To my father Philip Onyango, my mother Margaret Onyango, my brothers and sisters, and my wife Erica Odera
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This study is about clientelism, but not in the usual sense. Most studies on clientelism focus on explaining its effect on democracy and development. They tend to ask: how does clientelism affect democratic representation? How does clientelism affect electoral outcomes? How does clientelism affect programmatic politics? How does clientelism affect economic development? These are usually follow-up questions to more overarching questions that ask: why are developing countries slow at democratizing? Why has development stalled in developing countries? This study, by contrast, seeks to explain not how clientelism affects democracy and development but how urban development in local government jurisdictions affects the different clientelistic strategies and the usage of clientelism by politicians. It seeks to systematically show how both governments’ and citizens’ urban development initiatives shape the way politicians use different clientelistic strategies.

When I initially started this research I wanted to find out the way politicians represent and address small business owners’ concerns in parliament and local government councils. The goal was to probe the nature of problems that small business owners in the informal sector encounter and whether politicians address the problems.
Most of the business owners mentioned that politicians never address their problems apart from some getting some help during election periods. Most are visited only for campaigning purposes. However, there were a few business owners who have been visited frequently and offered assistance frequently. These responses varied widely across the three cities I was studying. My pursuit to understand how politicians’ representation of informal sector’s challenges was further transformed into a quest to understand the variations across the cities with regards to some important issues: why politicians visit some business owners during election seasons only and visit some during non-election seasons; why some business owners have managed to frequently get access to politicians and frequent visits from them and some do not, and how these factors vary between different levels of politicians; why citizens in one city complained about the quality of local government services more than citizens in another city, and how all these factors are related. These are the main issues that this dissertation addresses.
Urbanization is progressing rapidly in most African countries (Cohen 2006, 71; Kessides 2005, ix; Montgomery 2008; 761; Owusu and Otiso 2008; UN-Habitat 2010). One of the most important consequences is a significant increase in the populations that politicians must reach out to in urban areas. This should fundamentally change clientelistic relationships, that a large literature consistently find to be the most common way leaders relate to citizens in African societies (e.g. Bratton and van de Walle 1997, 65-67; Hyden 2004; Lemerchand 1972; Van de Walle 2007; Vicente and Wantchekon 2009, 293). Yet, there is a dearth of studies of the effect of urbanization on clientelism on the continent. This is the gap that this study seeks to fill. The focus is on the informal sector, where a vast majority of the urban populations in Africa earn a living (Meagher 1995, 259; Potts 2008, 156; Gilbert and Gugler 1992; Potts 2008, 155; Werna, 2001; Becker 2004, 3). These are the citizens that politicians must establish linkages with since to garner the votes needed in elections. It is therefore imperative to establish if, and if so in which ways urbanization transform the nature of clientelistic relationships informal business people have with politicians.

A key contribution of the study is that it systematically distinguishes two types of clientelism that have been conflated in the literature. The first is a “traditional” type based on long-term, diffuse, and personalistic relationships. The second is a “modern” version defined by short-term, quid-pro-quo, and non-personalistic relationships such as the vote buying during election periods. Secondly, this approach challenges and improves the way modernization theory links development and clientelism. That theory argues that clientelism in general should disappear with the modernization of societies
(Kitschelt 2000, 867; Papakostas 2001, 34), suggesting a linear relationship between
development and traditional norms such as clientelism (Jones 2005, 989-990). By
systematically distinguishing types of clientelism, this study makes it possible to
demonstrate that the overall phenomena does not necessarily disappear but that it
takes on different forms as urbanization progresses. One form of clientelism can be rare
while another type is prevalent. It also shows that there is a non-linear relationship
between clientelism and urbanization when the two types are compared. In a case
where there are three levels of urban development – low, moderate, and high –
modernization theory would suggest that clientelism should be high in a low
development context, moderate in the moderately developed context, and low or absent
in a highly developed context. This study shows that both modes are present in one
context and with different levels. The traditional mode still exists even with increasing
development. The modern mode takes a different pattern from the one modernization
theory would predict, whereby clientelism is high in the moderately developed context,
moderate in the low development context and low in the highly developed context.

A third contribution consists of studying the types of clientelistic relationships
citizens have with local and national politicians simultaneously. Our current
understanding of political clientelism in Africa is to a large extent based on examinations
that focus on countries as a whole and political representatives lumped in one broad
category, generally referred to as “patrons” (e.g. Hermez 2011, 529; Joshi and Manson
2011; Whitehead 2012; 1087; Ichino and Nathan 2012; Calvo and Murillo 2004;
Eisenstadt and Roniger 1980; Fatton 1986; Fox 1994). This insight was originally
provided at a time when governments were highly centralized and the lens has not
changed over the years. Yet, the wave of decentralization sweeping across most African countries (Boone 2003, 355; Bratton 2012, 516; Kauzya 2007, 3; Ribot et al. 2010, 35; Wunsch 2001, 277) is changing the political landscape in fundamental ways. Hence, there is need to improve our understanding of clientelism and also make it relevant for future policy-making.

This study examines how the two types of clientelism change in different urban contexts within one country. It focuses on Kenya’s three cities, which have different levels of development and compares how politicians at the national and the local level differ across urban developments in their use of the traditional and modern types respectively. The analysis demonstrates the effects of decentralization by examining the role that local governments play in the transformation of clientelism. The occurrence of clientelism in the local government jurisdictions differs from the occurrence commonly shown in studies that focus on the national government level. These studies have shown the existence of a linear relationship between development and the modern mode of clientelism. On the contrary, this study shows a non-linear relationship at the local government level. In the latter studies, as the level of development increases the level of modern clientelism correspondingly decreases, usually plotted in a straight declining line. In this case, clientelism is low where development is high, moderate where development is moderate, and high where development is low. This study shows a different pattern. It shows that in the three local government areas the highest level of clientelism is in the moderately developed context, moderate where development is low, and low where development is high.
1.1 Urban Development and Clientelism: The Missing Link

How is the increasing development of urban areas in African countries affecting clientelism? This is a timely and important question that is rarely asked. Almost all urban areas in Africa are undergoing several infrastructural and real estate developments. As these developments occur, citizen-politician clientelistic interactions are also undergoing various transformations. From city to city, political and socio-economic factors that feed and sustain clientelism are changing, such as levels of income, levels of education, employment opportunities, demands from citizens to politicians, and provision of public services. In spite of these changes we still do not know how the levels and modes of clientelism vary with regards to the increasing development of urban areas. This study aims to contribute to our understanding of how urban development – infrastructural and property developments – within local governments affects clientelism. Urban development in this case is approached from two perspectives. First, it is approached from the local government’s administration side. This perspective focuses on the infrastructural projects meant to increase and maintain service provision. Second, it is viewed from the citizens’ perspective. This perspective focuses on increase of business activities and property development. Viewed from a governance perspective, the argument that this study is making is that clientelism is a societal problem associated with lack of adequate urban development initiatives at the local government level.

Scholars who write about clientelism tend to take as a given the economic and social factors that serve as a basis for politicians’ clientelistic strategies. They analyze the relationship between poverty and clientelism (e.g. Auyero 1999, 2001; Calvo and Murillo 2004; Michie 1981; Powell 1970; Scott 1972) but never pause to first ask how poverty varies with regards to variations in infrastructural and real estate features, and
how these variations subsequently determine the clientelistic strategies that politicians decide to use in one urban area over another. Some analyze the effect of clientelism on public service provision at national government levels (e.g. Diaz-Cayeros et al. 2001; Gibson 1997; Johnston 1979; Keefer 2007; Kurer 1993; Medina and Stokes 2002; Robinson and Verdier 2002; Tullock 1980) but fail to investigate the effect on public service at local government levels. Some scholars provide accounts of how clientelism varies at a local and central government level (e.g. Morse 1962; Silverman 1965) but there are hardly scholars that analyze how it varies geographically, especially across urban areas. These are the gaps in the existing literature that this study seeks to fill.

