AN APPLICATION OF KENICHI OHMAE'S ARTICLE, "PUTTING GLOBAL LOGIC FIRST; ECONOMICS, NOT POLITICS, DEFINES THE LANDSCAPE ON WHICH ALL ELSE MUST OPERATE," TO THE KENYAN SCENE

Caroline Ntara
School of Business; University of Nairobi
Nairobi, **KENYA**

ABSTRACT

The article proposes that the "invisible hand" is behind economic activity. Kenichi sets forth to explain that customers determine what companies across the globe produce and sell in the market. Customers determine this by their purchasing decisions. This gives them control over political activity in their capacity as consumers. Kenichi uses the concept of nation state and region state to explain himself. A region state is one where borders are marked by the invisible hand of the international market for goods and services. A nation state is a type of political association where a relatively homogenous group of individuals dwell in a sovereign state. Kenichi supported the region-state as it was in line with the invisible hand of economic activity operating in a borderless world. According to Kenichi, nation states are not significant units as relates to economic activity. He supports the region state as a meaningful unit as relates to economic activity. Kenya depicts Kenichis assertions in matters related to the nation and region state. The paper highlights key aspects in the Kenyan scene that were depicted by Kenichi in his article. Thus, shedding light on consumer behavior patterns, the political environment and how they relate in the face of globalization.

Keywords: Nation State; Region State; Globalization; International trade.

INTRODUCTION

In a borderless world, consumers have power in major decisions affecting the economy. Economic activity no longer takes place in areas defined by political borders. Kenichi uses the eighteenth and nineteenth century political scenarios where religious animosity, tribal hatred, political resentment, and ethnic prejudice caused nations such as the Soviet Union to collapse. He explains that the breakdown was due to the movement of ideas, capital, and people across borders and had nothing to do with politics. The movement of people, information, capital and ideas across borders means choices are influenced by the threat that needed resources will go elsewhere. This meant that allegiances during the cold war had no power and political leaders were at the mercy of the people. Also, institutions were making economic choices that politicians had no control over. He added that currency speculators had the ability to influence the value and exchange rate of any currency. According to him, politicians had no hand in this (Ohmae, 1995).
Furthermore, he adds that information shows consumers in nation-states how others live and influences their tastes and preferences through global brands. As a result, convergence of tastes and preferences burdens governments to ensure their citizens access the best and cheapest products. In instances where governments refuse, the citizens' vote using their buying decisions.

He adds that the nation state participates in wealth destruction. He explains this by saying that the desires of political leaders to stay in office makes them satisfy the demands of influential groups such as unions. They must also make available to the citizens who voted for them a common level of public service utilities despite their location. Some regions give more in taxes than others but the government ensures that services such as electricity, schools and roads reach the masses. He called this meeting the civil minimum and indicates that it does not make economic sense. He adds that if this trend continues the market will move resources elsewhere as it may not be possible to boost supply or create jobs. This means the masses will look elsewhere to meet their need in this borderless world. He indicates that nation states are happy with the invisible hand when they are able to control it (Ohmae, 1995).

He proposes the formation of region states and says that they are natural economic zones that fall within certain boundaries and have the ingredients towards success in the global economy. The region states have favorable policies for foreign investment, shipment of goods and access to credit. He calls them special economic zones and affirms the idea that a region state welcomes whatever will create jobs for its citizens, provide them with the best products, and progress their quality of life. Region states are economic entities and not political ones. Even when they exist within the boundaries of a recognized nation, their primary connection is the global economy. Region states accept the foreign investment because people often have better access to high quality, low cost products that they do not produce at home. Additionally, he explain that the economy can only grow continually when the environment is attractive for foreign investment. In this regard, he adds that leaders cannot ignore the needs of foreign investors by diverting resources to protect state owned companies (Ohmae, 1995).

