Project Report on

Strengthening Community Resilience against Radicalization & Violent Extremism

Sub Theme: An Assessment of the Economic Impact of Terror Activities in Specific Locales

June, 2017
Acknowledgement

The Institute of Diplomacy and International Studies (IDIS) of the University of Nairobi in partnership with the Africa Policy Institute (API) acknowledges the support of the Japan Government in funding this project, through United Nations Development Programme (UNDP). This study, on Strengthening Community’s Resilience against Radicalization and Violent Extremism undertaken in the months of May and June 2017, would not have been a success without the financial and technical support from the two partners.

We also wish to acknowledge the contribution and dedication of the team of experts namely: Prof. Amb. Maria Nzomo, the Lead Consultant, Prof. Peter Kagwanja Associate Lead consultant, and the three consultants: Dr. Patrick Maluki, Dr. Robert Kagiri and Dr. Wilson Muna for effectively managing the entire research process. We owe the success of this study to the data collectors, analysts, the rapporteurs, and the project administrators for data management and project coordination toward the production of the final document.
About the Authors

Prof. Amb. Maria Nzomo

Director, Institute of Diplomacy and International Studies

Prof. Maria Nzomo is currently the Director of the Institute of Diplomacy and International Studies and also a Professor of International Relations and Governance at the University of Nairobi. She holds the distinction of being the first Kenyan woman to attain a PhD in political science, which she earned in 1981 from Dalhousie University in Canada. With over 30 years of teaching experience at the University of Nairobi, starting out as a Tutorial Fellow in 1979, she rose up the ranks to become an Associate Professor of political economy and international studies in 1995. Prof. Nzomo is widely recognized both locally and internationally as a sapiential authority in political science and international studies. Between October 2003 and January 2009, she held a number of ambassadorial posts in southern Africa (Lesotho, Mozambique, Swaziland and Zimbabwe) and at the United Nations. In 2006, she was appointed the Kenyan Ambassador and Permanent Representative to the United Nations in Geneva, Switzerland, a position she holds to date. Prof. Nzomo is also recognized as an ardent promoter of gender and human rights and has published several articles on these subjects in peer-reviewed journals as well as newspapers and magazines.
Prof. Peter Kagwanja is a Kenyan intellectual and expert on security, governance and strategic issues. He is the founding President and Chief Executive of the Africa Policy Institute (API). Since 2013, Prof. Kagwanja has served as a visiting scholar at the Institute of Diplomacy and International Studies (IDIS), University of Nairobi and at the National Defense College (Kenya). Between 2008-2013, he served as an adviser to the Government of President Mwai Kibaki on the Reform Agenda under the National Accord and Reconciliation Act (2008). In 2010, he was appointed Executive Director of the National Secretariat on the Referendum for Kenya New Constitution. He continues to serve as consultant for the Government of Kenya, the African Union and a number of Africa international partners. Prior to this, Prof. Kagwanja was Director at the International Crisis Group, Brussels (2004-2007); and Executive Director of Governance and Democracy Programme at the Human Science Research Council (HSRC) (2007-2008). He has been a visiting scholar at Rhodes University, University of Pretoria, University of Illinois, Oxford University and University of Leiden, among others. Prof. Kagwanja holds a PhD from the University of Illinois at Urbana-Champaign (USA). His latest book is: Eye on the Nation: Trials and Triumphs of Democracy in Kenya (2015).
Dr. Wilson Muna

Consultant – Africa Policy Institute (API)

Dr. Muna is the Coordinator of Tafiti Center for Security Policy as well as China-Africa Programme at Africa Policy Institute. He is also a lecturer at Kenyatta University. Previously, he worked as a Project Manager Consultant for government projects in South Africa. He holds a PhD and a Master’s Degree of Social Sciences in Policy and Development Studies from the University of KwaZulu-Natal, South Africa. He specializes in public policy analysis; peace and security; governance and democracy; project management; social facilitation, research design and statistics; monitoring and evaluation; public policy management; mentoring and training on public policy and civil society. Some of his publications include: (i) Challenges of relationships and social identities: The paradox of consequences of Kenya’s military intervention in Somalia (Book Chapter: The New African Civil and Military Relations: International African Studies’ Perspectives: ISBN 978-0-620-61527-3). (ii) Deconstructing Intergenerational Politics between ‘Young Turks’ and ‘Old Guards’ in Africa: an exploration of the perceptions on leadership and governance in Kenya; by the Journal of Youth Studies; and (iii) Monetary Clout and Electoral Politics in Kenya: The 1992 to 2013 Presidential Elections in Focus (Published by the Journal of African Elections, vol. 13, no 2.)
Dr. Patrick Maluki

