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Political Strategy of China's Belt and Road Initiative in East Africa: Insights from Kenya's Standard Gauge Railway

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ABSTRACT

China's Belt and Road Initiative (BRI) has emerged as one of the most influential global development and connectivity frameworks in the contemporary multipolar international system. While officially promoted as an economic cooperation initiative, the BRI also functions as a strategic political instrument, particularly in regions of high geopolitical and trade significance. This study examines the political strategy underlying China's Belt and Road Initiative in East Africa, using Kenya's Standard Gauge Railway (SGR) as a focused case study. The research analyses how historical China–Kenya relations, geographical positioning, and infrastructure financing mechanisms have shaped cooperation under the BRI. Kenya's strategic location along the Indian Ocean trade corridor, combined with the importance of the Port of Mombasa as a regional gateway for East and Central Africa, makes the country a key partner in China's global connectivity ambitions. The SGR, linking Mombasa to inland economic centres, represents a critical junction between maritime and land-based trade networks under the Maritime Silk Road. Through qualitative case study analysis and document-based research, this study explores debates surrounding debt dependency, political trust, and state agency. While international narratives often frame Chinese lending as "debt-trap diplomacy," the findings indicate that Kenya retains significant political and legal control over its strategic assets. Financial challenges linked to the SGR are shown to arise not only from Chinese financing but also from domestic governance issues, overestimated economic returns, and global economic disruptions. The study concludes that the BRI in Kenya cannot be reduced to simplistic interpretations of exploitation or mutual benefit. Instead, it reflects a complex interaction of development needs, geopolitical strategy, infrastructure-led diplomacy, and national decision-making. The Kenyan case demonstrates how large-scale infrastructure projects simultaneously advance economic connectivity and political influence within the evolving global order.

KEYWORDS: Belt and Road Initiative (BRI), Standard Gauge Railway (SGR), China–Kenya Relations, East Africa, Indian Ocean Trade Corridor, Debt Dependency, Infrastructure Diplomacy, Global Connectivity, Political Strategy

CHAPTER 1: INTRODUCTION

In the contemporary international political system, China has emerged as one of the most powerful and influential global actors. The dominance of a single superpower after the Cold War is gradually being replaced by a multipolar world order, where power is distributed among several major states. China plays a central role in this changing global structure through its expanding economic strength, diplomatic engagement, and strategic foreign policy initiatives. Unlike earlier phases of globalisation led mainly by Western countries, China has introduced alternative approaches to development, cooperation, and international partnerships. One of the most important instruments through which China projects its global influence today is the Belt and Road Initiative (BRI), launched in 2013. (Rarieya & de Vicente, 2024)

The Belt and Road Initiative is a global connectivity and development strategy that aims to link Asia, Africa, Europe, and other regions through infrastructure development, trade networks, and economic cooperation. While the BRI is often presented as an economic project, it also has clear political and strategic dimensions. Through large-scale investments in infrastructure such as railways, ports, roads, and energy projects, China strengthens longterm relationships with partner countries and increases its influence in key regions. The initiative reflects China's broader foreign policy goals in the multipolar world, where economic tools are increasingly used to achieve political and strategic outcomes. (Wilson-Andoh, 2022)

Africa has become a significant region within China's global strategy under the Belt and Road Initiative. Over the past two decades, China's engagement with Africa has expanded rapidly through trade, investment, infrastructure construction, and diplomatic relations. China has become one of Africa's largest trading partners, and Chinese companies dominate many large infrastructure projects across the continent. Unlike traditional Western development partners, China generally avoids political conditionalities related to governance or domestic reforms. This approach has made China an attractive partner for many African governments that face serious development challenges but limited access to Western financing. (Rarieya & de Vicente, 2024)

Through the BRI, China is reshaping the economic and political space of Africa by investing heavily in regional connectivity projects. These projects are designed to improve transport networks, reduce trade costs, and promote economic integration. At the same time, China promotes alternative ideas of development that emphasise state-led growth, infrastructure expansion, and South–South cooperation. These ideas often contrast with Western development models and are gaining acceptance among African political elites. As a result, China has become an indispensable development partner with growing political and economic influence in Africa, challenging the traditional role of the United States and European countries on the continent.

East Africa holds particular importance within China's African engagement due to its strategic geographical location and economic potential. The region serves as a bridge between maritime trade routes in the Indian Ocean and inland African markets. Countries in the East African Community are important for regional integration, trade, and connectivity. China's investments in East Africa under the BRI are therefore closely linked to its broader vision of global connectivity. By strengthening transport and infrastructure links in this region, China enhances trade flows and supports its long-term strategic interests. (Rarieya & de Vicente, 2024)

Kenya plays a central role in China's Belt and Road Initiative in East Africa. Historically, China and Kenya have maintained cooperative diplomatic relations, which have deepened significantly in the twenty-first century. Kenya is one of the largest and most dynamic economies in East Africa and serves as a gateway to the wider region. Its access to the Indian Ocean through the Port of Mombasa gives it strategic importance not only for Kenya itself but also for neighbouring landlocked countries such as Uganda, Rwanda, South Sudan, and parts of the Democratic Republic of Congo. This makes Kenya a natural regional hub for trade, transport, and logistics.