LITERATURE REVIEW

Theoretical review

Kenichis article sheds light on the theory of Economic Liberalism. Economic liberalism is the philosophical belief in organizing the economy on voluntarist and individualist lines, meaning that the ultimate possible numbers of economic choices are made by the people, and not by organizations or collective institutions. The theories of liberalism were quantified best in The Wealth of Nations, by Adam Smith, 1776. "The basis of national wealth, and therefore, national power is economic growth (Brown, 2005)." According to the theory, Free trade which is the free flow of services, goods, and investment across borders, is the key to economic growth. Political leaders should permit trade between nations to deepen, and expand, and keep government involvement in that trade down to a minimum. This means that imports and exports should flourish with, as little control as, possible. Liberals want economic decisions, to be made by the marketplace, and not the government (Daniels, Radebaugh, Villarreal, 2007).

Another theory that comes up in the article is Economic nationalism in support of the nation state. States compete economically, according to nationalists. This differs from liberalism because liberals believe that firms compete economically, but states do not. Nationalists look at firms as components of a nation's power (Baker, 2006). In addition, nationalists believe that Free trade only profits the richest, most advanced nations. When such nations compete with less developed nations, only the advanced industries will defeat less advanced or "infant" industries. Thus, free trade helps the wealthy get wealthier and the less developed stay less

advanced. For the less developed nations, there should to be an alternative way of getting rich (Steedman, 1979).

Additionally, Adam Smith formulated the absolute advantage theory to explain the ability of a country to produce products more efficiently and effectively than other nations and exchange the items for goods produced in a similar manner by its trading partners. Consequently, a country benefits by trading in only those items that it can make with the least amount of resources and importing goods for which it does not have absolute advantage in their production (Cavusgil et al. 2015). For instance, Kenya has an absolute advantage in producing tea and coffee which contribute significantly to its economy. In that regard, Kenya's trade in the EAC/COMESA can thrive if its tea and coffee exports are not limited by tariff or non-tariff barriers, but rather, allowed to continue in accordance with supply and demand forces.

David Ricardo developed the comparative advantage theory to describe the profitable trading relationship that can exist between two countries if one of them can manufacture goods or provide services more efficiently than its partner. As a result, a nation enjoys comparative advantage when it can produce a particular product more efficiently than other items to ensure that trade is profitable for the countries involved (Cavusgil et al. 2015). Kenya, therefore, should focus on intensifying the production of goods in which it has a comparative advantage such as tea and coffee while importing other products such as equipment and machinery from trading partners such as South Africa.

According to Eli Heckscher and Bertil Ohlin's theory, production factors influence international trade patterns. Production resources also determine the variety of products exchanged when trading. Countries have different types and amounts of production factors. For that reason, each nation is advised to generate and export products whose production factors can be found in large quantities locally and import goods that require scarce production resources (Cavusgil et al. 2015). For instance, Kenya should focus on agricultural production because of the availability of land and labor while importing machinery and equipment from trading partners with abundant technology and capital resources.

The National Competitive Advantage theory of Michael Porter posits that countries can achieve global business success if they build the collective competitiveness of their firms. The theory also asserts that innovation is critical to competitive advantage; therefore, a highly competitive nation is one where local companies are increasingly innovative (Cavusgil et al. 2015). Kenya can be said to enjoy a competitive edge in the EAC/COMESA regions because of mobile money transfer innovations such as M-Pesa and the country's highly educated, skilled, and sought-after workforce.

The New Trade theory of Paul Krugman claims that global trade patterns are influenced by network benefits, economies of scale, and pertinent market structures. In that regard, although two trading partners fail to record differences in opportunity costs, they can still benefit by specializing in a particular industry. The land and labor resource capabilities of Kenya are good indicators of the nation's potential for specialization in sectors in which it has comparative advantage such as agriculture. Other supporting factors for specialization are the differences in

the EAC/COMESA partners' access to intraregional and global trade, consumer tastes, technological adoption, and historical conditions (Gandolfo & Trionfetti 2014).

The above international trade theories offer insights into trading and business activities within Kenya as a nation state and the region states of EAC and COMESA. In particular, the theories suggest how Kenya can foster trade with partners in the mentioned regions. Kenya should maximize its absolute, comparative, and competitive advantages while making the best use of its resource capabilities, especially land and labor, and exploring specialization opportunities.