Lecturer – Institute of Diplomacy and International Studies

Dr. Patrick Maluki holds a PhD in Peace and Conflict Studies, a Masters degree in International Studies, a PGD in Mass Communication and a Bachelors Degree in Education. He is an experienced trainer and researcher in diplomacy and international Conflict management, international negotiation, mediation, human rights and governance and peace building. He is a lecturer at the Institute of Diplomacy and International Studies, University of Nairobi and at the National Defense College (Karen). Dr. Maluki has carried out academic research and published extensively. In 2012, he conducted a baseline survey on the status of human rights in Kenya and in 2013, carried out a research on the gender dimension of international terrorism. Dr. Maluki has authored a number of books: *Maritime Security and Resource Exploitation: A New Frontier For Kenya’s Maritime Diplomacy* (forth coming); *Peace Building Strategies and Sustainable Peace in Rwanda and Burundi; Combating new Piracy in the Indian Ocean; Role of Parliament in Peacebuilding; The Indian Ocean Rim: Order, cooperation and Community; and Communication strategies in Disaster Management*.

Dr. Maluki’s peer reviewed journals articles are: Radicalization and Militarization of Refugees as a Challenge to International Security (J-STEM, 2016 forth coming); International Education Exchanges as a Diplomacy Instrument (IJSAC 2016); Why the World can’t stand by as Burundi becomes a failed state (the Conversation.com 2015); ‘Arms Proliferation, Disarmament and Human Security in the Horn of Africa’ (J-STEM Vol.6. No.1 and 2; 2014); Why We Need a Politician Champion in the Management of State Affairs (the People Daily 2013); ‘The challenge of reconciliation in post-conflict Sudan’. (J-STEM Vol.3 No.1&2, 2012); Book review; Peace and Conflict Studies in a global context by P.G Okoth, (J-STEM Vol.3 No.1&2, 2012).

Dr. Robert Kagiri

Director of Center for Strategy and Political Management

Dr. Robert Kagiri is the Director of the Center for Strategy and Political Management of the Africa Policy Institute, and a part-time lecturer at the University of Nairobi, Institute of Diplomacy and International Studies and Kenyatta University, School of Security, Diplomacy and Peace Studies, Department of Security and Correctional Sciences. Dr. Kagiri specializes in Strategy, Governance, Media and Policy Management and has worked as Programme Officer for Strategy at the Transition Authority of Kenya, a university lecturer at Moi University (Media and Publishing), Snr. Lecturer Grestsa University and Management University of Africa (Business and Leadership-Marketing Management) and as strategy, media and management consultant. He also lectures on Public Policy Analysis and Public Administration for the Masters course on Strategic Leadership and Command at Kenya Police Staff College, Loresho, a programme of Kenyatta University.

He holds a Ph.D. in Strategic Management from the School of Business, University of Nairobi; a Master’s degree in Business Management from University of Central Missouri; a Master of
Science in Publishing from Pace University, New York; and a Bachelors in Commerce from Ohio Wesleyan University. He also holds a Diploma in Humanitarian Diplomacy from Diplomo Institute, University of Malta in collaboration with the International Red Cross/Red Crescent Societies and is a member of the Kenya Institute of Management (MKIM).

Contents

About the Authors .......................................................................................................................... 3

1.0 Introduction to Research Landscape ...................................................................................... 10
  1.1 Terrorism in Kenya .................................................................................................................. 10
    1.1.1 Radicalization .................................................................................................................. 11
    1.1.2 Violent Extremism .......................................................................................................... 12

2.0 Research Study ....................................................................................................................... 14
  2.1 The Economic Impact of Terror Activities ............................................................................. 15
    2.2 Research Variables on the Economic Impact of Terror Activities in Specific Locales ....... 19

3.0 Research Methodology ........................................................................................................... 20
  3.1 Research Design .................................................................................................................... 20
  3.2 Research Approach ............................................................................................................... 21
  3.3 Research Population ............................................................................................................. 21
  3.4 Sample Population ............................................................................................................... 22
  3.5 Date Collection Methods ..................................................................................................... 22
    3.5.1 Literature Review .......................................................................................................... 22
    3.5.2 Interviews ....................................................................................................................... 23
    3.5.3 Questionnaires .............................................................................................................. 23
  3.6 Data Analysis ......................................................................................................................... 23

4.0 Key Findings from Field Research ......................................................................................... 24

5.0 Cross tabulation of the economic impact in the counties ...................................................... 29

6.0 Conclusions .......................................................................................................................... 42

