

UNIVERSITY OF NAIROBI
INSTITUTE OF DIPLOMACY AND INTERNATIONAL
STUDIES

**THE ROLE OF MULTINATIONAL
CORPORATIONS IN KENYA'S SOCIAL
DEVELOPMENT**

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DECLARATION

I, (*Karanja Milka Muthoni*) hereby declare that this research project is my original work and has not been presented for a degree in any other University.

Signed.....Date.....

Karanja Milka Muthoni

This project has been submitted for examination with my approval as University Supervisor;

Signed.....Date.....

Mr. Gerrishon Ikiara

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DEDICATION

I dedicate this work to my country Kenya at fifty. As we celebrate 50 years since independence, I am optimistic that the best is yet to come.

ABSTRACT

This study sought to look at the role if any that multinational corporations play in Kenya's social development. Having considerate factors to her advantage such as her relative stability in respect to her neighbors, highly educated workforce and of high significance Kenya's central location in the continent, have over the years made Kenya a fulcrum for multinational companies. It is with this in mind that this project set out to look at their input towards Kenya's social development.

The project addressed Social development as defined by the United Nation's millennium development goals that is the eradication of hunger and poverty, curtailing of child fatality and bettering maternal health, attaining of universal primary education, women and youth capacitation, fighting diseases and environmental protection.

The project investigated a number of multinational companies drawn from various sectors. The study involved not only looking at these companies' corporate social responsibility, the direct way through which they contribute to society's well-being, but also at their contribution to the exchequer, money which in turn the government uses to address social development.

The research concludes that multinational companies do significantly contribute to Kenya's social development. Though a small sample, this research is an eye opener to the much that multinationals contribute to Kenya's social development.

ABBREVIATIONS

BAT	British America Tobacco
BRITAM	British American Investment Company
CSR	Corporate Social Responsibility
EABL	East African Breweries Limited
GDP	Gross Domestic Product
GNP	Gross National Product
GSP	Global Sullivan Principles
ILO	International Labour Organization
KCB	Kenya Commercial Bank
KRA	Kenya Revenue Authority
MDGs	Millennium Development Goals
MNCs	Multinational Corporations
SABCO	South Africa Bottling Company
UN	The United Nations
UNCTAD	United Nations Conference on Trade and Development

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CHAPTER ONE

RESEARCH PROPOSAL

1.1 INTRODUCTION

The term Multinational Corporation (MNC) according to the Economic and Social Council resolution, in general covers corporations with facilities in two or more countries, other than its home country, being managed from a head office which is located in the home country (UN, 1973). Because of their capability to transfer factors of production, technology, goods and services across national borders, MNCs have continued to grow in leaps and bounds, in terms of economic strength. It has in fact been discovered that some MNCs sales volumes are over and above the gross national product of some countries. (Barnet & Müller 1974).

Multinational corporations spread technology, capital and of course goods from one country to another, in some cases even, around the globe. They contribute to a rise in overall economic activity and employ millions of workers around the world, for this reason, Kenya like most developing countries has been keen on attracting them to its territory, so eager to create a good investment climate for them, that on top of being generous with tax concessions and other advantages, Kenya has also been significantly stepping up efforts to improve its infrastructure.

Kenya is an East African nation, at the horn of Africa, sharing borders with Ethiopia, Somalia, Tanzania, Uganda and Sudan and having a prominent coastal line along the

Indian Ocean. This central position effectively accesses Kenya to East, Central and North Africa as well as the Middle East markets adding to Kenya's appeal as a multinationals' hub. Relative political stability in contrast to her neighbors, a market based economy with a liberalized foreign trade policy, all add to Kenya's attractiveness. According to World Bank (2013), Kenya's GDP per capita, as at 2012, was US\$ 862. Kenya serves as both home and host for a very large number of MNCs including British American Tobacco (BAT), Coca-Cola, Lafarge (Bamburi Cement) Kenya, British American Investment Company (Kenya) Limited, East African Breweries Limited, Safaricom, among many others. For such an economy the need to consider the role of these MNCs is very much pressing, it is therefore surprising that little attention has been given to this subject on the Kenyan economy.

Assessing Kenya's position in the global economy, there is evidence of two phenomena. The first, Nairobi seems for not only MNCs but also international organizations to be used as regional headquarters, and secondly some firms seem to have Kenya as a manufacturing base to serve the surrounding markets that Kenya offers a proximity to. (Kaplinsky, 1978)

Considering their financial advantage, resources and technology, MNCs can act as, and probably are vehicles of development. Traditionally studies on the activities of MNCs in developing countries have been concerned with measuring their impact on economic growth (Kaplinsky, 1978). Development, however as this paper seeks to analyze is wider. It is in terms of the improvement of people's social welfare. Living standards,

education, health, housing, infrastructure and environment, are all indicators of social development. An area that previous studies have not covered.

The millennium development goals entail a vision of a globe with lower poverty, reduced hunger and disease, reduced infant mortality and greater survival chances for mothers, access to education for all, women empowerment, and a sustainable environment (Visser, 2007).

In Kenya like many developing countries these goals are far from being met. And as state and non-state actors continue to strive to achieve this goals, this research paper seeks to find out the role, if any, that MNCs in particular do play in tackling these issues.

1.2 BACKGROUND TO THE RESEARCH PROBLEM

The bottom line purpose of MNCs like other businesses is profit maximization. In pursuance of this goal MNCs are drawn to developing countries by the prospect of access to raw materials, low-cost labor and potential market as a result of the expanding middle class (Barnet, & Müller 1974). Africa is abundant in natural resources e.g. petroleum, iron, ore, copper and bauxite. Kenya is however exceptional, in that unlike many other African countries where foreign investment is focused on mining, agriculture and petroleum, Kenya's is concentrated in manufacturing and services (Kaplinsky, 1978). With the recent discovery of oil though, that is set to change.

MNCs can however contribute to development through partnership with the government or on their own but they do so more importantly through their core business activities, that is, as they make profits they contribute immensely through taxation. Through taxation of their corporate income first and foremost, and indirectly through the personal income taxation of their employees.

The way through which MNCs contribute to social development directly, either on their own or through government partnerships is through Corporate Social Responsibility (CSR). CSR is therefore a move by corporates of going beyond profit considerations to proactively and deliberately promote public interest, thus encouraging and or improving community growth and development. Though taking a very small percentage of their profits, CSR can go a long way in promoting social development. The *Kenyans for Kenya* initiative for example, an initiative launched in mid-2011, aimed at raising funds for those faced by hunger and starvation especially in Turkana, saw many MNCs contribute greatly, and collectively making such a huge impact. This is just one example where they have contributed, where government resources were inadequate.

MNCs cannot and should not replace states as the primary actors in development, however for them to purely focus on profit maximization, leaving social concerns to the state would only work in an ideal developed country, where institutions are completely functional and have adequate capacity. In developing countries with not only very limited resources but also in most cases weak institutions, MNCs working in partnership with governments can use their financial leverage to promote development. In such cases their responsibilities go beyond profit maximization (Kolstad, 2007). Without such initiatives,

which focus not only on the community, but on the environment as well, the environment could end up being too degraded to support them or they could even end up losing the extremely valuable human resource.

1.3 STATEMENT OF THE RESEARCH PROBLEM

Are Multinational Corporations in Kenya just focused on profit maximization or are they playing a role in Kenya's social development? Do their tax contributions make an impact in Kenya's revenues, and are their CSR projects genuinely integrated in Kenya's economic and social development?

MNCs generate significant revenue for themselves and the host governments, but the question is what are they giving back to the community? The controversies surrounding the process of globalization have raised concerns that most corporations might be pursuing profits at the expense of vulnerable workforce, environmental degradation and so on. In response to such concerns, this paper seeks the answer to whether MNCs are taking any deliberate actions to demonstrate their social responsibility (Edwards, Marginson, Edwards, Ferner, & Tregaskis 2007).

Kenya's vision 2030 social pillar identifies eight key sectors. Namely; education and training, health, water and sanitation, the environment, housing and urbanization, as well as gender, youth, sports and culture. To what extent are MNCs contributing to any of these sectors?

Although numerous studies have been done elsewhere in recent years on the subject of MNCs, very little has been written about MNCs in Kenya. Previous studies done have mainly focused on the impact of MNCs in Kenya's economic and political development.

There are therefore no set of indicators demonstrating how if at all MNCs contribute to Kenya's social development.

From the studies done, clearly there exists a knowledge gap as to the extent to which MNCs contribute to Kenya's social development. This research therefore seeks to answer the following main question:

- Do MNCs contribute to Kenya's social development?

And in answering this question the research will be addressing the following specific questions:

- i) How much tax do MNCs contribute in Kenya's revenue?
- ii) Do MNCs in Kenya engage in any social activities?
- iii) What activities and to what extent do they engage in these activities?

1.4 OBJECTIVES OF THE STUDY

The purpose of this study is to investigate the role of the growing penetration and expansion of Multinational Corporations in Kenya's social development.

In pursuance of corporate social responsibilities MNCs contribute in education, community development and environmental programs. On the other hand and of equal

importance, through employment and through their tax contributions they make a big difference in Kenya's revenues, which can in turn be used to address the social issues. This study seeks to establish the role that MNC can or are playing in Kenya's social development, more so towards the attainment of Kenya's vision 2030 social development goal.

1.5 JUSTIFICATION OF THE STUDY

In the 1970s as shown by USAID, 70 percent of resource flows from the United States to the developing world were official development assistance (ODA), while 30 percent were private. Less than 40 years later, as of 2008 the tables had turned with a whopping 85 percent of resources flows to developing countries being private, the rest, 15% being O.D.A (Schneidman, 2008). This is a very significant finding, clearly showing the role of corporates in the development process continues to grow, so much so that they simply cannot not be ignored. Thus the importance of studying about their developmental impact in detail.

The MNC phenomenon in Kenya can simply not be ignored. The number of Multinational Corporations is increasing by day with the government continuously trying to entice them. Why? This is because of the significant revenue and employment, among other benefits that they generate.

Kenya is characterized by extreme poverty, inequality and unemployment and like most African countries lacks adequate capacity to implement its social development programs.

On the other hand multinational corporations considering their resources, are in a powerful position to promote development, individually or collectively, if they so wish.

There is therefore need to study and quantify in a systematic way how MNCs in Kenya, if at all they do, contribute to social development.

This study will be important for the Kenyan government, development groups and consumers, who could need to work out initiatives that embody their common interests with the MNCs. To scholars, academicians and researchers, the study will act as a basis for further research on other aspects of MNCs contribution to social development in developing countries.

1.6 LITERATURE REVIEW

According to, Barnet, & Müller (1974), by 1973 it was discovered that when correlated, the annual sales of some MNCs surpassed the Gross National Products (GNP) of some countries, for example, the annual sales of General Motors (GM) was bigger than the GNP of Switzerland, Pakistan and South Africa, Royal Dutch Shell's sales was bigger than Iran's GNP, Venezuela's and Turkey's; and that Good year Tire's sales was also bigger than Saudi Arabia's GNP. Their increasing size and extraordinary power being attributed to having the control of the means of creating wealth- on a world wide scale. It is for this reason that terms such as global, transnational and multinational are used interchangeably to imply what these corporations represent. The most widely agreed upon definition for a multinational corporation is "an enterprise that manages production or delivers services in more than one country. It has its management headquarters in one

country, known as the home country, and operates in several other countries, known as the host countries”.

MNCs can simply not be ignored; they have an impact on almost all areas of life, social, political and economic. Barnet, & Müller (1974) even go ahead to insinuate that these corporations have more influence than those of most sovereign states on where people live, what economic activity, if any they will engage in; what they will eat, drink and wear, what type of knowledge schools and universities will encourage and what kind of society their children will inherit. I agree. Just as an example courses like international business management and international economics, courses which basically entail planning and management beyond country borders are growing in popularity. And true to that, the institution of Multinational Corporations has been probed and analyzed by social scientists in various fields - Business, Economics and International Relations. The result has been so much controversy being triggered, the advocates arguing that it is the most influential channel for technology transfer and employment especially in developing countries. Antagonists, on the other hand argue that, MNCs not only encourage inequalities but also curtail employment in the home countries and further do not benefit the host country either because of profit repatriation, transfer pricing or tax evasion.

Barnet & Müller (1974), observe that business men have been venturing abroad for a long time- at least since the Phoenicians started selling glass to their Mediterranean neighbors. Each of the great nineteenth century empires- the British, the French, the Dutch, and even the Danish protected the private trading organizations that traversed the globe searching for raw materials sources and the markets on which the Victorian age

luxury depended. At the turn of 20th century American firms, such as the Singer Sewing Machine Company, were already very influential even in the British economy. Thus the book “the American invaders” was published in 1902. Ford had an assembly plant in Europe since 1911, and the great oil companies have been performing on a global scope as early as the 20th century.

According to Chudson (1977), the expansion of US corporations’ affiliates in Europe, therefore contributed vastly to the development of the MNC. This however, stimulated the emergence of European based firms, some of the long established ones include Unilever, Shell, Imperial Chemicals, Fiat, Volkswagen and Michelin. Japanese multinational firms have also been growing rapidly.

When considering developing countries, corporate managers seek to know about the raw materials available, the kind of labor force and the number of customers (Barnet & Müller, 1974). Among the biggest attractions that have drawn MNCs to Africa has been the prospect of developing natural resources for export. The exploitation of petroleum, iron ore, copper and bauxite are a leading example. To add to that, the increasing number of the middle class citizens, also offers a very attractive potential market.

According to Jørgensen (1975), Kenya became integrated into the world economy in the 19th and 20th centuries. During the colonial phase the domestic economy framework was transformed to produce agricultural goods for export and to import consumer goods, and machinery from the external economy. British firms and British settler planters started copra and sisal plantations along the coast and later coffee and finally tea plantation in

the Kenyan highlands among other areas. Among those first firms was Smith-Mackenzie. The British firms were eager to not only make a profit but also to find new markets for manufactured goods from Britain and to acquire low-cost raw materials for British firms that they were connected to by trade or ownership.

UNCTAD (United Nations Conference on Trade and Development) statistics indicate that the value of foreign direct Investment in Kenya has since been steadily increasing. The value has increased from \$ 386 in 1980 to \$2 129 Million in 2009; this clearly indicates that like the rest of the world the impact of multinational corporations is equally being felt in Kenya. Further according to UNCTAD (2002), Kenya had about 114 MNC affiliates located in the country in 2001, many of which are in the manufacturing and services sector.

Despite being a source of employment, boosting technology transfer, and further providing consumers a wide assortment of products, MNCs have been severally castigated for among other things, gross human and environmental infringement. There is no doubt all the same that in their varied sectors, these corporations are making significant contributions to the economies of the countries they operate in, through the taxes they pay and also by providing employment. To add to that in their pursuit of social corporate responsibility, they improve the communities' living standards.

With their power and influence, multinational corporations can definitely been leveraged to address many development issues. In 1999, the UN launched the Global Sullivan Principles (GSP), and later the global compact of the UN, followed by the extractive

industry transparency initiative and others. All these codes are aimed at leveraging MNCs not to exploit but to contribute to Africa's development. The GSP's function for example is to encourage companies to back sustainable development through working with the state and communities to improve the quality of life, not to pay nor accept bribes in the process while at the same time upholding human rights (Scheidman, 2008).

In September 1985, the United Nations Centre on Transnational Corporations organized public hearing on the activities of MNCs in South Africa and Namibia. The hearings divulged the contributions of various companies to education, housing, child care, health care and community development. Among the companies reviewed were the British Petroleum South Africa, the Borroughs corporations, Hewlet- Packard and General Motors. More recent studies further divulge that in for example Equatorial Guinea, in conjunction with the government, oil companies have been training teachers and also working to ways to eradicate Malaria, in West Africa international cocoa producers have launched programs to not only guard against child labor but also to ascertain access to education for these children. (Scheidman, 2008).

There have been some concerns however, that as MNCs get involved in the promotion of education, community development, or environmental sustainability programs they are taking on state's functions and contributing weak states, a phenomenon considered as a barrier to development (Scheidman, 2008). Kenya's vision 2030 underscores the importance of social development; making a positive difference in people's quality of life, roles which MNCs can contribute to.

