



Kenya NiWajibu Wetu
NIWETU



UNDERSTANDING THE IMPACT OF VIOLENT EXTREMISM ON KENYA'S PRIVATE SECTOR

A REPORT BY THE KENYA PRIVATE SECTOR ALLIANCE: DECEMBER 2018



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To you all we say,

Asante Sana!!

List of Abbreviations & Acronyms

AMISOM	African Union Mission to Somalia
AS	Al-Shabaab
ASPI	Australian Strategic Policy Institute
AU	African Union
CSR	Corporate Social Responsibility
CVE	Countering Violent Extremism
HURIA	Human Rights Agenda
ICT	Information and Communication Technology
KEPSA	Kenya Private Sector Alliance
KNBS	Kenya National Bureau of Statistics
KNCHR	Kenya National Commission on Human Rights
KSH	Kenyan Shilling
LAPSSET	Lamu Port South Sudan Ethiopia Transport
MRC	Mombasa Republican Council
MUHURI	Muslims for Human Rights
NCCK	National Council of Churches of Kenya
NCTC	National Counter Terrorism Centre
NIWETU	Kenya NiWajibu Wetu
NPS	National Police Service
NGOs	Non-Governmental Organization
MSME	Micro, Small and Medium Enterprises
SME	Small and Medium Enterprise
SPSS	Statistical Package for the Social Sciences
SUPKEM	Supreme Council of Kenya Muslims
UNDP	United Nations Development Programme
USD	United States Dollar
USAID	United States Agency for International Development
VE	Violent Extremism
VEO	Violent Extremist Organizations

Glossary of Terms

This glossary clarifies key terms used in this document. The definitions provided are for this study.

At-risk individuals and communities: Potential perpetrators of violence; those who sympathize with, advocate for, or materially and morally support VE acts; and those who are unaware of the VE threat and might, therefore, be easily attracted to VE.¹

Countering Violent Extremism (CVE): Proactive actions to counter efforts by violent extremists to radicalize, recruit, and mobilize followers to violence and to address specific factors that facilitate violent extremist recruitment and radicalization to violence.²

Hotspot: A sub-county or settlement location within a county where radicalization and recruitment are heightening and not matched by sufficient efforts to counter/interrupt the same.³

Private Sector: The segment of the economy that is not directly controlled or operated by government-run agencies and organizations but instead run by individuals and companies for profit. Other terms that are used to refer to the private sector include the *citizen sector* or the *free market*. The private sector is made up of companies that operate to make a profit.⁴

Violent Extremism (VE): Advocating, engaging in, preparing, or otherwise supporting ideologically-motivated or justified violence to further social, economic, or political objectives.⁵

Violent Extremist Organizations (VEOs): Organizations involved in advocating, engaging in, preparing, or otherwise supporting ideologically-motivated or justified violence to further social, economic, or political objectives.⁶

¹ Kenya NiWajibu Wetu (NIWETU) *Conceptual Framework* (2017)

² Kenya NiWajibu Wetu (NIWETU) *Conceptual Framework* (2017)

³ Kenya NiWajibu Wetu (NIWETU) *Conceptual Framework* (2017)

⁴ Study.com (2018) *What Is the Private Sector? - Definition & Examples: Chapter 9 - Lesson 8*. Retrieved from <https://study.com/academy/lesson/what-is-the-private-sector-definition-examples.html>

⁵ Kenya NiWajibu Wetu (NIWETU) *Conceptual Framework* (2017).

⁶ Kenya NiWajibu Wetu (NIWETU) *Conceptual Framework* (2017)

Executive Summary



Group Photo: Nairobi training

This report offers findings from a study undertaken by Kenya Private Sector Alliance (KEPSA) to understand the effects of VE on Kenya's private sector. The study also sought to explore existing private sector interventions that contribute towards Countering Violent Extremism (CVE). This included assessing the effects and overall impact of VE on small, medium and large enterprises; understanding the role played by the private sector in CVE; and exploring the opportunities available for the private sector to actively participation in CVE.

The study focused on three counties considered hotspots for VE activity for the past few years: Garissa, Mombasa, and Nairobi. The study targeted business owners and managers of small, medium, and large enterprises in each of the three counties as its primary respondents. The secondary respondents were other stakeholders who were knowledgeable on the study topic.

A literature review assisted in establishing research gaps and in understanding the study context and developing research tools. The study applied a mix of both qualitative and quantitative methods of data collection. The quantitative methods involved face-to-face interviews with respondents from the target counties while qualitative methods included key informant interviews and focus group discussions, with key stakeholders deemed relevant for providing further insight to the study. Both purposive sampling and snowballing techniques were employed during selection to ensure participants were qualified to provide in-depth information about their experiences and perceptions with regards to VE. The study set to achieve a targeted sample of 330 businesses drawn from Garissa, Mombasa, and Nairobi with the sampling process based on the "Kenya National Bureau of Statistics (KNBS) 2016 Micro, Small & Medium Enterprises (MSME) Report" and the Proportion Probability to Size Sampling technique deployed to select respondents for the quantitative data collection. The study achieved a sample of 357, representing 108% of the target.

The findings indicate that wholesale and retail businesses were covered the most (62%) by the study, followed by enterprises in the hospitality (11%), manufacturing (10%) and tourism (7%) sectors respectively.

The study found that 55% of respondents across the three target counties had at one point been directly affected by a VE-related incident, with the largest proportion derived from Nairobi County. Further analysis of the study findings revealed that 69% of large enterprises had experienced VE, compared to 59% of small and 57% of medium-sized enterprises.

On the effects of VE on enterprises covered in the study, the findings revealed that most (54%) businesses across the three counties were affected by loss of business revenue due to limited flow of customers, with a similar proportion (54%) of respondents indicating that they experienced loss of business revenue due to business closure.

Further analysis of the findings revealed that, on average, each business lost Ksh 175,396 worth of revenue immediately following a VE attack. The average value of property lost through destruction of property per each affected business was estimated at Ksh 211,684. Nairobi County was most affected immediately after a VE incident, with the total value of lost revenue estimated to as much as Ksh 10 million (equivalent to \$98,966.36) per business. The findings further indicated that large businesses had an overall average value of revenue lost per day at Ksh 511,078.

“Violent Extremism was experienced by most businesses



The value of property lost due to destruction occasioned by a VE incident showed that medium-sized businesses had the highest (Ksh 760,730) estimated value of losses followed by large businesses with an average amount of losses valued at Ksh 279,412 and small businesses at Ksh 143,092.

As a result of the reported losses, businesses have developed measures aimed at mitigating against losses attributed to VE. These mitigation methods included increased security personnel manning business (46% of respondents) and investing in insurance to cover any business losses (36% of respondents). These measures were found to be expensive for businesses: on average, businesses incurred an estimated Ksh 373,360 on mitigation efforts. Businesses in Nairobi County indicated the highest costs (Ksh 548,078) incurred in the process of mitigating against the effects of VE.

The study found that 37% of the private sector actors are currently involved in CVE initiatives, including helping to secure public spaces by building perimeter walls, partnering with security agencies, engaging community leaders on progressive dialogues, and organizing CVE sensitization forums.

The study also identified opportunities for the private sector to further engage in CVE initiatives. Some of these recommendations included: incorporating CVE into Corporate Social Responsibility (CSR); providing support for victims of VE; and undertaking initiatives that build the resilience of communities that are vulnerable to VE by positively engaging women and youth in skills-building and livelihood activities.

Property losses from VE

Ksh **279,412**

Large
Enterprises

Ksh **760,730**

Medium
Enterprises

Ksh **143,092**

Small
Enterprises



Trainer explains how to sign the NIWETU participant sheet during the Nairobi Training

The study found that the impact of VE has left many companies reeling from a substantial loss of revenue. The fact that a section of the private sector is currently involved in CVE interventions is encouraging, though more needs to be done, especially with regard to leveraging existing opportunities for the sector to get more involved in supporting CVE initiatives through a multi-stakeholder effort.

Key recommendations that emerged from the study included:

1. Establish and convene a forum to deliberate and ratify the recommendations proposed by respondents covered in this study on the possible opportunities for the private sector involvement in CVE interventions within their communities.
2. The private sector needs to interact with their counterparts in other countries which have experienced VE, for learning and adoption of resilience-building strategies and coping mechanisms towards VE.
3. There should be continuous multi-sectoral engagement forums between the private sector and other stakeholders aimed at coordinating, partnering, and assessing the impact of effort by all stakeholders in CVE. coordinating, partnering and assessing effort by all stakeholders in CVE.

CHAPTER ONE:

INTRODUCTION &
BACKGROUND INFORMATION

Interviewer fills in the participant sign-in sheet during Garissa County Training

1.1 About Kenya NiWajibu Wetu (NIWETU)

After Kenyan troops entered Somalia in 2011 under Operation *Linda Nchi* (Protect the Country), the extremist group al-Shabaab (AS) and its Kenyan affiliate al-Hijra reacted by carrying out attacks on public spaces in Kenya. The violent extremist groups have also attempted to create a schism between Christians and Muslims and manipulate underdevelopment and perceptions of marginalization to fuel their victimization narratives and recruit disenfranchised individuals to their cause.

In response, NIWETU was launched to reduce VE among at-risk individuals and communities in Kenya. "*NiWajibu Wetu*" is a Kiswahili phrase meaning "it's our responsibility," and is inspired by the Kenya National Anthem and the 2010 Constitution of Kenya. The activity empowers communities and government institutions to take the lead in CVE. NIWETU works to address the root causes of VE by fostering a sense of unity and tolerance among individuals, communities, and civil society groups, as well as catalyze their connections with government institutions at the county and national levels.⁷

⁷ <https://www.dai.com/our-work/projects/kenya-ni-wetu-ni-wajibu-wetu-niwetu>

1.2 Kenya Private Sector Alliance (KEPSA) Engagement to Undertake the Study

The Kenya Private Sector Alliance (KEPSA) is the private sector apex and umbrella body set up in 2003 to bring the business community together in a single voice to engage and influence public policy for an enabling business environment. KEPSA is a limited liability membership organization.

