Kenya development scenarios 2030

Applying a private sector model to international development

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Abstract

This study applies the Scenario method developed by the Royal Dutch Shell Corporation to the work of Swedish development organization SIDA and its work in Kenya. The Study is an attempt to show alternate ways for the development sector to handle long term planning, risk and uncertainty in an increasingly complex world as well as dealing with the increased constraints to their resources. The study constructs three future scenarios for Kenya in 2030, based on the current political and economic situation of the country using the Trilemma triangle method explained in the Shell Global Scenarios to 2025. The three scenarios constructed show how Kenya handles the dual crisis of security and trust in different ways given the dominant forces at play within the scenarios. The study finds that the scenario method is well suited for both shorter and longer term strategic planning for development organizations and that the Shell scenario model can be a useful tool outside of the private sector.

Key words: Development, Shell, Scenario, Kenya, SIDA
Words: 8457

Table of contents

1 Introduction

1.1 Development in an increasingly complex world

The intention of this paper is to apply the Shell scenario method to the idea of Swedish long term development strategies in Kenya.

In an increasingly complex and interconnected international space, development is becoming more and more difficult for donor countries. After having steadily increased since 2001, the money being spent on international development and foreign aid is stabilizing and will potentially decrease over the coming years. (OECD 2014) The aftermath of the economic crisis of the late 2000s has caused many donor governments to reconsider their aid volumes and official development assistance is increasingly used to handle migration within Europe.

With the threat of restricted funds looming large, many organizations and governments are trying to be more cost-effective with the way they spend development funds, trying to achieve more with less. This shift has meant a greater focus on sustainability and lasting effects even after projects are over or funding has been cut.

1.2 How to manage risk and cost

With an increased interest in sustainability and cost-effectiveness in the development sector there is also an increased focus on how to manage risk. Large parts of development spending are channeled to fragile countries, often with unstable or volatile political realities. In order to achieve more with less funds development organizations need to be able to counter these risks and gain a better understanding of the direction a country is headed in if they want to support the forms of development that are more likely to be successful and sustainable in the long term, given the particulars of the country or region.

One of the inherent problems of development cooperation throughout its history has been the problem of anticipating future events that affect the social systems it's trying to build or strengthen. While humanitarian aid and disaster relief have the ability to react to individual situation or shocks, more long term sustainable development requires awareness of the system and events that affect the country within which donors are operating.

Like the public sector the private sector has recognized that, in order to be successful in an increasingly unpredictable world, there is a need for longer planning cycles and a more adaptive way of looking at the future. One company that has been especially successful in anticipating shifts in its markets as well as envisaging the trends of the future of the wider global system has been the Royal Dutch Shell group (Shell) with its "scenario method". This method focuses more on open discussion and allowing for alternate, conflicting interpretations of world events, and has the potential to fill the development sectors need for a model for societal and political development that allows organizations to anticipate change and react early to potential shocks.

Scenario methods have their origins in military strategy but have long been used by the private sector in order to anticipate future events. Shell is seen as one of the pioneers of the method and has been using it in different forms since 1965. The Scenario method was developed at Shell by people like Pierre Wack, a French economist, as an alternative to more rigid forecasting models. Wack observed that forecasts were "an inappropriate tool" and that while they might sometimes be accurate, they often failed to anticipate the largest and most major shifts in the business climate. Wack recognized that the need for accurate information about future events was most important in these cases and therefore sought to develop a method that could better allow for this. (Wack 1985 p. 3)

Using the early scenario method Shell was able to anticipate the rise in oil prices after the Arab Oil Embargo following the Yom Kippur war and many of the later socio- political shifts such as the fall of the Soviet Union, the increased importance of environmentalist issues and the tensions of globalization well before they materialized in the real world. (Ibid. p. 5)The success of the method for the company has also led to it being applied to various different contexts both economic and political. The continuous improvement of the model as well as its increased importance for the decision making within the company has led to several new iterations of the method.

2 Theory

2.1 Theoretical approaches and methodological considerations

This study will attempt to test the usefulness of the Shell scenario method for long term development planning. In order to do this I will apply the scenario method to the work of Swedish development organization SIDA in Kenya. This means doing a case study of the Kenyan political situation using the Shell Scenario method as developed in the "Shell Global Scenarios to 2025".

This approach comes from an interest in the Shell scenario method as a method of managing political risk and the application of private sector strategies to public efforts such as government development spending. My approach will be that of a theory testing study, as defined by Essaiasson et. al. in that the focus will be on the theory, with SIDAs work in Kenya serving as the case(Esaiasson el al. 2004 p. 40). Because of the theory testing approach, my methodological choices are limited by the model I have chosen to work with. With regards to structure I will start by presenting the Shell scenario method and its components. Following this will be a brief overview of the current political situation in Kenya and SIDAs place in it. After these things have been established I will present the scenarios created for Kenya in 2030, followed by a discussion of their usefulness for an organization like SIDA.

While the use of a case study in order to test a theory might limit the amount of general conclusions that can be drawn from the results the intent of this study is to function as an initial statement on the usefulness of the Shell scenario method in long term development planning. The construction of scenarios will vary depending on several different factors which influence the choices made in this study. While these choices place constraints on how the study is constructed, I will attempt to be as transparent as possible about them.

