Corruption in Kenya is a symptom of clientelism. A specific form of ethnic clientelism has often prevented political debates on economic redistribution by shifting the onus of political mobilisation to the recognition of group identities. As a result, a socially just and broad provision of public goods in Kenya has been difficult.

It has been estimated that by 2050, half of all Kenyans will be living in cities. Urbanisation has already led to different forms of social differentiation, sometimes challenging group identities, and the oft-resultant ways of organising politics and the provision of public goods.

In the future, a socially fair provision of public goods and economic opportunities for urban dwellers will most likely be paramount to ensuring both political legitimacy and broader social stability.

Social change facilitated by rapid urbanisation will require democratic approaches to change a political logic that is gradually becoming obsolete. What will be needed are social alliances that reconcile the struggle against corruption with the struggle for social justice, economic redistribution, and a fair provision of public goods.
## Contents

Corruption and Clientelism ................................................................. 3

The »Ethnicisation« of Politics in the Post-Colonial Period .................. 3

Incentives for Corruption Are Strong ................................................. 4

Kenya Is Not Exceptional ................................................................. 6

Kenya's »Corruption Model« Obsolete? ........................................... 6

Kenyan Society Is Becoming More Urban ....................................... 7

Meagre Provision of Public Goods in the Cities ............................... 8

An Opportunity for Democratic Change ......................................... 8

Kenya at a Crossroads ................................................................. 9

References ................................................................................. 11
According to mid-2018 media reports, the equivalent of more than 70 million euros have vanished from the National Youth Service in Kenya; the funds were recorded as »payments to suppliers«, but allegedly nothing was supplied. Over the following months, other corruption scandals have been covered in detail by the press. President Uhuru Kenyatta ordered a »lifestyle« audit of senior government officials to discern the extent to which their personal assets align with their salaries. This move led to arrests and charges against those previously considered untouchable – including heads of government agencies as well as elite and well-connected individuals. The president publicly declared he had lost many friends in the course of this action, but that the struggle against corruption was a priority in his final term of office and will be a central pillar of his legacy.

Corruption and Clientelism

Corruption scandals have plagued virtually every Kenyan administration. While some administrations have publicly taken a strong stance against corruption since the advent of multiparty democracy in 1992, change has not been so forthcoming. The question is why change seems so difficult to achieve. One answer is that corruption is a result of certain political pressures and political incentives. Corruption in Kenya can best be understood as a symptom of a particular form of ethnic clientelism.

In order to obtain access to lucrative political offices, political elites often seek to secure control over their own ethnic groups and enter into flexible and pragmatic coalitions with political elites representing other ethnic groups. These coalitions are usually held together by promising access to state and economic resources. Flexible political alliances between leaders of different ethnic groups are necessary for electoral victory at the national level, because the largest ethnic group in Kenya constitutes less than 25 per cent of the total population. These shifting alliances are negotiated among elites prior to elections and often go hand in hand with promises of further opportunities for economic gain should victory be secured. Preparations therefore must be made well in advance of the next elections. In 2018, influential politicians have already been devoting considerable resources to forging alliances with influential regional politicians in preparation for the next elections to be held in 2022. This prevailing form of horizontal elite clientelism has also led to a dominant type of political party in Kenya. Here, political parties are often run as broad election platforms without specific policy proposals. Primarily established to vertically connect leaders to the electorate, political parties in Kenya are not collective organisations in which policies are deliberated upon and aggregated or that could be distinguished because of their different ideologies.

Thus, it is no surprise that with every election, new political formations are arranged, or older political parties join new coalitions. These coalitions then field candidates for national and local offices. Candidates must be able to credibly signal to both voters and influential regional or local elites that they are savvy enough to play the political system. Herein also lies an explanation for the often-flamboyant displays of wealth by political elites in Kenya. Personal wealth demonstrates to voters – as well as to influential regional and local elites – their ability to access and secure resources. These resources then must be delivered to the top regional and party leadership at the national level, as well as to voters. To purchase political loyalty when fielding candidates for national and local offices, resources flow both horizontally between elites, and vertically to the voters, often very directly. According to a 2017 survey by Afrobarometer 46 per cent of Kenyans reported receiving »electoral handouts« before elections.