With current membership of over 500,000 direct and indirect members organized through Business Membership Organizations and Corporate members, KEPSA is a key player in championing the interests of the Kenyan business community in trade, investment, and industrial relations. KEPSA's vision is to be a world class private sector apex body. The primary mission is to ensure year-on-year improvement in the overall business environment for Kenya by working together with the Government and other stakeholders.

The mission is driven by the organization's business strategy. The strategy's main objective is the pursuit of an enabling business environment over the next five years by ensuring a year-on-year improvement in three key global business rankings:

- i. Ease of Doing Business Index (World Bank)
- ii. Global Competitiveness Index (World Economic Forum)
- iii. Bribery Index (Transparency International)

KEPSA partnered with NIWETU to carry out research on the effects of VE on the private sector in Kenya and explore private sector CVE interventions. The research commenced in December 2017.

1.3 Contextual Analysis

Kenya has been a frequent target of VE attacks since al-Qaeda's 1998 bombing of the U.S. Embassy in Nairobi, which killed more than 220 people. Kenya, which shares a 700-kilometre border with Somalia, has been particularly affected by the spread of AS. In 2011, responding to the abduction of foreign tourists from various Kenyan coastal resorts,

as well as aid workers from the Dadaab Refugee Camp, Kenya launched Operation Linda Nchi, a joint military operation in which 3,000 members of the Kenya Defense Forces (KDF) partnered with the Somali Armed Forces to conduct "coordinated pre-emptive action" against AS in southern Somalia.⁸

⁸ 'Kenya says making gains against al-Shabaab.' *Al Jazeera* published 19 October 2011. Available at: <http://www.aljazeera.com/news/africa/2011/10/2011101942627768243.html>.

Operation Linda Nchi came to an end in May 2012, but Kenyan troops remain in Somalia, contributing to the African Union Mission in Somalia (AMISOM), a regional peace support mission composed of 22,000 troops from six African countries.⁹ Since the launch of Operation Linda Nchi, the attacks by AS in Kenya attacks have fluctuated over the last few years. These attacks have affected critical sectors to Kenya's economy as they have targeted government and security installations, shopping centers, public transport, universities, and places of worship, leaving many innocent people dead and hundreds of others injured.

In 2011, 32 attacks were recorded; this figure increased to 84 in 2014. AS's deadliest assaults in Kenya to date have been the 2013 attack on Nairobi's Westgate Mall, where 67 people were killed, and the 2015 attack on Garissa University College, in which 148 people died.¹⁰ Most recently, on January 15, 2019, AS attacked the 14 Riverside Drive complex in Nairobi, killing 21 people.

These attacks have instilled fear and a sense of insecurity and exacerbated interreligious tensions. The impact and cost of insecurity resulting from VE and terrorism is enormous and is a risk to Kenya's development agenda. The radicalization and VE phenomena are disproportionately impacting locally owned investments."¹¹

1.4 Purpose of the Study

This study sought to understand the effects of VE on the private sector in Kenya and explore private sector interventions to CVE. The study also took stock of current private sector CVE interventions, the various ways in which the private sector is being affected by VE, and explored areas where the private sector might expand its role in CVE initiatives. The findings from this study are expected to inform private sector transformative approaches and policies in CVE.

The study was conducted in three counties—Garissa, Mombasa, and Nairobi—with participants drawn from small, medium, and large enterprises.

1.5 The Objectives of the Study

1. To assess the effects and overall impact of VE on small, medium, and large enterprises operating within the counties of Garissa, Mombasa, and Nairobi;
2. To assess the role played by the private sector in CVE; and
3. To explore the opportunities available for the private sector to participate actively in CVE.

⁹ The troop-contributing countries to AMISOM are Burundi, Djibouti, Ethiopia, Kenya, Sierra Leone and Uganda.

¹⁰ National Consortium for the Study of terrorism and Responses to terrorism (2016) 'Global terrorism Database.' Available at: <http://www.start.umd.edu/gtd>.

¹¹ UNDP - Support to the Prevention of Violent Extremism in Kenya (2018)

1.6 Research Questions

The study sought to answer the following questions:

1. What are the effects and overall impact of VE on small, medium, and large enterprises operating within the counties of Garissa, Mombasa and Nairobi?
2. What is the role played by the private sector in CVE?
3. What opportunities are available for the private sector to participate actively in CVE?

1.7 Study Indicators

The study relied on the following indicators in answering the above objectives:

1.7.1 Objective One Indicators:

- i. What is the proportion of businesses affected directly by VE activities?
- ii. How have businesses been affected by VE activities?

1.7.2 Objective Two Indicators:

- i. What positive role has the private sector played in CVE activities in Kenya?

1.7.3 Objective Three Indicators:

- i. What are the recommendations by stakeholders in the private sector on how they can support initiatives that counter VE?
- ii. What are the possible collaboration opportunities between the private sector and other actors that can be exploited and utilized in CVE?

1.8 Scope of the Study

This study focused on three counties within regions considered hotspots for VE activities¹² for the past few years namely:

- i. Nairobi (Nairobi and its environs)
- ii. Garissa (Northern Kenya)
- iii. Mombasa (Coast Region)

1.8.1 Suitability of Selected Counties for this Study

Nairobi County was selected since it is the capital city of Kenya. Additionally, numerous cases of VE have been witnessed in various parts of the city with the most prominent attack in the recent past being the attack on the Westgate Mall which left 67 people dead.

Garissa County is located near the Somali border. The porous Kenya-Somalia border allows for the relatively free flow of AS militants between the two countries. Dadaab—one of the largest refugee camps in the world with over 336,000 Somali refugee—is also located in Garissa County. The area is especially vulnerable to AS attacks, which include the attack on Garissa University in April 2015.

Mombasa County has been affected by several attacks with spill over from attacks. Attacks and insecurity in other coastal counties—including Kwale, Kilifi, Tana River and Lamu—have had a ripple effect on Mombasa's economy.

Many youth from Mombasa joined AS and travelled to Somalia and on their return they have imported violence and killings into Mombasa, mainly targeting elders and businesses.

1.8.2 Target Groups

The study primarily targeted business owners and managers of small, medium, and large enterprises in Garissa, Mombasa, and Nairobi. Additionally, other stakeholders were also targeted based on their knowledge on the study topic. The study targeted the following respondent categories:

1.8.2.1 Primary Respondents

These included business owners and managers of small, medium, and large enterprise in Garissa, Mombasa, and Nairobi.

1.8.2.2 Secondary Respondents

These respondents who were considered to be key stakeholders included;

- » The National Government and its Agencies such as the Ministry of Industrialization, Ministry of Health, National Counter Terrorism Centre (NCTC), Ministry of Interior and Coordination, and the National Police.
- » County government representatives (Commerce, Tourism and Co-operative Sector, County Security, Compliance, Fire and Disaster Management),

¹² However, care should be taken not to generalize these findings to the whole country.

- » NGOs (Kenya Red Cross)
- » Local Civil Society (Kenya National Commission on Human Rights - KNCHR),
- » Religious Leaders (Supreme Council of Kenya Muslims - SUPKEM, National Council of Churches of Kenya - NCCK); and
- » Private Sector Representatives from small, medium, and large businesses.



CHAPTER TWO: FINDINGS & DISCUSSIONS



A team activity during Mombasa Training

2.1 Introduction

As aforementioned, this study sought to understand the effects of VE on the private sector in Kenya and explore private sector interventions to CVE. Based on the study findings, over half (54%) of the businesses in the target counties i.e Garissa, Mombasa and Nairobi had at one point been directly affected by a VE-related incident, with the largest proportion derived from Nairobi County. This section gives a detailed finding on the effects and measures undertaken by the Private sector and other players in countering violent extremism.

Please see Annex I for a detailed description of the study approach and methodology.

2.2 Profile of Businesses Covered in the Study

2.2.1 Distribution of Respondents according to size of business

The study was able to cover small, medium, and large enterprises across the three target counties as illustrated in figure 1 below:

Figure 1: Distribution according to size of business

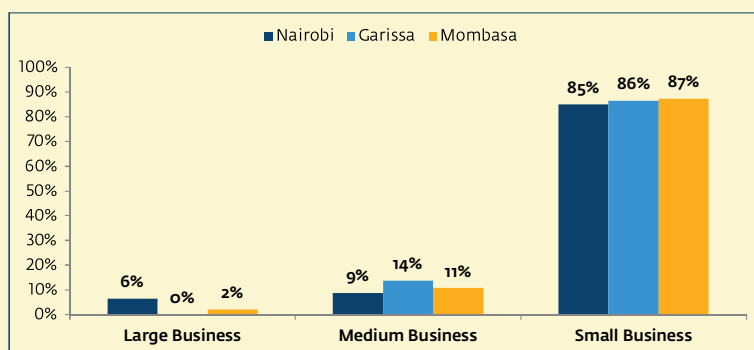


Figure 1 above indicates that the most reached respondents in the study across the three counties were the representatives of small businesses, followed by those of medium and finally large businesses. This was in line with the sampling design as discussed earlier in this report. It is worth noting that Garissa County had no businesses that fit the study's categorization of a large enterprise, which was dictated by the descriptions stipulated in the MSE Act 2012,¹³ and therefore none were covered in the study.

2.2.2 Distribution of Respondents according to Sector

The study was also able to cover businesses from various sectors across the three target counties as illustrated in table 1 below:

Table 1: Distribution of Respondents according to Sector

	NAIROBI	GARISSA	MOMBASA	OVERALL
Wholesale and Retail	61%	63%	61%	62%
Manufacturing	11%	8%	12%	10%
Tourism	3%	0%	18%	7%
ICT	2%	3%	3%	3%
Agriculture	1%	0%	1%	1%
Transport and infrastructure	3%	3%	4%	3%
Banking and Finance	7%	5%	4%	6%
Hospitality	9%	12%	11%	11%
Education	2%	4%	2%	3%
Entertainment	2%	1%	1%	1%

¹³ Quota sampling technique was used based on the business category, i.e. Large (over 100 employees), medium (51-100 employees) and small business (10-50) employees.