The strategic importance of Kenya helps explain why China has made it a key partner under the BRI. The Port of Mombasa is one of the busiest ports in Africa and is crucial for regional and international trade. By investing in infrastructure that links Mombasa to inland economic centres, China supports regional connectivity while also strengthening its economic presence in East Africa. These investments are shaped not only by economic considerations but also by political strategy, as they create long-term relationships and mutual dependencies between China and Kenya. (Wilson-Andoh, 2022)

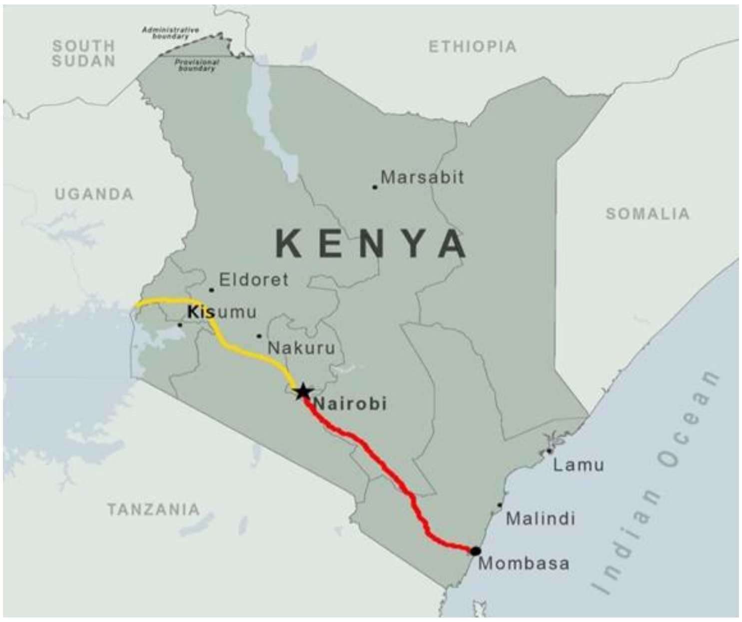

Figure 1*: Map showing Kenya and the Standard Gauge Railway route from Mombasa to Nairobi under the Belt and Road Initiative. Source: OborEurope (2025).*

The most prominent example of China's engagement with Kenya under the Belt and Road Initiative is the Standard Gauge Railway (SGR). The SGR connects the Port of Mombasa with Nairobi, the capital city of Kenya. It was designed to modernise the country's transport system, reduce the cost of moving goods, promote trade, and support economic development.

The project was financed mainly through loans provided by the Export-Import Bank of China, with the Kenyan government contributing a smaller share. Chinese state-owned enterprises were responsible for constructing the railway, making it one of the flagship BRI projects in Africa.

At the time of its launch, the SGR was presented as a major development opportunity for Kenya. The project created thousands of jobs during its construction phase and improved passenger and freight transport. Kenyan policymakers believed that the railway would increase trade, attract investment, support industrialisation, and strengthen Kenya's position as a regional economic hub. The SGR was also aligned with Kenya's long-term development strategy, Vision 2030, which emphasises infrastructure-led growth as a path to economic transformation.

However, over time, the SGR has become the subject of serious political and economic debate within Kenya. The railway has struggled to generate enough revenue to cover its operating costs and loan repayments. High construction costs, optimistic projections about freight demand, competition from road transport, and economic disruptions such as the COVID-19 pandemic have all contributed to these challenges. As a result, concerns have been raised about Kenya's growing public debt and the sustainability of Chinese financing.

The issue of debt lies at the centre of wider debates about the Belt and Road Initiative in Africa. Critics argue that Chinese loans create debt dependency and expose African countries to financial risks. Some Western analysts have claimed that BRI projects are designed to trap countries in debt, allowing China to gain political leverage over strategic assets. These concerns have been widely discussed in relation to Kenya's SGR, particularly regarding fears that the Port of Mombasa could be used as collateral in the event of loan default.

At the same time, evidence suggests that these claims are often exaggerated. Studies have shown that Kenya has retained agency in its engagement with China and has taken steps to protect its sovereign interests. Reports indicate that the SGR loan agreements do not place strategic national assets such as Mombasa Port under Chinese control. Kenya has also implemented policies aimed at improving governance, transparency, and infrastructure planning. This highlights the importance of recognising African countries as active decisionmakers rather than passive victims of external influence.

The Kenya–China relationship therefore presents a complex picture. On one hand, China provides much-needed infrastructure financing at a time when Western support has been limited. On the other hand, weak planning, governance challenges, and overestimated economic returns can turn large infrastructure projects into financial burdens for ordinary citizens. In the case of the SGR, the interests of political elites, Chinese firms, and the Kenyan public do not always align, creating tensions and public dissatisfaction. (Wilson-Andoh, 2022)

These contrasting interpretations of China's role in Kenya highlight the need for a systematic political analysis rather than emotional or one-sided judgments. The debate surrounding debt dependency, development outcomes, and political influence shows that the impact of the Belt and Road Initiative cannot be understood through simple labels such as "debt trap" or "win–win cooperation." Instead, it requires careful examination of historical relations, strategic interests, financial arrangements, and Kenya's own policy choices.

