

# **OIL DISCOVERIES IN KENYA: ITS OPPORTUNITIES AND SECURITY CHALLENGES**

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For the past five years Kenya has intensified its oil exploration exercise with global companies actively involved both onshores and offshore of Kenya. After a period of long wait it is now no doubt that Kenya is entering the list of African countries which have had successful oil discoveries in the recent past. Other countries include South Sudan, Uganda, Mozambique, Tanzania and Ethiopia. This new development has been received with great excitement in Kenya, but especially among the communities in whose lands the oil is discovered. The International community has also shared their hopes for a brighter future for Kenya. The World Bank noted that oil discoveries in Kenya will help the East Africa giant economy to catch up with other neighbouring member countries whose growth rate have been ahead of its own. Even though Kenya has the largest economy in East Africa, it has lagged behind Uganda, Tanzania and Rwanda in terms of economic growth. In 2013 Kenya's GDP growth was 4.7 percent, falling short of the government's projected growth of 5.0 percent.

Therefore, the oil discoveries in Kenya presents a great opportunity for economic growth and prosperity. Since these discoveries were made, Kenya's place in the World has significantly improved as a potential oil exporter and trading partner. Many investors are keen to make Kenya their investment destination. Despite travel advisories issued against Kenya by USA and UK because of the threats of terrorist attacks, it seems investor confidence in Kenya has not waned. This was evidenced by the eurobond that was floated in June to borrow money from US and UK investors. The response was overwhelming. In fact the government surpassed its target in what policy analysts described as a vote of investor confidence on the Kenya's economy.

However, the oil discovery that has attracted greatest attention is the one in Turkana, in the Northern Kenya. This attention is not without reason. Northern Kenya is mainly occupied by poverty stricken agro pastoral communities and is majorly Arid and Semi-arid land (ASALs). In terms of economic growth, Northern Kenya has been neglected for a long time by successive regimes, save for the coalition government that initiated a number of development as well as infrastructure projects in

the region. Under the ministry of Northern Development, the region finally found a platform to present its development agenda to the former ruling coalition. It is also anticipated that the devolved system of government adopted in 2010 constitution will help such regions to catch up. Nevertheless, this region has been synonymous with drought, famine, water and sanitation deficiency and disasters among other challenges. In Kenya and probably globally, memories are still very clear of the 2011 devastating drought and famine that left thousands of children, women and animals in the region dead. Therefore the discovery of oil in this region is seen as likely to increase its economic opportunities to enable the region to catch up with the rest of other regions in Kenya.

The other oil discovery which has been of relative importance is the one found in Lamu, the only one so far discovered offshore Kenya. This discovery puts Lamu on the spotlight in Kenya. Overall, these discoveries can significantly turn around Kenya's economic fortunes if they are well harnessed so that they benefit the national economy without neglecting the local communities.

Nonetheless, the discoveries have come at a time when Kenya is still grappling with serious security challenges. The Kenya defence forces (KDF) are still in Somalia battling the al-Shabaab, an Islamic terror organisation linked to al-Qaeda, and which is fighting for the control of Somalia. Since Kenya sent its security forces to Somalia there have been waves of terrorist attacks in Kenya, in what the al-Shabaab argues is retaliation on Kenya's soil. The most ostensible one was the West gate attack that left over 70 people dead in a single incident. But the slow pace with which the government has moved to fix its security system has been worrisome, forcing a section of the politicians to call for the withdrawal of Kenya's security forces from Somalia. Security analysts have also pointed out the incompetence in the security intelligence system. The concern is that Kenya's security organs, including intelligence service is too politicised and ethicized and thus has no ability to deal firmly with insecurity. Presently it has been drug trafficking at the Kenya's coast is mostly responsible for financing the Militant activities in the region. The UN has also pointed out illegal trade charcoal in Kismayu, Somalia as a source of income that is sustaining the al-Shabaab war in the region.

However, with the present state of instability in the region, a weak state security, rise in armed gangs, and clashes in the oil rich areas, the oil discoveries would be an incentive for the al-Shabaab to intensify their militant activities in Kenya and Somalia. One should bear in mind that al-Qaeda like-militia groups, which includes al-Shabaab, thrives where there is overall state instability or civil clashes between two or more communities within a country. Both Somalia and South Sudan which border Kenya are unstable and face security challenges. Within Kenya, the biggest challenge for the government is that both Turkana and Lamu, where oil have been discovered have been volatile areas since the militia attacks began. The Mpeketoni attack was the first in Lamu where about 65 people died. But since that incident, there has been a spate of attacks at the coastal city. A week hardly passes

without armed gangs invading Lamu or its environs and launching scathing attacks on innocent lives. And it has been difficult to rule out that oil discovery in the region is not the cause, given the nature of the attacks. For example in the first incident, the armed gangs demanded that people from a certain ethnic community should leave Lamu. The reason for demanding their departure is because they are poised to benefit from the oil revenues, yet they are deemed as illegal beneficiaries because of land grabbing. In fact land has been historically a thorny issue in Lamu, dating back to the independence time. Even the current President's family is a beneficiary of irregular land allocation at the coast.

Other than land issue, at the coastal city of Kenya there is already the radical Islamists and separatist group called the Mombasa Republican Council(MRC). This illegal group is demanding the independence of Mombasa from Kenya. Their main concern is that coast residents have not adequately benefited from resources in the region, including the port of Mombasa which serves many African countries. But with the discovery of oil at the Kenya's coast this group is likely to increase their agitation for independence and violence. Coupled with radicalisation of Muslim youths, this situation may lead Kenya to a similar scenario like Nigeria where militia groups have been fighting with government forces over the years on grounds that the local community has not been adequately compensated out of oil revenues. This has destabilized Nigeria as fighting has intensified for the control of Niger delta, the oil rich part of Nigeria.