Some of the initial choices to make are described in greater detail in the Shell published Scenarios: an explorers guide and I will go into these below.(Shell 2008 p 26)

The purpose of the project is to show the political and development future of Kenya from a perspective that can influence the way SIDA spends development funds. The intended (theoretical) user of the scenarios would be SIDA themselves and the scenario method has been chosen because it, theoretically, represents a more open way of looking at Kenya's future than other forecasting models.

In regards to the time horizon it wouldn't be unusual for a study to look 50 or 100 years into the future when attempting to understand a global context, but for a smaller study like this one a shorter timeframe is needed. Normally a set of scenarios would be developed by a group of participants from both within and outside the organization as well as the relevant decision makers. This wider approach, while more accurate to the actual process, is beyond the scope of this study. In order to achieve as close an approximation of the scenario building process as is possible, I have chosen to limit the study to the year 2030. This horizon gives ample time for wide political and economic change within the country and coincides with the Kenya governments "Vision 2030" development plan. Using this as a cut-off point for the study allows for several perspectives on the evaluation of what various actors believe could happen within that timeframe.

In addition to the questions above the explorers guide points to several necessary decisions that deal with the cost, time and size of the team conducting the research.(Shell 2008 p. 22)While these questions would be crucial for a normal scenario study carried out by SIDA itself, they do not apply to this study.

2.2 Sources

The sources used in this study can be split into two categories, those concerning the scenario method and those concerning the case. Shell has written several documents regarding the use of their scenario method and old scenarios are publically available. In order to strengthen the analysis of these materials I will also make use of academic sources written on the subject.

For sources relating to the case study I have used official SIDA sources as a way of defining the needs of the organization as the theoretical recipient. The scenarios of the political future of Kenya have been constructed using multiple sources from international organizations, SIDA themselves and the Swedish foreign service. As stated earlier the sources used are far fewer than would have been used in a large scale scenario construction with multiple participants from different fields and organizations but an attempt has been made to keep the cross-fertilization of ideas that Shell defines as essential to the scenario process.(Shell 2008 p. 40)In order to achieve this I have tried to include varying and sometimes contradictory sources from national, international and non-governmental sources in order to let multiple viewpoints influence the process.

2.3 The Shell Scenario method

Scenarios are not projections, predictions, or preferences; rather, they are coherent and credible alternative stories about the future. They are designed to help companies challenge their assumptions, develop their strategies, and test their plans. (Cornelius et al. 2005 p. 2)

The Shell Scenario model has been refined and retooled since its first appearance in 1965 but its general purpose remains the same. While traditional forecasting models try to eliminate uncertainty and construct as singular probable course for the future the scenario model embraces the uncertainty and attempts to show multiple, often conflicting, plausible futures. The main point of the scenario model as stated by Cornelius et al. is that it allows a company or an organization to identify future options, help with the timing of crucial decisions and provide important input into evaluating future options based on the information given in the scenarios. (Cornelius et al. 2005 p. 16)

The definition of a scenario used within the model is based on the M.E Porters definition from 1985 as "An internally consistent view of what the future might turn out to be – not a forecast, but one possible future outcome".(Porter 1985)

The basic idea of the Shell scenario model is that while the future cannot be predicted, it can be prepared for. As such, the focus of the model is not on the improvement of forecasting models, but in encouraging alternative perspectives and challenging preconceptions. As Wilkinson and Kupers explain it, the model tries to provide a more inclusive approach to looking at potential future events in order to counteract the "pressure to drive to consensus and close down the decision space" that is often pervasive within the culture of organizations and businesses.(Wilkinson and Kupers 2014 p. 77)

While the efficiency of the method is not always immediately apparent, Wilkinson and Kupers have noted that many companies have started using them and surveys show that they feel better equipped to perceive and tackle change than previously. Wilkinson and Kupers also point out that in many ways it is the sustained use of the scenario method and its effect on leaders and organizations in terms of how comfortable they are with handling change unpredictability over time that is one of the main advantages of the practice.(Wilkinson and Kupers 2013 p. 3, 10)

2.3.1 Security and Trust

Two important concepts to the scenario method are what Shell refers to as the " dual crisis of security and trust". (Shell 2005 p. 27 ff.) These two crises are presented as ones any given society faces, and how they manage these crises is

important for how the scenarios that are created take form. Security is here defined in the broad term, covering both more specific issues like terrorism and nuclear proliferation, but also things like the "resource curse", energy supply and communication. Trust is also defined broadly and refers both to trust within and between nations. Governments trust in other governments and their own people just like individual citizen trust in their government, banks, companies and the civil society is also included in the term.

