Yin (2009), a sample of 30 respondents is adequate for a qualitative study. Initially the study aimed to conduct face to face interview, however because of COVID-2019 the study heavily relied on official policy statements issued by the governments of Kenya and Uganda found online. More than 30 official statements from the above target population were referred to. A phone interview was held with Zhengli Huang, while email communications were also conducted with Rahel Czirjak, both are experts on China-Africa relations.

#### **1.12.6 Sampling Techniques**

Purposive sampling design was ideal because targeted respondents were knowledgeable on the research topic. This study was to purposely sample officials in the ministries of transport and industrialization, foreign affairs and international trade, EAC, and foreign missions of China, Uganda, and key informants, but this was not the case. The researcher anticipated to apply snow balling techniques especially where it was difficult to find targeted respondents.

### **1.12.7 Reliability and Validity of Research**

The attached research instrument was pre-tested one week to the actual fieldwork to ascertain whether it was fit for data collection. The study also ensured external validity to determine the applicability of the findings outside its context. External validity was attained by ensuring that the sample was representative of the research topic so as to maximize the ability of the findings to draw conclusions / inferences about the population. The study was to be validated further by internal university procedures such as proposal defense and project defense.

### **1.12.8 Data Analysis**

After collecting data, findings were analyzed using content analysis. According to Bruce Berge and Howard Lune, content analysis is a careful detailed, systematic examination and interpretation of a particular body of material to identify patterns, themes, biases and meaning” (2012:4). To perform thematic analysis (economic interests and political interests), the researcher utilized the following steps: First, he familiarized himself with data by preparing the narrative collected. He re-read the data and noted down initial ideas. Second, the researcher generated initial codes, by coding key features of the data in a systematic fashion across the entire data set. Thirdly, the researcher searched for themes by collating codes into potential themes. Then, relevant data was assembled. Fourthly, the researcher reviewed themes and generated ‘map’ for analysis. Fifthly, the researcher defined and named themes. Finally, the researcher related the analysis back to the research questions, research objectives on the extent to which BRI influences China-Kenya, and China-Uganda infrastructural relations and previous literature on China-Africa relations.

### **1.12.9 Ethical Issues**

Prior to the commencement of the study, the researcher acquired a research authorization from the Department of Political Science and Public Administration of the University of Nairobi. This study avoided engaging in activities that contradict the norms of scientific research both during data collection, analysis, or interpretation. Respondents were made aware that their participation was out of their free will and that they could choose to withdraw from the study at any point without any threats for their security (Bhattacharjee,

2012). Anonymity and confidentiality has been upheld to secure the interests and future well-being of the respondents; other readers of the final draft will not know who gave particular comments.

## **CHAPTER TWO: CHINA-KENYA INFRASTRUCTURE RELATIONS IN THE CONTEXT OF BRI**

### **2.1 Introduction**

This chapter responds to the first objective of the study that aimed at examining China-Kenya infrastructure relations in the context of BRI. Analysis of this objective was majorly based on extensive desktop review supplemented with some key informant interviews. The goal was to confirm the following research hypothesis: *China's BRI has promoted China and Kenya infrastructure relations*. The results are discussed thematically in the following sections.

### **2.2 Selected Cases for Analysis**

This section presents analysis of LAPSSET Corridor and the SGR.

#### **2.2.1 LAPSSET Corridor**

##### **2.2.1.1 Overview of the LAPSSET Corridor**

Lamu Port South Sudan-Ethiopia Transport (LAPSSET) Corridor is a mega infrastructural project meant to economically integrate Kenya and the neighbouring Ethiopia and South Sudan through seamless networks of transport. It was launched during the reign of President Mwai Kibaki where on 2nd March, 2012 together with Prime Minister. Meles Zenawi of Ethiopia and President. Salva Kiir of South Sudan, he commissioned the construction of Lamu port. LAPSSET Corridor forms an integral segment of China's BRI, and is expected to not only open up the vast Great Lakes Region hinterland, but to also bridge the port of Lamu, Kenya to the coast of West Africa at the port of Doula, Cameroon (LAPSSET Development Authority, 2016). According to economic liberalism, complex interdependence in Kenya, Ethiopia and South Sudan allows for infrastructure inflows hence economic transition and regional integration. This infrastructural collaboration will go a long way into ensuring peaceful periods among these states. The three states of Eastern Africa and their shared LAPSSET Corridor present a situation where aspirations of developing areas form an extension to those of China through the BRI in what has come to be known as infrastructural relations. In this case, the contemporary international setting

portrays complex interdependence that comes with the increase of foreign direct investment (FDI) flows into Eastern Africa.

The inspiration for LAPSSET Corridor emanates from various influences / variables such as; Eastern Africa geopolitics which envisage merged regional growth, domestic variables of Kenya, traders and potential investors who are optimistic about taking part in public investment. It is in the 1970's when it was separately hinted that the Lamu Port would be built, and that an oil pipeline from South Sudan will traverse Kenya down to Lamu (Browne, 2015). LAPSSET Corridor will operate as an economic gateway that allows stakeholder states in Eastern Africa to participate in large scale commercial enterprise thereby boosting socio-economic growth in the region. Both in Kenya and in the partner states, it is divided into several infrastructure components; Lamu port, interregional SGR, interregional highways, crude oil pipeline, international airports, resort cities, merchant oil refinery, high grand falls multipurpose dam, and fiber optic cables and communication systems. Furthermore, there will be an Economic Corridor of industries running parallel to the LAPSSET corridor 50 km on both sides. Economic liberals acknowledge that infrastructural FDI inflows into Africa have succeeded in weaving a sophisticated network of economic interdependence between Eastern Africa and developed economies.

In 2015 the LAPSSET Corridor received support from the Presidential Infrastructure Championship Initiative (PICI) of AU and Program for Infrastructure Development in Africa (PIDA) of AU, thereby acquiring a continental image and winning the confidence of investors (LAPSSET Corridor Development Authority, 2016). This continental support accorded to the mega infrastructure is an incentive for Kenya to prioritize it in her development plans and subsequently into the global investment blueprint. Liberal economists would argue that, the status accorded to LAPSSET Corridor also enables the developing states of Eastern Africa to invite FDI from highly industrialized states such as China. These developing states of Eastern Africa have coal, oil, gas, amongst other natural deposits whose exploitation is dependent upon the global technological capabilities of the developed economies. In 2016 this mega infrastructure won the 'Global Infrastructure Leadership Project of the Year' in USA for creating employment and investment openings

to Kenyans and inhabitants of the greater Eastern Africa. In the same year, the infrastructure also won the 'Africa Investor Award' in South Africa, under the category of the regional infrastructure investment of the year.

Internationally LAPSSET is being advertised as a segment of a monumental Great Equatorial Land Bridge running all the way from Lamu at the Indian Ocean to Doula, Cameroon at the Atlantic Ocean through Juba and Bangui, Central African Republic (Browne, 2015). The LAPSSET Corridor harbours the interests of not only Kenya, but also of international actors such as Ethiopia, South Sudan, China, Japan, South Korea *int alia*. Other international variables assume the form of non-state actors such as Renardet-Sauti of Geneva, Chevron Corporation of America, Tiny Rowlands' Lonrho conglomerate, CCCC, Tullow Oil of UK, Toyota Tsusho Corporation (TTC) of Japan, Total, *int alia*. Complex infrastructural interdependence among the developing economies of Kenya, Ethiopia and South Sudan attracts highly industrialized states such as China, Britain, Japan, Korea, USA, whose firms have gone global. Indeed, foreign infrastructural investments in Eastern Africa have contributed to the growth of global markets by way of intensifying economic interdependence.

When the Kenya's main port of Mombasa became congested, leaders had to think of having another port and so Manda bay in Lamu became a strategic site under the LAPSSET Corridor (Browne, 2015). The government hired Renardet-Sauti engineering consultants from Geneva as from 1973 -1975 to conduct a feasibility study where Manda bay was picked for sustainable economic and political reasons. Here in, Kenya relied on the engineering expertise of Switzerland (an OECD country), signifying an instance where the development interests of a developing state determine its position in the global political economy and how it relates with industrialized states. These consultants saw that Manda had huge potential going by its deep sheltered harbours and expansive land that was relatively flat. However, after serious meditation the government opted to improve the port of Mombasa in 1979 but advocated that Manda be left for future investment considerations.

When Mwai Kibaki rose to power, he preferred to involve technocrats from the developed states of East Asia in the implementation of infrastructure, following years of poverty under the coercive economic system of Europe. Kenyan experts were inspired by developed economies of Malaysia and Singapore despite their development paths being different from hers. Infrastructural gaps had long been obstacles to commercial ventures in the Great Lakes Region, so Kibaki being an economist must have been liberally economical enough to think of opening up Kenyan markets to foster free trade among her peers within Eastern Africa and beyond. In this case, the feasibility study on the port of Lamu conducted by Renardet-Sauti during the reign of Jomo Kenyatta made sense during the reign of Mwai Kibaki, and the reason to have transport infrastructure in northern Kenya was petroleum products from South Sudan. Perhaps Kenya is capitalizing on her leading role in the 2005 negotiations where the government of Khartoum and the Sudanese Peoples' Liberation Army (SPLA) signed a Comprehensive Peace Agreement (CPA). Subsequently, Nairobi has teamed up with Addis Ababa and Juba to account for a sophisticated transport infrastructure called the Lamu Corridor / LAPSSET Corridor (Browne, 2015).

Since Kenya is spearheading the implementation of the LAPSSET Corridor, she expects that the transport infrastructure will boost her economy by a GDP of 2% and 3%, and finally GDP by 8% to 10%. Further still, the national interest of Kenya can be seen in the marketing of this transport corridor where she aspires to become prosperous via the implementation of infrastructure across her Northern territory into Ethiopia and South Sudan. The asset is part of Kenya's developmental blueprint -Vision 2030 in terms of her ambition to utilize the vast northern Kenya, tap the dormant potential of the blue economy of Lamu, and internationally assist in exploiting the potential of the southern territories of South Sudan and Ethiopia. This contradicts classical economic liberals who restricted state intervention in the economy only to the provision of peace and security so as to create avenues for the execution of free trade and open competition. Apart from the oil pipelines, roads and SGR running side by side on the LAPSSET Corridor, air transport and tourism sectors were also boosted when Kenya planned for the construction of three new international airports and resort cities in Lamu, Isiolo and Lake Turkana. Other proposed spaces of prosperity along LAPSSET Corridor were; special economic zones, export



processing zones and agricultural zones. Kenya's task according to economic liberalism, presents a situation where international efforts have now tilted to low politics of unlocking latent economic capital so as to urbanize these spaces, consequently improving Kenya's performance in international trade. Kenya is heavily dependent on the financial assistance and international expertise from China to revive the dead capital in her Northern territory, meaning that China will influence the global commercial performance of Kenya in the near future.

Following the signing of the CPA, most business people in Kenya became part of South Sudan's economy but the road between the Kenya and South Sudan was poor, having been last tarmacked during Operation Lifeline Sudan of 1989. This meant that the only way into South Sudan was through the Ugandan side, therefore since Kenya had to secure market for her goods, she had to team up with South Sudan not only to build the road but also to collectively finance the oil pipeline. Through the LAPSSET project South Sudan can depend on Kenya to be her passage to and from the Indian Ocean. To economic liberals this infrastructural integration would then invite more public and private investments thereby consolidating the position of Kenya as the hub for Eastern Africa.

Further still, the ambitions of Kenya's Grand Coalition Government (2008 -2013) between Mwai Kibaki and Raila Odinga corresponded with South Sudan's secession of 2011 as we shall see later. Here in, the government aspired to restore the reputation of Kenya as the economic powerhouse and the gateway to Eastern Africa, following the disputed elections that invited civil war in 2007 -2008. This is where we trace the impetus of Kenya to boost transport infrastructure such as LAPSSET Corridor using Chinese finance and labour, because being a poor country, she cannot afford the costs engaged in bridging up the gap in the transport sector. Eager to welcome the oil endowed South Sudan as a new state in the international system, Kenya had to publicize her aspirations regarding the Lamu Corridor.

### **2.2.1.2 Funding Structure for LAPSSET Corridor**

A Chinese firm, JS Neoplant from Hong Kong is the only firm that expressed commitment to funding the LAPSSET (Browne, 2015). Japanese Port Consultants (JPC) was engaged in the LAPSSET Corridor since 2010 and together with a Kenyan firm, Kibaki administration depended on it to come up with a feasibility study master plan for the mega-infrastructure. TTC is also interested in implementing the LAPSSET project on the Kenyan side, its first presence in the region being in South Sudan where it offered to build an oil pipeline provided that it is left to operate it for 20 years to recover the investment costs. The record of TTC is also seen in 2012 where it successfully concluded a feasibility study for the South Sudan –Kenya route and when Uganda came on board it was willing to accommodate her. This yet reveals foreign interests in the mega infrastructure project, where international firms expose their human labour and technology to the development agenda of developing African states but on conditionalities meant to secure their national interests.

In yet another show of economic interdependence, in 2010 Mwai Kibaki set up a feasibility study for the LAPSSET Corridor worth US \$ 35 million, its master plan and a comprehensive design for Lamu Port (Browne, 2015). This was a joint effort between consultants from Kenya and Japan whose work was complete by 2011. Still in 2010, Korea committed herself into financing and conducting a cartography of Lamu worth US \$ 2.8 million as a precondition for the building of the port. Just a few weeks after Kenya and South Sudan entered a pact in March 2012, Kenya relied on Western expertise where Tullow Oil of the UK discovered petroleum deposits in the Lokichar Basin, south of Lake Turkana. On the other hand, to unlock the pastoral economy in northern Kenya, USAID reserved US \$ 19.4 million for livestock sectors in Isiolo and Marsabit (Browne, 2015). This signifies yet another instance where open markets and free trade allow FDIs to trickle down into developing regions.

Kenya depends on a consortium of firms led by China Communications Construction Company (CCCC) to implement the main components of the LAPSSET Corridor. According to Mwangasha (2015), Tukic and Kim (2015) this firm was awarded the tender

to build 3 out of 32 berths at Lamu port at a cost of US \$ 484 million in 2013. Once constructions are over, Lamu port is designed to have a huge capacity than Mombasa port which is currently the main port of Kenya. Tukic and Kim (2015) note the 3 berths were to be ready by 2013, but according to LAPSSSET Development Authority which is managing the implementation, the project was delayed by fluctuations of the overall cost from US \$ 22 billion to US \$ 29 billion. Going by the potential of the mega project, 70 companies apart from Chinese corporations have teamed up with the CCCC to implement it. However, meagre funding threatens to hinder the implementation of the project to completion. Tukic and Kim (2015) advise that despite her leading role in LAPSSSET Corridor, Kenya needs to collaborate with fellow stakeholders (Ethiopia and South Sudan) since they will benefit equally.

Browne (2015) notes that the National Treasury of Kenya managed to release US \$ 480 million in August 2014 to finance the construction initial phases of the port of Lamu. Kenya's first successful US \$ 2 billion Eurobond was also to be channeled to finance the project. However, according to LCDA (2016), the major segments of the transport corridor need enormous resources of approximately US \$ 24.5 billion (Ksh. 2.4 trillion) to be constructed. For instance, the cost of the port of Lamu complete with 32 berths is nearly US \$ 3.1 billion, the railway is worth US \$ 7.1 billion whilst the crude oil pipeline from Lamu to Lokichar is expected to cost US \$ 3 billion (LCDA, 2016). Browne (2015) notes that towards the end of 2014, Kenya Railways Corporation (KRC) entered an agreement with CCCC to conduct a feasibility study for the Kenya's segment of the SGR on the LAPSSSET Corridor.

In 2014, the AfDB, the European Union and the World Bank (WB) financed the A2 road between Isiolo and Moyale on the international border between Kenya and Ethiopia (Browne, 2015). As for the western stretch from Lokichar to Juba, the WB had financed the feasibility studies for its design in 2009, preceding the actual LAPSSSET Corridor. WB allocated US \$ 600 million (out of her US \$ 1.8 billion development practice in the Horn of Africa) to support financial agencies, agricultural enterprises, and mining firms. WB

was also interested in supporting an international pipeline, so it expected that states in Eastern Africa would align their interests and if oil export becomes profitable once again.

According to the LAPSSET Corridor website, in March 2017 the LCDA of Kenya received US \$ 1,936,560 million from the African Development Bank (AfDB) to sustain development of Lamu Port (Thuita, 2017). This grant would enhance the procurement of transaction advisory services and technical assistance to prepare the Lamu Port project for investment. Thuita (2017) notes that, the AfDB is permitted to prepare the construction of regional infrastructure (such as Lamu port project) for prosperity so that states coordinate implementation funds.

The foregoing shows how Kenya as a developing state in international politics relies on industrialized economies such as China, Japan, Korea, UK and USA not only to finance but also to implement her ambitious programs under the LAPSSET Corridor infrastructure. All these major powers had their national interests in the infrastructure as shown above (Browne, 2015). It shows how infrastructural deficits in Eastern Africa give space for complex interdependence that goes beyond Kenya to make an international system where infrastructure rather than conflict determines her participation in the global political economy (Brooks, 2008).

### **2.2.1.3 Implementation of the LAPSSET Corridor**

For the LAPSSET Corridor to materialize, the LAPSSET Corridor Development Authority (LCDA) is supervising the implementation of the infrastructure and is working closely with the following ministries: Finance; Transport and Infrastructure; Energy and Petroleum; Defence; Lands, Housing, and Urban Development; Water and Irrigation; Environment and Natural Resources; Devolution and Planning; Interior and Coordination of National Government; Tourism; Industrialization and Enterprises Development; Agriculture; Livestock and Fisheries among other government departments (LCDA, 2016). In Kenya, the construction of the key segments of the LAPSSET Corridor need vast implementing resources worth US \$ 24.5 billion (Kshs. 2.4 trillion). Kenya prioritized the Lamu Port, the road from Lamu to Garsen, the crude oil pipeline from Lamu to Lokichar, and security

along the corridor. Implementation of the entire LAPSSET is in such a way that its key different segments are being constructed in a coordinated way to ensure efficient utilization of finances and increase resultant benefits. The government of Kenya relies on these priority areas to ignite the implementation of the remaining projects, thereby earning confidence in the entire project.