Barnet & Müller, (1974) point out that these global corporations employ economies of scale as a crucial strategy for their global growth. One of such a strategy entails taking advantage of basic investments already made in research, packaging, communications and marketing know-how to expand operations into new geographical areas at substantial saving. Thus, they conclude, the quest for global profit maximization is pushing the world's largest corporations even more in to Asia, Africa, and the Latin America for – the need to jump over tariff walls to sustain and grow former export markets, and drive for essential raw materials.

It is a fact however that because their operations in developing countries are in most cases marginal in comparison to their total operations, MNCs can ignore developing countries without any loss to their total profits. For this reason Chudson (1977) argues that there is need to create an appealing environment to induce them, bringing up the oft discussed question of tax breaks other trade-offs by host states. Chudson also advises that developing countries especially should present a united front on such issues as whole or more realistically, as groups.

According to Wilkins (1970), MNCs could further constitute an essential element in the industrialization of developing countries. They serve as vehicles of technological and organizational know-how by introducing techniques and processes that are new in the countries concerned and by training local personnel to high levels of skill in new occupations.

According to Jørgsen (1975) though, multinational firms in Kenya led to the indigenization of the Kenyan Economy. He sums up measure like; Africans being barred from individual ownership of land and from wholesale trade in Agricultural produce, the unequal distribution of tax burdens and government services among Europeans and Africans, among many others as having relegated the Africans to the status of laborers for European and Asian employers between the period 1902-1952.

Langdon (1981), while stressing the continuing importance of the MNC role in developing countries, also stresses the need to probe that role deeper than has been common in the debate about MNCs and development. His study however investigated external effects of MNCs in the Kenyan context, within a broad framework of political economy. This framework allowed the testing of the dependency economics theory, that is, that an expanding MNC role in a developing country tends to widen inequalities and perpetuate structural segmentation. Langdon (1981), however further underscores the fact that, Kenya had not prospered as a result of the accelerated thrust of MNCs in to the country, as the founding president had indicated. The growing MNC sector in Kenya had only helped a small minority of Kenyans to prosper. But for the majority of Kenyans it had in fact discouraged a range of indigenous entrepreneurs, promoted a highly protected style of industrialization that had turned the terms of trade against the rural majority, and helped perpetuate a political economy that was biased against the poor.

The wholly owned subsidiary, according to the International Labour Office (ILO) 1973, is the most common parent-affiliate relationship that characterizes the MNC organizational structure. Maintaining full ownership and management of a newly established affiliate, might be the most preferred option by the parent companies, factors such as legal stipulations, pressure from the state, technological considerations, risk sharing and business relationships however, often result in the establishment of joint ventures with host country's national or other firms.

The central strategy of the MNCs according to Barnet and Müller (1974), is the creation of a global economic environment that will ensure stability, expansion and high profits for the enterprise. These very strategies however, have had a disadvantageous effect on the distribution of income and on employment levels in the developing countries around the world.

According to Chudson (1974), all the major MNCs decisions; finance, investment, production, human resource assignment and training, research and development, are global in scope. Matters such as measures as reactions to government measures, especially as to do with taxation, exchange checks and commercial policies are also global. Daily operations however, for example marketing policies, workforce matters at the plant level, to a limited extent research and development, and sometimes investment decisions to a specified limit are decentralized. An MNC will tend to have access to a wider range of information than a firm of lesser scope, this results partly from an active searching and from investment and marketing opportunities in the major regions of the world and partly from the passive receipt of information from banks, government

agencies, international organizations, consulting firms and the like. The basic objective as has been severally mentioned is profit maximization, in this case on a global basis. Chudson also further observes that the multinational firm also has an edge because of being able to spread the overhead costs of investigation of a projects feasibility, of plant design, and of research and development, in other words the advantage of economies of scale.

Wilkins (1970) notes that foreign investments bring benefits to the host community which like employment itself are both economic and social; direct or indirect, may be evident immediately, in the short run or in the long run, or not for some time.

In the UK, a professor by the name Prof. Dunning, found that the main benefits of the inclusion US firms there was that they brought with them new products, money capital, knowledge, new skills for the workforce, access to new markets and increased competition in the country.

Although the impact of a subsidiary of an MNC is usually sizable, it may not always be positive. Local companies have been known to at times lament that foreign subsidiaries poach their trained staff while at the same time enticing the best graduates of their schools by offering superior compensation and fringe benefits. According to Wilkins (1970) however, the reverse also does happen, the case of a subsidiary of the United Africa Company in Ghana, a distributor for Caterpillar equipment illustrates this. Here the firm originally recruited students from two of Ghana's top technical training colleges for a training programme devised for technicians and specialists. After two years of

training, they were in great demand, especially by the government agencies, and, given the choice between attractive government positions and low-rung starting assignments in the firm, many opted for the government posts.

MNCs because of their power have also been known to influence politics. According to Barnett and Müller (1974), there is nothing new about that. The most acclaimed illustration, they further explain, is the East India Company, which in its day “conquered a subcontinent, ruled over 250 million people, raised and supported the largest standing army in the world, deployed 43 warship, and employed its own bishops”. On the other hand, earlier British trading companies such as the Company of Merchants Adventurers (1505), the Russia Company (1553), and the Levant Company (1581) ushered the modern nation state system. “The ancestors of the world managers were traders looking for spices and merchants out to corner the wool or clothe market, and they were deep in politics.”

A report by the United Nations Conference on Trade and Development (UNCTAD) Secretariat to the third session of the UNCTAD summed up the relationship between private foreign investment and development in the following terms: “In recent years private foreign investment has played a substantial part in transferring capital and skills to the developing countries. But this is not necessarily the same thing as contributing to development. There are wide differences of opinion on the impact private foreign investments have had in the past, and on the part it might play in the future the

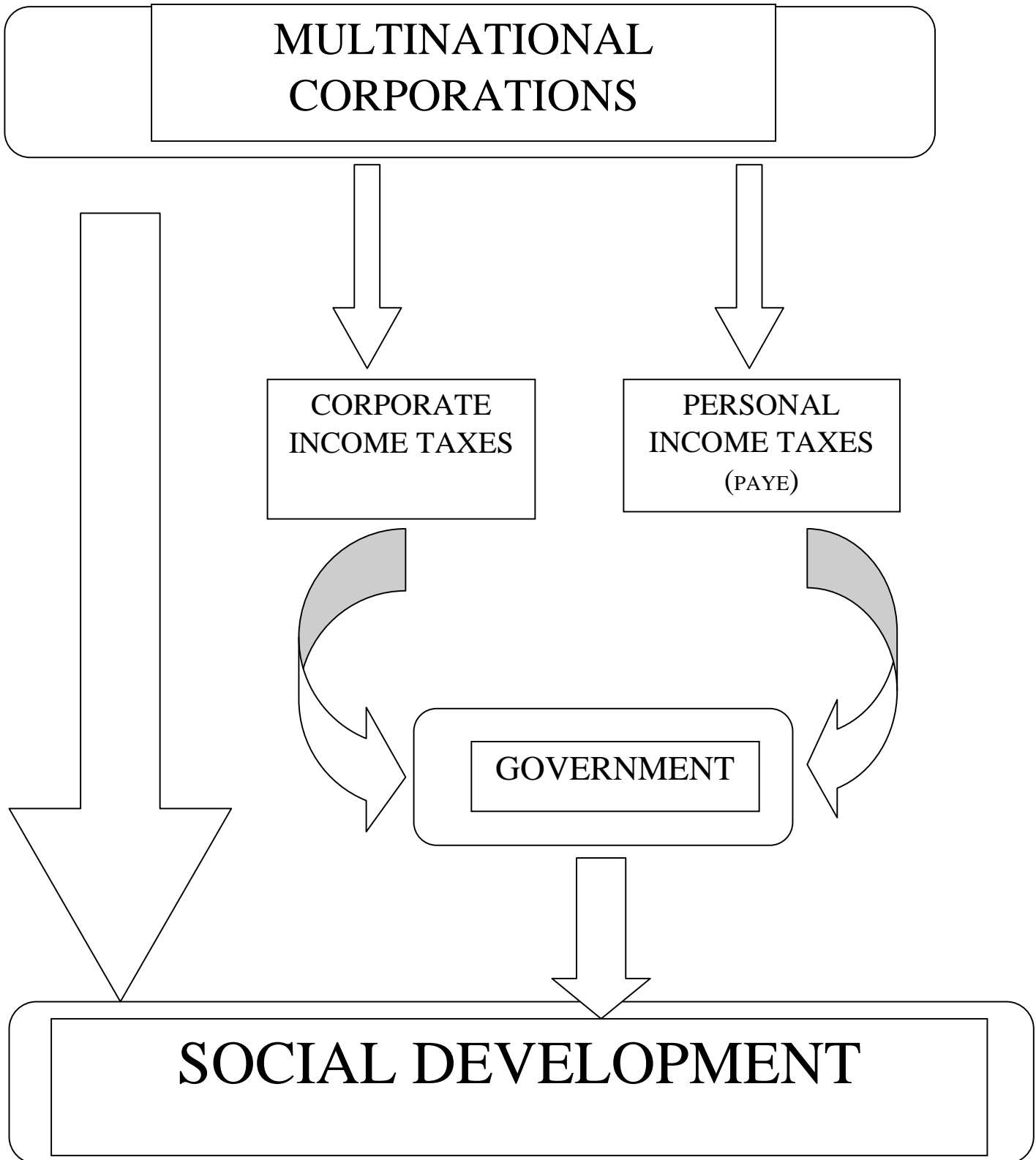
basic problem Is that the interests of the foreign companies and host governments are not necessarily the same.” (ILO, 1973).

The claims that MNCs are engines of development can be judged on the basis of what development track they are on. For a development model to have any real meaning in a world in which most people are struggling just to stay alive, it must as the development theorist Dudley Seers pointed out, provide solutions to poverty, unemployment, and inequality.(Barnet & Mueller,1974).

MNCs should take measures to improve living conditions in the developing countries where they operate, through the establishment of welfare facilities at the plant or the community level. On top of emphasizing economic growth and transfer of technology, experience and skills, according to ILO (1973), these corporations must also align themselves into the economic and social objectives of their host countries and contribute to the progress of these objectives.

Despite the consensus about the role that MNCs should play in social development, as indicated in the literature reviewed, there is clearly a gap in studies done quantifying exactly what they have done or are actually doing, especially in the Kenyan context.

1.7 CONCEPTUAL FRAME WORK



Multinational corporations can either contribute to social development directly or indirectly as can be. Multinational corporations can either contribute to social development directly or indirectly as shown in the figure above. They can contribute directly to social development either through joint efforts with the government or through CSR. On the other hand, they do contribute indirectly through taxation, which plays a very significant role. This is through their corporate taxes or through personal income taxes from their employees.

CSR in developing countries is influenced by the development priorities, which are informed by the socio-economic condition of the host country (Visser, 2007). In these countries therefore CSR is specifically channeled to providing health facilities and fighting poverty which are among the socio-economic challenges in these countries. Other areas focused on are, increasing access to education as well as infrastructure advancement.

According to Visser et al, (2007) being the most apace growing economies developing countries offer the most profitable markets; but for this reason too, these countries feel the most impact of social and environmental catastrophes, according to him therefore, the more the reason for the focus on CSR in these countries. Another reason, according to Visser is that the most impressive social as well as environmental impacts from globalization would also be most felt in developing countries. These could be either positive or negative impacts.

In Kenya, income tax has been so designed as to target profits from corporate or businesses, this is known as the Corporate Income Tax (CIT) and also employment which can either be personal income tax (PIT), from self-employment or Pay As You Earn (PAYE) from employment. Income tax in Kenya is therefore levied on any and all incomes be it business, employment, rent, investment (dividends, royalties), commission and even pension earnings (Moyi & Ronge, 2006).

Taxation is the biggest contributor to the Kenya's GDP with MNCs tax contribution recognized as quite significant. According to PWC, between 1995 and 2005, for example, tax proceeds accounted for 80 % of total government revenue.

The private sector which has a significant presence of MNCs, is what predominantly propels the Kenyan economy. Kenya National Bureau of Statistics figures indicate that over 80% of GDP input in 2009 came from the private sector.

Relative to direct taxes (which comprises individual income taxes and corporate taxes), indirect taxes (comprising of VAT, excise duty and customs duty) supply the bigger share of total tax receipts. In the 2009/10 tax year for example VAT contributed the most tax, Personal Income Tax was the next followed by Corporate Income Tax. According to the treasury the large taxpayers account for around 75 % of overall tax receipts, most of the MNCs operating in Kenya fall under this category (PWC). We can therefore infer that taxes paid and collected by MNCs make up a sizable amount of total tax receipts.

1.8 HYPOTHESES

1. MNCs are contributing significantly in Kenya's social development through Corporate Social responsibility and taxation.
2. MNCs contribute significantly to Kenya's GDP through taxation.
3. There are no negotiated agreements between the Kenyan government and MNCs as regards their role in social development.

1.9 RESEARCH METHODOLOGY

Research Design

Descriptive survey intended to establish the role of Multinational Corporations in Kenya will be used. The activities of these multinational corporations will cover a period of the last 10 years.

Target Population

A sample frame work from which a random sample of 10 MNCs will be chosen. Due to time and budget limitation the sample to be used will be from Nairobi.

Sampling frame, technique and Size

The sample will consist of MNCs from the following key sectors:

Food

Finance /banking

Manufacture

Petrol distribution

Telecommunication

Data Collection

The study is based on both primary and secondary data. Secondary data on the company's social responsibility will be gotten from the company's yearly reports. The qualitative primary data and information pertaining to the role of multinational corporations in Kenya's social development will be collected using semi structured questionnaires and interviews, library research and internet searches.

The data will be coded, entered and analyzed using the statistical package for social scientists (SPSS).

The questionnaires will be administered during the interviews, to save time and avoid non-response.

The respondents will be managers of the selected MNCs in Nairobi.

Data Analysis

The data collected will be analyzed using descriptive statistics such as percentages and mean scores. The research will be presented in the form of tables and charts with the aid of the statistical package for social scientists (SPSS) version.

1.10 SCOPE AND LIMITATIONS OF THE RESEARCH

The study will be limited to MNCs operating in Kenya and will cover a period of the last twenty years. Because of time and cost considerations the MNCs will be selected from Nairobi. The study will further be limited only to the various activities that the MNCs intentionally and deliberately are involved in to promote social development.

To buck the primary data, documented evidence from the company's yearly reports will be used and given that the data collection will be targeting only managers of the firms, chances of bias are high.

1.11 CHAPTER OUTLINE

CHAPTER ONE: RESEARCH PROPOSAL

The first chapter introduces the topic of research study by setting out the broad context of the research study, the statement of the problem, justification, conceptual framework, literature review, hypotheses and the methodology of the study.

CHAPTER TWO: THE HISTORY OF MNCs IN KENYA

This chapter will provide the background of MNCs in Kenya, looking at their history all the way to their present state.

CHAPTER THREE: THE MULTINATIONAL INVESTMENT SECTOR IN KENYA'S ECONOMY

This chapter will look at the role of MNCs in Kenya's employment, taxation and GDP, in the light of Kenya's development plans (vision 2030).

CHAPTER FOUR: MNCs AND SOCIAL CORPORATE RESPONSIBILITY

This chapter will give an outlook at the extent to which MNCs contribute directly to improving the social conditions in the economies in which they operate.

CHAPTER FIVE: THE ROLE OF MNCS IN KENYA'S SOCIAL DEVELOPMENT

This chapter will analyze the data collected, with reference to the hypotheses and conceptual framework already stated.

CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS

This chapter will provide the conclusion of the study; give recommendations and provide suggestions on areas for further reading.

CHAPTER TWO

HISTORY OF MULTINATIONAL CORPORATIONS IN KENYA

According to Jørgensen (1975), Kenya became integrated into the world economy in the 19th and 20th centuries. During the colonial phase the structure of the domestic economy was transformed to produce agricultural goods needed by the external economy and to import consumer goods, and machinery from the external economy. British firms and British settler planters established copra and sisal plantations along the coast and later coffee and finally tea plantation. Among those first firms was Smith- Mackenzie. Smith-Mackenzie was established in Zanzibar in 1875. Its prime role was overseeing the East African mail contract that in 1872 had been awarded to the British India Steam Navigation Company. Between 1916 and 1923, the firm embarked in opening new offices in Nairobi, Kisumu, Kampala, Dares Salaam, Tanga and Lindi. The company, now registered in Nairobi, evolved to Smith, MacKenzie and Company Limited in 1936, having its principal East African office in Mombasa. It wasn't until 1950 that the firm's operations moved to Kenya wholly. (Smith, MacKenzie and Co Ltd | general merchants and agents in East Africa, 2011) The British firms were keen not only in making a profit but also in finding fresh British imports and in finding inexpensive raw materials for export to British firms with whom they were affiliated through commerce or partnerships. Other than Smith-Mackenzie, mentioned above, as shown in the table below, the specific multinationals looked at in this study, have a history that dates quite a while back in Kenya.