In this context, the present study seeks to analyse the political strategy behind China's Belt and Road Initiative in East Africa through the case study of Kenya's Standard Gauge Railway. The research is guided by the following key questions:

- How have historical China–Kenya relations shaped cooperation under the Belt and Road Initiative?
- What strategic political interests guide China's Belt and Road Initiative in Kenya through the Standard Gauge Railway?
- Why is East Africa's geographical position, particularly Kenya's Port of Mombasa along the Indian Ocean trade routes, important for China's trade connectivity objectives under the Belt and Road Initiative?
- Does Chinese financing of Kenya's Standard Gauge Railway represent debt dependency or a pathway to sustainable development?

By addressing these research questions, the study aims to move beyond simplified narratives and provide a balanced political analysis of China's growing influence in Africa. The Kenya SGR case offers valuable insights into how infrastructure development, foreign financing, and state strategy interact in contemporary international relations. It demonstrates how large-scale development projects can serve both national development goals and broader geopolitical interests within a multipolar world order. Understanding this interaction is essential for assessing the future of China–Africa relations and the evolving role of emerging powers in global governance.

CHAPTER 2: LITERATURE REVIEW

Many scholars, research institutions, and international commentators have studied China's Belt and Road Initiative and its political impact in Africa. A large part of this research focuses on Kenya, especially the Standard Gauge Railway, which connects the Port of Mombasa to Nairobi. The main debate in the literature is whether China's financial involvement supports development or creates long-term debt problems. This debate is important for understanding China's political strategy in East Africa.

Some scholars argue that China uses infrastructure loans as a tool of political influence. A well-known argument is presented by Brahma Chellaney in an article published by Project Syndicate. Chellaney explains that China provides very large loans to developing countries for major infrastructure projects. These projects often generate less revenue than expected, making repayment difficult. According to this view, when countries struggle to repay loans, China may gain political leverage over them. This idea is commonly described as debt-trap diplomacy (Chellaney, 2017).

This argument has been strongly linked to Kenya's Standard Gauge Railway. International media reports and political commentators claimed that Kenya's public debt increased sharply after borrowing from the Export-Import Bank of China. Some reports suggested that if Kenya failed to repay the loan, China could take control of the Port of Mombasa, which is a very important economic and strategic asset. These claims caused public concern and raised fears about the loss of national sovereignty

However, another group of scholars strongly challenges this interpretation. Research published by the Institute of Development Studies presents a different view. According to this research, the debt-trap diplomacy argument is often exaggerated and not supported by strong evidence. The Institute of Development Studies explains that African governments are not passive victims. Instead, they have political agency and make their own decisions based on national interests. In the case of Kenya, legal reviews and government statements confirm that the Port of Mombasa was not used as collateral for the railway loan (Institute of Development Studies, 2018).

The Institute of Development Studies also argues that Kenya's debt challenges should be understood through domestic political and institutional factors. These include weak project planning, corruption, high construction costs, and unrealistic expectations about economic returns. From this perspective, debt problems are not caused only by China but also by decisions taken by Kenyan political elites. This shifts the focus away from China alone and toward the interaction between foreign finance and local governance (Institute of Development Studies, 2018).

Another important issue discussed in the literature is the lack of alternative sources of infrastructure financing. Western governments and institutions such as the International Monetary Fund and the World Bank have become more cautious about funding large infrastructure projects. China filled this gap by offering loans with fewer political conditions. As a result, Kenyan leaders actively chose China as a development partner. This shows that cooperation under the Belt and Road Initiative is partly shaped by Kenya’s own development strategy.

Even scholars who reject the idea of debt-trap diplomacy agree that the Standard Gauge Railway has faced serious economic problems. The railway has not generated enough income to fully cover its operating costs and debt repayments. This has increased pressure on public finances and created dissatisfaction among Kenyan citizens. The literature shows that when large infrastructure projects fail to deliver expected benefits, they can weaken public trust in government and reduce political legitimacy.

The rumours about the Port of Mombasa are also discussed in the literature as a case of poor communication and limited transparency. Researchers argue that the Kenyan government did not clearly explain the loan agreements to the public. This allowed claims about asset seizure to spread widely. Although the government later denied these claims, public fear remained. This highlights how lack of information can turn economic projects into political controversies.

Overall, the literature presents a complex picture of China’s Belt and Road Initiative in Kenya. Some authors describe Chinese lending as a form of strategic debt diplomacy, while others see it as development cooperation shaped by Kenyan political choices. Most recent research suggests that reality lies between these two views. Kenya’s Standard Gauge Railway shows how global power, domestic politics, and development goals interact in modern international relations.

CHAPTER 3: RESEARCH METHODOLOGY

This research uses a qualitative research method to study the political strategy of China’s Belt and Road Initiative in East Africa, with special focus on Kenya’s Standard Gauge Railway. Qualitative research means the study looks at ideas, opinions, policies, and political meanings instead of numbers or statistics. This method is suitable for political science because the research tries to understand how power, strategy, and decision-making work in real political situations. The aim of this study is not to calculate economic data but to explain political intentions, government choices, and international influence.

The research follows a case study approach, where one important example is studied in detail. Kenya and the Standard Gauge Railway were chosen because they are central to discussions about the Belt and Road Initiative in Africa. Kenya is an important country in East Africa because of its economy, location, and regional influence. The Standard Gauge Railway is one of the largest infrastructure projects financed by China in the region. It has received wide attention from governments, international institutions, research organisations, and news media.

Because of this, the railway provides a strong case to study debates about debt diplomacy, sovereignty, and development policy.