The »Ethnicisation« of Politics in the Post-Colonial Period

The »ethnicisation« of Kenyan politics traces its roots to colonial occupation, which often created or exacerbated conflicts between different communities. By politically leveraging ethnic polarisation and promoting ethnic group identities after independence, political elites until today have effectively stifled a national political dialogue on economic redistribution. This was made easier due to the initially slow rate of urbanisation, which made the organisation of mass based political interests more difficult in Kenya. In many countries around the world the com-
Incentives for Corruption Are Strong

Employing recognition of ethnic identity as the primary political mobilisation strategy has so far been a relatively successful strategy for safeguarding political stability. Since independence in 1963, Kenya has experienced neither a change of government through a coup nor experienced a civil war. A cursory glance at its neighbours suggests Kenya to be a regional exception in this regard. Clientelist networks seem to have ensured a certain degree of stability and political support via vertical redistribution, mostly from the city to rural areas. This redistribution model is now meeting limitations, however, as it is not up to the task of delivering public goods to an increasing, changing and urban population. Public goods can be defined as goods that are non-excludable and non-rivalrous, meaning that every citizen can benefit from such a good and that one person’s use doesn’t reduce its availability to others. In a narrower sense public goods are government services for example by providing for education or health facilities. A broad provision of public goods ties the legitimacy of political institutions to a perception of being able to support the welfare of the population. In Kenya, the »ethnicisation« of politics, has however had historic consequences for the narrower ways in which the Kenyan state has been able to provide these »public goods« and how it continues to be perceived to be providing these goods. Partly, the violent unrest in the wake of the 2007 elections and the violence ten years later in the contest of the 2017 elections can also be seen in this light. Frustration about economic and political exclusion, the expectation to benefit from public resources once the government changes all become mixed up in Kenya’s electoral contests.

Presently, most Kenyans still live, work, and vote in rural areas. Rural areas continue to have the most electoral constituencies. Nevertheless, rural constituencies have, on average, lower income levels and fewer voters per constituency than their urban counterparts. As more people move into urban constituencies, rural ones remain the same, which has already led to an overrepresentation of voters in rural areas in national politics. This will become a bigger political problem when more than 50 per cent of all Kenyans will have moved into urban areas in the coming years. In rural areas, economic and social life often pivots around familial subsistence agriculture, often far away from the next urban centre. Despite the new constitution of 2010, which led to the devolution and hence new levels of political decision-making in the 47 counties. Most Kenyan political parties have at best superficial roots at this level as they often only come into existence shortly before elections as a political vehicle for the personal ambitions of political elites. Meanwhile, non-governmental organisations (NGOs) at the local level are often dependent on external donor support and tend to function mainly as service providers, such as for education or primary health care, which can abdicate government responsibility to provide these services.

In rural areas the mobilisation of collective interests tends to be more limited in its ability to push the state to provide essential services difficult to build collective pressure on political decision-makers and to conduct actual deliberations on policy priorities. Some exceptions include cooperatives, informal sector associations and trade unions, which do their best to bundle the political interests of their members at the local level and communicate them to decision- and policymakers. Accountability has improved on the local level in the wake of the new constitution of 2010 because elected governors
and members of county assemblies can be voted out of office, which happened in many counties during the 2017 elections. Devolution has also led to a discernible increase in public infrastructure, such as road building. However, devolution cannot be a silver bullet to change the incentives for clientelism in the Kenyan political economy.