2.3.2 The Trilemma triangle

Fig. 1 Forces   Fig. 2 Scenarios
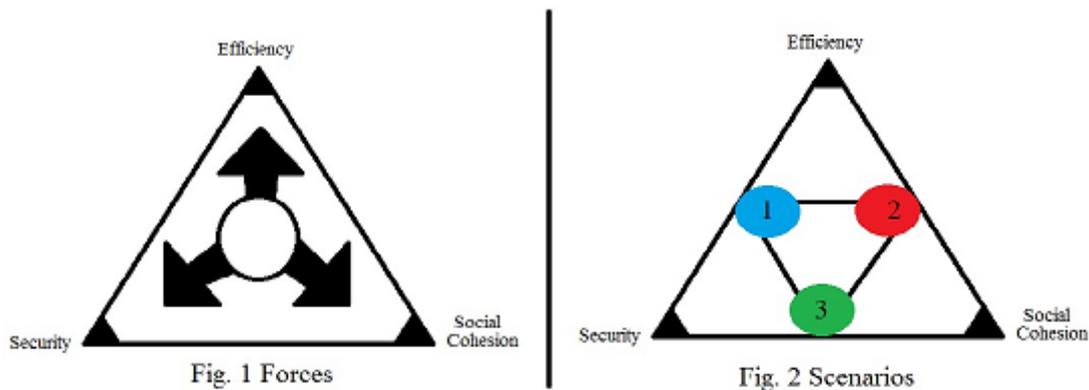
At the center of the Shell scenario method is the so called Trilemma triangle introduced in the "Shell Global Scenarios to 2025" (Global Scenarios). The Trilemma refers to the three sided dilemma that exists between the driving forces of the model. The model is based on similar assumptions to those of Dani Rodrik about the mutual exclusivity of global integration, democracy and nation states as well as the work of Robert Mundells on the triangle of mutual incompatibility between capital mobility, independent national monetary policy and fixed exchange rates.(Shell 2005 p. 41)

The triangle is a way of capturing the trade-offs between economic, political and social objectives within a given societal context. The triangle illustrates the interplay between three different "forces": market incentives, the force of community and values (social cohesion) and coercion and regulation by the state (see fig. 1). The idea is that these three forces are in conflict with each other and that while societies in general strive to achieve all three, there is an element of mutual exclusiveness between them.

The three apexes of the triangle represent the domination of a single force over a society, a market- state- or civil society centric world. These apexes, as pointed out in Shell Global Scenarios 2025, can be associated with a specific utopia. While these utopias might be interesting, any real world event will include aspects of all of them. The area within the triangle represents any actual future situation that might occur, given the relative influence of the three forces.

In an effort to boil down all the countless futures that can exist between the apexes of the triangle, the Shell scenario method bases its focus on the idea of

"two wins-one loss". The idea is that in an actual society, equilibrium could realistically be reached with two of the forces dominant, leaving one to be less influential. (See fig. 2) These scenarios, while not the only ones possible, represent plausible contexts within which to develop scenarios that are interesting and meaningful to discuss. The scenario model doesn't assign probability to these different futures, and it is largely assumed that none of them will occur exactly as described. Rather the scenarios are seen as a useful way of extrapolating from current events into plausible futures so as to be prepared to act upon them. It is also important to note that while two forces will be dominant within any given scenario, this does not mean that the other withers away or completely looses influence.(Shell 2005 p. 45)In a country ruled by a powerful state and a strong market there is still a civil society, it just doesn't impart the same amount of influence over the way that the country is governed. Similarly a society with a weak state but a strong market and civil society will still have governmental functions; however they will be less far reaching and influential.

One final crucial assumptions of the Trilemma triangle is that the three forces identified in the scenario method should be seen as distinct from the actors with which they are connected. As stated in the Global Scenarios the three actors of market, state and civil society are all interconnected and sometimes make use of the mechanisms associated with each other. This leads to actors, objectives and forces being three "interrelated but distinct analytical layers" and the focus on forces and how they shape behaviors rather than actors allow us to cover their complexities within one framework.(Ibid p. 41)

2.4   Adapting a private model for a public institution

While applying the Shell scenario model to a public institution like SIDA, there are differences to take into account. These differences do not make a significant impact on the construction of the scenarios, but since the needs of the recipient are a central part of the scenario process, it is still important to clarify. Shell is a privately owned company responsible to its investors, while SIDA is controlled by its governing principles. Chief of these principles is the Policy for Global development, decided by the Swedish parliament, and the Aid Policy Framework, decided by the Swedish government. In addition to this there are various thematic and country related priorities that are decided within SIDA or in cooperation with various branches of Swedish government. (Sida 2014)

While these differences mean that an institution like SIDA has a different structure and way of functioning, it doesn't significantly impede the scenario creation process. The goal of the scenario process within this study is to create a set of scenarios based around Kenya that could, in theory, be useful to an organization like SIDA.

2.5 Structure of the Scenario study

The Scenarios will be preceded by a summary of the political and economic situation of Kenya as well as SIDAs current work in the country. Each of the Scenarios will be constricted by extrapolating from this information and be a description of the plausible future they represent given the dominant forces in the "two wins-one loss" situation.

   Each scenario will start with a brief introduction, referred to by Shell as "The scenario in a nutshell". (Shell 2005 p.51) This will be followed by a more in-depth look at how the future envisioned deals with the dual crisis of security and trust as well as hot the "two wins-one loss" of the forces affects the associated actors and what this means for the society.

3 The Kenyan political landscape

3.1 The state of Kenya and its politics

In this section I will give a broad overview of Kenyas current political situation as a starting point for the scenarios created in the next section. The section will cover the general state of the Kenyan government, economy and civil society, as these three sectors will be the ones most important to the scenario creation. These summaries will not cover all of the characteristics of Kenya, but will touch upon the challenges that most influence its political situation. I will also briefly go through SIDAs activities in the country as a way of framing the scenarios and showing why they focus on certain aspects of the future Kenyan society.