Wholesale and Retail businesses comprised the bulk of the respondents (62%) overall, followed by Hospitality (11%), Manufacturing (10%), and Tourism (7%) businesses, respectively.

2.3 The effects and overall impact of violent extremism on Small, Medium, and Large enterprises

The study first sought to ascertain the effects and overall impact of VE on small, medium, and large enterprises within the three counties covered in the study and the findings were as discussed below:

2.3.1 Proportion of Businesses Affected Directly by Violent Extremism (VE) Activities

The study first sought to establish the proportion of enterprises that had been directly affected by VE.

2.3.1.1 Proportion of respondents who have ever heard of or encountered VE

The study team asked the respondents if they had ever heard or witnessed an incident caused by VE.

Figure 2: Proportion of respondents who have experienced VE

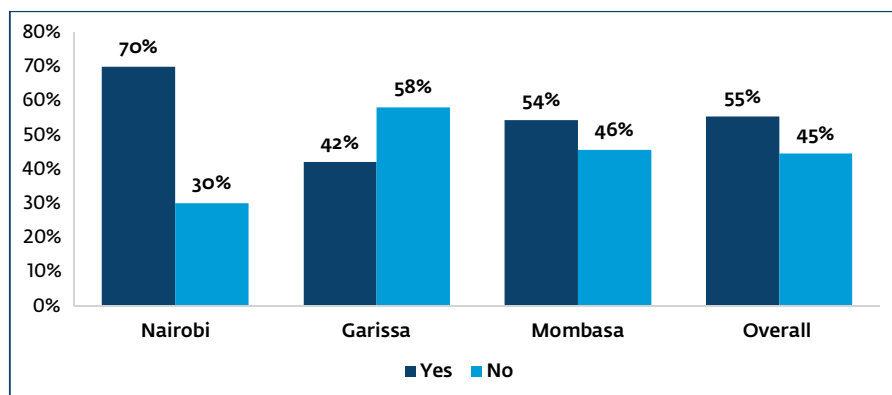
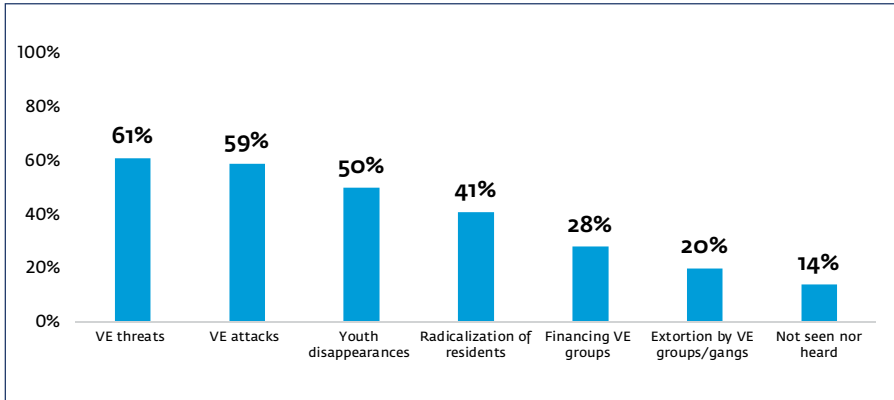


Figure 2 above indicates that 55% of the respondents across the three counties covered in the study had at one point heard or experienced VE, with 70% of businesses in Nairobi County reporting to have heard or experienced VE. Further analysis of the study findings revealed that 69% of large enterprises had heard or experienced VE, compared to 59% of small and 57% of medium-sized enterprises.

2.3.1.2 Occurrences of VE heard or witnessed

Only 14% of the total sample indicated that they had not seen or heard of any form of VE activities within their county. Of the total surveyed businesses, a significant percentage (61%) have seen or heard of incidences or threats of VE (commonly referred to by the businesses as VE attacks), 59% have seen or heard of VE attacks while half of them have heard of cases of youth disappearances.

Figure 3: VE Incidence seen or heard



Analysis of interview notes from key informant interviews (KIIs) revealed the specific occurrences of VE within the study area. The respondents recalled occurrences of VE in the form of attacks experienced in public places such as malls, markets, and churches as evidenced in the statements below:

“

I remember the incident where civilians were attacked while worshipping in a church in Likoni. We were the first people to arrive at the scene and we witnessed both the injured and dead carried away by rescue workers. It was a very sad situation...

KII WITH HUMAN RIGHTS ACTIVIST IN MOMBASA

“

The biggest attacks witnessed in Nairobi in the recent past were the Westgate attack and another attack in Gikomba market. Both stretched our services very much as we tried to rescue the injured from the scenes of the attacks...

KII WITH REPRESENTATIVE OF NATIONAL POLICE SERVICE IN NAIROBI

Private sector respondents had also witnessed activities that point to radicalization of people by sympathizers of VE happen within their respective counties. These were revealed during focus group discussions (FGDs) with various groups of small and medium business owners who noted that areas such as Majengo, Kisauni, and Likoni (in Mombasa); Dandora, Githurai, and Eastleigh (in Nairobi); and a number of mosques across Garissa were the sites of youth radicalization by AS sympathizers.

“

There are Sheikhs who come from Mandera and those refugee camps like Dadaab, they come to an area and to start a small group, a small shop there and then they start saying they are running a Madrassa. They then ask you to bring your kid. With time, you think that your kid is being taught something that will help him not knowing that he is being taught different things that make him want to become a bad person. I have seen this with my own eyes...

FGD PARTICIPANT, MOMBASA

The study findings also show that recruitment is actively happening in all the three counties and targeted at the youth. It was reported that youth vanished from the communities in the counties only to reemerge in other parts of Kenya as active members of extremist groups, which the respondents believed to be AS. Some youth who had disappeared are reported to have died in VE attacks. It is also noted that disappearances of youth is not only to join VE groups, but can also be due to forced kidnappings by VE groups or disappearances through extra-judicial killings.

“

...I've seen it, especially in Likoni. It is something that we are waking up to every morning. A guy one morning is lost, and 6 months down the line he is found in Eastleigh. He has changed his name, and he is now calling himself...

FGD PARTICIPANT, MOMBASA

In Mombasa and Nairobi, the respondents had a perception that there was a strong link between criminal gangs or organized criminality and radicalization and/or affiliation with VE activities which is a crucial concern. Members of the organized groups are perceived to be more vulnerable to VE recruitment. It was also observed that extremist groups target youth belonging to criminal gangs as their narrative on social injustice aligns with the narratives used by VE recruiters. In addition, recruiters reach out to youth who are already engaged in crime, as it is perceived to be much easier to prepare for criminal acts under the guise of ideology.

2.3.1.3 Causes of VE

The literature review conducted provides a description of the causes of VE¹⁴. The most well-known radicalization model is the 'push-pull' framework. 'Push factors' are identified as structural or environmental conditions that can create grievances prompting individuals to support violent extremism. 'Pull factors' are those which make violent extremist ideas and groups appealing or more proximate factors of violence. An alternate typology groups factors of violent extremism into four categories, providing greater scope for diagnostic nuance and precision:

- » **Structural motivators** include repression, corruption, unemployment, inequality, discrimination, a history of hostility between identity groups, and external state interventions in the affair of other nations
- » **Individual drivers** include, a sense of purpose (generated through acting in accordance with perceived ideological tenets), adventure, belonging, acceptance, status, material enticement, fear of repercussions by violent extremism entities and expected reward in the afterlife.
- » **Enabling factors** include presence of radical mentors, access to radical online communities, social networks with violent extremism associations, access to weapons or other relevant items, a comparative lack of state presence and absence of familial support.
- » **Community dynamics drivers** include relations and connections between and across families and stakeholders in a community, government, businesses, law enforcement agencies, vulnerability of individual and groups within a community.

The qualitative findings of this study show that there are social and economic conditions that are putting communities and individuals at risk of radicalization. Economic inequalities, which manifested as chronic poverty and inequality, are creating fertile ground for narratives of exclusion and injustice to thrive. Many of the young people who are attracted to extremism are from chronically poor households and are unemployed.

¹⁴ NIWETU's conceptual framework



A training session in Nairobi County

Economic & Financial Marginalization

The study findings show that some of the residents of Mombasa feel that they are marginalized economically, as manifested through their poverty levels, access to education and political conflict. Their experiences with chronic poverty that has been passed down from one generation to another is an impetus for radicalization. The situation is further aggravated by the long-standing grievances associated with land ownership at the coast.

“

This is more of land issues. You see some people bought their lands like in the 80s. Vast, large lands. Moreover, they have been lying there for so many years. So, the youths nowadays just group up and go there as squatters by force...

FGD PARTICIPANT, MOMBASA

Economic marginalization is also a VE driver in Garissa. In this county, there were instances where particular ethnic groups were targeted and threatened to leave the county. Although the political tension motivated this ethnic profiling during the pre-election period, the perpetrators are perceived as being vulnerable to radicalization.

Comments by key informants, representing religious and security sectors, challenged the majority view that related vulnerability to radicalization mainly to the "victim" or "grievance" mentality. Whereas macro and structural social and economic factors—deprivation, marginalization, and discrimination—enable radicalization, educated and even privileged individuals have also been drawn into extremism. The case given was of the Garissa University attack, which was reportedly led by a lawyer^{15,16,17,18}, whose social status was scarcely akin to that of the downtrodden or deprived. Police have also arrested university students on suspicion of planning a VE attack using biological weapons.^{19,20}

“ You see like previously we used to think that radicalization and VE were only targeting the poor, unemployed, vulnerable, those who have got nothing. However, until the Garissa University attack happened, it was commanded by whom? A lawyer. A student who came from a very rich family, he went to an academy, he went to the University of Nairobi as a student, qualified as a lawyer, but he was still radicalized. He still did what he did...