One major reason for these shortcomings in the political science literature on clientelism is the oversight of theories from urban economics. As a branch of microeconomics, urban economics provides tools for explaining a wide range of urban issues (O’Sullivan 2009). These theories are highly instrumental in explaining the variations in city development with regards to size and location, the root causes of economic growth and decline, and most importantly for this study, how local governments affect urban economic growth. Scholars who study clientelism implicitly employ ideas from these theories when they use economic factors as variables, such as government expenditures (e.g. Calvo and Murillo 2004; Grzymala-Busse 2008; Keefer and Khemani 2004; Kurer 1993; Wantchekon 2003), economic policy (e.g. Keefer 2007; Medina and Stokes 2002; Robinson and Verdier 2002), and levels of income (e.g. Auyero 1999; Michie 1981; Powell 1970; Scott 1972). While urban economic theories explain how urban development transforms these factors, scholars of clientelism investigate the relationship that exists between them and clientelistic practices.
The gap that exists between the two theories suggests a need to systematically connect them so as to appropriately address the central question guiding this study:

How do the changes in urban development within local government jurisdictions affect the levels of clientelism and the modes of clientelistic strategies used by politicians?

1.2 Structure-Agency Approach

This study utilizes an interactional structure-agency approach to connect the two theories. Such an approach links the behaviors of actors with social structures in an insightful way (Carlsnaes 1992, 246). It facilitates a better understanding of the conditions that transform the behaviors of political elites (Adeney and Wyatt 2004, 6). Structures can be defined as broad social factors that constrain and limit human agency (Simmonds 1989, 187). They consist of rules and resources that are continually applied in reproducing social systems (Giddens 1984, 377; Steen et al. 2006, 306). Agency is an action by actors who act independently to create and implement decisions that modify social relations (Lewis 2002, 17). It “entails an ability to coordinate one's actions with others and against others, to form collective projects, to persuade, to coerce, and to monitor the simultaneous effects of one's own and others' activities” (Sewell 1992, 21). At a personal level, agency is concerned with the extent to which individuals feel that they can proactively transform their own lives (Woolley 2009, 10). Structures and agents are interconnected through a reciprocal (Goldspink and Kay 2007, 3), recursive (Lewis 2002, 18) and mutually dependent relationship (Hays 1994, 65; Imbroscio 1999, 46). In political systems, agents’ behaviors are a response to their perception of structural factors (Goldspink and Kay 2007, 10) and these factors subsequently affect political outcomes (Imbroscio 1999, 46). They shape how political leaders respond to
citizens preferences (Imbroscio 1999, 48) by influencing the utility of available options (Koopmans 2005, 20).

Conventionally, structural factors have received most of the recognition for social and political outcomes (Adeney and Wyatt 2004, 1; Goffman 1983, 8; Hay and Wincott 1998, 952; Imbroscio 1999, 46). The shortcoming of structural deterministic approaches, where broader social forces are viewed as transcendent to individual behaviors, is that they are too rigid (Hays 1994, 61) and unreliable (Imbroscio 1999, 48) since they downplay the significance of human actions (Imbroscio 1999, 46; Jasper 2004, 6; Sewell 1992, 2). Purposive and innovative actions of individuals play a significant role in reproducing and modifying structures (Alexander 2001, 252; Blumer 1969; Douglas 1970; Giddens 1984; Goffman 1974; Mehan 1990). Such actions can also constitute structures (Sewell 1992, 4). This inter-related characteristic of agents and structures makes it impossible to account for one without alluding to the other (Adeney and Wyatt 2004, 6; Carlsnaes 1992, 246; Jasper 2004, 7; Lewis 2002, 19).

According to Giddens’ (1979, 69) widely acknowledged theory of structuration “the structural properties of social systems are both the medium and the outcome of the practices that constitute those systems.” In order to provide adequate explanations to political outcomes, therefore, it is essential to use an interactive analytical approach that takes into account the reciprocal effect of agential and structural factors (Jasper 2004, 4; Sibon 1999, 18; Wharton 1991, 373). In this regard, structural factors should be viewed as outcomes of human actions (Cerny 2000, 437; Stone 1989, 10) and then viewed as constrainers (Lewis 2002, 17; Sewell 1992, 20), enablers (Giddens 1976, 161), and enhancers (Adeney and Wyatt 2004, 7; Hays 1994, 61) of these actions.
The study employs the interactional agency-structure approach in three steps. First, it explains the role that human – individual and collective – initiatives have played in stimulating urban development. Second it analyzes and interprets patterns of urban development resulting from these initiatives in Kenya’s three cities using urban economics theories. Finally, it uses a combination of theories on clientelism to analyze the effect of urban development on citizen-politician clientelistic linkages in the three cities. Bridging this disconnect between the theories of urbanization and clientelism through such an approach can provide a more complete and insightful understanding of how urban development shapes clientelism. Such a move can also enlighten us on the political importance of urban development in African countries that are known for clientelism, with important policy making implications.

1.3 Clientelism

Clientelistic transactions are usually characterized by four key aspects: they are dyadic, personal and long lasting, asymmetrical, and reciprocal (Muno 2010, 21). This aspects are the basis of the distinction made between the two modes. The earliest studies that introduced the concept, especially from cultural and social anthropology (Kobayashi 2006, 1), highlighted the strong, long-term relational bonds that existed between patrons and clients as the underlying foundation that sustained the exchange of goods and favors between them (e.g. Eisenstadt and Lemarchand 1981; Eisenstadt and Roniger 1984; Gellner 1977; Gellner and Waterbury 1977; Mason 1986; Weingrod 1968). But in the recent years, particularly after the trends of democratization in developing countries, the growing prominence of formal institutions has led to a different application of clientelism. It is mostly highlighted as a problematic informal institution.
that undermines democratization because it is used as a mechanism for illegally buying votes during elections (Hopkin 2006, 3).

Following leading scholars on clientelism (e.g. Boissevain 1966; Eisenstadt and Roniger 1980, 1984; Gellner and Waterbury 1977; Hyden 2004; Kaufman 1974; Kitschelt 2000; Lemarchand 1972; Piattoni 2001a; Scott 1972; Tarrow 1967; Wantchekon 2003; Weingrod 1968), this dissertation develops a conceptualization of clientelism that has two dimensions: The different forms it exists in and the time period they are used by politicians. With the time they are used being the basis for the dimensions, a distinction should be made between clientelism during election and non-election seasons (Scott 1972, 99). This dichotomy of clientelism is a common feature in the works of scholars from anthropology and political science. Weingrod (1968, 380) highlights the existence of this dichotomization by pointing out that clientelistic “patronage for anthropologists is an enduring relationship, while in the political science sense patronage is most clearly enunciated during election campaigns.” When clientelism is based on enduring relationships it can be referred to as relational and when it is only enunciated during elections it is non-relational. The latter tends to have transactions that occur during election seasons only, while the former tends to have transactions that occur during non-election seasons also. In recent studies (e.g. Keefer 2009; Lindberg and Morrison 2008; Van de Walle 2007; Vicente and Wantchekon 2009; Young 2009) this dichotomy is, however, not strictly observed although clientelistic interactions still have this character. An important contribution of this dissertation is to introduce a new way of thinking about the occurrence of clientelism around the two
seasons. This study differs from other studies by the way it distinguishes this occurrence using two distinct modes.

