FROM IDEOLOGY TO COMMERCE: CHINA'S FOREIGN ECONOMIC POLICY CONTRIBUTING TO DEVELOPMENT OF ROADS IN KENYA, 1985-2015

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ABSTRACT

In the early post-colonial period, Chinese infrastructure construction in Africa was motivated by a foreign policy of ideological cold-war considerations, including support for freedom and Panafricanism. However, the end of the bi-polar global order and the rise of China as an emerging economic power subsequently led to a significant swing in its engagement with Africa. China has adopted a more commercial foreign policy. One of China's foreign economic principles is equality and mutual benefit. Literature reveals that although this principle is believed to assist in achieving sustainable development, China's soft power is also seen as the new imperial power with a colonialist project that will perpetuate Kenya's underdevelopment through trade agreements. The objective of this study was to examine the nature and impact of China's mutual development principle on development of roads infrastructure in Kenya. A conceptual framework of modernization, interdependency and realism theories was employed to guide the study. This study was carried out in Kenya. A descriptive survey research design was used. This design enabled the researchers to collect quantitative data that could be analyzed descriptively. The study population encompassed individuals from relevant state offices and Chinese corporations engaged in roads infrastructure development in Kenya. The study used purposive stratified and simple random sampling to obtain relevant institutions and officers. Interviews and questionnaires were used for data collection. Both qualitative and quantitative analyses were used. Data were presented in graphs, tables and pie-charts and later interpreted into meaningful information. The researchers have concluded that China's foreign economic policy is beneficial to Kenya. Among other recommendations, the authors propose that Kenyans should take advantage of the recently reduced export tariffs offered to them by China as a remedy for China's condition that Kenya provides a market for its goods in exchange for roads infrastructure developments.

Keywords: China's Economic diplomacy, foreign economic policy, Roads Infrastructure.

INTRODUCTION

The People's Republic of China formalized its diplomatic relations with the Republic of Kenya on 14 December 1963 (Onjalla, 2008). Between 1963 and 1977 relations between the two countries were faint with accusations and counter accusations of undermining sovereignty: Kenya accused China of plotting to overthrow its government and expelled the Chinese Third Secretary, while China accused Kenya of defaming it. In 1966 demonstrations took place outside Kenya's embassy in Beijing, which led to Kenya recalling its ambassador to China, and the youth wing of the then ruling party, Kenya African National Union staging a counter-demonstration outside the Chinese embassy in Nairobi. Both countries expelled the other's chargé d'affaires in 1967. Between1978–2002, the two governments of former President Moi and Prime Minister Zhao Ziyang started to rebuild relations. Kipngetich (2008) contends that until the year 2000, the FDI from China remained very low.

In the third period, (2003–2015), a reform coalition took over Kenya's leadership and President Kibaki embraced the Chinese partnership approach (Patroba, 2010).Except for recent demonstrations in Nairobi about Chinese hawkers in Kenya, Onjalla (2008) contends that "frequent mutual visits at high level and friendly cooperation has witnessed great achievements in many fields. In recent years, military exchanges between China and Kenya are increasing. Infrastructural development is particularly at the centre of these relations. A statement from Republic of Kenya (2006) states that "In all these economic diplomacy, we expect to see an impact on our infrastructure, comparable to that of China, which has left many a visitor in bewilderment". Already China is undertaking a number of road infrastructural projects in Kenya. Most FDI from China is made by companies from China which is either wholly or partially state-owned even though in Kenya they operate as private companies (Kipngetich, 2008). The flows from China increased significantly between 2004 and 2006. According to Chege (2008) in the year 2001 and 2002, there were 17 Chinese investments established in Kenya. Currently there are road constructions under way towards Kwale to allow access to the area. According to the Republic of Kenya (2006), China has the appropriate technologies required for the development of Kenya SMEs and industrializes its rural areas. These are simple technologies such as for packaging or preserving and adding value to agricultural produce such as vegetables, fruits and legumes. There is also opportunity to obtain technology by involving Chinese in prospecting, mining and processing of various materials found in Kenya. China can find use of some minerals found in ASALs, which so far remain unexploited. The statement further asserts that "one only needs to go through the geological map of Kenya and see the many useful minerals there are but have remained as potential for many years."

According to Kioko (2012), after December 2007 election skirmishes, most activities came to a halt and investors started resuming their commitment late in 2009, he however adds that there is no available data yet to ascertain this. Patroba (2012) suggests that distinct from traditional partners, whose involvement in Africa is calculated to achieve the Millennium Development Goals (MDGs), China promotes South–South co-operation, based on a mutually beneficial relationship, such as technical skills exchange.

Kenya has not been left behind despite lacking the raw materials that attract Chinese companies elsewhere in Africa. Saliently, Chinese loans will fund Jubilee's flagship project, the Mombasa-Nairobi Standard Gauge Railway construction and the Nairobi Greenfield International Airport Projects, likely to fuel Kenya's future economic takeoff. Although Kenya-West diplomatic row over the ICC has expanded space for China to gain a firmer toehold in Kenya, China is yet to dislodge the West as Kenya's top trading partner. Kenya's exports to Britain totalled $432 million in 2013. Kenya is also dependent on the West for Military cooperation in its war against terrorism (Africa Policy Institute, 2014).

LITERATURE REVIEW

Of all Chinese construction companies in Kenya, the most successful so far is China Road and Bridge Company, and it has attracted admiration and condemnation in equal measure. Since entering the Kenya market in 1985, it has built more than 1,000 kilometers of trunk roads. Between 1985 and 2005, it had completed 11 projects worth nearly $200 million. Among these are the Gambogi-Serem and Kipsigak-Shamakhokho roads in western Kenya, both of which will open up some of the least-developed parts of Kenya to local and international markets. Its most ambitious construction project so far, however, has been part of the Nairobi-Mombasa road, the Mtito Andei-Bachuma Gate section. According to the Chinese Embassy, Ongoing and completed road construction works in Kenya have immensely boosted China's image among Kenyans(Chege, 2008).

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This is confirmed by a statement from the Chinese Embassy's website which asserts that "The roads, a first in Kenya, have demystified and cemented China's image in the minds of citizens of the East Africa's biggest economy, many who now associate Chinese with finesse, quality and perfection". This statement adds that before the start of the road constructions, many Kenyans associated China with bogus and cheap products. After the construction of Thika superhighway the image of China completely changed among Kenyans, including those in rural areas where the road's fame has spread. The 353 million U.S. dollars thoroughfare that stretches from Nairobi to Thika turned around China's image in Kenya. The eight- lane 30 km road stretching from capital Nairobi to Thika, an industrial district, not only attracts local tourists, but has also become the point of reference of China and activities that relate to them (see figure 1below).

Figure 1: Image of Nairobi's Thika Super Highway
Source: African Development bank (2015)

The Chinese in Kenya are now known for construction of better roads than anything else. Their works and name always pop up in many conversations, especially those that involve traffic jams, poor road network or construction."The government should offer the Chinese the contract to build this road. The traffic jams are going to kill us," noted a passenger recently in vehicle along Outering Road on the east of the capital is seriously pot-holed yet it was constructed recently. Interestingly, this road heads to Jomo Kenyatta International Airport (JKIA).More so it joins the Northern bypass and Thika superhighway, which are in perfect form. Motorists are damaging their vehicles and spending hours in traffic jams every morning and evening. The road was potholed barely two years after it was recarpetted (Ministry of Foreign Affairs Republic of China, 2015).

The criticism against China Road comes from local and international contractors who complain that at this rate they will be shut out of business permanently. It is again the sort of example that is often cited in support of the argument that success of Chinese enterprises in Africa comes at the expense of African ones. Chege (2008) clarifies that looking at the road construction scene in Kenya today, one can detect a fair distribution of operators between local, European, and Chinese contractors, a competitive scene in which to be on a winning streak, Chinese companies must be offering a quality product at a lower cost than their competitors. He adds that "In the current economic boom, construction in Kenya by Chinese companies (particularly in roads and housing) is not only a leading source of employment, but it is also providing infrastructure at lower costs, thereby making Kenya's economy more competitive". According to him, China Wu Yi Company secured a $37.2-million bid for the first phase of the

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modernization of Nairobi's Jomo Kenyatta International Airport (Eastern Africa's Aviation hub) in September 2006. The total Nairobi airport modernization program is expected to cost $1.23 billion, 90 percent of which will be financed by a loan from Kenyan banks and financial institutions and 10 percent by the World Bank.

The Chinese FDI inflow in Kenya compared to neighboring countries may be largely determined not only by macro political and macroeconomic factors, but by the quality of the underlying domestic business climate and institutional conditions, both within Kenya and on a regional level. Promotion of economic development and growth within Kenya, the linkages between FDI and trade among Chinese firms involved in Kenya also create the possibility for positive "spillovers" in Kenya through the attraction of investment of infrastructure and related services development. Transfer of technological and managerial skills, which are often the intangible assets that accompany FDI, is another example of positive "spillovers" cited by Broadman, (2007). According to Broadman, (2007), Significant Chinese investments in Kenya have been made in retail ventures, tourism, transport, construction, power plants, and telecommunications, among others. To cite an example, Huawei, a major Chinese telecommunications firm, has won a huge contract to provide cell phone service in Kenya. Thus China is pursuing commercial strategies with Kenya that are about more than resources.