Empirical review

Tanzi (1998) argues that the globalization of economic activities that is depicted in many economies raises questions about the prospects of the nation state. In recent times, globalization has been upsetting the economic relations among nations contributing to the creation of many cross-country externalities and spillovers. International cooperation and globalization will in time lessen the degree of freedom, and possibly the influence of national governments in making certain economic decisions. This is in agreement with Kenichi Ohmae`s assertion that the nation state is weak and there is need to embrace the region-state.

Ohmae (1993) posits that the nation state is not functional. He adds that it has become an unusual entity for handling economic activity and human behavior. In his opinion the world is now borderless, and, as a result, it has rendered the nation state meaningless. It does not epitomize honest and considerate view of economic interests thus limiting economic activity. Further, the nation state ignores collaborations and linkages among populations by linking significant dealings of human activity at the unexpected level of analysis. Globally, region states are more meaningful than the nation state. They signify no danger to the political borders of any country.
Schmidt (2006) conducted a study on the European Union and proposed that the bloc should be referred to as a state. She adds that the term region state applies in the European Union based on the level of development that has been witnessed over the years. In her opinion the EU is a new form of international organization with entities whose functionality go above and beyond the nation state. Further, she argues that understanding the EU as a region state would be helpful in resolving the problems and disputes that may be faced in the union. She states that the EU as a region state has the ability to pull sovereignty and make decisions that impact the region positively. In her opinion, the EU has caused the nation state to lose its autonomy and control because there are instances where the EU overpowers the nation state in policy and decision making.

Kauffman (1995) disagrees with Kenichis line of thought. He indicates that there are several problems with Kenichis analysis. Kenichi assumes that an individual can fulfill all their needs in the international market place. This is an interpretation that disregards a class of goods that cannot be valued. Non-pecuniary goods, like a sense of immortality, a feeling of historical rootedness are impossible to price, package, and produce in a global marketplace. Nations are a chief source of these non-pecuniary goods; goods critical to people's wellbeing. Consequently, while the exclusion of nations may surge people's consumption of marketed goods, it eliminates decisive non-pecuniary goods and lead to less well-being. Another issue with the study concerns Ohmae's wish to see economic regions unbound from national influence. It is undoubtedly true

that if nation's unconstrained economic regions from the load of equity, there will be an increase in the wealth produced. The same would hold for freeing vibrant individuals and industries from the obligations of national redistribution. Nonetheless, all these laissez-faire explanations must accommodate the equity problem. Kauffman insists that if Ohmae desires regional autonomy, he must propose another method of upholding equity.

Mann (1997) says that history inflates the former power of nation states, and, moderates the international relations involved. Furthermore, he adds that the threats to nation states are identity politics, global capitalism, and environmental danger. These impact nation states differently in that they can either strengthen or weaken nation states. This is because the patterns are too diverse and hinge on the dynamics in a nation. As the world gets more integrated the local interaction units keep declining. Global interaction networks are strengthening but in an interesting way; human connections are penetrating but in uneven, variable and multiple fashion. He indicates that globalization may not fully cause the rise of the nation state. His study is in agreement with that of Kenichi with regard to the weakening of the nation state.

In his article on global communication, Turner (2016) suggests that reports concerning the demise of the nation state in light of globalization have been overstated. Turner indicates that the nation state is an important factor in the global media and it is not possible to ignore national borders. He adds that the opinion of globalization as a danger to national culture and nation states is far too basic to explain the nature of dealings between the national and the global in the modern world.