What stands out from recent studies on clientelism in newly democratizing regions (e.g. Keefer 2007; Lindberg 2010; Van de Walle 2007; Vicente and Wantchekon 2009), such as Africa, is the weak and short-term nature of bonds between patrons and clients that are established for the purpose of buying votes (Wantchekon 2003, 400). The contradicting image in the early studies versus the one in the recent studies is one whereby in the old type of clientelism patrons are viewed as responsive to clients’ needs with no attachment to elections but due to the strong relational bonds (Eisenstadt and Roniger 1984, 48-49; Lande 1977; Mason 1986, 489), whereas in the new form of clientelism the responsiveness is tightly linked to elections and strong relational bonds are not always existent (Hopkin 2006, 5). This different characteristics of clientelism is what leads to the two modes compared in this study: traditional and modern.

A useful distinction that is related to elections can be made between the two modes of clientelism. The traditional mode of clientelism is characterized by the occurrence of private interactions and transactions between citizens and politicians throughout non-election seasons. In this mode of clientelism, politicians selectively visit citizens that they have strong, long term bonds with and offer them personal assistance in exchange for their loyalty at the polls. These features are commonly highlighted in studies that approach clientelism from a relational perspective (e.g. Eisenstadt and Lemarchand 1981; Hopkin 2006, 3-4; Kaufman 1974; Piatonni 2001b, 9). On the contrary, the modern mode of clientelism is characterized by the occurrence of

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1 Such exchanges also take place between other actors in a society. But the focus of this study, which compares clientelism during election and non-election seasons, is on citizens and politicians.
momentary interactions between citizens and politicians that are restricted to election seasons. Politicians only visit citizens to campaign and secure votes by distributing private favors. In this mode of clientelism, the relational bonds between citizens and politicians are weak. Hence, scholars who study its occurrence during elections (e.g. Allum 1997; Hopkin 2006, 8; Kitschelt 2000; Kurer 1993; Lindberg 2010; Vicente and Wantchekon 2009) tend to highlight its non-relational features, in the sense that they pay more attention to the nature of transactions than the nature of relational aspects. Another important dimension that this study adds to distinguish the two modes of clientelism is the presence or absence of a reciprocal link between a citizen and a politician. This type of link is evident when a citizen successfully visits a politician several times and is also visited by a politician. As this study will show later, this link exists in the traditional mode but not in the modern mode.

The above distinction between the modes of clientelism is not always clear in the literature on clientelism. This is because scholars fail to systematically separate them. Usually, in studies on clientelism and its effect on democratization (e.g. Keefer and Vlaicu 2008; Van de Walle 2007; Young 2009) or development (e.g. Hyden 2004; Medina and Stokes 2002; Roniger 2004) scholars overlook the distinction. The modern mode is however more prominent. Scholars also never show how the mode of clientelism politicians choose to use varies with regards to their hierarchical position. This is another gap that this study seeks to fill. I argue that the hierarchical position of a politician, that is, whether it is an M.P., a Councilor, a Mayor, or a Chief, has varying implications on the mode chosen. The variation of the political offices that these politicians hold – local versus national – suggests that they have different clientelistic
strategies, yet most studies (e.g. Chappell 1989; Kitschelt 2000; Paul 2008) treat them in a unitary fashion. Scholars also tend to lump clients (e.g. Auyero 1999; Fatton 1986; Keefer 2009) but never find out how politicians employ the two clientelistic modes with regards to demographic distinctions in clients’ age, gender, or even levels of poverty among the poor. My contention is that the mode that is chosen is preferred because of its effectiveness with regards to two factors: the resources available to the politician, based on the hierarchical position, and the effect of urban development on the socioeconomic status targeted clients.

1.4 Urban Development

Most investigations of the relationship between development and clientelism in African countries focus on national level aggregate variables rather than local government level variables: for example, gross domestic product (GDP), gross national product (GNP), and foreign direct investment (FDI). The shortcoming of national level aggregate variables is that they are unable to depict important micro-level developmental processes occurring at the local level. The present study focuses on the variables usually merged within the aggregate variables (GDP, GNP, and FDI), that is, local government expenditures on infrastructural projects, citizen investments in small businesses and real estate. It is important to study the effect of local level aggregate variables so as to better understand micro-level factors that sustain clientelism. Because national level variables mask these factors they are unable to offer substantive ideas for the development of policies that deal with the undesirable outcomes of clientelism, such as the lack of democratic accountability and democratic representation (Keefer 2007, 804; Keefer and Khemani 2004, 372; Kurer 1993, 261; Lindberg 2010, 125). Thus, whereas trying to understand general patterns of clientelism across
countries has proven to be very useful due to its ubiquitous nature (Van de Walle 2007, 2), limiting our theory-building efforts to explaining the effects of national level development variables risks leaving us without a better understanding of the relationship between local level development variables and clientelism. A goal of this dissertation is to introduce a new and supplementary approach that focuses on local government urban development initiatives to explain clientelism.

Urban development schemes usually lead to urban growth, which has two components: economic growth and employment growth (Black and Henderson 1999, 253-254; O'Sullivan 2009, 90). Economic growth occurs when the average income in a city increases and employment growth occurs when the total workforce in a city increases (O'Sullivan 2009, 90). Economic growth is brought about by three key factors: capital deepening (Burmeister and Turnovsky 1972, 842), increase in human capital (Ito and Fukao 2005, 7; Storper and Scott 2009, 164), and agglomeration economies (Broersma and Dijik 2008, 183). Capital deepening occurs when the amount of physical capital in an area increases; human capital increases when the knowledge and skills workers have increases due to their education and work experience, and agglomeration economies increase when different businesses cluster together (O'Sullivan 2009, 43). Agglomeration economies can occur within one industry – localization economies, or across different industries – urbanization economies (Moomaw 1983). With regards to agglomeration economies, this study focuses on urbanization economies, which is more relevant because it applies to large, diverse cities (O'Sullivan 2009, 43) like the ones this study focuses on. The combination of capital deepening, human capital, and agglomeration economies is what leads to economic growth in a city (O'Sullivan 2009,
This occurs through the expansion of physical structures that increase per-capita income and total work force in an urban area (Bertinelli and Strobl 2007; Black and Henderson 1999; Cohen 2004; Storper and Scott 2009; Waddell 2007). Physical structures include features such as roads, buildings, drainage systems, and electric grids. This study’s argument is that the variation in the quality and quantity of such features affects the clientelistic mode politicians consider to be effective.

Urban development also increases the rate of urbanization, which is different from urban development but inter-related to it. Whereas urban development refers to infrastructural and property developments, urbanization is the process of growth in the urban proportion of citizens relative to rural proportion (Hope Sr. 1986, 41). Urbanization is characterized by two major factors: an increase of the urban population and rural-urban migration (Hope Sr. 1986, 42; Todaro and Smith 2009, 320). Urban development and urbanization are linked by economic growth. “The positive association between urbanization and per capita income is one of the most obvious and striking ‘stylized facts’ of the development process.” (Todaro and Smith 2009, 321). In developing countries rural populations have been increasingly seeking work in services and manufacturing sectors located in the urban areas because of the clustering of firms in cities (Davis and Henderson 2003, 99). The demographic outcome is highly dense urban areas, which in turn affects citizen-politician linkages. This dissertation thus views the link between the nature of the politicians’ urban context and the clientelistic strategy chosen not as the outcome of random decisions but as the product of intentional decisions meant to maximize the payoffs of clientelistic goods distributed, which are usually in the form of votes (Kurer 1993, 265; Medina and Stokes 2002, 3; Robinson
A particular strategy is preferred because of the challenges and opportunities present in an urban context. Framing the role of urban development this way highlights its constraining effect on politicians, in the sense that an urban context ceases being just a political territory and becomes a set of economic structures that influence their behaviors. Urban development therefore becomes a mechanism that affects the way politicians choose to establish linkages with citizens.

