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THE CONSERVATIVE REACH

Second of
two articles



Mariella Furrer for The New York Times

James Shikwati, executive director of the Inter Regional Economic Network, talked to Kenyan farmers about a spring.

Preaching Free-Market Gospel to Skeptical Africa

By JASON DEPARLE

BUKURA, Kenya — Lawrence W. Reed's unusual line of work, coaching conservative policy groups, has left Mr. Reed, a Michigan economist, with acolytes across the globe. But none please him more than James Shikwati, whose unlikely rise offers a case study of how the right grooms foreign allies.

Mr. Shikwati was a young teacher in western Kenya when he came across an article by Mr. Reed on the genius of capitalism. In this isolated village where Mr. Shikwati was raised, life revolved around mud huts and maize, not smokestacks. Still he dashed off a note to Midland, Mich., where Mr. Reed runs a think tank that promotes conservative economics and offers a program teaching others to do the same.

"Do you assist individuals who would like to know more about the free market and individual liberty?" Mr. Shikwati wrote.

Over the next four years, Mr. Reed sent books, reports, magazines, tracts — even occasional sums of money — as Mr. Shikwati embraced capitalist theory with a passion. Then he started a one-man think tank of his own.

On a continent where socialists have often held sway, Mr. Shikwati is now a conservative phenomenon. He has published scores of articles hailing business as Africa's salvation; offered free-market lectures on five continents; and, defying the zeitgeist of the Bono age, issued scathing attacks on foreign assistance, which he blames for Africa's poverty. When Western countries pledged to double African aid last year, an interview with an angry Mr. Shikwati filled two pages of *Der Spiegel*, the German magazine.

"For God's sake, please stop the aid!" he told the magazine.

So modest was Mr. Shikwati's start in the policy world, he walked nine miles on muddy roads just to get Mr. Reed's e-mail messages. Yet nine months after he started his group, Western supporters flew him to

the United States, where he joined a dinner of the conservative Heritage Foundation and toasted an A-list crowd that included Edwin Meese III, the former attorney general.

The unusual collaboration between a Midwestern mentor and his African protégé can be read in contrasting lights — as a crafty effort to export Western dominance or an idealistic joining of minds in the cause of freedom. While Mr. Reed salutes his protégé as a "passionate advocate for liberty in an unlikely place," Jeffrey D. Sachs, a Columbia University professor who is a leading aid advocate, calls Mr. Shikwati's criticisms of foreign assistance "shockingly misguided" and "amazingly wrong."

"This happens to be a matter of life and death for millions of people, so getting it wrong has huge consequences," Mr. Sachs said.

Mr. Shikwati's group, the Inter Region Economic Network, or IREN, is part of a global span of policy groups that Western conservatives have helped build over the past quarter-century. Operating in as many as 70 countries, with varying degrees of outside support, these institutes push a wide array of free-market prescriptions, including lower taxes, less regulation and freer trade.

They have strengthened property rights in Peru, aided the privatization of state-owned companies in Egypt, protested union power in France and led the way in halving the Lithuanian corporate income tax.

As the architect of Slovakia's flat tax, the F. A. Hayek Foundation drew a visit from Steve Forbes, the former presidential aspirant. He labeled the country an "investor's paradise" in "no small part because of the foundation's work."

The movement even has a venture capital arm, the Atlas Economic Research Foundation in Arlington, Va.: over the last decade, it has given groups like Mr. Shikwati's more than \$17 million.

While conservative think tanks are in the American mainstream, their foreign counterparts often push ideas held in

distrust. In translating Friedrich von Hayek's works, the Research Center for Entrepreneurship Development in Vietnam is bringing an über-capitalist to a communist state.

Articulate, energetic, gifted at making friends, Mr. Shikwati, 36, is one of the brightest new stars on this little-studied circuit. In just five years, he has made his byline a ubiquitous presence on the country's op-ed pages and gained enough respectability to get government ministers to speak at his conferences. Still, not even Mr. Shikwati claims to have changed the direction of Kenyan policy. His greater influence may be exercised abroad, in forums like that of *Der Spiegel*, where he gives Western conservatives the added credibility that comes with having an eloquent African ally.

Mr. Sachs said such anti-aid arguments "have slowed life-saving interventions." Peter Smerden, a spokesman for a United Nations food program, said Mr. Shikwati's policies would "kill millions of people." Irungu Houghton, an Oxfam official in Nairobi, said they would consign poor Africans to "a major death sentence."

