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The donors who turn a blind eye to Kenyan sleaze

By Michael Holman

Not since an outraged German banker exposed the multibillion dollar fiddles President Mobutu Sese Seko of Zaire has there been such an authoritative account of sleaze in an African state as the revelations of John Githongo, Kenya's anti-corruption supremo.

Appointed in December 2002 to lead President Mwai Kibaki's promised purge of graft, the 40-year-old Mr Githongo personified the new Kenya. A former local head of Transparency International, the Berlin-based anti-corrution body, no one was better equipped to take on the toughest, most dangerous job in Kenyan politics – that of permanent secretary in charge of governance and ethics.

Two years later, Mr Githongo was in self-imposed exile in Britain, angered by cabinet solidarity in the face of the scams he had uncovered, disillusioned by Mr Kibaki's failure to act when confronted with the evidence and alarmed by death threats from crooked colleagues. Mr Githongo put the year to good use. The dossier he compiled, backed by secret tape recordings, kept Kenya's parliamentary public accounts committee riveted in last weekend's session at the country's high commission in London. Yet amid all the publicity, we may be missing the point: neither the World Bank nor the bilateral donors seem to have learnt any lesson from their experience in Zaire. And if you hope Mr Githongo's dossier, revealing some $700m of ministerial sleaze, will stiffen the spine of Kenya's donors, do not hold your breath.

It was in 1977 that Erwin Blumenthal arrived in Kinshasa, sent by the International Monetary Fund to investigate the ramshackle finances of the country. Two years later, fearing assassination and sleeping with a gun under his pillow, he resigned. The report he wrote fizzed with outrage, listing scam after scam in which Mobutu treated the country as his personal cash cow: "There has been, and still is", Mr Blumenthal concluded, "one single major obstacle wiping out all prospects – the corruption of the team in power."

Yet, donors ignored his findings, written in the early 1980s. Far from freezing the aid that ended up in the pockets of Mobutu and his henchmen, lending to Zaire continued. The World Bank, which had been committing an annual average of $330m from 1975 to 1984, actually increased aid flows to $500m annually until the end of the decade, driven by wishful thinking and cold war imperatives: Mobutu was a rogue – but he was Washington's rogue. Kenya is no Zaire, President Mwai Kibaki is no Mobutu. But the donor approach is the same: in the week that Mr Githongo's allegations have surfaced, the bank announced loans totalling $120m – including trade and transport grants and ironically a $25m loan to help fight graft.

“How can the bank be so hapless . . . [it is] feeding the pig of corruption,” fumed Sir Edward Clay, Britain’s former high commissioner to Kenya. No one should have been surprised.

Last April, when Kenyans were still discussing the resignation of Mr Githongo, donors met in Nairobi under the World Bank’s chairmanship. Then, as now, rhetoric about the evils of corruption was not matched by action. Indeed, the regional head of the United Nations Development Programme extolled the agency as Kenya’s “lean but effective development partner”. But the UN’s impact on Kenya has little to do with its programmes and everything to do with its huge presence in Nairobi. In 1998, the combined direct and indirect benefits of the UN agencies in Kenya amounted to more than $350m, or 19 per cent of exports, equivalent to 3 per cent of Kenya’s gross national product, according to earlier Financial Times reports.

In theory, this level of involvement should give the UN huge influence. In fact, it makes the international community jumpy at the thought of doing, or saying, anything that might disturb a mutually convenient arrangement. Washington and London do not want to jeopardise long-standing military agreements with Kenya, which have assumed particular importance since President George W. Bush launched his war on terror, and neighbouring Somalia has come under closer US scrutiny.

Britain does not want to jeopardise its multi-billion dollar investment in Kenya and is haunted by memories of the exodus of Ugandan Asians in the Idi Amin era. Some 30,000 Kenyan Asians have British passports. London wants them to stay put. The truth is, the World Bank and its allies do not have the stomach for a fight with the Kenyan barons of corruption. And they take refuge in the myth that aid to Kenya works. Notwithstanding Mr Githongo’s dossier, the World Bank maintains support and Britain is set to increase it – from £30m ($52m) in 2003-04 to £50m in 2005-06.

“It is possible to deliver benefits directly to poor Kenyans without releasing resources to be misused elsewhere,” says a spokesman for Britain’s aid agency. So how does he explain the pauperisation of Kenya? In 1990 about 48 per cent of the population was struggling to subsist on less than $2 a day. By 2001 that had risen to 56 per cent. Today the level is nearer 60 per cent and every social indicator, whether life expectancy or access to basic services, points in the wrong direction.

By insisting on maintaining aid, Paul Wolfowitz, World Bank president, and Hilary Benn, Britain’s aid minister, are not only forgetting the past. They are arrogantly insisting that they know what is best for Kenya. Had they bothered to ask Mr Githongo what they should be doing, the answer, I suspect, would very different.

The writer, former FT Africa editor, is author of Last Orders at Harrods (Polygon), set in Kenya

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