### 1.5 Mechanisms of Urban Development and Clientelistic Strategic Considerations

Figure 1-1 illustrates the process in which mechanisms of urban development affect clientelism.

![Diagram of Urban Development and Clientelism](image-url)

**Figure 1-1.** The effect of urban development on clientelism
This dissertation shows how the two components of urban development - economic growth and employment growth – affect the level of clientelism and the mode of clientelism employed by politicians in two stages. In the first stage it shows how variations in urban development lead to variation in socioeconomic status. In the second stage it shows how politicians, depending on hierarchical position, choose one clientelistic mode over the other. Figure 1-1 above illustrates how mechanisms of urban development affect clientelism. The argument depicted is based on one simple proposition: politicians usually target the poor and uneducated for clientelistic transactions (Auyero 1999, 311; Dixit and Londregan 1996; Hopkin 2006, 8; Kaufman 1974, 300; Kitschelt 2000, 849; Penfold-Becerra 2007, 67). Everything else being equal, it should be cheaper to buy the loyalty of the poor than the rich.

The proposition that poor citizens’ votes are cheaper than those for rich citizens suggests that clientelistic politics can be viewed in economic terms and that the choice of clientelistic mode can be seen in terms of the quest to use a strategy that will be effective in light of economic conditions within an urban area. To the extent that the successfulness and effectiveness of one mode is determined by the cost of clientelism, the preferred mode for a politician will be the one that is less costly and still offers appealing clientelistic contracts to citizens.

In order to select the mode that is politically and economically efficient they will, therefore, consider three important factors: the value of goods they have to offer their targeted citizens to convince them to sell their votes, the total population they have to select from, and the resources available to them. In most African countries access to abundant resources is determined by the hierarchy of the politician (Baylies and Szeftel
This should lead to variations in the preferred clientelistic mode. The effect of these resources can be either increased or decreased by the extent of urban development.

With reference to the argument depicted above, urban development matters in three ways. First, where it is high the socioeconomic status of citizens may undergo higher improvements. In such a context, clientelistic goods are less attractive and less useful as a basis for seeking votes. But where there is low change in urban development clientelistic goods are more attractive and useful for seeking votes.

Second, it matters because when higher levels of urban development lead to higher levels of urbanization it increases the population of citizens politicians have to choose clients from. When this population is high the total number of demands from citizens can also be high. In order to respond to these demands they must take into consideration whether it is strategic to respond through private goods or public goods (see Lindberg 2010). If they respond through private goods, in exchange for votes, in a highly populated area the strategy may be ineffective. This is because the total cost of recruiting a meaningful ratio is too high. Using this strategy, it is only possible to recruit a few citizens, and this ratio compared to the overall population can have an insignificant impact at the polls.

On the other hand, if they distribute public goods they can cast a wider net and capture more citizens, leading to a significant impact at the polls. It is a more efficient way for them to win votes in highly urbanized contexts since the congestion makes it possible to appeal to a large population with a few public goods.
A third way that urban development matters, which is associated with urbanization, is the effect that density has on politicians’ ability to monitor clients. High levels of urbanization often lead to high population density (O’Sullivan 2009, 163-165). In the past 50 years this trend has been a common trend in developing countries (Bertinelli and Strobl 200, 2500). This outcome undermines that ability to successfully execute the traditional mode of clientelism, which depends on frequently visiting and monitoring clients during non-election seasons. This is an impossible task in high density areas. In such a context the modern mode of clientelism, based on one-time strategic visits, can be more successful. However, the modern mode can also be successfully executed in a low density area. Thus along all three channels higher urban development should lead to lower incidence of traditional clientelism and increase in either modern clientelism or public goods provisions.

Figure 1-2. The effect of urban development on clientelistic transactions
Viewed as separate structural and agential components, under the interactional structure-agency approach that this study employs, the factor that links the effects of urban development to the changes in clientelistic practices is the change in citizens’ social economic status. Figure 1-2 illustrates this linkage. The following discussion elaborates on this connection and then derives the hypotheses and research questions that guide this study.

1.6 Low Socioeconomic Status Attracts Clientelism

The vast literature on clientelism points out that clientelistic politics is mostly attractive in conditions of low economic productivity (Fox 1994, 154; Wantchekon 2003, 400; Robinson and Verdier 2002, 4; Calvo and Murillo 2004, 742). Hence, clientelism has been one of the most prevalently used concepts for studying the nature of politics between politicians and the poor in such contexts (Auyero 1999, 297; Medina and Stokes 2002, 18). At its core, clientelism is undergirded by socioeconomic factors. According to Roniger (2004, 359), it is an “informal practice rooted in the interface between the socioeconomic and the practical” (Roniger 2004, 359). Pioneering studies on clientelism directed scholarly focus on the role of socioeconomic development by pointing out that material insecurity largely accounts for the origin of clientelism (Lemarchand and Legg 1972, 155). This observation has continued to hold true in most cases where clientelistic relations are prevalent.

Generally, clientelistic relations are undergirded by hierarchical structures of dependence based on inequality (Auyero 1999, 298). These relations structure both interpersonal relations and the flow of resources between politicians and citizens. Based on this understanding, scholars have used it extensively to explain why the poor choose certain political leaders for both electoral as well as non-electoral reasons on the basis
of patronage, which “is a distributive mechanism that provides different returns to voters with different skills and labor market expectations” (Calvo and Murillo 2004, 742). The concept of patronage gained prominence as a framework for analyzing peasant societies (Weingrod 1968, 377). The aspect that contributed to the prominence of this concept is the socioeconomic underdevelopment of such contexts, which made peasants reliant on patrons for survival and patrons reliant on low cost of services from the poor. Some of the early studies on clientelism in political science that focused on peasant societies (e.g. Powell 1970, 411) alluded to the low productivity of their economic activities as the main cause of their vulnerability to several livelihood threats and hence their subsequent reliance on patrons for survival. This is still the same logic that we can say sustains clientelism in less urbanized contexts today, where economic activities of the poor are less productive than in more urbanized contexts. These economic variations shape how actors evaluate the value of votes (Hopkin 2006, 5; Piattoni 2001a, 17).

In urban contexts where levels of income are high the bidding price for votes can be high as well. This discourages patrons from using clientelistic strategies to seek votes. On the contrary, where the level of income is low the bidding price can be low enough to encourage patrons to use such strategies. Urban contexts with fewer resources for the poor to improve their socio-economic status makes them vulnerable to targeted incentives during election periods in exchange for their votes (see Kitschelt 2000, 849; Robinson and Verdier 2002, 3). On the contrary, in contexts where development is high there are more resources that provide a basis for improving socio-economic status. Hence, the distribution of targeted incentives during elections in
exchange for votes is likely to be avoided by politicians because the overall cost of incentives can be too high.

Clientelism can be viewed from several perspectives depending on the purpose of each study. This study uses a rational choice and a functional perspective to show how the level of urban development generates different clientelistic outcomes. From a rational choice perspective, clientelism is an exchange undergirded by economic principles whereby those with higher economic status – patrons - use their resources to purchase support and assistance from those with lower economic status - clients (Scott 1972, 92). From a functional perspective, clientelism is a mechanism that is used by the poor to advance their socio-economic status (Mair 1961, 6). Other scholars (e.g. Fatton 1986, 7) perceive patron-client relations as “a manifestation of patterns of dependence and misdevelopment.” These relations can also be perceived as complex networks of dependence that persist for long periods (Auyero 2001, 213; Clapham 1993; Le Vine 1980; Lewis 1996). A rational choice logic for why clientelism thrives in underdeveloped areas is that “poor and uneducated citizens discount the future, rely on short causal chains, and prize instant advantages such that the appeal of direct, clientelistic exchanges always trumps that of indirect programmatic linkages” (Kitschelt 2000, 857). On the contrary, citizens who are in developed contexts, who for the most part tend to be educated and affluent, face higher opportunity costs when choosing clientelism and so they demand rewards that are more expensive (Kitschelt 2000, 857). In turn, their expectations make clientelism increasingly expensive for politicians. Because politicians have limited resources they will either choose to rely less on clientelistic strategies or not use them at all. According to Calvo and Murillo (2004, 755), “targeting populations
with different skills and private market expectations is critical to understand the electoral benefits that political parties can expect from their clienteles...Hence, external shocks produced by economic development...will influence the effect of patronage.”