Mr. Shikwati said, "I get all these letters, 'I saw the children with flies in their eyes — how can you be so cruel?' " He responds with the calm of true belief: "We have to stop looking for other people to save us. We need to look for ways to save ourselves."

A Free-Market Cure for Malaria

Mr. Shikwati is hoping to do just that here in Bukura with a plan to fight malaria, a disease that kills 800,000 African children a year. He is not just running a think tank, he said, but a "do tank," too, since he said Africans will buy his theories only after they see results. One theory is that business, not aid, can best fight poverty and disease.

To prove it, he is trying to commercialize the anti-malaria effort by hiring Bukura youths to spray homes with pesticides. For about 75 cents, villagers can get an introductory treatment, with subsequent sprayings running \$4.25 every six months. That is twice the average daily wage of a Kenyan laborer, but cheaper than the \$17 it

takes to treat a malaria case here.

As the business grows, Mr. Shikwati sees a dawning cycle of virtue: medical savings will buy fertilizer and seed; profits from the fields will bankroll businesses; and the emerging proto-middle class will lobby the government for freer markets, reinforcing the prosperity loop.

It all starts by getting villagers to pay, which Mr. Shikwati argues will “change people’s attitudes.” With no electricity, running water or paved roads, Bukura seemed an unlikely scene of social transformation as Mr. Shikwati arrived for a visit a few months ago. Smoke from outdoor kitchens clouded the air, and a former schoolteacher was sitting on a crate, blind from drinking home brew.

The first stop was the home of Theresa Bakhoya, a teacher’s wife who has been raising seven children amid frequent outbreaks of the disease. “Since they sprayed my house, I’ve had no more malaria attacks,” she said. A similar endorsement came from Wilberforce Mutokaa, who lives in a mud hut decorated with a poster of the evangelist T. D. Jakes.

Yet for all the talk of commercialization, neither of the villagers paid. To recruit clients, a local sprayer explained, he made the first treatment free. “I’m not disappointed at all,” Mr. Shikwati said. As villagers see the benefits, “I promise you there will be spraying on a commercialized basis.”

Mr. Shikwati has another “do tank” project in the arid Ukambani region of eastern Kenya, an area of chronic famine and food aid. Urging subsistence farmers to invest in new crops, he has two purposes in mind. One is to improve yields. The other is to create markets, by showing suppliers they can profit from selling to the poor.

“Then we can say, ‘See, selfish people interested in profit have finally got the Ukambani people eating,’” he said.

At a farmers’ cooperative in the Kalawani district, about 100 miles east of Nairobi, a dozen or so members gave the theory a go. Spending \$40 of pooled money on fertilizer and seed, they invested in a cabbage patch, but only sold about \$7 worth of cabbage, a loss of more than 80 percent. They are now trying to grow saplings, which they hope to sell to nurseries. “We’ll keep trying — everything is trying,” Stella Musau said.

Mr. Shikwati said their perseverance alone was a sign of progress. “In business, when you invest in something that doesn’t work, you don’t quit — you try your hand at something else,” he said.

A Capitalist Is Born in Kenya

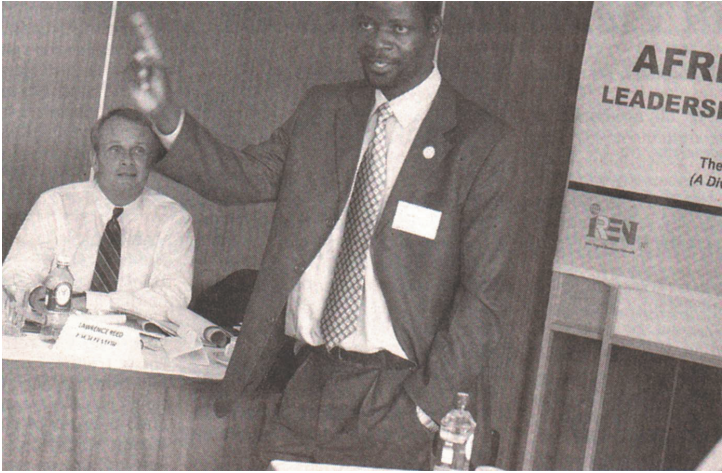
Mr. Shikwati’s conversion to capitalism started with a rejection letter. As a 27-year-old teacher in a rural high school, he applied to dozens of American graduate schools and gained admittance to none. But one rejection came with a book, “The Law” by Frédéric Bastiat.