To ferry product oil from Kenya to Ethiopia, the two states inked an agreement in June 2016 to build a product oil pipeline from the port of Lamu to Addis Ababa. While Djibouti is eyeing the northern market of Ethiopia, Kenya is interested in latter's southern market where Ethiopians consume over 700,000 tonnes of product oil per month. Coincidentally, the Ethiopia is aspiring to unlock the dead capital of her southern territory. Constructions are currently underway for the A2 Road -508 km from Isiolo to Moyale on the side of Kenya while on the Ethiopian territory along the LAPSSET Corridor, the same road from Moyale to Hawassa is under construction and is 495km. In the oil exploration sector, Britain's Tullow Oil discovered high quality deposits of crude oil in the Lokichar basin and subsequently the firm employed more than 200 firms from Kenya worth Ksh. 7.4 billion in 2015. To this end Kenya is advised to rethink along the lines of bilaterally negotiating with South Sudan through the Joint Coordination Commission (JCC) about the implementation of a joint crude oil pipeline. In 2013, the feasibility study for this bilateral venture was carried out but the civil war broke out in South Sudan thereby hampering follow up talks. To this end economic liberalism portrays how open markets and free trade amalgamates states into a web of interdependence hence mutual benefit and unending peace. Through strategizing for infrastructure developments international warfare is avoided at all costs and cooperation is achieved.

As at 2016, construction of the following segments that constitute the mega infrastructure was underway; three berths of the 32 deep sea berths, 135 km Lamu-Garsen road, 334 km highway from Lokichar-Lodwar to Nakodok, 400 km highway from Nakodok-Torit to Juba, 537 km highway from Lamu-Garissa to Isiolo, 1000 km highway from Isiolo-Moyale to Hawassa, crude oil pipeline from Lamu-Isiolo-Moyale to Addis Ababa, and a SGR from Lamu-Moyale-Hawassa to Addis Ababa. Liberal economists opine that as infrastructure

crawls through Eastern Africa, trade costs will reduce and the comparative advantages of states will adjust, paving way for intense diversification of production and chains of supply. This serves to boost commercial activities around Eastern Africa, and hence economic integration that comes with complex interdependence.

Initial implementations of the LAPSSET Corridor have had several implications not only to Kenya but also to the neighbouring partner states. For instance, the construction of the 508 km road from Isiolo-Marsabit-Moyale reduced the time taken to travel from 3 days to roughly 10 hours thereby improving international trade between Kenya and Ethiopia, while the removal of overnight stops, wear and tear costs of vehicle works greatly minimized the expenses that catered for goods and services. More so, the highway influenced people to move away from the use of lorries for transit to personal cars and public transport. Public service delivery from government agencies was enhanced greatly, not to mention the reduction of infant fatalities due to reformed maternal health services. Communities living along the LAPSSET Corridor in areas such as Lamu and Marsabit that have since then been synonymous with bandits have witnessed the securitization of those localities. With the construction of police stations along the corridor, the state has moved closer to the people hence ensuring timely response to threats to peace and security, thereby creating conditions for open markets and trade to thrive. In a similar initiative to minimize conflicts, the infrastructure influenced communities to diversify livelihoods and invest along the infrastructure instead of solely relying on livestock. In the same token, other places such as Nairobi have assisted in expanding the market for the goods and livestock products produced by the counties being traversed by the mega infrastructure. This amplified the value of land thereby attracting new commercial centers along the infrastructure whose implementation also demanded labour of 1,600 locals.

In the execution of its Corporate Social Responsibility, the LAPSSET Corridor had granted scholarship to more than 350 students studying various courses. Adam Smith (1723-1790) would view this as an institutional foundation that is necessary to steer Kenyans towards productive pursuits that can uplift the entire nation. This has introduced various opportunities for youths, thereby equipping them to participate competitively in the

infrastructure implementation processes. According to KETRACO ESIA Report of September, 2010, electric power supply in Lamu raised living standards and generated employment to locals due to the mushrooming of new trading centers. It eradicated power shortages hence boosting income generating activities, education, tourism, health and sanitation since the security of locals had improved. The resort cities to be set up in Turkana, Isiolo and Lamu, coupled with the national parks in Marsabit, Samburu, Meru, Mt. Kenya and Aberdares shall unlock dead capital in the tourism sector.

## **2.2.2 SGR**

### **2.2.2.1 Overview of the SGR Project**

Standard Gauge Railway (SGR) is one of the pioneering BRI projects in the East Africa Region. It was originally commissioned as a result of the government of Kenya, Rwanda, South Sudan and Uganda being ‘committed to providing high capacity, cost effective transport within the Northern Corridor’. The SGR was committed to upgrading transport connectivity in the East Africa Region. This was to be realized through a high capacity, high speed SGR for both freight and passenger services, to connect Mombasa Port in Kenya to Kampala, Kigali and Juba. Each country had the role of acquiring and developing the section of the railway line within their own borders. In October 2009, Kenya and Uganda signed a bilateral Memorandum of Understanding (MOU) to construct the SGR from the port of Mombasa to Kampala, and a tripartite agreement was approved by Kenya, Uganda and Rwanda to fast-track the construction of the rail lines to their respective capitals. Additionally, the railway lines were to have secondary lines to Kisumu Kenya and Pakwach / Gulu-Nimule –Uganda. Economic liberals such as, Brooks (2008) argue that infrastructure minimizes the costs of transaction, adds value to spaces, and enhances profits for exporters as it expands connections to global distribution networks.

The SGR at the Northern Economic Corridor (NEC) intends to move the transportation of freight from trucks to trains, meaning that the railway cargo allocation from the port of Mombasa will greatly affect freight transportation by truck. For the SGR to compete with the highways and the lunatic railway along the NEC, its fares and services must be appealing. What attracted developing states of Eastern Africa to the SGR is because the

structure of this modern transport infrastructure is robust and its gauge is wider to accommodate speedy and heavier trains compared to the old lunatic railway. To economic liberals, the SGR reveals the correlation between free markets and the strategic interests of states through mega infrastructure. In terms of operation, the reliability and consistency of the SGR is dependent on its modern signaling layout and rolling stock. Using insights from the Ministry of Infrastructure (2014), Githaiga and Bing (2019) argue that the modern railway is also environmental friendly as it emits minimal carbon (iv) oxide, so it adheres to measures put in place to curb global warming. Economic liberals would at this point appreciate how this SGR infrastructure factors in the low politics of minimizing gas emissions to alleviate dramatic shifts in climatic patterns.

While critics will point that it is inappropriate to assess the implication of the SGR since its implementation is in progress, sections 1 and 2A have tangible impacts that will influence its forthcoming effects (Githaiga and Bing, 2019). This study uses the SGR to assess the implication of the China's BRI on the infrastructural assistance at the Northern Corridor in Kenya. Kenya as a developing country has few economic, political, trade, and security connections with China, therefore her inclusion into the BRI is because of her strategic position on the East African Coast (Githaiga and Bing, 2019). This echoes Bresser-Pereira (2017), in his argument on how economic liberalism transformed from the capitalism of traders to accommodate creditors of mega infrastructure and investors of the same. Subsequently, the MSRI of BRI will link up with Africa via the port of Mombasa where the SGR will spread out into East Africa through Nairobi.

#### **2.2.2.2 Funding Structure of the SGR**

The SGR is part of public transport whose financing depended on government to government procurement between China and Kenya to minimize costs, however this has proved to be an expensive way to fund public transport. Kenya just like other African states prioritized the implementation of a high speed SGR and this ambition was realized in 2017 when President Uhuru Kenyatta launched the 472 km phase 1 of the SGR to link Mombasa and Nairobi. This development followed Ethiopia's launching of her US \$ US \$ 3.4 billion SGR in October 2016 linking Addis Ababa to the port of Doraleh in Djibouti. As for Kenya,



the initial phase was worth US \$ 3.2 billion and was the largest infrastructure implementation since her independence in 1963. Therefore, the engines that run on the SGR were named 'Madaraka Express', to signify the 1<sup>st</sup> June 1963 when Kenya attained her independence from Britain.

The SGR loan was a mixed credit facility comprising two components; the Preferential Buyer Credit Loan amounting to US \$ 1.6 billion and the Buyer Credit Loan amounting to US \$ 1.633 billion. The Preferential Buyer Credit Loan component had an interest rate of 2%, grace period of 7 years and repayment period of 20 years, while the Buyer Credit Loan component required that the loan should be repaid in a period of 10 years with a grace period of 5 years and the insurance cover (with Sinasure) of 6.93% of the commercial loan and interest of six months Libor+ 360 basis point. There was also management fee and commitment fee each of 0.75% of the project value (Daily Nation, 2013:11). To economic liberals, infrastructural finance is a soft infrastructure essential for the acquisition of geographical infrastructure by Kenya and her peers, and hence forms the core of infrastructural relations between China and Eastern Africa region.

In October 2019, the Kenyan statesman launched phase 2A of the same SGR to link Nairobi and Naivasha at the industrial park whose inland container depot (ICD) is meant to serve South Sudan and Uganda. Phase 2A of the SGR was worth Ksh. 150 billion (US \$ 1.5 billion), and just like its first phase, it was constructed by the CRBC who are also going to operate it for a decade. This SGR was funded by a concessional loan from China's Exim Bank under the condition that Kenya awards subsequent engineering, procurement and construction (EPC) to state-owned companies from China (Our Public Transport, Date not given). At this juncture, economic liberals would caution the government of Kenya that International companies from China will reinvest a minute fraction of their benefits exploited from Kenya, while the larger portion of the profits would be repatriated to their motherland China. These are repercussions inherent in global capitalism.

This nature of financing where concessional loans that constitute infrastructural assistance from China dictate the awarding of contracts to Chinese corporations, went contrary to the

procurement law of Kenya (Our Public Transport, Date not given). This informed the Law Society of Kenya (LSK) to reach out to the High Court of Kenya where it disputed the procurement criteria used to implement the SGR (Our Public Transport, Date not given). On its part however, the judiciary upheld the procurement standards used to award contracts to Chinese firms to build the SGR, thereby setting precedence in the law of Kenya that government procurements following negotiated grants or loans are not subject to the domestic laws of procurement (Our Public Transport, Date not given). In economic interdependence, much as the SGR is a geopolitical installation, that is meant to form the foundation of efficient markets, the anatomy of international economy is such that powerful states are favoured at the expense of weaker states whose growth is limited.

Such standards may provide moderate means of sourcing the huge financing needed to invest in mega infrastructure projects. However, the expenses by CRBC for operating the SGR since its inception in 2017 are nearly Ksh. 1 billion (US \$ 10 million) per month. More so, compared to similar infrastructure around Eastern Africa, the implementation expenses of the transport infrastructure worth US \$ 3.2 billion seems exaggerated. For instance, Tanzania procured the services of a Turkish corporation to construct her 422 km railway worth US \$ 1.92 billion which although is short by 50 km compared to Kenya's phase 1 of SGR, is cheaper and runs on electricity. The SGR in Tanzania is therefore faster and environmentally friendly compared to Kenya's SGR whose engines run on diesel.

### **2.2.2.3 Implementation of the SGR Project**

Unlike the LAPSSET Corridor, the SGR is part of a full multimodal system of transport called the Northern Corridor. Together with other existing transport assets such as; the port of Mombasa and highways from Mombasa to Busia / Malaba via Nairobi, and airports such as Moi International Airport, Jomo Kenyatta International Airport, Kisumu International Airport and Eldoret International Airport; and the old lunatic metre gauge railway, the SGR injects proper utilization of these other components to guarantee economic efficiency and sustainable environmental friendly transport. These other avenues of transport will enhance the mobility of more products and services if served by a modernized rail network. Moreover, economic liberalism allows Kenya and Uganda to capitalize on exploiting the

complementarity of various modes of transport so that substantive commercial outputs may be realized (Brooks, 2008). Prior to the inception of the first phase of SGR in 2017, the volume of freight being ferried by rail was 8%. Therefore, due to its capacity to transport large volumes of cargo such as steel, cement, construction materials, and coal for long distance, the SGR was able to seal the huge gap.

On the Northern Economic Corridor (NEC), congestion of traffic and accidents are serious impediments to road transport that demand the attention of Kenya and Uganda. A research done by the JICA Study Team (2017) in Kenya and Uganda, found SGR to be ideal to ferry cargo for long distances into the hinterland states such as Uganda, Rwanda and South Sudan. Indeed, economic liberalization allowed the inflow of Chinese infrastructure to Eastern Africa, hence a chance for the SGR to lower commercial expenses and foster the expansion of commerce, regional integration and economic growth (Brook, 2008). The JICA study also reveals that overreliance on road transport at the expense of railways by shippers led to traffic snarl-ups on roads hence low mobility and costly unreliable movement of transport and logistics. The SGR will decongest highways and provide incentives for the growth of industries along the NEC, this is evidenced in the freight oriented development where an ICD was put up along phase 2A of the SGR to serve Uganda and South Sudan. Economic liberals observe that infrastructure guarantees punctual and reliable delivery thus alleviating the fragmentation and dispersion of the production process, hence an influx of infrastructural investments from Beijing (Brook, 2008). This creates employment thereby tapping the latent economic potential in form of human labour.

However, the implementation of the SGR registered various vices besides exorbitant expenses of implementing this infrastructure, (Our Public Transport, Date not given) such as; Corruption in November 2018 where corrupt CRBC officials were arrested by law enforcers of Kenya after they bribed government officials investigating the extent of corruption in the implementation of the SGR. Wang and Wissenbach (2019) found out that clientelism was rampant in the construction of phase 1 of the SGR, right from project planning where ideas emanating from Chinese investors were acted upon by Kenyan

business elites with deep political connections. Clientelism also conspicuous in land acquisition and compensation in Kenya. These vices countered Onjala's conclusion that Kenya accepted infrastructure aid and investment from China to mitigate the harmful prescriptions of the political North (Shikwati, 2012). This exhibits a bottleneck in economic liberalism as noted by Bresser-Pereira (2017) where excessive competition leads to inequality and severe individualism, hence poor social cohesion which makes the state employ higher levels of coercion to achieve compliance.

Unfair mechanisms of resolving disputes render Kenya powerless because as per the contract, laws from China control the agreement and solve all disagreements. To Onjala, this is another demerit that is attracted when Nairobi, despite being an open market, secures aid and infrastructure investment from Beijing. The contract on phase 1 of the SGR (Mombasa-Nairobi) and the one on phase 2A (Nairobi-Naivasha) were all comprised of confidential clauses meaning that Kenya could not publicize details of the contract. This dominance by Beijing makes the entire implementation of the contract questionable due to lack of transparency. Global forces thrive on mechanisms such as foreign assistance, multinational corporations (MNCs), communications, and foreign markets through which industrialized states like China can dictate how to internationalize their economic interests, and Kenya cannot question since she needs assistance.

Lastly, Kenyans have accused the Chinese officials involved in the construction of the SGR for racial discrimination. This tendency accompanied the wide trade deficit that Kenya has with China, where the financing of the transport infrastructure generates job openings to corporations and workforce from China, at the expense of poor Kenyans. The presence of workers from China in Kenya which hindered local access to technology transfer. Statistics from Johns Hopkins SAIS China-Africa Research Initiative Database, reveal that as from 2012-2014 there were 3,430 Chinese labourers but as from 2015-2017 China had added more labourers to 8,099 (Dollar, 2019).

This reveals the position taken by unreliable economic liberals who upheld neo-realist arguments that, the national interests of states collide due to the implications of international anarchy, hence an instance where liberalism clashes with realism.

### **2.3 Debt Trap?**

Kenya as a developing state relies on other actors other than China such as Japan, Korea, UK and USA to finance and implement the LAPSSET Corridor (which has a package of several infrastructural initiatives within it). However, CCCC (a Chinese corporation) is implementing the major segments of the LAPSSET Corridor such as the 3 out of the 32 berths at Lamu port, and has a pact with KRC to conduct a feasibility study for the SGR at the LAPSSET Corridor. In her response to this study, Madam. Zhengli Huang says that China has very strong and reputable firms that are driven by their own economic interests to work worldwide and implement infrastructures funded not only by her government but also by the World Bank. Given that, in this segment we focus on the SGR whose phases 1 and 2A were financed and constructed by China. China granted infrastructural loans to Kenya so that she can build the Standard Gauge Railway (SGR) phase 1 and 2A worth US \$ 4.733 billion. This financial assistance attracted modern engineering and technological expertise from China, rendering Kenya dependent on the latter. Dependency theorists will appreciate that Kenya depends on international variables in the form of China's BRI to add value on to her strategic location at the Indian Ocean. Dos Santos (1973) argues that, Kenya's weak economy is at the mercy of China's powerful economy which is ever-growing and expanding, a key aspect of the international political economy as accommodated by dependency theory.

The SGR enhanced the exploitation of dormant capital at the NC consequently attracting Chinese contactors and MNCs to Kenya, making the latter more powerful. Onjala noted that, dependency is characterized by changing relations between the core and the periphery, since the patterns of interactions between the two variables produce elitist patterns that attract inequality among states (Shikwati, 2012). In the course of constructing the SGR, local industries that are internationally connected such as Bamburi Cement of Mombasa provided cement to the CRBC. Bamburi Cement is linked to LafargeHolcim of

Switzerland, the largest cement producing company world over (The On Global Leadership Team, 2020). As from 2014 to 2017, this LafargeHolcim firm of Mombasa supplied over 900,000 tons of cement (The On Global Leadership Team, 2020). However, the SGR loans acquired from China put Kenya in a precarious position of debt trap because the pacts governing the them are not transparent but confidential, in line with the conditionalities from the Asian dragon. The position of Kenya reveals the persecution that a developing country has to endure in the course of benefiting from infrastructural assistance from the powerful China. Owing to unequal diplomatic relations between China and Kenya, China who is the core benefits more than the underdeveloped Kenya, subsequently growing richer and more advanced, as Kenya registers stagnated economic growth. Kodongo (2018) adds that, related projects under the China-Kenya bilateral agreements are poorly organized, let alone the costing and accounting mechanisms.

