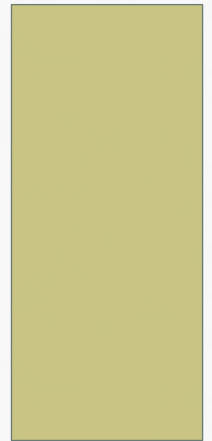


**HISTORICAL OVERVIEW OF POLICIES AND
INSTITUTIONS ON PRIVATE SECTOR DEVELOPMENT IN
KENYA AND THE NETHERLANDS, IN THE CONTEXT OF
MULTINATIONAL CORPORATIONS**

AGNIESZKA KAZIMIERCZUK



SIMPLIFIED LOGIC

Government Policies and Institutions (host/home)



Private sector development Incentives



Attracting/encouraging foreign investments (host/home)



Employment creation

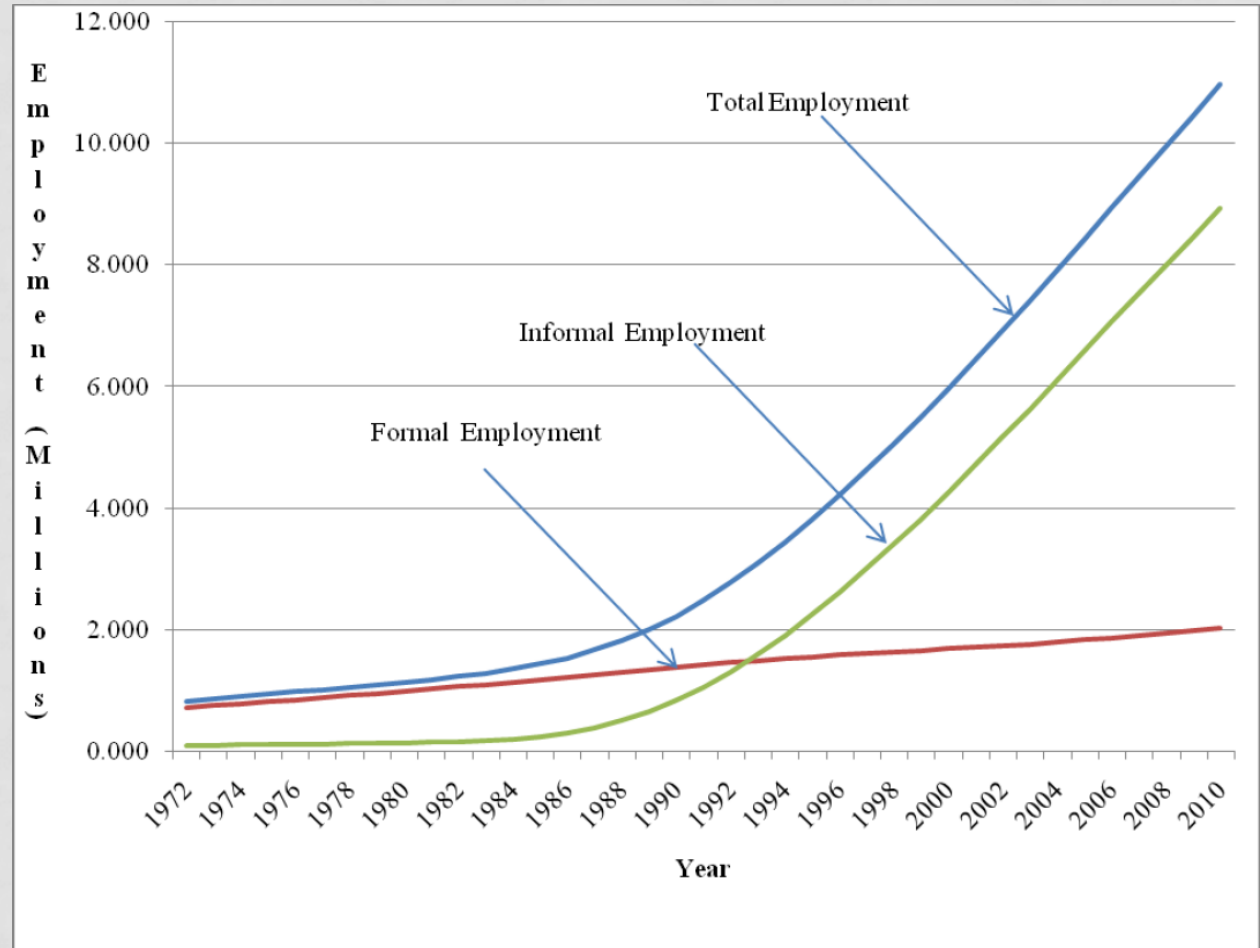
WHY NL AND KENYA?

