

# TITUS NAIKUNI

Group Managing Director & Chief Executive, Kenya Airways

**Jean-Michel Severino, CEO, Investisseurs et Partenaires (I&P)**

This leads us to Kenya and eastern Africa, though I would not like to push Mr Naikuni to talk only about that part of the continent. You know both the western world and Africa very well, having studied at Harvard and elsewhere. Part of your career was in the Kenyan civil service, and then in business; now you have headed Kenya Airways since 2003, if I am not mistaken, so you are a very bright leader of one of the major African corporations, very successful, public, and fully African, which is by World Bank standards a complete mistake. You should not be successful by those standards.

I wanted to ask you to react to what Mo has said, more specifically, and to link it to what Kenya has experienced in the past few years, in the sense of your own social problems and the ones coming from Somalia. Bearing in mind that your own company, and Kenya as a whole, has suffered from political instability despite its tremendous growth potential, how do you see those challenges from the standpoint of your corner of Africa and your own business challenges?

**Titus Naikuni, CEO, Investisseurs et Partenaires (I&P)**

I will not say much about eastern Africa, because it is big, but let me carry on from where Mo left off, and talk about Kenya and Somalia, to see how historical actions by people in positions of power have created some of the external and internal issues. Fifty years ago when Kenya gained independence, Somalis were living there then as now, and those Somalis decided they wanted to secede and join Somalia, but the Kenyan Government did not allow it, and there was a military incursion into the area which was very bloody. The Government from then on did not put any more resources into northern Kenya, so the Somalis living in Kenya were, over the years, discriminated against in terms of wealth distribution and so forth. Today not a single tarmac road links Kenya to Somalia.

Then, by coincidence, in the early 60's, Said Barre, the Somali leader, was overthrown, and fighting started there. Remembering that a lot of Somalis are fishermen, international fishing vessels started coming into Somali waters and fishing there illegally. The local Somalis realised they were in danger of being pushed out of their own business, and they started attacking the fishing vessels from overseas. That is how the whole issue of piracy started; they realised that they could not just chase these fishing vessels away but get hold of them and make money. They started making money, and of course there was no law and order in the country. Businessmen from Kenya also realised that you could still bring goods from overseas in through Somali waters, because there were no customs, and sell them, so a business started there. They started selling charcoal from Kenya through Somalia into the Middle East.

A number of people benefited from this. Then Al Shabaab came into Somalia, and then they started coming into Kenya, and of course the Somalis there were sympathetic to them; in a few years the Kenyan Government realised they were facing a situation, because Al Shabaab were in Nairobi and had started bombing shops and houses. The Kenyan Government decided to move in, throw Al Shabaab out of Somalia and install a government, which they succeeded in doing, but it backfired, because they got into Kenya, and that is where the issue of terrorism in Kenya started.

Let me park that for a while and get into the internal conflicts in Kenya. Before independence, British settlers took large tracts of land in the Rift Valley, which is the most productive area in the country. There was also a ten-mile strip along the coast which was owned by the Sultan of Zanzibar. After independence, the Government negotiated deals, and the ten-mile strip came back to Kenya, the land was also relinquished by the British settlers, having been paid compensation through the Kenyan Government by Britain. However, some key people from upcountry with assistance from the Government took over the nice land on the coastline without the knowledge of the local community living



there. The same thing happened in the Rift Valley land. The local communities did not know what was going on, but as time went on, their children grew up, the land allocations got bigger, and when it came to electioneering, they started becoming a threat to the local politicians. The local politicians then started instigating the local communities to throw out the people who came in to occupy the land from other areas, on the pretext that they wanted their land, but the politicians were interested in ensuring that votes did not go to the opposition.

That is how the local clashes started, both on the coast and in the Rift Valley. Looking at the way forward, firstly, the Kenyan Government has to make sure that it puts resources in place equitably into northern Kenya, because otherwise there is no way to solve the problem. Secondly, as far as Somalia is concerned, Ethiopia and Kenya not only need to go into Somalia militarily, but also to do as much as they can to help to develop the human capacity to govern that country, because if you do not have a stable Somalia you will not have a stable Kenya or Ethiopia.

When you get into the whole issue of land distribution in Kenya, sometimes the Western justice system does not work, and I will give you an example. When you steal a cow from me, in my community, the punishment I expect is for you to pay seven to nine cows, but if the matter goes to the police and you are taken to court, you are fined or jailed; I lose the cow, but the government gets the money or the cheap prison labour. Therefore, when you come out I still feel aggrieved, but you feel you are being punished twice, so you refuse to pay, and that starts clashes.

Therefore, on the issue of land, there are local ways of sitting down and negotiating to solve things without going through a legal system which is not understood by us. That is my view.

#### **Jean-Michel Severino, CEO, Investisseurs et Partenaires (I&P)**

We have heard one of the most fascinating and thorough descriptions of what is happening in eastern Africa and the Horn of Africa that I have heard in many years. What emerges from what you say is that those problems are local and of a nature and a complexity than nobody but Somalis, Ethiopians and Kenyans can fix it. Hence, the question of the means arises, because you raised the question of resources, and maybe one of the things you could be positive about is that the growth Kenya has enjoyed in the past decade makes it easier for you to find solutions to those problems.