In 2016 the Nation Media revealed plans by the government of Kenya through the National Land Commission to take over parcels of land from several firms such as Kapa Oil Refineries, Mabati Rolling Mills, and Nation Media Group to pave way for the SGR. Land valued at over Ksh. 30 billion was acquired along the first phase of the SGR (Mombasa to Nairobi). These developments rolled out amidst controversies and legal battles that ensued following a situation where different land sizes within a given locality were valued the same, hence similar compensation to affected landowners (Nation Media 2016). In extreme cases, compensation to property owners whose buildings / premises were affected exceeded the required amounts, while on the other hand, funds got lost when individuals got paid for government land. According to the dependency school of thought, the economy of the underdeveloped state is destroyed when poor oversight and corruption puts up barriers that interfere with economic development. The Rail Development Levy was relied by the Kenya Railways to also compliment efforts by the government to compensate landowners, contrary to the purpose of those funds which were raised to fund the upgrading of the rail network. All in all, the acquisition of land by the government in order to seal transport deficits in the railway sector was an expensive affair to the Kenyan tax payer, indicating that proper cross-examination was not done.

During the signing of loans in 2013 to finance and construct Kenya's SGR (phases 1 and 2A), China gave tough conditions to the former where, she entered a 'take or pay agreement' (consign or pay agreement) with the Kenya Ports Authority (KPA) (Kisero, 2018). This pact was to restrict KPA into ensuring that it feeds the SGR with enough freight so that the railway transport sector becomes profitable and is able to service the huge loans she borrowed from the Exim Bank. Stated otherwise, the pact was to secure the Chinese loans borrowed by Kenya to address infrastructural gaps in the transport industry (Kisero, 2018). Here in, Kenya's dependency on China has terrible impacts since the marginalized former is exposed to biased patterns that render her unequal in her interactions with the metropolitan former.

To ensure the effectiveness of this agreement, Kenya had earlier on reshuffled top officials at the port of Mombasa to sever future dealings with influential owners of container cargo stations. The Ministry for Transport and Infrastructure transferred the top staff of KPA to distant offices without caring whether or not there were duties for them to administer (Kisero, 2018). The government suspected that the port management conspired with Kenya's rich businessmen to compromise the international pact by working with private transport companies instead of the SGR. The Government of Kenya moved in fast to arrest a situation presented earlier by dependencistas where elites in developing states use their powerful positions to endorse corrupt deals with other capitalists. On the other extreme this directive met repelling forces from container cargo stations whose shipping business was at risk. Indeed, after the construction of phase 1 (Nairobi –Mombasa) KPA embarked on a new working relationship with the SGR under the inter-terminal transfer system rendering Kenyan clearing agents jobless. However, Kenya as a free market was not supposed to coerce importers to ship freight via the SGR to Nairobi but the bigger picture here was that she had to have a strategy of paying back China (Kisero, 2018).

This move to monopolize the transport of cargo to the SGR ought to be commercially relevant to guarantee Kenya the ability to service the substantive amounts of loans used to construct phases 1 and 2A of the SGR. Moreover, by 2019 Kenya's poverty informed her to negotiate for another Chinese loan to a tune of US \$ 4.8 billion to extend the SGR to

phase 2B (Naivasha to Kisumu), and lastly phase 2C (Kisumu to Malaba), but China is yet to commit herself (Kisero, 2018). According to dependency, China as the core is modern and industrial despite being outside the OECD league, while Kenya's inability to manufacture raw materials into final products and services renders her poor hence unable to fund her own development ambitions. However, an economist at the Institute of Economic Affairs in Nairobi argued that China doubted the economic viability of extending the SGR from Naivasha to Malaba, considering the poor performance of phase 1 (DW.com website). The SGR infrastructure is yet to cross into Uganda but most of the cargo it is handling is international, and phase 2A has an ICD to serve Uganda and South Sudan. But critics argue that Kenya may be forced to rely on; diaspora remittances, tourism sector, and the export of horticulture to pay China in case the revenues accrued SGR cargo fail to make it.

Having failed to proceed with the extension of the railway to Kisumu and Malaba, Nairobi managed to borrow loans to a tune of US \$ 205 million from Beijing to refurbish the old lunatic railway (DW.com Website). The SGR project needs to meet the parameters of the loan, in order for China to accrue profits from the loans it gave to Kenya. If the opposite transpires, experts warn that China will take over the control of the SGR and utilize it for her own interests in what is said to be "debt trap diplomacy" (Kisero, 2018). Dependency theory perceives these developments as effects of peripheral Kenya in managing debts used to acquire mega transport infrastructure, and her ever-increasing overreliance on Chinese infrastructural aid. However, rather than force shippers to use SGR thereby suffocating other sectors of the economy, the government ought to balance shipment between the railway sector and freight transporters in the road transport sector. The trucking economy sustains not only clearing and forwarding agents, cargo transport firms, and the hospitality sector but also the expansion of towns along the NC such as Mariakani, Maungu, Voi, Mtito Andei, Makindu, Emali and Athi River (Kisero, 2018).

By mid-2019, the 5-year grace period for the SGR loan that China had given Kenya in 2014 was ending, so the latter prepared to repay the former. Going by the pact inked in May, 2014 repayments for the principal loan for the phase 1 of the SGR was to commence



in June, 2019. Since Kenya was already taking care of the loan's interest, this obligation greatly overwhelmed her National Treasury. However, Cabinet Secretary Henry Rotich argued that the repayment process for the principle loan would commence in January 2020. The total Chinese loan to Kenya used to fund the construction of phase 1 (Mombasa to Nairobi) was US \$ 3.233 billion (Ksh. 324.01 billion), while phase 2A was US \$ 1.5 billion (Ksh. 150 billion). According to the National Treasury, in the 2019/2020 fiscal year payments to China's Exim Bank were to rise to almost Ksh. 34.8 billion, up from Ksh. 8.39 billion in the previous financial year, and Ksh. 6.07 billion in 2017/2018 fiscal year. This signifies a dependency syndrome where, China as the infrastructural creditor grows more powerful over impoverished Kenya as the funds owed to her by the latter escalate. This rise in loan repayments signal the tough task that faces the government of Kenya as it tries hard to widen her revenue sources to fund key other things apart from infrastructure e.g. Agenda Four, and the performance of daily functions (Okoth, 2019).

China's Exim Bank on its part was too strategic to have established an escrow accounts so that all revenues accrued from SGR operations would be channeled to repay the loan. Here in, Exim Bank had overall control in case Kenya defaulted or if the collected revenues failed to meet the obligations to the loan, highlighting dependency relations between the industrialized economy of Asia and the marginalized African state. At this point dependency theorists note that, industrialized China must have noted weaknesses in the capacity of poor Kenya to manage financial resources. Repayments were to be in US dollars, and the Kenya Railways were to foot the expenses for running the escrow accounts (Okoth, 2019), signifying the wide trade deficit between China and Kenya that Onjala (2012) talks about when he calls for new studies to analyze the demerits of sourcing for infrastructural investment from China. Consequently, in 2019 the Kenya Railways strategy to widen her revenue base further saw her amplify the costs of transporting cargo, leading to resistance from local manufacturers who interpreted the move to be at the expense of their businesses. The hauling of a 20-foot container from Mombasa port to the Nairobi terminus skyrocketed by 46.5% to Ksh. 51,275 up from Ksh. 35,000, while to ferry a 40-foot container within the same distance rose by 79.9% to cost Ksh. 71,785 from Ksh. 40,000 (Okoth, 2019).

In December 2018, the Kenya National Bureau of Statistics (KNBS) revealed that since it began operations, the SGR had collected revenues amounting to Ksh. 10.9 billion from the transportation of cargo and passengers. Moreover, economic survey on the SGR conducted in 2019 showed that the both volumes of cargo and passengers had risen substantively since 2017, making the government positive about loan repayments (Okoth, 2019). In 2017, cargo traffic was 1.147 million tonnes with revenues worth Ksh. 3 billion but in 2018 it had risen to 3.544 million tonnes with revenues worth Ksh. 9.8 billion. In the same vein, journeys in passenger trains were 3.096 million in 2017, but in 2018 they had risen to 4.489 million with revenues collected amounting to Ksh. 1.7 billion. All these facts show the extent to which Uhuru Kenyatta's administration has since 2014 accumulated loans from China to fund major infrastructure, and the growing influence of China in Kenya's infrastructure development. This was influenced by the elevation of Kenya to a lower middle income economy, consequently disqualifying her from getting concessional loans from her traditional development lenders such as the World Bank (Okoth, 2019).

Despite that, Czirjak (2019), one of the two respondents for this study, argues that the size of Kenya's economy ought to have determined the infrastructural loans to borrow from China. Again, the analysis of accumulated debt by Kenya should also be founded on the source of loan which can either be official or private (Czirjak, 2019). Official lenders such as international financial institutions provide either bilateral or multilateral loans. Kenya received a bilateral loan from the Chinese governments, a developed economy from Asia to seal her infrastructure deficit in the transport sector. This corresponds to the capsizing power of traditional bilateral lenders (Europe and USA), giving rise to China a creditor who is also developing economy (Czirjak, 2019). Moving forward, records from think tanks such as China-Africa Research Initiative and John Hopkins University reveal that Kenya borrowed a huge loan of US \$ 9.8 billion from China between 2000 and 2017. Kodongo (2018) notes that by mid-2017, China became the largest creditor to Kenya, with nearly 72% share of bilateral debt with the latter. However, other sources argue that the World Bank is still the top creditor in Kenya, meaning that this traditional monetary institution is still influential to Kenya (Czirjak, 2019). Although China gave Kenya huge loans for that period, Western donors are still prominent as far as crediting Kenya is

concerned. Therefore, the view that China is responsible for the debt burden in Kenya is unjustified (Czirjak, 2019).

The IMF put the debt limit at 40% to serve as an advisory that a country's accumulated loans (credit) to GDP ratio should not hike above that ceiling (Czirjak, 2019). The 40% debt ceiling was set specifically for African economies because their tax they collect is insufficient, having a 17% rate to the GDP. For African states to seal their development deficits and repay the high interests of their outstanding loans, they would need to collect revenues whose rate is a minimum of 25% to the GDP (Czirjak, 2019). At this juncture, the study sought to inquire from individual country data sets provided by Trading Economics to compare the loans accumulated by Kenya against her GDP. Statistics obtained from the World Bank reveal that Kenya's economic output / GDP was worth US \$ 95.50 billion in 2019 (Trading Economics, website). However, debt statistics from the World Bank show that the ratio of Kenya's loans accumulated from international creditors to her GDP was 57% in 2018 (Trading Economics, website).

The foregoing findings echo those of Kodongo, which also show how Kenya has been overwhelmed by obligations to repay the loans it has accumulated over years, and thus risks to fall into debt crisis (Kodongo, 2018). As at 2018, his study shows that the debt of Kenya stood close to Ksh. 4.884 trillion (US \$ 49 billion), equivalent to 56.4% of her economic output / GDP. Stated differently, the value of Kenya's debt exceeds a half of her GDP, against the 40% debt ceiling set by the IMF to serve emerging economies of Africa. This contradicts Czirjak (2019), who opines that the size of Kenya's economy ought to have informed the infrastructural loans to borrow from China. Kodongo (2018) continues that acquisition of loans without regard on how to manage them is dangerous as it clouds the development of other sectors because most funds are channeled into servicing debts. Kodongo (2018) foretells a worst case scenario where Kenya may be forced to forfeit some of her strategic infrastructure to China, an echo to the findings of Kisero (2018) who warns that China will take over the control of the SGR and utilize it for her own interests in what is said to be "debt trap diplomacy".

International debt can enhance economic development, problem comes in the repaying the loans where principal and interest are supposed to be repaid in international currency (Kodongo, 2018). To Kenya, repayments made in foreign currency will be detrimental to her economy since the foreign exchange treasure will drain, leading to the devaluation of her shilling. Furthermore, Kenya as a developing country imports more than it exports, therefore effects of inflation could be worse to her. Aside from the bilateral debt between Kenya and China, it is not forgotten that Kenya is obliged to repay back the international Eurobond loans she acquired in 2014 and 2018 whose total amount combined is approximately US \$ 4 billion (Kodongo, 2018). Up to this point, it is very evident that Kenya and not China is entrapping herself into debts and her parliament is encouraging this conduct having given the government a green light to raise the debt limits to Ksh. 9 trillion (US \$ 87 billion), allowing more borrowing despite the existing debt burden. This shows that even the August house, an institution entrusted to play the oversight role cannot tame the executive from entrapping the entire country into endless debts, meaning that debt trap has been laid domestically and not internationally.

Economic liberalism at this point critiques the dependency perspective for shifting blame on debt burden to the international community, and turning a blind eye to the endogenous reasons that rendered Kenya at her current situation (Agbebi and Virtanen, 2017). Advocates of free-market economic such as Tony Smith (1979), say that its false for dependencistas to continue insisting that the major causes of underdevelopment of Kenya are global oriented rather than internal (Agbebi and Virtanen, 2017). Besides, it's true that infrastructural interactions by industrialized China and poor Kenya expose the latter to exploitation by the former, but the architects of the contemporary global political economy had no intentions of pitting states into exploitative relations (Agbebi and Virtanen, 2017). Differences do exist in the China-Kenya infrastructure relations, however were it not for Chinese loans and technology, Kenya would not have leaped towards her aspirations as envisaged in Vision 2030. By borrowing Chinese loans to seal infrastructure gaps in the transport sector, Kenya is utilizing foreign capital productively. Apart from lowering the cost of doing business, the SGR will invite FDI by marketing the country internationally,

subsequently strengthening the GDP. CRBC through Africa Star Railway (Afristar) has been managing the SGR since its inception in 2017.

Kenya has also embraced measures to manage the hiking debt, and improve her domestic production capabilities, as seen the creation of human capital which has since seen the introduction of more technical training colleges and youth polytechnics to impart technical training. This coincides with similar initiatives where technical skills were imparted on Kenyans to know how to operate the locomotives and maintain the entire investment. Presently, out of the 3,201 human resource working on the SGR and 'Madaraka Express', Kenyans are 2,525, a localization exercise that has also seen CRBC recruit 252 Kenyans to management positions (The On Global Leadership Team, 2020). In the same way, the SGR has not only attained distance decay between Nairobi and Mombasa, but it has also changed people's livelihoods / lifestyles greatly.

The SGR is environmentally friendly and has managed to enhance Kenya's profile of being at the forefront of curbing air pollution, and carbon emissions to the safety of the ozone layer. It shows that China-Kenya infrastructural friendship managed to indirectly answer / meet the challenge to global warming. On the other hand, the government ought to minimize and prioritize their expenditure so that collected revenues are channeled to repay accumulated debt to avoid defaulting. To ensure the value of the sealed gaps in the railway sector, Kenya should also avoid the export of raw materials and substitute that with manufacturing based on diversification and value addition. Import substitutions should also be replicated across other sectors so that domestic enterprise may prosper.

The Canadian Pacific Consultant Services (CPCS) conducted a feasibility study dated 2008/2009 for the East African Railways Modernization Master Plan and recommended the SGR. According to CPCS, it was by modernizing the railway network that Kenya's economy would expand by 3% to 4% by 2030 (Kwinda, 2020). Coincidentally, the Cable News Network (CNN) in 2018 placed the SGR among the top five best developments in Kenya (Belt and Road News, Website). Again, Madam. Zhengli Huang said that the Western claim on debt trap diplomacy is unfounded, since debt is compulsory for all states.

It's just the level of the debt in relation to the GDP that determines whether it is conducive or not. Debt is there in most African states and it exists due to the infrastructure projects that are currently underway. To her, the way you mobilize the debt and the way you utilize it, is what matters. The way a recipient government manages her finances is what matters. It does not matter where the debt comes from. Debt trap doesn't matter, since it is the recipient government that determines how much to borrow and where the funds will come from provided the state is able to conquer her financial challenges.

## **2.4 Conclusion**

This chapter managed to answer the first hypothesis '*China's BRI has promoted China and Kenya infrastructure relations.*' LAPSSET Corridor and the SGR are regional infrastructures that not only form material aspirations of Kenya, but they also serve as important linkages to the greater BRI, thereby extending the ambitions of China. The two transport infrastructures have been inspired by diverse domestic variables within Kenya whose optimism to secure national objectives tend to boost infrastructural relations between China and Kenya. Kenya's domestic variables (Vision 2030, distance decay, infrastructural gaps, LAPSSET Development Authority, political will) were supplemented by international variables, enabling her to exploit infrastructural relations with China. International variables took the form of; China's international variables (CCCC, CRBC, Exim Bank), Africa's support (continental), AfDB, global recognition, JICA Study Team, Japanese Port Consultants. Although there were also international treaties such as; FOCAC Action Plan 2010-2012, Beijing Action Plan of 2013-2015, CPA of South Sudan, JCC (between Kenya and South Sudan), bilateral MOU (between Kenya and Uganda signed to construct the SGR) and the Kenya, Uganda and Rwanda tripartite agreement. This confluence paved way for other international variables from other states to seek avenues of utilizing the China-Kenya infrastructural relations to attain the national objectives of their respective governments.

Preceding developments further influenced infrastructural relations between Kenya and her regional counterparts such as Ethiopia, South Sudan, Tanzania, Rwanda and Uganda. The political will by successive regimes in Kenya to address these deficits escalated

international trade and infrastructural investments by China. The successful implementation of the LAPSSET Corridor and the SGR by China stand to determine the diplomatic posture of Kenya in Eastern Africa. Kenya's political will to link both Ethiopia and South Sudan using the LAPSSET Corridor has been appreciated internationally. Infrastructural relations between China and Kenya stretch further to provide avenues for extraction relations between Kenya and other actors based on the extraction of dead capital (natural resources). For instance, Britain's Tullow Oil discovered deposits of crude oil in the Lokichar basin and subsequently employed more than 200 firms from Kenya worth Ksh. 7.4 billion in 2015.

On a new level, Kenya's position in dependency relations is exposed as a marginalized state actor whose conduct and formulation of foreign policy, is influenced by the technical capabilities of China and other international actors who eye the latter's position. All in all, were it not for the China's BRI and subsequent economic interdependence that came with infrastructural assistance, Kenya could not be in position to rely on the regional infrastructure (LAPSSET Corridor and the SGR) to advance her posture regionally and internationally. In fact, the LAPSSET Corridor provides Kenya with a competitive advantage going by the regional rivalry she is facing in the case of the SGR at the NC, in addition to decongesting the colonial NC. Kenya is interested in Ethiopia's southern market where Ethiopians consume over 700,000 tonnes of product oil per month. Coincidentally, the Ethiopia is aspiring to unlock the dead capital of her southern territory. All in all, relations structured on complex economic interdependency between China and Kenya come out clearly in both the LAPSSET Corridor and the SGR, since the BRI has exalted infrastructural relations between China and Kenya.