NL:

- v.significant int. donor and investor
- **>100 Dutch companies in Kenya (MNC)**

Kenya:

- NL focus country since
- Steady economic growth (last 10y.)
- Young population (80% <35)
- Economic growth **NOT** inclusive
- Focus on job creation



Source: Republic of Kenya, Economic Survey (various years)

STAGES OF DUTCH DC

- 1949 Beginning of Dutch development aid
- > 2010 shift from Aid to Trade
- Key motives:
 - Dutch interests and poverty reduction
 - Promotion of Dutch private sector development

DUTCH INSTITUTIONS FOR DC/PSD

- <1950 Ministry for Union Affairs and Overseas Territories
- >1950 Ministry of Foreign Affairs
 - 1965 Ministry for Development Cooperation - First Minister for DC – Theo Bot
 - 1995 - Decentralisation of MFA
 - Increased role of Dutch embassies
 - 2012 Minister for Foreign Trade and Development Coop. – Liliane Ploumen

Other:

- 1970 Netherlands Development Financing Company (FMO)
- 1971 Centre for the Promotion of imports from Development Countries (CBI)
- 2014 Netherlands Enterprise Agency

DUTCH INSTRUMENTS FOR DC/PSD

- 1978 Netherlands Management Cooperation Programme (PUM)
- 1992 Development-related Export Transactions programme (ORET)
(Mixed-credit programme -> Less Concessional Loans (LCLs) -> ORET -> LDC Infrastructure Fund (MOL Fonds) -> ORET)
- 2001 Trade Union Co-financing Programme (VMP)
- 2008 Private Sector Investment programme (PSI)
(PSO -> PSOM -> PSI)
- 2014 Developmentally Relevant Infrastructure Investment Vehicle (DRIVE)
(ORET -> ORIO -> DRIVE)
- 2014 The Dutch Good Growth Fund (DGGF)

DUTCH INSTRUMENTS FOR DC/PSD CONT.

- The Sustainable Trade Initiative (IDH)
- Currency Exchange (TCX)
- Matchmaking Facility (MMF)
- Investment Promotion and Technical Assistance Programme (IPTA)
- MASSIF Financial Sector Fund
- Netherlands Investment Matching Fund (NIMF)
- Infrastructure Fund for the Least Developed Countries
- Private Infrastructure Development Group (PIDG)
- Netherlands Platform for Micro-financing (NPM)
- Netherlands Financial Sector Platform (NFX)
- The Health Insurance Fund (HIF)
- Other forms of DC:
 - Balance-of-payment support
 - Sectoral budget support -> Dialogue and Dissent partnership (NGOs)
 - Debt relief
 - Programmes to reinforce the institutional capacity of the recipient countries.
 - Multilateral channels

DUTCH EMBASSY IN KENYA

- Multi-Annual Strategic Plans (MASP) (4-year plan, as of 2001)
- Aligned with:

Dutch priorities (>2012)	Cross-cutting:
1. Security and the rule of law;	Gender equality
2. Agriculture and food security	Environment and climate
3. Water and environment	Aid and trade
4. Transitional support for other sectors	Inclusive development

- **2021 - last year for delegated development cooperation**
 - NL to act as a public investor rather than a donor

KENYA ECONOMIC HISTORY

- **1963 Independence – open economy; attracting FDIs**
- 1960-70s attracting FDIs (manufacturing and services)
- **1964-72 Kenyanisation programme**
- 1967 Trade Licensing Act
- 1973 Oil crisis; deterioration in Balance of Payment
- **1970s greater protection of Kenyan companies**
- 1980s/90s SAP/trade liberalisation
- 1986 Sessional Paper nr 1 recognise potential in informal sector
- **1990s Promotion of the informal sector**
 - 1989 'A strategy for Small Enterprises Development in Kenya: towards the year 2000' [Min. of Planning and National Development)
 - 1992 'Small Enterprises and Jua Kali Development in Kenya'
- **1994 Kenya join World Trade Organisation – open economy**
- 1997 Kenya Development Plan
- **2000 Kenya Vision 2030**
- 2007 National Industrial Policy (NIP)