Voter expectations are high that local politicians elected to County Assemblies or national politicians with access to resources of the central government primarily address individual needs of voters, instead of interrogating different ways public goods can be delivered more broadly. According to Afrobarometer, for example, between 2011 and 2013 more than 35 per cent of Kenyans stated that over the previous year they had contacted a politician directly to request assistance in solving an individual need, such as children’s school fees or funeral costs. The expectation of getting individual and vertical support seems to be much higher than the expectation that a public and horizontal solution for an individual problem (for instance reduced school fees for low-income households) would be forthcoming. This creates a vicious cycle in which there is little incentive to collectively join forces with others in order to assert common political interests, because help seems to be more likely to be forthcoming if one asks a member of the political elite for a favour or if an NGO deals with the matter.

This system that ties electoral success to individual favours by politicians in order to satisfy individual demands can become expensive for the respective politician. The responsibility for gathering resources becomes incumbent on the politician themselves, because not much funding can be expected from the respective political party. In turn, there is diminishing incentive to meet the representation and accountability obligations to all of the voters in a constituency, because addressing individual needs takes precedence. Accordingly, the political incentive for a broad provision of public goods in many rural areas is low. However, the costs of clientelism are also comparatively low in rural areas compared to urban areas, because the income level is lower on average. Obtaining political support in the countryside is thus easier because individual political favours and modest cash payments are easier to meet.

As a result, political representatives at the national and at decentralised county levels are under constant pressure to generate resources. This has to be done not only during their term in office to satisfy individual needs and grant favours to constituents, but also long before election time in order to be able to co-opt rival political elites at an earlier stage, who could otherwise become a threat later on. This resource generation often cannot take place through official budgeting. Instead, this political resource generation depends on »donations« by political friends and dependents. These dependents are found, for example, among public employees appointed by elected politicians to ministries or state-owned companies. Thus, it is no surprise that there is significant pressure on an elected representative to link the award of public contracts to those who assisted in installing them in the job in the first place.

Accordingly, corruption seems to be a logical outcome of a political process that depends on patronage and emphasises personal, individualised political engagement and governance. However, it is not only necessary and expensive to grant favours to constituents and co-opt rivals, it is also expensive to enter into politics in the first place. If candidates want to be elected or renew their term, they must be nominated by their party. To be nominated, they must ensure that resources also flow to the party leadership. To prove their ambition, two things must be available to the highest level: money and mobilisation capacity. It is only those who have both resources at their disposal and in turn can offer them to party leadership, who stand a realistic chance of nomination. Consequently, political aspirants are caught in a vicious bind. To be nominated, they must first become rich. Their ability to remain in politics depends on a constant generation of resources in order to maintain an ever-wider circle of clients and supporters at multiple levels. This requires becoming even richer and spending wealth widely once in office.

Therefore, corruption for the purpose of funding clientelist networks cannot be characterised simply as unscrupulous and immoral behaviour – though often it is certainly that. Rather, it is a logical political transaction within an existing political system comprised of various informal rules and incentives. As long as winning an election and staying in power are dependent on responding to individual rather than collective demands (often in rural areas), there continues to be a strong political incentive for corruption and little incentive for the fair provision of public goods.
Kenya Is Not Exceptional

Kenya is not so exceptional with regard to its established form of clientelism. The political science literature on African politics describes the parallelism of legal-rational institutions, political patronage, and clientelism in many African countries as »neopatrimonialism«. Yet determining how neopatrimonial governance can be changed or replaced – as well as whether neopatrimonialism necessarily hinders socio-economic development – are contentious issues.

Corruption and clientelism are globally widespread and do not necessarily result in dysfunctional economic and social policies. Many countries – for example in Asia – achieved a higher level of prosperity in the second half of the twentieth century despite neopatrimonial structures. However, the list of countries that first eliminated corruption and clientelism and were then able to achieve broad prosperity is very short. Those that succeeded were almost exclusively Asian city states such as Singapore or Hong Kong, which did not have a vast, poorer rural population and are blessed with their geographic location along important sea trade lanes that turned them into central trading hubs. Conversely, the list of countries that first achieved a certain level of prosperity and – simultaneously or subsequently – effectively clamped down on corruption is much longer. This list includes countries such as South Korea, Indonesia, and Malaysia, where per capita incomes in the mid-1960s were comparable with those in Kenya, yet they have still managed to bring about the structural transformation of their economies.