A 19th-century, French, pamphlet-length attack on the state, “The Law” enjoys something close to a cult following among some libertarians. It describes taxes and regulation as “legal plunder,” and sees tyranny at work in laws that force citizens to support public schools. “Try liberty,” it demands.

“ ‘The Law’ just spun me around,” said

Mr. Shikwati, who flirted with socialism at the University of Nairobi and made the book’s translation into Swahili one of his group’s first projects. “It showed me I was believing in the wrong things.”

Mr. Shikwati wrote to the book’s nonprofit publisher and received a journal with a column by Mr. Reed. Many busy people would have ignored the letter that soon landed on Mr. Reed’s desk. (“Exactly what does the Mackinac Center for Public Policy do for the citizenship of the world?” Mr. Shikwati asked, referring to Mr. Reed’s



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Mosquito nets provided by the Rural Youth Empowerment League help protect Theresa Bakhoya, left, and her seven children from malaria. Five African countries sent representatives to the first Africa Think Tank conference, right.

group.)

But Mr. Reed, 53, runs a conservative “think-tank school” that twice a year draws allies from across the globe. In answering, he began a four-year correspondence. “This is how the movement grows,” he said.

By 2001, with Mr. Reed’s help, Mr. Shikwati landed two grants totaling about \$9,500 a year, one from Atlas and one from a related British group, the International Policy Network. IREN now has a budget of \$300,000 and seven full-time employees.

With no academic credentials, Mr. Shikwati made a mark as an author of opinion articles. He defended McDonald’s against critics of globalization and drug companies against charges of price gouging. He called for the legalization of the ivory trade, which he argues would protect elephant herds. Above all, he called for an end to foreign aid, saying it hurt local markets, corrupted governments and promoted dependency.

His iconoclasm and his authenticity as an African made Mr. Shikwati attractive to the Western press, despite his lack of prominence at home. His views quickly traveled the globe, appearing in places as diverse as The Sydney Morning Herald, The Jerusalem Post, The Times of London, Forbes and The Washington Post.

Echoing his calls to end foreign aid, Suzanne Fields of The Washington Times lauded Mr. Shikwati, who has a bachelor’s degree in education and no economics training, as nothing less than “a distinguished Kenyan economist.”

Critics and Admirers

Critics see a sleight of hand, in which Western conservatives created a faux expert, then cite him to justify their views.

“The truly hard-hearted have been looking for a developing country ‘economist’ to sing this song for years,” said Neil Gallagher, a spokesman for the United Nations World Food Program in Rome, which feeds about three million Kenyans a year. “It justifies their

meanness.”

Mr. Sachs of Columbia University said Mr. Shikwati was “part of a game” the conservative movement played to create an impression that Africans oppose foreign help. Although he agrees that some aid programs have failed, he said others had eradicated smallpox, slashed polio rates and started Asia’s green revolution, saving hundreds of millions of people from famine.

Even Mr. Shikwati’s African admirers tend to distance themselves from his

absolutism. Maggie Kamau-Biruri, who runs the Kenya office of the International Child Resource Institute, a nonprofit group, finds it hard to talk of less government in a country without enough paved roads and no public high schools. But “I really like him a lot,” she said. “He means well and wants to see his country move forward.”

Enamored of Mr. Shikwati’s success, Mr. Reed recently took his think-tank school to Nairobi, offering an abbreviated session to participants from Kenya, Zambia, Ethiopia and Tanzania. The following day, Mr. Shikwati took him to Africa Nazarene University, where a student group he helped lead had privatized the campus canteen and formed an exchange to trade its stock.

The students then took them to an orphanage, whose dire conditions framed the aid debate in especially urgent terms. The St. Paul’s Children’s Home cares for 50 children, mostly AIDS orphans, in two small rooms, where some sleep three to a bed, and it lacks amenities as basic as running water and electricity. The students are teaching the orphans to recycle Christmas cards. The profits, about \$115 so far, have helped pay one boy’s tuition at a private high school, since free education ends after eighth grade.

Critics like Ms. Kamau-Biruri see such mass destitution as evidence of why Kenya needs a government safety net. But Mr. Shikwati said the poverty showed that government fails — in this case by mismanaging an economy better left alone. For Mr. Reed, the orphanage also bolstered his antigovernment views; he saw “wonderful images of progress” in the student’s voluntarism.

Before leaving Kenya, Mr. Reed visited his protégé’s new office, where the reading nook is called the Lawrence Reed Library. “James, I’m probably as thrilled with your progress as you are,” he said.

Mr. Shikwati beamed. “Ever since we corresponded, my strength to change Africa is so strong,” he said.