## **CHAPTER THREE: CHINA-UGANDA INFRASTRUCTURE RELATIONS IN THE CONTEXT OF BRI**

### **3.1 Introduction**

This chapter responds to the second objective of the study to examine China-Uganda infrastructure relations in the context of BRI. Analysis of this objective was majorly based on desktop interview supplemented with some key informant interviews. The goal was to answer the following research hypothesis: *China's BRI has promoted China and Uganda infrastructure relations*. The results are discussed thematically in the following sections:

### **3.2 Selected Cases for Analysis**

This section presents the examination of Entebbe Express Highway Project, and the Karuma Hydropower Project.

#### **3.2.1 Entebbe Express Highway**

##### **3.2.1.1 Overview of the Entebbe Express Highway Project**

Prior to the construction of the Entebbe Express Highway / Kampala – Entebbe Highway, Uganda began negotiating with the PRC in 2009 for the loan and the actual building commenced in July 2012 and in June 2018 it was ready for traffic (Road Traffic Technology,). Composed of two lanes on the right and two lanes on the left, this highway is Uganda's first toll road and the first Public Private Partnership (PPP) strategy in the road infrastructure of Uganda. When using it, motorists are supposed to drive with a speed of between 50 km/h and 100 km/h, and to access the surrounding areas around the toll road there are 18 tunnels and 19 flyovers. It has four junctions at Busega, Kajjansi, Mpala and Lwaza, and three toll plazas at Busega, Mpala and Kajjansi (Road Traffic Technology,).

Busega toll plaza has six toll booths while Mpala and Kajjansi toll plazas have five toll booths. There are several bridges that make up the toll highway; a 200m bridge runs over Lubiji swamp in Busega, a 500m bridge runs over the same highway near Kyengera, a 75m bridge at Kajjansi, and a 1.45m bridge running over Nambigirwa swamp. After its completion, the Uganda National Road Authority (UNRA) was tasked with the management of the highway (Road Traffic Technology,).



Entebbe Express Highway is part of the 10 expressways planned to be built in order to decongest and ease the flow of traffic in Kampala (Draku and Wadero, 2019). This agenda is an element of the larger traffic control architecture as designed by the Government of Uganda in collaboration with the Japan International Cooperation Agency (JICA) to synchronize as much as 30 junctions in bid to mitigate traffic jam (Draku and Wadero, 2019). In the same vein, Kampala Capital City Authority (KCCA) said that Japan was also financing the construction of a centre for traffic control to administer the express highways and the 30 junctions. This provides an opportunity for key institutions such as UNRA and KCCA to streamline their working atmosphere if they are to manage modern road transport.

Furthermore, the accomplishment of the Kampala – Entebbe Highway gave Uganda an impetus to commence the implementation of other roads such as; the Kampala-Jinja Expressway, the Kampala-Mpigi Expressway, the Kampala–Busunju–Hoima Expressway among others, all of which are harmonized to the national development blue prints of Uganda as documented in the KCCA and the National Development architecture (Draku and Wadero, 2019). Since the cost of compensation and demolishing of already established livelihoods was expensive, the cheapest alternative was to have the Kampala – Entebbe highway partly traverse a swampy section. In the thought of economic liberals, the modernization of road transport infrastructure in Uganda not only enhances research and technological development for Ugandans, but it also widens the domestic market by attracting production and labour into international markets of (Eastern Africa). The Kampala-Entebbe Highway enables Uganda to achieve economic integration and intensified ways of ensuring the mobility of factors of production (capital, entrepreneurship, labour, and land) from one production phase into the next, and hence improve the development of comparative advantage.

### **3.2.1.2 Funding Structure of the Entebbe Express Highway**

The highway was funded by a collective effort of the Government of Uganda, and China’s Exim Bank, where the former contributed US \$ 126 million as the latter offered a loan worth US \$ 350 million (Road Traffic Technology,). On the other hand, the Ugandan

government accepted to use US \$ 40 million from her treasury to compensate land owners affected along the route to be traversed by the express way (Road Traffic Technology,). Economic liberals at this point appreciate efforts by Uganda to sort out land ownership so that inhabitants get other spaces which will continue generating economic value. For her consultancy services, China's engineering corporation Beijing Expressway Supervision (BES) was paid Ugsh. 9,452,373,429.39 billion by Uganda to supervise the design of the construction (Uganda National Roads Authority-website).

Ssemanda and Zhao (2018), quote the total Chinese loan borrowed by Uganda to construct the Entebbe Express Highway, at US \$ 476 million, while Dollar (2019) quotes this figure at, US \$ 350 million and the repayment period was 20 years with a grace period of 5 years, at a fixed interest rate of 2%. Road Traffic Technology argue that the Chinese loan is repayable over 40 years, while Mbaguta, a senior auditor at the Office of the Auditor General of Uganda says that, the Chinese loan will be paid 20 – 40 years with an interest of 2% (Presentation by Mbaguta, Office of the Auditor General, Uganda).

### **3.2.1.3 Implementation of the Entebbe Express Highway**

Entebbe Express Highway is a 51 km multimillion dollar road undertaken by Uganda with the assistance of loan from China's Exim Bank. This transport infrastructure which is also called Kampala – Entebbe Highway is being implemented by CCCC, in accordance to China's conditionality on this loan (Ssemanda and Zhao, 2018). Mbaguta, a senior auditor in the Office of the Auditor General, Uganda claims that CCCC was chosen out of 46 contactors who competed for the position. Kampala relies heavily not only on the financial muscle of Beijing, but also on the engineering and technological prowess of the Beijing. In the eyes of economic liberals, this highway is an infrastructural capital for Uganda, meant to ease congestion and allow easy movement of other factors of production such as labour and entrepreneurship to more advanced stages in the production process. More so, the Chinese technological expertise engaged in its construction is also capital, and signifies the possibility of infrastructural relations facilitating the movement of capital from Asia into Eastern Africa. All the expressways including the Kampala – Entebbe Highway are partly financed but are fully designed and implemented by Chinese corporations. The

UNRA had contracted CCCC to build the highway in October 2010, while China's engineering corporation Beijing Expressway Supervision (BES) was appointed by Uganda in May 2012 as a consultant engineer to supervise the design of the construction. (Road Traffic Technology,). Besides, Uganda's Project Management and Engineering (PROME) Consultancy was hired from 2012-2013 to manage the project's implementation, carry out laboratory inspections and geotechnical analysis in the course of building the infrastructure (Road Traffic Technology).

UNRA also involved the consultancy services of World Bank's International Finance Corporation (IFC). On its part, IFC further assigned IMC Worldwide and Vetiver Associates to administer preliminary analysis for the Entebbe Express Highway. Uganda entrusts UNRA with the management of road infrastructure but then this institution seeks out the assistance of Western institutions in the assessment of Chinese workmanship which went into the implementation of the Entebbe Express Highway. Despite Uganda having human resource with the required expertise to work alongside the Chinese workers, she involves additional capabilities from an industrialized state. Economic liberals would classify the transport asset as a capital in its own right, and it is meant to add value onto a fellow factor of production called land. Therefore, to acquire the infrastructure, Uganda saw the need of diversifying human capital further so that the experience of Western and Chinese merges up and the resultant infrastructure engineered is high standard in terms of productivity and efficiency. However, local expertise was utilized during its five years and six months' of implementing the infrastructure, CCCC hired 1,500 Ugandans to undertake technical work according to records given by project manager Li Jincheng (New Vision, 18<sup>th</sup> June, 2018).

This four lane highway is the most expensive in Uganda's road construction history, and it is expected to minimize traffic snarl ups from Kampala to Entebbe International Airport (Ssemanda and Zhao, 2018). Ugandans are optimistic that Entebbe Express Highway will minimize the time used to travel time from Kampala to Entebbe from 2 hours to 30 minutes, hence an enabler to the swift movement of factors of production such as capital, labour, and entrepreneurship (Road Traffic Technology,). This is in tandem with Vision 2040 of

Uganda which highlights the relevance of having a connected transport infrastructure to foster economic prosperity. Since 95% of passengers in Uganda rely on road transport, Entebbe Express Highway is expected to unlock the country's economic potential because apart from enabling the mobility of travelers, other key factors for commerce such as goods and services will also be transported (Ssemanda and Zhao, 2018). Apart from addressing the ballooning motorization in Kampala, the highway will also enhance accessibility to neighbouring landlocked DRC and Rwanda keeping in mind that Uganda serves as their alternative road transport. This stands to rally improvement in the tourism sector in addition to fostering regional integration.

Entebbe Express Highway is a strategy by the Museveni's government to decongest Kampala while increasing its commercial productivity. On the other hand, the transport infrastructure not only creates employment for Ugandans, it also enhances accessibility to resources thereby attracting value for land and other properties along the installation (Uganda National Roads Authority-website). An official at the Uganda National Roads Authority (UNRA) says that apart from easing traffic flow, the expressway will activate trade, boost advancements in agriculture and manufacturing sectors (Draku and Wadero, 2019). Indeed, the quick production of goods and services is cost effective both for manufacturing industries and transporters. In other words, economic liberals argue that reliable road transport facilitates companies to raise efficiency in producing various of products, and lower their production costs, thereby allowing the firms to attain economies of scale. Again, comparative advantage will excel in Uganda when the highway facilitates her industrial capacity to produce goods and services cheaper than those of her peers around Eastern Africa.

However, during its implementation, there were corruption allegations where Ugandan engineers conspired with Chinese officials to inflate the construction expenses in order to obtain kickbacks. This triggered a commission of inquiry to be established by the Ugandan parliament to inquire on the bribery accusations, it's then that the Committee on Statutory Authority and State Enterprises realized that construction costs were stretched by US \$ 16 million. Here in, as a result of the conspiracy, the cost of 1 km of the highway stood US \$

9.2 million up from the projected US \$ 2 million, findings that were also confirmed by the auditor general (Ssemanda and Zhao, 2018). In the same vein, Mbaguta, a senior auditor in the Office of the Auditor General, Uganda, revealed that UNRA was rocked by corruption right from the managerial staff, leading to the dismissal of 80 workers. According to Grace Nakato (Ugandan journalist), UNRA boss Allen Kagina sacked nearly 2000 employees in connection to graft, and announced a new date for fresh recruitment. This constrained project monitoring and culminated into loss of confidence in the government to manage / oversee the infrastructure. At this point, economic liberals would explain that elites in a poor state such as Uganda, exploit their rich status when they endorse corrupt deals with Chinese capitalists to consolidate the status quo of the satellite state. These are the implications of unfair distribution of opportunities and wealth among citizens, inherent in an economy that has embraced free markets. This complicity happens because a handful of elites of both China and Uganda accrue benefits from the unfair liberal economic climate.

Moreover, identifying genuine landowners was an uphill task but nevertheless, 4,497 people were displaced from their land in the course of the constructing the highway, and their compensation amounted to Ugsh. 331,327,813,767 in exchange for 707,273 acres of land against the required 766,989 (Uganda National Roads Authority-website). This informed delays in the building of the highway in what the deputy project manager Xiong Pai Liong attributes to the time taken to calm the wrangles that characterized the compensation of families (Construction Review Online-website). Here in, land compensation in Kampala also suffered from inflated costs where a kilometer was worth US \$ 9.3 million (Ugsh. 23 billion), therefore exorbitant for Ugandan tax payers compared to similar undertakings within Eastern Africa (Presentation by Mbaguta, Office of the Auditor General, Uganda). Bresser-Pereira (2017), had earlier observed that economic liberalism is excessively competitive and leads to inequality and chronic individualism which diminishes social cohesion, and that Uganda needed to employ a lot of force in order to streamline the resettlement exercise. This informs Uganda to consult Adam Smith (1723-1790) who saw the need for states to have institutional infrastructures such as the judiciary so as to promote free and fair competition while undertaking mega infrastructure.

Even after its inception, the following challenges still accompanied toll highway; frequent accidents by careless motorists and damages along some sections, haemorrhage of revenue when the road was ushered to traffic without waiting for the toll system to be ready and also road signs are stolen (Uganda National Roads Authority-website). To contain these vices, the government deployed the coercive infrastructure (Uganda Police) to conduct highway patrols. On the other front, critics question whether the decision to choose PPP was subjected to thorough analysis by examining associated risks. Credible intelligence unearths the fact that China imposed the PPP on Uganda, and that the information about the feasibility study was hidden, consequently revealing that there was no transparency on the procurement process (Presentation by Mbaguta, Office of the Auditor General, Uganda). A weakness conspicuous in economic liberalism is that apart from creating wealth and diversifying international relations along the lines of mega infrastructure, the dominance of China emerges within these infrastructural relations hence inequality that pits Uganda into dependency upon the former.

### **3.2.2 Karuma Hydropower Project**

#### **3.2.2.1 Overview of the Karuma Hydropower Project**

The implementation of Karuma hydropower plant (600MW) on Lake Victoria's River Nile down stream of Lake Kyoga reaffirms Uganda's need to exploit her vast potential in water resources. In the eyes of economic liberals, energy infrastructure will trim down the manufacturing and transport costs of goods and services to the market. The actual site of the Karuma project is Kiryandongo and Oyam districts, near the Karuma Wildlife Reserve (KWR) and Murchison falls National Park (National Association of Environmentalists, 2013). It echoes the installation of other hydropower infrastructures such as; Nalubaale, Kiira, and Bujagali that are overseen by the Ministry of Energy and Minerals Development (MEMD), and the Uganda Electricity Generation Company Limited (UEGCL). Uganda has been experiencing acute power outages, so the plant will largely intensify her capacity in terms of energy productivity, and consequently boost economic expansion and political stability. To arrest the declining international trade and secure investments, Museveni is keen on modernizing infrastructure especially the capacity to generate hydroelectricity.

The construction of the Karuma high-voltage plant began in 2013 and is composed of a dam and a power generating station.

World Bank's World Commission on Dams (WCD) which is meant to encourage environmental and social reforms would classify the Karuma Hydropower Project as a 'high risk, high reward' investment (Jansen, 2019). Hydropower projects registered several economic and technical benefits however by 1980's their reputation both environmentally and socially got tainted due to excessive displacements of inhabitants and livelihoods (Social Development Department, 2009). If the reservoirs were not choked by water hyacinth, then they attracted bilharzia, and at times they accumulated silt thereby interfering with hydrological analysis so they ended up performing poorly (Social Development Department, 2009). On the other hand, with the availability of fossil fuels in the 1990's, international financial corporations minimized their engagements in hydropower infrastructure installations. However, other factors were political in nature where MNCs preferred cheap and low risk developments that lasted for a short period (Social Development Department, 2009).

### **3.2.2.2 Funding Structure of the Karuma Hydropower Plant**

When lawmakers in Uganda lamented that Karuma dam was expensive constructions had to be stopped for a while, until the parliament (a legislative infrastructure) approved the government ambition to borrow US \$ 1.44 billion from China (Muleme, 2015). Come 2013, the construction of the dam was launched, and Sinohydro Company from China was contracted through a public private partnership (PPP) arrangement after bilateral talks between President Yoweri Museveni of Uganda and President Xi Jinping of China. At this point, the liberal economic debate highlights how international partnerships can be forged within efforts to address infrastructural gaps. According to Brook (2008), commercial services such as accounting, media, security *inter alia* need a well-developed energy generating infrastructure.

Exim Bank of China offered subsidized loans to fund the hydropower infrastructures (both the dam and power station) by 85% in case the Uganda's MEMD went for Sinohydro, a

Chinese engineering, procurement and construction (EPC) contractor. Uganda disbursed the remaining 15% of the construction costs.

### **3.2.2.3 Implementation of the Karuma Hydropower Project**

Karuma hydropower project belongs to both the Uganda government and Sinohydro (China's state corporation that focusses on hydropower engineering and construction) (Jansen, 2019). This enormous infrastructure needed 465.52 ha of land within; the villages of Awoo, Karuma, and Nora, that occupy 192.75 Ha, Karuma Wildlife Reserve (238 Ha), and government land acquired by Norpak Energy limited in the late 1990's (34.77 Ha) (National Association of Professional Environmentalists, 2013). In this case, economic liberals would argue that this project came to mitigate the limitation of land as a factor of production in this area, and so it was set to enhance distance decay and the exploitation of latent economic potential (Brook, 2008).

Before the construction of the Karuma dam, Ugandan officials and constructors from China committed themselves to addressing social amenities such as a school, access roads, land and housing those affected by the implementation of the dam. However, these promises were not fulfilled, the Chinese only renovated a school (Jansen, 2019). The liberal economic literature explains that the increase of infrastructural FDIs into poor states would strictly focus on the strategic interests that have networked China and Uganda, which in this case are the modernization of energy generating infrastructure. Therefore, failure by China to fully honour her commitment to reconstruct all the affected social amenities does not at this point signify that China is exploiting Uganda. The construction of the energy generating infrastructure was expected to create jobs for 6,000 Ugandans, and the public eagerly waited for this. However, the National Association of Professional Environmentalists (2013), advised those who would be recruited into the work to be careful, citing the Bujagali incident where despite accidents, more than 150 workers were terminated without treatment and compensation for the injuries, forcing them to appeal to the IFC Ombudsman of the World Bank.



In Awoo village 200 families were displaced forcefully by unlawful methods such as setting houses on fire and barricading houses with heavy stones while, those who relied on fishing as their livelihood were locked out of the river (Jansen, 2019). According to National Association of Professional Environmentalists (2013), the number of households affected by the Karuma project stands at 414. Consequently, the river banks were fenced off by security forces (Jansen, 2019), introducing the militarization of natural resources in the course of implementing mega-infrastructure. In case the fishermen were allowed to fish, they were unable to sell their catch at fair prices because the Chinese workers dictated the prices. The Karuma project came with all these intimidations and militarization, rude remarks from Ugandan government officials and bribed local leaders, barricading homes and river, to the disadvantage of affected populations who fled to other places (Jansen, 2019). This presents a case where the construction of largescale infrastructure invites curses rather than blessings as Ugandans not only become internally displaced but they also lose their livelihoods. However unfortunate it may be, economic liberalism serves to transform states from poor governance to peaceful ventures that enhance the integration of domestic spaces of production into the global economy.