While such transcontinental comparisons are sweeping and omit many other important factors, some cautious conclusions can nevertheless be drawn about the role of clientelism and corruption. What matters seems to be the modus operandi, the extent of corruption, and whether it obstructs socio-economic development or facilitates it – albeit with some negative side effects. For example, in economically successful Asian countries, clientelist networks and the government’s preference for politically well-connected business families (for example, the »Chaebols« in South Korea) or individual economic sectors were directly linked to a company’s export success. This was combined with – in individual sectors – a protectionist economic and trade agenda, as well as a broader provision of public goods. Pivotal to this was the centralisation of clientelism; in other words, the closing of decentralised corruption channels and a view for long-term reinvestment. If no progress was discernible as regards industrial development and job creation, this preference was quickly curtailed by the government. This economic and industrial policy was almost always combined with investment in raising agricultural productivity. Naturally, this model not only led to the personal enrichment of political and economic elites (which is in fact corruption), but it also led to the development of industries, a structural transformation of the economy, and more comprehensive provision of public goods to the population.

Kenya’s »Corruption Model« Obsolete?

The combination of clientelism and corruption, which has developed over time in Kenya, seems to be an important factor in trying to understand what has so far prevented the creation of labour-intensive industries and the adequate provision of public goods. The economic structures inherited from the colonial period, continue to be oriented towards the export of raw materials and unprocessed goods. This makes a structural transformation of the Kenyan economy toward labour-intensive industries even more of a tall order. The share of processing industries remains below 10 per cent of GDP but will be the key to job creation in the cities. Additionally, the global trend of digitalisation means that, worldwide, jobs in processing industries are contracting, not expanding.

Making the Kenyan economy viable for the future will be expensive and requires strategic industrial, economic, fiscal, and social policies. Meanwhile a lot of government spending continues to be overshadowed by accusations of corruption. Money wasted through corruption, is no longer available for the implementation of such strategic policies that can support the structural transformation of the Kenyan economy. Currently, 45 per cent of tax revenues must be allocated to repaying Kenya’s increasing government debt – money that is no longer available for other urgent and necessary investments.

Increasing public debt has already led to a new round of economic and social austerity policy. The International Monetary Fund (IMF) has indicated that Kenya will have to cut public spending if it wants more – and, indeed,
Savannah» and other, less well-paid urban service sectors are growing, such as the IT sector in Nairobi’s »Silicon Savannah« and other, less well-paid urban service sectors; the level of education is also improving fast compared with neighbouring countries. This has been achieved by the Kenyan government which has made its education policy one of its top priorities. The government has invested heavily in education and has improved access to primary education. This has led to a significant increase in the number of students attending primary school. The Kenyan government has also invested in secondary and tertiary education, and has made it easier for students to access these levels of education. In any case, any new policies need to take into account the ongoing changes in Kenyan society. According to the political scientist Charles Hornsby, since the turn of the millennium, Kenyan society can be subdivided into five groups: (i) a few very wealthy politically influential families; (ii) a growing urban middle class; (iii) a very small working class in the cities and in the countryside; (iv) many people who still work in traditional family agriculture on less and less fertile land; and (v) a rapidly increasing number of precariously employed urban dwellers and landless people in rural areas. Two of these groups are growing fast: the urban middle class and precarious workers in the cities.1

1. According to the African Development Bank, there are also people in the lower middle class who earn more than 2 US dollars a day. Whether the just under 30 per cent of Kenyans who earn between 2 and 4 US dollars a day feel that they belong to the middle class or can be allocated to it is questionable. They can fall back into poverty at any time. Just under 20 per cent of the population belong to the income group on between 10 and 20 US dollars a day and above, and the trend is rising. Of the only 15 per cent of the Kenyan labour force who do have a formal sector job, 75 per cent earn less than 500 Euro a month.
On this basis, Hornsby diagnoses a continuous functional differentiation of Kenyan society, which he regards as something of a special case on the African continent. Kenya expert Nic Cheeseman highlights the increasing number of cases since the early 1990s in which the common interest of the middle class in democratic politics has trumped the political importance of ethnic affiliation in elections. Overall, this would mean that based on the political interests of a constantly growing group – in combination with increasing urbanisation – fewer and fewer Kenyans are striving for or benefiting from ethnic clientelism.