This research is based on ideas from political economy and international relations. Political economy helps explain how politics and money are connected, especially when foreign loans and large projects are involved. International relations help explain how powerful states like China interact with developing countries like Kenya. The study looks at how China uses economic tools such as loans and infrastructure to build long-term political relationships. At the same time, it also studies how the Kenyan government makes its own choices and decisions. This approach avoids blaming only one side and instead focuses on the interaction between external influence and domestic governance.

The study uses only secondary sources, which means it is based on information that already exists. No interviews were conducted, and no surveys were used. The data comes from academic articles, policy reports, and institutional research produced by organisations such as the Institute of Development Studies, the Observer Research Foundation, and Project Syndicate. In addition, the research uses reports from international and African news organisations, including BBC News, CGTN, and Kenyan media outlets. These sources are suitable because they discuss government policies, political debates, and public reactions related to the railway project. A major research method used in this study is document analysis. This means that official reports, research papers, court decisions, and news articles are carefully read and compared. The purpose is to understand how different actors describe the Standard Gauge Railway. Some writers and institutions argue that Chinese loans create a debt problem and reduce national independence. Others argue that the railway supports economic growth and regional connectivity. By comparing these views, the research identifies different political arguments and explains why they exist.

The analysis uses qualitative content analysis, which means studying words, ideas, and arguments instead of numbers. The research compares how Western researchers, African scholars, Chinese media, and policy institutions explain the same project in different ways. Special attention is given to key political issues such as public debt, transparency, elite decision-making, corruption, and state responsibility. This helps show how political meaning is created through language and policy statements. Ethical issues are handled carefully in this research. All information used is publicly available and legally accessible. No personal data or private information is included. All sources are properly cited to avoid plagiarism and to respect academic honesty. Sensitive topics such as corruption and foreign influence are discussed in a neutral and respectful way.

The research also recognises its limitations. Because the study depends on secondary sources, it does not include direct views from local communities or government officials. Some loan agreements and government documents are not fully available to the public, which limits detailed analysis. News reports may sometimes show bias depending on political position. In addition, because the study focuses only on Kenya, the findings cannot be applied to all African countries. However, using multiple reliable sources helps reduce these limitations. The reliability and validity of the study are improved by using well-known research institutions, peer-reviewed studies, and trusted international media. Information is checked across different sources to avoid one-sided arguments. Both critical and supportive views of the Belt and Road Initiative are included to maintain balance.

In conclusion, this research method allows a clear and detailed political understanding of how the Belt and Road Initiative operates in Kenya. By studying policies, institutions, and political debates, the research explains how international power and national decision-making work together in large infrastructure projects.

CHAPTER 4: CASE ANALYSIS

4.1 Foundations of China–Kenya Cooperation

China and Kenya have a long history of political and economic cooperation that laid the foundation for later partnerships under the Belt and Road Initiative (BRI). Since Kenya's independence, the country has worked with various global partners. Over time, its relationship with China grew stronger, especially in the areas of economic development and infrastructure projects. China's engagement in Kenya has been focused mainly on economic and infrastructural cooperation, which differs from some Western partners that often emphasise humanitarian aid and political conditionality (Konrad-Adenauer-Stiftung, 2023).

The cooperation between China and Kenya expanded significantly after the launch of the Belt and Road Initiative in 2013. The BRI is described as a global strategy by China to promote connectivity and infrastructure development in many countries, including those in Africa. Under the BRI framework, China and Kenya signed cooperation agreements that strengthened their relationship and allowed for large-scale infrastructure projects, such as roads, railways, and transport corridors, to be implemented. The Standard Gauge Railway (SGR) is one of the most important examples of this cooperation. It grew out of earlier discussions and agreements between the two governments, reflecting a shared interest in improving transport and economic connectivity. Kenya saw the railway as a way to modernise its transport network, reduce travel time, and improve trade logistics. At the same time, China's involvement demonstrated its willingness to invest in large infrastructure projects that align with its strategic vision of long-term global engagement (Konrad-Adenauer-Stiftung, 2023).

The Ministry of Foreign Affairs of the People's Republic of China and the Government of Kenya have reaffirmed their strong cooperation in official statements. In a recent joint announcement, both sides committed to building their relationship into an example of longterm partnership. They emphasised high-quality Belt and Road cooperation, deeper economic engagement, and shared goals of sustainable development and global cooperation. The statement also outlines mutual support for international development cooperation and shared global objectives, such as poverty reduction and sustainable economic growth (Ministry of Foreign Affairs of the People's Republic of China, 2025).

These developments show that China–Kenya relations are not new but are built on decades of interaction that moved from basic diplomatic engagement to deep economic and infrastructure collaboration. The history of cooperation helps explain why Kenya became one of the key countries involved in the Belt and Road Initiative in East Africa.

4.2 Kenya's Strategic Importance within the Belt and Road Initiative Framework

Kenya has become a strategically important country in East Africa and within global political and economic networks. Its growing importance is linked to its geographical position, economic potential, and regional leadership role. Kenya sits at the eastern edge of Africa, with access to the Indian Ocean and connections to inland markets. This gives it a central role in regional trade, transport routes, and economic integration.

Because of its location, Kenya is a key player in linking maritime trade routes from the Indian Ocean to the rest of East Africa. The Port of Mombasa is one of the busiest ports on the continent, serving not only Kenya but also countries that do not have direct access to the sea. This makes Kenya a natural hub for logistics and distribution, which are important for both regional development and international commerce. China's Belt and Road Initiative recognise this strategic position, and infrastructure investments like the Standard Gauge Railway are connected to broader goals of improving regional connectivity and trade flows (Qiraat African, 2024).