Kenya is a country of about 45.5 million inhabitants located in East Africa. The Country has a GDP of about 60.94 billion dollars. (World Bank 2015) The official languages of the country are Swahili and English but some 40-local unofficial languages are spoken by different ethnic groups. The current president is Uhuru Kenyatta and the vice president is William Ruto. Elections are held every five years with the last one held in 2013. The country has a human development index of 0,519 and the amount of people living in absolute poverty (defined as less than 1,25 $/day) is 43%. (Swedenabroad 2014)

3.2 Government

"The importance of wealth as a route to power, and political power as a route to aquire both wealth and access to resources has…meant that the same elites dominate both politics and economics and fight their battles in both spheres. Through control of the state, political power becomes economic power, through patronage politics, economic power becomes political power. Corruption is simultaneously and economic, political, administrative and social process."(Hornsby 2012 p. 47)

As noted in the above quote by Nick Hornsby, corruption is one of the main challenges of Kenya's government today. In Transparency Internationals Corruptions Perception index the country gets a score of 25/100 with 100 being free from corruption. This means Kenya is in the third most corrupt group of countries in the world at spot 145/175. 59% of Kenyans regularly pay bribes,

often in order to access basic government services or to avoid arrest by police. The government institutions most perceived as corrupt are the police, judiciary and the ministry of lands that allocates title deeds and decides disputes over land ownership.(Transparency International 2014)

3.2.1 Vision 2030

Despite the negative influences of corruption, there are plans from the Kenyan government to improve the country over the following 15 years. The document "Vision 2030" contains a roadmap for the way the government wants the country to evolve until 2030 when they foresee Kenya as being "a newly-industrializing, middle-income country providing a high quality of life to all its citizens in a clean and end secure environment"(Government of Kenya 2007 p. Vii)

The document is based around three "pillars" or sectors of improvement. The economic Pillar prioritizes strengthening economic growth though the stimulation of sectors such as agriculture, tourism, trade, retail and financial services and support to already successful sectors such as telecom and transport.(Ibid. p. 28)The Social pillar focuses on how the country can build a cohesive and equal social system, with interventions focused on strengthening education, health, water and sanitation environment and urban areas.(Ibid. p. 78) The political pillar strives to strengthen democratic institutions and increase transparency in the political system. (Ibid p. 130)

Vision 2030 is an ambitious undertaking and has been made with input from various stakeholders. Although the document and the changes proposed in it have been praised, there has been worry that the country might struggle to achieve some of the more ambitious goals. Some goals, such as the goal of 10%+ economic growth set out in the document for 2013, have yet to be attained.

3.2.2 The Post-Election violence of 2008 and its aftermath

One of the more influential events on the current political situation In Kenya is the post election violence of 2008. After a contested election at the end of 2007, there was widespread violence in Kenya between the supporters of the Orange Democratic Movement (ODM) and the Party of National Unity (PNU). The groups were divided by party as well as ethnicity, with ODM being supported by Luo, Luhya and Kalenjin while PNU was mainly supported by the Kikuyus. After a power sharing deal that was brokered in 2010 the International Criminal Court (ICC) became involved. Six people became the subject of investigation and three were eventually requested to stand trial.

The current president Kenyatta and vice president Ruto were both among those accused, together with radio journalist Joshua Sang. The prosecutor alleged that Kenyatta and Ruto had, on opposite sides, coordinated the violence which intentionally targeted civilians. According to the accusations ODM opposition supporters were mobilized to attack Kikuyu and PNU supporters in central Kenya.

Once the initial attack had happened Kenyatta was accused of having targeted people of Kalenjin, Luo, and Luhya ethnicity since they were supporters of ODM. Between December 27 and February 28, 2008 between 1,133 and 1,220 people were reported killed, 3,561 injured, and approximately 350,000 were displaced. An increased number of rapes and acts of sexual violence were also reported. (International Criminal Court 2015)

The current political alliance of Kenyatta and Ruto materialized ahead of the election in 2013 and despite some signals that the two were mainly allies in order to avoid their cases in the ICC they won the election of 2013 in a coalition known as the jubilee alliance.

3.2.3 Refugees

Kenya is home to a large African refugee population. According to UNHCR the total amount of refugees in the country was over 593 000 in November of 2015. The vast majority of these refugees (418 581) are from neighboring Somalia and have fled the conflict there, but more recent conflicts like the one in South Sudan have increased the streams of refugees from there as well (94 487). There are 4 main locations where these refugees are located, in the refugee camps of Dadaab, Kakuma and Alinjugur, but also on the capital Nairobi.(UNHCR 2015) Shelter, food and services to these refugees are mainly funded by the international community via UNHCR but the presence and expansion of refugee camps within the country is often controversial, especially after the terrorist attacks of the past three years.

3.2.4 Westgate and terrorism

Kenya has had several incidents of terrorism in the years since the 2013 election. The most notable ones in recent times being the September 2013 attack on the Westgate shopping center and the Garissa University College attack of April 2015. There have also been multiple smaller attacks throughout the country, including an attack on the northern city of Mpeketoni during 2014. According to Human Rights Watch (HRW) the country's efforts to tackle the security situation have been hindered by the ongoing patterns of human rights violations by Kenyan security forces.