KEY INFORMANT, MINISTRY OF INTERIOR AND COORDINATION

Financial and Material Incentives

Another strategy used by recruiters is to offer financial rewards to individuals or their families. In some instances, the radicalized youth is motivated to engage in VE in exchange for their family getting compensation in the event of their death. In addition, material incentives such as houses are offered.

“ I know of a guy who was given 20 million because they wanted him to join a VE group. He was given 20 million, and they went as far as doing such things. He died but left the 20 million to the mum and the brothers...

FGD PARTICIPANT, NAIROBI

¹⁵ <https://www.telegraph.co.uk/news/worldnews/africaandindianocean/kenya/11517049/One-of-Garissa-attack-gunmen-was-government-officials-son-and-bright-law-student.html>

¹⁶ <https://www.capitalfm.co.ke/news/2015/04/slain-garissa-terrorist-studied-law-at-nairobi-university/>

¹⁷ <https://www.nation.co.ke/news/Garissa-Attack-Al-Shabaab-Gunmen-Abdirahim-Abdullahi/1056-2676556-da69v/index.html>

¹⁸ https://www.the-star.co.ke/news/2017/07/25/garissa-varsity-terror-attack-was-led-by-two-lawyers_c1603143

¹⁹ <https://www.nation.co.ke/news/Plan-by-interns-to-use-anthrax-in-terror-attack-foiled-by-police/1056-3188088-sqf1pf/index.html>

²⁰ https://www.the-star.co.ke/news/2016/05/04/police-arrests-key-member-of-terror-group-plotting-biological-attacks_cr344167

Structural: Weaknesses in State Agencies

The respondents felt that security agencies might be feeding the narrative of oppression through police brutality and marginalization whereby members of certain community are treated as members of extremist groups. This discrimination can be used by recruiters to justify recruitment. Police brutality can push young people into extremism indirectly. Respondents gave instances where police treated all members of communities or religions as suspected members of extremist groups. Such heavy-handed use of power could affirm the sense of marginalization in regions vulnerable to VE attacks or social categories at risk of radicalization.

The respondents attributed VE to actions and failures of state agencies or limited state capacity. Failure on the part of state agencies, police and immigration, allowed violent extremists easy access to the country. Lack of integrity among police officers means that extremists can easily access the weapons used for VE attacks, such as guns and ammunition. They attribute police ineptness with low morale due to poor pay.

“

As I talk... our borders are not well secured, much as there are men and women there (police), those people are doing nothing, but why are they not working? ...you cannot tell me to work hard, and then you pay me 8,000 per month or 20,000 per month and yet some billions are coming that I can receive and let it go...

FGD PARTICIPANT, NAIROBI



A mock interview exercise

2.3.2 How businesses have been affected by VE

The study sought to establish how businesses covered in the study had been affected by incidences of VE and the findings were as illustrated in figure below:

Figure 4: How businesses have been affected by VE

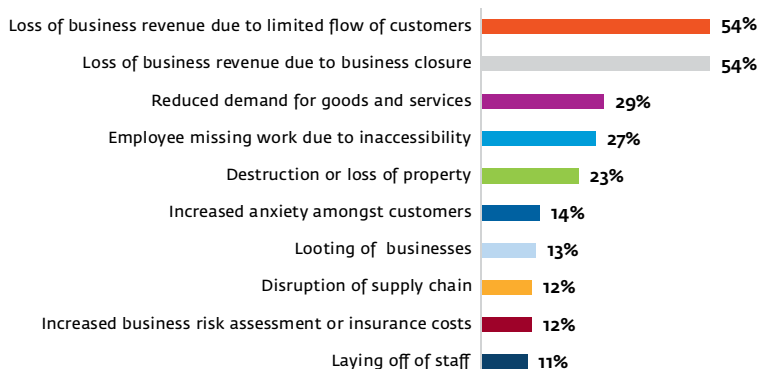


Figure 4 above indicates that most (54%) businesses across the three counties were affected by loss of business revenue due to limited flow of customers. Another effect which affected a similar proportion (54%) of businesses was loss of business revenue due to business closure.

Table 2: Effects of VE on businesses across Garissa, Mombasa and Nairobi Counties

	Total (357)	Nairobi (173)	Garissa (81)	Mombasa (103)	Large Business (13)	Medium Business (37)	Small Business (307)
Loss of business revenue due to business closure	54%	67%	31%	51%	49%	58%	54%
Loss of business revenue due to limited flow customers	54%	58%	44%	54%	62%	53%	53%
Reduced demand for goods and services	29%	38%	15%	25%	33%	33%	28%
Employee missing work due to inaccessibility of premises	27%	37%	25%	11%	34%	31%	26%
Destruction/loss of business property	23%	28%	21%	14%	33%	19%	23%
Increased anxiety among customers	14%	22%	10%	6%	25%	30%	12%
Looting of businesses	13%	19%	9%	8%	10%	17%	13%
Increased business risk costs assessment/insurance cost	12%	13%	8%	13%	15%	15%	11%
Disruption of supply chain	12%	12%	7%	15%	5%	10%	12%
Laying off of staff	11%	10%	7%	16%	10%	14%	11%

The findings were further confirmed during the various FGDs and KIIs where respondents stated how VE incidences had caused them to close their businesses and in some instances relocate their businesses to other towns.

“

When there was an attack in 2014 I had a business in Gikomba. I lost two people in the attack who I had known as clients for many years. Customers feared coming to our section of the market and traders were also afraid of another attack. I and some of my friends closed our businesses and moved to Ngara market where there has never been an attack. Business here is not good but I can never go back to Gikomba...

FGD PARTICIPANT, NAIROBI COUNTY

“

I used to run a sports bar in Mishomoroni next to the one that was attacked using grenades in the year 2012. I had to move my business to Nairobi as customers became afraid of watching football at night from the sports bars and this brought my business to its knees...

FGD PARTICIPANT, MOMBASA.

2.3.2.1 Business Closure

The study found that business closure was closely related to restrictions on business operating hours. The study discovered that VE had resulted in the private sector closing their businesses early either due to fear of further attacks or due to imposition of curfews by the government as a security measure. Most participants who commented on the issue stated that they closed their businesses early for the day following attacks in their counties as they were not only concerned about the safety of their physical assets, but also the safety of their employees and customers. In Garissa and Mombasa, early business closure had been occasioned by curfews imposed by the national government to contain illegal movements of persons feared to be plotting attacks. This is a key blow to the government's initiative and efforts to have a 24-hour economy.

2.3.2.2 Change in Customer Behavior and Movement

The study also learned from the FGDs that the occurrence of VE in the respective counties imposed what could be referred to as informal curfews. This is where residents became reluctant to walk around at night due to fear of attacks. This was largely mentioned in Mombasa and Garissa counties, where the discussants stated that this phenomenon had caused a negative impact on many small businesses, and especially service industry establishments that do a majority of their business at night. The effect of this change in movement behavior constituted a change in customer shopping habits, with most opting to shop during the day and avoid late hour shopping. This was featured notably in FGD and KII sessions conducted in Mombasa.

“Initially here in Mombasa County, people would even walk overnight without any fear, but since the beginning of these attacks, people make sure they find themselves in their houses by 6 pm and at night you will not see many people walking around. Very few people who used to do small businesses in town like selling *kahawa chungu*²¹ do the same today either out of fear of being harassed by the police or fear of being attacked by Al-Shabaab...

KII WITH RELIGIOUS LEADER, MOMBASA

The discussions revealed another effect of VE on businesses in the locations covered by the study. The effect was that VE has made customers more anxious about their welfare and as a result they do not frequent businesses in shopping malls. The adverse effect of the widely publicized Westgate Mall attack was a reduction in customers visiting malls, resulting in lost revenue for the businesses in these locations especially in Nairobi County where discussion notes captured mentions of reduced shopper traffic in malls along Mombasa and Thika Roads.

This was evidenced in a statement made during a FGD session with business owners and managers in Nairobi where a participant said:

“What happened in Westgate Mall deeply affected the mall businesses. If you go to most malls you will find some businesses closed. Before the attacks, we had shops, boutiques and supermarkets in these malls but since the Westgate attack, the mall business has had reduced customers despite many malls being put up along Mombasa Road and Thika Road. The malls are becoming empty by the day and nobody is willing to open shops in such places...

FGD PARTICIPANT IN DISCUSSIONS WITH SMALL AND MEDIUM BUSINESS OWNERS IN NAIROBI

Additionally, the study discovered that VE incidents had led to massive relocation of customers, which greatly affected the enterprises within the three counties. During a FGD in Garissa County, respondents noted that the student population in Garissa was greatly reduced after the Garissa University attack and this adversely affected businesses that relied on the high student numbers for survival. According to the discussants, enterprises that had based their business model on the presence of students and teachers at the university faced a severe dip in revenue, with almost closing down.

²¹ Local coffee brew

“

When we experienced the Garissa University incident, you know there were like 3,000 students learning there. The 3,000 students used to buy from our wholesales, our shops and supermarkets. They never had enough hostels, and so some would rent our houses. The people who did small businesses out there were making money and depended on these students for the survival of their businesses so when the incident happened, all the students fled and we felt it because business has never been the same again...