The table below shows the multinationals looked at in the study, and the year they commenced operation in Kenya.

Table 2.1

MULTINATIONAL	YEAR OF COMMENCEMENT
Kenya Commercial Bank	1896
British American Tobacco Kenya	1907
East African Breweries Limited	1922
Coca-Cola Sabco	1948
Bamburi Cement Limited	1954
Kenol-Kobil	1959
British-American Investment Company Kenya	1965
Equity Bank	1984
Safaricom Kenya Limited	1993

To start with, Kenya Commercial Bank (KCB), according to their website (2013), has a history that dates back to 1896. Its predecessor was the National bank of India which opened an outlet in Mombasa then. To keep up with the economic trend, in 1904 it

broadened its operations to Nairobi which had become the headquarters of the growing railway line to Uganda. Come 1958, the bank fused with Grindlays Bank thus establishing the National and Grindlays Bank. Consequent to Kenya's independence, the state acquired 60% shareholding in the bank with the aim of bringing banking nearer to the larger of Kenyan population, eventually acquiring it wholly in 1970 to take full control of the then largest commercial bank in Kenya, thus being renamed the Kenya Commercial Bank (KCB), one of Kenya's own multinationals. In 1972 KCB added Savings and Loans (K) Limited to its acquisitions. KCB began its multinational journey in 1997 when Kenya Commercial Bank (Tanzania) Limited was incorporated in Dar-es-Salaam Tanzania. The Tanzania bank currently has 11 branches. In May 2006, the group broadened its operations to South Sudan. Then came KCB Uganda Limited in November 2007, which currently has 14 branches. In December 2008, KCB Rwanda began operations, it currently has 14 branches. In 2010 S&L (Savings and Loans) was merged with KCB, providing access to mortgage finance through the bank's network of 222 branches. By opening the KCB Bank Burundi in 2012, KCB completed its East African regional presence.

British American Tobacco (BAT) Kenya is a unit of the London-listed British American Tobacco, the world's second largest tobacco group. A leader by market share (with over 65 percent market share) in the cigarette manufacturing and marketing industry in East and Central Africa, BAT then called the East African Tobacco Company, set up operations in Kenya (Mombasa) in 1907, though it built its first factory in Jinja Uganda in 1928. The 1930s saw the company start tobacco growing in Sagana and Kitui. In 1956,

the company acquired the Rift Valley Cigarette Company and the Nairobi Cigarette factory was set up in the same year. In 1965, the company split into BAT Kenya, BAT Uganda and BAT Tanzania. BAT Kenya's leaf growing operations were launched ten years later, which was followed by the setting up of a leaf threshing plant in Thika in 1978. In 1998, BAT Kenya, revised its corporate identity to British American Tobacco Kenya. (British American Tobacco (BAT) Kenya Limited, 2011) According to the 2011 investor briefing, BAT Kenya, a part of the BAT Group, was then one of the largest companies listed in the Nairobi Security Exchange (NSE), in terms of market capitalization, having had a market capitalization of Ksh. 24 billion. The company's bulk of activities in Kenya are cigarette manufacturing at the Nairobi factory for the home market as well as other international markets constituting Uganda, Mauritius and the Horn of Africa. Around 60% of the cigarette production goes to the export markets. The company's other activities include, the manufacture of cut rag for BAT Egypt, handling of leaf growing operations and management of the green leaf threshing plant in Thika. According to BAT, the Nairobi factory is one of the group's vital manufacturing focal points, serving both the East African community common market and the COMESA trade block. (BAT Kenya Limited, 2011)

British-American Investment Company (Kenya) Limited (BRITAM), on the other hand, a company founded in 1920, entered the Kenyan market in 1965 when the first branch office was opened in Nairobi. 1980 saw the Kenyan government declare that all foreign owned insurance companies branches be assimilated in the country, with a minimum of a third of its ownership in the hands of Kenyans. It was following this directive that

BRITAM was then incorporated locally. According to their website (2013), the insurance company has since evolved to an insurance company providing all classes of insurance. The overseas retained capital was acquired by British-American Insurance Company (Mtius) Limited in 1997. British-American Investments Company (Kenya) Limited was launched as an investment holding company in 2004. The company took over the British-American Insurance Company (Kenya) Limited and British-American Asset Managers Limited which was a recently formed investments advisory and asset management company. Following a further altercation of the equity ownership, 2007 saw the majority of shares passing to Kenyan investors. British-American Company (Mtius) Limited, however maintained its key strategic partnership. Britam Insurance Company (Uganda) Limited was established in November 2010, marking the start of BRITAMs regional expansion. (British American Investment Company (BRITAM), 2010)

Coca-Cola Sabco (the name changed to Coca-Cola Sabco(South African Bottling Company) along the way) another multinational firm operating in Kenya, started operations in Nairobi Kenya in 1948 , but due to the popularity of its beverages, almost immediately another production line was started in Mombasa. Nairobi Bottlers Limited, as it was known, was acquired by Coca-Cola Sabco in 1995. The manufacturer, sales and Distribution Company, markets the products & brands of the Coca-Cola Company, a wide range of beverages, including Coca-Cola, Coke Light, Sprite, Stoney, Dasani and those from the Krest, Schweppes and Sparletta groups. The company whose plant is in Embakassi, Nairobi, and which over the years has attained many awards including

‘Highest Quality Award’, ‘Bottler of the Year’, and Marketing award, also has 367 MDCs (Manual Distribution Centres). (Coca-Cola Sabco, 2012)

Bamburi Cement Limited, a subsidiary of Lafarge Group, engaged in the manufacture of cement and other cement related products, is another of the sampled companies. It started production in 1954 in its first plant in Mombasa. It was established in 1951 by Cementia Holding which later went into partnership with Blue Circle PLC (UK). Currently however Lafarge is the company’s principle shareholder after acquiring Cementia in 1989 thus becoming an equal shareholder with Blue Circle and further buying Blue Circle in 2001 making it the largest building materials company in the world. To boost production capacity and to enhance its serviceability to the Nairobi market and its environs, in 1998, a new plant was added just outside Nairobi. The Nairobi plant is the biggest cement manufacturing company in the region, with the Mombasa plant coming second in sub-Saharan Africa. It is also one of the largest manufacturing export earners in Kenya and one of the greatest electricity consumers in Kenya. The company’s subsidiaries include, Bamburi Special Products Limited, Lafarge Eco Systems Limited, Bamburi Cement Uganda, HimCem Holdings Limited, Diani Estate Limited, Kenya Cement Marketing Limited, Portland Mines Limited and Seruji Management Limited. (Lafarge Kenya, 2013)

Kenol, a multinational in the petrol distribution sector, was established in 1959. At its incorporation its sole activity was kerosene marketing under the brand name SAFI. Well

established, on its feet and running in 1960, the company broadened its target to mass consumer business such as supplies to farmers and industries. Because of its success and having being registered at the Nairobi Stock Exchange in the same year it was incorporated, the company had attracted over 600 shareholders within the first year. The shareholders with substantial investments in Kenya, suggested the company's expansion to tap more into Kenya's economy. So began Kenol's success story, with the company becoming even more noticeable when they opened its first two service stations, one in Nairobi and another in Mombasa. By 1965 the company had established inroads in the major towns in the country including Sagana, Thika and Nakuru.

For improved circulation and with the rising requirement for petroleum products, Kenol started two mass depots, one in Ruaraka, Nairobi, the other in Sagana in central Kenya. Because of the extensive large scale agricultural activities, the company had invested heavily by early 1970s in central Kenya.

1972 saw Kenol launch other filling stations in Western Kenya and in Kisii and also the amassing of more long term agricultural contracts that continued to sustain its growth. In 1983 the company was able to get vital contracts with parastatals for the delivery of refined products and so commenced importing refined products and crude oil. (Kenol, 2008)

Not long after that, the company further broadened its trade to fresh areas including export business and aviation refueling with the Moi International Airport in Mombasa and Jomo Kenyatta International Airport, Nairobi being their principal areas. The

company moved its headquarters to ICEA building in Nairobi in 1986, where it is located to date. Kenol started working with Kobil Petroleum Limited in a number of operational tasks in 1987. After the liberalization of the oil industry by the government in 1994, together with Kobil, Kenol endeavored to raise oil products imports while refining lower amount of crude oil, with the intention of improving supplies. The corporate identity that the company holds to date is as a result of an extensive rebranding exercise in 1997 which also involved an expansion its retail network.

The Kenol group as it stands today, is the biggest oil marketing company in Kenya, and one of the largest in Eastern and Central Africa, with a product scope comprising trade in crude oil, lubricants, LPG, and non-fuel products like mobile phone scratch cards, and tires.

Starting in 1999, the company commenced regional expansion by establishing Kobil Uganda Limited. Kobil Tanzania Limited followed in May of 2001. Further in 2002, Kobil Petroleum Rwanda was established. Other subsidiaries include Kobil Zambia established in 2002 and Kobil Ethiopia Limited established in 2005. (Kenol, 2008)

Equity Bank, a multinational whose home country is Kenya, advancing retail banking, microfinance and similar services and having subsidiaries in Kenya, Uganda, South Sudan, Rwanda and Tanzania, was started as Equity Building Society (EBS) back in 1984. According to their website, it originally provided mortgage financing to its customers, the bulk of whom belonged to the low income bracket. Following its insolvency in 1993, Equity then quickly mutated into a swiftly expanding microfinance,

then a commercial bank. Having over 8 million customers, Equity was by far the biggest in Africa in terms of client base by 2012. In 2010, the bank launched the Equity Group Foundation, which has so far been dealing with its CSR. (Equity Bank Limited, 2013)

EABL, East African Breweries Limited was also another of the sampled multinationals. The company, with breweries, distilleries, support industries and a circulation web across the territory, is East Africa's most prominent branded alcohol beverage business with varieties that stretch from beer, spirits and adult non-alcoholic drinks. It is also involved in the production and sale of glass containers, malt and barley. Its subsidiaries include, Kenya Breweries Limited, Uganda Breweries Limited, Serengeti Breweries Limited, United Distiller Ventnor, Central Glass Industries, East African Malting Limited and East African Breweries International, with EABL which was set up in 2009, concentrating its effort on business growth, currently operating across Southern Sudan, Rwanda and Burundi.

EABL's history dates back to 1922, when the Kenya Breweries Limited (KBL) was officially incorporated as a private company. In 1935, KBL bought Tanganyika Breweries, which went on to become Tanganyika Breweries Limited, a private company. In 1936, KBL and the freshly established Tanganyika Breweries Limited fused to form the East African Breweries Limited. In 1942, the company began what would turn into an annual event, a nationwide barley competition to encourage farmers to grow barley, not only making EABL self-reliant, but also initialing a new crop that would profit many farmers. KBL was listed in the Nairobi Stock Exchange in 1954, shortly after which in

1959, EABL amassed financial holding in Uganda Breweries. The 1960s saw the pioneering African directors appointed to the EABL board, as it continued its expansion and acquisitions. Their new headquarters at Ruaraka was opened in 1973. The 1980s saw the company get into partnership with a United States beer distributor, to commence distribution in the United States. The company has since continued to grow, even becoming the first company in East Africa to reach a \$1 Billion value in 2005. According to the Kenya Revenue Authority in the 2010/2011 financial year, KBL was identified as one of the top ten tax payers in terms of absolute taxes paid. (East African Breweries Limited (EABL), 2013)

Safaricom, one of the leading communications companies in East Africa, is the youngest multinational looked at in the study. Safaricom started as a department of the Kenya Posts and Telecommunication Corporation. It commenced its operations in 1993, but was incorporated in 1997 as a private company which later on in 2002 was converted into a limited liability public company. By virtue of the 60% Government (Telkom Kenya) interest in the company, Safaricom remained a state corporation until 2008, following the issuance and sale of 25% of the shares held by the government to the public. Safaricom which provides a comprehensive range of services: mobile and fixed voice as well as internet and data services, currently has over 17 million subscribers. Safaricom also pioneered commercial mobile money transfer globally through M-PESA, the most successful of such service anywhere in the world. (Safaricom Limited, 2013).

According to Ombok (2013), Safaricom is arguably Kenya's largest company in terms of market value, only rivaled by EABL. In the year ended March 2013, Safaricom's net income was Ksh. 17.5 billion shillings.

CHAPTER THREE

THE MULTINATIONAL INVESTMENT SECTOR IN KENYA'S ECONOMY

According to Career Nation (2011), a human resource firm, factors that make Kenya an appealing haven for MNCs, include among others the formation of a common market, the EAC. South Sudan's (whose population is 8.4 million) likelihood of joining the EAC along with Kenya's LAPSSET (Lamu Port, South Sudan-Ethiopia Transport) project which will open up access to Ethiopia whose population is 84 million, will result in an inter connected market of 240 million people. This according to Career Nation surpasses the 150 million people mark, that experts project a region needs to be a major world power (2011). Another key factor that cannot be ignored is the massive investment in fibre-optic cables that Kenya has undertaken, this has had the positive impact of highly boosting internet connectivity and speed. Being connected is key to any industry operating on a global level, thus the importance of this move. Another big plus for Kenya and specifically Nairobi, is its central location in the continent, thus making it easily an operational centre. To companies like Kenya Airways, the national carrier, this has really played to their advantage. Nairobi further continues to be a host of MNCs also because of the continued revamping of infrastructure making it easier to travel within the capital city, and even beyond. The new Thika Super Highway as well as the Syokimau Railway are among the continued infrastructure improvement projects.

Multinational firms, Career Nation (2011) continues to assert, also point out that Kenya has an expansive group of talent in all areas from technology to banking, marketing and commerce, making recruitment of high quality personnel way easier. Compared to the rest of the region, Kenya still remains far ahead in terms of graduates being produced each year.

To look at the size of the multinational sector in Kenya's economy, this study sought to measure the employment opportunities it offers - directly or indirectly, and how much they contribute to Kenya's GDP, and of course this is best done, as shown in the conceptual framework, through taxation. These employees additionally pay taxes through the PAYE (Pay As You Earn) system. This study however focused on the taxes paid directly by the multinationals to the exchequer.

EMPLOYMENT CREATION

Other than Bamburi cement, which looking at the ten year period this study was focusing on, has seen the reduction of employees. All the other multinationals analyzed, have over the period been increasing their number of employees. Bamburi Cement had 1022 employees in 2007, but currently has around 974 (2013 figures) employees.

British American Investment Company for example had 230 permanent employees by the end of the 2008 financial year; however come the end of 2012, BRITAM had a total permanent employee count of 408 with over 1300 financial advisors.

At the end of the year 2000, on the other hand, Kenya Commercial Bank had 3420 employees, but currently their employee count stands at over 4000.

Equity Bank, the largest employer among the companies sampled, had 165 employees at the end of 2001, but their 2012 figures show that they had slightly over 7000 employees.

Safaricom Kenya Limited has also seen its number of employees increase from 1000 in the year 2007, to 2701 in 2012.

The KenolKobil Group which had around 140 employees by the year 2000 currently boasts of around 500 permanent and pensionable employees.

Coca-Cola statistics indicate that they had 630 employees in 2009, but currently the Kenyan plant employs around 825.

In the year 2002, British American Tobacco Kenya Limited had 449 employees, the number at 2012 was 500. These numbers are however just the basic, permanent employee numbers. More than 50% of these companies, the study found, employ many more people indirectly.