7.0 Recommendations ................................................................................................................ 43

Bibliography ............................................................................................................................... 45
1.0 Introduction to Research Landscape
This study focuses on assessing the economic impact of terror activities in eight target high-at-risk Counties in the Northern Kenya border region, the coastline border region of Kenya and parts of Nairobi. Specifically, the research covered nine coastal counties including Mombasa, Kilifi, Tana River, Lamu, Garissa, Kwale, Mandera, Wajir and Nairobi. The data was collected using structured questionnaires and in-depth interviews with full disclosure as to the nature, rationale and purpose of the exercise. Both the questionnaires and the in-depth interviews have been analysed and the results tabled in this report.

Purposive sampling technique was employed targeting key informants who deal with security matters, the business community, religious leaders and non-governmental organizations to help establish the economic impact of terrorist activities.

1.1 Terrorism in Kenya
The global surge of terrorist attacks by groups linked to either al-Qaeda or ISIS in the last decade has necessitated a critical review of our understanding of related concepts and actors that lead to radicalization, violent extremism and terrorism. It has also inspired an intense clarification of the meaning of approaches adopted in responding to such threats within the frameworks of countering violent extremism and terrorism.

This working document examines the concepts used and adopted globally in regards to violent extremism and terrorism. Concepts on terrorism and violent extremism have largely been generated by researchers and stakeholders in Western nations. However, the need to have an indigenous understanding of the concepts based on an African experience has recently caught traction in developing strategies for countering violent extremism. The manner in which we define and perceive the
phenomena is critically important in determining the responses we recommend. As such, a succinct conceptualization of phenomena toward violent extremism and terrorism is an important stage if we are to devise effective and efficient means and tactics to address the causes and threats posed by these trends.

1.1.1 Radicalization
Radicalization is not a new phenomenon and is viewed as a process through which a group has been mobilized in pursuit of social or political objective but has failed to make enough progress towards the objective to satisfy all activists. Some become disillusioned and discouraged while others intensify their efforts, lose patience with conventional means and look for tactics that will have greater impact.\(^1\) The most recent debate challenges the notion that radicalization is caused by poverty or illiteracy.

However, “ politicization of religion” and “ religionisation of politics” has been established as the most credible link. This is because, part of the problem in the radicalization process is associated with the weakness of the state and its inability to penetrate society that has a complex web between religion and politics. Indeed, islamists, political extremists, and charismatic radicals exploit these weaknesses, and the arising grievances to radicalize youth.

Of great concern is the sophistication of the nature in which terrorists and extremists act. Apparently, their execution of plans demonstrate that they are usually a step ahead of policy makers and security state agencies as they constantly morph into different forms and contexts. They have managed to diversify in the use of modern platforms of mass communication such as the social media to appeal to the youth. In essence, radicalization aims at imparting a new reality by questioning values and

---

beliefs of societies. Hence, it can be summed that the campaign against radicalization is a battle of values and ideas.

1.1.2 Violent Extremism
Extremism is an activity embedded and characterized with attitudes, feelings, actions and practices that are far above from being ordinary\(^2\). Since there are no standardized bases for the measure of extremism, the term is said to be rational. In other words, based on the calculable reason on an individual, it is clear that an individual/group viewed as extremists might view others as extremists. Thus, this necessitates the need to benchmark,\(^3\) the normalcy of the ordinary activity to acts that are considered to be above normal.

As a concept, as a concept defining a phenomenon, violent extremism refers to the beliefs and actions of people who support or use violence to achieve ideological, religious or political goals. Although the term is widely used synonymously with “terrorism”, violent extremism is here considered as a more inclusive term, which generically encompasses terrorism and other forms of politically inspired, sectarian or communal violence. Perpetrators of this form of violence seek to achieve ideological, political or social change by resorting to and justifying the use of fear, intimidation and terror rather than peaceful means to address grievances.\(^4\) In other words, violent extremists advocate, engage in, prepare, or otherwise support...

---


ideologically motivated or justified violence to further social, economic, political objectives which are achievable peacefully through dialogue.\textsuperscript{5}

The display of this extremism can be observed in two forms: non-Violent Extremism and Violent Extremism (VE). The former is usually an activist modelled strategy like strikes, hunger-strikes, sit-ins, demonstrations, blockades, acts of civil disobedience, among other forms of non-coercive and persuasive tactics; while the latter involves tactics that regards destruction of lives and properties as necessary, useful, heroic and justified.\textsuperscript{6}

More often, violence is opted for in order to inflict much damage as possible, decrease public confidence on the government, undermine delivery of public goods, disrupt social functions of the society, create fear and steer weak/depressed emotions that psychologically affects the populace\textsuperscript{7}. The failure of past political ideologies like Pan-Africanism, Pan-Arabism, Marxism, Socialism, Nationalism, and strict religious fundamentalism have created more radicals that challenge the status quo in an effort to revert to the social and environmental conditions in mandate of their ideology.

