

# International marketing - political environment on developing country article rev...

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“ Discussing Kenya’s business environment and the upcoming elections,” is an article by Mulupi Dinfin looking into the political environment of Kenya at general elections. In the article, Mulupi holds a discussion with Richard Kiplagat, a director at Consultancy Africa Practice East Africa, regarding what should be expected from the elections and its impact on business. According to Mulupi, Kiplagat forecasts that Kenya will not experience another political violence following another violence that occurred after the previous elections in 2007 (1). Kiplagat further explains his argument pointing out that there is no single political party that wishes to be associated with the repeat of national violence after elections. With Kenya having successfully promulgated a new constitution that will build trust in the judiciary, the economic growth after the elections is expected to continue.

Kenya has been characterized by a politically stable environment for the last ten years with a dependable macroeconomic policy. This has enabled foreign investors to forecast on their investments attracting even more investors.

Kenya has a human resource that is ranked higher than most African countries. It has acted as an economic link to neighboring countries such as Uganda, Rwanda as well as South Sudan. Kiplagat further analyses the risks that Kenya’s political scenario is faced with key among them, corruption. Other economic risks include the ever rising cost of energy hence impacting on the transport sector. Terrorism though global, is a reality particularly for Kenya with the Al Shabaab threat in the neighboring country Somalia (Mulupi 1).

The West has been a favorite investor to Kenya but with the emergence of China, the country has been able to bag in an alternative. According to

Mulupi, Kiplagat predicts better political and economical environment for Kenya in the coming five years: “ I see a Kenya with better governance, better infrastructure, a population of well trained, highly skilled, globally competitive human resources and an integrated East African Community with a large market that cannot be ignored by any investor in the world” (1).

## **Level of Political and Economic Risk given the environment in Kenya**

The Kenyan political environment is anticipated to be stable beyond the elections returning promising a boom in the economy. This kind of political stability is likely to attract investors from the international market especially from the top two suitors, the United States of America and China. The human resource which is better off than majority of African countries combined with technological advancements will see the economy grow greatly. Given the fairly stable political and economical environment in the country the risks for investments in the country will be minimized.

On the other hand, despite the non violent march general elections in the country, there still lurks the danger of investment risks. Kenya has to check on its national security and build confidence of investors given the vulnerable Al Shabaab terrorist group from the neighboring Somalia.

Corruption is another risk that is likely to keep off the investors with the country’s history of ethnic background where the communities want their “ own” on various political and economical aspects. Another staring risk in the Kenyan environment is the high energy costs which impact negatively on the transport sector, a very fundamental sector of the economy.

In conclusion, the Kenyan political and political environment is characterized

by less risk for investors. It promises a rapid economic growth especially after the country successfully managed a peaceful election. Its well off human resource combined with technology will see the business environment prosper bearing a reduced risk. Foreign investors from the West and recently the dominance of china will to some way help develop country. Adoption of a new constitution will reduce the incidence of corruption with devolved government better performance. Then the central government will be able to deal with crucial national issues such as the national security that is being threatened by the Al Shabaab terrorist group minimizing political and economic risk.

## **Work Cited**

Mulupi, Dinfin. " Discussing Kenya's business environment and the upcoming elections." How We Made It In Africa - Insight into business in Africa. N. p., 4 Feb. 2013. Web. 2 May 2013.