To start with while Coca-Cola's primary objective as a business is to ensure a solid and viable foundation for their business design, they have also forged business openings through managed third party circulation designs known as the MDC (Manual Distribution Centres) model. Through the MDCs model, individuals warehouse and distribute products on the company's behalf in a defined geographic area by using low cost equipment like push carts, bicycles and light vehicles. These MDCs owners in turn

employ others. Being incorporated in the Coca-Cola value chain, means having finance, learning and development opportunities at one's disposal. An example of an MDC in Nairobi looked into, was one owned by Rosemary Njeri. She started as a Coca-Cola stockiest in the late 1990s, in 1999 she was given an opportunity to operate an MDC in the heart of Nairobi. 10 years later, according to the Coca-Cola sustainability review for 2009, she had 16 employees. (Coca-Cola Sabco, 2009)

The company currently has 208 MDCs in Kenya, which could well translate to over 2000 people employed.

Bamburi Cement also continues to provide employment to people beyond their company walls. In 2007 for example, on the implementation of a new bio-fuel project on its mining reserve land, the multinational employed 180 people to work on the same. The project involved planting tree plantations on long term basis (a total of six years with the harvesting and replanting anticipated to start on the seventh year) to provide wood fuel to substitute the fossil fuel in use, at the same providing a chance to work closely with the adjoining communities. (Bamburi Cement, 2007) In 2008, the company also contracted community nurseries as part of the tree planting project providing further employment opportunities. Over the years under review in the study the company continued to involve the community not only providing a source of income but also bestowing skills on seedlings nurturing which could be put to use in other places or circumstances. (Bamburi Cement, 2008)

BAT on the other hand, contracts farmers for tobacco farming. In 2005 for example, it contracted 9000 farmers. In 2013, the company had 5,000 farmers under contract in Eastern, Western and South Nyanza. The firm has currently over 30,000 farmers cultivating tobacco as one of their main income earning crops. (“Kenya: Don't Expect Us to Puff in the Counties- British American Tobacco,” 2013)

EABL also works with farmers through its subsidiary, Kenya Malting Limited (KML). KML's work is to produce, process and market both barley seeds and malt in Kenya. The company contracts farmers to grow either the barley seeds or barley for processing and in the same breath also contracts transporters who deliver the barley from farmers to the various storage and processing destinations. (Export Processing Zones Authority, 2005, p.5)

In 2011 though, with the soaring costs of barley and malt, the brewer started engaging sorghum farmers around the country. In so doing not only did EABL get affordable raw material for production of cheaper sorghum-based beer, but also had a positive impact in improving the livelihood of farmers in semiarid areas who were contracted. (Mutegi, 2011). By 2012, the brewer had contracted 6000 farmers in Mbita, Nyanza to further enhance its supply of sorghum. (Karanja, 2012)

Safaricom is also one of the MNCs that provides further employment beyond its core business. Most significantly Safaricom has employed very many through Mpesa. This unique one of a kind, and first ever mobile-phone based financial service that is now being replicated the world over, has not only revolutionized financial services for

Kenyans, but has also been a source of employment for thousands. According to Safaricom's 2009 Annual Reports and Group Accounts, the number of Mpesa agents country wide was 7000. This was after the company introduced a cumulative model, this model allows larger agents to recruit smaller business that do not meet Safaricom's agency requirements as sub-agents. This model has seen to the increase of agent footprint countrywide as well as created employment opportunities. As at March 2011, there was an Mpesa agent network of over 24 000 outlets. (Safaricom Limited, 2011). This certainly translates to a further employment of way more than 24 000, given that some of these outlets employ more than one person.

Insurance companies mostly rely on sales agents to sell their products, and BRITAM is no exception. So on top of its permanent employees, the company also engages sales agents or financial advisers as they term them. By the end of 2012, British American Investment Company Kenya had 1300 financial advisors. (British American Investment, 2013)

TAX REVENUE

The other aspect that this study used to measure the size of the multinational investment in Kenya is the taxation aspect; how much these MNCs contribute to the government revenue.

The Kenya Revenue Authority (KRA) has a Large Taxpayers Office (LTO), responsible for all top tax payers or specialized taxpayers. According to the KRA website (2013), the LTO accounts for over 75% of total KRA revenue collections. Among the criterion used

to select these large taxpayers include, companies, their subsidiaries and associates with yearly incomes of over Ksh. 750 million, all banks and insurance companies, oil exploration companies, all tobacco companies, the top 200 VAT payers and the top 30 excise duty payers. Most if not all multinational fall under these categories, in fact, in the financial year 2010/2011 for example, according to KRA (2013), out of the top ten taxpayers, 7 were multinationals. These included among others, Safaricom, Kenya Breweries Limited, Equity Bank, British American Tobacco Limited, and Kenya Commercial Bank, all which have been the focus of this study.

The following table gives a summary of the taxes paid by the sampled companies for the 10 year period under review as obtained through the questionnaires and the companies' annual reports. The figures given are the total amounts of income tax only, remitted to the exchequer in the respective years. This is exclusive of duties and other license fees.

(Note: for some Multinationals, some of their income taxes for the years in review could not be obtained.)

Table 3.1: MNCs' Income taxes.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Taxes paid in Ksh. '000									
BAT	180992	724516	663975	381709	611247	488001	587588	967985	750731	1350923
BRITAM							117317	105534	100096	217312
KENOLKOBIL		220251	238390	495218	425374	372923	451326	794040	634410	1244 807
KCB	6053	476	1948	-	64778	92764	207918	2533643	1315529	5754505
EQUITY			60000	12833	355197	392000	732000	1607000	1270000	2875000
COCA-COLA										
BAMBURI	543	950	848	1116	1213	1680	1677	1732	2251	2300
SAFARICOM					4256146	5002191	6962496	6455817	5280085	6197250

As previously mentioned, the above figures are just the income taxes; these would have been much higher if their total contribution to government revenue could be obtained. Looking at BAT Kenya for example, they were the 4th largest taxpayers in the year 2009 with a total of Ksh. 8.3 billion contribution to the exchequer, which was up from Ksh. 7.9 billion in 2008. (BAT, 2009, p.11). In 2011, their total contribution to government revenue was Ksh. 10.5 billion. (BAT, 2011)

In 2009, Safaricom Limited, on the other hand, was the largest tax payer by remitting a total of Ksh. 25.9 billion in duties, taxes and license fees in the year, bringing the total taxes, duties and fees paid by the company since its inception to 2009 to over Ksh. 112.8 billion.(Safaricom Limited, 2009, p.4)

CHAPTER FOUR

MNCs AND SOCIAL CORPORATE RESPONSIBILITY IN KENYA

As much as it is known, and is mostly the case, most companies engage in CSR, more as a way of increasing their brand visibility rather than a way of giving back to the society.

Among the questions this studies sought answers for as pertains these companies' engagement in social corporate responsibilities included:

- Whether or not the company engages in CSR
- Whether or not the company makes a budgetary allocation for CSR activities.
- Whether the company subscribes to any external CSR code, such as the global Sullivan principles, UN Global compact or any other.
- And to what extent the company engages in any of the following social activities?
 - Education and training
 - Youth/ children's talent development
 - Housing projects for the community or Employees
 - Child and health care activities
 - Environmental contribution
 - Employee Development projects

- Community Development projects
- Water and sanitation projects

This chapter discusses how these sampled companies actually go above and beyond the above mentioned projects. These companies as this chapter will further show, have key areas that they focus their CSR activities on, mostly on the basis of their corporate philosophy. Some of the areas were however common for almost all of the companies in review. Most notable being education and environment.

The significance these companies give to giving back to the community can further be demonstrated by the fact that most of these companies have even set up foundations to specifically deal with their CSR initiatives and other components of good corporate citizenship. Examples are the Safaricom Foundation, The EABL foundation, KenolKobil Education Fund and KCB Foundation. Further as will be shown, yes these companies do specifically allocate money, in some instances even, a specific percentage of their profits to CSR.

It should be noted though, the Tobacco Control Act, 2007 (the principal law governing tobacco control in Kenya) in effect limited the scope of CSR activities a company like BAT could engage in. The allowable parameters, within which BAT continues to engage in are afforestation and environmental conservation. (BAT, 2011)

As regards the CSR areas of focus, Bamburi Cement to start with, has its priorities as regards CSR being health and safety, environment, rehabilitation, infrastructure, education and sponsorship. (Lafarge Kenya, 2013)

EABL on the other hand, has its CSR activities focused towards three key areas, water, health and education.

Through the Safaricom Foundation, the platform that Safaricom uses to exercise its Corporate Social Investment (CSI) mandate, founded in 2003, Safaricom's CSR activities entail investment in education, health, community development, environment, arts, culture, sports and disaster funding.

The British-American Investments Company (Kenya) Limited's CSR, on the other hand, entails community work, financial education, environmental work and ethical codes. (BRITAM, 2010)

The Kenya Commercial Bank, through the KCB foundation, seems to have its CSR activities focused in the areas of health, education, environment, entrepreneurship and community well-being, with education being the key social investment.

CSR in Equity bank, through the Equity Group Foundation, is in the areas of health, education, sports, and poverty alleviation, with its main focus however being on leadership development programmes.

Coca-Cola, another of the sampled companies, is focused mainly on poverty alleviation, through entrepreneurship and women empowerment projects, healthcare and education.

KenolKobil on the other hand, continue to commit themselves to what they term as 'long term' corporate social responsibility on the basis of need, resource availability and project relevance.

BAT, on its part, as the findings indicate, engages in activities aimed mostly at poverty alleviation.

On the question of whether or not these multinationals budget for their CSR activities, the findings show that they mostly do. Except in emergencies, as shall be shown, whereby, most of them do come in and contribute, in times for example, of disasters. EABL for example, starting from 2004, approved a fixed 1% of their profitability to be channeled towards the communities they operate in, in other words towards CSR. (EABL, 2004, p.17)

In 2007 a starting amount of Ksh. 60 million annually, to be reevaluated based on bank's performance, was approved by the KCB foundation, to be channeled towards CSR. (KCB, 2007, p.13)

From the data collected, the following are the major areas of CSR that these MNCs engage in:

4.1 EDUCATION

One area that is a common denominator among all the companies reviewed is the area of educational projects. Each of these companies in one way or another, but mostly to a great extent, as the data analyzed indicates, has contributed to this over the years in question.

- **Bamburi**

Bamburi's contribution to education dates back to 1998, when the company set up an undergraduate bursary scheme, to assist underprivileged students to national universities. The company, through the initiative, awards the bursaries to the top disadvantaged students in the Kenya Certificate of Secondary Examination (KCSE) in the areas in which they operate. The bursary which covers tuition, to seek further education in any of the local universities, started with 2 students but by 2005, the scheme, as the findings indicate, had since expanded to 21 and the focus on education has seen the continued support to a number of students in various schools in Kenya by paying their school fees. (Bamburi Cement, 2005)

Cement for schools is another project by the company, the project's objective was to assist in the country's recovery from the 2008 post-election violence through the rehabilitation and improvement of schools. They were to target 118 public fully state supported schools affected during this period either through direct ruining of schools or that had in sufficiencies as a result of over capacity from the migration of displaced families. Bamburi Cement Ltd executed the project in cooperation with the Ministry of Education (School Infrastructure Programme). A proximate of 80 schools athwart the country received 14000 bags of cement in 2010 through the Cement for schools project. The "Cement for schools" campaign came to an end in 2011.

Another of Bamburi's educational projects is "The Green Schools Project" that was set in motion in 2003. The aim of this project as the name suggests, was first, to inculcate in children environmental management, afford access to clean water for the children and the community at large and provide the schools, majority of which were situated in arid and semi-arid areas a source of future wood fuel. The project was meant to further just improve the schools as educational focal points. Through the project 21 schools were beneficiaries of 37 water tanks that were put up in them in the year 2004 (Bamburi Cement, 2004). Bringing the total to 107, 2005 saw a further 53 tanks erected in 27 schools, among them an orphans' institution. By the year 2007, an overall of 105 schools spread throughout the country had gained from the project. The year saw to 17 water tanks being put up in 9 schools, a further 9 fresh schools were enlisted to the project. To add to that, still in 2007, 130 715 tree seedlings were sowed, likewise Mkokoni primary school benefitted from the reconstruction of some classrooms in the same year, through the same project (Bamburi Cement, 2007). 2008 saw the green schools project, which by then had a membership of 120 schools and serving a student population of 51 000, distribute and implant signboards in 35 of the project schools in Machakos, Kajiado, Athi River and Coast, over 100 000 seedlings planted as well as the construction of 18 water tanks in various project schools. To make these successful, it was all done in cooperation with the Forestry and Education departments. Together with 200 bags of cement for construction ventures, Bamburi gave textbooks to Kivyuni Primary School in Mutomo district in March, the same year. A neighboring school, Kyamalo primary school also gained by getting 100 bags of cement. In the same district, a place known as Kanzilu, a

community borehole projected to benefit 3000 people was sunk by the company (Bamburi Cement, 2008).

Further, collected data shows; in 2010 approximately Ksh. 8 million was spent in the coast province towards the putting up of more classrooms in Kazadani Primary school, drilling of community boreholes and wells in Shanzu and Vipingo, and the building of water tanks in Denyenye and Lawakera. In the process, local administration offices in the areas of Kisauni and Ngombeni were also beneficiaries of the renovations and furniture donations. After 7 years running, “The Green Schools Project” came to an end in 2010 having incurred a cost of Ksh. 49 million, 134 schools having benefitted, with 558 000 trees having been planted in schools alongside the donation of a total of 156 water tanks, and most significantly with more than 59 000 school children having partaken of and attained exposure in environmental maintenance and management.

Other than those specific projects, through their subsidiary Lafarge Ecosystems (LES), on site academic programs were established with prominent national and international universities, that is a hands on kind of training. In 2005, for example, 13 Kenyan students were beneficiaries. In the same year, LES also supported some Kenyans to further their education, two scientists affiliated with the company got scholarships to Harvard and Yale universities for a PHD and master degrees that constituted field research with LES. (Bamburi Cement, 2005)

The company had also been working in conjunction with the Kisauni CDF bursary fund to support brilliant but disadvantaged students from Kisauni district from 2009. By 2011,

152 students had gained from that cooperation. 8 other schools in Kisauni, were further beneficiaries of a direct donation of desks and books from Bamburi as well as assistance towards additional classrooms.

In 2011, in Kathiani constituency, Bamburi Cement further saw to the construction of classrooms, toilets and surrounding walls in two schools to enhance the safety of the pupils. (Bamburi Cement, 2011)

- **BAT Kenya Ltd**

From the data analyzed, BAT although not to great extent, has also committed their CSR to educational projects.

In 2008, BAT donated 316 laptops and 186 TFT monitors to various learning institutions through the ICT trust fund, to facilitate the introduction of information and communication technology to schools mostly in disadvantaged areas. In the same year, the company supported construction of some schools. (BAT Kenya, 2008).

- **EABL**

EABL conducts its CSR activities through the EABL foundation. Its most prominent of activities is actually in education, through the Guinness Scholarship Programme, which targets academically bright but financially needy students.

In 2004, they continued to offer business scholarships at Strathmore University in Nairobi. Till then, they had financed 40 academically bright but financially underprivileged students to study for degrees in commerce and business information

technology. Through the Guinness Strathmore Scholarships, by 2004 they had donated Ksh. 35 million to cover the tuition fees for the four year degree courses. (EABL, 2004)

In 2005 the Guinness Scholarship program was broadened to cover the whole of East Africa with an emphasis on certain degrees which included business, IT, Food technology and engineering. The scholarships were not only offered at Strathmore University but were further expanded to other public universities. During the year the company provided scholarships worth Kshs.19 million. (EABL, 2005)

In 2007, EABL foundation selected 14 scholars from numerous applicants from Kenya, Uganda and Tanzania for the scholarship program, to attend degree courses across East Africa. The high school graduates were chosen based on academic brilliance and economic need. The scholarships given, which cover tuition, accommodation and a monthly stipend for the duration of the study was worth Ksh. 19 million. During the duration the students are also offered mentoring and internship opportunities at EABL subsidiary companies. 2007 marked the seventh year since the inception of the foundation, and so far over 70 students had benefitted from the foundation's Ksh. 90 million investment thus far. (EABL, 2009)

By 2009 120 students had benefitted EABL Scholarship programme, with a total of 20 students receiving scholarships during the year. (EABL, 2009)

In 2011, EABL yet again sponsored 20 more students across East Africa to various private and public universities. (EABL, 2011).