Nearly sixty households are keen to safeguard their rights and thus they seek to be compensated for their affected properties. There are two ways of acquiring land in Uganda: (a.) the willing buyer willing seller, (b.) land can be acquired legally by the government where the authorities of the area hosting the project determine the value of properties lost (Jansen, 2019). However, the challenge is that people who are being displaced by a mega project normally accept the little money offered by the project officials only to realize the value of the lost land and properties later. Africans don't have a strategic culture, in this case, the Ugandans living in Karuma would have assessed the price and negotiated a better deal before receiving payments for the lost properties. This reveals the need for the development of legal mechanisms to guide Africans toward productive pursuits where the acquisition of infrastructure to steer free trade is backed up with strict adherence to human rights.

Therefore, although it made no sense receiving payments and then contest later, the locals felt that the controversial nature of the Karuma project would instigate further instabilities so they went to court. The judiciary advised the afflicted parties to resolve the matter by way of mediation. Consequently, the villagers chose an elder and a retired chief justice as mediators, but the government sabotaged the arrangement by refusing to show up (Jansen, 2019). This failed mediation process yet invited more trouble to the residents of Karuma when the mediator demanded fees for the time he used to produce an account of the events, but they had no money. More so, without the mediator's report they could not continue pursuing judicial procedures. Since mediation failed, the displaced villagers of Karuma and the neighbourhood such as Awoo went to settle in Naminya village, and poverty exacerbated even after the dam was completed (Jansen, 2019). What catches the eye most in the course of constructing the Karuma Hydropower Project is the intimidation of citizens of a developing state by a developed economy, and the host government worsening this situation by militarizing Karuma village, attacking its own citizens and sabotaging their livelihoods (Jansen, 2019). The handling of this matter contradicts the WCD recommendations and also the Environmental Impact Assessment (EIA) requirements, where the construction of Karuma dam in this case ought to have involved the same displaced villagers (National Association of Professional Environmentalists, 2013). Therefore, this indicates that these new problems will not be addressed when the energy generating infrastructure is fully operational.

### **3.3 Debt Trap?**

The foregoing account reveals how much Uganda has borrowed from China to undertake mega-infrastructure in hydropower generation and in transport. Uganda represents the periphery while China forms the core in these international relations. Kampala relies heavily not only on the financial muscle of Beijing, but also on the engineering and technological prowess of the Beijing, indicating dependency relations between the core and the periphery. Interestingly, she has been very disciplined that her international debt burden stands at 40% of her Gross National Income (GNI). Going by accounts from the debt sustainability analysis done by IMF, chances of Uganda being devastated by debt are slim (Dollar, 2019).

Upon completion of the Entebbe Express highway, Uganda plans to offer China a concession of nearly 25 years to get the toll fees from drivers as revenue until they accrue returns on the Kampala – Entebbe Expressway infrastructure (Presentation by Mbaguta, Office of the Auditor General, Uganda). No wonder some analysts claim that Uganda will repay the US \$ 350 million loan they owe China in 25 years. Uganda expects the Chinese operator to receive US \$ 50 million annually, where she will have gotten US \$ 500 million in 10 years. This translates that Uganda will have repaid the loan it owes China's Exim Bank in 10 years, while in the remaining 15 years China will accrue profits of more than US \$ 750 million from the expressway. However, the viability of this concession depends on the targeted demand (adequate road users) needed to produce enough revenue from the toll fees. It further depends on the amount of toll fees to be charged on drivers (Presentation by Mbaguta, Office of the Auditor General, Uganda). Dependency relations also come out when Uganda entrusts UNRA with the management of road infrastructure but then this institution seeks out the assistance of Western institutions in the assessment of Chinese workmanship which went into the implementation of the Entebbe Express Highway. Despite Uganda having human resource with the required expertise to work alongside the Chinese workers, she has to cough more funds to involve additional capabilities from an industrialized state.

In the deal to construct the Karuma hydropower project, China expects Uganda to repay the loan for 15 years at an interest of 4% (Muleme, 2015). At the moment, Uganda is facing power outages, and it is expected when Karuma energy installation is completed there will be some relief (Muleme, 2015). However, the cost per unit will still be costly, considering that Uganda has to repay the debt, and is also addressing infrastructure deficits in other sectors such as the road transport, oil pipeline, SGR *int* alia using Chinese loans which also have to be repaid. In this regard, Xavier Kyooma, a Ugandan parliamentarian advised the government to avoid over borrowing, saying that the trend could be detrimental to the status of debt (Muleme, 2015). To the lawmaker, the risk of debt was highlighted by lack of clarity in the oil and gasoline industry, because the oil prices sunk by 50%. He continued that going by this trend, oil benefits were unreliable to repay the Chinese loans, and that the parliamentary committee had only approved the loan since the country faced power

frequent power shortages, coupled by the high cost of electricity (Muleme, 2015). On the other hand, Kampala appreciated Beijing's financial assistance to the implementation of various infrastructure projects that are key to the economic growth of Uganda.

The Karuma Hydropower plant was to be completed in 2018 to become the largest power generating installation in Uganda, thereby boosting socio-economic prosperity (Construction Intelligence Center, 2016). However, it faced various problems ranging from forceful eviction of Karuma residents to disputes within government agencies. For instance, the rivalry between the MEMD and UEGC Limited over who should supervise the construction (Construction Intelligence Center, 2016). This dispute involving agencies of a developing state attracted the intervention of the president and parliamentarians. Some quarters regretted that the Chinese contractors did shoddy work, due to poor leadership, in addition to corruption in the procurement process. At this point, dependency relations would explain that elites in a poor state such as Uganda, exploit their rich status when they endorse corrupt deals with Chinese capitalists to consolidate the status quo of the satellite state (Emeh Ikechukwu, 2012). This complicity happens because elites of both China and Uganda accrue benefits from the unfair economic climate. This informed a Ugandan lawyer to file a case in court, in the interest of the public, against the government of Uganda and the Exim Bank of China, prompting the latter to threaten to withhold her funds until disputes are resolved. Despite government intervention to resolve the stalemate, the implementation of this mega infrastructure will require more time and perhaps additional funding (Construction Intelligence Center, 2016).

Infrastructure relations between China and Uganda are seen to have created more avenues for trade imbalance where the volumes of international trade appear to favour China, at the expense of developing Uganda (Allen and Baguma, 2013). This reveals direct exploitation by China because when the yearly foreign exchange outflows (the transfer of profits), and inflows (FDIs) are balanced, most developing states discover a huge commercial deficit (Sautter, 1985). Products imported into developing countries by MNCs are under-invoiced as exports to international markets are over-invoiced. In other extreme cases, peripheral states appear to be pay more because they are utilizing modern technology than the real

rates for technology transfer between developed economies (Sautter, 1985). Consequently, as noted by International Business Times (July 7, 2011), the Ugandan markets will flood with Cheap, dangerous, counterfeit products from China. Moreover, Ugandan traders risk facing fierce competition from Chinese, because even customers most of whom are poor would prefer cheap goods and services (Allen and Baguma, 2013). According to dependency, MNCs and international trade agreements serve the interests of dominant China, leading to capital flows where inadequate funds oblige poor Uganda to acquire more loans from Beijing hence becoming heavily dependent on China. This makes it impossible for Uganda to break away from the chains of dependency.

Responding to an interview conducted by this study, Madam. Rahel Czirjak, says that Chinese loans given to African states for infrastructural development are beneficial for the Asian country in three ways: Firstly, the condition of loans given by China for infrastructure developments is usually that the contracting company has to be Chinese. This enables the Chinese and often state-owned companies gain employment opportunities, in an international environment which also boosts their competitiveness through collecting experience. Thus, this process creates solvent demand for China's huge construction capacity, as well as an opportunity for Chinese companies to gain international experience. Secondly, Africa's infrastructural development also positively affects the Asian country because it accelerates the exploitation of raw material vital to China. Thirdly, improved infrastructure enables the Chinese goods to reach bigger markets increasingly faster and more effectively.

Generally, apart from undermining the hard economic strides of developing Uganda, substandard products render the health of Ugandans insecure. Eventually, this competition between China and Uganda for market, contracts, and excessive utilization of overstretched resources such as power and water in the latter's territory will force Ugandan producers and manufacturers out of market. To Uganda, unemployment levels have shot up not just because local manufacturers were driven out of business, but because Chinese investors prefer entering international markets like Uganda with their own manpower (Allen and Baguma, 2013). Dependencistas warn peripheral Uganda that conditions in the

international market are harmful to states that have been marginalized by the global political economy. (Emeh Ikechukwu, 2012). Indeed, economic dependency destroys the national economy of the underdeveloped state as it erects barriers that hinder economic growth. The dependency school of thought would still argue that Uganda's economy is being conditioned by her dependence on the core industrialized China.

On another front, the presence of Chinese labour in Uganda is worrying just as it is in Kenya and other states of Africa. According to Johns Hopkins SAIS China-Africa Research Initiative Database, as from 2012-2014 there were 1,737 Chinese workers in Uganda and by 2015-2017 the statistics had skyrocketed to 4,529 (Dollar, 2019). However, we hope that China will soon discover the economic sense of training Ugandan workers, instead of shipping in Chinese to work in Uganda when Africans themselves can provide reliable labour (Dollar, 2019). The foregoing reveals how commercial activities between the industrialized China and satellite Uganda are characterized by uneven exchange, meaning that the biggest contribution from China assures her of higher returns compared to Uganda (Agbebi and Virtanen, 2017). It also shows why Uganda became underdeveloped in the first place, prior to engaging with Beijing, Kampala must have engaged in similar transactions with her traditional donors from the West thereby booking a ticket to the periphery. Dependencistas question whether Sino-Uganda infrastructural relations are set to diversify dependency (new model of dependency) in the global south or what is the implication of those ties on the socio-economic growth of Africa (Agbebi and Virtanen, 2017).

As observed earlier by Czirjak (2019), the IMF constrains the accumulation of loans by a developing state in Africa at 40% of its GDP ratio. Just like Kenya, Uganda also ought not to exceed above this debt ceiling, which in this study would translate that the size of a developing economy in Eastern Africa must have informed the infrastructural loans to borrow from China. Given that, the study sought to get statistics from the World Bank at this point to ascertain whether Uganda has already been entrapped into debt or is sliding there. Data provided by the World Bank thus reveals that the GDP of Uganda was worth US \$ 34.39 billion in 2019 (Trading Economics website). Comparing the loans

accumulated by Uganda against her GDP, the study realizes that Uganda registered 38.6% debt of her GDP in 2017 (Trading Economics website). Therefore, Uganda is just about to entrap herself into debts since the value of her loans is just about to hit the debt ceiling of 40%.

However, China has not really indebted Uganda considering her US \$ 596 million investments in the latter, her 256 corporations that are operating businesses in Uganda, and the subsequent 28,000 jobs it has created for Ugandans. As at 2011, trade between the two states rose by 40% from 2010 to US \$ 400 million in 2011(Allen and Baguma, 2013). On the other hand, a good number of Ugandans travel to China to do business, as Chinese ambitions in trade and investments find their way into Uganda. Despite disparities in the China-Uganda infrastructure relations, the preceding account shows how Uganda borrowing from China has enabled her to seal the infrastructure gap, consequently making strides towards her Vision 2040 economic plan (Allen and Baguma, 2013).

Madam. Rahel Czirjak referred this study to her article titled- 'China's 'debt trap diplomacy' in Africa: false accusation or reality' dated 8 April 2019 where she vehemently objects the assertion that China is practicing debt-trap diplomacy by funding infrastructure projects in Kenya and Uganda. Academics from the John Hopkins School of Advanced International Studies under the umbrella of China Africa Research Initiative, cautioned in 2015 that developing states such as Kenya and Uganda may fail to repay the money they borrowed from China because the prices of products keep on fluctuating, and the capacity of the mega infrastructures to pick up is slow (Madowo, 2018). Just before the 7<sup>th</sup> Forum on China Africa Cooperation Summit of 2018 in Beijing, a briefing paper reported that loans from China were not the main cause of debt distress in Africa (Madowo, 2018). Despite China having a big share of debt among the developing states of Africa, individual African states sourced for loans from other African states as well, so it was unfair to cast all the blame on the PRC (Madowo, 2018). However, the trade deficit between China and the East African neighbours (Kenya and Uganda) is still significant (Madowo, 2018).

### 3.4 Conclusion

This chapter managed to confirm the second hypothesis of the study; *China's BRI has promoted China and Uganda infrastructural relations*. Infrastructural relations between China and Uganda are anchored on complex economic interdependence. Nonetheless, Uganda's economic interdependence with China allowed her to acquire modern infrastructures; namely the Entebbe Express Highway and the Karuma Hydropower dam. Indeed, China's BRI and the subsequent infrastructural assistance, have enabled Uganda to arrest the declining international trade and secure investments, thereby creating jobs. To ease the flow of traffic by modernizing the traffic control architecture in Kampala, and to harness dead capital of her hydropower into the national energy generating strategy, Uganda depends on her infrastructural relations with China. Addressing the energy generation gaps will not only boost domestic manufacturing and consumption, it will also fuel globalization. However, on the part of the Entebbe Express Highway, instead of the investment reducing transport costs, it is escalating the same since it is a toll highway. As opposed to Kenya's LAPSSET Corridor and SGR, the Entebbe Express Highway tends to exclude other sectors of the economy because its consumption is rivaled in that not all motorists will use it (against the fact that transport infrastructure is supposed to be a public good).

On the other hand, infrastructure relations in the foregoing accounts reveal how policy execution in Uganda is incoherent / inconsistent. For instant, land owners whose land was traversed by the Entebbe Express Highway were compensated, but the same was not replicated in the case of those whose land was alienated by the Karuma Hydropower project. On the other extreme, China the core has a competitive advantage over Uganda a satellite state. The foregoing reveals how Uganda's dependency on China is capitalized by the latter to dictate conditionalities for her loan, thereby paving way for her MNCs to take over the construction of the infrastructures. Just as in the case of Kenya, in China-Uganda infrastructural relations, Uganda's domestic variables (Vision 2040, distance decay, infrastructural deficits and political will to seal them) are supplemented by international variables, enhancing her exploitation of infrastructural relations. International variables boosted Uganda's dependency on her infrastructural relations with China because they



provide financial assistance for infrastructure, engineering and technological prowess, and consultancy services. These international variables took the form of; CCCC, Exim Bank, BES, IFC, and IMC Worldwide and Vetiver Associates.

## **CHAPTER FOUR: REGIONAL INFRASTRUCTURE DIMENSIONS OF KENYA AND UGANDA IN THE CONTEXT OF BRI**

### **4.1 Introduction**

This chapter responds to the third objective of the study aimed at examining regional infrastructural dimensions of Kenya and Uganda in the context of BRI. Analysis of this objective was majorly based on the extensive desktop review supplemented with some key informant interviews. The goal was to confirm the following, research hypothesis: *China's BRI has undermined regional infrastructure drives*. The results are discussed thematically in the following parts:

### **4.2 Regional Dimensions of Kenya in the Context of BRI**

This section entails the security dimensions and political economy dimensions of the LAPSSET Corridor, and the security dimensions and political economy dimensions of the SGR.

#### **4.2.1 Security Dimensions of LAPSSET Corridor**

In the course of implementing the LAPSSET Corridor infrastructure in Kenya, collaboration with the Ministry of Defence comes in handy because going by Watkins (2015), Al Shabaab operations are frustrating the successful construction of the corridor despite intensified efforts to combat terrorism. Watkins (2015) argues that the economic aspirations of the LAPSSET seem to have lost sight of the frequent risks posed by the terror outfit, which could upset the project and impede economic growth in the region. Since oil exports from Eastern Africa will be shipped to international markets via the port of Lamu, member states rely on this port for economic prosperity.

Unfortunately, Al Shabaab have included Lamu and the expansive Eastern Africa in their list of targets. According to Agbiboba (2013), Watkins (2015) observes that the Somali militia recognize Lamu as the ancient headquarters of Islam, and that the implementation of the LAPSSET by Kenya's Christian dominated government has been eroding the religion in that coastal county. Using insights from The Standard newspaper of 2015,

Watkins (2015) note that the Al Shabaab terrorized Lamu County, took over mosques, and held the residents at ransom.

The Kenya Defence Forces (KDF) have since their entrance in Somalia in 2011, intensified their battle against Al Shabaab in bid to protect the implementation of the mega infrastructure. In this regard, defensive realists led by Kenneth Waltz (1975) would appreciate Kenya's response towards the sons of anarchy in the international system who motivate her to focus on her own security. Kenya as one of the most powerful states in Eastern Africa seeks to preserve the status quo using defensive strategies (Waltz 1979), that's why she is discouraging the aspirations of the Al Qaeda affiliates to compromise the balance of power and interfere with her safety. However, according to the 2011 records from Kenya's Ministry of Foreign Affairs the terror outfit retaliated in response to attacks from the KDF.

The militia from Somalia relies on religious differences as an excuse to target non-Muslims as seen in its various raids across Kenya. For instance: 67 lives succumbed to an attack they carried out at Westgate shopping mall in Nairobi in September 2013; the following year in June, 60 people were killed in Mpeketoni -Lamu County; still in 2014, November saw the killing of 36 labourers working in a quarry, while December of the same year saw the 26 lives perishing from similar attacks. In another tactic devised by the Al Shabaab to terrorize Kenya, buses headed to either North Coast or to North Eastern region were ambushed and passengers killed. In the course of inflicting terror, the terror gang would dismiss Muslims and shot the rest dead. In another attack in Kenya, Garissa University College in Garissa was attacked by the ragtag militants and 150 people lost their lives. It is important to note that Garissa is key to the LAPSSET Corridor, and will be connected to Lamu by road, rail, and pipeline. A recent attack on Kenyan soil occurred in early 2019 at Dusit mall in Nairobi where several people escaped with injuries while others lost their lives. More so, according to Badurdeen (2012), Watkins (2015) notes that, radicals think that the benefits accrued from the infrastructure investment will be channeled to upcountry Christians in Nairobi instead of helping the poor Muslims at the Coast.

Going by the preceding accounts, offensive realists led by John Mearsheimer (2001), advise that the existence of scarce security is what ought to compel Kenya to maximize her power in order to survive (Lobell, 2010). In offensive realism, since Kenya is one of the major powers in Eastern Africa, she must strategize to become a hegemon to avoid becoming the target of international variables / non-state actors in form of Al Shabaab. John Mearsheimer opines that states know that acquisition of power is the surest way to guarantee their survival in the international system.