FGD PARTICIPANT IN DISCUSSIONS WITH SMALL AND MEDIUM BUSINESS OWNERS IN GARISSA

2.3.2.3 Adoption of Bureaucratic Measures by Businesses

The negative effect of VE on businesses across the three counties did not end at loss of business due to migration of customers. VE incidents have compelled some business owners to adopt bureaucratic measures which have hindered the smooth flow of business activities earlier enjoyed before the VE cases started occurring. The measures adopted included increased forms of security screening at businesses premises, such as malls, as well as inspection of goods getting into business premises. These measures, though meant to ensure public safety, were blamed by discussants as having disrupted the smooth flow of business as they hindered customers and goods easier and quicker passage to the business premises thereby disrupting valuable supply chain. The security checks were not only blamed for slowing down delivery of consignment, but were also blamed for heightening the cost of doing business as they required businesses to invest in infrastructure and packaging that allowed for these checks.

“

Another main issue is the movement of goods and services within Nairobi which has really been paralysed by the numerous security checks conducted by with security agents in most buildings you try to get in. The screening sometimes involves unwrapping of a package you had wrapped well only for them to demand that you to open it simply because it has metallic elements inside it. This leads to time wastage and sometimes the goods get damaged. It also means that it has become a challenge as you cannot move with your goods freely in town...

FGD PARTICIPANT IN DISCUSSIONS WITH SMALL AND MEDIUM BUSINESS OWNERS IN NAIROBI

2.3.2.4 Forced Migration of Skilled Labor

A discussion on the effects of VE on businesses in Garissa revealed to the study that migration from areas regarded as hotspots was not limited to customer movement. Feedback from business owners in Garissa showed that every attack in the county was followed by an exodus of qualified staff who were non-locals for fear of being targeted by the perpetrators of VE. This, according to the discussants, left the entrepreneurs with little option as they resorted to hiring less-skilled local labor. Furthermore, it appeared from the discussions that skilled labor force seemed reluctant to work in areas perceived to be prone to VE. This migration of workers due to fear of more VE attacks has harmed businesses which depends on the non-local workforce to buy their products and services.

“

For me, I started employing the locals, because most of the time, when there is an attack, and most of the workers are non-locals, they start fearing and they go back to their homes... so for me the long-term plan is to employ people who are locals, so that in any case there is no fear and there is no migration...

FGD PARTICIPANT IN DISCUSSIONS WITH SMALL AND MEDIUM BUSINESS OWNERS IN GARISSA

2.3.2.5 Destruction of Property and Key Infrastructure

Evidence obtained from key informants, a communications service provider, and a representative of the police service, highlighted the role of VE in the destruction of property and in particular critical infrastructure, such as telecommunication masts. The destruction of this infrastructure inhibited smooth business operations across the affected locations. For example, a telecommunications company representative explained that AS attacks in Garissa have hampered business in the county.

“

In Garissa and particularly around Ijara we have lots of people blowing off our masts. Sometimes even using rocket-propelled grenades to destroy telecommunications masts and I think I don't know last year am not too sure of the number, but I can say maybe around 10 to 15 masts were destroyed bringing communication and business in the area to a standstill...

KII WITH REPRESENTATIVE OF A TELCO COMPANY

It is worth noting that the destruction of communication infrastructure is costly to the service provider and private business enterprises as they experience damage to assets and revenue losses. Loss of infrastructure disrupts business activities, including communication and mobile money payment platforms.

“

When there is an effect in part of the communication system definitely there is effect on the others because when the communication masts are destroyed definitely there will be change in communication communication will be affected it will not be as free as it is supposed to be. And as much as the communication system will be affected you will find that people who don't have evidence, communication of those attacks sometimes mislead the public or giving the public information or causing more fear to the public so definitely communication is affected when there is an attack...

KII WITH REPRESENTATIVE OF NATIONAL POLICE SERVICE

2.3.2.6 Disruption of Public and Private Transport

The negative effects of VE also extend to disruption of public and private transport, which disrupts the supply chain of important commodities. By increasing the cost of these commodities, VE leads to increased cost of doing business.

“

If you want to transport goods from Garissa to Marsalane and you have heard that in that area there is the issue of insecurity, you may find your vehicle has been bombed and surely that is a property and you invested money in it. This causes transporters to demand for extra fees for securing our goods...

FGD PARTICIPANT IN DISCUSSIONS WITH SMALL AND MEDIUM BUSINESS OWNERS IN GARISSA

2.3.2.7 Effects of VE on Tourism

The effect of VE on tourism and the hospitality industry was highlighted repeatedly throughout, from interviews with key informants.

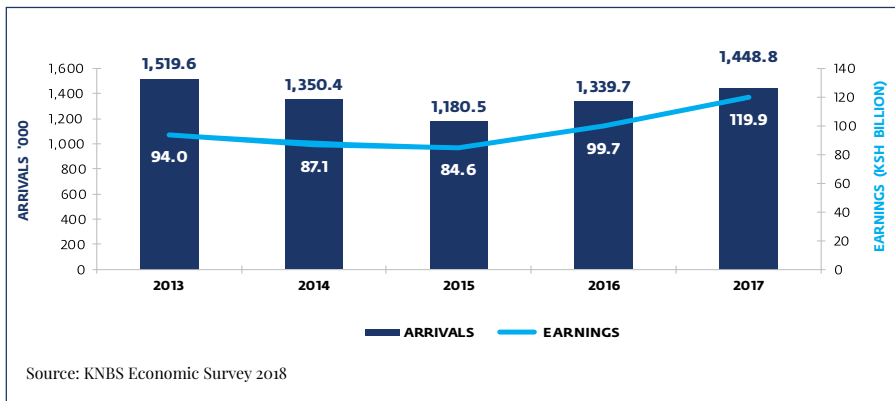
“

The effects of VE on our economy cannot be emphasized enough especially when we think about the vice's effect on a major income earning sector like Tourism which has greatly been affected. So, when you stop tourists from coming, other sectors are affected as well..

KII WITH KNHCR REPRESENTATIVE

Findings from a desk review on the trends in international visitor arrival and tourism earnings indicate that there was depression effect on the tourism sector after the Westgate attack in 2013. According to the survey report, tourist arrivals decreased by 11.1 per cent from 1.52 million in 2013 to 1.35 million in 2014. The decreasing trend was also noted for tourist arrival in 2015 after which an increasing trend is noted on the arrival.

Figure 5: Trends in international Visitor Arrival and Tourist Earnings



2.3.2.8 Value of Losses Occurring to Enterprises as a Result of VE

The study sought to quantify the monetary value of losses incurred by businesses immediately after a VE incident occurs.²²

²² Violent extremism incidents were defined to the respondent as any activity "advocating, engaging in, preparing, or otherwise supporting ideologically motivated or justified violence to further social, economic and political objectives."

Table 3: Estimate monetary losses per day immediately²³ after a VE attack

	Total	Nairobi	Garissa	Mombasa	Large Businesses	Medium Businesses	Small Businesses
	357	173	81	103	13	37	307
ESTIMATED BUSINESS REVENUE LOSS PER DAY (KSH) IMMEDIATELY AFTER A VE INCIDENT							
Mean/Average	175,396	322,380	56,148	21,986	511,078	313,060	144,731
Maximum	6,000,000	6,000,000	1,000,000	200,000	5,000,000	6,000,000	3,000,000
ESTIMATED BUSINESS REVENUE LOSS PER DAY (KSH) IMMEDIATELY AFTER A VE INCIDENT							
Mean/Average	211,684	381,009	79,550	30,822	279,412	760,730	143,092
Maximum	10,000,000	10,000,000	2,000,000	600,000	3,000,000	10,000,000	5,000,000

The table above indicates that on average, Ksh 175,396 of revenue was lost by each business immediately following the day of a VE attack. Further analysis of the SitAn findings indicate that the highest amount mentioned as lost revenue ranged from Ksh 6 million in Nairobi to Ksh 200,000 in Mombasa. Additionally, the estimated value of property lost through destruction of property was Ksh 211,684. Nairobi County businesses were the most affected, with businesses losing as much as Ksh 10 million (equivalent to \$98,966.36) following VE incidents.²⁴ It should be noted that Nairobi likely saw the largest losses because it has a much higher concentration of large and medium businesses than Garissa and Mombasa.

Further analysis of the study findings revealed that large businesses had an average value of revenue lost per day at Ksh 511,078 while medium-sized businesses lost an estimated Ksh 313,060 and small businesses lost an estimated Ksh 144,731. On value of property lost due to destruction occasioned by a VE incident, medium businesses reported the largest property damage losses in VE incidents (Ksh 760,730), followed by large businesses (Ksh 279,412) and small businesses (Ksh 143,092).

²³ Within 24 hours after an attack

²⁴ <https://www.centralbank.go.ke/forex/> (USD = KSH. 101.0444).

2.4 The role played by the private sector in Countering Violent Extremism

2.4.1 Positive roles played by the private sector played in CVE

The study then sought to understand the role played by the private sector in CVE as described below:

2.4.1.1 Business Mitigation Measures against Losses Attributed to VE

The findings revealed that businesses covered by the study had developed measures aimed at mitigating against losses attributed to VE and subsequently undertaking CVE measures as part of their CSR strategies. The particular measures mentioned by the respondents include increasing security personnel manning their businesses (46% of respondents); fitting businesses with protective grills (43%); closing businesses when there is a threat (42%); and installation of surveillance cameras (40%). Additionally, 36% of businesses used insurance to mitigate against potential business losses.

These findings are further illustrated in table 4 below:

Table 4: Measures taken against Business Losses (Multiple Response – Top Mentions)

Measures Taken	Total (357)	Nairobi (173)	Garissa (81)	Mombasa (103)	Large Business (13)	Medium Business (37)	Small Business (307)
Increased security personnel manning business	46%	47%	48%	41%	48%	50%	45%
Reinforcement of premises with grills.	43%	46%	25%	52%	48%	37%	44%
Business closure when there is a threat	42%	45%	28%	49%	39%	51%	41%
Installing surveillance cameras	40%	46%	43%	28%	38%	51%	39%
Taking insurance cover	36%	52%	13%	27%	49%	47%	34%

This indicates that businesses owners tend to invest in physical security and insurance to mitigate potential losses from VE incidents. It is important to note that the use of enhanced security mechanisms has become an ordinary business expense with respondents in various FGD sessions complaining about the extra expenses incurred in improving the security of their premises. However, these expenses were justified by the same groups, who extolled the benefits of these investments, which included increased confidence by customers to visit or frequent their businesses.

