

**WORK** We have never imbibed the ethos of capitalism, thinking money grows on trees

# In 100 years, Kenyan president will be Asian

**XN Iraki**

In a few days 2019 will be over. Instead of looking back at what has happened in the last one year, we can look 100 years into the past. Why limit ourselves? We can connect dots and explain how events that took place a century ago still reverberate to this day.

In 1919, WWI had just ended and soldiers were going back home. But the British soldiers took a longer route home, through Kenya and other colonies. It is the year when the first British soldier settlers arrived in Kenya and took up the 'white highlands'.

There were pioneers like the missionaries and Afrikaan (Boers) before them. They found 'empty land' because they seemed oblivious of nomadism.

I would love to get a first-hand story from these soldiers; how did they survey the bush land, teeming with wildlife? Who made money from wildlife trophies? What did they think of the indigenous people such as the Maasai? How different were their views from those who encountered the Aborigines or Native Americans?

The new settlers tried to farm the land with all sorts of crops from wheat to barley and flax. But their mainstay seems to have been dairy, going by the number of Kenya Co-operative Creameries plants scattered around the country. They made cheese - but for curious reasons, we never developed love for it.

How did the new settlers decide where to live? They used lottery and history. They wanted land that resem-

bled their homelands. If you have been to England, you will notice how a trip from Gatwick to London looks like Limuru to Nairobi.

Another factor less spoken about is the mosquito, which was rare in the white highlands. Global warming is real; mosquitoes are making it to the white highlands. We could add Trans Nzoia and Kericho area to the region.

Some Britons came through India and may have learnt something from there too. I have curiously noted a number owned two farms, one in the lowlands like Laikipia and another up the mountains like Aberdares. Did they borrow a leaf from the concept of summer palace in Srinagar, Northern India?

The settlers had to do a lot of improvisation, such as using mud to build their houses. One such house built by Geoffrey Buxton in 1906 still stands in Happy Valley, Nyandarua. They used shingles to roof their houses, trees were plenty. But is improvisation not what soldiers are taught to do?

It was in 1919 that the first batch of Happy Valley residents arrived. They joined the rolling 20s which gave us jazz, the car, the movies, telephone, radio, aviation and electrical appliances. The Western world was ventilating after an exhausting WWI.

The rolling ended with the great depression of 1929. In Kenya, the rolling 20s went on till the mysterious death of Lord Errol in 1941.

One year later in 1920, Kenya

**"Few children can recall a proverb or a riddle from their community. What Britons tried to eliminate using education and religion, we are doing it ourselves willingly and with pride."**



A house in Nyandarua County formerly owned by a pioneer soldier settler, General AR Wainwright (1879-1970). Juliet Barnes, the writer of "The Ghosts of Happy Valley" is in the foreground. [XN Iraki, Standard]

became a colony. The events that followed reverberate to this day. The borders of Kenya colony and protectorate in 1919 remain the same. The political and economic systems set up by Britons have remained, with cross-pollination from other countries, particularly the USA.

We still see ourselves as tribes, not a nation, despite 125 years since Kenya became a protectorate in 1895. We are still superstitious with witchcraft mentioned often. We have never imbibed the ethos of capitalism, thinking money grows on trees and the related corruption.

We never learnt the value of work from 43 years of colonialism. After

independence we have kept off work and still complain of lack of jobs and muted economic growth.

After 100 years, we replaced our traditional systems with a mix of old and new. Paradoxically we have decided to go Western full blast. The number of kids whose first language is English is on the rise. Few children can recall a proverb or a riddle from their community. What Britons tried to eliminate using education and religion, we are doing it ourselves willingly and with pride.

The truth is unlike USA that set up her own political and economic system after their independence. We are still experimenting. Do you recall

Adam Smith's "Wealth of Nations" published the same year USA got her freedom? Globalisation found us still trying things out. We tried single party, command economy, harambee and African socialism.

China has found us trying things out. Without superordinate goals and national philosophy (what replaced Nyayo Philosophy?), we have become receptive to new forces, both economic and ideological. These new forces are replacing the shaky foundations of 1919 and 1920s and now shaping our new destiny.