Since Lamu is the starting point of the LAPSSET Corridor, it will influence the subsequent economic prosperity of Eastern Africa. Borrowing from Platts (2015), Watkins (2015) observes that the development of LAPSSET Corridor components (highways, SGR and pipelines) in the hinterland of Eastern Africa is heavily dependent on the export terminals to be constructed at the port of Lamu. Therefore, the KDF should continue combating the Al Shabaab to avoid delaying the implementation of the project further. Going by the preceding accounts on the terror inflicted by the Al Shabaab (from Somalia) in Kenya, most potential investors got scared and eventually lost interest in the project. This made Kenya more competitive and offensive to respond to the uncertainty concerning the intentions of the Al Shabaab in addition to other sources of anarchy in the international system.

More so, within the LAPSSET Corridor framework, oil has the potential of steering economic growth in Eastern Africa. However, since Eastern Africa is a sub-system of international system, the uncertainty and anarchy here happens to be triggered by her oil deposits. Thus to this end, international oil firms such as Africa Oil, CNOOC, Tullow Oil and Total SA estimated that 6 billion barrels of crude will guarantee substantive growth despite international oil prices being unpredictable. Similarly, states of Eastern Africa are also constituted by, and ruled by humans who are selfish, greedy and power-hungry, meaning that the behavior of the state inevitably exhibits similar traits. Therefore, the oil pipeline to be constructed in the East African region, let alone oil prospecting, has triggered competition rather than cooperation as each state, through its international firm, is committed to secure her national interest. Again, China plans to construct a shared

infrastructure within Eastern Africa forgetting that Kenya, South Sudan and Ethiopia who also happen to be partner states in the BRI cannot have similar intentions.

Following oil speculations by international corporations, the terrorist attacks by Al Shabaab threaten to compromise the interests of these firms and the subsequent fortune to be accrued. Since economic growth in the marginalized Eastern Africa is dependent on peace and security, Kenya needs to seek collaboration with other LAPSSET Corridor member states to curb terrorism (Watkins, 2015). How Kenya will maneuver her way out remains to be seen because realists opine that every state is responsible for its own security and survival, if it is to pursue its national interest and power. What makes power crucial is state survival, and what determines international relations is the anarchy inherent in the international system. Furthermore, insecurity in the northern territory of Kenya, coupled with civil war in South Sudan not only hamper regional cooperation, they also scare potential investors (Browne, 2015). On the other hand, contradictions within government officials in Kenya about the LAPSSET project worried the public that land grabbing would follow, thereby worsening the existing disputes among communities or even introducing new grievances (Browne, 2015).

#### **4.2.2 Political Economy Dimensions of LAPSSET Corridor**

In the course of British colonialism, the Crown strategically designed northern Kenya to act as a buffer zone between agricultural highlands of Mt. Kenya and Rift Valley (where the British settled), and Sudan, Ethiopia and Somalia (Browne, 2015). In the eyes of colonialists; natural resources, fertile lands and reliable rainfall were absent the northern parts of Kenya. Subsequently, there was no funding and political will, a factor which invited infrastructural deficit that was inherited by Jomo Kenyatta's government. This is the genesis of the huge dead capital in northern Kenya which needs to be channeled into economic prosperity through the LAPSSET Corridor. At this point, the realist perspective observes that Kenya is motivated to explore the vast riches of her uncharted territory because, systemic anarchy makes the acquisition of power relevant for her survival, and it will inform her diplomatic relations with other states. Kenya has not lost sight of the fact that she is supposed to pursue her national interest and compete for power.

Lesutis (2019) studied the socio-political impact of LAPSSSET Corridor on Kenya and noted that in its course to economically benefit well off populations, the asset can in the process exclude poor segments of the society, thereby exacerbating the already established socio-economic disparities. According to Lesutis (2019), the implementation of transport infrastructure gives Kenya the impetus to diversify her avenues for extracting dead capital in the spaces being traversed by the corridor. This means that since Kenya is aware of insufficient security around Eastern Africa, she has to utilize her potential so as to maximize her power to survive in the anarchical international system. Subsequently, this translates to new forms of intensified interaction between the state and non-state actors that elevates the status of one group of people over others. Dead economic potential in these spaces constitutes not only livestock, rare minerals, tourism, fishing, and natural power (solar and wind) industries, but also socio-cultural heritage such as the Swahili culture of Lamu, Somali culture of Garissa, Borana culture of Isiolo and Marsabit, Samburu culture and Turkana culture.

More latent economic capital also exists in the tourism sector whose main stakeholders are; Kiunga Marine National Reserve, Arawale National Reserve, Kora National Park, Lewa Wildlife Conservancy, Buffalo Springs National Reserve, Marsabit National Park, Samburu National Park and Lake Turkana National Parks. The exploitation of the blue economy, agro processing factories, special economic zones, irrigation schemes, mining and exploration, will unlock that latent capital hence activating economic activities that will generate revenue, create jobs and supplement economic expansion (LAPSSSET Corridor Development Authority, 2017). Apart from sustainable economic expansion, transport infrastructure also generates and maintains socio-political orders of capitalism that attract various types of extraction, an array of partnerships between the state and the private sector, and eventually a new normal that comes with the implementation of the transport corridor. Research on LAPSSSET Corridor focusses on how Chinese financed transport infrastructures in cities are geared towards reorganizing and devolving state capitalism.

The LAPSSET project just like the SGR supplements the economic diplomacy pillar of Kenya's foreign policy that aims to achieve a sustainable economic changes and prosperity according to Vision 2030 (Government of the Republic of Kenya, 2007). New strongholds of global capitalism started in neglected spaces that decayed due to rising materialism within cities, courtesy of infrastructural advancements and the subsequent gentrification. It is this gentrification that compelled the once decaying spaces into the grip of global capitalism, thereby networking these zones and their workers into new economic relations where the movement of capital was expanded. LAPSSET Corridor evidences a case study where spaces that have been in the periphery (marginalized) since the independence of Kenya are invited to circumnavigate global capitalism. Therefore, this transport infrastructure will penetrate spaces such as; Lamu, Garissa, Isiolo, Meru, Laikipia, Baringo, Samburu, Marsabit and Turkana where there is dead economic potential. To this end, securing the latent economic capital inevitably calls for the securitization of these marginalized spaces to create an investor friendly atmosphere.

In her response to this study, Madam. Zhengli Huang claimed that China is not deeply investing in the LAPSSET Corridor, and that it is the Exim Bank that has been investing but it is now revising its investment strategies. To her, the infrastructural projects both in Kenya and Uganda are all important in attracting more FDIs in East Africa, so the bank is waiting for responses from the locals to ascertain whether the implementation of the projects has been successful.

Despite the LAPSSET project promising to boost the socio-economic segment of Kenya, it also raised concerns about harmful implications on people's work, their working conditions and natural environment (Browne, 2015). This situation becomes more serious when we take into account lack of clarity about existing land reforms and the rolling out of devolution in Kenya where counties are under pressure to fulfill their commitments to the people. It is under this under this atmosphere that activists thrive in bid to publicize and protest for changes. Furthermore, the weakening oil prices and differences in the implementation of the LAPSSET Corridor between partner states, and between various levels of governments within states halted the construction of roads and pipelines.

However, when oil prices stabilize, a hurried implementation of these projects within the mega infrastructure will impede the accommodation of environmental, economic, political and social concerns which are essential for the cautious planning in the pastoral areas of northern Kenya (Browne, 2015). Strategic thinking is essential to determine land ownership, and map out patterns that pastoral communities will utilize when migrating or grazing along the LAPSET Corridor.

#### **4.2.3 Security Dimensions of the SGR**

Here in, the study seeks to assess how the Chinese built capital intensive infrastructure bears strategic significance on Kenya, a developing country. China has historically implemented various infrastructures but the SGR gives Kenya a more strategic posture at the Northern Corridor. Giese (2014) argues that the positionality of an African state determines how it will interact with China. Since the security aspect of the SGR is crucial to safeguarding the relevance of the line to the economy of Kenya, modalities should be in place counter vices such as vandalism and piracy. Criminal activities should meet the full force of the law right from the Indian Ocean where the SGR begins, because the coast of Somalia which borders Kenya is prone to piracy, and Kenya (under the AMISOM) is war with the Al Shabaab terrorists of Somalia. Other criminal activities that would hamper the efficient movement of passengers and cargo from Mombasa to Naivasha and vice versa are: the shipping of counterfeit goods, narcoterrorism, terrorism (Al Qaeda and Al Shabaab) *inta alia*.

This transport infrastructure inevitably influences Kenya and the larger Eastern Africa to advance new security framework. The SGR thus calls on Eastern Africa to modernize her defence architecture in terms of acquiring advanced equipment and sharing intelligence. This will enable East African states to handle the challenges that come with globalization, where transformations in geopolitics and geoeconomics aid the transnational aspect of terrorism posed by the Shifta and Al Shabaab, in terms of mobility of crime and terror (Williams, 2008). Indeed, the implementation of the BRI constitutes a recent phase of globalization whose transport infrastructure has the potential to trigger the escalation of international crime. As economic liberalization and market forces prosper through



globalization, international crime and informal economy grow and scatter, thereby forming resistance (Williams, 2008). On the other hand, globalization via the BRI affects the individual negatively when it influences him venture into criminal activities, in this case the SGR stands to industrialize Kenya but it will concentrate capital into the hands of few elites at the expense of millions of taxpayers in Kenya and Uganda. This will lead to global anomie (Passas, 1999), where the inability of millions of poverty stricken Kenyans and Ugandans to get jobs or capital legally renders them to overheat with anger (Williams, 2008). Consequently, masses fail to meet their needs and advance in life, making them loose faith in their systems (governments of Kenya and Uganda) and resort to crime.

International terror gangs such as the Al Shabaab weaken the power of Eastern Africa, for instance they can absorb potential tax revenues from the national treasury, coercing the state to commit more resources both financially and humanly towards manning international frontiers and other law enforcement exercises (William, 2008). Frequent attacks from the Al Shabaab (Al Qaeda affiliates) in the course of constructing the SGR have had serious implications on the soft power of Kenya. More so, the magnitude of corruption has rendered Kenya a “laughing stock” on the international scene. As a result, Kenya started suffering from mistrust and eroding authority in East Africa, this was evidenced in May 2016 when Rwanda opted for her SGR to pass through Tanzania which she termed as cheaper, subsequently dumping Kenya and leaving the SGR at the Northern Corridor to Uganda and Sudan.

Since the SGR is the most ambitious infrastructure in the history of Kenya, then it is strategic to East Africa. As such, Kenya and her partner states in the BRI should ensure that it does not fall prey to the illegal transportation of arms and natural resources, items that have a history of prolonging conflicts in the developing states of Africa. For instance, smugglers used to dodge arms control mechanisms to transport weapons for carrying out genocide in Sudan, thereby contravening the international humanitarian law and other international customs that are against the proliferation of weapons (Williams, 2008). Since Kenya alone cannot dismantle transnational organized crime along the SGR at the Northern Corridor, she should involve Uganda, and South Sudan to deter non state actors from

misusing the infrastructure to compromise the national interests of BRI partner states. This translates that should the member states fails to check the operations of the SGR, terrorists find a soft spot and rely on it to break their socio-economic fabric, sovereignty and dislocate their authority.

The study also found out that in the course of installing the SGR into the Kenyan economy, clientelism reigned conspicuously thereby constituting another aspect of corruption, if not black or informal economy. According to Wang and Wissenbach (2019), a bunch of billionaire businessmen closely tied to the ruling elite, conspired to get contracts to construct the SGR. If Kenya does not scrutinize how billionaires acquire their wealth, these fellows will through kickbacks and money laundering metamorphose into cartels / mafia, as is the case in the developing countries of Latin America (Colombia, Mexico, Peru...). When corruption pushes the state to this point, the state loses legitimacy and the government forges alliances with the same mafia in order to execute its functions (Williams, 2008). For instance, in Italy, Christian Democrats had to form a coalition with criminal groups, while in Japan the Liberal Democratic Party had to collaborate with the Yakuza gangsters. These cartels finally suffocate innovation, thereby stagnating the growth of new enterprises and the subsequent widening of the tax bracket, meaning that efforts to regulate and tax the flow of products and services across international borders will be adversely affected. Cartel supervise the black market where supply keeps on recurring as arms are normally exported / traded for illegally harvested narcotics / unlawfully mined natural resources, courtesy of a reliable transport infrastructure (Williams, 2008). This counters the legal supply of strategic equipment to the military thereby holding the readiness of state at ransom, against the doctrines of realism. For instance, criminal elements from the Russia's Defence Forces and Intelligence Agency has made military strategists to question their readiness for war, whereas in Mexico, retired soldiers (Zetas) united to form an outfit called the Gulf cartel to secure smuggling routes (Williams, 2008).

#### **4.2.4 Political Economy Dimensions of the SGR**

The SGR is the largest transport installation since the independence of Kenya, it runs parallel to the deteriorated lunatic railway of the colonial era. Going by her aspirations as

envisaged in Vision 2030, Kenya needed to modernize the transport sector, however Kenyans feel that, constructing a new railway was irrelevant, they would have been economical enough to renovate the old one (Kacungira, 2017). Researchers have conducted comparison studies between Kenya's Nairobi –Mombasa SGR (472 km) and the Addis Ababa-Djibouti SGR (756 km) which runs from Djibouti into Ethiopia. Both of these railways were built by loans from China, Kenya's SGR is worth US \$ 3.4 billion, while the Djibouti –Ethiopia SGR is worth US \$ 3.2 billion. To her defence, Kenya argued that the reason for her line being so expensive was because her terrain needed bridges, tunnels and land compensation, and additional specifications to handle larger volumes of freight that Ethiopia's SGR (Kacungira, 2017).

After President John Magufuli ascended to power in November 2015, Tanzania fortified her foreign policy and has managed to cultivate new diplomatic ties with both Rwanda and Uganda, indicating that national interest informs the posture of his statecraft. In the case of Tanzania, the image of Magufuli is portrayed as power-seeking statesman who has zero ethical considerations in his foreign policy decision-making. Subsequently, the political and economic realignments came with the rerouting of infrastructure projects, to the detriment of Kenya. For instance, in April 2016, Uganda avoided plans to include her in the LAPSSET Corridor when she determined that her US \$ 4 billion oil pipeline passes through Tanzania, instead of traversing through Kenya, contrary to the initial plan (Aalders, 2020). From Western Uganda, Kampala opted to export nearly 6.5 billion barrels of oil by a pipeline through the port of Tanga in Tanzania (Aalders, 2020), thereby signifying a tussle for regional geopolitical dominance between Kenya and Tanzania. The foreign policy of Tanzania became stronger after Magufuli became her fifth ruler, thereby fulfilling one of the six principles of political realism as given by Hans Morgenthau (1948) that, the determination of a country will change in line with time, position and context but its interest will remain the same (Heywood, 2014). The statecraft of President Magufuli also goes a long way to reveal his idiosyncratic variables.

Browne (2015) had earlier predicted Uganda's opting out because there were no signs of her being committed to international petroleum export with Kenya via the LAPSSET

Corridor pipeline infrastructure. More so, disagreements between Kenya and Uganda over the pipeline fees for the latter's shipments of her oil threatened to expose rivalries between the two states (Browne, 2015). Although it can also be argued that the ever increasing insecurity in Kenya, coupled with political turbulence in South Sudan deterred Uganda from entrusting her oil pipeline investment with the Kenyan territory, just as this anarchy scared away other potential investors (Browne, 2015). According to realists, international politics revolves around power and national interest, all which occurs in international anarchy, so there is no universal morality which applies to all states in all situations (Heywood, 2014). Therefore, Uganda calculated her national interest and realized that even if Kenya was her traditional ally, she was better off teaming up with Tanzania instead of Kenya.

In a similar incident, Rwanda opted for her SGR to pass through Tanzania, subsequently dumping Kenya and leaving the SGR at the Northern Corridor to Uganda and Sudan. Realistically, these East African states are independent and equal according to international law so they rely on their own capabilities or resources to meet their national goals. Therefore, since they are not answerable to anyone, they can also not rely on foreign backing to secure their existence, they have to resort to self-help (Heywood, 2014). On the other extreme, Uganda and South Sudan look forward to the completion of the SGR on the Kenyan side, and they have been closely monitoring the performance of both passenger and cargo business on the Mombasa-Nairobi phase that was launched in June 2017. Plans for the construction of the Naivasha-Kisumu route were made in August 2018 when Kenya reached out to CCCC.

However, in September 2018 China changed her mind and asked Kenya to conduct a new feasibility study covering the complete route from Mombasa to Kisumu. Since China has not funded the remaining phases of the SGR within Kenya, the latter now claims that she will facelift the dilapidated lunatic railway from Naivasha to Malaba. Observers cannot comprehend why Uganda and South Sudan users of the NC would load their freight onto SGR in Mombasa, only to have to unload it at the Naivasha Industrial Park, containing the inland container depot (ICD), and then ferry it by road to final destinations. Despite the

regional protocols to construct a joint SGR, geopolitical concerns have scuttled the plans. Realistically, international relations between and among these East African states are unclear and full of suspicions, because every state is seriously focusing on enhancing its position towards the BRI in relation to the other (Heywood, 2014). This makes it difficult for Kenya, Uganda and South Sudan to cooperate for the sake of jointly implementing the protocol, because even though they are to relate the same way with China, each of them worries that the other will get a lion's share from China.

Uganda really expects more from Kenya, however recent pronouncement in June 2019 by the latter that she needs to modernize the old meter-gauge railway linking Kampala to Malaba on the Kenyan frontier at a cost of US \$ 205 million, rather than pursue the planned SGR attracts skepticism on its entire future. Rwanda's preference for the Tanzania-led SGR to Kenya-led SGR and the close ties between Uganda and Tanzania in the oil pipeline present a major also problem for Kenya-Uganda relations. This is a prominent feature in international life, because the absence of legal authority to govern states and the subsequent anarchy influences states to develop their own behaviour to secure their national goals (Heywood, 2014). This absence of legal authority above states bends towards anxiety and disputes that constrain diplomatic relations between and among states.