\textsuperscript{5} This particular interpretation forms the kernel of the United Nations Secretary General’s \textit{Plan of Action to Prevent Violent Extremism} (January 2016) as well as the Department of State & USAID Joint Strategy on Countering Violent Extremism (Washington, May 2016).


First is the need to identify and disrupt strategies and tactics that violent extremists are using to attract, radicalize and recruit to violence. Second is to construct alternative narratives and capabilities to enable at-risk communities, groups or individuals in the region to resist radicalization to violence. This entails the use of non-coercive means to de-legitimize the ideologies of violent extremists in order to reduce the number of terrorist groups, supporters and recruits.

Third is to ensure that the fight against violent extremism does not undermine the efforts to consolidate democracy, including good governance, human rights and the rule of law to underpin inclusive and sustainable development across the region. Related to this quest for justice and democratic consolidation, this strategy treats violent extremism as distinct from Islamism and as not necessarily tied to any particular ideology, region religion or set of beliefs.

2.0 Research Study
This study seeks to establish ways of strengthening community’s resilience against radicalization and violent extremism by assessing the economic impact of terror activities in eight target high-at-risk Counties in the Northern Kenya border regions (Garissa, Mandera and Wajir); the coastline border region of Kenya (Kilifi, Kwale, Tana River, Lamu and Mombasa) and parts of Nairobi. Economic growth can help build resilience against violent extremism while adverse economic effects and have the effect of encouraging both radicalization and violent extremism,
2.1 The Economic Impact of Terror Activities

Terrorism imposes significant economic effects on societies and will not only lead to direct material damage, but also long term effects on the local economy. The identification and the estimation of these economic effects of terrorism has received broad attention in economic literature and research. Economists use various definitions and terminology for categorising the economic impact of terrorism. The two main categories are the primary and secondary economic impact of terrorism, also referred to as direct and indirect economic effects.

Primary economic impact of terrorism “refers to the effects arising from the immediate aftermath of a terrorist event”. These effects include the physical destruction of urban objects, and the human casualties (injuries and losses of human life). For instance, the October 2002 bombing on Bali cost more than 200 people their lives and resulted in a decline in tourism that seriously damaged a dynamic and prosperous economy. However, it is impossible to quantify the magnitude of the changes and identify the subgroups most affected without representative data from before and after the bombing.

On a micro-economic level, terrorist events influence three main types of economic actors, namely: individual households, the private sector (companies), and the public authorities. There is not much available literature when it comes to the primary costs that households experience due to terrorism itself. Other empirical research found out that terrorism will produce more fear than other, more probable risks and in the case of females, the religiously devout, those equipped with better memory, closer to where the events occur, and those with less education worry a lot about their

---


safety. Furthermore, single men are less likely to own businesses as a result of insecurity and there is a shift from recreational expenditures towards those expenses that can help one cope with the effects of insecurity resulting from terrorism.\textsuperscript{10}

Businesses and firms, especially the ones operating to or from insecure countries, are frequent victims of terrorist events. According to the German security economists\textsuperscript{11}, this is also due to the fact that public buildings are better protected in general. The actual direct losses of terrorism depend on the nature of the attack (property damage or ransom payments for hostages), but overall \textsuperscript{12}conclude that most sectors recover quickly, given that the economy does not face sustained terrorist attacks, like in Israel and Northern Ireland. There is not much literature available on this subject. The costs arising from physical destruction from small-scale terrorist events are not structurally measured.

Costs for the public sector arise whenever public infrastructure or buildings are destroyed (including military structures and equipment), but are generally considered to be relatively small. Moreover, terrorism forces local and national authorities to spend billions on the prevention of terrorism and the detection, prosecution and punishment of terrorists.

Due to a terrorist event, these economic agents suffer from impact through losses in physical and human capital, and, at the same time, they themselves may influence the economy through their immediate responses to the violent shock that occurred.