APPLICATION TO THE KENYAN STATE

Kenya is regarded as a democratic state that allows its citizens to exercise freedom of choice. The freedom is experienced in the purchasing patterns of the consumers. Kenyans have embraced technology and online shopping is becoming a rising trend. The Communications Authority of Kenya, in 2014, indicated that internet penetration in the country stood at 82.6% with 35.5 million users. Further, the e-commerce market in Kenya was worth about Ksh.4.3 billion, in 2014 with daily mobile transactions reaching Ksh3billion. Therefore, Kenya is one of the African nations that is best positioned for a digital commerce explosion (IT News Africa, 2016). According to the business daily dated July 4th 2013,

> "*Kenyans have quickly woken up to the convenience of doing shopping from the comfort of their homes, beating the cost and hustle that comes with physically shopping abroad. Most international shops are now capitalizing on shoppers unable to travel to their stores and opening up opportunities to do so on their websites. This has also opened up opportunities for exclusive online stores, both locally and abroad, where the investors offer different products from popular stores, at a cost.*"

Additionally, Renewed interest by investors in the Kenyan market scene has brought with it global brands to the door step of many Kenyans. Over the last 5 years, malls such as Garden city, Two Rivers, Thika Road Mall, and Galleria among others have been built bringing with them global brands into the Kenyan market. The rise of global brands is affecting local brands and infant industries. For instance, after failing to organize the sugar industry in Kenya for competition in the regional market, the government started pursuing yet another delay for

safeguards in 2015. The Daily nation dated January 26th 2015, noted that the government was seeking an extra three years to make the local sugar industry stable before opening up for global competition. However, Kenya failed to provide reasonable evidence to COMESA that the extension was warranted. The expectations given to Kenya by COMESA were diversification of revenue streams, and privatization of state owned millers.

Kenya has a widening trade imbalance due to the invisible hand that Kenichi mentions in his article. The trade deficit in Kenya shows the conflict between the nation and region state. According to the Trade economics (2017), in September 2016, Kenya recorded a trade deficit of 78222.90 Million Kenya shillings. Higher imports cause pressure on the shilling because of a rising demand for foreign currencies. Further, unemployment goes up with reliance on imports as local manufacturing slows down. In a bid to promote the nation state and regulate the balance of trade; President Uhuru Kenyatta while speaking to the Kenyan business community in April 2015, insisted that the government needs to buy goods and services made by Kenyans. This was in response to the Kenya Association of Manufacturers who indicated that the only way to build Kenya is to consume locally produced goods and services (Kenya London News, 2015).

Consequently, Kenya introduced devolution in its constitution which ensures that 47 counties in the country have a share of development and progress. Kenichi mentions that this is meeting the civil minimum by ensuring services reach the masses. However, he says this is a waste of resources because counties that give more in taxes have to share with those that do not. (Appendix 1), shows the revenue generated by all the 47 counties in 2015 and 2016. It is clear that Nairobi and Mombasa are the highest contributors of revenue. However, devolution requires that resources reach all counties with special interest to the underdeveloped counties. In Kenya, devolution requires that all parts of the country get an equal share of resources (Ntara, 2013).

Khamadi (2014), writes about Turkana oil reserves and the hopes raised on the rebirth of the community. The local community expects to benefit from the oil find, but, it is not clear how this will apply in the long-term. The benefits might bypass the local poor and benefit other counties instead. Senelwa (2017) mentions that there's a battle over how the revenue from the 750 million barrels of oil will be shared. He adds that the president, Uhuru Kenyatta, refused to assent the bill asking for reduced shares of the revenue to the county government of Turkana. This shows that the government intends to use these revenues to meet the needs of the citizens across the country. According to Kenichi, it may not be fair to the county that produces more resources or taxes.

Region states such as the EAC and COMESA would help in economic progress and success. According to Kenichi, these states can help in creating jobs for the citizens of the countries involved. Maintaining equity in these special economic zones is a foreseen problem of region states. The nations in the region states are at different levels economically bringing about the aspect of equity. World bank (2012), indicates that in the East African Community, Kenya is the largest economy with a GDP of about US$ 32 billion in 2010, trailed by Tanzania, Uganda, Rwanda, and lastly Burundi with a GDP of US$ 1.6 billion in 2010. However, despite the differences in GDP levels in the region; trade is bound to be beneficial. Ntara (2016), asserts that "regional integration and trading blocs have been suggested as ways that African nations can use to achieve sustained development and increase their participation in the global economy".