- **KenolKobil**

One of KenolKobil's main CSR projects is the Kenol Education Fund, through which company engages in various educational projects most prominent being the offering of scholarships to financially disadvantaged students.

From the data collected, in 2010 in partnership with the Israeli Embassy, the company made a one-time donation of desks to Kisumu KDN School in Korogocho slum. Further they continued to support the Light and Hope Academy, an institution for children with disability that they had been supporting for a while, with regular food stuff and other supplies.

In 2011 the fund awarded 12 needy students scholarships. The scholarship bursary covers fees up to university level with an opportunity to work at the company once done with school. During the same year, one of the beneficiaries got employment on completion of her studies. They also continued to support Light and Hope Academy for disabled children in Korogocho with foodstuff.

- **Safaricom**

Through the company's foundation, Safaricom put up classrooms, science and computer labs and dormitories in 100 primary and secondary schools across the country at a cost of Ksh. 84 million in 2007

During the same year, in liaison with Computer for Schools Kenya, Safaricom Foundation furnished 80 secondary schools - 10 in each province, with computers accompanied by an

ICT curriculum. This project targeted poor schools, with no other means of accessing the invaluable benefits of ICT. With some of these schools not having access to electricity, Safaricom had to further fund the acquisition of electricity generators. With 1600 computers in 80 secondary schools, approximately 100 000 students as well as the wider school communities were expected to benefit from the access to ICT, by the end of the 3 year project (Safaricom Limited, 2007)

In 2008, the foundation spent close to ksh.78 million in education projects.

In partnership with 100 schools across the country, the foundation funded the construction of classrooms, science laboratories and dormitories.

During the same year, the foundation continued with the “Computer for Schools” project with the computer centres constructed being converted to community centres during school holidays, thus befitting students not necessarily from the recipient schools as well as the communities at large. This, the findings also found, was conjugated with the training of a head teacher and an IT teacher to ensure smooth running of the project.

Further in 2008, the foundation launched a partnership with African Braille Centre that saw the foundation purchase and distribute 30 Perkins Brailers to special schools. (Safaricom Limited, 2008)

The foundation supported 60 education projects in 2010, totaling Ksh. 81 million. These included the building and furnishing of libraries and laboratories in schools mostly in marginalized areas.

The foundation also invested in the provision of specialized learning equipment for special schools in the year. Among the activities towards the same included the building of a vocational training centre at Reverend Muhoro School for the Deaf in Mukurweini, assistance of the Africa Braille Center in the production of audio-books, as well as the bequesting to Joytown Secondary School of a school bus in conjunction with Isuzu/ General Motors. (Safaricom Limited, 2010, p.30)

In 2011 the foundation built two classrooms in Osupukial Primary School in Transmara.

2012 saw 25% of their total project funding (Ksh. 15.6 million) channeled towards 41 education projects during the year. Other than infrastructure, some of the funding also went to providing sanitary facilities to retain girls in schools. (Safaricom Limited, 2012)

- **British American Investment Company**

From the findings of the study, BRITAM has not invested much in education. From the little gathered, in 2009 the firm provided employment to local students and offered support for educational establishments. (BRITAM, 2009)

Gele Gele Primary school in Sotik, Rift Valley was the beneficiary of a donation of computers by the company in 2010. (BRITAM, 2010, p.26)

- **Kenya Commercial Bank**

According to 2008 annual reports, education continued to be the largest recipient of the company's CSR funding. During the year, investment in educational projects received a total of Ksh. 23 940 400. (Kenya, Commercial Bank, 2008, p.32)

Among the education projects, KCB undertook in 2008, was the support of victims of the 2007/2008 post-election violence, through a Ksh. 17 million donation to the ministry of education. The group also provided emergency infrastructure like desks, tents and learning materials to children who had been displaced in Molo, Nakuru and Subukia as a result of the post-election violence. Further, a number of schools including Kaaga School for the Deaf (Meru), Kariobangi North Primary, Ngei PAG School Huruma, Umoja Primary (Nakuru), Ulanda Girls Secondary (Migori), and Baragoi Secondary School (Marsabit), received support to boost water accessibility and promote safe hygiene.

In 2009, a partnership with Palm House Foundation, saw 8 students receive 4 year scholarships for secondary education. Bringing the number to 28, that had so far benefitted from such scholarships from the bank.

Bukhoba Primary School in Siaya also benefitted from the construction of 2 classrooms in the same year. As in previous years, education continued to be the key social investment sector for the KCB foundation with the investment during the year being over Ksh. 36 million. (Kenya Commercial Bank, 2009, p.37)

From the findings, in 2010 educational projects received over Ksh. 31 million from KCB foundation. (Kenya, Commercial Bank, 2010, p.35)

In 2011 Ksh. 66 million was channeled to educational projects. (Kenya Commercial Bank, 2011, p.14). 44 scholarships were awarded to needy students in the following institutions; Starehe Boys Centre, Starehe Girls Centre and Palm House Foundation. 18 schools benefitted from fully equipped and networked computer laboratories, through the

computer for schools Project. 220 schools across the country also benefitted from learning infrastructure including, textbooks, desks etc., during the KCB Community week. Construction of classrooms, school roofing and renovations were further undertaken in 17 schools.

- **Equity Bank**

Equity Bank, one of the multinationals sampled, has been prominently channeling its CSR to educational projects. Starting in 2001 the bank has been offering internships to the best KCSE student in every district that they operate in and offering the same vocational employment when in university.

In 2005, noticing that boys were benefiting incommensurately; the company broadened the internships to two per district, to the best boy and girl. The programme also supports academically bright but financially challenged students who perform excellently in the Kenya Certificate of Secondary Education bear their university education expenses (Equity Bank Limited, 2005, p.15).

2006 saw 76 students benefit from the bank's scholarships. As they had begun, the scholarships were awarded to both the best girl and boy student in each of their districts of operation. The scholarship catered for the university tuition fees well as accommodation and living expenses. The bank further continued in their endeavor to assist brilliant but financially disadvantaged students to different secondary schools. During the same year, the schools' and colleges' drama festival benefitted from a Ksh. 6.5 million shillings funding from the bank (Equity bank Limited, 2006, p.18).

In the year 2007 the bank spent Ksh. 150 million in the pre-university internship programme (106 interns), Ksh. 200 000 in the acquisition of text books for a St. Anne School in Bonchari, Kisii, it also continued to sponsor the annual schools' and colleges' drama and music festivals, doing so during the year for a total of Ksh. 11 million. It further continued to support the country's newly started free primary and secondary education by offering free of charge institutional accounts. (Equity Bank Limited, 2007, p.20)

2008 saw the bank sponsor 186 students who performed outstandingly in the 2007 KCSE to universities for a total of Ksh. 112 million, spend Ksh. 4 million on the Drama and Music Festivals sponsorships and together with Kenyatta University, began a community outreach programme, through which students have firsthand experience living and working with local communities, thus getting a chance to address local social and economic challenges through creation and actualization of various development programs. (Equity Bank Limited, 2008)

In collaboration with MasterCard Foundation, in 2009 Equity Bank offered 166 complete high school scholarships and leadership development trainings. The high school scholarships targeted ten thousand pupils in a span of the coming five years. In yet another cooperation with the same foundation, Equity Group Foundation (EGF) awarded 96 brilliant but under privileged students from Nairobi's Precious Gift Schools a Ksh. 2.5 million sponsorship after sitting their KCPE. The foundation further continued with its pre-university internship and scholarship programme, with 160 more students coming on board in the year. (Equity Bank Limited, 2009)

EGF continued its partnership with MasterCard Foundation in 2010 by launching the “wings to fly” programme, a nine year initiative, aimed at offering full secondary school education sponsorship and leadership coaching to 5600 bright but economically and socially challenged young Kenyans. The foundation defines economically and socially marginalized students as “students who have lost one or both parents, students whose parents are living with HIV or chronic illnesses, families affected by disasters such as famine and all who are unable to educate their children.” The initial beneficiaries were 1200, 400 joining national schools. In the same year 200 students were the bank’s Equity bank university sponsorship beneficiaries (Equity Bank Limited, 2010, p. 20).

In 2012 the “Wings To Fly” program broadened from the starting 166 in 2010 to an enrollment of 3484 scholars in 600 schools throughout the country, this was mainly due to the increased support from other organizations and individuals.

In 2012 the University Scholarship Programme, took in a further 250 top performing scholars bringing to 1290 the aggregate number of students that have gained from the program since its outset. (Equity Bank Limited, 2012, p.19)

4.2 ENVIRONMENT

From the findings, another area that was focused on by most if not all of the companies sampled was the area of environmental conservation and rehabilitation.

- **Bamburi**

Starting with Kiembeni Road, towards the end of 1999, Bamburi has been paving and lining roads leading to their quarries with trees to contain the dust generated as a result of their activities. This is just one of their ongoing environmental projects. Another, as also lined out in their CSR priorities is land reclamation, which involves rehabilitating or reforestation of quarries after their mining activities. The most recognized of Bamburi's land reclamation endeavors is Haller Park (formerly known as the Bamburi Nature Trail,) which was transformed to what is currently a popular nature recreation site for tourists and locals.

Bamburi is one of the first members of the WWF(World Wildlife Fund) Eastern Africa Corporate Club, a club whose goal is to bring together leading East African Companies in environmental conservation, poverty eradication and sustainable development. (Bamburi Cement, 2004)

In 2004, through the WWF/EARPO (Eastern Africa Regional Programme Office) Partnership and in cooperation with other relevant organizations and the local communities, Bamburi launched the "Shimba Hills" project. The project's goal was the conservation of the Shimba Hills Ecosystem, through the involvement of the local communities. (Shimba Hills National Reserve, a 250 km² national park, around 40km south of Mombasa, is part of Eastern Africa Coastal Forest Eco Region, one of the world's 25 biodiversity hotspots). The locals would be assisted in starting or doing tree plantations on their land along the reserve boundary to serve two purposes, reduce human

animal conflict, mainly the crop raiding by wildlife as well as create a future source of revenue, which would be realized from the sale of poles and timber. 33000 seedlings were planted during the year. 2000 trees were also planted in 6 schools around the reserve. (Bamburi Cement, 2004)

In 2005, continuing with its quest for quarry rehabilitation, the company was involved in planting of pioneer trees in new quarry areas , while doing enrichment planting in older areas like the Haller Park, and also encouraging staff, shareholders and the community in the creation of forests.

During the same year, a one day seminar for 30 primary school teachers in Kwale district to help them understand how to start a tree nursery and to care for trees as well as raise awareness on the importance of environmental conservation was carried out by the company.

Under WWF/EARPO's leadership, together with other companies, Bamburi embarked on the Mau Project, a project expected to be a model site for other water catchment forests in the country and the region. Mau is one of the 5 main water catchment areas in Kenya, covering an area of 390 000 ha, but being a very productive land, it is severely threatened by population pressure and over exploitation mostly for timber and wood fuel. Together with other organizations as well as the local community, the project aims at stopping further destruction as well as protecting what remains of the Mau. (Bamburi Cement, 2005)

Another of Bamburi's projects which also falls under environmental conservation is the "Green schools Project" already mentioned under educational projects, whose aim was to expose children to environmental conservation as well as provide access to clean water for the children and the community and a future source of wood fuel to schools in arid and semi-arid areas. By the end of 2010, the year that marked the end of this project, after running for 7 years, It had cost Ksh. 49 million, 134 schools had benefitted, had ensured planting of 558 000 trees in schools, donation of 156 water tanks and more 59 000 school children had participated (Bamburi Cement, 2010).

In 2008 the company paid Over Ksh. 2 million to local community groups for seedlings through the biofuel project. Through this project, community based organizations are trained on nursery management who then become Bamburi Cement suppliers.

During the same year there was a trial-run of the Shamba system, another of Bamburi's project. Through the Shamba system arrangement, neighboring communities are given the opportunity to cultivate crops between the young trees on Bamburi's tree plantations, on seasonal cultivation contracts, in return for taking care of them. It proved very successful in Vipingo, one of the sites, with the families harvesting over 40 000 kg of good maize, fetching them around Ksh. 880 000, whilst at the same time saving the company on maintenance costs.

2009 saw 39 community based organizations that had been trained on nursery management, become suppliers for Bamburi cement earning their community Ksh. 2.5 million in revenue from the seedlings. 518 000 biofuel seedlings were planted, out of

which 219000, were bought from the CBOs. In addition new tree plantations continued being maintained by the neighboring communities through the Shamba system arrangement. (Bamburi Cement, 2009)

- **BAT**

From the findings, as far as environmental conservation is concerned, BAT Kenya in 2011, expended 500 000 seedlings to the office of the prime minister's Greening Kenya initiative, supported the national dam and river rehabilitation projects by committing over 20 000 trees and contributed 100 000 seedlings for planting in the Mau catchment area to promote agriculture and water sector development (BAT Kenya, 2011, p.59).

- **EABL**

EABL on the other hand, commits to environmental conservation projects through E-green. In 2007, E-green the EABL staff-driven environmental initiative saw to the planting of over 2000 trees in the Ngong forest sanctuary in Nairobi. E-green also donated Ksh. 200 000 to the Ngong Road Forest Sanctuary Trust, a lobby group that presses for the reforestation of the sanctuary. E-green whose mission is to promote environmental awareness empowerment also planted trees in Mau Narok and Gatanga (EABL Kenya, 2007).

- **Safaricom**

The Safaricom Foundation has also invested heavily in some environmental and wildlife conservation efforts which include; In 2007 , the foundation's support of Ksh. 8.2 million

to the Ngare Ndare Forest Reserve, went a long way in providing alternate employment to people otherwise dependent on forests, thus preserving the forest and its environs. As part of the efforts to reafforest Mt. Kenya, Safaricom Staff have also over the years been planting trees in the same region.

Together with other corporate organizations, the foundation helped raise over Ksh. 15 million between 2004 and 2007 to encircle the Aberdare forest, one of Kenya's most important water catchment areas, with Safaricom employees also physically contributing in the fencing of the forest. By the end of 2007, 235 km had been fenced.

In a two year project, Safaricom also worked with Save the Elephant, to develop a tracking device using Safaricom Global System for Mobile communication to (GSM) technology. This was a significant development, highly boosting the efforts to save elephants and other endangered wild animals. (Safaricom Limited, 2007)

In 2011, Safaricom Foundation spent over Ksh. 7 million on 8 different projects towards the conservation of Kenya's environment and natural resources through among others, promoting of the use of renewable energy sources, afforestation partnerships, preventing and minimizing human-wildlife conflict and biodiversity conservation. (Safaricom Limited, 2011, p.63)

- **BRITAM**

Rhino Ark, an initiative with the goal of fencing the Aberdare Conservation range, one of Kenya's main catchment areas, is one of the areas that British American Investment Company decided to give their support in 2009. The fencing is not only to protect the

water catchment area, the forest and the wildlife, but also to act as a buffer-zone, protecting the neighboring community from threats posed by the wild animals to not only their lives, but also their farms, livestock and property. (British American Investment Company, 2009, p.9)

Still as pertains environmental projects, in 2011, the company lent its support to the Nairobi Greenline Project by giving a Ksh. 250 000 sponsorship. The project's purpose was to plant 300 000 trees in Nairobi National Park, part as forest cover part as fencing, to protect the park from pollution and encroachment and mitigate human-wildlife conflict. The process involved drilling a borehole for water supply to young seedlings planted during the dry season. (British American Investment Company, 2011)

- **KCB**

During the year 2006, the bank spent Ksh. 30 million in various community activities, among them, support of the Ndakaini Dam Environmental Conservation Organization. KCB spent over Ksh. 16 million in the planting of trees across the region, in partnerships with other organizations among other environmental activities in the year 2010.

In 2011 through the tree planting activities during the KCB community day, over 800 000 trees were planted. Also in partnership with local governments, town clean ups and receptacles placement was done in Wajir, Mandera and Mombasa. (Kenya Commercial Bank, 2011) Through the Foundation, KCB further supported the Nairobi Greenline Project during the same year. A total of Ksh. 19 Million was allocated to these environmental activities as well as others across the entire region.

- **Equity Bank**

As regards the environment, the study was only able to establish that, in 2010 the Equity Group Foundation collaborated with Save the Mau Trust and other organizations in an exercise aimed at sensitizing communities on the need to conserve the Mau. They were also involved in a campaign that enlisted the help of Kenyans, to rehabilitate the Mau.