2.4.1.2 Value of Expenditure Incurred when Undertaking Business Mitigation Measures

The study sought to establish the monetary value of expenditure incurred when businesses undertake measures aimed at safeguarding losses that could occur in the event of a VE incident. The study found that, on average, businesses across the three counties spent Ksh 373,360 to mitigate against VE incidents.

Table 5: Estimated Expenditure incurred in mitigation against VE

	Total	Nairobi	Garissa	Mombasa	Large Business	Medium Business	Small Business
Base	357	173	81	103	13	37	307
Maximum	50,000,000	10,000,000	50,000,000	1,000,000	5,000,000	50,000,000	10,000,000
Mean	373,360	548,078	365,964	84,936	711,912	1,091,441	273,087

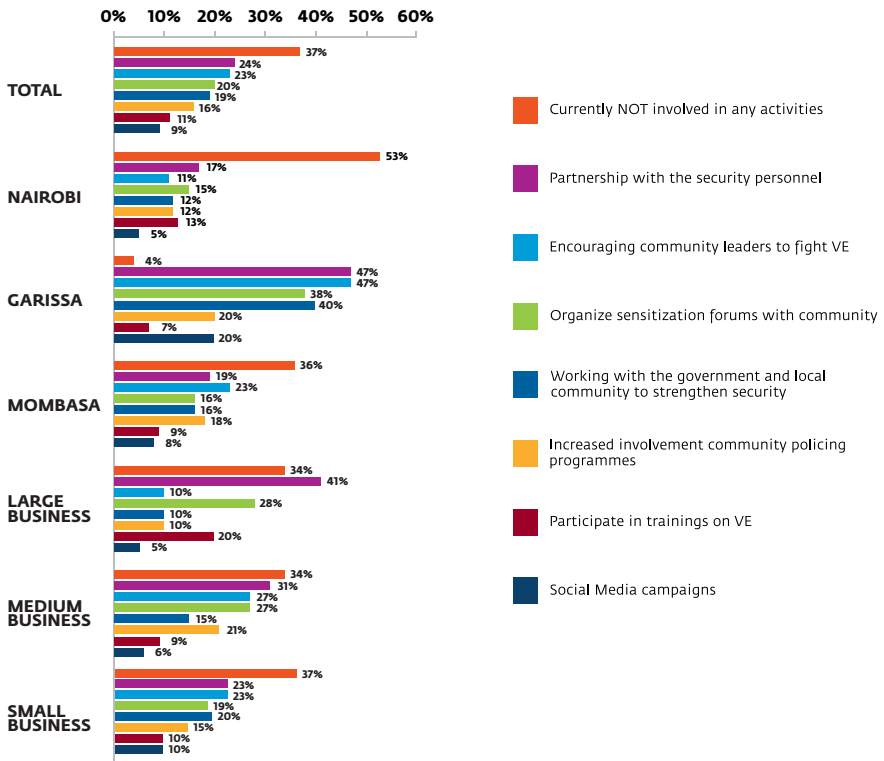
Table 5 indicates that businesses in Nairobi incurred a higher VE-mitigation cost (Ksh 548,078) than businesses in Garissa (Ksh 365,964) and Mombasa (Ksh 84,936) This could be attributed to the fact that there are more large businesses in Nairobi as compared to the other two counties covered in the study. It is important to note that medium-sized businesses spent more money on achieving better security than large businesses. This could be because large businesses are often located in safer premises and hence do not need to spend as much to secure their property.



2.4.1.3 Current Involvement of the Private Sector in CVE

The study found that 37% of the businesses covered by the study across the three counties had been involved in CVE activities. Further analysis of the study findings indicate that the main reason for low CVE participation is that most enterprises are not aware of the role they can play in contributing towards CVE efforts. The findings also indicated that businesses that have played an active role in CVE have partnered with security agencies on CVE initiatives, worked closely with community leaders, and organized community sensitization forums. These findings are further illustrated in figure 6 below:

Figure 6: Current involvement of Private Sector in CVE



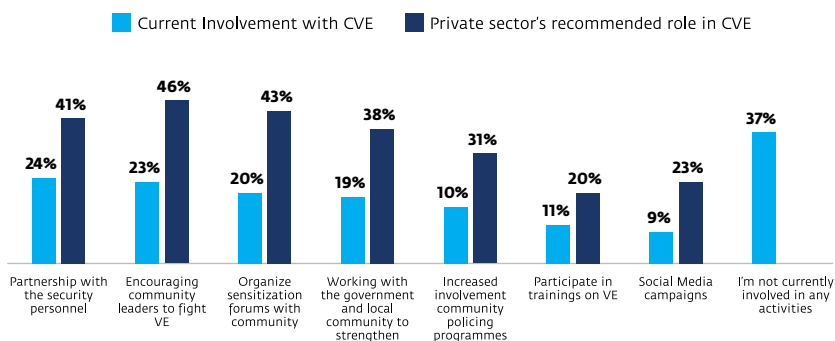
2.5 The opportunities available for the private sector to participate actively in CVE

2.5.1 Involvement of the private sector in CVE & recommendations by stakeholders in the private sector on how they can support initiatives that counter VE

2.5.1.1 Available opportunities for Private Sector to get involved in CVE

The study then sought the respondents' recommendations on available opportunities for the involvement of the private sector in CVE and the findings were as indicated in figures 7 below:

Figure 7: Opportunities available for the involvement of Private Sector in CVE



The KIIs and FGDs echoed these findings, with discussants mentioning the following opportunities for private sector engagement in CVE:

Corporate Social Responsibility (CSR) Programs

Respondents in the discussions recommended that the private sector invests in CSR programs that build communities resiliency towards the effects of VE. The discussants expressed optimism that these efforts would reduce insecurity and radicalization in affected communities.

Examples of viable CSR activities include those that provide direct security to the beneficiaries such as building perimeter walls around public schools and other public institutions (to enhance physical security). Discussants also cited initiatives that collect donations for VE victims. Finally, CSR activities included providing CVE training to at-risk members of communities.

“

Like I will give an example of Mombasa Cement company owner who has taken it upon himself to construct perimeter walls around public institutions and this for him is a matter of security which has really touched him at that personal level that he has decided to contribute and support the government in setting up these perimeter walls for the institutions so that we can stop having these cases of insecurity...

FGD PARTICIPANT IN DISCUSSIONS WITH SMALL AND MEDIUM BUSINESS OWNERS IN NAIROBI

“

The private sector can provide the resources to support the law enforcement, by providing vehicles for instance, by providing fuel, by providing technology to counter this, intercepting communication through Safaricom or any other mediums. The private sector is everything and I think it plays a big role...

KII WITH REPRESENTATIVE OF THE MINISTRY OF INDUSTRIALIZATION, TRADE AND COOPERATIVE

Creating Employment Opportunities for At-Risk Individuals

The private sector was reminded of its role in creating employment opportunities which offer a source of livelihood for the community and thus reduce their susceptibility to radicalization.

Vocational Skills Training

The private sector was reminded of its role in creating employment opportunities which offer a source of livelihood for the community and thus reduce their susceptibility to radicalization.

“

We are coming out with ideas that can help the community out of poverty. For example, we have got so many youths with talents. What are you doing about in addition to going to the youth telling them to form groups? Why not talk with your area MCA or go to business groups with the support of the area MP so that they can earn a living? This can ensure they have something to do to make sure they are not staying idle. The private sector has a big role to play in building the skills of these young people...

FGD PARTICIPANT IN DISCUSSIONS WITH SMALL AND MEDIUM BUSINESS OWNERS IN MOMBASA

Peace-building through Sports

The respondents quoted the role of sports as having been found to be a useful mechanism in de-radicalization of young people including in the context of VE. Participating in such events helps people undergoing de-radicalization to acquire skills needed to adjust to living in a society fruitfully and to rethink views and beliefs associated with radicalization.

Business Community Policing

Concerned about violent extremists diverting “dirty money” to businesses, the respondents recommended the private sector to contribute to the government efforts of screening new businesses. Criteria to be used in screening the businesses could include: doing a background check of business directors and management before registration; requesting for referrals; asking the company or organization to self-report on their track record; relevant policies that they have in place; as well as expected environmental and social impacts; commitment of the company regarding current and future operations; and request to know the company financing mechanism.

Undertaking this process could be facilitated through business forums where these mechanisms are discussed and frameworks for implementation put in place. To safeguard the system from potential abuse by corrupt/discriminatory business owners, it is recommended that people of high integrity run a committee to lead the system and that their selection is subjected to an intensive, well-documented screening process by relevant stakeholders.

Partnering with other stakeholders

Collaboration between the private sector and other organizations was recommended by respondents in various FGDs across the three counties to explore CVE collaboration with other stakeholders. This collaboration could include information-sharing and seeking solutions to VE.

“

I think to share knowledge and to have forums both for the business entity and the security apparatus and the civil society organizations. So when they come together to share ideas and knowledge, I think it will assist a lot, rather than the people who are business-oriented doing their things and the civil society, and the security apparatus doing their way, I think collaboration of knowledge...

KII WITH REPRESENTATIVE OF HURIA

Policy Advocacy

Most respondents saw VE as warranting multi-stakeholder responses. This meant closer collaboration between citizens, business owners, and the police. This collaboration would be ideal in reporting plans or cases of radicalization or VE activities in the community. This should be through collaborative action in reporting and taking legal action against the VE actor.