I argue that when development occurs through the increase of private and public economic activities in urban areas it changes rational calculations for both citizens and politicians and subsequently weakens clientelistic linkages. This is more likely to be the case at when clientelism is examined at the aggregated level. At a disaggregated level, the relationship between urban development and clientelism may vary depending on other trade-offs made by politicians between cost and population size. According to developmentalist arguments, clientelism is a prevalent form of linkage mechanism between parties and citizens in poor countries, but once development occurs these mechanisms lose prominence (Kitschelt 2000, 857). This is because affluent citizens are more likely to defect from clientelistic contracts. The less affluent, on the other hand, can be mobilized through targeted personal incentives (Wilson 1973, 72). Political parties in developing countries usually take into consideration these factors when mobilizing citizens (Kitschelt and Wilkinson 2007, 24). The lack of private economic activities leads to monopolistic parties that citizens heavily rely on for goods and services; low productivity of private economic activities also makes clientelism an attractive strategy for parties seeking to buy votes from citizens (Robinson and Verdier 2002, 24). In developing countries, lethargic economic development makes it possible for clientelism to serve as a mechanism for parties to monopolize resources that citizens do not have (Medina and Stokes 2002). Hence, an increase in private economic activities that avail these resources and an increase in public services can undermine
parties’ monopolization of resources. Some scholars (e.g. Huntington 1968) have argued that modernization leads to programmatic parties. To be clear, although this study may sound similar it is not making the claim that the lower levels of clientelism in more urbanized areas are associated to programmatic parties. Instead, it only highlights the effect of urban development on parties’ clientelistic strategies.

The relationship between political parties in clientelistic societies has traditionally been characterized by the exchange of votes for personal favors, such that during election periods clientelism usually involves the exchange of votes for cash (Vicente and Wantchekon 2009, 293). For this matter, analysis of clientelism usually focuses on the efforts that parties make to buy votes during election periods and the vulnerability of the poor to clientelistic transactions. Economic deprivation and dependency on political parties usually sustains the grip that clientelistic politics has on the poor (Auyero 1999, 311). Transformation of citizens’ economic and social conditions, therefore, has an effect on party patronage (Warner 1997). It affects their decision on whether to use clientelism or programmatic appeals. As Lemarchand and Legg (1972, 155) note “political control through clientelism…is…intimately related to prior changes in social and economic spheres.” Parties gain political control through access to state resources, which subsequently makes them politically monopolistic (Medina and Stokes 2002). Political monopoly over resources makes it possible for political parties to have a grip on clients through clientelistic contracts (Park 2008, 117; Weitz-Shapiro 2007, 6–7). Party monopoly over resources is usually a feature of less urbanized areas, whereas in more urbanized areas party oligopoly over resources may be the case due to intense multiparty competition with several patrons having control over resources (Muno 2010,
6). This intensity is what may lead to an increase in the cost of clientelism as politicians compete to offer the best deal to clients. The resultant effect of such competition may be a withdrawal from clientelism by politicians who cannot afford to offer best deals and benefit from patronage, an issue that is also associated with party budgets.

Budget constraints force parties to take into consideration a wide range of economically related factors that affect the success of clientelism, such as level of employment, level of skills, and market expectations of citizens (Calvo and Murillo 2004, 751). Following from this, the expectation is that in contexts where levels of income and skill are low, parties can maximize the benefits from the goods they are distributing because they are able to use lesser resources to recruit several clients. On the contrary, when levels of income and skill are high, the benefits are minimal. The empirical implication is that we should expect to see a high percentage of citizens with low incomes and low skills in an urban area to be associated with higher levels of clientelism. Conversely, a high percentage of citizens with high incomes and high level of skills should be associated with lower levels of clientelism. This is because the budget constraints that parties face forces them to consider the tradeoff of offering alluring goods to only a few citizens with high incomes or to a larger group of low income citizens.

Local government development initiatives play an important role in the transformation the socioeconomic factors that sustain clientelism. From this standpoint, clientelism indirectly depends on the way local governments effectively manage their urban areas. As Cheema (1993, 7) notes, “solutions to urban problems depend heavily on effective urban development.” Well managed urban areas facilitate economic activity
and make it possible for citizens to gain necessary access to utilities and services, subsequently leading to income generation (Rakodi 1991, 542). Urban management in this regard are “the set of activities which together shape and guide the social, physical, and economic development” (Sharma 1989, 48). “Urban management is the responsibility of [local] government and [it] is concerned with all aspects of urban development, both public and private. It is no way confined to the services operated by [local government]” (Amos 1989, 208). Local governments, therefore, alleviate poverty through employment creation. They play an important role in addressing scarcities of infrastructural development that hinder business investments (Hansen 1990) by expanding public services. “A major step forward towards expanding the asset base of the urban poor is to enhance their limited access to the full range [local government] services” (Rogerson 1999, 516).

Inadequacy of these services can lead to high levels of economic insecurity for citizens. As a result, citizens become dependent on parties for personal favors for such services, or rely on other privately provided services like those provided through community organizations. When opportunities availed by political, economic, and administrative institutions increase, individuals act upon them and this undermines patron-client systems (Michie 1981, 21), especially through the development of market economies (Kessinger 1974). Lemarchand and Legg (1972, 160) point out that “the more extensive the penetration of government into the periphery and the wider scope of governmental activities, the lesser the chance for clientelism at the grassroots.” This implies that government’s infrastructural development and extension of service provision can moderate the occurrence of clientelism. An increase in sources of needed
products and services by clients makes them less dependent on clientelistic networks (Lemarchand and Legg 1972, 162; Michie 1981, 21). According to Michie (1981, 24), the active involvement of the national level of government in the local government level forces patron-client network structures or systems to respond to new circumstances. The responsiveness is mainly triggered by an influx of alternative resources that shifts dependency from patron’s monopoly to new resources. These changes undermine patrons’ monopoly over resources that clients seek. When citizens are able to access better public services the marginal utility of clientelistic goods offered to them decreases (Keefer 2009, 27).

The availability of alternative sources of goods and services due to local government development can therefore have an effect of increasing the bidding price for votes. An increased price for votes and a need for a high ratio of votes can make clientelism too costly for parties in highly more developed urban areas. Just like in any other economic transactions, the volume of clientelistic transactions is shaped by the economic characteristics such contexts, as well as the needs of clients (Lemarchand and Legg 1972, 155). Access to governments and market networks can provide a wider range of alternative goods and services to patrons’ goods. In studies based on peasant societies scholars (e.g. Powell 1970) have found that the lack of access to government services leads to intense patron-client relations. As Powell (1970, 413) points out, “in a traditional village – isolated with few…government ties with the outside – patron-client relationships tend to be enduring, extensive and intense.” Hence, local government urban development initiatives have the potential of weakening the level of clientelism.
1.7 Urban Development Improves Socioeconomic Status

This section lays out the theoretical framework that guides the examination of the effect of urban development on clientelism in Kenya. It provides a logic for how urban development transforms the socioeconomic factors that tend to attract clientelism and introduces the variables that are employed in this study. The ideas employed in this section borrow largely from urban economic studies that have been done on formal sectors and attempts to appropriately apply them in the informal sector, where this study was done. The rapid rate of urbanization in developing countries and the inability of the formal sector to create employment opportunities has led to increasing attention on this sector as a solution to the increasing rates of unemployment (Todaro and Smith 2009, 335). This sector is, therefore, an important source of income for those who migrate from rural to urban areas (Becker 2004, 9; Todaro and Smith 2009, 335) and has generated high incomes for the urban workforce (Todaro and Smith 2009, 337). New informal sector business owners increase the productivity and survival rates of their businesses by locating in urban contexts with several suppliers and extensive markets (Henderson 2002, 97). While most of the studies that look at the relationship between clientelism and economic development tend to focus on macroeconomic factors, this study uniquely focuses on microeconomic factors. These factors play an important role in the development of urban areas (Alonso 1968, 4). In essence, the discussion in this section is about drivers of socioeconomic development in local government urban jurisdictions.