Madam. Zhengli Huang says that in the near future, there will be financial adjustments to minimize Chinese investments in politically sensitive projects, citing a recent court ruling where, the allocation of contracts to the CRBC for the construction of the SGR were deemed illegal despite its full implementation. According to the law, an international tender was to be conducted. Exim Bank was being accused of contravening constitution of recipient countries. However, she advises policy makers to think of infrastructure beyond its economic value, since apart from providing connectivity it also contributes to social development in terms of; reducing distance, capital mobility, access to education etc. Infrastructure has indirect contribution to the society, for instance; information flows along the SGR because people are travelling by train, and are also using its other services. People can also base their development on the infrastructure provided.

### **4.3 Regional Dimensions of Uganda in the Context of BRI**

This section entails the security dimensions and political economy dimensions of the Entebbe Express Highway, and the security dimensions and political economy dimensions of the Karuma Hydropower Project.

#### **4.3.1 Security Dimensions of Entebbe Express Highway**

In addition to diversifying her trade routes, Uganda aims at streamlining her road transport to match the advancements of her East African peers by strategically modernizing it. Realists advise that international anarchy is hell bent towards relative gains, Uganda just like Kenya aspires to improve her position in relation to other states within East Africa. Uganda is worried that since other developing states have developed infrastructural relations with China, then they will benefit more than her, and eventually attain a more strategic posture globally than her. Therefore, prior to focusing on international trade within Eastern Africa, Uganda has to sort out impediments that hamper her internal road sector e.g. traffic jams. On the other extreme, despite the fact that trade routes heading into DRC, Rwanda and South Sudan are relevant, they are not strategic compared to those entering Kenya and Tanzania, which connect her to international trade via the Indian Ocean.

The Entebbe Express Highway geopolitically appreciates the strategic environment (national objectives and associated threats) of Uganda. According to the Security Sector Development Plan of Uganda (2015/2016 -2020/2021), the need for peaceful, united, economically strong state to secure Ugandans is one of the elements towards Uganda achieving her national objective. This plan gives Uganda an impetus to not only develop her strategic infrastructure, but to also ensure that there is a nexus between them and the means of attaining the national interests being sought after. Uganda is a largely a subsistence developing economy whose transport infrastructure also gives her incentives to modernize her military to safeguard against the potential threats that come with acquiring modern infrastructure.

The Kampala –Entebbe Highway facilitates Uganda’s efforts to project her influence in order to protect and safeguard her interests. This facilitation translates into responsibilities that have implications on the security framework. It is crucial to heighten security at the four junctions of Busega, Kajjansi, Mpala and Lwaza, and three toll plazas at Busega, Mpala and Kajjansi. This thus calls for Uganda to recruit more people into the security organs both military and police in order to intensify security on a highway that is leading to the Entebbe International Airport, the country’s major airport. Further still, since the implementation of this highway informs the construction of other roads such as; the Kampala-Jinja Expressway, the Kampala-Mpigi Expressway, the Kampala – Busunju – Hoima Expressway among others, this calls for more recruitments into security organs to safeguard the infrastructure. There should be no faults in security to guarantee the longevity of the infrastructure so that there is value for the huge loans used to implement it.

#### **4.3.2 Political Economy Dimensions of Entebbe Express Highway**

Uganda is racing towards the implementation of road transport in order to respond to her Vision 2040. The Kampala –Entebbe Highway is an economic infrastructure investment within Uganda, that is expected to intensify competition among domestic markets, thereby providing avenues for efficient allocation of resources to sustain the growth of the economy. The transport infrastructure is supposed to provide avenues for the development of human capital which eventually attracts development and boost the capacity of the state to manufacture lucrative products that make it competitive. Consequently, the highway will minimize the expenses of producers while elevating their competitive advantage in international markets.

In the international scene, MNCs aspire to enter the markets of states that prioritize the modernization of infrastructure. As an upcoming economy, Uganda’s initiative to address infrastructure gaps in the transport sector between Kampala and Entebbe International Airport will not only shorten the distance between the two commercial hubs, but it will also minimize the transportation expenses involved in transporting goods and services. As for the Ugandans who took part in its construction, they must have developed the potential

to innovate their own construction ideas to be relied on by the country when the Chinese hand over the infrastructure to the government.

Uganda has a limited domestic market, and geopolitically identifies with a landlocked orientation in relation to Kenya and Tanzania, but geoeconomically the 'Peal of Africa' has a favourable climate, prestigious natural resources, and is strategically placed to exploit other expansive international markets of DRC and South Sudan. Decades of poor investment in infrastructures such as, energy generation and transport had stood in the way of Uganda's urgency to capitalize on the opportunities that present themselves both nationally and internationally (Golooba-Mutebi and Booth, 2009). Therefore, Uganda's commitment of more funds to modernize her road network enable her not only to shorten travel time and remove traffic snarl-ups, but also connect with other key infrastructure that are international. In this case, the Kampala –Entebbe Highway links up with the historical Entebbe International Airport.

Reformed road infrastructure will not only boost income generating ventures, but will also enhance the ability of Uganda to respond to natural calamities and avert deaths brought about by medical emergencies, hence improving the health sector (Golooba-Mutebi and Booth, 2009). Since its meant also meant to ease the flow of traffic in Kampala, the Entebbe Expressway calls for heightened security that will see accidents and crime rates and fall (Golooba-Mutebi and Booth, 2009). All these benefits cleanse the international profile of Uganda as a tourism hub, an academic centre and a health centre to the elites of other developing states in Africa such as the neighbouring DRC and Sudan (Golooba-Mutebi and Booth, 2009). Furthermore, if the government decentralizes the implementation such mega infrastructure to other places in Uganda, it may alleviate the exorbitant expenses engaged in maintaining the military near the international boundary between Uganda and DRC (Golooba-Mutebi and Booth, 2009). At the moment, Uganda needs to maintain the Uganda People's Defence Forces (UPDF) near the international frontier for easy access to areas that are synonymous with conflict since the main transport networks are deteriorated. In this case thus, timely response to problems of whatever nature must be efficient and cost



effective, meaning that more funds should be channeled to the modernization of the road sector.

Improvements in roads transport have influenced Uganda's economic development to concentrate resources on mega constructions in the energy sector, as seen in the building of the Karuma Hydropower Plant. Other important areas such as agriculture witness few investments compared to the implementation of mega infrastructure in urban areas such as Kampala, and Entebbe which are characterized by high costs of transport and power. This means that investing in the roads transport infrastructure will assist in shifting the focus of development to the sectors that directly affect the common man, for instance, miles of murrum roads leading to Kampala or Entebbe will soon be incorporated into the national roads network.

However, the way administrative and political interests were fixed into the national political economy of Uganda, laid ground for institutional obstacles that threaten reforms in the roads sector. This hampers the implementation of efficient and sustainable public investment, thus calling for a lot of wisdom to address road transport (Golooba-Mutebi and Booth, 2009).

Moreover, the construction of the Kampala Entebbe Highway using Chinese loans not only pushed Uganda into extreme debt, but also displaced approximately thousands of households from their land, and compensation was inadequate (Allen and Baguma, 2013). The evictions led to violence that internationally tainted the image of Uganda as an unstable country that is corrupt, an element that put off the would be international investors (Allen and Baguma, 2013). In an interview with the British Broadcasting Corporation (BBC), a lecturer from Makerere University said that loans from China to African states such as Uganda inevitably attract Chinese construction firms to Uganda, no wonder most states in Africa are building Commercial premises, electricity dams, rails, roads, stadia inta alia (Madowo, 2018). Subsequently, with the entrance of companies from China, corrupt practices in Uganda such as rent-seeking and patronage slowed economic growth, signifying the demerits associated with China entering the markets of a developing states.

### **4.3.3 Security Dimensions of Karuma Hydropower Project**

Historically, the inhabitants of Karuma village were internally displaced Ugandans from four ethnic extractions of the Acholi, Alur, Langi and Paluwo. Their status as displaced people is attributed to the traditional forces of Alice Lakwena (priestess and rebel leader in Northern Uganda) and the civil wars of Northern Uganda that broke out in 1986 by the Lord's Resistance Army (LRA) under Joseph Kony. Constitutionally, having inhabited the lands of Karuma for over twenty-five years, they are truly the legal occupants. More so, since it is the government that resettled them in the late 1980's, then they deserve compensation if they must migrate from their lands (National Association of Professional Environmentalists, 2013). According to the law as amended in Section 29 (2) of the Land Act Cap 227, a bona fide inhabitant is a person who before the implementation of the Constitution had; '(a.) occupied and utilized or developed any land unchallenged by the registered owner or agent of the registered owner for twelve years or more, or (b.) had been settle on land by the Government or an agent of the Government, which may include a local authority.'

Furthermore, the Local Councillor (LC) V for Kiryandongo District confirmed that Uganda's MEMD, and the Chinese contractors did not involve the leadership or the ordinary Ugandans in the Karuma Hydropower project (National Association of Professional Environmentalists, 2013). According to the local government, a project of this magnitude could not have been implemented without support from local Ugandans. The cheap compensation and the forceful grabbing of land amongst other forms of intimidations have left people so detached from the project as they lament that the infrastructure sabotaged their livelihoods (National Association of Professional Environmentalists, 2013). In the course of addressing gaps in energy infrastructure, Machiavelli's perception of human being arrogant, crafty, excessively greedy, evil, unfair and savage is revealed here (Heywood, 2014). Chinese and Ugandan elites appear to be Machiavellian because, on the basis of the preceding view, political life entails chaos which leads to civil war, so classical realists call upon leaders to be cunning, cruel and manipulative (Heywood, 2014). The WCD suggest that, the proper way of compensating affected persons is not only to resettle them, but the livelihoods of the displaced populations must be similar to or better

than those they had prior to the kick-off of the project. More so, WCD further recommends that afflicted people should be granted the opportunity to decide how they should be compensated or resettled (National Association of Professional Environmentalists, 2013). As at 2013, the government had managed to pay for the damaged properties but their land was not compensated, proving that it had dismissed the experience it noted during the construction of Bujagali dam.

The area hosting the hydropower project became securitized so that the construction of Karuma dam could be expedited. The presence of the state in the area became conspicuous with the arrival of the project, but instead of providing security for the project, the military suffocated their livelihoods and instilled fear in the inhabitants so that they were too intimidated to stand for their rights. The residents of Karuma therefore could not demonstrate peacefully to demand from the government what was rightfully theirs. There were cases of protests being crushed and thereafter people were arrested, assaulted, and subjected in police custody. At this point, Hobbesian realism would offer another pessimistic thought on human nature to echo other classical realists led by Machiavelli. Hobbes argues that the Ugandan political elites are motivated by unreasonable appetites that are fueled by hate, panic, hopes and the continuous desire to acquire more power. Here in, the construction of Karuma Hydropower project elevates China-Uganda infrastructure relations to the hydro-politics of the Nile.

#### **4.3.4 Political Economy Dimensions of Karuma Hydropower Project**

The occupants of Karuma and just like other people living in within Kiryandongo and Oyam districts majorly practice subsistence agriculture and livestock keeping. Apart from growing beans, cassava, ground nuts, maize, simsim and sunflower, these Ugandans also fish from River Nile for their own use and for the domestic market within Uganda. Prior to the implementation of the Karuma dam infrastructure, they coexisted peacefully since their migration from other areas of Northern Uganda in the 1980's and no one claimed that the lands they occupied were theirs. However, come the mega energy infrastructure project and its subsequent environmental impact assessment (EIA), claimants just appeared from nowhere insisting that they are the bona fide owners of the area. This informed the

government to face the 1980's migrants tussle with the sudden claimants so that whoever produced land titles to prove ownership of that land would be compensated. However, the new claimants by 2013 still could not prove that they are the genuine land owners, making the migrant displaced community question their integrity (National Association of Professional Environmentalists, 2013). This becomes an underlying source of conflict as it threatens to breed new domestic instabilities in Uganda.

When the Karuma project started it was initially supervised by Norpak Energy company of Norway which however abandoned the infrastructure in 2002, sighting failure to finance subsequent stages after the feasibility study (National Association of Professional Environmentalists, 2013). Afterwards, Uganda created another opportunity for new companies to participate in the project and China accepted to fund its construction, consequently enabling various Chinese corporations to express their interests. Just like in the construction of the Entebbe Express Highway, a lot of corruption was registered; for instance, CWE firm from China exaggerated its truck record by raising the capacity of the work it had implemented earlier. The Ugandan Government discovered that Dayingjian hydropower dam was reported to have a capacity of 600MW instead of 70MW, while the Qingshan hydropower plant was said to be 640MW yet it was just a 20MW power station (National Association of Professional Environmentalists, 2013).

The Inspector General of Government in Uganda further realized attempts by the same Chinese firm to conceal facts that the two dams were cascade dams and therefore different from the Karuma Hydropower project. Other sources of information revealed powerful forces in the Government of Uganda conspiring with international forces from China to contravene the legal procedure of Uganda. Here, leaders of a developing state compromise their integrity and contravene the laws of their own country in order to get kickbacks from international firms, there by affecting Uganda's economy. Classical realism explains here that human nature in the form of excessive appetite for power pampered by egoism and selfishness, influence the relations between China and Uganda. At last, President Museveni awarded the project tender to Sinohydro Corporation from China, not only to construct the

power dam, but also to set up transmission lines for the electricity generated. However, the actions of Museveni were not approved by the board assigned to chair the project.

Asked in what ways China's BRI will benefit Kenya and Uganda, Madam. Zhengli Huang expressed that China has generated discussions worldwide, since it is interested in exploring new markets, so it was hard to point out the ways in which China's BRI would benefit Kenya and Uganda. However, after several considerations, China is restructuring the whole strategy based on the increased public expenditure in Africa. She however noted the huge infrastructure deficit in Africa worth investing in, and that firms from China will play a big role in constructions in Africa. On the other hand, Madam. Rahel Czirjak said that; BRI can be defined as China's (almost worldwide) infrastructure and economic developmental strategy to enhance her foreign policy influence and economic development. The BRI will benefit the two East-African countries infrastructurally, as the Asian country promised (by Li Keqiang in 2014) large-scale infrastructural developments, like: the development of regional transport networks, building rail and motorway networks, and the development of regional aviation transport. This infrastructural development will economically benefit the African countries because better connections make the transportation systems more effective. To Czirjak, better infrastructural context can attract investors, economic actors, which can create more job opportunities for the locals.

Besides, the study also sought to find out why BRI was being touted as a game changer for China's development of infrastructure in Kenya and Uganda yet China has been involved in building infrastructure in Africa for many years. To this, Madam Zengli Huang responded that BRI is not a game changer, it is just a way of paraphrasing and repackaging an old strategy into a new one. (It's a revival of an old strategy). She observed that, the implementation of the BRI will change in the years to come. However, to Rahel Czirjak, the main difference between the previous infrastructural developments and BRI is the long-term strategy. Previous infrastructural investments like the Tazara railway in the 1970s had political / economic purpose as well, but their gauge in time were shorter, about a decade. BRI on the other hand is a long-term, almost worldwide masterplan, that has inexhaustible budget. According to Czirjak, only the implementation will take decades, not to talk about

the economic and political consequences it will have. China is determined to go the whole way, and as Kenya and Uganda are participants of the initiative, the effects on them will be large scale and long term.

#### **4.4 Conclusion**

This chapter was able to examine regional infrastructural dimensions of Kenya and Uganda in the context of BRI. In the course of analysis, the study managed to nullify the third hypothesis; *China's BRI has undermined regional infrastructure drives*. China's global infrastructure has enhanced infrastructural aspirations in Eastern Africa. Kenya and Uganda rely on it to invest domestically and also attract international markets from Ethiopia, South Sudan, DRC, and Rwanda. Indeed, BRI is a game changer for China's infrastructure development in Kenya and Uganda owing to its worldwide masterplan and long term strategy. Therefore, despite Kenya and Uganda differing strategically, (since the former is a coastal state while the latter is a landlocked state) this does not prevent them from relying on the BRI in their infrastructural relations with China.

Terrorism such as the terror inflicted by the Al Shabaab (from Somalia) in Kenya, is what has undermined infrastructural aspirations /drives in Eastern Africa because it scared off most potential investors. The mobility of terrorism and religious intolerance also made neighbouring states lose interest in the LAPSSET Corridor project, no wonder Uganda was reluctant to have her crude oil pipeline traverse Kenya's LAPSSET Corridor. Thus, defensive realists appreciate efforts of Kenya and Uganda to focus on their own security to protect the implementation of infrastructures which harbour their national interests those of their neighbours. Delaying projects because of insecurity is not only counterproductive to the national interest, but it also makes infrastructural relations too exorbitant to the poor states that depend on industrialized states such as China. Both the LAPSSET Corridor and the SGR begin from the Indian Ocean, thus all crime (terrorism, piracy and vandalism) ought to meet the full force of the law right from the sea.

Dead capital along infrastructural corridors inform extraction relations which lead to the divergence of national interests hence competition for regional dominance especially

between Kenya and Tanzania which compromises efforts of China's BRI to streamline infrastructure drives in Eastern Africa. This further disrupted regional agreements to implement joint infrastructure, for instance: Kenya lost the crude oil pipeline from Uganda to Tanzania, and the SGR from Rwanda to Tanzania. Again, poor laws in Kenya and Uganda such as forceful resettlements to pave way for the implementation of infrastructures leads to violence and scares off investors. Furthermore, poor compensations, sabotaging of livelihoods, and intimidation from law enforcers in preparation for constructions leave people detached from the project. This influences growth of informal economies to protest against the state, and if this escapes government attention, it attracts international crime. With informal economies, there is a high likelihood that infrastructure will be misused by criminals to transport arms and terror hence genocide and instability. For Kenya, clientelism and the creation of mafia using opportunities presented by Chinese built infrastructure escalated corruption levels and is responsible for her eroding authority and perhaps explains why Kenya lost Uganda's crude oil pipeline and Rwanda's SGR both to Tanzania. Perhaps corruption may also be the reason why China is reluctant to fund the remaining phases of the SGR.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter summarizes chapters two, three and four, in a conclusive argument where an overall conclusion based on the three chapters is given.