The situation in Turkana is even worse security wise. There are a couple of issues that compromise the security situation in Northern Kenya. First, there are perennial inter-clan clashes that cause intermittent economic disruptions. For example, traditionally two ethnic communities in Turkana region, namely the Turkana and the Pokot both of which are pastoralists have been at war with each other over access to water and grazing field which are scarce commodities in the region. Basically, the availability of these commodities depends on seasons and most times the communities have to share them. These clashes were compounded by the new boundaries drawn between the communities by the independent boundaries commission, which heightened discontent. But it is not just the attacks that worries one, but rather the extent to which both communities are heavily armed with guns. The source of these illegal arms has remained quite a mystery. However, my fear is that there is an upsurge of home-made guns in Kenya being sold to gangs and idle youths around the slums. These weapons are likely used in such clashes and robbery. It is likely that the oil discovery in the region can intensify clashes between the communities, unless boundaries issues are quickly resolved. Secondly, Northern Kenya borders Somalia which is already unstable because of the al-Shabaab fighting. The insecurity situation in Northern Kenya is thus a spill over of the al-Shabaab fight in Somalia.

But there is one shocking revelation about Kenya's efforts to help defeat al- Shabaab and restore order in Somalia and Kenya's porous border. In 2009 when Kenya government recruited and trained

Kenyan youths of Somali origin to go and fight in Somalia under African Union, some of the youths sneaked back to Kenya and joined the local population. These youths have been partly responsible for the deteriorating security in Kenya. Notably, some of them have even been hired by rivalling clans in Northern Kenya to wage war against each other. In addition some of these youths were given further training and later sent back to Kenya as al-Shabaab agents. Besides these, armed gangs are generally on the increase in Kenya and the government has not done much to contain them. For example, the 'Mungiki', an outlawed sect responsible for inhuman killings in 2007 and 2008 post election violence is slowly creeping back. My view is that having an unstable neighbour like Somalia, unprotected border, unemployed and armed youth and oil discoveries in communities embroiled in constant clashes in the scale witnessed in Northern Kenya is potentially dangerous for the country. In fact the al-Shabaab has often taken advantage of the unemployment of the Kenyan youths to lure them to join the group.

A closer look at the history of some countries which are bequeathed with mineral resources, but which at the same time remain embroiled in war, one cannot help but have panic for Kenya's new fortunes, owing to its present fragile security. In the former Sudan for example, oil was a major resource that gave impetus for the decades of war between the Muslim North and the dominantly Christian South. The war included a struggle to control oil resources that majorly lies in the South. The Southerners, led by the late rebel leader John Garang, who later became South Sudan's first President after secession, argued that the South was marginalised yet the resources were located within their soil. That argument is not very different from the position that has been taken by the MRC in Kenya. Furthermore, the Militia men butchering innocent people in Lamu in anticipation of the oil benefits have advanced the same line of thought. In Sierra Leone's case, the more than a decade of civil war was sustained by both the instability in the neighbouring country and the mineral resources found between Liberia and Sierra Leone's border. Liberia which neighbours the latter already had a civil war under the command of Charles Taylor, who was later charged with crimes against humanity. Taylor took advantage of the war in Liberia and provided arms for the civil warriors in Sierra Leone in exchange for diamond.

The problem in Democratic Republic of Congo(DRC) provides an even a clearer picture of this scenario. DRC is very rich in gold, diamond, cobalt, copper, timber among others. Its neighbours, Uganda and Rwanda both have long histories of instability and civil war. Furthermore DRC has porous borders that allow the influx of rebel armies from its neighbours. But DRC's major undoing is its lack of stable state governance and international cooperation. Internally, DRC has tribal clashes between communities living in resource endowed areas over extraction of those resources. The presence of these Militants, some backed by the neighbouring countries and international corporations interested in gold, has completely compromised its security. This has robbed DRC of billions of

dollars in the form of revenue as most of the mineral resources are sold through illegal channels at lower than market rates. The implication is not just loss of revenue to the national government, but it also means the availability of finances to the militant groups to sustain violence and conflicts in the country.

But, again Kenya presently has one more problem, especially with the West. Its international relations have been weakened because of the charges of crimes against humanity facing the President and his deputy. It has instead moved to strengthen ties with new partners like China, a move angered the West. The problem with Kenya's new foreign policy direction is that China does not have a history of military assistance to a partner country facing war within or without. They are damn stuck with their policy of non interference with the sovereignty of their partners. Even though the West including the USA is still interested in doing business with Kenya, their support has waned significantly following these turn of events. Thus Kenya cannot get sufficient intelligence assistance from these traditional partners to deal with its rising insecurity.

Thus my contention is that as long as Kenya still has unstable neighbours, porous borders and militia groups within the country, coupled with increasing number of educated but unemployed youth, its situation is delicate in the face of the oil discoveries. It is no doubt that al-Shabaab would be interested in the oil resources to further fuel the war both in Kenya and Somalia. And the ongoing clashes in the regions where oil has been discovered may be easily infiltrated by al-Shabaab agents. To avoid suffering the same fate with those countries facing challenges because of natural resource deposits amidst instability and discontent, Kenya must earnestly fix its security systems and resolve land disputes especially in the oil rich areas. It should reinvigorate community peace building and conflict resolution initiatives among the warring communities. But more importantly Kenya must come up with progressive policies to compensate communities on whose land the oil resources lie.