The ideal urban development outcome is “an urban management process driven by a robust local government.” (McGill 1998, 468). Direct support to such a process can include facilitation of small businesses by making premises for operating businesses
available through the construction of markets (Rogerson 1999, 517; Stren and Gombay 1994). Government policies significantly influence the rates of urbanization through structuring sectoral composition, which entails a transformation of agricultural and manufacturing industries (Davis and Henderson 2003, 99). A higher level of manufacturing and services industry leads to clustering of industries, hence increasing the rates of urbanization (Davis and Henderson 2003, 117). These policies tend to affect the degree of urban concentration (Ades and Glaeser 1995, 2; Henderson 2002, 107), especially through infrastructural investments (Renaud 1981, 62). An increase in such investments is a sign of successfully managed urban areas (Mabogunje 1993, 3).

The economic impact of infrastructural provision usually translates to economic advancement of business enterprises (McGill 1998, 466). For example, a more developed transport infrastructure increases urban concentration, which in turn generates low transport costs and higher productivity (O’ Sullivan 2009, 81).

Urban development moderates clientelistic practices by economically empowering the poor through improving several social and economic aspects. Urban areas experience self-sustaining economic growth if they have an extensive variety of economic activities, a large pool of skills, large local markets that attract suppliers, a large demand for services, and major infrastructural developments (Alonso 1968, 7). The expansion of urban economies usually improves socioeconomic development by increasing employment opportunities, better learning opportunities, and higher social opportunities (O’ Sullivan 2009, 61). Urban areas that are more developed experience a high productivity of labor because of better economic opportunities (Frank, Jr. 1968, 257). “Average household incomes tend to be systematically higher in such urban
areas” (Hope Sr. 1986, 46). One aspect that bolsters incomes in these areas is access
to credit. Economic activities of the poor in more developed urban areas tend to be
more productive than for those who are in less developed urban areas because of
availability of credit from financial institutions (Chandavarkar 1985). The level of credit
rationing in more urbanized areas tends to be relatively low compared to less urbanized
areas because of low transaction costs (Fay and Opal 2000, 8). Dwellers in more
urbanized contexts can, therefore, access credit easily. As a result of availability of
credit, businesses increase at a higher rate, which in turn leads to diverse economic
activities. The diversification in goods produced and traded within a city is what
contributes to its economic growth (Glaeser et al. 1991). This is mostly the case in large
cities because they offer a higher product demand for businesses (O’ Sullivan 2009,
77). In these cities there is a large consumer base that supports the production and
trading of a wider range of products (O’ Sullivan 2009, 78).

Scholars of urbanization have shown that urban development is positively
associated with improvements in human conditions (e.g. Njoh 2003, 170; Fay and Opal
2000; Todaro and Smith 2009, 321; Polese 1997, 1). This is because income levels in
more urbanized areas tend to be higher than in less urbanized areas (Njoh 2003, 173).
Urban development stimulates growth in income per capita by making it possible for
firms to benefit from large markets, inputs for their products, and better social services
(Miro and Potter 1980, 124). The supply and demand for public services also increases
(Frank, Jr. 1968, 250). Studies have found that in the early stages of development,
urban concentration\(^2\) can lead to positive economic outcomes in developing countries

\(^2\) Urban concentration refers to the fact that the distribution of the population is highly concentrated in one
city.
(e.g. Bertinelli and Strobl 2007, 2501; Davis and Henderson 2003, 99). As Alonso (1968, 8) points out, “in the early stages of development, the advantage lies with the developed centers, which enjoy the existence of overhead facilities, external economies, political power… flow of funds from the land-wealthy in the hinterlands to the financial markets in the cities, and a variety of other factors.” Developed manufacturing and service industries in more developed urban areas foster positive externalities, such as knowledge spillovers and human capital accumulation (Bertinelli and Strobl 2007, 2499; Fujita and Ogawa 1982 cited in Henderson 2002, 91). “Human capital is… the knowledge and skills acquired by workers in formal education, work experience, and social interaction” (O’ Sullivan 2009, 61). Knowledge spillovers are critical for growth efficiency because they lead to higher returns in private human capital (Black and Henderson 1999, 253; Stroper and Scott 2009, 148). Most of the times it is the educated citizens that experience these higher returns in urbanized areas (Fay and Opal 2000, 14). The combined effect of these factors leads to concentration of economic activities. Concentration of citizens in one city also leads to economic development due to the accumulation of knowledge and spillover of information (Henderson 2003). In this regard, cities where business owners have high levels of education and better access to learning opportunities are more likely to have more business owners with higher socio-economic status.

It is well known that firms in developed countries tend to benefit from agglomeration economies\(^3\) due to clustering (Davis and Henderson 2003, 117; Henderson 2002, 97). When firms that are from different industries cluster together they

\(^3\) The economic forces that cause firms to locate close to one another in clusters.
benefit from urbanization economies (O’ Sullivan 2009, 81). Urbanization economies “occur when agglomeration economies cross industry boundaries…The idea is that the presence of firms in one industry attracts firms in other industries” (Henderson 2002, 43). Urbanization economies cannot be experienced in the informal economic sector, which is the context of this study, in the same way that they are experienced in the formal sector. But it is still possible that the effects of urbanization economies exist in the informal sector also. In the formal sector, scholars talk about different industries clustering in one area, such as automobile and banking industries clustered in one area (O’ Sullivan 2009, 81). Similar patterns exist in the informal sector when car mechanics, carpenters, tailors, etc. cluster in one area.\(^4\) Just like the way firms in the formal sector learn from other firms involved in the same activity, so do these small industries in the informal sector (Bosire and Gamba 2003). In the formal sector learning mostly takes place through formal interactions (Todaro and Smith 2009, 327). In the informal sector learning takes place through informal interactions.\(^5\) Although economies of agglomeration have been mostly associated with firms in the formal sector, some of the factors that are experienced by such firms can also be experienced by businesses in the informal sector. Just as the productivity of firms in a city is enhanced when other firms are nearby (Henderson 2002, 91), so can the business productivity of businesses in the informal sector enhanced when other businesses are located nearby. In highly urbanized areas, firms benefit from urbanization economies, associated with the overall scale of different industries in a city. The manner in which businesses in the urban

\(^4\) Based on observations made during my fieldwork.

\(^5\) Based on in-depth interviews with business owners during my fieldwork.
informal sector share ideas and resources used to produce a final product is analogous to the urbanization economies associated with firms in the urban formal sector. This is especially the case when there are several businesses with huge capital investments (capital intensity) in urban informal sectors.

Firms benefiting from urbanization economies also share ideas and specialized workers beyond their industry by interacting with specialists from other industries (Henderson 2002, 93). It is not uncommon to see the same interactions in the informal sector, where a business producing large products that require various inputs will seek the expertise of other businesses specializing in various parts to help in completion of the final product.