## External forces

We are now receptive to Eastern - read Chinese - economic ideas, but not their cultural ideas. We are still Western in thought and deed. With no 'core owners' like Western Anglo Saxon and Protestant (WASP) in USA or monarchy in UK, Kenya is now like the 1919 when anyone seeking adventure came calling. Which nationality is not in Kenya today?

One hopes this influx will dilute our local rivalries, bring diversity of ideas without unintended consequences to the indigenous people. Remember South America? Why has it not grown as fast as North America?

It is amazing that 100 years after the first soldier settlers landed ashore, we are still being shaped by external forces. Going by our hatred of new ideas except sensational ones like "twa twa", we shall continue being shaped politically and economically by external forces.

Incidentally, our new constitution and BBI are very inward looking.

By 2063, 100 years after independence, Kenya will be a different country; more global and more South American with new owners. I will not be surprised if our president by then will be either an Asian or Caucasian. It is another question if we shall celebrate or weep over that.

- The writer is Associate Professor at the University of Nairobi

## How digital lenders help the economy as financial literacy grows

**George Abwajo**

In recent months, mobile and digital lenders have been getting a lot of attention, greatly helping improve coverage of financial services from 67 per cent in 2016 to 83 per cent in 2018.

Mobile and digital lenders have reaped from Kenya's huge population of smart phone

users. They have helped fill the gap where many people could not access finance because they lacked collateral. By giving credit to more people, this has had a multiplier effect on businesses, health emergencies and critical interventions in the lives of many people.

According to the FinAccess Report released by Kenya National Bureau of Statistics and Central Bank of Kenya and corroborated by the Digital Credit Audit report, a whopping six million Kenyans have at one point accessed a loan from mobile and digital lenders.

As a result, there has been increased concern regarding the regulation of the digital lenders. Rightfully so, because all deposit-taking financial institutions have some regula-

tion, be they saccos, banks or microfinanciers.

However, digital lenders do not receive money as deposit. In a free market where demand meets supply at equilibrium to end up with reasonable prices, the current market rates are fair in comparison to the needs of the public. It needs to be emphasised that these loans are cash that belongs to the lender and not a pool of deposit givers.

In giving them out, there is no real collateral but they rely on data gathering from the user's device and other credit sharing or loan platforms to issue the credit. Bearing in mind that most people lack access to finance, digital loans have been a welcome respite.

The Digital Lenders Association of Kenya (DLAK) has been

established for the purpose of self-regulation by looking at the areas and gaps or weaknesses. This can be done in-house by the regulator coming up with measures to protect data privacy and responsible consumer behaviour.

### 83%

■ Coverage of financial services in Kenya in 2018, according to official data.

As a measure, the entry and exit from the market will be regulated by the association and through this, there will also be increased awareness and sensitisation done by the association to address some of the concerns of borrowers.

To protect customers, DLAK has created a code of conduct - a set of guidelines for reliable and trustworthy lenders. Lenders following the mentioned above code are thus transparent and the customers can borrow money hassle-free.

Since they arrived in Kenya, the digital lenders have helped grow financial inclusion. According to FinAccess report of Feb 2019, the major reason for delays in payments on digital platform is that customers forget to pay on time. Thus, the report calls for promotion of financial literacy to address consumer protection concerns, and this is one of the issues that DLAK can address.

Digital lenders have done a lot for Kenyans - from saving someone's life using the Sh2,500 borrowed to buy med-

icine at the hour of need, to transporting produce to the market that would have gone stale, and paying for utilities such as electricity and water. The list is endless.

Digital lenders have a huge role to play in our micro economy. Our informal sector is big and contributes a lot to gross domestic product, going by the wealth it creates and the number of individuals its employs. We expect DLAK to tell us the measures they will take in the near future to patch the few weak links.

This is an investment that has disbursed billions of shillings to under-served borrowers and has intervened to stimulate economic growth. Let us have a forum for consumer sensitisation.

- The writer is an economist