Nevertheless, there was a minority group of participants which believed that the burden of dealing with the problem of VE fell squarely in the hands of the state. The only action open to the private sector according to this group was influencing the policy discourse that would enable the creation/ratification of CVE legislation. The respondents felt that stronger policies would help curb the adverse effects of VE attacks on business enterprises. This could begin with the passing of legislation that discourages businesses financing VEOs through fines and arrests.

This was expressed thus in one of the discussions:

“

So the government should do most of these things. The only way we can help the government is lobbying, we suggest laws that we do this and that are workable for both...

FGD PARTICIPANT IN DISCUSSIONS WITH SMALL AND MEDIUM BUSINESS OWNERS IN NAIROBI

Sensitization of Communities on VE

Discussions held with small and medium-sized business owners across the three counties revealed that situational factors such as poverty, family background, and unemployment were some of the pre-disposing issues that lead some individuals to get engaged in VE activities. This signified the need for more to be done by all stakeholders to de-radicalize at-risk individuals by instituting CVE initiatives in at-risk regions or communities. A recommendation floated during one of these sessions indicated that some of the initiatives could include providing sensitization sessions in schools, community forums, and educational seminars for community members. These forums could be funded by the private sector in close collaboration with civil society actors. Additional anti-radicalization community responses could include facilitating people living in the community's at-risk neighborhoods to work better with security agencies in tackling VE by providing them with platforms to engage with law enforcement agencies.

“

We should have anti-radicalization initiatives in schools and around residential areas as well. Community leaders should move around residential estates mobilizing people and using these forums to tell people to be careful with persons whose intention is to spread the VE ideology...

KEY INFORMANT, MINISTRY OF INDUSTRIALIZATION, TRADE & COOPERATIVES

“

People fear talking about the CVE issues. So if we get much empowerment, in terms of knowledge on security issues, the whole community will be safe as this will give courage that will allow all community members to talk about CVE, and share valuable information whenever there is suspected issue on looming VE in the area...

KII SESSION WITH REPRESENTATIVE OF HURIA

Business Recovery Fund

A government official recommended that a business recovery fund be put in place by financial services sector stakeholders to support businesses adversely affected by VE.

“

I think we need serious countermeasures, maybe a fund should be established to assist such businesses which get affected to help them get back on their feet, and they can take small loans...

KEY INFORMANT, MINISTRY OF INDUSTRIALIZATION, TRADE & COOPERATIVES

Private sector forging a partnership with key stakeholders

FGD participants in forums across the three counties called for the private sector to get more involved in community mobilization and awareness raising activities on CVE. In order to make a mark in this area, the private sector was asked to work hand-in-hand with key stakeholders such as religious institutions, health facilities, security agencies, media, NGOs, and the general community. The private sector could contribute to the initiatives by mobilizing the required resources through various funds drives.



*Discussion on the study tools:
Mombasa Training*

Private Health Facilities

There were calls for privately-owned health facilities to adopt mandatory reporting guidelines regarding treatment given to patients with gunshot wounds. This recommendation was made at the backdrop of the fact that many times violent extremists get injured during VE missions and taken to hospitals and the police could be trailing the suspects unsuccessfully, hence requiring the cooperation of these facilities to nab the VE suspects.

Security Agencies

Private security companies could support police inspection of business premises and aid in investigations of business suspected of enabling VE activities.

“

...though departments of criminal investigations and staff are trained on what needs to be done, they should partner with private security companies which could aid in investigations into suspected support of VE by individuals or institutions...

KII WITH KNCHR REPRESENTATIVE

CHAPTER THREE:

CONCLUSION & RECOMMENDATIONS



3.1 Conclusion

The study found that a significant proportion of businesses across the study area had been adversely affected by VE activities. This left companies reeling from the effects of VE, with many experiencing substantial loss of revenue and some closing shop altogether.

A small section of the private sector is currently involved in CVE interventions, with most of these focusing on securing their private premises as opposed to implementing interventions that could be useful to them and the surrounding communities. Undertaking measures aimed at enhancing their security is a costly affair that is only justified by increased customer confidence. However, opportunities exist for the private sector to get more involved in supporting CVE initiatives. Encouraging multi-stakeholder coordination can help support these efforts.

3.2 Recommendations

1. *Develop an action plan through which the private sector and other stakeholders can ratify through an engagement forum the recommendations proposed in this study. KEPSA should work closely with like-minded partners to facilitate this forum and ensure that the right stakeholders are included to ensure that the private sector is sustainably involved in CVE interventions.*
2. *Business owners need to be trained to develop CVE strategies that can be adopted as part of their operational Standard Operating Procedures (SOPs) and their CSR plans. KEPSA should take the lead role in training and providing support in the development of these strategies.*
3. *Private sector actors need to invest in developed CVE strategies and hence advocate it to all stakeholders. Some of developed strategies include the National Strategy for Countering Violent Extremism. (NSCVE) and the County Action Plans (CAPs).*
4. *Private sector actors need to interact with their counterparts in other countries that have experienced VE so they can learn and adopt more resilience-building strategies and coping mechanisms that minimize their vulnerabilities. KEPSA should take a lead role in facilitating these learning ventures.*
5. *Private sector actors need to invest in viable insurance schemes that can cushion them against losses that could be incurred in the event that VE occurs within their locations of operations.*
6. *Private sector actors need to develop internal training mechanisms aimed at gradually building the capacity of their local staff in a bid to cushion their businesses against sudden staff exodus in cases of unprecedented VE incidences. KEPSA should help monitor the development and utilization of these mechanisms as a means of ensuring their sustainability.*
7. *Private sector actors need to exploit local as well as international markets, especially in sectors that are largely dependent on tourism as the largest revenue earner. This will cushion them against sudden decline in number of clients (international tourists) as a result of travel advisories triggered by alerts.*
8. *KEPSA should facilitate continuous multi-sectoral engagement forums between the private sector and other stakeholders aimed at assessing the impact of CVE efforts.*
9. *The government needs to have a legal framework for dealing with VE actors and people who support VE.*
10. *The security officers need to be trained and sensitized on ethics and integrity in the line of service. This will reduce cases of officers being bribed by VE actors at the Kenya borders.*

ANNEX I:

STUDY APPROACH & METHODOLOGY

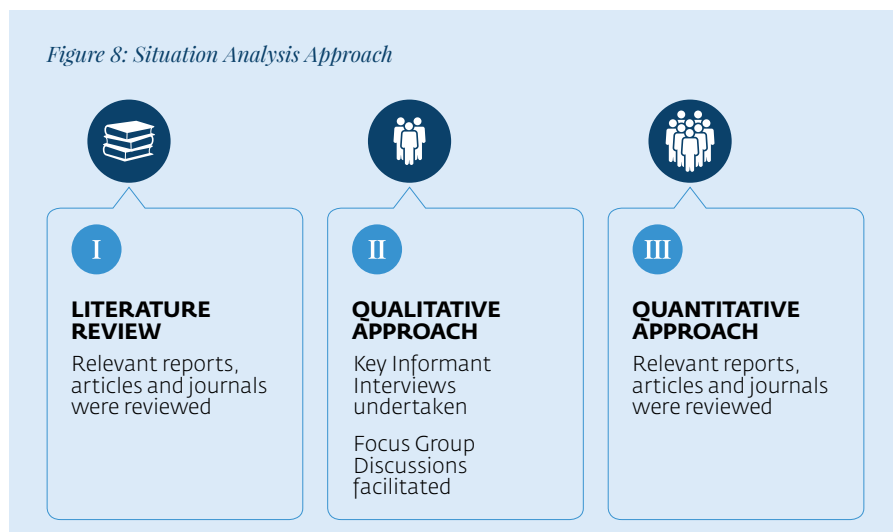
4.1 Introduction

This study utilized a mixed methods approach which included both quantitative and qualitative methods. A rigorous literature review helped to establish research gaps and help in understanding the study context, as well as develop the research tools. Secondary datasets were used to triangulate data by relating the study findings to previous studies.

4.2 Data Collection and Sampling Methods

The quantitative methods involved face-to-face interviews with respondents from the targeted counties. The qualitative methods included KIIs and FGDs with key stakeholders deemed relevant for providing further insight to the study.

Figure 8: Situation Analysis Approach



4.2.1 Literature Review

KEPSA conducted a comprehensive review of all relevant reports and publications relating to the subject of the study. For this study, an internal desk review was conducted to understand and obtain information on cases of VE in Kenya; various CVE mechanisms implemented in Kenya; how the business community is affected by the VE cases and the role played by different stakeholders to counter VE in Kenya. The desk review included information/articles published on online platforms prior to and after KEPSA collected its data in order to have enough material for further triangulation of information. Literature reviewed and utilized by the study has been cited throughout this report.

4.2.2 Qualitative Approach

The qualitative approach involved both KIIs and FGDs. KIIs were conducted among county government representatives, civil society actors, business leaders, and religious leaders. In order to understand the impact of VE among the business sector players, the study used KIIs and FGDs targeting business owners. The study combined these two qualitative research methods so as to address inherent limitations associated with application of single methodologies. This methodology allowed the study to obtain relevant information necessary for making recommendations.