The main perpetrators of the terrorist attacks in Kenya are affiliates of the Somali terrorist-organization Al-Shabaab, something that has led to difficulties for the Somali minority and refugees in the country. After a series of smaller attacks in and around Nairobi in 2014 the government launched the so called Usalama Watch initiative in which it raided and searched the homes and shops of a large amount of Kenyan citizens and Somali refugees in the Eastleigh area of Nairobi. HRW has during this intervention reported large amounts of torture, disappearances, bribery and other violations of human rights by police officers.(Human Rights Watch 2015)

3.3   Economy

Kenya is currently classified as a lower middle income country and is identified by many as one of the more stable economies in east Africa. According to the World Bank the economic growth of the country is robust, with a projected economic growth of about 5% in 2015 (down from 5.4% in 2014). While impressive, this is lower than the goal of 10% or more set out in Vision 2030. The staple of the economy is agriculture, which has grown steadily together with infrastructure and the up-and-coming sectors of financial services and ICT. Tourism and manufacturing, both expected to be cornerstones of the future Kenyan economy, have been on the decline. The decline in tourism can mainly be attributed to the wave of terrorism that has been sweeping the country the past few years, while manufacturing has been on the decline due to a confusing and corrupt legal system that discourages businesses from operating in the country.(World Bank 2015)

3.3.1   Chinese influence

Like in many other sub-Saharan countries China is becoming an increasingly important player in Kenya. Aside from the increased influx of Chinese goods into Kenya, the country has made several large concessional loans to the country in order to fund projects such as a standard gauge railway to replace the current system ($327 billion), the establishment of a China-Africa development bank and a China-Africa research center in Nairobi ($2 billion and $5.1 billion respectively). These large agreements have been criticized for a lack of transparency and there is a worry that they might favor Beijing rather than Nairobi. (Isaac Ongiri 2014)

3.3.2   Economic Challenges

The reliance on agriculture for the Kenyan economy and the prevalence of small scale farming makes the economy vulnerable to drought and erratic rainfalls which risks leading to high food prices and decrease security in the country.(World Bank 2014 p. v ff)

Another significant challenge to the economy is the growing public sector wage bill and public spending. Kenya spends around 20% of its GDP on recurrent expenditure, and about half of this is spent on salaries for government officials. This problem is expected to increase after the devolution reform, as more funds are allocated to the local level where there is less oversight. As an added challenge there are problems with budget execution, especially with regards to national development spending where only 46.8% of the money allocated is actually spent. (World Bank 2014 p. 13 ff)

Just like in politics Corruption is a problem for the Kenyan economy and its low ranking in the World Bank "Doing Business" report (129) is partly due to how corruption artificially inflates the cost for companies to invest in the country.(Doing Business 2015)

Both the World Bank and SIDA note the untapped economic potential of Kenya in its growing and well educated young population, the role of the new constitution and its strategic position in East Africa. The economic development of Kenya could, according to the World Bank, improve significantly if it could deal with the problems of poverty, inequality and low productivity.(World Bank 2015)SIDA sees Nairobi as the hub of the East Africa region, and sees it as a potential motor for growth in the region. The economic development has, according to SIDA, been hindered by the events of 2007 and the global financial crisis. SIDA also brings up the Kenya Vision 2030, a document prepared as a long term plan for the country's development for the next 15 years.(SIDA 2014)

3.4 Civil Society

The civil society in Kenya has become increasingly under pressure since the election in 2013. International organization Freedom House classifies Kenya as "Parly free" with a score of 4.0 (1 free, 7 not free). According to Freedom House the security laws that were put in place after the terrorist attacks of 2013 and 2014 are restricting the rights of citizens and non-governmental organizations. Freedom House also points out that while citizens are theoretically free to participate in the public debate, most political organizations are mainly there to represent certain ethnic groups and have little in the way of ideological differences.

Freedom of the press is also under threat, with several vaguely worded clauses in the country's security laws that make it a crime to publish information about deaths, terrorism and the like without prior permission from police. The law is directed against content "likely to cause fear" but many see it as a way for the government to restrict the public's access to information.(Freedom House 2015)

3.4.1 Associations and organizations

The Kenyan constitution guarantees the right to freedom of assembly and Kenya has an active NGO-sector. Civil society groups have face increased obstacles in recent years, with attempts to limit foreign funding to NGOs and multiple reports of police brutality in connection with peaceful and legal protests.(Ibid.) Amnesty International has also reported about the forceful deregistration of 510 NGO:s and the freezing of their accounts in December 2014. The reason for deregistering the NGO:s was that they were allegedly at risk of funding terrorism, but no substantial charges were ever filed.(Amnesty International 2015)

3.5   SIDAs work in Kenya

SIDAs work in Kenya as presented in their strategy for development cooperation is focused on alleviating poverty, supporting economic growth, equitable distribution of resources, fighting against corruption and helping to implement reforms to address structural problems such as the ones that led to the post-election violence of 2008.(SIDA 2009 p. 2)

As part of this work SIDA supports work mainly in the areas of democratic governance, natural resources, environment and urban development. The total amount of aid disbursed as of 2014 was 483 742 000 SEK (ca 56 million $). The largest expenditures being Democracy, Human rights and gender equality as well as sustainable infrastructure and services and humanitarian aid.(SIDA 2015)