\textsuperscript{10} http://www.csef.it/WP/wp213.pdf
\textsuperscript{11} See Schneider, T. Brück and D. Meierrieks, (2010) "The Economics of Terrorism and Counter-Terrorism: A Survey (Part II), Social Science Research Network
Secondary economic impact of terrorism will not only cause primary economic impact, but will also produce considerable secondary (or indirect) impact. This secondary economic impact is the result of an interdependent economic system in which terrorist attacks cause the disruption of economic entities which have not been direct targets of the attack. The indirect economic aspects of terrorist events that systematically influence tourists’ choice of destination and can, therefore, substantially negatively affect a host country. Moreover, the effect is long-lasting and has also an impact on the demand for tourism in neighboring countries\textsuperscript{13}.

In terms of foreign direct investment countries like Spain and Greece saw their foreign direct investments (FDI) decreased in the period 1975 - 1991 due to a series of terrorist events\textsuperscript{14}. Even when terrorist attacks destroy only a small fraction of the productive capital of a country, the level of international investment and commerce across industries is greatly affected either negatively or positively by increases in terrorist risk\textsuperscript{15}. For instance a study in Israel illustrated that terrorism had a significant negative impact on non-defense related companies and a significant positive impact on defense and security-related companies\textsuperscript{16}.

The consumption and saving rates, may be affected by terrorism, but according to Frey et al. (2004), it is still unclear if this effect is positive or negative. Next to (macro) economic stability, political stability is generally recognized as the most important factors that determine investments in a local economy. Not only the


amount of investments are influenced by terrorist events, but also the investment composition, in particular investments in machinery and equipment.

The impact of terrorist events on financial markets is a common phenomenon. Since share prices theoretically reflect expected future gains of a company, a terrorist attack will negatively influence the share prices since expected profits will decline if security measures increase the costs of production and transactional costs, and consumers decrease their consumption. The risk premium will increase due to the increased uncertainty about a firm's prospects on the market. On the other hand, share prices already reflect expected terrorist attacks before any actually occurs. So, the conclusion is that only single unexpected events or an unexpected intensification will lead to negative effects.

Terrorist events not only increase the sense of insecurity and uncertainty for foreign traders, but also increase transaction costs due to augmented security measures and can lead to the destruction of export goods. In addition, countries that are targeted by terrorism, will trade less with each other than countries not affected by terrorism. Moreover, these effects are large because doubling of the number of terrorist events reduces bilateral trade flows by 4 percent.

Terrorism may also be a substitute for other forms of political conflict in the internal fight over resources. The overall effect of terrorism on economic national income and growth can only be determined when it is known how an economy would have developed without the terrorist event. An assessment of these differences surmises that the effects of terrorism on the economic growth are small and only statistically

---


significant for development countries, and not for the more advanced Organisation for Economic Co-operation and Development (OECD) countries.  

2.2 Research Variables on the Economic Impact of Terror Activities in Specific Locales

The effects of terrorist activities have an economic impact through:

a) Psychological and emotional suffering of families that have been directly affected through lost lives, injury, trauma and anxiety among Kenyans thus impacting on economic productivity and contributing to direct economic losses.

b) Crippling of the tourism sector by decreasing the influx of tourists particularly following travel advisories and bans imposed by Western countries leading to unemployment particularly in the hospitality industry due to dwindling revenues.

It is notable that the economic implications of the decline in tourism extend beyond the direct effect of fewer jobs in hotels, restaurants and other service industries leading to declines in demand for food and handicrafts and affecting those employed in the agricultural and manufacturing sectors. Furthermore lower incomes among workers in tourist-related activities has had a domino effect on demand for all goods and services throughout the economy.

c) Reduction in other forms of international commerce, trade and direct foreign investments

---


d) Indirect economic costs of running business resulting from installation of sophisticated surveillance gadgets and expert personnel in addition to increasing the cost of marketing Kenya as a tourist destination. The indirect effects of terrorism (that is, the changes in risk, transaction costs, demand, public finances and growth) may outweigh the direct effects.  

e) Increased cost of living due to over-commitment of the national budget to homeland security.

3.0 Research Methodology

Desk and literature reviews included proceedings from forums held along the themes under study in order to derive both primary and secondary data. The research design for the primary data included interviews, focus groups and observation covering the eight target counties. Survey instruments, including semi-structure interview, focus group discussions, and observation guides were developed and the research took place over a six week period. Both quantitative and qualitative data was collected in a scientific and standardized manner.

3.1 Research Design

This research project employed descriptive research approach and guided by its underlying assumptions. According to Burns and Grove, descriptive research is ‘designed to provide a picture of a situation as it naturally happens’. This strand of research design expounds on the beliefs, knowledge and opinions of individuals with regards to a particular subject. For the purposes of this project, descriptive research will be used to obtain a picture of the economic cost of terrorism in Kenya, and the


nature and impact of programs and strategies of de-radicalization and disengagement in Kenya with a view of providing a responsive constructive approach.

