Analysis of the main ways of economic development of Kenya from linear multisectoral models based on Social Accounting Matrices

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This paper analyses the current situation of the Kenyan economy, defining its main key sectors and evaluating the potential economic impacts based both on new investments, as the discovery of new sources of vital natural resources the region, as in the case of two huge aquifers identified in the Turkana region, one of the driest and least developed regions of Kenya. The analysis methodology will be based on multisectoral linear models based on a new Social Accounting Matrix (SAM) for the country for 2012. This SAMs, constructed by the authors based mainly on updated national accounts and household budget survey, will contain a proper disaggregation of activities (with focus on regional agriculture), commodities and households based on the economic characterization of the different regions comprising the country. The application of various techniques of operating a matrix of this type (accounting and mixed-multipliers, decomposition of effects, detection of key sectors, etc.) will identify the main ways for the future development of the country and the type of policies or measures which, together with a specific investment, can contribute to greater future development of Kenya. In this way, the paper will highlight mechanisms that will hopefully help policy makers and other stakeholders to make better informed decisions.