In addition to geographical advantages, Kenya is increasingly recognised as a regional power with influence in political, security, and diplomatic affairs. Analysts note that Kenya plays a leadership role in regional organisations and peacekeeping efforts, which enhances its political relevance beyond economic factors. In discussions about the Indo-Pacific region and global competition, Kenya's stability and active foreign policy make it an attractive partner for major powers seeking influence in Africa and beyond. This expanded role reflects Kenya's political agency, where the country is not only receiving external engagement but also shaping regional agendas (Eurasia Review, 2023).

China's interest in Kenya is therefore not only about economics but also about strategic connectivity. Kenya's position allows it to act as a bridge between African markets and Asian trade routes, especially through the Indian Ocean. This connectivity supports China's broader vision of global partnerships under the Belt and Road Initiative. For Kenya, such partnerships provide opportunities for infrastructure development, foreign investment, and increased political visibility on the world stage.

Overall, the evidence shows that Kenya's strategic geographical location, combined with its growing political influence and economic capacity, make it a significant partner within the Belt and Road framework. Its role as a gateway for trade and its importance in regional politics help explain why major countries, including China, focus on strengthening cooperation with Kenya.

4.3 Political and Financial Structure of the Standard Gauge Railway

The Standard Gauge Railway (SGR) in Kenya is a major infrastructure project developed under China's Belt and Road Initiative (BRI). It was designed as a state-led project, meaning it was planned, financed, and implemented mainly through cooperation between the Government of Kenya and the Government of China, rather than through private investors or international donors.

Financial Structure of the SGR

The financing of the SGR followed a common BRI financing model. Most of the project cost was funded by Chinese state banks, especially the Export–Import Bank of China (China Exim Bank). Studies show that Chinese banks provided more than 90 percent of the total financing, while the Government of Kenya contributed the remaining share, usually around 10 percent (Otele, 2019; World Scientific Publishing, 2023).

The loans were structured as a mix of concessional loans and commercial loans.

- Concessional loans had lower interest rates and longer repayment periods.
- Commercial loans had higher interest rates and shorter repayment schedules.

This mixed loan structure reduced short-term pressure but increased long-term debt obligations for Kenya. According to the Council on Foreign Relations case study, the Mombasa–Nairobi SGR alone cost about USD 3.8 billion, which represented a significant share of Kenya's national budget and public debt (Otele, 2019).

Chinese financing filled a major gap because traditional donors, such as the World Bank, had reduced funding for railway infrastructure in Africa. As a result, China became the largest provider of railway finance on the continent (World Scientific Publishing, 2023).

Political Structure and Governance

The political structure of the SGR reflects a government-to-government agreement model. The project was negotiated directly between state authorities, which meant that competitive public bidding was limited. Chinese State-Owned Enterprises (SOEs), such as China Road and Bridge Corporation (CRBC), were selected as the main contractors (ThinkChina, 2025). This approach shows how the BRI operates as a state-capitalist initiative, where Chinese companies act in line with national policy goals. The railway project was therefore not only an economic investment but also part of China's foreign policy strategy to promote connectivity, trade corridors, and long-term partnerships in East Africa (World Scientific Publishing, 2023).

At the same time, Kenyan political institutions played an important role. The Kenyan government approved the loans, managed land acquisition, and handled domestic political concerns. This required negotiation with parliament, civil society, and local communities, especially on issues such as cost, transparency, and national interest (Otele, 2019).

Strategic Role within the BRI

The SGR is part of a wider regional connectivity plan, linking the Port of Mombasa to inland economic centres and neighbouring countries. China views such projects as essential to building economic corridors that connect Africa to Asian and global markets. Similar financing and political structures can be seen in SGR projects in Nigeria and Ethiopia, showing that Kenya's experience fits into a broader BRI pattern (ThinkChina, 2025).

In summary, the political and financial structure of Kenya's Standard Gauge Railway reflects a state-driven development model, where Chinese banks, Chinese SOEs, and African governments work closely together. The SGR demonstrates how large-scale infrastructure under the BRI combines economic development goals with strategic political interests, while placing long-term financial responsibilities on the host country.

4.4 Debt Exposure and Economic Pressure Linked to the Standard Gauge Railway

Kenya's Standard Gauge Railway created strong economic pressure because it was built using large foreign loans. Most of the funding came from the Export–Import Bank of China under the Belt and Road Initiative. These loans increased Kenya's public debt and made repayment difficult for the government.

Several international news organisations and foreign policy articles reported that Kenya was falling into a debt trap because of the railway project. One major article was published by ADF Magazine, a United States–based defence and security publication. This article stated that Kenya was struggling to repay railway loans and warned that unpaid debt could threaten important national assets (ADF Magazine, 2025). These reports were widely shared and created fear among the Kenyan public. Some international commentators also claimed that the Port of Mombasa could be taken over by China if Kenya failed to repay the railway loans. These claims were repeated by foreign media platforms and later discussed in Kenyan newspapers and television debates. Because of this, many citizens believed that the port had been used as collateral for Chinese loans.