3.2 Research Approach
This project assumed a triangulation approach where both qualitative and quantitative approaches will be employed. In this approach, the researchers sought to understand the phenomenon under study from the perspective of those who experienced it\textsuperscript{23}. According to Flick\textsuperscript{24}, ‘triangulation’ refers to the observation of a research phenomenon (at least) from two different points. Triangulation is mainly done as a process of validating procedures and results of empirical social research. “Triangulation of data” is therefore viewed as the use of various methods to collect data to understand a single phenomenon, and that the data is sourced from different people differently\textsuperscript{25}.

Through literature reviews, administration of questionnaires, and interviews, this research project looked for a deeper understanding of the impact of disengagement and rehabilitation programmes for returnees, and the economic cost of terrorism in nine target high-at-risk counties in the Northern Kenya border regions (Garissa, Mandera and Wajir); the coastline border region of Kenya (Kilifi, Kwale, Tana River, Lamu and Mombasa) and Nairobi.

3.3 Research Population
Burns and Grove\textsuperscript{26} understand target population as all the elements that meet the criteria for inclusion in a study. For the purpose of this project, the target population

\textsuperscript{23} Vaismoradi, Mojtaba, Hannele Turunen, and Terese Bondas. "Content analysis and thematic analysis: Implications for conducting a qualitative descriptive study." *Nursing & health sciences* 15.3 (2013).


\textsuperscript{25} Ibid.

comprises the eight high-at-risk counties, three in the Northern Kenya border regions (Garissa, Mandera and Wajir); five in the coastline border region of Kenya (Kilifi, Kwale, Tana River, Lamu and Mombasa) and Nairobi. The targeted populations in these locations included both provincial and county government officials, youth and community leaders, CSOs and members of the public.

3.4 Sample Population
This project employed a purposive sampling technique as a type of non-probability sampling\textsuperscript{27}. This research project was limited to selected respondents that were deemed especially informative on the issues under investigation. Due to the sensitivity of this type of study, purposive sampling was used to select members of difficult-to-reach specialized populations. Respondents for the interviews were subjected to in-depth investigations, with the purpose of gaining a deeper understanding on the issues under investigation.

3.5 Date Collection Methods
This research study employed literature review, in-depth interviewing and questionnaires for data collection.

3.5.1 Literature Review
An in-depth literature review was conducted prior and after the field research. The prior review was conducted with a view of identifying the ensuing knowledge gaps and obtaining background knowledge on the phenomenon under study. After the research findings were collated and analysed, researchers embarked on a further review of literature with a view of linking the findings with the existing body of knowledge. The review of literature relied on peer-reviewed journals and books, government reports, as well as print and online mainstream media reports.

\textsuperscript{27} In non-probability sampling, the sampling elements are chosen from the population by non-random method (Brink, Van de Walt and Van Rensburg, 2012: 140).
3.5.2 Interviews
In order to collect qualitative, descriptive, in-depth type of data from specific individuals deemed knowledgeable on the issues under investigation in this project, interviews were employed as the most appropriate method with the aim of reconstructing and give meaning to events, as well as describing and expressing feelings about the phenomena under investigations, including predictions of future developments. The targeted respondents for the interviews included national and county government officials, youth and community leaders. Through the interviews, researchers sought to clarify meanings and assertions from respondents, while allowing them to respond on their own terms and within their own linguistic parameters.

3.5.3 Questionnaires
This project sought to reach out to a wide range of selected community members. Questionnaires are often useful while collecting largely quantitative information from a wider sample which might be difficult to reach with limited time and resources. In this case, clearly defined facts and opinions were identified beforehand.

3.6 Data Analysis
Data collected from questionnaires were thematically analyzed. Thematic analysis is a form of descriptive approach where themes of data collected are identified and analyzed\(^\text{28}\). It is a process where encoding involves enlisting themes, qualities and indicators that have common relationships. This process of analysis involved searching and identifying common threads or themes and establishes recurring patterns.

Data, largely quantitative generated from conducting the survey in nine counties was coded and computed. Descriptive and inferential statistics were then computed to establish the relationships among various variables.

4.0 Key Findings from Field Research

4.1 Family Suffering

An overwhelming 96.4 percent of the respondents view terrorism as leading to increased loss of lives. A staggering 92.7 percent of the respondents agreed that terrorism leads to an increase in sustained injuries. An overwhelming 97.7 percent see terrorism leading to an increase in trauma among the affected communities.