During the year Equity Staff also, engaged communities in their various areas of operation, in tree planting exercises. (Equity Bank Limited, 2010, p.24)

- **Coca-Cola**

In 2008 April, in a continuing joint initiative with Kenya Airways, Nairobi bottlers, took part once again in an annual tree planting exercise, this time at Ngong Forest. Ngong Forest, located close to the capital, Nairobi, is Kenya's main water catchment, thus the reason for choosing the project. Kenya's ecosystem at threat from deforestation called for Nairobi Bottlers Limited's joining hands with Kenya Airways, other NGOs and state associates in taking part in such annual tree planting initiatives.(Coca-Cola Sabco, 2008)

4.3 WATER

Investing in water not only provides access to clean water for the community in question, but also translates to improved health as well as more time, that would otherwise have been used in search of the precious commodity, in the hands of the locals. Further, investing in water storage and infrastructure, would reduce the adverse effects of flooding and drought.

- **Bamburi**

From the data collected, the most significant of water projects undertaken by Bamburi, during the period in question, was through the fore mentioned, “Green Schools Project”. The project which was completed in 2010 after running for 7 years, saw to 134 schools benefiting from the construction of 156 water tanks.

- **BAT**

BAT on its part, sponsored the Eor Ekure borehole project in Narok district and the Migwani borehole project in Mwingi district for Ksh. 6.7 million shillings in the year 2007, as regards to water projects. This was done in partnership with the Kenya Red Cross Society. (BAT Kenya, 2007, p.22)

- **EABL**

In 2004, Kenya Breweries Limited (KBL), through their continuing “Water of Life” projects, constructed two water boreholes in a place called Nyatigo near Kisumu to help the local community gain access to safe clean water. (EABL Kenya, 2004, p.18)

In 2005 through the same “Water of Life Project”, EABL reconstructed a borehole in Nzueni in Eastern Province, at the same time installing pumping equipment and a water distribution pipeline at a cost of Ksh. 5 million. 55000 locals, in that area that had been recently hit by famine, were expected to gain from this investment. During the same year, the company authorized another project expected to benefit 9000 people with accessible clean water in Wepma near Thika. (EABL Kenya, 2005).

3000 people of Nyango village in Kisumu district were 2006's beneficiaries of the EABL Water for Life project worth Ksh. 2 million, leading to a decrease in water borne diseases, increased employment opportunities through off season growing of fruits and vegetables and less time spent by women and children in search of water. Two water boreholes were constructed. (EABL Kenya, 2006)

In 2007, The Water of Life project, focused its efforts in Kajiado district, an area hit hard by famine in the past. The foundation donated Ksh. 5.7 million for the rehabilitation of 4 water boreholes in Kajiado district. At least 5000 people were expected to be beneficiaries of this move(EABL Kenya, 2007).

In partnership with Maji Na Ufanisi an NGOthat focusses on water projects, EABL foundation ventured into its biggest Water for Life projects yet, by constructing two bathing and toilet facilities at Muthurwa market, an extremely bustling space near a bus terminus, east of Nairobi city centre in 2008. The blocks which contain water points, washing areas and toilets was to benefit approximately 100 000 people. Still in 2008, in partnership with the Maji Na Ufanisi and Water Canada, under the Water for Life project, the foundation launched a water and sanitation program in Kiambiu slum in the Eastleigh section of Nairobi. The goal was to provide an estimated 20 000 people of the informal settlement with access to clean water and sanitation. (EABL Kenya, 2008)

2009 saw EABL Foundation construct more ablution blocks in areas such as Mathare/Huruma, Machakos, Nanyuki, Embu and Kakamega, where over 600 000 people were expected to benefit from the Ksh. 2 million projects. (EABL Kenya, 2009)

In 2010 the second phase of the water and sanitation programme received an increment of a further Ksh. 25 million to boost their efforts in providing more towns with the water facilities. (EABL Kenya, 2010)

Under the Water of Life programme and the Water and Sanitation Programme, more boreholes and ablution blocks were constructed in Thika, Limuru and Nakuru, expected to serve a population of 144 000 in 2011. (EABL Kenya, 2011)

In 2012 there were more water projects done, including the drilling of boreholes facilities in Naivasha and Kilifi and the construction of a water pan(ground water catchment) at Emurutoto, a place in Maasai Mara. Through the water and sanitation programme, additional water blocks were built in Chuka, Athi River and Malindi among other areas. In addition, in an effort to empower communities, a water and sanitation facility, worth Ksh. 3 million , constructed in partnership with Ecotact Limited, and with the capacity to benefit over 24 000 users per month, was commissioned in Limuru, which would be exclusively run by the local people living with disabilities.

In the same year, the company saw to the commissioning of the development of a new water reservoir system, installed primarily to supply the only public health facility in Kariobangi, the Kariobangi Health Clinic, with water. (EABL Kenya, 2012)

- **Safaricom**

Through “Maji na Uhai” project, Safaricom Foundation in partnership with the Kenya Red Cross and Action Aid Kenya, “targeting semi-arid and hardship areas, rehabilitates boreholes, de-silts earth pans, provides irrigation systems and drills new water wells”. In 2007, the project set aside 60 million over three years towards this programme. (Safaricom Limited, 2007, p. 11)

In 2010, the foundation through the Maji Na Uhai drive, funded 8 water projects in Katalwa, Gachoka, Garbatulla and Makueni to a tune of Ksh. 24 million. (Safaricom Limited, 2010)

Of the 245 million that Safaricom foundation had set aside for various CSR initiatives in 2011, Maji Na Uhai took 14% of the funding. Of the most prominent of the projects undertaken was the Mukanda water project in Makueni.

The foundation started the execution of two sizable water initiatives in Taita Taveta and Kitui districts in 2012, through “Maji na Uhai” program. It also launched a water project in Wajir East district that would see to over 5000 pastoralists cushioned from scarce water supply and food insecurity that goes hand in hand with that (Safaricom Limited, 2012).

- **KCB**

In 2008 KCB supported a number of institutions as well as communities get access to clean water and sanitation. Among them were Baragoi (Marsabit), and Ulanda (Migori)

girls Secondary Schools, Kariobangi North and Umoja (Nakuru) Primary Schools, Kaaga School for the Deaf (Meru) and Ngei PAG School (Huruma). Further, the Bank supported the reconstruction of a number of wells in Lamu East. The investment in these projects took over Ksh. 1 million. (Kenya Commercial Bank, 2008)

4.4 HEALTH

With many people living below the poverty line in Kenya, many others vulnerable and isolated, medical attention is a prerogative that should most definitely go beyond the state. In some marginal areas, people have to walk for miles to access health facilities, this is strenuous and dangerous for the ill, old and most especially expectant women.

- **Bamburi**

In 1992, Bamburi cement established a HIV/Aids awareness program that is still in place to date. The programme whose goal is basically awareness of the pandemic, though initially put in place for the company's staff and their families, brings awareness to all the sister companies' neighboring communities and schools. A year later, in 1993, another program active to date, the Maternal Child Health and Family Planning staff clinic was started. This clinic also goes beyond the staff to cater for the surrounding communities as well. Among the services it offers are, the monitoring of women during pregnancy, and the children's health after delivery, immunizations, nutrition education. The mothers are taught all that pertains baby care, and are also counseled on family planning.

Bamburi Cement further holds medical camps not only in Mombasa but also in different parts of the country. In 2007, Kwale district residents were the beneficiaries. In May, the company held a medical camp in Denyenye Primary School in the district. The camp saw 992 people being treated, 58 visiting the VCT centres set up in the camp, further HIV/Aids awareness was brought out through some entertainment that was provided during the camp. The company further donated 450 mosquito nets to community members during the same event (Bamburi Cement Limited, 2007).

In 2008, Bamburi Cement Limited launched a workplace health initiative meant for their contracting companies and their communities. The 32 targeted companies which provide them services such as security, maintenance and transport operating in Nairobi and Mombasa would have the program implemented for them in a two year period. In the same year, following the company's medical camps, 1550 community members received treatment while a further 148 were able to access VCT services across the country. (Bamburi Cement, 2008)

Through the various health service programs run by the company, 7400 people from the local communities were reached in 2010; this entailed the diagnosis and treatment of over 9700 diseases. Through this program many vulnerable, isolated communities living below the poverty line have been beneficiaries, benefiting from workshops and other medical campaigns as well. (Bamburi Cement, 2010, p.26)

2011 saw around 3500 mothers and children at both Hima (Uganda) and Mombasa plants benefit from the ongoing Maternal Child Health program which is fully funded by the company.

Through the Baobab trust, an on profit organization created by the company and for which Bamburi Cement ltd is also the principal donor, Nguuni clinic which serves the Mombasa plant neighboring communities was upgraded in 2011.

- **EABL**

The “Kenya Breweries Hospital Beds for Kenya Programme” was birthed in 2003. The aim of the programme was to assist in the provision of medical equipment in marginal provincial and district hospitals across the country. 2004 saw EABL foundation continue to work with the ministry of health in the provision of hospital equipment. (EABL Kenya, 2004)

In 2005 as the study was able to establish, EABL funded medical camps for Meru and Nairobi west prisons.

In 2007, through the “Kenya Breweries Hospital Beds for Kenya Programme” the company donated an ultra sound machine worth Ksh. 1 million to Kirwara Health Centre in central Kenya. With the closest hospital being 30 km away, this would be a great relief and extremely beneficial to expectant mothers, who previously had to travel the long distance to access such a facility. (EABL Kenya, 2007)

In 2012 EABL started the development of a water reservoir system to supply the only public health facility in Kariobangi, The Kariobangi Health Clinic, with water. (EABL Kenya, 2012)

- **KenolKobil**

As regards health, in 2009 KenolKobil collaborated with Save a Childs Heart (SACH) foundation (a partnership that had started in 2008) to sponsor under privileged children undergo heart surgery in Israel.

- **Safaricom**

In 2006, a polio case was discovered in North Eastern Kenya, leading the government in collaboration with UNICEF to start a country wide vaccination campaign. Safaricom donated Ksh. 5 million towards this activity.

In conjunction with other organizations, both public and private, Safaricom saw to the treatment of approximately 50 000 patients across the country, through the diabetes health camps they held across the country in 2007 (Safaricom Limited, 2007).

Among the health projects that Safaricom foundation gave to in 2008 include, The Kenya Breast Health Programme, the Kenya Society for the Blind and Operation Smile. To these initiatives Safaricom gave a total of Kshs.33 million (Safaricom Limited, 2008).

The foundation further funded 25 health projects totaling Ksh. 38 million, including a dialysis machine donated to Kenyatta national Hospital in 2010. Among the projects also included collaboration with other healthcare organizations in the construction of medical

facilities and providing of medical infrastructure, they also had medical camps across the country, through which they also raised awareness on various health issues (Safaricom Limited, 2010).

2011 saw Safaricom spend over Ksh. 56 Million on healthcare related CSR meant at increasing access to better and inexpensive medical care. They supported the construction and equipping of health facilities as well as in the provision of mobile medical and specialized medical services (Safaricom Limited, 2011).

In 2012 Safaricom funded 16 health projects across the country at a cost of Ksh. 44 Million. The most prominent of the projects being the construction of a maternity clinic at Loreng'elup in Central Turkana in conjunction with a research institute, the Turkana Basin Institute (Safaricom Limited, 2012).

- **BRITAM**

British American Investment Company, as the data collected revealed, do not directly invest in health projects, or rather as far the research period covered, they hadn't.

In 2010, the company supported the Standard Chartered Marathon through the sponsorship of a team of 73 staff members. The marathon aims at raising funds necessary to aid children with preventable blindness get surgery needed to give them back their sight so they can lead normal lives. In the same year the company further sponsored 50 staff to the Mater Heart Run, which also raises money to assist children but in this case children with heart problems access the required surgery.

2011 saw the company do the same sponsorships by sponsoring 20 staff to the standard Chartered Marathon and 10 staff members to the Mater Heart Run

They kept up the trend in 2012 by sponsoring the Mater Heart Run by Ksh. 100 000, the Heart to Heart Foundation by Ksh. 50 000 and the Stan Chart Nairobi Marathon by Ksh. 100 000. But to add to that, in 2012, the company also gave a Ksh. 200 000 sponsorship to the New Life Foundation Trust , a trust that cares for abandoned babies infected or affected by HIV/Aids and later connects them to adoptive parents. (British American Investment Company, 2012, p.55)

- **KCB**

In 2008, KCB provided direct medical care to over 6000 patients in Kawangware, Thika, Machakos, Naivasha and Nairobi Eastlands at Avenue Healthcare, a hospital that KCB has been partnering with for a while. The bank's foundation further supported medical camps in Lamu, Kiriani, Karatina, Siaya and Mathare, they also funded some ill equipped clinics with equipment and drugs in Ukunda and Deep Sea and Githogoro slums in Nairobi in the same year (Kenya Commercial Bank, 2008, p.32).

2009 saw KCB carry out medical camps in conjunction with other of stakeholders in Ongata Rongai, Sotik, Mai Mahiu and Emali.

In the third year running, KCB's partnership with Operation Smiles Kenya, saw more people receive reconstructive surgery for cleft lips and pallets in Kenya. Further in 2009, the group gave a donation to Nairobi Women's Hospital's gender violence and recovery centre (Kenya Commercial Bank, 2009, p.37).

2011 saw the group invest a total of Ksh. 25 million in health related CSR. Among the projects carried out in the year were the donation of dialysis machines, three to Kenyatta National Hospital and one to Consolata Mission Hospital in Nyeri. They also sponsored 20 heart surgeries and 1000 heart disease screenings and heart disease treatment for needy children through the Mater Cardiac Programme partnership. In the same year the group funded and carried out medical camps in Kisumu, Mombasa, Nairobi and in Rift Valley, in which, through Gertrude's Children's hospital, 8000 mothers and children were treated for free. Further the bank invested in medical infrastructure in 6 hospitals among which were x-ray machines, ultrasound machines, assorted theatre equipment, hospital beds and maternity delivery beds (Kenya Commercial Bank, 2011).

- **Equity Bank**

Not much data was obtained as regards health related CSR by equity bank in the study's period, what could be established was that in 2007, through 'operations eardrop', Equity Bank provided treatment and free hearing aids to over 200 people in Garissa, this was done in collaboration with a team of local and visiting medics (Equity Bank Limited, 2007, p.21).

4.5 ECONOMIC EMPOWERMENT PROJECTS

Empowering the people goes beyond mere CSR, it is an investment that actually has returns to the corporates. A very good case in point, the 2011 *Kenyans for Kenya* initiative that saw so many of these MNCs in these study contribute to. The aim was to come to the rescue of Kenyans dying of hunger as a result of a famine that had hit the country especially in Turkana. The funds raised went beyond feeding the hungry to actually empowering them to farm in this arid area by providing infrastructure for irrigation. Currently as one of the Safaricom managers noted, they have a market for their airtime there, which wasn't the case before, thanks to economically empowered people.

- **Bamburi Cement**

As already mentioned, Bamburi was one of the first members of the WWF (World Wildlife Fund) Eastern Africa Corporate Club, officially launched in January 2004. Its purpose is to bring together leading East African Companies in environmental conservation, poverty eradication and sustainable development (Bamburi Cement, 2004, p. 27).

In terms of sustainable livelihoods which in turn reduce the pressure on the ecosystem from communities around the Shimba Hills National Reserve, Bamburi in 2004 supported a pilot phase for Msulwa and Lukore communities to start a butterfly farming, a tree nurseries project and traditional handicraft (Bamburi Cement, 2004).

In 2005, the company contributed to a slum upgrade program in Floringi, Mombasa district, aimed at improving sanitation and drainage in this flood prone region.

Over Ksh. 2 million was paid to indigenous community groups for tree seedlings in 2008, through the previously mentioned biofuel project. Through this project, communities had been trained on nursery management so that in turn they could earn by supplying seedlings to Bamburi Cement. In 2009, 39 community based organizations earned their communities Ksh. 2.5 million in revenue from the seedlings.

In addition the company had also started a Shamba System arrangement, whereby neighboring communities are given the opportunity to cultivate crops between the young trees on Bamburi's tree plantations, on seasonal cultivation contracts, in return for taking care of them. It proved very successful in Vipingo, one of the sites, with the families harvesting over 40 000 kg of good maize, fetching them around Ksh. 880 000, whilst at the same time saving the company on maintenance costs.