The Government of Kenya officially rejected these claims. The National Treasury of Kenya clearly stated that the Port of Mombasa was not used as security for the railway loans. Government officials explained that Kenyan law protects national assets and does not allow foreign lenders to take control of ports or public infrastructure (ADF Magazine, 2025). The government confirmed that the Port of Mombasa remains fully owned and controlled by Kenya, even during financial difficulties. Another major financial issue was the currency used for loan repayment. At first, Kenya repaid the railway loans in United States dollars. This created problems because the dollar became stronger over time. When the dollar increased in value, Kenya had to pay more money for the same loan amount. This increased the cost of debt servicing and placed pressure on the national budget (ADF Magazine, 2025).

To reduce this pressure, the Government of Kenya, through the National Treasury, decided to convert part of the Chinese loans from United States dollars to Chinese yuan. This decision was reported by Finance in Africa, a regional financial news platform. The article explained that the currency conversion was done to reduce exchange rate risk and lower interest costs. According to Finance in Africa, Kenyan officials reported that this move could save the country around two hundred million United States dollars per year in interest payments. This step was presented as a financial management decision, not as political dependence on China (Finance in Africa, 2025).

However, Kenya still faced serious repayment challenges. A report by Serrari Group, a Kenyan economic and business analysis organisation, stated that Kenya missed some repayment deadlines. Because of this, the government had to pay more than one point seven billion Kenyan shillings in penalties. These penalties were paid using taxpayer money, which increased public criticism of the railway project (Serrari Group, 2025).

Overall, secondary research sources show two different narratives. Some international media articles described Kenya's situation as a debt trap and created fear about the Port of Mombasa. In contrast, official Kenyan government agencies and financial research platforms confirmed that the port was never at risk of takeover and that Kenya has taken steps to manage its debt through currency conversion, loan restructuring, and budget control.

4.5 The Port of Mombasa Controversy

The Port of Mombasa became a central issue in the public debate about the Standard Gauge Railway (SGR) and China's Belt and Road Initiative (BRI). Some reports said that Kenya could lose control of the port because of the Chinese loans used to build the railway.

Many people became worried about this possibility.

In 2018, a report leaked from the Office of the Auditor-General of Kenya suggested that the Kenya Ports Authority (KPA), which owns the Port of Mombasa, could lose its assets if Kenya failed to repay the loan from the Export–Import Bank of China. According to this leaked report, the agreement might allow the Chinese bank to claim the port's assets if Kenya defaulted on the loan (The Maritime Executive, 2018).

This information spread quickly in local and international media. For example, Indian news outlets reported that Kenya might lose the port to China in a way similar to what happened with Sri Lanka's Hambantota Port.

However, research by the China Africa Research Initiative (CARI) at the School of Advanced International Studies, Johns Hopkins University showed that these claims were not supported by the actual loan contracts or legal evidence. CARI researchers analysed all available documents and found that the Port of Mombasa was never used as collateral for the railway loan. The rumours began because of a misunderstanding by the AuditorGeneral, who incorrectly described the Kenya Ports Authority as a borrower in the loan contract, which was not true (Brautigam et al., 2022).

The CARI report explains that the Mombasa Port's role in the railway project was not as a security asset but rather as a major client of the railway. The port's cargo shipments were expected to provide business for the SGR trains. The research concluded that the port was never legally at risk of being taken over by China, and the misunderstanding came from technical terms in the loan documents that were misinterpreted by auditors and the media (Africa-Press, 2021).

Other analyses of the controversy show that the public concern was increased by lack of government transparency. Because the government did not make the full loan contracts public, people and news organisations filled the gaps with speculation. This made it easier for fear and misunderstanding to spread about the port being collateral (News24, 2022).

At the same time, international media such as BBC News reported on Kenya's railway in a more balanced way, noting that the SGR has struggled to generate enough freight revenue to repay loans and that this financial weakness has made the debt service difficult. However, the BBC did not state that the port was being handed over to China. The article explained that the railway has high operating costs and that much of the freight must still be trucked inland, reducing the income that could have been used to repay loans (BBC News, 2025).

In summary, the Port of Mombasa controversy shows how misunderstandings about loan terms and technical financial language can create fear and debate among the public. While early reports claimed that the port might be lost to China because of debt, research by reputable institutions like CARI at Johns Hopkins University and clarifications by government officials confirmed that the port was never legally at risk of takeover. The issue is rooted more in misinterpretation and lack of transparency than in formal contract terms.

CHAPTER 5: FINDINGS AND DISCUSSION

5.1 Political Trust and Infrastructure as a Tool of Political Strategy

The evidence in this study shows that long-term political trust between China and Kenya was very important in enabling cooperation under the Belt and Road Initiative (BRI). Political trust means that two countries believe in each other’s intentions and act confidently without fearing betrayal. This trust did not appear suddenly when the BRI was launched. It was built over many years of diplomatic interaction, economic cooperation, and shared international engagement.

Long-term cooperation between China and Kenya created mutual confidence that helped both governments agree to major projects like the Standard Gauge Railway (SGR). The Organisation for Economic Cooperation and Development (OECD) explains that trust in public institutions and governance helps reduce uncertainty in long-term agreements and encourages cooperation between states (Organisation for Economic Cooperation and Development, 2023). In the case of Kenya and China, trust between political leaders and government institutions helped reduce political risk and made it easier for both sides to sign large infrastructure agreements.