KENYAN POLICIES ON INCLUSIVE DEVELOPMENT

- The Kenya Vision 2030
- The Medium Term Plan (MTP 2013-2017)
- The Kenya Constitution, 2010

KENYAN INSTITUTIONS FOR PSD

- **Ministries:**

- Devolution and Planning
- Industrialisation and Enterprise Development
- Labour, Social Security and Services
- National Treasury

- **1966 Central Bank of Kenya**

- 1967 Industrial and Commercial Development Bank (ICDS)
- 1967 Kenya Industrial Estates (KIE)

- **1974 Kenya Bureau of Standards (KEBS)**

- 1979 Kenya Industrial Research and Development Institute (KIRDI)

- **1986 National Employment Bureau (NEB)**

- **1992 Export Promotion Centers (EPC)**

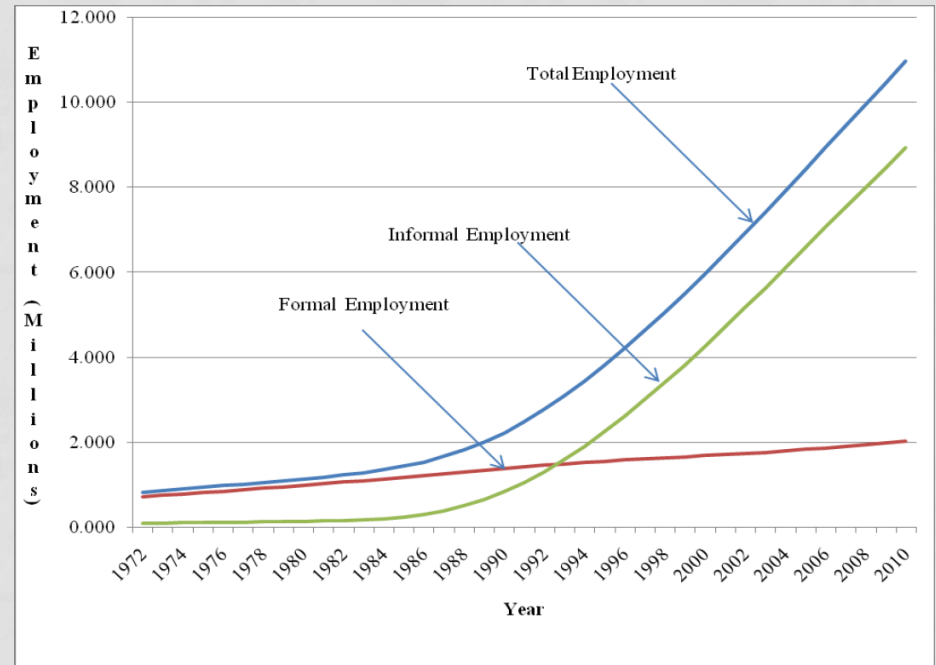
- 2007 National Industrial Development Commission (NIDC)

EMPLOYMENT POLICIES IN KENYA

- National Diaspora Policy
- **Micro and Small Enterprises Act 2014**
- **Labour Relations Policy**
- Foreign Employment Policy (Labour Export Policy)
- National Policy on Child Labour
- National Policy on Youth Polytechnics and the Vocational Sector
- Reviewing the National Youth Policy (2007)
- Youth Talent, Identification and Nurturing policy
- Private sector Internship and Training Policy
- Private Sector Capacity Building Policy
- **National Industrialization Policy framework for Kenya (2012-2030)**

CONCLUSION

- Despite efforts, achieving (productive) employment difficult
 - What is wrong with the graph?
- Following Gibson Burrell:
 - “What possibly went wrong?”
- **What** is the impact of (Dutch) MNC on PSD in Kenya and look in details **how** it was achieved.



THANK YOU FOR YOUR
ATTENTION