Meagre Provision of Public Goods in the Cities

Urbanisation in the absence of social and economic opportunities for an increasing number of Kenyans in cities is thus becoming a challenging political mixture. Those arriving in the cities from the countryside face various new challenges. For example, food prices in the cities are higher than in rural areas and there are no opportunities to grow one’s own. Returning to the land is no longer an option, due to – among other issues – population growth and climate change, which are reducing the area of productive land. Social security systems are unreliable and family networks, whose help one might draw on, are often smaller or not present at all in cities. Urban dwellers are also more aware of the economic situation, inequality, and resource distribution due to much greater media presence and exposure, as well as the activities of political parties and NGOs. To these ends, populist messages and exhortations to protest are falling on fertile ground.

As a consequence, protests in urban areas become more likely as discontent grows. The frustration with insufficient public good provision by Nairobi’s precariously employed urban dwellers often living in slums is shared amongst urban lower middle and middle classes, particularly given a growing tax burden due to austerity policies, with further income and consumption taxes expected. The payment of increased taxes while not benefiting from improved urban services, because tax hikes are used to pay off government debt, rather than improve public infrastructure, support job creation, ensure safety, or upgrade schools and hospitals, increases frustration of lower middle classes. Members of the upper middle class, on the other hand, can often call on private security firms to provide personal security, take out additional health insurance, and – in the absence of a functioning public pension system – invest and provide for themselves. For the majority of the new middle class, however, these options are just too expensive.

An Opportunity for Democratic Change

Kenyan faces a dual challenge: the transformation from a rural to an increasingly urban society, and the provision of public goods amid rising inequality. In future, political legitimacy and stability will be more closely linked to the provision of public goods and economic opportunities for the urban population. If the state is not able to provide these public goods, then violent protests look ever more likely but might no longer happen only during elections.

In many places across the African continent, cities and protest movements are growing. From fewer than 50 protests a year between 2005 and 2010 in the whole of Africa, the figure has now exceeded 300 protests a year within the similar, succeeding time frame (2010 to 2016). Political scientist Lisa Mueller argues that protests in Africa become more probable when activists from the middle class mobilise poorer people in urban areas. According to Mueller, in the protests that can be seen throughout Africa, otherwise moderate demands for more democracy and economic equality have been increasingly linked with more violent forms of protest. Moreover, while the instigators of protests tend to come from the urban middle class, most of the protestors are from the urban lower class.

The importance and frustration of both groups in Kenya is increasing. However, it is important to note that in many African countries, the great majority of middle-class employees continue to be public sector employees, a fact that Mueller neglects. In Kenya, many members of the middle class are also public employees and civil servants; thus, they continue to be dependent on the state. Nevertheless, in East Africa, Kenya is an exception due to the growing number of middle-class workers who are not employed by the state, with stronger growth than elsewhere. Indeed, this dynamic is leading to increasing social pluralism, which is boosting the pressure for reform.

The impulse for change is tangible. The frustration with the lack of functioning public services is not only driving
protests, but also changing the voting landscape in cities. Many votes in local elections in Nairobi are no longer cast along ethnic lines or for the preferred candidates of the political elite. In 2017, for example, the directly elected governor did not come from one of the three largest ethnic groups and thus the ethnic majority. Mike Sonko was able to convince many voters in Nairobi that he was best suited to governing the city. Key elements of his campaign were the private ambulances he self-financed and the provision of other (again self-funded) services, especially in the slums. Of course, privately financing certain services is not the same as organising public good provision to around five million people and Sonko’s governing style has repeatedly led to sharp criticism from civil society representatives and in the media. What his election however does show is that in local elections, the detachment of voting preferences from ethnic groups has already happened in Nairobi.