The New Silk Road

The world's attention was drawn to the "One Belt One Road" initiative expounded by President Xi Jinping when he announced the establishment of the US$40bn Silk Road Fund at the APEC Economic Leaders' Meeting on 11th November 2014. However, the "One Belt One Road" initiative is not something new that President Xi suddenly dreamt up. In September and October 2013, President Xi already unveiled the Silk Road Economic Belt and 21st Century Maritime Silk Road ideas when he visited Kazakhstan and Indonesia, respectively (Cheng and Zhou 2015).

The "One Belt One Road" initiative has two components. According to *Xinhua News Agency*, the land-based "New Silk Road" will begin in Xian in central China before stretching west through Lanzhou (Gansu province), Urumqi (Xinjiang), and Khorgas (Xinjiang), which is near the border with Kazakhstan. The Silk Road then runs southwest from Central Asia to northern Iran before swinging west through Iraq, Syria, and Turkey. From Istanbul, the Silk Road crosses the Bosporus Strait and heads northwest through Europe, including Bulgaria, Romania, the Czech Republic, and Germany. Reaching Duisburg in Germany, it swings north to Rotterdam in The Netherlands. From Rotterdam, the path runs south to Venice, Italy — where it meets up with the equally ambitious Maritime Silk Road. The Maritime Silk Road will begin in Quanzhou in Fujian province, stopping at Guangzhou (Guangdong province), Beihai (Guangxi), and Haikou (Hainan) before heading south to the Malacca Strait. From Kuala Lumpur, the Maritime Silk Road heads to Kolkata, India, then crosses the rest of the Indian Ocean to Nairobi, Kenya. From Nairobi, the Maritime Silk Road goes north around the Horn of Africa and moves through the Red Sea into the Mediterranean, with a stop in Athens before meeting the land-based Silk Road in Venice (Cheng and Zhou 2015).

Accordingly, the former will begin in Xi'an, in central China, before stretching to the border with Kazakhstan. The Silk Road then heads southwest to Iran before passing through Iraq, Syria and Turkey. The new Silk Road then crosses the Bosphorus and heads through Europe, traversing Bulgaria, Romania, the Czech Republic, Germany and Rotterdam in the Netherlands – from which the path runs south to Venice where it converges with the planned maritime route.

The latter, in turn, begins in Quanzhou (Fujian) and hits other southern Chinese ports before heading to the Malacca Strait. From Kuala Lumpur, the maritime Silk Road heads to Kolkata then crosses the rest of the Indian Ocean to Nairobi and, from there, around the Horn of Africa and into the Mediterranean – with a final stop in Greece before reaching Italy.

Significance of Silk Road to China

The "One Belt, One Road" is seen as part of an overall Chinese attempt to "leverage China's growing economic power and influence [along its periphery] in order to strengthen and expand cooperative interactions, create an integrated web of mutually beneficial economic, social and political ties, and ultimately lower distrust and enhance a sense of common security."While generally cast in positive terms as an effort to build and deepen positive-sum, mutually beneficial development ties, for some non-authoritative Chinese and many non- Chinese observers, the One Belt, One Road initiative and other economic policies are also seen as a means of strengthening China's political influence and security situation along its strategically important periphery(Downs, 2015).

As pointed out, such views and Beijing's increasing capabilities could deepen concerns in some quarters that China might eventually use the initiative to establish unwelcome spheres of influence or generally dominate its neighbors. Since its announcement, the One Belt, One Road initiative has steadily gained in importance as a major element of Chinese foreign policy. Indeed, it was presented as the key focus of China's diplomacy in 2014 and 2015, and as an essential element of Beijing's attempt to deepen economic reform within China and stimulate development in China's western regions. It is also now described by many Chinese observers as a highly important "strategy" and not just an economic initiative. According to some outside observers, it is "expected to feature prominently in China's 13th Five Year Plan, which will run from 2016 to 2020 and guide national investment strategy throughout that period." (Downs, 2015).

Implications of Silk Road to Kenya

Onjalla (2008) asserts that in light of the significant heterogeneity among Chinese FDI firms in Kenya, one would expect to observe significant differences in the emerging trade patterns between Kenya and regional states and the rest of the world. He cites in particular, the increased presence in the services such as imports and exports, which he says, might suggest that China's motive is to use Kenya as an entry point as a trading platform in the region. Broadman (2007) supports this idea by arguing that "Worldwide, the presence of foreign firms usually has a profound effect on a host country's participation in international trade, because FDI is often associated with an increase in both exports and imports" (Broadman, 2007:324).

Sustainability of the Deals

The impact of China's trade and investment is actually difficult to determine. This is partly due to the fact that China's increased presence is relatively recent and a valid assessment will take several years (ICA, 2011). Much debate exists over the political motivation of the loans originating from Beijing. A distinction is sometimes made between the "Beijing Consensus" and the "Washington Consensus", as many Africans seek commitment with China along lines less restrictive than those imposed by European and American partners or international organizations. This freedom, however, may also be risky. China may be willing to finance projects, for example in roads infrastructure that more traditional partners refuse to support because they are not sustainable. One can attempt to look into the strategic thinking of policy-makers in Beijing and drivers of China's foreign policy toward the African continent (ICA, 2011).

Another major criticism of China's resource for infrastructure deals is the poor standard of their infrastructure projects. Meyer (2013) argues that Chinese-built roads were washed away by rains in Zambia. He is equally critical of a $ 5.7 million Koroidua bypass built by the China Water and Electricity Company in Ghana which turned impassable a year after it opened due to craters and valleys. The study examined the quality of Chinese road infrastructure projects in Kenya with a view of giving recommendations on their sustainability.

China's Impact on Local Entrepreneurs in Kenya

Kenyan business men are majorly entrepreneurs in the informal sector. Kenya's informal sector (*jua kali)* emerged as a result of the incapacity of formal, regulated industries to absorb new entrants. Weak property right for *jua kali* sector is compounded by deficient transport infrastructure. The poor state of most Kenyan roads adds to the cost of goods produced by this sector (Orwa, 2007).

A study by Nganga *et al* (2011) reveals the need for industrial development paradigm shift to focus on small manufacturing enterprises, road infrastructure and technological development based on collective efficiency paradigm that should focus on sustainable development. According to them, the relationship between infrastructure development and technological development is significantly linear. Ernest and Young (2009) argue that SMEs are believed to be a major source of productivity, growth and job creation. They assert that in most developing countries, SMEs account for majority of firms and large shares of employment. They argue that infrastructure has been the most overlooked over the years in terms of concrete action. The issues that were noted to hinder Kenya's development of SMEs are poor quality physical infrastructure such as roads and utilities, quality management and control, lack of appropriate modern equipment and technology and affordable cost of technology.

Y*et al*though Kenya's emerging construction industry contains a large and increasing number of large-scale players, in addition to a profuse informal sector, concerns about China's entry and impact have been raised, as we have seen with respect to China Road and Construction Company (Ernest and Young 2009). Chege, (2008) contends that Kenyan construction firms demanding protection rationalize it in the fashion of the old "infant-industry" argument: they need to be shielded against foreign competition in order to emerge as profitable domestic and regional players. He cites a typical example, Spencon Limited, a Kenyan construction firm with 28 years of experience, most of it handling large-scale donor-funded projects in Tanzania, Zambia, Mozambique, Uganda, Malawi, and Sudan, is now demanding protection against Chinese construction companies that "have taken the country by the storm." Its regional director for Kenya is cited as demanding "a bit of protection—because we do not have the competitive edge over our partner," concluding that "we should not expose ourselves to too much competition."

Chege, (2008) however does not agree with this suggestion. He nevertheless tends to agree with critics of Chinese construction firms in Kenya and in the rest of Africa on allegations of contravention in local labor laws by Chinese employers, whether hiring their own or local workers. At one extreme the companies are accused of using prison labor, even if no evidence to that effect has ever come out in Kenya. However, although Chege seems overly in favor of

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China, he contends that China is not the only country where such exploitation is rife, but its blanket ban on unions is greatly facilitating the phenomenon. In addition, he argues that Chinese construction firms have been accused of undercutting competitors through financial subsidies from their government in one form or another. All these complaints relate to "behind the border" reforms, which are best settled by compliance to international standards established by the WTO and the International Labour Organization (ILO). Reforms of that kind, not least within Kenya, would go a long way in leveling the playing fields and establishing a fair basis of competition. These arguments leave us wondering whether China's Foreign policy of mutual benefit or development and equality is actually practical on the ground. This study filled in the gap made by this inconsistent information about the impact of Chinese firms on Kenya's informal sector.

Trade barriers in Africa are far more restrictive than in any of the other groups. Southern Africa's tariffs average 26.8% which is more than three times higher than those of the fast growing exporters, and are more than four times the OECD average (6.1%). Those OECD countries that reduced their tariffs by almost 40% in the recent Uruguay Round (to about 3.9%) and many of the fast growing exporters also made important concessions on trade barriers. In contrast, Africa's trade barriers were virtually unchanged by the Round (Yeats *et al*, 1997).There is still scanty data on such barriers in China-Kenya relations. This study establishes existence of any trade barriers that might be hindering Kenya's economic growth from China-Kenya economic relations.