At least 93.6 percent of the respondents viewed terrorism as leading to increased anxiety while 94 percent of the respondents agreed that terrorism causes reduced economic productivity. Meanwhile 94.1 percent of the respondents viewed terrorism as a cause of direct economic losses and 75.8 percent attributed increasing cases of abduction and extortion to terrorism.
4.2 Crippling of the Tourism Sector and other sectors

In this instance 97 percent of the respondents view terrorism as a cause of decreased tourist visits in the affected counties and 96.9 percent of the respondents believe that cases of terrorism leads to increased travel restrictions and travel bans from foreign governments. Terrorism was cited by 94.2 percent of the respondents as a cause of reducing business revenues and 92.3 percent of the respondents believed terrorism leads to increased job losses.
4.3 International Commerce

In terms of international commerce, 90.6 percent of the respondents felt that terrorism caused reduced trade in the affected counties while 91.5 percent of the respondents were of the view that terrorism causes reduced foreign investment.
4.4 Indirect Economic Costs

From the survey, 84.4 percent of the respondents say that terrorism causes installation of expensive surveillance gadgets and hence have an economic impact; 83.5 percent of the respondents believe that terrorism causes the loss of expert personnel from the affected counties; 82.6 percent of the respondents view terrorism causing an increased cost of marketing Kenya as an investment destination; 77.9 percent of the respondents view terrorism as a cause of increased insurance premiums for their properties; and 88.8 percent of the respondent view terrorism increasing the cost of doing business.

In regard to reduced demand for goods and services resulting from terrorism, 74.9 percent of the respondents attributed this to terrorism; 89.7 percent of the respondents believe terrorism causes reduced growth in the local economy of affected counties; and 88.3 percent of the respondents believe that terrorism causes increased spending on homeland security.

4.5 Cost of Living
It was found that 70 percent of the respondents believe terrorism causes an increase in the cost of living, while 76.8 percent of the respondents agree that terrorism causes a reduction in family income and 69.6 percent of the respondents agree that terrorism leads to reduced savings.
5.0 Cross tabulation of the economic impact in the counties

5.1 Increased loss of lives

There is homogeneity across all counties that terrorism has caused loss of lives.

5.2 Increased injuries sustained
From the responses terrorism has caused injuries across all the sampled counties.

**5.3 Increased trauma**

All the counties show that terrorism has caused trauma including Nairobi.

**5.4 Increased anxiety**
There was consensus across all counties that terrorism causes increases anxiety amongst the population.

5.5 Reduced economic productivity

Across all the counties terrorism reduces economic activity.

5.6 Direct economic losses
From the responses Nairobi, Garissa and Wajir counties do not see terrorism as a cause of direct economic losses.

5.7 Increased abduction and extortion

Kwale, Mandera and Tana River counties had more abductions compared to the other six counties.

5.8 Decreased visits of tourists
Terrorism is seen as causing decreased tourist visits across all the counties.

5.9 More travel restrictions and bans

There is general consensus across all the counties that terrorism causes travel restrictions by tourists and international travel bans.

5.10 Reduced business revenues
There is a strong feeling by respondent across all the counties, except Lamu, that terrorism causes reduced business earnings.

5.11 Job losses

There is a strong feeling that terrorism leads to job losses in all the counties.
5.12 Reduced trade

In Kwale, Kilifi, Tana River and Mandera counties, a majority of the respondents view terrorism as cause of reduced trade.

5.13 Reduced foreign investment
From the responses in the table above, terrorism causes reduced foreign investments across all the sampled counties.

### 5.14 Installation of expensive surveillance gadgets

![Bar chart showing the percentage of respondents from each county who strongly agree, agree, neutral, disagree, or strongly disagree with the statement that terrorism leads to the installation of expensive surveillance gadgets.]

A majority of the respondents strongly feel that terrorism leads to the installation of expensive surveillance gadgets.

### 5.15 Expert personnel

![Bar chart showing the percentage of respondents from each county who strongly agree, agree, neutral, disagree, or strongly disagree with the statement that terrorism leads to the installation of expert personnel.]

Page 36 of 47
There is minimal effect of terrorism on expert personnel in Kwale County.

5.16 Increased the cost of marketing Kenya as a tourist and investment destination

The respondents in Kwale County do not see terrorism as having any impact on Kenya as a tourism and investment destination.

5.17 Increase in risk assessment (e.g. insurance costs)
In Kwale County terrorism has not increased assessment of risk and insurance costs.

5.18 Increased cost of doing business

There is general consensus among the respondents that terrorism increases the cost of doing business.