4   Kenya political scenarios to 2030
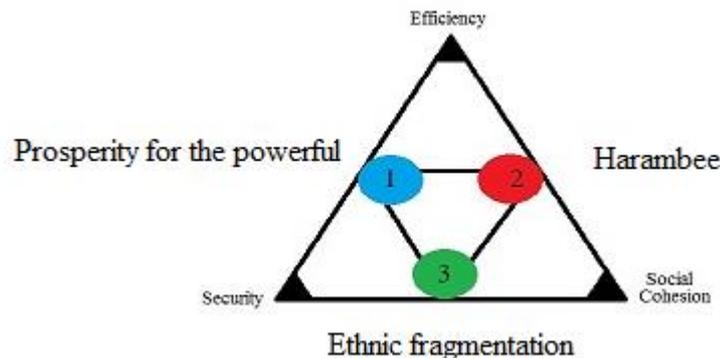
4.1   Prosperity for the powerful

4.1.1   The Scenario in a nutshell

The dominant forces are Market and Security. Low trust and a lack of oversight leads to a Kenya with slow but steady growth, where those already in power increase their influence and reap the benefits of economic improvement.

4.1.2   Security and Trust

This scenario is characterized by a high but unstable level of security but a low level of trust. The lack of oversight and transparency that stems from a powerful state and a weak civil society leads to the government playing civil society organizations against each other, allowing some to stay active and receive funding provided they are not overtly critical of those in power, while those who speak up are dismantled using either legal reforms or force.

While in the Shell scenarios regulations and increased transparency come with a lack of trust, here the same situation leads to precisely the opposite.(Shell 2005 p. 51)As the state and politicians try to gain more and more power, they decrease the amount of oversight possible in order to strengthen and keep their positions. The attempts to solve the question of security within this low trust environment also suffer, with security forces being seen as a threat rather than a comfort to the Kenyan people. This leads to fragmentation and inequality within the country, with some areas enjoying economic growth and increased government spending while those areas whose support isn't seen as important are ignored.

4.1.3 Market

The market forces take a stronger foothold in Kenya in the short run, driven by incentives such as lowered taxes for certain goods and services. This change especially affects larger corporations who can incentivize politicians on both local and national levels to make exemptions for their particular businesses. Powerful companies make deals to ensure they pay less tax and are given preferential treatment within the bureaucratic system, leading to a liberalization of the market while the private space becomes increasingly regulated.

Not all businesses are happy to do business with Kenya however, with its lack of civil oversight leading to poor protection of workers' rights. European and, to a lesser extent, American companies avoid direct large scale manufacturing to the country, afraid of the harm to their brand if accidents or workers deaths are widely publicized. India, with its large Diaspora in Kenya and growing need for technological goods, is attracted to Kenya by its skilled workforce for the manufacture of electronics and the like.

China continues its investment into Kenya, investing mostly in large scale infrastructure projects that drive more investment as well as low skill manufacturing. This increased economic activity leads to higher growth for a while but constant problems with corruption and bribery still means that many of the businesses started up don't stay, and the long term growth is low but stable.

4.1.4 State

The government votes for even more stringent rules around freedom of expression, using the security situation to motivate the extension of their power. President Kenyatta looks to countries like Ethiopia and Singapore for inspiration on how to run a successful economy while keeping a firm grip on power. Politics continue to be greatly influenced by ethnicity, keeping Kenyatta and Ruto in power due to their strength in numbers. The lack of proper political alternatives keeps elections as a numbers game but this makes many groups within the country unhappy and their leaders scramble to get rewards for supporting those in power. In order to discourage dissenting parties and a split within Kenyatta and Rutos Jubilee alliance laws are changed in favor of large political groupings. These reforms are not welcomed in the areas of the country that don't support the president, and unrest keeps blossoming up in opposition controlled areas. These small uprisings are quickly quelled and opposition leaders are rewarded with budget increases and large development projects if they manage to maintain the status quo.

The security sector is expanded and focuses on keeping the country together. Far reaching powers for security forces in terms of surveillance, use of force and discretion to eliminate perceived threats stabilizes some areas. The northern territories continue to be an issue and the threat of Al-Shabaab and its allies gets stronger as the government pulls its troops out of areas in which it has nothing to gain by supporting. Security reforms continue to be made on a case by case basis

and are often constructed in such a way as to allow forces to deal with inside dissidence as well as outside threats.

The lack of trust also affects the refugee population of the country, with many of the Somali refugees returning to Somalia as their living space is restricted to only camps and the harassment of them by security forces increases. These mass returns lead to economic problems for many of those who leave Kenya, assuring Al-Shabaab of a stable base of young men in need of money for a recruitment base.

Taxation is give priority by the government in order to pay for its increased spending on security, with tax codes being overhauled. The high level of corruption coupled with the increased power of government and a lack of oversight means that a lot of the tax reforms have little or no effect and the economic growth of the country ends up benefiting mainly those who are already wealthy.