Through the Baobab Trust, in 2010, Bamburi Cement provided intensive training on organic farming, integrated fish farming, livestock and poultry keeping to over 500 community members' organizations and government ministries. Community outreach stations were further established to support 8700 community members in different areas where the trainings had taken place, to gauge the effectiveness of the training programs.

- **BAT**

In support of the government's agenda on poverty alleviation, as the data revealed, BAT provided technical and agro-economic advice to many families in Kerio valley as the major partner in the Kerio Tradewinds poverty alleviation program in 2002 (BAT Kenya, 2002, p.14).

In 2003, the Kerio Tradewinds programme, which works in tandem with the government vision of wealth and employment creation was handed over to the community to continue expanding it.

- **EABL**

In addition to nurturing raw talent, the now Africa wide renown Tusker Project Fame (a music competition/ reality show organized and financed by EABL), leaves an impact on the local economy, as many small and medium size businesses in Kenya where it is held, are contracted to render assorted goods and services in support of the show.

- **Safaricom**

2008 saw at least Ksh. 54 Million spent by Safaricom foundation on various community development programmes, among them, provision of assistance to a street rehabilitation centre, and start-up capital to business centres (Safaricom Limited, 2008).

In June 2007, the foundation gave a Ksh. 5 million grant to the Kenya Community Development Fund, to launch a 2 year food security project, which by the end of the year was at various stages of implementation (Safaricom Limited, 2007).

2011/2012 saw the foundation invest Ksh.15.6 million on nineteen various economic empowerment initiatives, ranging from income generation to food security (Safaricom Limited, 2012, p.37).

- **KCB**

In 2008, KCB supported Young Entrepreneurs Programme, YES! 2008 an AISEC's initiative. Through the programme, 70 young entrepreneurs were trained while the top 4 business plans were awarded with start-up capital. KCB also supported the Kenya Girl Guides Shanzu Women's Centre, an initiative that sees to women with disabilities being supported in setting up their own tailoring businesses (Kenya Commercial Bank, 2008).

In 2009, KCB sponsored the African Institute for Health and Development's recycling project in Nairobi. The projects consists of mainly women members who make bags and baskets from the recycled material and sell them, in the process earning a living whilst at the same time contributing to environmental protection (Kenya Commercial Bank, 2009).

In 2010, the group spent over Ksh. 16 million in investment in entrepreneurship. Among the beneficiaries was SEED Samburu, a food sustainability initiative which received a posho mill, not only making storage easier following the unprecedented bumper harvest, but also creating employment. Another beneficiary was EOPA Kenya, an organization bringing togetherself-help groups working in Kangemi. They also worked with Acumen Fund in the planning of a regional fellowship programme, intended at bringing out leadership skills, training and broadening the reach and impact of social entrepreneurs, that was to be implemented the following year (Kenya Commercial Bank, 2010).

KCB spent 26 million on Enterprise development in 2011. The East Africa Fellowship Programme implemented in 2010 in conjunction with Acumen Fund saw 20 social entrepreneurs undergo training in 2011. The intensive training took a period of 1 year, and covered mainly the topics of business management. In the same breath KCB also conducted micro-entrepreneurial training through a radio programs in various stations implemented in partnership with Kenya Institute of Management. Further through the foundation's initiative "Nurture Smart", 600 youth in colleges and universities were beneficiaries of a training on financial literacy and money management skills. In the same year still in partnership with Kenya Institute of management, they supported the Africa leadership and governance convention that brought together African leaders to discuss the continent's development vision(Kenya Commercial Bank, 2011).

- **Equity Bank**

In 2007 "Fanikisha" a financial service targeting women entrepreneurs, was founded in an engagement between Equity Bank and UNDP. The service equips and trains the women in all things business, with the purpose of empowering them and making them successful business women.

2007 also saw the bank launch an initiative enabling grain farmers deposit produce with appointed warehouses in exchange for receipts which can then be applied as collateral for loans from the bank. This not only enabled farmers access funds, but also acts as storage which most farmers lack, thus reducing wastage. One of the appointed warehouses, the National Cereals and Produce Board, increased its procurement from 1 million to 4 million

bags in the last harvest season of the year, which went along way in staving off famine that would have been unavoidable following planting disruption because of the Post-Election Violence

The bank also rolled out ‘Kilimo Biashara’ and ‘Uvuvi Biashara’, initiatives aimed at offering low-cost credit tools and business training, against the market practice, where these sectors are viewed as high risk (Equity Bank, 2007).

In conjunction with both the state and some non-state actors like the Alliance for Green Revolution in Africa and the World economic Forum, the bank rolled out the Business Alliance Against Chronic Hunger (BAACH) and the Millennium Promise projects in 2008. The reason behind the projects was to avail credit to farmers, thus helping in improve food security and eradication of poverty and hunger in the long run. During the same year, the bank also continued with the “Fanikisha” project in partnership with UNDP.

Staff also volunteered in conducting financial literacy courses, which covered among many other things, entrepreneurship and financial management. The bank’s leadership team on the other hand, lent their time and expertise to various policy areas at national, regional and international levels; in Kenya for example the team took part in the drafting of the Kenya vision 2030 between 2006 and 2008 (Equity Bank, 2008).

Through partnerships with AGRA, IFAD and the Ministry of Agriculture, the bank initiated a revolving trust of over Ksh. 50 million for loans to small farmers in 2009. Through the “Kilimo Biashara” program, the partnerships saw to the support of 27 000

small scale farmers with especially great success stories in Transmara, Msambweni, Mpeketoni, and Bungoma among others.

Also in an engagement with the government of Kenya, the bank saw to the funding of farmers in various irrigation schemes among them, Bura, Bunyala, and Mwea in the same year.

Further to help farmers diversify their sources of income, the bank jump started avocado and honey farming for them; the bank donated 47 000 avocado seedlings to Western and Nyanza. The bank also commenced a programme that would see sorghum seeds worth 10 million donated to Eastern province.

Still in 2009, through the “Fanikisha” project, in partnership with UNDP, the bank offered training to over 100 000 women and contributed over Ksh. 6 billion. 40 000 youth groups, were also availed loans to a tune of Ksh. 1.2 Billion. Equity bank also rolled out a program in conjunction with MasterCard Foundation that would see to entrepreneurship and financial training of over 619 500 women and youth in the following 3 and half years (Equity Bank, 2009).

In line with the agricultural sector development strategy (ASDS) and vision 2030, in 2010, Equity disbursed over Ksh. 760 million to 11 657 farmers through the “Kilimo Biashara” initiative, thus making the aggregate funds that had been advanced by the bank over 1.6 billion, with over 39 000 beneficiaries.

Equity Bank partnered with World Food Programme to start cash transfer through agency banking to previous food donations beneficiaries of WFP in the same year. Equity

further engaged in dairy coaching programs all over the country and also gave away 2000 beehives to farmers to continue with their initiative to diversify farmers' incomes.

EGF also continued with the program started in partnership with the MasterCard Foundation to train women and youth entrepreneurs. (Equity Bank, 2010, p.23)

- **Coca-Cola**

While Coca-Cola's primary objective as a business is to maintain a sound and sustainable core business model, they have also forged business openings through managed third party circulation designs known as the MDC (Manual Distribution Centres) model. The premise gives individuals the opportunity to warehouse and distribute products on the company's behalf in a defined geographic area by using low cost equipment like push carts, bicycles and light vehicles. These MDCs owner in turn employ others. Being incorporated in the Coca-Cola value chain, means having finance, learning and development opportunities at one's disposal. An example of an MDC in Nairobi looked into, was one owned by Rosemary Njeri. She started as a Coca-Cola stockiest in the late 1990s, in 1999 she was given an opportunity to operate an MDC in the heart of Nairobi. 10 years later, according to the Coca-Cola sustainability review for 2009, she had 16 employees (Coca-Cola Sabco, 2009).

4.6 HUMANITARIAN INTERVENTION/ RESPONSE

Among the issues calling for humanitarian intervention that Kenyans went through during the period of review include: 2005/2006 draught, the 2007/2008 post-election violence, 2009 prolonged draught and the 2011 famine.

- **Bamburi**

In response to a call by the Kenya Red Cross Society, in January 2009, following a prolonged drought, Bamburi cement contributed Ksh. 1 million to Mutomo district, one of the areas determined as worst hit in the country. With 3 million Kenyans facing starvation, this contribution delivered by a team from Bamburi as well as KRCS officials, went a long way in assisting 3500 families in the district. This was part of a Ksh. 5 million kitty set aside by the group for supporting families affected by the drought. (Bamburi Cement, 2009)

- **BAT**

In 2006, following the drought that ravaged the country in the late 2005 and early 2006, the company responded to the appeal by the National Famine Relief Fund by donating Ksh. 15 million to assist the affected communities.

In 2008, BAT Contributed Ksh. 10 million in support of the Internally Displaced Persons, as a result of the 2007/2008 post-election violence that rocked the country.

In 2011, in togetherness with other Kenyans and friends of Kenya, BAT Kenya employees contributed Ksh. 10 million towards the 'Kenyans for Kenya' drought and

famine relief campaign. This was an initiative started to raise money to assist those areas hard hit by the drought that ravaged the country in the year.

- **EABL**

In June, 2004, in partnership with other organizations, EABL started the “Save A Life” fund to help in feeding people in Eastern province where communities had been severely hit by not only drought and but also an outbreak of food poisoning due to toxic maize. The Ksh. 90 million in both cash and food donations that was raised as a result of this was expected to provide food relief to approximately 70 000 Kenyans.

- **KenolKobil**

Following the 2007/2008 post-election violence, the Kenol group decided to play a part in the healing of the nation by way of instilling a sense of patriotism and unity by distributing patriotism stickers from their stations. They further donated fuel worth Ksh. 500 000 to the Kenya Red Cross to assist in the distribution of food and other relief items to those affected. (KenolKobil, 2008, p.12)

In 2011, the company in solidarity with other Kenyans contributed Ksh. 1.5 million towards the “Kenyans for Kenya” famine relief efforts to go towards an estimated 3.5 million Kenyans affected by the famine. (KenolKobil, 2011, p.12)

- **Safaricom**

In 2006, a polio case was discovered in North Eastern Kenya, leading the government in collaboration with UNICEF to start a country wide vaccination campaign. Safaricom donated Ksh. 5 million towards this activity.

Through the Kenya Red Cross society, the foundation donated Ksh. 15.3 million in 2008 to assist more than 300 000 Kenyans displaced after the 2007 post-election violence.

In 2009, Safaricom foundation donated Ksh. 10 million for the resettlement of internally displaced persons in Eldoret, following the 2007/2008 post-election violence and Ksh. 10 million towards the support famine relief efforts.

- **KCB**

In 2004, in response to a government appeal following a long period of drought in some parts of Kenya, KCB started the ‘United Against Hunger’ campaign to raise money to feed about 3 million people affected. The initiative drew together partners from different sectors, raising a total of Ksh. 6 million that benefitted over 12000 people in 12 districts (Kenya Commercial Bank, 2004).

In early 2006, the bank further contributed 15 million towards famine alleviation that had once again hit the country.

KCB yet again donated food stuff to assist victims the latest drought in 2009, which had led to really low harvest with an accompanying rise in the prices of food.

In response to the fire tragedies at Nakumatt Supermarket and Sachang'wan, during the same year, KCB also contributed financially (Kenya Commercial Bank, 2009, p.38).

In 2010, KCB spent over Ksh. 4 million in various activities directed towards humanitarian intervention across the region (Kenya Commercial Bank, 2010, p.35).

In 2011, Ksh. 21 million set aside for humanitarian relief went to among others, the Kenyans for Kenya relief programme and the food sustainability programme with Kenya Community Development Foundation (Kenya Commercial Bank, 2011, p.56).

- **Equity Bank**

In 2007, Equity partnered with some churches and the Kenya Broad Casting Corporation to launch the “Tumaini na Undugu” initiative, a humanitarian response to the Post Election Violence. The bank started off the fund with a contribution of Ksh. 10 million, which went on to raise over Ksh. 75 million, that went into providing food, clothes and shelters to victims of the violence. (Equity Bank, 2007, p.21)

- **Coca-Cola**

In 2011, together with other Kenyans and friends of Kenya, Coca-Cola contributed a total of US \$1.34 million, which included Nairobi Bottlers Limited's (NBL) contribution of US\$ 50 000 (both in cash and Dasani bottled water), to the *Kenyans for Kenya* campaign. (Coca-Cola Sabco, 2011, p.20).

In 2010, responding to the 2007 post-election crisis, NBL, joined Habitat for Humanity (Kenya), in the construction of permanent houses for displaced families. The company

built eight three bed roomed houses in Mai-Mahiu. The company further gave two needy students in the same area education scholarships. (Coca-Cola Sabco, 2010, p.18).

4.7 COMMUNITY DEVELOPMENT PROJECTS

- **BAT**

BAT being an agro-based company, assists in the maintenance of gates and pavilion during Agricultural Society of Kenya (ASK) shows as a corporate member. 2003 was no different as BAT contributed towards the same as well as sponsoring the BAT day at the Nairobi International Trade fair. (BAT Kenya, 2003, p.14)

2005 saw the company uphold the promotion of agriculture through membership with and donations to ASK. (BAT Kenya, 2005, p.16) 2006 as the study continued to reveal, BAT made further contributions to ASK.

In 2008, as the data revealed, at a cost of Ksh. 10 million, the company, among other initiatives it undertook supported various community projects. (BAT Kenya, 2008)

- **KenolKobil**

Community projects are among the long term initiatives KenolKobil is involved in. Prominent among these is the support of Mama Ngina children's home, an initiative they first got involved in, in 1999.

In 2008, as with all the other years in review, the company upheld their support of Mama Ngina Children's home. Their support includes the provision of all the cooking gas

requirements for the home, fueling their vehicles and meeting all their electricity requirements. In 2008 they further renovated the entire facility. (KenolKobil, 2008)

In 2010, as the data showed, the company gave their support to the Light and Hope Academy for children with disability with among other supplies, regular food stuff. (KenolKobil, 2010, p. 11).

They continued to support these projects through all the years in review.

- **Safaricom**

From the data gathered, as far as community projects are concerned, in 2008, Safaricom Foundation, spent around Ksh. 54 million. Among the beneficiaries included a street rehabilitation centre and a business/resource centres that received start-up capital, among other projects (Safaricom Limited, 2008, p.13).

- **BRITAM**

On its parts, BRITAM, in 2009, made a donation towards the Mwea Classic Marathon. An annual event to not only empower youth in Mwea, Kirinyaga, but to also discover talent among them (BRITAM, 2009, p.9).

In 2010, the company gave donations to the Kenya Red Cross Society and Rotary Club of Langata charity organizations.

2012 saw the company give a donation of Ksh. 200 000 to New Life Foundation Trust, which as previously mentioned, works with abandoned babies infected or affected by HIV/Aids, releasing them off for adoption later. (Safaricom Limited, 2012, p.55)

- **KCB**

Kenya Commercial Bank has also been involved in community related projects. In 2008 for example, the bank gave assistance to many institutions, homes and orphanages.

(Kenya Commercial Bank, 2008, p.33)

In 2009 KCB foundation financed a free jigger treatment and awareness campaigns on the same, to the afflicted in Murang'a, central Kenya and Emuhaya in western province.

Through the KCB "Tuungane" Initiative, a staff initiative in which KCB Foundation matches employees' contributions, shilling for shilling, various institutions and individuals benefited from receipt of among other things, school fees, learning materials and purchase of wheel chairs. Among them "the Murang'a administration Police, Enomatasiani Secondary School, various institutions during the festive season, Laikipia Community Library, Kenya paraplegic organization, Mogotio Girls High School, Gertrude's Children's Hospital, and Henry Wanyoike Fundraising Marathon". (Kenya Commercial Bank, 2009)

- **Equity Bank**

The bank operates mobile banking services aimed at taking affordable banking services closer to the people, more so the poor. In addition the bank has a research and development programme whose sole purpose is to research ways to better serve the poor in terms of banking facilities. (Equity Bank, 2005)

Further, all the bank's branches contribute to charity in their localities. In 2005, the bank also rolled out a partnership with the Meru Hospice that would see persons living with HIV be able to access loans. (Equity Bank, 2005)

In 2006, with a view of enhancing security, the bank financed the erecting of 340 street light poles in various roads in Nairobi, including, Jogoo, Thika, Juja, Outering and Ngong roads, as well as in Gikomba and Kangemi areas.