Additionally, Kenichi indicates that the fall of the Soviet Union had no political influence. He blames specifics such as tribal hatred, political resentment, religious animosity, and ethnic prejudice. On the contrary, in Kenya, politics has brought about political resentment, tribal hatred and ethnic prejudice. Juma (2012) explains that tribalism is the challenge to democracy in Africa, where identity politics is used to endorse narrow tribal interests. He adds that there are those who argue that tribalism is a result of boundaries created by colonial powers forcing different communities to reside within artificial borders. This argument proposes that every ethnic community should have its own territory, which fuels ethnic competition. In Kenya, the post-election violence witnessed in 2007-2008 is evidence of how tribal hatred, political resentment and ethnic prejudice can lead a nation to civil war. In this regard, politics has a significant effect on the Kenyan economy.

Free trade as brought forth by Kenichi has its repercussions for a developing economy like Kenya. Dearden (2011), posits that “trade on the wrong terms has been of no benefit to Africa; rather it has ripped open markets, destroyed infant industries, undermined control of food production, and exploited resources”. It does not support the needs of the African continent. He adds that what Africa needs is an increase in inter-African trade. Dearden laments that, rich countries have discouraged inter-African trade due to a global trading system where Africa is used as a basis of primary commodities for progress elsewhere. According to Dearden, African prosperity depends on an unselective refusal of the western "free trade" model. This means controlled use of savings, protecting industries, progressive tax structures, developing complementary and substitute means of trading, control of banking and food production and strong regulation to ensure trade and investment really benefits people. The Global Financial Integrity reports that between 1970 and 2008, Africa lost $850 billion to $1.8 trillion in "illegal financial leakages", the biggest of which was attributed to forgone tax paid by companies. This loss of capital steered the need for nations to borrow, in turn causing a debt crisis where capital poured from the continent into the treasuries of rich countries (Dearden, 2011).

Deardens argument supports the assertion that a country like Kenya is bound to lose when it trades with countries whose economies are stronger. Appendix 2 shows the rising debt level that is eating into Kenya’s GDP. In 2015, Kenya’s debt was 32,537 million dollars making it stand at 51.33% of the country’s GDP. It would be more beneficial to trade regionally than to trade with advanced nations. This would help in poverty reduction, create employment and reduce the level of debt. Free trade within the continent of Africa would be beneficial to all the countries involved, Kenya included.

METHODOLOGY

The study used Kenichi Ohmae’s article, “Putting Global Logic First; Economics not politics defines the landscape on which all else must operate,” Published in the Harvard Business review in 1995. The study conducted a comparative study of the scenarios presented by the author and the current situation in Kenya using secondary data and related empirical studies.

CONCLUSION

Kenichi seems to be promoting free trade by supporting the region state. Free trade would work well within the African continent by ensuring that the trading blocs are supported fully by nation

states. Global interaction is not always beneficial to the parties involved especially when developed economies trade with less developed economies. Consequently, Kenichi assumes that the nation state is of little significance to the global market in terms of politics. This opinion is not completely true because bilateral and multilateral relations are handled by governments. Without the support of nation-states then it is not possible for region states to work efficiently. Kenya needs to work on its internal environment that is plagued with many vices to benefit from globalization. In Kenya, the weak rule of law limits economic development in the long-term. Corruption is perceived as prevalent, and the judiciary remains susceptible to political influence. These limitations affect the decisions made by the "invisible hand" and thereby affecting the economy. However, Kenyans are increasingly participating in the global market by buying what meets their utility needs. In the advent of globalization, Kenya should find a balance between politics and the economic choices made by the invisible hand.

REFERENCES

Baker, D (2006). The political economy of fascism: Myth or reality, or myth and reality? *New Political Economy* 11(2): 227–250.

Brown, W (2005). Critical essays on knowledge and politics. Edgework: Princeton University Press, p. 39.

Cavusgil, S, Knight, G, Riesenberger, J, Rammal, H & Rose, E (2015). International Business, Pearson Australia, Melbourne, Australia.