### **5.2 Summary**

Arguments fronted in chapters two, three, and four, have the following in common; Both infrastructures in Kenya and Uganda are regional and constitute the greater part of China's BRI. China's brainchild of BRI and the subsequent financing and constructing of mega infrastructure in Kenya and Uganda have diversified the Beijing Consensus to incorporate infrastructural relations. In this case, global politics have expanded to accommodate infrastructural relations based on economic interdependence where China works together with Kenya and Uganda for mutual benefit. Therefore, it is false to claim that the strategic interests of China are maximized when her lending partners (Kenya and Uganda) are frustrated. This study found out that China has not laid any debt trap to either Kenya or Uganda, borrowing from China enabled them to seal their infrastructure deficits in line with their economic blue prints. In fact, China needs to venture into global investments since it has vast foreign exchange reserves, adequate expertise for constructions and the capacity to manufacture primary goods, all backed by her '*Going Out Policy*'.

On the other hand, since China is the top financier and investor in Kenya and Uganda, she had to motivate her MNCs to work with both states. This further widened infrastructural relations to include innovative diplomacy owing to the proliferation of Chinese non-state actors coming between the bilateral diplomacy of China-Kenya and China-Uganda. Consequently, good number of Chinese firms operate in Kenya and Uganda, and have created jobs for the local populace, whilst on the other hand, a good number of Kenyans and Ugandans travel to China for business. In this study, infrastructural relations exist whenever the periphery's national interests lie in the infrastructural gaps that are economically straining for her to handle alone without the financial muscle, engineering and technical prowess of the core. Infrastructure is the lifeline of the state's economic development, it advances globalization and since it is the most basic, it influences other



sectors of the economy to yield substantive outputs / invite more FDIs. By the time infrastructure relations become central to the diplomatic relations between China and Kenya, and China and Uganda, deteriorated infrastructures have been forsaken for decades. This follows that infrastructure relations with China make complex economic interdependence relations inevitable because the economically viable gaps to be addressed by these developing countries (Kenya and Uganda) are too expensive for them.

### **5.3 Conclusion**

The LAPSSET Corridor and the SGR, and the Entebbe Express Highway and Karuma Hydropower project, are BRI regional infrastructures that form the material aspirations of Kenya and Uganda and an extension to the ambitions of China. The confluence between the domestic variables of both Kenya and Uganda and international variables from China and other states enabled the utilization of both China-Kenya infrastructure relations and China-Uganda infrastructure relations. Besides, the political will to address infrastructural deficits in both Kenya and Uganda escalated complex economic interdependence in international trade and infrastructural investments by China. China-Kenya infrastructural relations, and China-Uganda infrastructure relations, stretched further towards avenues for extraction relations where both Kenya and Uganda teamed up with other actors to extract their dead capitals (natural resources).

Economic interdependence that came with infrastructural assistance elevated Kenya and Uganda to rely on regional infrastructures to advance their postures regionally and internationally. The worth of the acquired mega-infrastructure is beyond their economic sense because apart from enhancing connectivity they will also contribute to social development in terms of; capital mobility, access to education, information flows, reducing distance (distance decay) *intra alia*. BRI is a game changer for China's development of infrastructure in Kenya and Uganda owing to its worldwide master plan and long-term strategy. Since the acquisition of infrastructure has enhanced the attraction of more FDIs, Kenya and Uganda will experience largescale and long-term implications in terms of implementation and the resultant economic and political effects. Indeed, dilapidated infrastructure had caused fragmentations along the production networks until BRI and

Chinese firms came to rescue Africa by allowing infrastructural relations to attract the flow of FDIs.

However, the dependency of both Kenya and Uganda on China was capitalized by the latter to dictate conditionalities for her MNCs to take over the construction of infrastructures. It is clear from the findings that, despite loans being essential in the acquisition of infrastructure, Kenya and Uganda are advised to learn how to manage those funds and borrow in line with their GDPs. Going by the mega infrastructure projects currently underway, loans are compulsory for Kenya and Uganda to conquer their financial challenges. However, Kenya and Uganda are the ones who determine how much to borrow and where those funds come from, their levels of debt in relation to the GDP determine whether it is conducive or not. Furthermore, it has also been noted that China has not led either Kenya or Uganda into debt trap, and that these states must uphold integrity in the management of infrastructural finance. The study also found out that since China's Exim Bank is revising her mega investment strategies where it will rely on responses from Kenyans and Ugandans to ascertain the success of the projects. In future there will be financial adjustments to minimize Chinese investments in largescale infrastructures that are politically sensitive.

#### **5.4 The Study's Contribution to China-Africa Relations**

The significance of this study to China-Africa relations is on the discovery that, infrastructural relations contain complex economic interdependency, as well as dependency between industrialized China and the developing Kenya and Uganda. The former guarantees mutual benefit between China and the African states, while latter that exposes the position of Kenya and Uganda as marginalized states whose foreign policies are informed by the financial and technical capabilities of China and other global actors eyeing the latter's position.

Infrastructural relations between China and Kenya, and China and Uganda constitute financial assistance hence the cultivation of dependency relations which appear to suffocate the international anarchy element of '*self-help*'. This is so because the poor countries of

Kenya and Uganda are not relying on their own capacity to secure their existence / survival, but they are rather relying on international support from China. On the other hand, since these poor states (Kenya and Uganda) rely heavily on Chinese financial assistance and technology to acquire infrastructure, even in the extractive relations that immediately follow infrastructural relations, these underdeveloped states will depend on financial assistance and technical expertise from China.

The study contributes to the geographical scholarship on mega infrastructures by indicating how global politics of infrastructure apart from advancing Chinese capitalism in urban and neglected spaces, also assist in producing geographies of states suited for extractivism. Infrastructural relations with China paved way for extraction relations where the exploitation of dead capital / latent economic potential such as oil guarantees tangible benefits between China, Kenya, and Uganda. Extraction relations further influence the geopolitical landscape of Eastern Africa as states compete to attract global FDI's. This adds value to new spaces, balances the utilization of existing resources, and minimizes their overutilization and probably depletion. But on the other extreme, these geographies are accompanied by contested spaces that reorganize the livelihoods and lifestyles of affected inhabitants. These economic infrastructures acquired by Kenya and Uganda produced new complex geographies of economic interdependence since they depended on physical systematic connections to guarantee the much awaited seamless flow of goods and services. Here in, the study finds that infrastructure relations between the core and the periphery reinforce extractive relations and vice versa.

This study took up the challenge of Enns (2018), who according to Aalders (2020) suggested the mobilization of research on Africa's development corridors in order to show new patterns of spatial inclusion and exclusion, and mobility and immobility along new routes in Africa. The strategic location of Kenya and Uganda to the BRI, make their complex interdependence and dependency relations with China more powerful / prominent. This means that infrastructural relations between China and Kenya, and between China and Uganda increase as the distance between these two developing states towards the BRI decays / decreases.

Most of the works on China-Africa relations focused on the influence of BRI on the geopolitics of Africa and Asia (Arabsphere, South Asia). In this study, the researcher expands China-Africa relations to show how geographical location is an enabler or disabler for infrastructural relations between those developing states and China. Kenya and Uganda are benefiting from infrastructural relations with China, courtesy of their distance decay towards the BRI. The closer the Chinese aspirations are to those of poor African countries, the higher likelihood that the latter will 'look East', and hence the intensification of infrastructural relations. These Chinese funded and constructed projects invite the presence of the state, thereby providing both Kenya and Uganda with the tentacles to influence new frontiers. The nearer Kenya and Uganda are to the Belt and Road Initiative (BRI), the stronger their infrastructural relations are with China. Stated differently, the closer Kenya and Uganda are to the BRI passage, the higher the expectation that organic diplomatic relations (focused on sealing infrastructure gaps) will emerge between them and China.

This study illustrates how political elites in recipient states in Africa utilize the Chinese built infrastructures to advance national interests, a gap that had been noted in Giles and Tan Mullins (2019). Besides, Onjala (2012) had called for more studies to be conducted in order to analyze the shortcomings of securing aid and infrastructure investment from Beijing owing to; (a.) the wide trade deficit that Kenya has with China, and (b.) the funding of infrastructure largely creates employment chances to firms and human labour from China hence conflicts with local workers. In response, this study explains how state institutions should uphold integrity in the mobilization, utilization and management of funds meant for infrastructure if they are to process the economic blue prints into tangible developments.

## **5.5 Recommendations**

The following recommendations have been made based on the study and the conclusions.

### **5.5.1 China-Kenya Relations Specific Recommendations**

First, the acquisition of loans is essential for the acquisition of mega infrastructure in Kenya, so the government ought to be economical enough in the way it manages borrowed finances.

Second, infrastructural ambitions should be more strategic and economical because the implementation of Chinese infrastructure will change in years to come. China will restructure both the financing and implementation in response to the increased public expenditure in Kenya.

Third, Kenya's geographic position near neighbourhood stricken with international terror, so the LAPSSET Corridor, and the SGR, should enhance her capacity to operate on various fronts to defend her national interests. Therefore, the installation of infrastructure calls for the modernization of the defence capabilities of Kenya to pacify areas beyond her frontiers.

### **5.5.2 China-Uganda Relations Specific Recommendations**

First, Uganda ought to ensure that her acquired infrastructures enhance the mobility of her goods and services to the global markets faster.

Second, Uganda should use her acquired infrastructure to counter spill over effects of conflict from Eastern DRC and South Sudan, since she is centrally located in the Eastern African region that is synonymous with war than peace. This will ensure constant security along her trade routes.

Third, the Entebbe Express Highway and the Karuma Hydropower Plant, should enable Uganda develop proactive strategies of promoting economic interdependence within Eastern Africa. Uganda is relatively small compared to her neighbours DRC, Kenya, South Sudan, and Tanzania, so her defensive choices are few incase foreign invasion transpires.

Four, the government should gain the support of local Ugandans in the implementation of mega infrastructure projects. Unfair compensation, forceful grabbing of land and other forms of intimidations compromise economic growth.

### **5.5.3 Region-wide Recommendations**

First, debt is key for states to conquer their financial challenges going by infrastructure projects that are underway. However, Kenya and Uganda should know that the level of

debt in relation to their respective GDPs is not conducive for them to acquire more infrastructural loans.

Second, policy makers should think of infrastructure beyond its economic value, because apart from providing connectivity, infrastructure contributes to social development in terms of; reducing distance, capital mobility, access to education and indirect contribution to the society, for instance; information flows along the infrastructure.

Third, Infrastructure both in Kenya and Uganda should substantially boost the momentum for economic development and interdependence in Eastern Africa. There is a huge infrastructure deficit in Africa worth investing in, so firms from China will play a big role in constructions in East Africa.

Fourth, states ought to find new ways of sealing their infrastructure gaps, because in the near future China will introduce financial adjustments to minimize investments in politically sensitive projects.

## **5.6 Areas for Further Research**

The study recommends the following areas to be researched on: How China has managed to diversify international relations by capitalizing on the dependency of the periphery to create infrastructural relations. How conflict resolution mechanisms can be designed to secure terror stricken infrastructure corridors. How government institutions of developing states inform the implementation of infrastructure. How patrimonialism in developing states influence the installation of infrastructure. How infrastructural relations enhance regional rivalry in Eastern Africa. The influence of mega infrastructure on the geopolitics of the Great Lakes Region of Africa. How infrastructural relations through the BRI stand to boost the South-South Cooperation framework.

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## APPENDICES

### APPENDIX 1: INTERVIEW GUIDE

#### Interview Guide for Kenyans

1. Why are the Chinese so interested in the infrastructure funding in Kenya?
2. In what ways do you think China's Belt and Road Initiative (BRI) will benefit Kenya?
3. China has been involved in building infrastructure in Africa for many years, so why is the BRI touted as a game changer for China's development of infrastructure in Kenya?
4. What are your thoughts on the Western driven narrative that China is practicing debt-trap diplomacy with regard to the funding of infrastructure projects in Kenya?
5. How would the following China's Belt and Road Initiative (BRI) project impact on security, political economy dimensions of the region?
  - ❖ LAPSSET
  - ❖ SGR

### **Interview Guide for Ugandans**

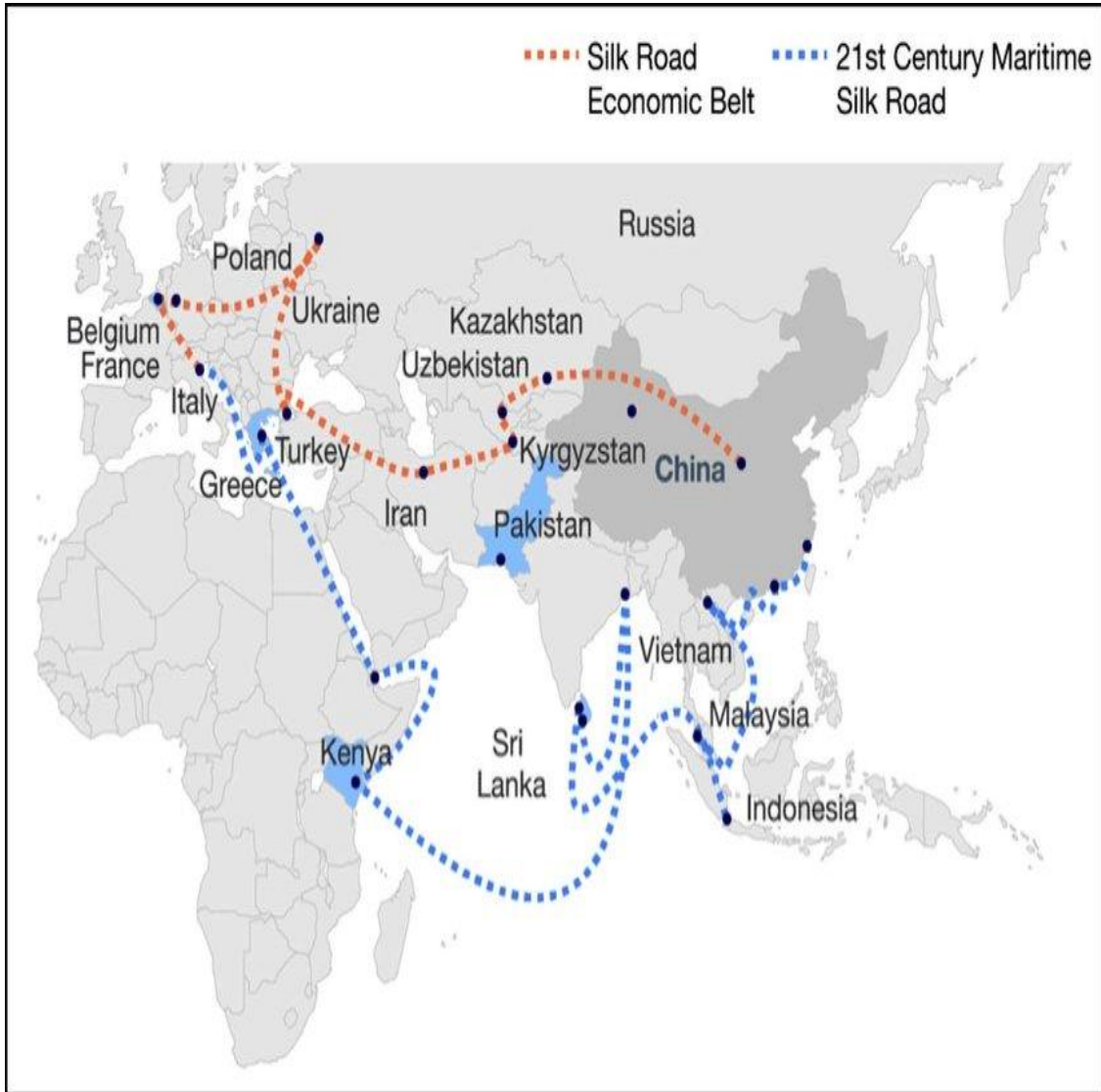
1. Why are the Chinese so interested in the infrastructure funding in Uganda?
2. In what ways do you think China's Belt and Road Initiative (BRI) will benefit Uganda?
3. China has been involved in building infrastructure in Africa for many years, so why is the BRI touted as a game changer for China's development of infrastructure in Uganda?
4. What are your thoughts on the Western driven narrative that China is practicing debt-trap diplomacy with regard to the funding of infrastructure projects in Uganda?
5. How would the following China's Belt and Road Initiative (BRI) project impact on security, political economy dimensions of the region?
  - ❖ Entebbe Express Highway
  - ❖ Karuma Hydropower Project

**Interview Guide for Key Informants (Academics, Civil Society, Former  
Ambassadors)**

1. Why are the Chinese so interested in the infrastructure funding in Kenya and Uganda?
2. In what ways do you think China's Belt and Road Initiative (BRI) will benefit Kenya and Uganda?
3. China has been involved in building infrastructure in Africa for many years, so why is the BRI touted as a game changer for China's development of infrastructure in Kenya and Uganda?
4. What are your thoughts on the Western driven narrative that China is practicing debt-trap diplomacy with regard to the funding of infrastructure projects in Kenya and Uganda?
5. How would the following China's Belt and Road Initiative (BRI) project impact on security, political economy dimensions of the region?



**APPENDIX 2: BELT AND ROAD INITIATIVE MAP**



## APPENDIX 3: AUTHORIZATION TO CONDUCT FIELD RESEARCH



**University of Nairobi**  
**COLLEGE OF HUMANITIES AND SOCIAL SCIENCES**  
**Department of Political Science & Public Administration**

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P.O. Box 30197  
Nairobi, Kenya

30<sup>th</sup> June 2020

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### TO WHOM IT MAY CONCERN

#### AUTHORIZATION TO CONDUCT FIELD RESEARCH

This is to confirm that Mr. Edwin Mwalepe Mwalagho of Registration Number (C51/12128/2018) is a bonafide student at the Department of Political Science and Public Administration, University of Nairobi.

Mr. Mwalagho is pursuing a Degree in Master of Arts in International Relations. He is researching on, **"China's Belt and Road Initiative and Infrastructural Assistance in Africa: Case Studies of Kenya and Uganda."**

He has successfully completed the first part of his studies (Coursework) and is hereby authorized to proceed to the second part (Field Research). This shall enable the student to collect relevant data for his academic work.

It is against this background that the Department of Political Science and Public Administration, University of Nairobi requests you to assist the student in collecting relevant academic data. The information obtained shall only be used for academic purpose.

The student is expected to abide by your regulations and the ethics that this exercise demands. In case of any clarification please feel free to contact the undersigned.

Thanking you for continued support.

Yours Sincerely,

Professor Fred Jonyo (PhD, Makerere)  
Chairman,  
Department of Political Science and Public Administration  
UNIVERSITY OF NAIROBI