THE EFFECT OF CHINA-KENYA ECONOMIC TIES ON SOCIAL AND ECONOMIC DEVELOPMENT IN KENYA
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ABSTRACT
The current diplomatic cooperation arrangement between Kenya and China covers several areas. The People's Republic of China established the diplomatic relations with the Republic of Kenya on the day of December 14, 1963. Kenya and China trade diplomatic relations have significant historical dimensions, starting with the Ming Dynasty. China views Kenya as a gateway to the region and it has become a key focus of China’s trade and economic strategy in Africa. This research sought to explore the impacts of China trade, foreign aid and direct investment on Kenya’s social and economic development. The main objective of the study was to establish the effect of China-Kenya economic ties on social and economic development in Kenya. Chinese relations with African countries have been positive in some ways; serious questions are being asked by Western and African intellectuals about China’s tactics and strategies in its quest for resources. This relationship is likely to endure since both parties benefit to some degree. This is important to some African countries since it provides a different development model and different rules of the game put forward as the “Beijing Consensus,” with its strong interest in Africa. There has been a rise in FDI through manufacturing and service sector in Kenya and the Chinese interest in Kenya have also extended to mining and mineral exploration. The above trend conforms to the hypothesis that Chinese relation with African countries aims at achieving tangible developmental results and the terms are favorable. China views Kenya as a gateway to East African region and is a focal point in terms of China’s trade and economic strategy in Africa. China’s investment in a number of road construction projects attests to this. More so China currently offers loans to Kenya for hospital and schools construction in less developed areas, it has set malaria prevention and control centers as well as providing volunteers to train the local people. It has been noted that monetary aid from China is tied to the use of Chinese goods and services and the only adherence required is the “One China” policy but not “good governance” as the conditionality’s that currently characterize the western donors.