For example, consider a carpenter with a big order for sofas. From my studies I have found that most of the times such carpenters do not have all the equipment and labor they need. So, a carpenter with such a big order will take the order through different businesses that specialize in the various parts needed to complete the sofas. This sharing of ideas and specialized workers is mostly successful in highly urbanized areas, which have a wide range of businesses that can benefit from each other. As a result, productivity and levels of income are higher in these urban areas as opposed to the less urbanized areas. In the less urbanized areas such sharing is mostly absent due to low urbanization economies. In highly urbanized areas businesses in the informal sector can also produce advanced and high profit products because of this sharing of ideas and specialized assistance from workers beyond their micro industry. Businesses can produce a wide range of products because urbanization economies make it possible to have access to other services that they cannot afford. Businesses that tend
to have the ability to produce high-end goods and help other businesses usually have high capital intensity.

In the formal sector, firms cluster in industrial districts, where they are able to contract out work when they have unusually large orders (Todaro and Smith 2009, 329). Based on my fieldwork observations, the same contracting happens quite frequently in the informal sector, especially in more urbanized areas where there is a variety of small industries. Clustering in the informal sector follows similar patterns to those in the formal, where businesses involved in the same activity locate next to each other.  

Clusters of related small industries in the informal sector lead to spillovers from technological advancements among businesses. For instance, if a carpenter whose business is doing well adopts a new machine for cutting wood faster, neighboring carpenters within the cluster will also benefit. It has been shown by scholars that when firms from the same industry locate next to each other they are able to handle unusually large work orders because they contract out some of it (Todaro and Smith 2009, 329). In such cases “a firm of modest size does not have to turn down a big job due to lack of capacity, and arrangement that provides ‘flexible specialization’” (Todaro and Smith 2009, 328). It is not uncommon to see small sized businesses contracting work to larger businesses in the informal sector. These kinds of relationships are even more likely to be observed in more urbanized sectors. This interdependence can make it possible for businesses to end their reliance on politicians for clientelistic exchanges that they have used for survival in case of business failure.

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6 This study was done in small business clusters in the informal sector. This makes it possible to use the theory of clustering to explain business productivity outcomes in the sector.

7 I have been able to see these contracting activities during my field work.
Urban informal sectors in highly urbanized areas also do well because they serve as suppliers of various inputs for firms in the formal sector (Chaudhuri 1989, 351; Portes and Sassen-Koob 1987; Tokman 1978). Existing evidence from informal sectors in developing countries show that when they interact with the businesses in the formal sector they tend to experience high rates of productivity (see Mukherjee 1990 and Banerjee 1985). The earnings from the informal sector can, therefore, be competitive to earnings in the formal sector (Yamada 1996, 308), especially because of input sharing. Input sharing is also one of the agglomeration economies that generate urbanization economies sharing (O’ Sullivan 2009, 58). Firms across different industries share intermediate inputs such as banking, transportation services, and public infrastructure. It has been observed that “by sharing these intermediate inputs, firms in larger cities pay lower prices and tap a wider variety of inputs” (O’Sullivan 2009, 58). These characteristics are present in the informal sector in more urbanized areas, where there is a dynamic interaction between the firms in the formal sector and businesses in the informal sector. Input sharing is advantageous because it generates higher business productivity and lower production costs (O’ Sullivan 2009, 60).

### 1.8 Hypotheses and Research Questions

The line of reasoning presented above, based on the illustration presented in Figure 1-2, leads to the following hypotheses:

**H1:** Citizens in an urban context that has high degree of physical development, high level of human capital, and a great variety of businesses clusters are likely to have higher socio-economic status than those in an urban context that has a low degree of physical capital, low human capital, and a low variety of businesses clusters.

**H2:** Political parties and politicians are less likely to use clientelistic strategies to win votes in more developed urban contexts, where most citizens have high socio-economic status. Instead they are more likely to use these strategies in
less developed urban contexts, where the socio-economic status of most citizens is low.

If H2 holds we should expect to see a low occurrence of clientelism in general in a highly developed urban contexts, moderate occurrence in a moderately developed urban context, and high occurrence in an urban context that has low development.

There is a logical connection between the three hypotheses. H1 is concerned with socioeconomic status conditions that, if present, should ensure that the observations hypothesized in H2 and H3 will follow. Once these hypotheses have been extensively examined confirmed the study examines the following additional questions in order to scrutinize the findings further:

Q1a: How does the use of each clientelistic mode (traditional versus modern) by politicians vary across urban contexts with regards to their different levels of development?

Q1b: Do these two clientelistic modes have a different relationship with the degree of urban development.

Q2: How do upper (Members of Parliament) and lower level politicians (Councilors) use the two modes in different urban contexts? In other words, which of the two politicians is more likely to use the modern mode, and which one is more likely to use the traditional mode? In which urban context is either politician likely to use one mode over the other?

1.9 Possible Objections and Responses

The analysis presented here does not attempt to provide a comprehensive theory of how development shapes clientelistic strategies but attempts to address the oversight of urban economic factors that is missing in the literature on clientelism. At present, the literature on clientelism is also devoid of explanations on the local government conditions that transform clientelism. Due to the rapid urban development taking place in Africa (Cohen 2006, 71; Kessides 2005, ix; Montgomery 2008; 761; Owusu and Otiso 2008; UN-Habitat 2010), as well as ongoing decentralization of governments (Boone
2003, 355; Bratton 2012, 516; Kauzya 2007, 3; Ribot et al. 2010, 35; Wunsch 2001, 277), we need to account for the effect of these factors. It may be objected that politicians do not always consider the rate of urban growth in their strategic calculations because they do not have precise statistics on how it transforms socio-economic factors. One could also argue that politicians have difficulties in knowing the exact socio-economic status of their targeted clients. Another point of contention could be that urban growth does not change every citizen’s socio-economic status and so politicians face a more complex and unclear situation. In addition, one could argue that there are other factors that explain clientelistic outcomes that this study has overlooked. These are important criticisms to consider, and I have reflected upon them and addressed them using various analytical approaches.

First, when I argue that the rate of urban growth affects politicians’ calculations, I am suggesting they simply take into consideration the general knowledge that it transforms socio-economic factors and do not necessarily seek precise statistics. I also contend that because of the high stakes involved in clientelistic transactions, politicians are highly strategic (Calvo and Murillo 2004, 751; Fatton 1986, 63; Kitschelt 2000, 849; Lindberg 2010, 128; Robinson and Verdier 2002, 1) and at least seek general information on socioeconomic status of potential clients. What forces politicians to seek this knowledge are the risks inherent in clientelistic contracts (Medina and Stokes 2002, 4; Park 2008, 117; Weitz-Shapiro 2007, 6-7) Without knowing their clients better they may offer goods to a client whose status makes them likely to be disloyal. Indeed, it may not always be easy to acquire exact information on socio-economic status. But it is possible for politicians to conjecture based on observable conditions. For example, a
politician targeting poor business owners can make fairly accurate assumptions on their level of poverty by looking at the external features of their business premises. If a business is being conducted in a small makeshift structure made out of card board paper or no walls, it can be fair to conclude that the business owner's level of poverty is high. On the contrary, a business being conducted in medium or large permanent structure made of concrete walls can suggest a lower level of poverty.