CONCEPTUAL FRAMEWORK

The study used a conceptual frame work of modernization, realism and complex interdependence theories. It is on this basis that this study examined the overall impact of China-Kenya bilateral relations. According to modernization theorists, traditional societies/countries are deemed to have little or no contact with advanced societies. Traditional societies, therefore, have no models of success to emulate. That developed societies have not had the time to diffuse their knowledge, skills, organization, values technology and capital to poor countries. Proponents of this theory suggest that deviance in form of political revolution, technological advancement in areas like road may bring development (Hoselitz, 1960).Kenya can, therefore, basing on this theory, achieve economic growth out of its bilateral relations with China (a more developed country). China will in this case act as a model for Kenya to emulate. the role of non-state actors in realist theory is not lost. Nation-states can also use international organizations to perpetuate their own interests. China in this case has been using any opportunity to benefit economically through international organizations (Roy, 1998). Realism alone can however not explain China's engagements in Africa. China challenges some realists' assumptions that nation-states usually put military security above economic security (Roy, 1998).

While emphasizing the growing importance of International Organizations (IOs) and Multinational Corporations (MNCs), this theory is said to have anticipated what is now known as Globalization. Keohane and Nye argued that in the era of interdependence, the very nature of international relations has been changed and world has become more interdependent in all respects especially economics. This theory tried to synthesize the realist and liberal perspectives. It did not altogether reject realism rather, it raised the concern that at times, there emerged certain situations where realists' assumptions/explanations were not sufficient. Interdependence most simply defined, means mutual dependence. Interdependence in world

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politics refers to situations characterized by reciprocal effects among countries or among actors in different countries" (Keohane& Nye, 1977: 8).

It is in this light that the study analyzed China-Kenya relations using the theory of complex interdependence. Given that China emphasizes a mutually beneficial relationship with its allied states, this theory best explains the bilateral relations between China and Kenya. However as it has been reflected in some of the findings, this theory does not fully describe every aspect of China-Kenya relations. This justified the need for an analysis based on different theories. Nevertheless, it helped in asking the right questions.

Conceptual Model

The conceptual model below summarizes interactions among independent, Intervening (moderating) and dependent variables.

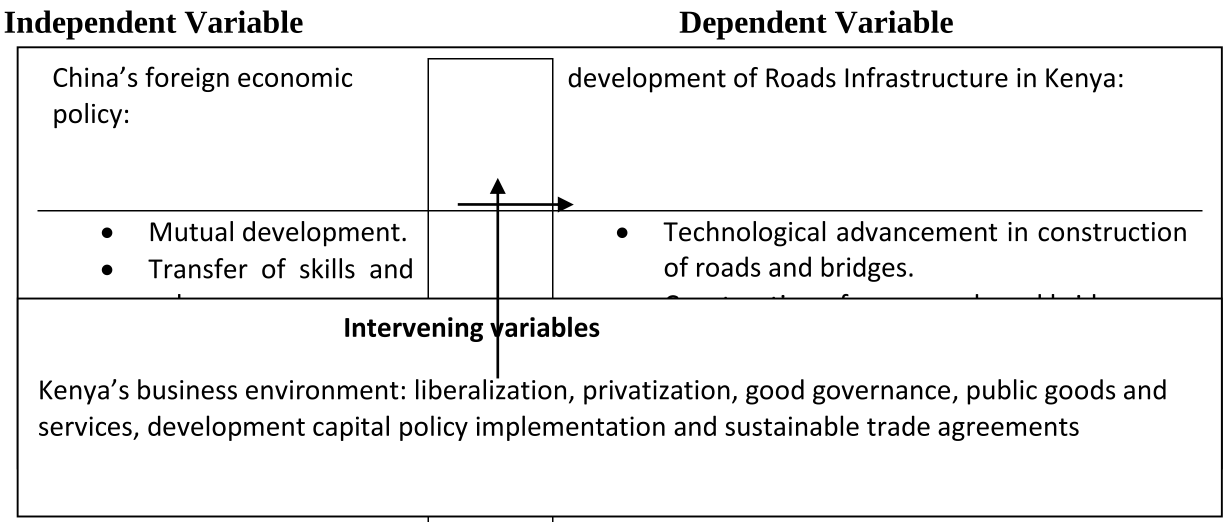


Figure2: Conceptual Model

KEY: → 1. Leads to Economic Growth 2. ↑ : Affects Economic Growth

Figure 2 summarizes how various variables in the theories discussed interact with variables in the conceptual framework. First of all, China's foreign policy is driven by its own interests which is a concept derived from realism theory. China however embraces modernization theory by promising Kenya a transfer of its technology for it to access the Kenyan market and secure resources for China's energy security. If the outcome favors both countries then complex interdependency theory would best explain the relationship. For both countries to achieve their goals, other intervening variables must be put into consideration. Kenya should have an enabling business environment through its foreign economic policy that will attract foreign investment. Kenya's economic policy is in itself also influenced by China's foreign policy. Kenya must also ensure that it can sustain its trade agreements with China. If all these factors are considered, Kenya will achieve road infrastructural development which is a prerequisite for its economic growth.

METHODS

Study Area, Design and Population

Kenya is located in Eastern part of Africa. Neighboring countries are Sudan and South Sudan in the (North West), Ethiopia (North), Somalia (North East), Indian Ocean (East), Tanzania

(South), Uganda (West). Kenya occupies 582,650 sq km. It is situated on the equator at longitude 40°E of the Prime meridian. Nairobi, being the country's capital city is the headquarters of major institutions being targeted by the study. This study interrogates the contribution of China's foreign economic policy to development of roads infrastructure in Kenya from 1985 to 2015. The study examined how beneficial foreign economic policy by The People's Republic of China is on improving roads infrastructure in Kenya from 1985 to 2015.This will in turn give directions on what ought to be done and what ought not to be done in the context of Kenya's Bilateral relations with China. The researchers visited road infrastructural project sites supported by China or tendered to Chinese companies in Kenya. The following counties were targeted for site visits: Nairobi, Kisumu, Kakamega, Vihiga, Bungoma, and Turkana A survey research design with both qualitative and quantitative research types was used. Purposive, stratified and simple random sampling techniques were used in the study.

Study Instruments

Research instruments comprised of questionnaires and interview guides. Interviews comprised of face to face verbal communication between the study and Key informants. This took the form of semi-structured focused interviews where the interviewer maintains greater direction over the interview while allowing the interviewee's opinions to emerge as he or she responds to the questions (Saunders *et al*, 2012). These interviews were recorded by writing the answers. If worded correctly questionnaires require less skill and sensitivity than in-depth interviews (Jankowicz, 2005). The questionnaires consisted mostly of close-ended questions and a few open-ended questions. Close-ended questions were easy to administer and analyze, and the respondent were in a position to answer relatively more questions within a short period of time.

The study employed Cronbach's Alpha coefficient of internal consistency to ensure reliability of research instruments. Content validity was ensured through consultations with supervisors. Bell (2010) advices that "however pressed for time you are, do your best to give questionnaires a trial run as, without a trial run, you have no way of knowing whether your questions will succeed" The questionnaires were therefore used in a pilot study after which necessary amendments were made.

Data Analysis

Data was collected from both primary and secondary sources, collecting both qualitative and quantitative data. Secondary sources included Government Documents, Official Statistics, Technical Reports, Scholarly Journals, Trade Journals, Review Articles, Reference Books, University Libraries, Library Search Engines and Computerized Data bases. Primary sources included questionnaires and face –to- face interviews and original documents from Kenya's Ministry of Foreign Affairs, Agencies in Kenya's Ministry of Transport and Infrastructure, Kenya's National Treasury, the Kenyan judiciary, Kenya Wildlife Service, Juakali Associations, , Kenya National Chambers of Commerce and Industry, Kenya Investment Authority, Kenya Bureau of Statistics, Confucian Institutes in Kenya, Kenya's National Environmental Management Authority (NEMA) and the Chinese Embassy in Kenya. Both qualitative and quantitative techniques were used for data analysis and presentation.

RESULTS

In order to examine the nature of China's foreign economic policy to development of roads infrastructure in Kenya 23 key informants from relevant institutions were required to rate what they feel is China's motivation to invest in roads infrastructure developments in Kenya. The responses were as shown in Table 1.

Table 1: Respondents' Level of Agreement about Motivation behind Chinese Road Infrastructure in Kenya (N=23)

Motivation	Totally agree	Disagree	Uncertain
Resource for China and roads infrastructure for Kenya	19 (83.06%)	2 (8.47%)	2 (8.47%)
To promote its model of undemocratic development and amass soft power	7 (29.03%)	2 (8.06%)	14(62.23%)
Smuggling and poaching	3(13.71%)	17 (75%)	3(11.29%)
Market its goods in Kenya	20(85.48%)	2(8.76%)	1(5.59%)
Use Kenya as an entry point to the market in East African region	17 (78.23%)	2(10.48%)	3(11.19%)

Source: Field data (2015)

From Table 1, the study isolated that the Chinese are in Kenya for road infrastructure development so as market their goods in Kenya as indicated by 20 (85.48%) with only 1 (5.59%) deciding to remain undecided although 2 (8.76%) disagree that Chinese are motivated by markets its good in Kenya. This is the same assertion by Kaplisnky *et al* (2007) who are critical on China's condition of pegging infrastructural investments to exporting Chinese products to aid recipient countries. They suggest that «there appears to be a growth of small-scale entrepreneurial investment from China often evidenced by the construction of specialized shopping malls, retailing Chinese goods".