Kenya at a Crossroads

Kenya stands at a crossroads as the old logic of Kenyan politics is increasingly unable to provide a sufficient degree of public goods and respond adequately to the demands for economic opportunities and social justice. The existing model of ethnic clientelism stifles economic development primarily due to its incapacity to provide public goods to an increasingly pluralist Kenya. A politically risky circle has already established itself: ethnic clientelism leads to corruption, which then leads to a rapidly increasing public debt, which in turn curtails the provision of public goods and entails fiscal austerity that fall heaviest on the urban lower middle class and precariously employed slum dwellers. In response, violent protests could be increasing in frequency.

This situation harbours both risks and opportunities. Fundamental transformations unleashed by urbanisation and societal pluralisation would seem to favour those who want change, yet a political pathway to change seems missing so far. Looking at the historical experiences of democratic actors in Kenya and their ability to exert influence arouses optimism that change is indeed possible, and that the current state of affairs might offer an opportunity to deepen democracy.

Despite the optimism that democratic actors are capable of delivering changes, lessons from missed opportunities of the past must also be taken into account. The struggle against corruption alone is not enough. Instead the key question is who benefits from corrupt structures, who loses, and what Kenya relinquishes as a result. The debate on what to do against corruption must therefore be embedded in a broader debate on possible ways of achieving fair, socio-economic change in Kenya. This debate must be necessarily embedded in a critique of the Kenyan model of capitalism and its limitations. What is so far lacking seems to be a convincing narrative about how corruption, indebtedness, austerity policies, and social justice are interconnected.

The political cement for new forms of cooperation between a wide range of actors will require a narrative that lays out why social justice is an inherent part of the struggle against corruption. These changes can be realised with the cooperation among different actors in different formats. Who would need to be involved to shape such a debate: Kenyans from the urban middle class, the increasing number of well-educated young people who are drawn into the cities to study yet can’t find employment, people in precarious work, independent journalists, Kenya’s trade unions and their large membership, young politicians willing to make a change, informal sector associations, slum dwellers demanding their rights and whose voices are becoming increasingly important in elections due to rising numbers, faith communities and other moral authorities, and critical NGOs that are contributing to ever more lively discussions in both traditional and new media. In this process, sometimes a perhaps (for some) uncomfortable cooperation with reform-oriented forces in the current political elite, political parties, and change-makers in the civil service is needed. A look at the past gives rise to hope. Many of the aforementioned actors have already come together and been successful in the introduction of multiparty democracy and a new constitution, building bridges and keeping dialogue channels open between different interests as evident in the mid-1990s and most recently in 2010. However, these alliances ended somewhat prematurely once their specific issue was addressed. A long-term narrative on how to bring about social and political justice and a strategy were lacking. The actors in question could pick up where they left off. Given the fundamental shifts in Kenyan politics, society, and economy, democratic means will be key. Kenya needs a political paradigm change: political legitimacy and securing stability must no longer be bought with clientelism, simply because it can’t.


About the author

Henrik Maihack studied Political Science at the Free University of Berlin. After completing the post-graduate programme at the German Development Institute (Deutsches Institut für Entwicklungspolitik) he worked at the Friedrich-Ebert-Stiftung’s (FES) office in India and then headed the FES projects in Bangladesh, South Sudan and Rwanda. Since 2017 he has been Country Director of FES Nairobi, Kenya.

Imprint

Friedrich-Ebert-Stiftung | Africa Department
Hiroshimastr. 17 | 10785 Berlin | Germany

Responsible:
Dr Manfred Öhm, Head of the Africa Department
Phone: +49-30-269-35-7442 | Fax: +49-30-269-35-9217
http://www.fes.de/afrika

To order publications:
Svende.Eickhoff@fes.de

Commercial use of all media published by the Friedrich-Ebert-Stiftung (FES) is not permitted without the written consent of the FES.