For Kenya, this trust meant that the government believed China would honour its commitments and support Kenya’s development goals. For China, trust meant that Kenya was a stable partner in a strategic region and would continue to work cooperatively on long-term projects. This level of trust helped to lower the political risk that normally arises when one country depends on another for large amounts of funding or strategic cooperation. The evidence from official government statements and policy reports shows that China and Kenya emphasised mutual benefit and shared goals in their public communications. They spoke about development, prosperity, and stronger bilateral ties. This shows that political trust was not just an abstract idea, but a practical basis for negotiation and agreement.

The Standard Gauge Railway is a clear example of how infrastructure can serve as both a development tool and a political strategy. Infrastructure development here is more than building physical transport routes. It is a way to strengthen long-term political cooperation and strategic alignment. For China, investing in the SGR under the BRI was part of its broader strategy to promote connectivity and influence in the world. For Kenya, the project symbolised modernisation and economic progress, which political leaders used to show their commitment to national development.

When countries build trust, they are more willing to enter into complex agreements that may last many years. The OECD notes that when people and institutions trust each other, it makes negotiation, implementation, and long-term planning more effective (Organisation for Economic Cooperation and Development, 2023). In international relations, political trust between states helps governments to take decisions that involve large financial commitments and strategic partnerships, even when outcomes are uncertain.

In the context of this study, the combination of political trust and strategic infrastructure shows how the BRI functions not only as an economic project but as a form of state interaction, where political priorities, economic goals, and diplomatic relations are closely linked. Infrastructure such as the SGR becomes a tool not only for economic connectivity but also for political cooperation, shaping how states relate to each other over long periods.

In summary, political trust between China and Kenya helped make the BRI cooperation possible, and infrastructure projects like the SGR served as strategic tools that reinforced that trust. This combination of trust and infrastructure development forms a central part of how China and Kenya worked together under the Belt and Road Initiative.

5.2 Trade Connectivity and the Indian Ocean Corridor under the Belt and Road Initiative:

Political Strategy of China's Belt and Road Initiative in East Africa with Insights from Kenya's Standard Gauge Railway. The findings clearly show that trade connectivity is a main goal of China's Belt and Road Initiative. China wants to connect Asia, Africa, and Europe through strong sea and land transport routes. In East Africa, this goal is closely linked to the Indian Ocean Corridor. Kenya plays a very important role in this strategy because of its location along the Indian Ocean.

The Port of Mombasa is one of the most important ports in East Africa. It is the largest and busiest port in the region. Mombasa serves not only Kenya but also landlocked countries such as Uganda, Rwanda, South Sudan, and parts of the Democratic Republic of Congo. Because of this, Mombasa is a key regional trade gateway. Under the Maritime Silk Road, which is the sea part of the Belt and Road Initiative, Mombasa acts as a major entry point for goods coming from China and other Asian countries. These goods arrive by sea and then move inland through roads and railways. This supports China's aim to create faster, cheaper, and more reliable trade routes between Asia and Africa (EurAfrica, 2024).

The Standard Gauge Railway strengthens this trade system. It connects Mombasa Port with Nairobi and other inland areas. This railway makes it easier to move cargo from the port to the interior of the country. As a result, the Standard Gauge Railway links maritime trade with inland transport. This shows that the railway is not only an economic project but also a strategic project under the Belt and Road Initiative. From a political point of view, China uses infrastructure projects to build long-term influence. By financing and constructing major projects like the Standard Gauge Railway, China becomes an important development partner for Kenya. This helps China build political trust, strengthen diplomatic relations, and increase its presence in East Africa.

Kenya is also important for China because it acts as a gateway to East Africa. Through Kenya's ports and transport networks, China can reach many countries in the region. This expands China's trade networks and supports its wider regional strategy under the Belt and Road Initiative.

The Indian Ocean itself has strong strategic value. It is one of the most important global trade routes. A large share of world trade and energy shipments passes through the Indian Ocean. By investing in ports and transport corridors along this route, China helps protect its trade flows and energy supply lines. These investments also reduce China's dependence on sea routes that are strongly influenced by Western powers. Concerns about port control often refer to the Hambantota Port case in Sri Lanka. In that case, Sri Lanka leased the port to a Chinese company after facing debt repayment problems.

This example is often used by media to warn about possible risks under the Belt and Road Initiative. However, the findings show that Mombasa Port is different. The Kenyan government has repeatedly stated that Mombasa Port remains under Kenyan ownership and is not handed over to China. This shows that Belt and Road projects can have different outcomes depending on national decisions and governance.

At the same time, these infrastructure projects support regional development. Improved ports, railways, and corridors increase trade, create jobs, and encourage regional integration. This allows China to present the Belt and Road Initiative as a shared development partnership, even though it also supports China's strategic and political interests.

Overall, the evidence shows that the Standard Gauge Railway and the Indian Ocean Corridor work together as part of China's Belt and Road Initiative. They improve trade connectivity while also supporting China's political strategy in East Africa. Kenya's role is central because it connects maritime routes with inland transport, making it a key partner in China's long-term regional vision.

CHAPTER 5: CONCLUSION

This study analysed the political strategy behind China's Belt and Road Initiative (BRI) in East Africa by focusing on Kenya's Standard Gauge Railway (SGR). The main purpose of the research was to understand how China uses large infrastructure projects not only for economic development but also for political and strategic goals. By examining China– Kenya relations, Kenya's geographical importance, the financing structure of the SGR, debtrelated debates, and the Port of Mombasa controversy, the study provides a detailed and balanced understanding of China's role in East Africa.