However this does not rule out the search for resources as a motivating factor for China. This was the second factor that followed closely with 19 of the respondents (83.06%) agreeing that resource for China and roads infrastructure for Kenya was the major motivation behind Chinese Road infrastructure in Kenya. 20 of the respondents (87.1%) classified that Chinese road infrastructural developments are purely extractive.

This is in agreement with most authors who have written on China's relations with Africa. Schaus (2015) for example states that "some of this outward effort can be seen as an effort by China's political leadership in Beijing to position China's economy to continue growing based on long term trends in energy and resource needs". This assertion was also held by the US embassy in Kenya (2011) which argues that China's interest in regional infrastructure such as road, rail and the Lamu project is reportedly linked to the presence of oil in Southern Sudan and Uganda which could be exported via Lamu. The same observation was made by the researchers whose visit to Turkana County in Kenya revealed that despite the presence of oil fields in this county, no single Chinese company exploits oil in this region. This is despite the fact that Lamu port and the Kisumu-Kakamega-Webuye-Kitale road (heading to Turkana then South Sudan) are being done by the Chinese. Chinese motivation for resources could therefore be targeting resources in South-Sudan than Kenya 2 of the respondents (9.68%) however disagree with this statement. A percentage of 2 (6.68%) was however uncertain about resource for China and roads infrastructure for Kenya as a motivation for China. It was further revealed that majority of the respondents were uncertain pertaining the promotion of Chinese model of undemocratic development and amassing of soft power as indicated by 14 of them (62.23%) against 7 of the respondents (29.03%) who indicated that they totally agree with this statement. Three quarters of the respondents disagree that Chinese are motivated in road infrastructure for smuggling and poaching although 3 of the respondents (13.71%) indicated that they are interested in road infrastructure so that they can smuggle and poach. 3 of them (11.29%) remained undecided on China' interest in poaching and/or smuggling. It was further shown by 17 of the respondents (78.23%) that Chinese are motivated in road infrastructure so as to use Kenya as entry point to the market in east African region while 2 of them (10.48%) were in disagreement with this while 3 of them (11.19%) were undecided. From the findings it is evident Chinese are motivated to market their goods in Kenya as well as to use Kenya as entry to East Africa to explore and exploit the resource and smuggling and poaching are not the motivation factor for the Chinese.

China's Principles of Peaceful Coexistence

Good neighborliness (preventing external instabilities from "spilling over" to fuel frictions is a rhetoric that is characteristic of Chinese foreign policy. In 1954 the then Prime Minister Zhou Enlai introduced five principles of Peaceful coexistence during negotiations with India over the Tibet issue. These are: Mutual respect for sovereignty, mutual non-aggression, Non-interference in internal affairs of other countries, equality and mutual benefit and peaceful coexistence (Dietz and Kyriakos, 2012). Inconsistency in the applicability of this principle is evident in Kenya. Although Sino-African relations are anchored on the principle of non-interference in domestic affairs of other countries, China has taken a greater role in security affairs. It has recently extended its cooperation with Kenya to the military arena in what appears to be a desire to secure its interests (Africa Policy Institute, 2014). The study sought the views of respondents in order to validate behind China's application of its principles of peaceful coexistence.

Mutual Benefit in China-Kenya Bilateral Relations

The revelation of a mutually beneficial relationship between China and Kenya is held by scholars such as Chege (2015). Chege conducted a case study for the Center for Strategic and International Studies (CSIS) to examine the perceptions and impact of China's engagements with Kenya. He asserts that China's extensive economic entry into Africa has been poorly perceived by most literature. This author is critical on existing literature which he says is suggesting that "African economies are under threat of malevolent Chinese investment strategies and a flood of cheap manufactured goods". He contends that in Kenyan instance the relationship has been mutually beneficial. Another recent study in support of Chege's assertion is that of Ochieng, and Okoth, (2015). They argue that "China maintains and pursues cooperative approaches to international affairs and reiterates its commitment to the path of peaceful development and the win-win strategy in continuing its path of opening-up to the outside world". The findings of the study on each of the principles of peaceful coexistence were as shown in Table 2.

Table 2: Respondents' Rating of Principles of China's Foreign Policy to Kenya (N=23)

Principle	Rating		
	Totally agree	Disagree	Uncertain
Mutual benefit	21 (91.94%)	1 (3.23%)	1(4.89%)
Non-interference in each other's internal affairs	20 (87.9%)	1 (6.05%)	1 (6.05%)
Equality	1(4.84%)	18(76.61%)	4(18.18%)
Mutual respect for sovereignty and territorial integrity	19 (83.06%)	3 (12.9%)	1(4.2%)
Mutual non-aggression	19(86.29%)	2 (6.86%)	2 (6.86%)

Source: Field data (2015)

From Table 2, overwhelmingly 21 of the respondent (91.94%) rate the principle of China's foreign policy to Kenya as mutual benefit with only 1 of the respondents (3.23%) indicating that is not for mutual benefit.

On January 10, 2015 after holding talks with Foreign Minister Wang Yi and Foreign Minister Amina Mohamed of Kenya jointly met the press. Wang Yi expressed hope of cooperation between China and Kenya that could gradually go beyond the traditional trade and the mutual exchange of disposable products like resources and raw materials, and move up to the mutually beneficial cooperation at higher level (Ministry of Foreign Affairs, Republic of China, 2015). This study therefore concluded that the most guiding principle in China's bilateral relations with Kenya is Mutual benefit.

China's Non-Interference in Internal Affairs of Kenya

To China, the only legitimate form of military intervention in a sovereign nation is international intervention based on a U.N. mandate, with local government's consent. Among the five permanent members of the U.N. Security Council, China also makes the largest personnel contribution to the U.N. peacekeeping missions worldwide. Currently, Chinese peacekeepers are operating in U.N. missions in Sudan, Liberia, the DRC and Mali. China's most recent contribution to the U.N. peacekeeping mission in Mali includes an unprecedented 197 "combat troops" (China rejects the term and uses "security force" instead) The MFA takes the lead for decisions on U.N. Security Council peacekeeping mission resolutions (Sun, 2014).

Historically, China has vetoed only two U.N. peace-related resolutions: In 1997, China vetoed the draft resolution to dispatch military observers to Guatemala. In 1999, China vetoed the draft resolution to prolong the U.N. preventative force in Macedonia. Both decisions were motivated by the existence of diplomatic relations between Taiwan and the governments of Guatemala and Macedonia. China has demonstrated an unprecedented interest in working with the African Union on the peace and stability of Africa. During the 2012 FOCAC meeting in Beijing, Chinese President Hu Jintao announced that China would launch a "China- Africa Cooperative Partnership for Peace and Security" to enhance bilateral cooperation with Africa. Some specific measures include providing financial support to AU peacekeeping missions in Africa and to the AU Standby Force, and training peace and security officers and peacekeepers for the AU.174 According to Chinese analysts, this decision is primarily pragmatic and political in order to enhance Africa's own capacity to provide security while offering China a meaningful role in the process. U.N. resolutions, mandates and processes to dispatch troops often involve lengthy debates with the West. By comparison, China views its cooperation with the AU and

African countries to create peace and stability as less subject to interference by Western countries (Sun, 2014).

China's upholding of the principle of non- interference in Kenya's internal affairs including politics was also indicated by 20 of the respondents (87.9%) with 1 (6.05%) being undecided. These sentiments are also expressed by Yang (2015). This author asserts that China is opposed to the principle of complementarity in international Law that allows the ICC to intervene in cases that it views that the judicial system of a state has no capacity or is unwilling to bring suspects to justice. This was confirmed by a small percentage of 1 of the respondents (6.05%) who did indicate that China interferes with internal affairs of Kenya.

Mutual Respect for Sovereignty and Territorial Integrity

19 respondents (83.06%) totally agreed on China's Principle of mutual respect for sovereignty and territorial integrity as the most dominant one while 1 (4.2%) remained undecided and further 1 (12.9%) disagreed. The same allegations were held in speeches of Xi Jinping and former Chinese State Councillor Dai Bingguo, Hoo noted that while some of Beijing's positions on its core interests require clarification, these interests basically relate to maintaining its national sovereignty and territorial integrity those matters that fall under its core national interests (Institute of Defense and Strategic Studies, 2014).

Mutual non-Aggression

Mutual non-aggression was rated as totally agreed by 19 respondents (86.29%) while 10 (6.99%) respondents were undecided. Nonetheless, 2 (6.86%) respondents did not agree that the Chinese are advancing the principal of mutual non-aggression. This is in agreement with finding by (Kurlantzick, 2007). This author argues that China never acquires resources by coercion. Instead it uses a win-win diplomacy aimed at multilateralism, mutually beneficial cooperation and the spirit of inclusivity as the core of its foreign relations.