4.2.2.1 FGD Sampling and Targeting

FGDs were carried out in the three target counties with groups consisting of 6 to 12 individuals. The participants included owners or senior managers of small and medium-size businesses. Both purposive sampling and snowballing techniques were employed during selection to ensure participants were qualified to provide in-depth information about their experiences and perceptions with regards to VE. The number of FGDs conducted by the study is indicated below:

Table 6: Number of FGDs Conducted in the Study

COUNTY	RESPONDENT CATEGORY	TARGET FGDs	ACHIEVED	GENDER OF PARTICIPANTS	
				MALE	FEMALE
NAIROBI	Small Business	2	2	6	11
	Medium Business	2	2	14	5
GARISSA	Small Business	2	2	10	5
	Medium Business	2	2	9	7
MOMBASA	Small Business	2	2	10	6
	Medium Business	2	2	15	7
Total		12	12	64	41

4.2.2.2 KII

KIIs were conducted with different categories of stakeholders in the target areas, including national government/agencies, county government representatives, local civil society in Kenya, religious leaders, and private sector representatives. Below is the achieved sample:

Table 7: Number of KIIs Conducted in the Study

	NATIONAL GOVERNMENT AGENCIES		COUNTY GOVERNMENT REPRESENTATIVES		LOCAL CIVIL SOCIETY		RELIGIOUS LEADERS		LARGE BUSINESSES	
	Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved	Target	Achieved
NAIROBI	6	5	2	1	2	3	2	1	4	2
GARISSA	0	0	2	4	2	2	2	2	4	2
MOMBASA	0	0	2	2	2	1	2	3	4	4
Total	6	5	6	7	6	6	6	6	12	8

The national government/agencies representatives for this study comprised the following; Ministry of Industrialization, Ministry of Health, NCTC, Ministry of Interior and Coordination, and the National Police. In the county government, the study targeted the Commerce, Tourism & Co-operative Department, County Security, Compliance, Fire and Disaster Management department.

Religious leaders comprised both Christian and Muslim leaders from Garissa, Mombasa, and Nairobi while CSOs included registered organizations with Kenya presence, e.g. Kenya Red Cross, KNCHR, MUHURI, HURIA, and Garissa Civil Society Platform.

4.2.3 Quantitative Approach

The study targeted small, medium, and large businesses drawn from Garissa, Mombasa, and Nairobi. A random sampling methodology based on a quota sample of the available businesses in a study area was used in the selection of businesses regardless of their experience with VE.

4.2.3.1 Sampling and Targeting

The study targeted a sample of 330 businesses drawn from Garissa, Mombasa, and Nairobi. The sampling process was based on the "Kenya National Bureau of Statistics (KNBS) 2016 Micro, Small & Medium Enterprises (MSME) Report", which indicates that Nairobi leads in the number of businesses as it has a total of 43,817 businesses, of which 39,679 are small businesses, 3,753 media, and 385 large businesses. The same report indicates that Mombasa has a total of 3,970 businesses with 3,645 small businesses, 251 media, and 74 large businesses. Garissa on the other hand has 125 businesses, of which 109 are small businesses, and 16 are medium businesses. In Garissa County, the survey did not manage to secure face-to-face interviews with a large-sized enterprise and therefore none was covered in the study. The study also targeted businesses with major operations within the target areas.



A training session in progress

Of the target population, a total sample of 357 was achieved, as shown in the table below:

Table 8: Achieved Face-to-Face Interviews

	BUSINESS CATEGORY	POPULATION	PPS ²⁵ SAMPLING	TARGET SAMPLE	ACHIEVED SAMPLE	RESPONSE RATE (%)
Nairobi	Small Business	39,679	136	136	147	108%
	Medium Business	3,753	14	14	15	107%
	Large Business	385	1	10	11	110%
	Subtotal	43,817	150	160	173	108%
Garissa	Small Business	109	65	65	70	108%
	Medium Business	16	10	10	11	110%
	Large Business	0	0	0	0	0
	Subtotal	125	75	75	81	108%
Mombasa	Small Business	3,645	83	83	90	108%
	Medium Business	251	6	10	11	110%
	Large Business	74	2	2	2	100%
	Subtotal	3,970	90	95	103	108%
	Total	91,854	315	330	357	108%

²⁵ Probability Proportional to Size (PPS)

4.2.3.2 Sample distribution by sectors

The target sample was further distributed into various economic sectors proportionate to the distribution of the business establishments as per the "Kenya National Bureau of Statistics (KNBS) 2016 Micro, Small & Medium Enterprises (MSME) Report". This is shown in the table below:

Table 9: Sample distribution by sector ²⁶

County	Business category	Target Sample	Wholesale and retail trade; repair of motor vehicles	Manufacturing	Accommodation and food service activities	Other service activities	Financial and insurance activities	Education	Administrative and support service activities	Professional, scientific and technical activities	Transportation and storage	Arts, entertainment and recreation	Human health and social work activities	Information and communication	Real Estate, Agriculture, Mining, Water & Sewerage
			57%	11%	9%	9%	4%	2%	2%	1%	1%	1%	1%	1%	1%
Nairobi	Small	136	78	16	12	12	6	3	2	2	1	1	1	1	1
	Medium	14	8	3	1	1	1	0	0	0	0	0	0	0	0
	Large	10	6	1	1	1	1	0	0	0	0	0	0	0	0
Garissa	Small	65	35	7	6	6	3	2	1	1	1	1	1	1	1
	Medium	10	6	1	1	1	1	0	0	0	0	0	0	0	0
	Large	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mombasa	Small	83	47	9	7	7	3	2	2	1	1	1	1	1	1
	Medium	10	6	1	1	1	1	0	0	0	0	0	0	0	0
	Large	2	1	1	0	0	0	0	0	0	0	0	0	0	0

4.2.3.3 Selection of businesses

Quota sampling technique was used based on the business category, i.e. large (over 100 employees), medium (51-100 employees) and small business (10-50) employees.²⁷ In the selected counties, businesses were selected from their sectors/industry from where the field team randomly selected the target sample. The interviewers were allocated a sampling point in the county where businesses are located. In each street, they would select the first building and after that skip 3 premises and then select the next one. In each business, the enumerators sought to speak to the business manager or owner. All businesses were sampled regardless of whether they had been impacted by VE.

²⁶ Source: KNBS 2016 MSME Report

²⁷ SME Act 2012

4.2.4 Data Collection Processes

Data collection was conducted by a team of enumerators and field supervisors trained in Nairobi for two days as well as enumerators trained in each county. The training content included an overview of NIWETU, study objectives, target respondents, sampling, data collection methodology, questionnaire administration, ethical considerations for this study, and the roles of each field personnel.

A thematic framework approach was used to analyse the qualitative data collected. The analytical process was systematic and followed five critical steps as outlined below:

- i. Transcription of the field data for FGDs and KII notes;
- ii. Checking and validating the transcripts;
- iii. Development of the thematic framework;
- iv. Coding of the transcripts using the thematic framework; and
- v. Charting and interpreting the data.

4.2.5 Field Work Management

4.2.5.1 Training

The study recruited an experienced field team and trained them on effective data collection skills. The training covered the following areas:

- i. Introduction to the study; the objectives, methodology, sample structure, and field materials to be used.
- ii. Introduction to study techniques; basic principles, and their role, etc.
- iii. Dealing with potential respondents; how to deal with queries about the study, keeping respondents to the point, clarifying vague replies, dealing with unsuitable respondents, possible refusals, and queries as to why respondent was chosen for interview. The matter of confidentiality and security was discussed as well.
- iv. Questionnaire design with particular emphasis on how to ask questions; adhering to the written content, prompting and probing, communication skills, obtaining consent, and recording responses.

Practical simulation exercises on data collection tools were part of the study and deemed useful in the practical application of lessons learnt.

4.2.5.2 Pilot study

After the training, a full day pilot study was conducted. Each enumerator administered the full questionnaire to at least two respondents (outside the main study sample). The purpose of this was to test the effectiveness of the study questionnaires in measuring what they purport to. After this, slight changes were made to the instruments to ensure smooth flow of questions. This phase also served to pilot the logistics of the data collection process. The research assistants optimized the questionnaire and field protocols based on the findings of the pilot study. The study team thereafter was debriefed before deployment to the field.

4.2.5.3 Quality Control Measures

Quality control and assurance measures were put in place to ensure the study design, data collection, data management, and analysis were of the highest quality. A well-planned system of procedures, performance checks, quality audits, and corrective actions were put in place to examine the quality of sampling, instrument design, scripting, recruitment and training, fieldwork and site visits, data analysis and processing.

Before fieldwork commenced, the following procedures were adhered to:

- i. Interviewer/Enumerator identity card with a stamp and a photograph were issued carried at all times during the duration of fieldwork.
- ii. Contact sheets, questionnaires, stationery, like pencils, clipboards, authorization letter, and a copy of the area/clusters where the interviews.

The quality controls utilized during the course of fieldwork included:

- » Accompanied interviews by project manager, project field coordinator and supervisor back checks (minimum of 20% of each enumerator's interviews).
- » Editing: All the completed questionnaires were scrutinized on a daily basis by the Quality Control Team.
- » The coding supervisor listed 20% of questionnaires for the coding frame purposes

4.2.5.4 Monitoring field work progress

For purposes of ensuring quality of actual data collected, key information was collected to critically monitor the progress of the study. This entailed the following;

- i. Total number of targeted complete interviews per target area
- ii. Total number of achieved complete interviews per target area
- iii. Total number of deficit cases per target area
- iv. Total number of respondents back-checked. At least 20% of each interviewer's caseload was back-checked

4.2.5.5 Ethical Considerations

Ethical considerations in the study were observed. Prior to fieldwork, Enumerators were trained on best ethical practices which guided their activities with the following considerations in mind:

Informed Consent

All respondents were provided with information regarding the purpose of the interviews and verbal consent sought before data collection. The reason for tape recording the discussions was also explained and consent sought before commencing of the interviews.

Confidentiality

Interviews were conducted in a manner that is comfortable for the respondents and allowed the respondents to speak openly and honestly.

4.3 Study limitations

The study encountered some limitations which include the following:

- i. The study topic was considered by some respondents to be sensitive. This prompted the research team to assure the respondents of their confidentiality which allowed for a free environment for the respondents to express their opinion.
- ii. The complexity of some terms in the study such as VE and radicalization posed a challenge to some respondents. The interviewers had to explain the meaning of these terms to the respondents amid the interview processes.
- iii. Researchers experienced language barriers, especially during engagement with small-scale business owners who preferred local languages as opposed to expressing their opinions in English. The study team overcame this by using the translated version of the questionnaires and discussion guides in conducting the interviews.

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UNDERSTANDING THE IMPACT OF VIOLENT EXTREMISM

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