4.1.5 Civil society

With its power decreasing, the civil society of Kenya slowly changes to fit the new status quo. Kenya's increased heavy-handedness and the insecurity leads to many foreign missions and NGO:s relocating their offices to nearby countries like Tanzania or Ethiopia. The US as well as European and South American countries decrease their development spending, wary of to the potential mistakes that can be made as more and more government aligned organizations are created. This move, coupled with the lack of trust among the civil society, leads to some of the existing organizations becoming more closely aligned with either the government, private sector or local politicians as a way of securing funds. This allows politicians and the private sector to influence which NGOs are able to work in the country, making many of them what the Shell scenarios refer to as BINGOs (Business initiated NGOs) or Gringos (Government related NGOs).(Shell 2005 p. 55)

The lack of trust within this scenario especially affects the media and human rights activists. With their increased wealth and influence, the state is able to efficiently accuse critical media outlets of ulterior motives, using the ethnic tensions to their advantage. A lack of foreign funds and restrictions on their actions leads to a lot of human rights organizations shutting down, its activists arrested, leaving the country or disappearing altogether.

4.2 Harambee

4.2.1 The Scenario in a nutshell

The dominant forces are the market and social cohesion. High trust and low security leads to a long term increase in foreign investment and development spending after a short term slump. Government tries to hold on to power with violence but is ousted and adapts to a more issue based political system. The lack of a strong state means increased insecurity in the north but close ties to Somalia alleviates some of this.

4.2.2 Security and trust

The name of this scenario is Swahili for "pull together" a rallying cry used by Kenyans and a metaphor for how this scenario functions. This scenario is characterized by a high level of security and trust. With government less powerful there is more room for civil society to influence opinion and create political organizations that go beyond ethnicity. A strengthening of unions combined with an increased market interest also changes the way investors think about the country.

4.2.3 Market

The instability of a system without a strong state discourages foreign investment in Kenya in the short term. As transparency increases and corruption is decreased many businesses start looking at Kenya again, finding its educated youth and large potential attractive. A push is made for more ethically minded businesses as unions, media and civil society organizations push back against those companies that mistreat their employees. An increased amount of refinement of products in Kenya leads to a steady economic growth and the increased presence of foreign companies makes their governments invest more in development spending on infrastructure, tax reforms etc..

The increased integration of east Africa makes business even more lucrative and Kenya's ICT sector stands out as one of the central drivers of innovation and investment In the region. Countries like the US show interest in trade agreements similar to those that have already been negotiated with the EU.

18

4.2.4 State

The decreased importance of the government leads it to become indifferent in the short term, focusing more on keeping power than in reforming. This leads to widespread protests that are met with violence but eventually some of those currently in power are forced to step aside as the government realizes it can no longer maintain the status quo. Once a new group of politicians, unconnected to ethnically based parties, start becoming popular many of the politicians follow suit. Starting out with populist demands, politicians soon realize the need to follow through on their promises. Corruption is decreased as transparency increases and government representatives get goodwill and support for "cleaning up" their departments.

The power of interest groups increases, leading to more focus on equality of gender and ethnicity in terms of representation. There is also a focus on consensus thinking, leading to reforms taking longer than before because of the need to satisfy as many groups as possible. This leads to a patchwork of legal reforms rather than a large overhaul as politicians try to appease or cater to new interest groups.

The increased scrutiny of the government also paralyzes some branches in the short run, their leaders refusing to act decisively for fear of upsetting interest groups. This leads to the country becoming more vulnerable to shocks such as drought and terrorism. With the increased trust there is less fear of security forces, but the lack of a strong army budget means that problems persist in the northern parts of Kenya. The refugee population is increasingly allowed to become citizens and integrate into society, strengthening the ties to Somalia and its global Diaspora.

With an increased focus on multilateral relations, the government increases its leadership of the East African Community (EAC). Guided by the requests of market and civil society, the government pushes for an increasingly integrated EAC. Passport unions, expedited borders and the like follow.

4.2.5 Civil society

Civil society uses its increased influence in order to advocate for a more open and transparent political and public space. With less harassment from government and more liberal laws for freedom of speech and assembly civil society becomes increasingly unified and better organized. Unions grow stronger and strive for better working conditions for Kenyans. Political parties spring out of this collaboration, leading to the start of a move away from ethnically focused elections, although the ethnic parties still exist. Increased transparency and a greater political variety lead politicians to increasingly campaign on issues. Those

that don't keep their campaign promises are often voted out in following elections.

Multilateral and foreign organizations such as the UN, EU and EAC become increasingly important in the development of the country and while the government is still included, it no longer leads the charge. This leads to tension around the ownership of reforms and some suspicion against large international donors who lack the same level of transparency as Kenya is striving for.

The increased power of interest groups leads to some tension as groups bring up historical injustices and inequalities. With the absence of a strong state this leads to small outbreaks of violence in parts of the country.

The media reestablishes itself as the fourth estate, moving away from its current tacit support of those in power. The increase in transparency gives plenty of opportunities to uncover past and current corruption and several high ranking government officials find their careers ended by reports of their corrupt and irresponsible spending of funds.

4.3   Ethnic fragmentation

4.3.1   The Scenario in a nutshell

The dominant forces are security and social cohesion. A lack of trust and security leads to fragmented groups struggling to maintain power, leading to a more volatile political system and increased violence. Protectionism and increasingly closed borders lead to a lack of growth and less international involvement.