Equality

Notably 18 of the respondents (76.61%) disagree that the principle of equality is practiced by China in its bilateral relations with Kenya while 4 of the respondents (18.18%) remaining undecided. Only, 1 (4.84%) totally agrees that there is equality in Chinese foreign policy. This is against the assertion by EUCE (2013) that China does not maintain a donor-recipient relationship with its allied states to counter accusations of colonialism. EUCE however agree on China's conditionality in assuring privileges for Chinese companies and ensuring promotion of resource diplomacy and access to agricultural products. This in itself dilutes the principle of cooperation among equals as held by China.

Economic Viability of Chinese Loans to Kenya's Road Infrastructural Developments

The study revealed that Chinese loans to Kenya's development of roads infrastructure are given at an interest rate of 2.0% with a grace period of 7 years. This is coupled with a repayment period of 20 years plus a commitment fee of 0.5% and a management fee of 0.5% (Field data).The study isolated that Chinese Road Infrastructural developments are sustainable as shown in Figure 3:

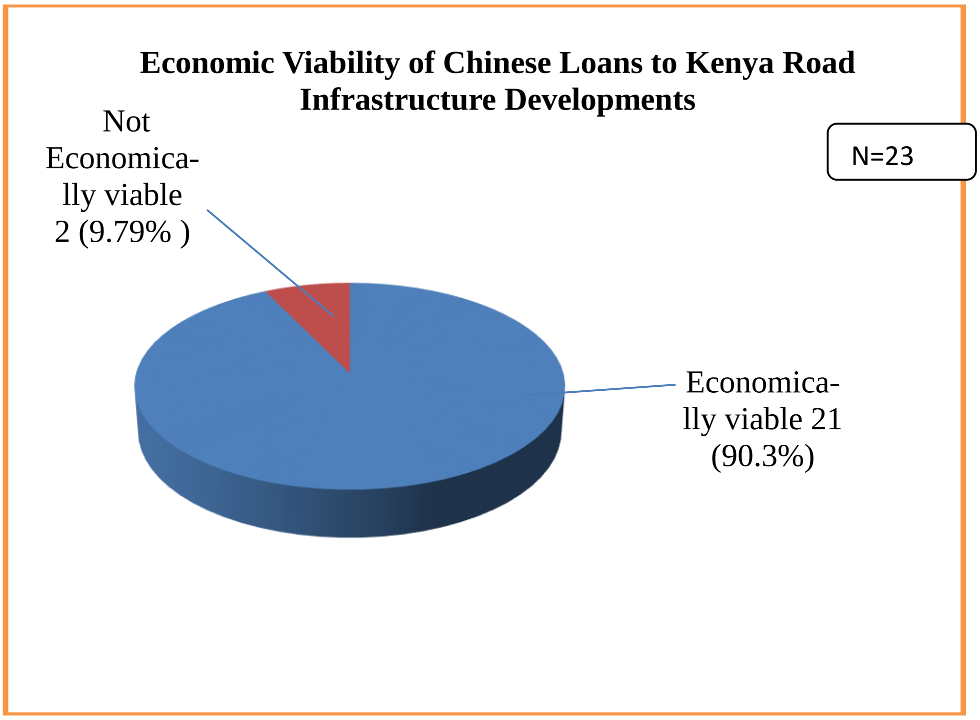


Figure 3: Views from Respondents on Economic Viability of Chinese loans to Kenya
Source: (Field data, 2015)

21 out of the 23 respondents (90.3%) rated this infrastructural investment as economically viable to Kenya while 2 (9.7%) rated it as they are not economically viable to Kenya.

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

The respondents were required to rate the sustainability (interest rates, maturity and grace period) of Chinese loans. 13 of the respondents (56.5%) found loans to be sustainable while 4 (17.7%) found the loans to be unsustainable. The remaining 6 (25.87%) did not have information about the loans sustainability as shown in Figure 4 below:

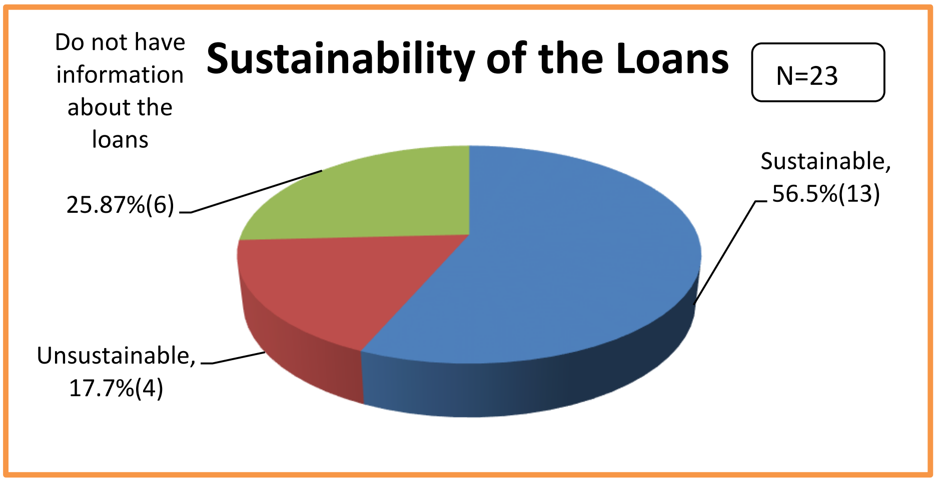


Figure 4: Views from Respondents on Sustainability of Chinese Loans to Kenya
Source: Field data (2015).

A manager of Enterprise Development at Kenya National Chambers of Commerce had the following to say on sustainability of Chinese Road Infrastructural Developments in Kenya:

> The projects are sustainable hence economically viable as the support is opening up economic opportunities in the region (Field data, 2015).

This statement goes a long way in affirming allegations that although Kenya does not have the resources that attract China to other countries, Kenya is strategically placed as a get way for trade in Eastern and Central Africa. The study therefore concludes that Chinese loans to Kenya are sustainable and thus viable.

Greater Benefactor between China and Kenya

The respondents were required to state between Kenya and China, who among them benefits from the road infrastructure development both in the long run and short run. The results are as shown in Table 4.3:

Table 3: Respondents; Level of agreement on the Greater Benefactor between China and Kenya (N=23)

China's road infrastructural projects in Kenya	Totally Agree	Disagree	Undecided
Are beneficial to both countries at the same degree	4 (15.32%)	14 (58.87%)	6 (25.81%)
Are only benefitting China	21 (91.13%)	2 (8.87%)	0 (0.00%)
Are only benefitting Kenya	3 (11.29%)	15 (63.71%)	5 (25%)
Are largely in Kenya's favour	18 (78.2%)	0 (0.00%)	5(22.38%)
Are largely in China's favour	21 (92.74%)	0 (0.00%)	2 (7%)
Are currently largely in China's favour but will gradually favour Kenya	21 (91.13%)	2 (8.87%)	0 (0.00%)
Are currently in Kenya's favour but will gradually favour China	2 (8.06%)	0 (0.00%)	21(91.94%)

Source: Field data (2015)

Table 3 revealed that the findings established that China will benefit more from the infrastructural development both in the long run and short run as 21 out of the 23 respondents (91.13%) totally agreed that only China is benefitting. Out of the 23 key informants, 21 (92.74%) indicated that they are largely favoring China. The same population of 21 respondents (91.13%) indicated that Chinese road infrastructural developments are currently largely in China's favor but will gradually favor Kenya.

Of the 23 respondents, 3 (11.29%) agreed that Kenya stands to benefit while 2 (8.06%) revealed that Chinese road infrastructure developments are currently in Kenya's favor but will gradually favor China. They cited resource exploitation in exchange for infrastructure developments as a threat to Kenya. The assertion of the condition for Chinese imports for infrastructure development is also held by EUCE (2013). Who suggest that China really underscores the conditionality in assuring privileges for Chinese companies. However, none of the respondents were undecided on whether these infrastructural developments are only benefitting China but will gradually favour Kenya. This study therefore concludes that engagements between China and Kenya in development of roads infrastructure are largely in China's favour.

China's Investments in Kenya's Transport Infrastructural Sectors

One of China's remarkable investments on Kenya's road infrastructure is the Nairobi Super Highway. China's EximBank financed US $100 million in upgrades between Kenyatta University and Thika. The construction between downtown Nairobi and Kenyatta University have been financed by the AfDB and the Kenyan Government to the tune of US $260 million. The AfDB financed the project with a package of US $180 million through its concessional window, the African Development Fund, including a loan of US $175 million (civil works and related consultancy services) and a grant worth US $5 million (feasibility study and detailed design of a mass rapid-transit system for the Nairobi Metropolitan area). The Kenyan Government contributed US $80 million towards the road project (ADB, 2012).

The road is located at the very heart of Kenya's economic engine. The Nairobi Metropolitan Area is the most dynamic locomotive of growth and employment creation in Kenya accounting for more than 30 per cent of the national GDP. The main features and economic activities along the route are human settlements with urban characteristics, various businesses, light manufacturing, educational institutions, and some farming activities. There is a thriving informal sector (Jua kali) specializing in metalwork, carpentry, vehicle repairs, dressmaking and construction. Other noticeable land uses include cut-flower growing; tea and coffee farming, as well as livestock for meat and dairy. Beneficiaries of the highway are predominantly people living along the route engaged in various economic activities. More importantly, it serves commuters who travel daily to work in secondary and tertiary sectors within Nairobi city's Central Business District (CBD) (ADB, 2012).