As discussed in Chapter 1, the global political system is changing from a unipolar world dominated by one superpower to a multipolar world where several major states hold influence. China has become one of the most important actors in this new system. Through its economic strength, diplomatic engagement, and global initiatives such as the Belt and Road Initiative, China has increased its influence across Asia, Africa, and Europe.

The Belt and Road Initiative is presented by China as a development and connectivity project. However, the findings of this study confirm that the BRI also has strong political and strategic dimensions. Infrastructure projects such as railways, ports, and corridors are not neutral. They shape long-term relationships, create economic dependence, and influence political cooperation. This supports the argument that economic tools are increasingly used by powerful states to achieve political goals in international relations.

One of the most important findings of this study is that long-term political trust between China and Kenya played a key role in enabling BRI cooperation. As shown in Chapters 4 and 5, China–Kenya relations did not begin with the BRI. They developed over many decades through diplomatic engagement, economic cooperation, and shared international interests.

This historical relationship created confidence between the two governments. Political trust reduced uncertainty and made it easier to agree on large and risky projects such as the Standard Gauge Railway. According to the OECD, trust between institutions and governments helps support long-term cooperation and reduces political risk. In the Kenya– China case, trust allowed both sides to commit to large financial agreements despite uncertain economic outcomes.

The SGR therefore represents more than a transport project. It shows how infrastructure can act as a tool of political strategy. By building the railway, China strengthened its relationship with Kenya, while Kenya used the project to demonstrate its commitment to development and modernisation. This confirms that infrastructure under the BRI functions as both an economic and political instrument.

Another major finding of this study is the importance of geography in China's BRI strategy. Kenya's location along the Indian Ocean makes it a key partner in East Africa. The Port of Mombasa is one of the busiest ports in Africa and serves as a gateway not only for Kenya but also for several landlocked countries.

The Indian Ocean Corridor is central to China's global trade strategy. A large share of world trade and energy shipments passes through this region. Under the Maritime Silk Road, China seeks to protect and strengthen its access to these sea routes. Investments in ports and transport corridors help China reduce transport costs, secure supply chains, and reduce dependence on routes dominated by Western powers.

The findings show that the Standard Gauge Railway plays a crucial role in this strategy. By linking Mombasa Port to Nairobi and inland markets, the SGR connects maritime trade to land transport. This improves trade efficiency and supports China's wider goal of building global connectivity networks. Kenya's role as a regional gateway makes it central to China's long-term vision in East Africa.

The issue of debt is one of the most debated aspects of the Belt and Road Initiative. As discussed in Chapters 2 and 4, critics argue that Chinese loans create debt dependency and allow China to gain political leverage. These concerns became especially strong in Kenya due to the high cost of the SGR and its weak financial performance.

The findings of this study show that Kenya does face real financial pressure. Loan repayments, currency risks, penalties for missed deadlines, and high operating costs have placed a burden on public finances. These challenges have increased public dissatisfaction and political debate within Kenya.

However, the study also shows that the "debt trap" narrative is often exaggerated. There is no legal evidence that China used the SGR loans to gain control of Kenyan national assets. Kenya has retained ownership of the Port of Mombasa and has taken steps to manage its debt. This shows that Kenya has political agency and is not a passive victim of Chinese influence. Debt problems in the SGR case are better explained by a combination of factors, including weak project planning, overestimated economic returns, governance challenges, and global economic shocks such as COVID-19. China's role is important, but domestic decision making and institutional capacity also play a major role.

The Port of Mombasa controversy highlights how misunderstandings and lack of transparency can turn economic projects into political crises. Media reports suggested that the port could be taken over by China, often comparing Kenya's situation to Sri Lanka's Hambantota Port. These claims created fear among the public.

However, research by institutions such as the China Africa Research Initiative confirmed that Mombasa Port was never used as collateral for the SGR loan. The controversy resulted mainly from misinterpretation of loan documents and poor communication by the Kenyan government. This shows that transparency and public accountability are essential when dealing with large foreign-financed projects.

The comparison with Hambantota also shows that BRI outcomes differ from country to country. National laws, negotiations, and governance structures shape results. There is no single model that applies to all BRI projects.

Overall, this study finds that China's Belt and Road Initiative in Kenya is complex and cannot be explained by simple labels such as "debt trap" or "win–win cooperation." The SGR brought real development benefits, including improved transport and regional connectivity.

At the same time, it created financial pressure and political controversy. China uses infrastructure as a strategic tool to expand its influence, secure trade routes, and build long-term partnerships. Kenya participates in the BRI to meet development needs and strengthen its regional role. The relationship is therefore based on both cooperation and tension.

In conclusion, the case of Kenya's Standard Gauge Railway shows how infrastructure, politics, and global power are closely connected in today's international system. The Belt and Road Initiative is not only about roads and railways; it is about shaping long-term political and economic relationships in a multipolar world.

Kenya's experience demonstrates that African countries have agency, but they must strengthen transparency, planning, and governance to ensure sustainable outcomes. For China, the case shows how economic tools are used to support broader strategic goals. Understanding this interaction is essential for analysing the future of China–Africa relations and the role of emerging powers in global governance.

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