4.3.2   Security and trust

This scenario is characterized by fragmented trust and low security. A lack of market incentives leads ethnic groups to become more closed towards each other as they try to maintain their hold on resources. With less international presence and cooperation with neighbors, external threats are mostly kept out, but security forces increasingly have to deal with internal violence.

4.3.3   Market

The lack of a strong voice for the market and a lack of trust between groups lead to lowered trade volumes as there I increased competition for resources and jobs. As the government becomes increasingly protectionist the trade volumes go down, further entrenching the ethnic divide. The increased barriers of trade and the lack of focus on international relations from the government hamper growth

and make the country even less interesting for outside investors. Local companies owned by influential Kenyans take over some of the previously international companies and markets in order to make up for the loss, but the general economic situation gets worse.

The South-South trade and cooperation suffers just as much as trade with Europe and the US as companies and governments have to make new deals every time a power change occurs, and those who have had deals with previous governments are stonewalled for their perceived allegiance.

4.3.4 State

The increased role on ethnicity in politics breaks up the alliance of Kenyatta and Ruto as old misgivings once again become relevant. The lack of trust allows politicians to hold their power over the ethnicity based political parties but the internal fight for leadership becomes increasingly aggressive as they fight over who gets to control government resources. Allegiances between groups become increasingly fragile and alliances are short-lived, rarely surviving more than one election.

Government becomes more nepotistic as different ethnic groups try to control parts of government by promoting members of their own group. The aftermath of elections often leads to mass firings of government employees. This lack of job security for those in government leads to increased corruption as those who are within the government try to get as much as possible for themselves and their group before they are thrown out. Politicians become more opportunistic, promising their own groups more and more as they warn them of the consequences if they don't get into or remain in power. This aggressive rhetoric leads to an increase in political violence, especially around the time of elections. Protests are increasingly common and are met with violence depending on who is in power at the time. Voters are increasingly bought with money and ethnic leaders are given promises of positions in exchange for support. Political violence is largely divided by ethnic lines, further entrenching the ethnically governed political organizations.

The borders are increasingly patrolled and border controls enforced. Several embassies close down or move as the requirements on them become increasingly complex and costly. Refugees are restricted as they have to stay in camps but few return to Somalia for fear of not being let in should they need to flee once again.

4.3.5 Civil society

Civil society is strong but the lack of trust between ethnic groups leads to suspicion as to the motives of those who criticize local and national leaders. Politicians increasingly accuse civil society organizations of supporting their opponents and those that are seen as working against the group are driven out. As a response civil society increasingly aligns themselves along ethnic lines, leading

to those that are already mostly active within one area or group prospering, but decreasing the amount of nationally active groups.

The media thrives in this environment but due to its need to cater to increased ethnic division it becomes increasingly sensationalist. Newspapers and news channels align even more with different ethnic groups. This leads to media uncovering cases of corruption and mismanagement, but many of the cases are seen as merely trying to dishonor politicians and government officials of certain groups. There is a rise in the amount of tabloids sold and the media choose carefully who they do and don't criticize.

With the lack of trust being so low within the country, suspicion of multilateral or international organizations increases. Aid from foreign donors or the UN has to increasingly be channeled through local governments or organizations in order to be effective, leading to some of the more risk-averse donors to withdraw funds. East African integration lessens as Kenya is unable to take a lead in the EAC due to an increased need for focusing on national matters.

5 Conclusion

Looking at the scenarios described above, we can clearly see how they could be useful to a development organization like SIDA. The first Scenario, "Prosperity for the powerful", has many things in common with the current trajectory of Kenyan politics but with the added factor of an increase in foreign investment as a driving force behind keeping those in power where they are. The "Harambee" scenario captures the role of the vibrant civil society of Kenya and shows what they might be able to do in a more open society. The Ethnic fragmentation scenario mainly shows us what we risk if we allow the sort of ethnic tensions that ran rampant around the time of the post election violence to come to the fore again.

After initial review of the scenarios and the potential use they could have for SIDA to navigate the political and development future of Kenya it seems clear that the Shell scenario method can, with relatively few changes, be of use for such an organization. It would be difficult to say that the model has wide ranging use as is without conducting further studies with a more complete scenario team but initial signs are positive and more research is needed.

All of the scenarios contain some of the elements of Kenyas future that worry experts today. "Prosperity for the powerful" shows us a potential future characterized by a lack of inclusivity and equity and warns of the harm this could do to human rights, security and long term growth. "Harambee" shows us that an increase in transparency and citizens rights, while positive, risks leading to economic stagnation and less coherent legislation in the short run. Finally "Ethnic fragmentation" warns of the violence and political turmoil that an economic downturn coupled with the ever present ethnic tensions could lead to.

It is important to note once again that none of these scenarios present a picture of what we actually think will happen in Kenya over the next 15 years. Rather, they try to capture some of the zeitgeist and trends of current developments in Kenya and extrapolate on what would happen if they were to continue down this path.

These scenarios contradict and align with each other at various points but they allow SIDA to identify certain key issues as well as certain trends to either support or counteract in order to aid development. For an organization like SIDA the usefulness of these scenarios lies in how they illustrate the possible consequences of political developments in the country. While it would be difficult for an organization like SIDA to counter any of these trends by themselves, it can serve to assist them in how they approach both their own development spending and how they strategize with other countries including Kenya itself.

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