How peaceful polls unlock investment

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As Kenya celebrated the 2017 presidential debates this week where four candidates came together in two different sessions to deliberate on the future of our great nation, many also pondered the immediate aftermath of the polls.

Low to moderate levels of hesitation and fear of the unknown hangs in the air across the country.

Dutch researcher Geert Hofstede popularised the term uncertainty avoidance in his landmark culture studies.

Countries in northern Europe, as an example, fear uncertainty and actively take steps to avoid any improbability.
Governments in nations where citizens demand low uncertainty keep national seed reserves, construct sea walls, build evacuation shelters, hold backup water resources, scientifically investigate spread of diseases and act globally to prevent new illnesses from reaching their shores.

On the other hand, national cultures found in much of sub-Saharan Africa and South America do not fear uncertainty and, on average, do not strive to prevent doubt in personal and national lives.

Citizens in low uncertainty-avoidance countries prefer to not plan for ambiguities, but rather to band together when emergencies strike or unexpected outcomes occur and solve issues as they arise.

In the August 8 polls, uncertainty does indeed exist. Citizens remain hopeful for peace, professionalism, and minimal disruptions to their daily lives.

However, if such a level of uncertainty existed in Norway or Finland, as examples, people would likely have already stocked up on mounds of emergency food, fuel, and other supplies rations. Many of their citizens might also make emergency backup travel escape plans, reservations, and fortify their homes against any public uproar.

Now, contrast a prospective northern European response with the Kenyan response. Many employers are indeed holding off new hires and postponing expansion plans as well as undergraduate and graduate school entrants postponing admissions until after the election cycle.

However, our economic fundamentals remain strong with gross domestic product growth predictions still over five per cent, the Nairobi Securities Exchange continues to grow recovering equity prices lost in 2016, and the Kenya shilling still proves incredibly strong in the region.


Every day citizens are not stocking up with months’ worth of food reserves in their homes, not emptying bank accounts in order to hold cash, or are not hiding valuables under their mattresses.

Kenyans culturally can handle uncertainty better. Our national culture handles fear of the unknown far better than high uncertainty-avoidance countries.

However, our comfort with unknown outcomes also causes us to not demand better life conditions from our leaders whether in our families, communities, workplaces, or on the national level. So our low stress levels prove both a blessing and a curse to us.

Even though we Kenyans can handle uncertainty better in our lives, investors prefer predictability. When given a choice, global, regional, and local investors choose the lowest risk haven for their money.
A possible 10 per cent return on an investor’s funds means little to him or her if a plausible chance exists that they might lose 100 per cent of the value of their principal investment because of instability.

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It would take the investor 10 years to regain the loss if investing the same amount at 10 per cent again. So if Kenya can pull off another peaceful election cycle, then local, regional, and global investors will likely view us as far more worthy of larger and larger major direct infrastructure spending.

Let us focus on civic participation and peaceful behaviours in the days and weeks ahead, but let us also collectively tolerate less uncertainty and demand more stability from our institutions and leaders.