Some 100,000 people residing in Kasarani, Kiambu and Thika are salaried workers, while another 125,000 work in the informal sector, a majority who commute to Nairobi. Other distinct groups of commuters are students, health patients, shoppers and traders (formal and informal). With a secondary school enrolment rate of over 60 per cent, at least 12,000 students benefit from the road. In addition, two public universities are established along the road, namely Kenyatta University and Jomo Kenyatta University of Agricultural Technology (JKUAT). Between these two universities, approximately 12,000 students attend part-time programs (49 per cent of whom are women) and will greatly benefit from an efficient transportation system. Transport operators, especially passenger vehicles, trucks transporting light and heavy goods (domestic and regional to Ethiopia and Somalia), and non-motorized road users are among the beneficiaries of the project. Other key beneficiaries include horticultural and dairy farmers along the road who require an efficient and reliable transportation system. A large proportion of beneficiaries of the road project are women who sell food products sourced from Thika and beyond. In addition, operators in the roadside markets including the Maasai market at Globe Cinema are women. Other users include local administrations, and social service providers (NGO/CBOs) working in districts of Murang'a, Maragwa, Kirinyaga, Embu, Meru and Nyeri. Commuters are enjoying faster, more reliable, comfortable and more affordable journeys. The time taken to traverse Thika town and Nairobi has dropped from two to three hours to 30-45 minutes (ADB, 2012).

It was noted that China roads & bridge, China Wu Yi and Sino Hydro companies are the main companies constructing roads in Kenya (Field data, 2015). In railways, there is construction of standard gauge railway from Mombasa up to Rwanda. Ports both sea and airport recorded lower investment as shown by 22 (97.6%) and 18 (77.4%) of the respondents respectively. It was further revealed that Chinese have been involved in the infrastructural sectors of Kenya as no investment was rated by none of the respondents although some respondent were not aware that Chinese are also involving themselves in airport construction.

The value of China’s exports to Kenya rose to Sh93.6 billion from Sh63.6 billion in a similar period in 2014, moving ahead of India — which has been the largest seller of goods to the local market since 2011.India’s exports to Kenya dropped to Sh80.6 billion in the period to April from Sh84.5 billion in a similar period in 2014, the Kenya National Bureau of Statistics’ (Business Daily, 2015).

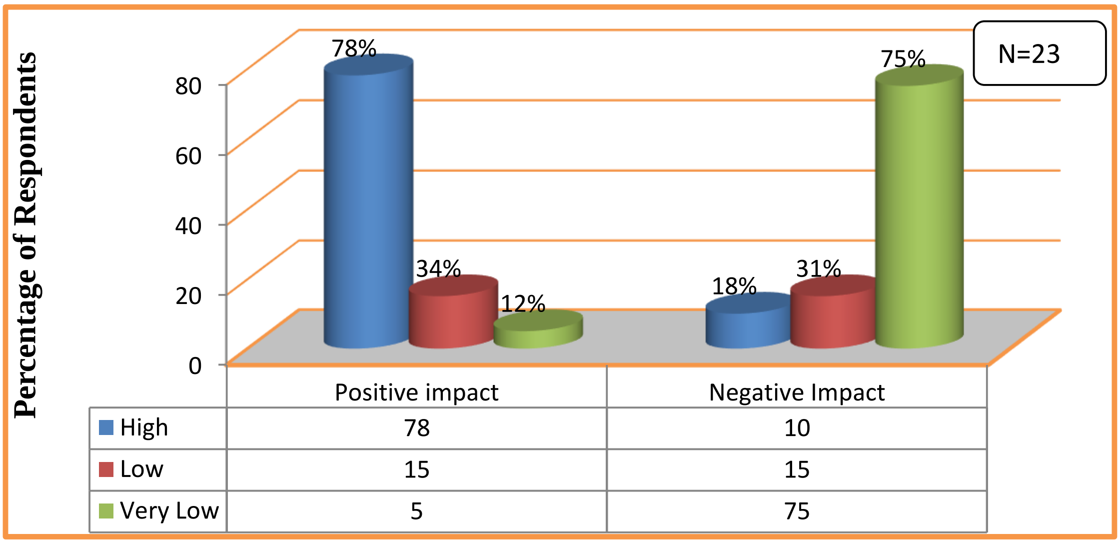
Impact of China-Kenya Relations on Kenya’s International Relations

The bilateral relationship between Kenya and China has not augured well with the rest of the world especially with the Western countries and the USA who have traditionally engaged with Kenya either socially or politically. China has tremendously boosted its economic development in Kenya and especially in the construction sector. In an interview with U.S. public radio program “The World´´ the chairman for the Kenya Private Sector Alliance (KEPSA) Eng. Patrick Obath said ``over the last five or six years, China had begun to independently compete for major infrastructure projects in Kenya and they are winning them hands down´´ (Mwangi, 2011).

Analysts claim that half of all construction work underway in Kenya is now being done by Chinese firms. On one hand this trend has triggered alarm and protests among the Local contractors who have blamed the government for raising demands on firms during the tendering process in favor of the Chinese, thus taking up local jobs. On the other hand European Union (EU) construction companies including United Kingdom (UK) to whom Kenya was a former colony, used to have an edge when it came to winning such contracts due to the long economic relations since independence, they also have of late found themselves out competed in the tendering process of the major construction projects. Most of the Western governments believe that corruption is also a factor in the awarding of contracts to the Chinese. According to the Leaked US embassy cables, A 17 February memo from the US embassy in Nairobi said China was providing weapons to Kenya "in support of its Somalia policies", and computers and telecommunications equipment to the Kenyan National Security and Intelligence Service (NSIS). The memo said that, in January, China provided "weapons, ammunition, supplies, and textiles for making uniforms" via the Chinese military import-export corporation Catic. The goods were to in support of the GOK's Kenya's "Jubaland initiative", Jubaland is being the southern-most Somali province on the borderng with Kenya. In August 2014, a telephone monitoring equipment contract was awarded to a Chinese company, the cable claims. It alleged the deal was done after the Kenyan telecoms company was pressured to do so by the intelligence services. The cable goes on to allege that one senior intelligence service officer received kickbacks from the Chinese company while on a visit to China. Another "received monthly payments of over $5,000 [£3,000] from [the Chinese company] which were used to pay medical bills." (the Guardian, 2010).

In 2008 however President Kibaki and Prime Minister Odinga officially launched a development blueprint dubbed Kenya's Vision 2030. Vision 2030 aims to ensure the necessary infrastructure is in place in order to fuel economic growth, and on which foundations of the country's future is built. According to the sentiments made by Wycliffe Oparanya, minister of state for Planning, National Development, and Vision 2030, Kenya needs Chinese expertise and finance in order to reach the many goals contained in the blueprint (China Daily, 2010).

The respondents were required to state their opinion on impact of Kenya-China relations on Kenya's international relations. This was seen as a challenge as Kenya decided to turn its back to its traditional trading partner and developing partners in favor to China. The results are as shown in Figure 5:



Impact of China-Kenya Ralations on Kenya's International Relations

Figure 5: Views from Respondents on Impact of Kenya-China Relations on Kenya's International Relations
Source: (Field Data, 2015)

The study revealed that 18 of the respondents (78%) agree that the impact of China-Kenya bilateral relationship was positive. They argued that this relationship had challenged Western countries to increase their diplomatic relations with Kenya. This was witnessed by the very first visit to the country by the USA president in July 2015 so as to strengthen the bilateral relationship between the countries. Of the total respondents 3 (15%) felt that the impact was low. 1 of the respondents (5%) felt that positive impact of China-Kenya relations was very low. Some of them cited the recency of Chinese heightened relations with Kenya as a factor. They felt that the impact was yet to be felt. Regarding the negative impact of China-Kenya relations on Kenya's International relations, 17 of the respondents (75%) felt that it was very low. They argued that China-Kenya bilateral relations have not weakened Kenya's diplomatic relations with Western countries. They cited recent higher exports of Kenyan products to America compared to China. This was affirmed by 15 (34%) and 10 (18%) of the respondents who rated the negative impact as low and high respectively.

Although Kenya has refuted claims of having adopted a "Look East policy", this revelation confirms that Kenya has increased its ties with the East. The study therefore concludes that there is more positive impact of China-Kenya relations on Kenya's Global relations. Despite the fact that China has greatly increased its aid to Kenya especially in Roads Infrastructure, Kenya is still largely reliant on its traditional donors for funding.