Countryeconomy.com (n.d) *Kenya's National debt*; Accessed on 24/4/2017 from http://country economy y.com / national-debt/kenya.

Daily nation (January 26 2015). Kenya seeks fresh protection against regional sugar imports Accessed on 5/2/17 from http://www.nation.co.ke/lifestyle/smartcompany/Kenya-seeks-fresh-protection-against-regional-sugar-imports/1226-2602698-s9ug9p/index.html.

Daniels, J., Radebaugh, L., Villarreal, D. (2007). International Business: environment and operations, 11th edition. Prentice Hall.

Dearden. N. (2011). *Free trade is not what Africa needs*, Mr Cameron;the Guardian Accessed on 23/4/2017 from https://www.theguardian.com/global-development/poverty-matters /2011/jul/19/david-cameron-africa-free-trade.

IT NEWS AFRICA (June 29, 2016) *E-commerce boom in Kenya offers new opportunities for entrepreneurs* Accessed on 1/4/2017 from http://www.itnewsafrica.com/2016/06/e-commerce-boom-in-kenya-offers-new-opportunities-for-entrepreneurs.

Kauffman. E. (1995). A critic of Kenichi Ohmae, The End of the Nation-State: the Rise of Regional Economies. New York: Simon and Schuster Inc., Accessed from http://www.sneps.net/Cosmo/ohmae2.pdf.

Kenya London news (April 4th 2015). Kenya Government must buy Kenya made goods – President Kenyatta Declares. Available at http://www.kenyalondonnews.org/kenya-govt-must-buy-kenya-made-goods-president-kenyatta-declares.

Kenya National Bureau of Statistics: *Economic Survey* (2016) Available at http://www .knbs.or.ke.

Mann M. (1997): Has globalization ended the rise and rise of the nation state? Review of international political economy. p 472-496 . Available at http://www .sscnet.ucla .edu/soc/faculty/mann/Doc2.pdf.

Ntara. K. C(2013): Devolution and its expected impact in Kenya; *International Journal of Professional Practice*. Vol 4; Issue 1&2. Available at https://www.researchgate .net/publica tion/2799229 28_Devolution _and _Expected_Impact_in_Kenya.

Ntara. C. (2016). African Trading Blocs and Economic Growth: A Critical Review of the Literature, *International Journal of Developing and Emerging Economies*, vol. 14, no.1, pp. 1-21.

Ohmae. K (1995). Putting Global Logic First; Economics not politics defines the landscape on which all else must operate, *Harvard Business review*; Jan-Feb issue p 119-124.

Ohmae. K. (1993).The rise of the Region State; The council of foreign relations. Available at https://www.foreignaffairs.com/articles/1993-03-01/rise-region-state.

Schmidt. V. (2006) Democracy in Europe; Conceptualizing Europe as a region State: Available athttps://www.researchgate.net/publication/300896165_The_European_Union_as_Regional_State P 8-45.

Senelwa. K (2017) Row brewing over how oil revenue from Turkana basin will be shared. Available at http://www.theeastafrican.co.ke/business/Row-brewing-over-how-Turkana-oil-revenue-will-be-shared/2560-3505470-sqvlpd/index.html.

Shitemi. K(2014) *Turkana's oil benefits bypass the local poor*. Available at http:// www. Shitemi .com /extractive-industry/tur kanas-oil-benefits-bypass-the-local-poor.

Situma. E. (2013).Kenyans click on global fashion stores for trendy clads. Available at http://www.businessdailyafrica.com/Kenyans-click-on-global-fashion-sto res-for-trendy-clads-/-/1248928/1904866/-/j9d0ls/-/index.html.

Steedman, I (Ed) (1979) Fundamental Issues in Trade Theory, London: MacMillan and New York: St. Martin's Press. Steedman, Ian 1979 Trade amongst Growing Economies, Cambridge: Cambridge University Press.

Tanzi V. (1998): The demise of the Nation state: International Monetary fund working paper; Fiscal affairs department.