To support agriculture, the bank participates and donates to the ASK shows sponsoring some of the awards to encourage farming. Other initiatives during the year included donations, financial outreach and clean ups. (Equity Bank, 2006)

In 2007, at a cost of Ksh. 24 million, the bank installed lights in various streets in major towns and also erected light masts in the expansive Gikomba market, to reduce insecurity. (Equity Bank, 2007, p.20)

4.8 TALENT NURTURING

- **Bamburi Cement**

In 2011, Bamburi sponsored the Kenya Karate Team for Ksh. 400,000 for tournaments held in Tanzania and Thailand. This sponsorship went towards transport, seminar and camp training costs for the events.

Starting in 2004, Bamburi Cement Limited, started sponsoring the Kenya rugby association, becoming the title sponsor in 2005, a position they retain to date, proving their commitment to the development of the tournament and its goals.

- **EABL**

In 2011, Tusker Project Fame, a show aimed at discovering raw music talent, entered its fourth season. The televised music competition which started in 2008, is held each year, attracting contestants from across east Africa, and has seen to many a musicians getting a chance nurture their talent and get recognition.

EABL has also been sponsoring the CECAFA football tournament, in 2010, after Tusker sponsored the 34th CECAFA tournament as the title sponsors, it was renamed th CECAFA Tusker Cup. (EABL, 2011, p.10)

CHAPTER FIVE

ROLE OF MNCs IN KENYA'S SOCIAL DEVELOPMENT

There have been some concerns that as MNCs get involved in the promotion of education, community upgrading, or environmental sustainability programs they are taking on state's functions and contributing weak states, a phenomenon considered as a barrier to development (Scheidman, 2008). But the reality, more so for struggling economies, or rather developing economies, is that, the governments are not meeting some of the very basic needs of its citizens. In Kenya, the country of focus in this study, still many cannot access basic health services, many do not have access to clean water, still many cannot afford three meals a day, many are unemployed, and as much as basic education is free, still many cannot afford higher education or training to guarantee them a chance in the ever competitive job market. Kenya's vision 2030 underscores the importance of social development; making a positive difference in people's quality of life, showing the government's commitment to meet these needs.

MNCs cannot and should not take over the role of the government. After all, citizens pay taxes to the government, and so some things should most definitely be accorded to them. But the fact is, that they do exist in any free economy, most with higher revenues than most government institutions and in some cases revenues higher than countries' GDPs, and they therefore can simply not be ignored. This has been reiterated by the United Nations Secretary General, BAN KI-Moon, according to whom, the endeavor to

achieving the millennium development goals should be a collaboration amongst all stakeholders, the governments, civil society organizations and the private sector.

From the data collected, it is clear that the MNCs analyzed in this study, do contribute significantly to Kenya's social development, from education, to health, environment, provision of water among many others and most importantly employment.

Already mentioned, is the amount of taxes they pay to the government. Looking at the year 2010 for example, the MNCs in review, excluding Coca-Cola, paid a total of Ksh. 9 353 102 000 in income taxes excluding duty and other license fees.

The area of environmental conservation is also an area that most if not all the companies in review contribute to. This is an area that is of concern especially at this day and age, because of environmental degradation caused by global warming and human activities. Every responsible government, company or more specifically, person should realize that sustainability is key to human, animal and plant survival and also leaving a better place for future generations, and act responsibly.

As regards the water projects, clearly many Kenyans as sad a reality as it is, do not have access to clean and safe water, and more so within hands reach. These projects therefore allow for a marked decrease in water borne diseases and reduction in time spent by women and children in search of this precious commodity. In some cases especially, where boreholes have been built, this has led to improved opportunity of employment through off season growing of food crops and more time to engage in other activities.

Education is also a very important aspect in a country's future. For Kenya to achieve vision 2030, one of the main areas that must be addressed, is in this area of literacy. Yes Kenya is on its way to achieving universal primary education, but going beyond that is equally important. Affording the youth a chance at furthering their education, through scholarships and such programmes that these multinationals are offering is of much significance. This not only ensures that Kenya has a steady pool of educated workforce, but that these people can make informed decisions and choices in all aspects of life.

By these multinationals contributing to general community development, what they are in essence doing is simply improving the quality of people's lives, which is the main objective of Kenya's vision 2030 social pillar. Further, as has been noted from the data collected, Coca-Cola is contributing to women empowerment, which is in fact one of the millennium development goals. The critical role that women play in poverty alleviation is well known .Through their MDC model which has provided sustainable small business ownership opportunities to many women, Coca-Cola seeks to empower 5 million women by 2020, through what they term as the '5 by 20' initiative.

On the question on whether or not, these multinationals are doing anything intentionally to contribute towards Kenya's vision 2030, all of them responded positively. One of the eight key sectors that the vision recognizes as forming the foundation for the socio-political and economic growth to be achieved by 2030, is science, technology and innovation (STI). (GOK, 2011) ICT is crucial for a developing economy, looking at the past decades; one can conclusively argue that most development witnessed by the most developed of nations is as a result of ICT. In all aspects of life, be it social, economic,

political, education, communication, travel, all these, getting information quickly and correctly is crucial. As regards this front it was quite encouraging to note that a number of the multinationals sampled are actually working towards this end. In 2008 for example, BAT donated 316 laptops and 186 TFT monitors to various learning institutions through the ICT trust fund, to facilitate the initiation of information and communication technology to schools (BAT Kenya, 2008). Safaricom foundation, on the other hand, spent Ksh. 84 million to construct computer labs, among other educational projects in 100 primary and secondary schools across the country in 2007. It further worked with Computer for Schools Kenya to furnish secondary schools with computers accompanied by ICT curriculums. The beneficiaries, were schools with limited resources that would otherwise not access ICT. With some of these schools not having access to electricity, Safaricom had to further fund the acquisition of electricity generators. At the end of the 3 year project, 80 secondary schools were equipped with 1600 computers that were expected to serve approximately 100 000 students as well as the surrounding communities. (Safaricom, 2007)

This is a step in the right direction, step which the incumbent government is also planning on undertaking by providing the laptops to primary school pupils, whose benefits will be felt in a big way as Kenya seeks to achieve economic growth and self-sustainability.

As regards the exact amount of money the various MNCs spent on social development, one of the questions this study sought to address is whether or not these multinationals do budget for their CSR. And sure enough from the data collected, most do budget, and they do invest a significant amount.

Safaricom, to start with, through the Safaricom foundation, spent more than Ksh. 190 million in 2007 on their diverse areas of CSR including education, health, community development, environment, arts, culture, sports and disaster funding. (Safaricom Limited, 2007). 2008 saw the foundation assign over Ksh. 200 million to their CSR areas of focus. (Safaricom, 2008)

During the 2009 financial year, the foundation committed Ksh. 210 million to various projects.(Safaricom, 2009), while 2011 saw the foundation disburse Ksh. 245 million towards 108 initiatives that are “geared towards achieving Kenya’s development agenda, and the Millennium Development Goals” (Safaricom, 2011)

19 economic empowerment initiatives worth Ksh. 15.6 million were further financed by the foundation in 2012. (Safaricom, 2012)

KCB on the other hand, from the data obtainable, spent 10 million during their community week in 2004 (KCB, 2004), over 20 million in various CSR activities in 2005, committing a further Ksh. 90 million in the same year towards various CSR projects for a 3 year period in their traditional areas of environment, education, health and welfare (KCB, 2005). In 2006 the bank engaged in various CSR activities at a cost of Ksh. 30 million. (KCB, 2006) In 2007 a starting amount of Ksh. 60 million annually, to be reevaluated based on bank’s performance, was approved by the KCB foundation, to be channeled towards CSR. (KCB, 2007) In 2008 the bank spent Ksh 54.6 million, close to Ksh. 70 million in 2009, a total of 78.6 million in 2010 and Ksh. 157 million in 2011 on CSR.

EABL on its part, starting from 2004, authorized 1% of their profits to be channeled towards the communities in which they operate, in other words towards CSR activities. (EABL, 2004, p.17)

While the employment these companies create is one of the major ways that they contribute to Kenya's social development, another very important question that the study sort to answer was on the question of employee development programmes, if any that these company engage in. One of the major reasons why multinationals set up in a country is the availability of human capital. Kenya stands out as a hub for multinationals in Africa, for among many other reasons, the availability of a well-educated human resource. But besides classroom education, further training while on the job, is very important in further improving human capital. From the data collected, all the multinationals in review, in one way or another have staff development projects.

To start with, Bamburi Cement runs graduate development programs, through their graduate trainee programs. They also mentor new employees by partnering them with experienced managers. On top of that, the company has apprenticeship and internship programs running concurrently, giving ongoing students a chance to gain first-hand experience at the same time gaining practical skills for the future. In the area of employee development, the group opened a school at the Mombasa plant site, which supports continued learning of technical staff both from Uganda and Kenya and also happens to be the learning centre for the rest of the Lafarge partners in Africa.(Bamburi Cement, 2008)

Further, through their subsidiary Lafarge Ecosystems (LES), on site academic programs were established with prominent national and international universities, that is a hands on kind of training. In 2005, for example, 13 Kenyan students were beneficiaries. In the same year, LES also supported some Kenyans to further their education, two scientists affiliated with the company got scholarships to Harvard and Yale universities for a PHD and master degrees that included field research with LES. (Bamburi Cement, 2005)

In 2007, 10 company managers were beneficiaries of an 8000 USD per person sponsorship to attend a management development program in South Africa. (Bamburi Cement, 2007)

BAT on its part, took in 49 management trainees and mid-career newcomers in 2007, 18 of whom got the chance to attend career development trainings within BAT's operations outside Kenya at the end of the year. (BAT Kenya, 2007)

In 2008 the company completed the Individual Learning Profiles, an initiative to see to the training and develop staff capability in all areas. On the same note, in July 2008, an apprenticeship training programme was rolled out with 14 apprentices being recruited within Kenya. The reason behind this being, to have within reach a pool of skilled technical operators in future. (BAT Kenya, 2008)

As for EABL, they conduct formal training and on-the-job coaching for competent administration. In 2006, 29 management trainees were recruited, further to entrench managerial leadership, the company launched a number of leadership programmes, with an e-learning programme also being rolled out during the year encompassing more than

500 training courses as well as learning modules from the Harvard business school (EABL, 2006). 2010 saw the corporate continue to uphold employee learning and development through Diageo Academy - a three year graduate trainee development programme, that recruits them to human resource, sales and marketing and management departments.(EABL, 2010, Kenya)

In 2012, 16 people were enlisted into different areas of the business both locally and internationally where they would be beneficiaries of not only skills on various business practices, but also develop their leadership and practical capabilities. (EABL, 2012, p.16)

From the data collected, what could be established from KenolKobil is that the management motivates staff by supporting their growth through regular training both locally and abroad.

In 2011, Safaricom launched an e-class platform, through which all staff have access to learning materials to up their skills in the fields of business, information and communication Technology. This they hoped would go a long way in improving the individuals and eventually the organization as a whole. (Safaricom, 2011)

British American Investment Company also invests in staff training and development. In 2009, as an example, the group held an extensive training on insurance and investment services selling. The group directors also got an opportunity to attend the “The Effective Director” course conducted by Strathmore University, Nairobi, while some managers attended a Micro-insurance seminar in Dakar, Senegal. In May 2009, the company further took its top performing financial advisors to an international convention in Kualar

Lumpur Malaysia and Dubai. In addition to all these seasonal trainings, the company encourages its employees to pursue further studies by sponsoring them through reimbursement of tuition and examination fees incurred during the study. (BRITAM, 2009)

KCB is also not an exception when it comes to staff development. 2005 saw the Bank's employees attend a comprehensive training which when calculated averaged 3 days per person, the board and management were also beneficiaries of various courses and workshops. Such was the trend for the years in review, getting better as the years progressed. In 2009 for example the trainings undertaken averaged 5 days per employee. (Kenya Commercial Bank, 2009)

Equity bank on its part also conducts leadership development programs. In 2007 the bank sponsored a number of staff to Harvard business School, IESE Business School in Spain and Strathmore Business School for training, while others attended the Boulder Microfinance Leadership Programme. (Equity bank, 2007)

2008 saw the bank launch a project management program aimed at equipping staff with management skills, other specific trainings were also offered to staff depending on their positions. (Equity Bank, 2008)

According to the bank's statistics, come 2009, at least 70% of all Equity Bank staff had undertaken some training averaging 5 days per employee. (Equity Bank, 2009)

Coca-Cola on its part, upon recruitment of new employees, takes them through a rigorous training program to induct them into the organization.

Other than new employee induction programs, they keep training their employees, to realize their full potential at the same time enhancing the company's performance. In 2009 the company increased staff learning and development allocation to over \$3million. Their training focuses on enhancing of bottler skills and strengthening of management and leadership competence. They also conduct other flagship programs for senior and future leaders (Coca-Cola Sabco, 2009).

Other than developing their own staff, some of these companies have gone beyond that to nurture and develop future responsible leadership among the youth. Case in point, the Lafarge group and Bamburi Cement joined forces to support the 2011 AIESEC International Congress (IC) held in August in Nairobi, through a Ksh. 1.2 million sponsorship. The student run organization hosted 700 young leaders from 111 countries, along with senior management of over 100 companies. With the theme "Carving Young Leaders for a Sustainable Future", the congress covered the topics of labor movement, technology; youth led campaigns, ethical business, emerging markets, and sustainability.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

With only four years left until the 2015 deadline to achieve the Millennium Development Goals (MDGs), they deserve serious and unwavering attention from all development stakeholders, including government, business, and civil society. The MDGs include the eradication of extreme poverty, achieving universal primary education, advancement of gender equality and women empowerment, curtailing of child mortality, enhancing maternal health, fighting HIV/AIDS, Malaria and other diseases, ensuring environmental viability and promoting universal cooperation for development. Kenya's vision 2030 social pillar on the other hand, has as its objective, investing in the people in order to improve the quality of life for all. In other words, achieving the MDGs, what social development is all about, and exactly what was the objective of this study. In that light, as shown in the previous chapters, from the data obtained, it can conclusively be stated that, yes, MNCs do contribute significantly to Kenya's social development.

From the conclusion raised above, it is clear that resilient and consistent effort is needed to be put in action to induce more of multinational corporations to the country.

On the issue of tax, in order to not only attract more MNCs but also for the government to earn more revenue, there is need by the Kenyan government to exercise a straightforward, transparent and certain tax regime, as noted by BAT Kenya. In 2009, their contribution to the exchequer, in the form of excise, VAT and corporate tax,

increased from the previous year's 7.9 billion to 8.3 billion, hence being the 4th largest tax payer. This they credited to the government exercising a simpler and predictable excise regime. (BAT Kenya, 2009)

The recurrent risks that abound on the African continent - enormous infrastructure and energy shortfalls, scarcity of adept labor and the threat of political outbursts, are but some of the challenges that Kenya has to address to not only attract more multinationals, but to also create a conducive environment for home grown multinationals. In as much as Kenya might be way ahead of the rest of the region in terms of number of graduates being produced each year, there has been some indication that employers still do spend a lot on retraining them or training them further. This is a call for a reevaluation of the education system especially at the tertiary level.

There is also need to care not to suffocate the local industries, and perhaps this is an area that should also be probed further. And on the same note, the government should be careful not to endorse businesses that will end up destroying the legacy of future generations. There is need for a keener probing of all multinationals, more so in terms of their impact on the environment to ensure that they are not destroying it, in the process of profit making. They must be held to account for any negative impact.

There is also need to look at MNCs contribution to government revenue further, this study focused on income tax, but as some of the data revealed, these companies, contribute way higher than that, through duties and license fees. Further still, this study only focused on a small sample of multinationals mainly based in Nairobi, or having a

plant in Nairobi, there is need to look at these multinationals in a broader sense, covering the whole country.

It's time that Africa, Kenya in this case, stops relying on aid but instead focus on making important business ties. There is no better, more beneficial way than to make Kenya a hub for multinational companies.

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