Chinese Impact on Kenya's Political, Economic and Cultural Relations

China's rise is expected to intensify its battle with India. China has recently made major inroads into Kenya with big-ticket contracts in healthcare and energy sectors. Kenya mainly imports textiles, pharmaceuticals, industrial machinery, vehicles, electronics, motorcycles, tuk tuks and semi-processed goods from India. Key items imported from China include heavy machinery, electronics, vehicles, textiles and a range of household goods. Chinese firms are currently undertaking mega infrastructure projects in Kenya such as building the multibillion-shilling standard gauge railway which will eventually link Mombasa to Kampala (Institute of Diplomacy and International Studies, University of Nairobi, 2015).
China has overtaken India to become Kenya's largest source of imports in the first four months to April; latest data confirms this as shown in Figure 6:

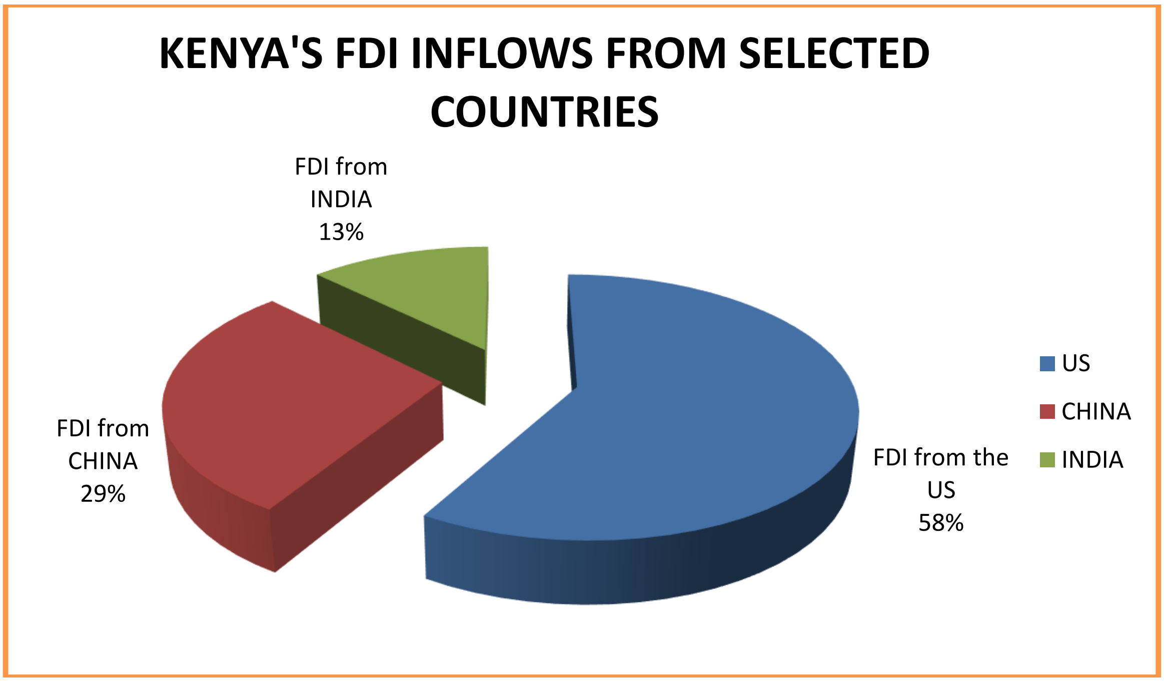


Figure 6: Kenya's FDI Inflows by 2015
Source: Authors' Construct From Kenya Bureau of Statistics (2015)

The India-China rivalry has benefited Kenya in terms of foreign direct investments, a wider variety of consumer goods and opened new sources of technical and financial assistance. Though the rivalry has played out as a battle of the Asian giants, the biggest losers have been the traditional Western trading partners such as Britain whose share of the Kenyan market has been steadily declining. The April 2015 data also shows the falling fortunes of the United Arab Emirates (Institute of Diplomacy and International Studies, University of Nairobi, 2015).

An analysis of trade relations and ODA figures between Kenya, China, United Kingdom, United States, Britain and Japan indicates that China has become a major trade partner for Kenya. It is the largest source of imports in Kenya. On the other hand the United Kingdom is the largest export market for Kenya followed by the United States as the largest donor to Kenya. China however is increasingly trade with Kenya as shown in Figure 7:

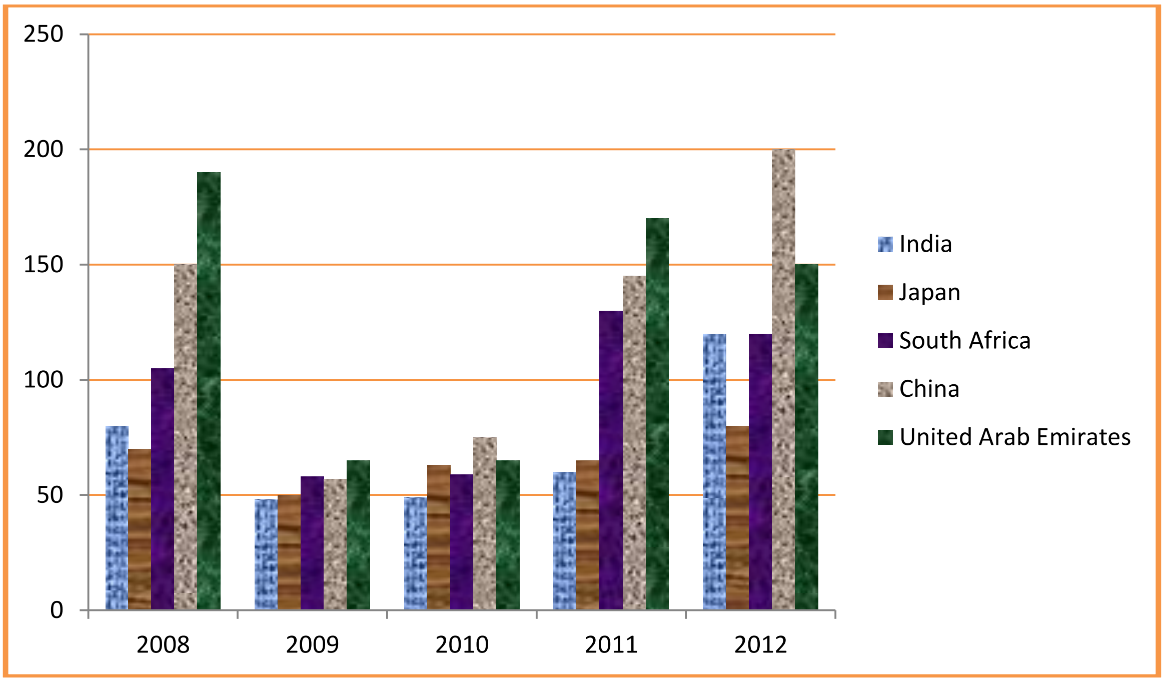


Figure 7: Leading Sources of Kenyan Imports
Source: Researchers' Construct From Kenya Bureau of Statistics (2013)

China's Impact on Kenya's Political Governance

Looking at China's impact on Kenya's political governance, Brautigam, (2009) asserts that there has been much talk that China's presence in Africa will undermine efforts to improve democratic governance and anti-corruption campaigns. The first area of concern is that China does business with any government in charge, regardless of how they gained power or their human rights record. This does not fare well with the West who actively promote their ideology of democracy and sound macroeconomics (Young 2012: 15). The worry is that if Kenya can count on China's support, then the government is more likely to act unlawfully and ignore Western critique, sanctions and threats of aid withdrawal (Economist, 2011). China conducts business strictly on a government-to-government basis. This makes the government the only local stakeholder and this becomes an issue when the government is not representative of its citizen's best interests (Harniet-Sievers and Marks S. 2010). This may prove a real obstacle for Kenya, considering its history of patronage politics (Cheeseman, 2009). The fact that China supported Kibaki's attempt to deter the ICC from persecuting two suspects with government affiliations Samora (2011), suggests that China's presence could be a hindrance to Kenya's efforts to become more democratic.

Table 4: Respondents' Level of agreement on China's Impact on Kenya's Political, Economic and Cultural Relations (N=23)

	Yes	No
Political Relations	14 (58.87%)	9 (41.13%)
Economic	16 (69.35%)	7 (30.65%)
Cultural	3 (12.1%)	20 (87.9%)

Source: Field data (2015)

One of the respondents argued that China's policy of non-interference with internal affairs of others has resulted China's support of rogue governments despite sanctions from Western countries. From Table 4.4 above, it can be revealed that Kenya's economic relationship with Western countries has been affected as indicated by 14 (69.35%). The heavy investment in economic sector by Chinese government and the dwindling Western investments are surest way to prove that the relationship between Kenya and Western has strained. Most respondents argued that language barrier is the major hindrance to Kenya's cultural relationship with China as indicated by 20 of the respondents (87.9%). Only 3 of the respondents (12.1%) confirmed that China's Increased relations with Kenya has affected the latter's cultural relationship with Western countries. Political relations were affected as indicated by 14 of the respondents (58.87%) who confirmed that China-Kenya relationship has affected political relations between Kenya and Western countries.

This study concludes that Kenya is still largely reliant on its native bilateral donors for funding. Although China-Kenya relations have challenged Western countries especially the US to further strengthen their diplomatic ties with Kenya, the growing relationship has not weakened significantly Kenya's relations with Western countries.

DISCUSSION

In the 19th Century the Chinese empire was controlled by the West and Japan. This sense of injustice experienced by the Chinese people together with Confucianism values of a harmonious world have been adopted to China's economic diplomacy. During the Cold War, Communist leaders sponsored several national independent movements in Africa. In the late 1990s, the Chinese started to implement their 'going out policy' and their interests increased further. China depicts its relations with poorer nations as a continuation of ties built up in the Non-Aligned Movement that was founded in 1961. By doing so, it countered accusations of colonialism. Unlike other superpowers, it does not refer to itself as a donor but as an equal partner in a mutually beneficial South-South cooperation. In April 2011, the Information Office of China's State Council released the country's first White Paper on China's Foreign Aid which seeks to outline China's official aid policies, principles and practices.

