

The People's Manifesto must Embrace Inclusive Economic & Political Institutions

By Aascar Odhiambo Wambiya.

As the race towards August 2022 elections heats up in Kenya, debate rages on economic and development models that Kenya should adopt in the post elections dispensation. In the recent weeks, we have seen political parties hold public rallies, listening tours and national delegates conferences to either unveil presidential candidates or adopt economic or development models that they seek to champion if or when they form government after the elections. As ultimate presidential candidates spruce up their manifestos ahead of their launch towards August 2022, it is essential that the people's manifesto wins.

What does a people's manifesto portend? Daron Acemoglu & James A. Robinson in their book "*Why Nations Fail; The Origins of Power, Prosperity and Poverty*," answer this question with the argument that economic and political institutions are the greatest people centered engines of prosperity among and within nations. They further explain that inclusive economic and political institutions are those that allow and encourage participation by the great mass of people in economic and political activities, that make the best use of their talents and skills and that enable individuals to make the choices they wish. To be inclusive, the people's manifesto must feature ideas on how to secure private property, an unbiased system of law and a provision of public services that provides a level playing field in which people can exchange and contract. It must also permit the entry of new businesses and allow people to choose their careers.

As the manifestos get unveiled in the coming days, Kenyans need to scrutinize them on whether they answer to the people's needs while building on the blocks towards Kenya's Vision 2030. It will be remembered that Kenya aspires to be a middle income economy by then with the political pillar envisioning a democratic political system that is issue based, people centered, and result oriented and accountable to the public. Empirically, it is impossible to achieve inclusive economic prosperity without inclusive political institutions. That is why we must fix the politics and the economics simultaneously.

In the education sector, for example, Kenyans must embrace manifestos that promote entrepreneurial initiative, creativity and adequately prepare pupils and students for skilled work. All professionals in the education sector are agreed that the recently launched Competency Based Curriculum is conscious of skills for future work. Find out if your candidate speaks to it. Or else, much of the education our children will receive in future could end up being propaganda meant to shore up the legitimacy of the regime in power with fewer and limited books to read, let alone computers. Does the future education espoused in your candidates manifesto embrace technology and innovation?

Evidence now exist to show that inclusive economic and political institutions foster economic activity, productivity growth, and economic prosperity. Secure private property rights are central, since only those with such rights will be willing to invest and increase productivity. A businessman who expects his output to be stolen through corrupt institutions, expropriated, or entirely taxed away will have little incentive to work, let alone any incentive to undertake investments and innovations. But such rights must exist for the majority of people in society according to Doran

and Robinson in “*Why Nations Fail*.” The people’s manifesto must therefore speak very candidly to the investment atmosphere anticipated by the next government and whether it will promote a market economy, built on private property where successful entrepreneurs, both local and foreign, enjoy the fruits of their investments and efforts. These will have ripple economic effects on the ordinary citizens at the bottom of the economic pyramid.

Inclusive economic and political institutions create inclusive markets, which not only give people freedom to pursue the vocations in life that best suit their talents but also provide a level playing field that gives them the opportunity to do so. Those who have good ideas will find it easy to start businesses, workers will tend to go to activities where their productivity is greater and less efficient firms can be replaced by more efficient ones. Setting up inclusive economic and political institutions is therefore much more than sloganeering and handouts but includes long term structural and systems thinking. Can you say this about your candidate’s manifesto?

If people’s manifesto that embrace inclusive institutions lead to prosperity, why are they shunned? Joseph Schumpeter, former Finance Minister of Germany-Austria, suggests that political leaders oppose such manifestos for fear of what he calls creative destruction. Because inclusive institutions replace the old system with the new, new sectors that embrace technology and guarantee higher returns to the people attract resources away from the old sectors where looting has been easier. This, for example, explains the low uptake of technology driven revenue collection at the national level and in the counties because the porous manual revenue collection systems are avenues for eating. The process of economic growth and the inclusive institutions upon which it is based create losers as well as winners in the political arena and in the economic marketplace. What does the manifesto of your candidate say on embracing new structural systems that will empower the people in the long term?

On the opposite end of this manifesto debate is the extractive economic and political institutions which should be looked out for and shunned ahead of August 2022. Poor economic performances are attributable to manifestos that fail to create incentives for parents to educate their children and by political institutions that fail to induce the government to build, finance and support schools and the wishes of parents and children. The price that nations whose institutions are extractive pay for lack of inclusive markets is high. They fail to mobilize their nascent talent. If we fail to scrutinize these manifestos, we could end up with many potential Bill Gateses and perhaps one or two Thomas Edison or Albert Einsteins who will be working as poor, uneducated farmers, being coerced to do what they do not want to do, like pushing a wheelbarrow around, because they never had the opportunity to realize their vocation in life. Keep vigil. Most importantly, ask yourself what the candidate’s history and record is with regard to respect for and execution of inclusive economic and political institutions.

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