5.19 Reduced demand for goods and services
Demand for goods and services are also affected by terrorism across all the counties. There is however a significant number who feel that terrorism has no effect on the same.

**5.20 Reduced growth in local economy**

![Chart showing reduced growth in local economy across counties]

In all the majority of Counties most respondents strongly agree that terrorism causes reduced growth of the local economies.

**5.21 Increased spending on homeland security**

![Chart showing increased spending on homeland security across counties]
Majority of the respondents agree with the proposition that terrorism causes increased spending in homeland security.

5.22 Increased cost of living

Lamu, Mombasa and Mandera counties strongly feel that terrorism causes an increase in the cost of living.

5.23 Reduction in family income
There is a stronger feeling in Kwale, Mandera, Nairobi and Kilifi counties that terrorism causes a reduction in family income.

5.24 Reduced savings

Terrorism causes reduced savings across all the counties. However, in Kilifi, Kwale and Nairobi counties there is a strong feeling that the effects are more than Garissa, Mombasa and Lamu.
6.0 Conclusions

Across all the counties there is a general consensus from the responses that terrorism causes loss of lives and injuries among the affected communities. This leads to increased trauma and anxiety among the affected family members causing reduced productivity and hence reduced family income. This in turn leads to declining standards of living among the affected regions.

Terrorism also causes direct economic losses like destruction of property and loss of business revenue in addition to attracting extortion of the masses by terrorists to raise income through abduction and blackmail.

Terrorism had a big impact on the economies of counties in particular Lamu and Kilifi in the coastal region which greatly suffered economically due to decreased tourist numbers resulting from travel restrictions by foreign governments. This led to a near collapse of the sectors that support tourism like the local businesses, farming and other forms of livelihood supported by tourism like crafts, embroidery and curio businesses. The decline of tourism in the coastal counties also led large hotel chains laying off workers and retrenchments have now become the norm in the hospitality industry in counties affected by terrorism. The affected counties suffer even more as the County governments in the affected counties fail to meet revenue targets as businesses close leading to poor service delivery in the affected counties. Indeed one governor lamented that trying to collect revenue from his county after the numerous terror is like milking a stone.

Terrorism has had a negative effect on international commerce as terrorism reduces international investments in affected counties. Thereby negatively impacting on FDI, and loss of maritime trading as well as port business to other regions. Indeed Uganda recently justified its choice of using the Tanzanian route to build its crude oil export pipeline instead of Kenya based on the higher likelihood of terrorists
attacking the installations were it to pass through Lamu which is heavily affected by tourism.

Nairobi County has also suffered immensely as a result of terrorism. Although it might not be noticed, massive investments have gone into expensive installations such as security cameras, metal detectors and advanced security systems to avert terror. Although these efforts have borne fruits, the economic effect is massive considering that these resources could have gone into other productive investments.

Mandera, Wajir and Garissa counties have also been adversely affected by acts of terrorism. The respondents reported that expert staff such as teachers, the NGO community and the civil servants have abandoned their workplaces as a result of insecurity. The health sector has also suffered as doctors are not willing to work in the terror prone regions.

The increase in terrorism incidents has additionally led to businesses facing higher insurance policy premiums as a result of their increased risk profiles. Terrorism has also made Kenya much harder to sell as a premier tourist and tourism investment destination and has been cited as leading to reduced demand for goods and services as the purchasing power in these counties decline. An administrator attributed increasing cases of domestic conflicts to terrorism as fathers are unable to meet their obligations of providing for the families. Children have also had to drop out of school due to lack of school fees as family incomes decline or vanish all together.

**7.0 Recommendations**
The respondents in all the sampled counties felt that co-operation between the government and the communities affected by terrorism activities will go a long way in helping to prevent radicalization and hence prevent terrorism. The government should therefore institute measures geared towards encouraging citizen participation
in combating violent extremism. It is therefore recommended that the government stops profiling Muslim communities as a counter terrorism strategy as it limits chances of this community helping the government to fight extremism.

The private sector should be proactive in promoting policies that encourage youth employment and create incentives that encourage the sharing of information amongst the community and the police. This incentives will go a long way in identifying potential terrorism activity and hence beneficial to the private sector as well. The government in conjunction with the private sector, non-governmental organisations and the religious leaders should intensify sensitisation programs on the true beliefs of Islam with a view to preventing them from falling to the teachings of the extremists.

The government should initiate an emergency fund to help cushion the victims of terror from total economic ruin and mitigate chances of further radicalisation of youth whose regions are prone to terror. In this regard the community should pursue an inclusive way of raising their children in order to help detect early warning signs of exposure to radical islamic ideologies.
Bibliography