Good neighborliness (preventing external instabilities from "spilling over" to fuel frictions is a rhetoric that is characteristic of Chinese foreign policy. In 1954 the then Prime Minister Zhou Enlai introduced five principles of Peaceful coexistence during negotiations with India over the Tibet issue. These are: Mutual respect for sovereignty, mutual non-aggression, Non-interference in internal affairs of other countries, equality and mutual benefit and peaceful coexistence (Dietz *et al*, 2012).

After the end of Cold War, being aware that its strength and geostrategic position did not allow it to exert clout, China followed the *taoguangyanghui* policy-hiding its capabilities, focusing on national strength-building, and biding its time set by Deng Xiaoping in the early 1990s, kept its head low and avoided confrontation with the U.S and other Western powers. This low profile policy was a response to China's vulnerability in the wake of the Western sanctions following the Tiananmen Square protests in 1989. As a result, China devised a *"mulin zhengce" (good neighbors)* to create a peaceful regional environment conducive to its economic development. It made pragmatic accommodations to live with the hegemon, i.e., make policy adjustments to accord U.S dominance in international system. (Zhao S, 1996). Dietz *et al*, (2012) argue that Chinese foreign policy is very particular on respect of sovereignty among states, apparently influenced by its semi-colonial experience by western powers and Japan during the 19th century (Dietz *et al*, 2012).

The principle of non-interference in internal affairs is the back born of China's foreign policy. It emanates from Taoism, an aspect of Chinese cultural orientation that has a tenet called *Wu Wei* which means "non-interference" or "letting-go" (Fang, 2012). This principle is the counterpart of sovereignty (Wood, 2007). It is a principle supported by customary law and is well documented in the charter of United Nations (Robin, R. 2000), that almost every independent state subscribes to. For China, non-interference became weighty in the 1950s. Following US extended protection to the nationalist Kuomintang-Taiwan government (Currently referred to as the Republic of China) and its later interference in Korean War, China had to formalize the principle of non-interference in its external relations (Osondu A. 2013). Indeed China saw the step by the U.S. to protect Taiwan as "interference in Civil War" (Ogunsanwo, 1974).

The White Paper that was published in September 2011 makes a special reference to the "Century of Humiliation" *(bainian guochi)*, the period from the beginning of the first opium War in 1839 to the prevalence of CPC in the Chinese civil war in 1949. During this time China's effective territorial control shrank by a third, its millennia-old imperial system collapsed, and the country was driven by internal uprisings, invasion, and civil war. While Chinese leaders believe for example that human rights are relative, and each country should be allowed to tackle it their own way, the West views human rights as a global issue that supersedes sovereignty and external interference is to be carried out when it has to do with human security (Osondu A. 2013). It is believed that that historic period seems to exert a substantial impact on China's self-image and simultaneously on the way it is conceiving the outside world until our days (Dietz *et al*, 2012).

A notable example of China's emphasis on its principle of non-interference is a case where China seemed to abide by its principle of non-interference was in 2006. On April 28, 2006, the Dutch government announced that it was suspending nearly $ 150 million in aid to Kenya because of its failure to counter corruption. At the same time in Nairobi, China was signing a major oil exploration agreement in exchange for road building, the construction of sports center and infrastructure support for rice growers (Condon M, 2012).

However, debate has been on and on, on what China's contemporary engagement portends for Africa. Undoubtedly, China's engagements with Africa especially in countries like Sudan and Zimbabwe have generated a lot of questions and debates on China's principle of non-interference (Osondu A. 2013). Inconsistency in the applicability of this principle is also evident in Kenya. Although Sino-African relations are anchored on the principle of non-interference in domestic affairs of other countries, China has taken a greater role in security affairs. It has recently extended its cooperation with Kenya to the military arena in what appears to be a desire to secure its interests (Africa Policy Institute, 2014). Chinese Foreign Policy is largely influenced by the Brazil, Russia, India, China and South Africa (BRICS) policy framework for aid.This Policy entails the principles of equality, mutual benefit and transfer of skills and values to periphery nations. China has increasingly embraced Economic Diplomacy. In December 2012, the 18th Congress of the Chinese Communist Party formalized the entry of the fifth generation of Chinese leaders. Amidst expectations of a core strategy for governance, Xi Jinping, the new Party Secretary and President of the country, popularized the term "Chinese Dream" during a speech at "The Road to Revival" exhibition at the National Museum of History in Beijing, only days after he took office. Since then, the "Chinese Dream" has become a standard reference in major policy discussions. In one sense, the notion of a dream is a promise to the general populace of continual improvement in prosperity. A decade into the twenty-first century, there was a growing awareness that it was not in China's interest to make numerical growth targets the driving rationale for governance. As such, the fifth-generation leadership sought to define its mission by reminding itself of sound performance in anticipation of the "two centennials": the 100th anniversary of the birth of the Chinese Communist Party in 2021 and the 100th anniversary of the founding of People's Republic of China in 2049 (Daojiong Z. 2015).

In August 2013, China's State Council set up a pilot free trade zone (FTZ) in Shanghai. Though limited in geographical span (29 square kilometers), the creation of the zone is an effort on the part of China to unilaterally liberalize its trade and investment regime, against persistent absence of progress in the WTO's Doha Round negotiations. The Shanghai FTZ is a bid to reduce administrative interventions, ease restrictions on investments, further open up China's financial system, and internationalize its currency to boost shipping, logistics, and commerce. The word "pilot" in the Shanghai FTZ gives away the scale of challenge in bringing about structural economic policy changes in China. Different from a decade ago, when China began to implement WTO rules, economic governance in today's China is too complex to make a unitary mandate by the central government a viable option (Daojiong Z., 2015).

This explains why the municipal government of Shanghai was tasked to develop policy details from the start. Among other major policy changes, the FTZ operates itself using the "negative list" model in managing investments established therein. For governing investments in the zone, the government publishes a list of business fields that are closed or conditionally open for investment, while leaving the rest for businesses to decide on their own. This is a departure from the usual practice of subjecting a business to seek prior government approval. The most significant change in the zone is that foreign investors automatically receive equal treatment with Chinese ones. These changes bring Chinese treatment of investment closer in line with norms in developed economies. Domestic and foreign businesses registered in the zone have more freedom in conducting their operations. Most importantly, the leadership seems to be shaping domestic and international expectations. At the Beijing APEC summit, President Xi also sketched out a full image of the Chinese economy's "new normal."Growth of the Chinese economy decelerated to 7.7 percent in 2012 and 2013, and in the first three quarters of 2014, the figure was 7.4 percent. The society is told to remain calm about the overall health of the country's economy (Daojiong Z., 2015).

The study aimed at examining the nature and Impact of China's mutual development principle on development of roads infrastructure in Kenya. The findings have revealed that the highest motivation in China's investments in Kenya's road infrastructure is to market its goods in the East African region followed by the unexploited resources that are found in Kenya and the entire East African region. In addition to this was the explanation that China's principle of mutual development is an emanation of China's core principles of Peaceful co-existence which are: mutual benefit, non-interference in other states affairs, respect to sovereignty and territorial integrity, mutual non-aggression and equality. Mutual Benefit in China-Kenya Bilateral Relations has been isolated as the most highly applied in Kenya by China among the principles of Peaceful co-existence.

CONCLUSIONS

The findings have shown that Chinese loans to Kenya are sustainable and thus viable. It is also noted that engagements between China and Kenya in improving roads infrastructure are largely in China's favour despite China having tremendously succeeded in capacity building of Kenyans working on Chinese road construction firms. It has also been discussed that China-

Kenya bilateral relations have impacted positively on Kenya's international relations. This is indicated by increased Foreign Direct Investments into Kenya by specifically Western countries coupled with high profile visits such as that of President Barrack Obama. Based on this findings, the study concludes that China's principle of mutual benefit is being observed by China in its relations with Kenya and this has had a positive impact to development of roads infrastructure in Kenya. The study recommends that to reduce on the trade imbalance that is in China's favour, Kenya should not adopt a "Look East policy" but instead maintain its non-Aligned policy. This is for the reason that it still relies heavily on its traditional donors for development. Kenyan traders should take advantage of the recent lowering of export tariffs in 2015 by China to Kenyans to export more products to China. This will narrow the trade balance between the two countries that is skewed heavily in China's favour. This emanates from the revelation that China is investing in Kenya's infrastructure in exchange of exportation of its products to Kenya- a scenario that has brought an outcry from Kenya's informal sector. The Kenyan government through its relevant agencies should also put regulatory measures to ensure that Chinese imports are of standard quality. China should offer more aid to Kenya to mitigate the deficit, or in certain cases curtail Chinese exports to reduce the imbalance. The authors further recommend that Chinese language lessons be introduced in Kenya's curriculum as Kiswahili is introduced in China to further cultural relations and job creation for Kenyans.

Competing Interests

The authors declare that no conflict of interest exists.

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