Trading Economics (2017) http://www.tradingeconomics.com/kenya/balance-of-trade.

Turner G (2016).The Nation-State and Media Globalisation: Has the Nation-State Returned Or Did It Never Leave? Available at https://www.researchgate.net/publ ication/3034797 28_ The_Nation-State_and_Media_Globalisation_Has_the_Nation-State_Returned_-_Or_ Did_ It_Never_ Leave.

Worldbank (June 2012); Special Focus: Deepening Kenya's Integration in the East African Community (EAC) Available at http://siteresources.worldbank.org/INTAFRICA /Resources/257994-1335471959878/kenya-economic-update-june-2012-special-focus.pdf.

APPENDICES

Appendix 1: Annual County Government Revenue

	County	2014/15(Kshs Millions)	2016/17(Kshs Millions)
1	Baringo	**4,148.43**	**4,148.43**
2	Bomet	**4,342.04**	**5,265.41**
3	Bungoma	**7,214.66**	**9,030.04**
4	Busia	**5,072.36**	**6,305.47**
5	Elgeyo Marakwet	**3,000.85**	**3,650.72**
6	Embu	**3,947.45**	**4,989.46**
7	Garrissa	**5,294.53**	**6,898.64**
8	Homabay	**5,097.01**	**6,162.34**

9	Isiolo	**2,806.75**	**3,594.39**
10	Kajiado	**4,651.00**	**5,854.72**
11	Kakamega	**8,516.88**	**10,992.15**
12	Kericho	**4,348.87**	**5,350.57**
13	Kiambu	**8,727.10**	**12,486.05**
14	Kilifi	**7,050.93**	**9,415.75**
15	Kirinyaga	**3,408.87**	**4,578.70**
16	Kisii	**6,590.23**	**8,562.61**
17	Kisumu	**6,190.68**	**8,267.34**
18	Kitui	**6,695.63**	**8,234.74**
19	Kwale	**4,737.76**	**5,765.53**
20	Laikipia	**3,419.53**	**4,398.41**
21	Lamu	**1,856.86**	**2,257.60**
22	Machakos	**7,443.59**	**9,955.78**
23	Makueni	**5,445.97**	**6,886.80**
24	Mandera	**7,913.99**	**9,533.85**
25	Marsabit	**4,640.07**	**5,532.69**
26	Meru	**6,287.83**	**8,290.07**
27	Migori	**5,465.98**	**6,680.62**
28	Mombasa	**7,241.29**	**11,124.69**
29	Muranga	**5,257.82**	**6,597.36**
30	Nairobi City	**22,865.16**	**37,388.99**
31	Nakuru	**9,623.15**	**11,885.78**
32	Nandi	**4,462.77**	**5,269.93**
33	Narok	**6,268.46**	**9,090.09**
34	Nyamira	**3,750.89**	**4,661.83**
35	Nyandarua	**4,015.41**	**4,849.56**
36	Nyeri	**4,781.27**	**6,739.65**
37	Samburu	**3,303.18**	**4,088.81**
38	Siaya	**4,526.49**	**5,764.55**
39	Taita/Taveta	**3,116.49**	**3,838.16**
40	Tana River	**3,516.28**	**4,293.64**
41	Tharaka Nithi	**2,863.04**	**3,891.21**
42	Transzoia	**4,760.10**	**5,747.49**
43	Turkana	**9,279.75**	**10,983.60**
44	Uasin Gishu	**5,345.43**	**6,545.28**
45	Vihiga	**3,505.82**	**4,440.84**
46	Wajir	**6,436.20**	**7,722.54**
47	West Pokot	**3,877.34**	**4,772.74**

Source: Economic survey 2016 p. 116

Appendix 2
Kenya's debt over the years

YEAR	DEBT(Millions of dollars)	% of GDP	PER CAPITA($)
2010	17,745	44.40%	461
2011	18,068	43.05%	457
2012	21006	41.69%	516
2013	22,862	41.49%	547
2014	28643	46.67%	639
2015	32,537	51.33%	707

Source: Countryeconomy.com