Second, even if increasing urban development does not directly improve every citizens socio-economic status as some skeptics will contend, we have to take into account that there are external social benefits and spill-over effects that indirectly affect citizens that interact with those that have directly benefited from urban development (Black and Henderson 1999, 252; Cohen and Paul 2005, 216; Glaeser et al. 1991, 2; Rosenthal and Strange 2003, 377). These indirect effects make it possible for them to have alternative sources of survival apart from politicians’ clientelistic goods. In a context where the increase in urban development is high those businesses that have not directly benefited are likely to strategize on how to take advantage of the fact that the neighbors’ status has improved. This is a typical behavior that has been observed in business location decisions (Alcacer and Chung 2007; Devereux et al. 2007; Head and Mayer 2004). For example, when the socio-economic status of a business owner in a rapidly developing context gets better his or her business input demands will likely increase, and as a result a poor small business owner supplying such inputs in that area is likely to benefit. The implication is that such interactions lead to the reluctance towards accepting clientelistic offers by poor business owners who depend on them for survival.
Finally, although I primarily focus on urban development, I am also cognizant of existing studies that look at other explanatory factors and I borrow from them in the chapters that follow. These studies have successfully shown how other cultural (e.g. Chappell 1989; Lemerchand 1972; Milne 1973), political (e.g. Johnston 1979; Keefer 2007, 2009; Keefer and Vlaicu 2008; Lindberg and Morrison 2008), and economic (e.g. Kurer 1993; Lemarchand and Legg 1972; Medina and Stokes 2002; Michie 1981; Powell 1970; Scott 1972; Robinson and Verdier 2002; Roniger 2004) factors affect clientelism, but what is missing in this literature is an analysis of the relationship that exists between urban development and clientelism. The goal of this is to present a new way of understanding why clientelism varies within a country. This insight is timely for both theoretic and practical reasons given the rapid changes in urban development taking place in Africa, a region that has been widely known for clientelism (Bratton and van de Walle 1997, 65-67; Hyden 2004; Lemerchand 1972; Van de Walle 2007; Vicente and Wantchekon 2009, 293).

1.10 The Structure of the Dissertation

The rest of this dissertation is organized in seven chapters. Chapter 2 provides a discussion on the case selection. It justifies the necessity of a single case study for the issue this dissertation address and provides details on the rationale used for selecting Kenya. Chapter 3 provides an analysis of the context in which the study was conducted. It provides a description and brief historical analysis of the informal sector in Kenya. It shows how the informal sector grew rapidly after independence and the role that the state and the microfinance industry played. Chapter 3 ends with a brief qualitative analysis of the nature of politics in the informal sector with regards to the relationship that exists between citizens and politicians. Chapter 4 introduces the local government
system in Kenya by providing a brief history of its evolution and the main components of the system that pertain to urban development. It then provides a brief history of urban development in the three cities as it attempts to show the reasons why they vary today. Chapter 5 addresses the first and second parts of the central question of the dissertation. How does local government urban development vary across the three cities in Kenya? How are the differences in urban development related to variations in political party clientelism. Drawing on secondary data collected from the local governments of the three cities, it first examines the following variations: infrastructural development projects by the local governments, level of service provision, development of new markets by the local governments, level of property development by citizens, and new business development by citizens. Having established the nature of variations in urban development across the three cities it then addresses the second part of the central question: the variation of clientelism in the three urban areas. Chapter 5 employs a broad variety of qualitative and quantitative data to analyze the variation in the level and modes of clientelism across the three cities. Drawing on primary data collected from business owners in the informal sector in Kenya using focus group discussions, interviews, original survey, and interviews with key informants who work with politicians, it analyzes the following issues: the effect of urban development on socioeconomic status and how political party clientelism across the three cities varies with regards to the differences in socioeconomic status.

After Chapter 5 has shown the variation in political party clientelism with regards to level of urban development, Chapter 6 and 7 investigate how the mode of clientelism varies with regards to level of urban development and the type of politician (Member of
Parliament versus Councilor). Chapter 6 starts this investigation with a systematic conceptualization and operationalization of the two modes. Chapter 6 uses a wide selection of literature from political science, anthropology, and sociology to clearly show the features that distinguish the two modes and then provides the variables that were used to collect data based on these features. Once this exercise has been undertaken, Chapter 7 examines the following questions: In which urban area is the traditional mode of clientelism mostly practiced? In which urban area is the modern mode of clientelism mostly practiced? Which politician mostly uses the traditional mode of clientelism? Which politician mostly uses the modern mode of clientelism? In which urban context do the politicians use the traditional mode? In which context do they use the modern one.

I conclude with Chapter 8, which does three things: it highlights this study’s major contribution by showing the gaps that it has attempted to fill in the existing literature. It makes a case for the need to distinguish the two modes in future studies, as well as the need to pay more attention to the traditional mode. It ends with an exploratory study that attempts to make the case for the need to examine the relationship between urban development and clientelism in other Sub-Saharan Africa countries. Due to the lack of comparable cross-national data on clientelism this study uses corruption as a proxy, and show that there is a relationship that exists between urbanization and corruption that needs to be further explored. The conclusions made in Chapter 8 also reflect on the role that taking the aforementioned recommendations may have on policies that attempt to undermine the negative outcomes of clientelism on democratic representation. This dissertation does not promise to offer tested solutions for dealing with clientelism, but it highlights the importance of paying attention to the economic dynamics of urban
development within local government jurisdictions. Doing so will improve our understanding of clientelism better and sharpen policies designed to address its negative outcomes, especially at a time when urban development is rapidly occurring in developing countries known for prevalent clientelistic practices.
CHAPTER 2
CASE STUDY METHOD AND CASE SELECTION: WHY KENYA?

To develop a theory of how urban development affects clientelistic outcomes within local government jurisdictions, this dissertation draws on data from a case study of Kenya. The question this dissertation addresses, however, applies to most African countries. To develop a theory that responds to it I could draw on empirical evidence from any country or several countries. So, why a case study and not a cross-national study? And why Kenya?

2.1 Why a Case Study?

This study seeks to build a theory on an issue that has not been examined. Case studies are useful in such circumstances (Eckstein 1975, 80 cited in Flyvberg 2006, 229; Gerring 2007, 9; Lijphart 1971, 691; Munck and Verkuilen 2005, 10; Walton 1992, 129). They can produce new and highly valid theories with minimal biasness (Eisenhardt 1989, 546). According to Dyer and Wilkins (1991, 618) “single cases are superior to multiple cases for creating high-quality theory.” They are also well-suited for building theory on new research topics when there is no existing literature or empirical evidence (Eisenhardt 1989, 546). This method is also appropriate because it allows for testing of multitude hypotheses (Gerring 2007, 40–41). Since these hypotheses can create complex interactions that are difficult to decipher, they are best analyzed using a case study because it makes it possible to intimately interact with the evidence. “This intimate interaction with actual evidence often produces theory which closely mirrors reality (Eisenhardt 1989, 546).” When these hypotheses are analyzed using case study methods they can be firmly grounded empirically (Odell 2001, 170).
The theoretical question driving a research project usually determines the appropriate unit of analysis (Culpepper 2005, 1). The issue in question – clientelism – is not suitable for a cross-case approach due to lack of valid and reliable cross-national data (Lande 1983, 439). Due to the different meanings attached to the concept (Kawata 2006, 4), it is difficult to measure it cross-nationally while ensuring that comparisons are appropriately contextualized (Hilgers 2011). As Hilgers (2011, 567) aptly points out, “differentiating clientelism by confining it to the microsociological level will aid theory-building.” This implies that the question driving this study can be appropriately addressed by focusing on a single case. Case studies have a high potential for achieving high conceptual validity than large-N studies (George and Bennett 2005, 19; Munck and Verkuilen 2005, 10). Practical considerations also play an important role in the choice of study. In studies that demand the collection of original data, such as this one, cross-unit analysis involving multiple cases may be too costly and may also pose significant difficulties in identifying cases within a short time frame. In the absence of sufficient time and resources for gathering a large amount of evidence, as was the case in this study, the appropriate research method that is easier to execute successfully is the case study format (Collier 1993, 107; Gerring 2007, 59).

In order to gain a complete understanding of the link that this study seeks to make between urban development and clientelism, it is necessary to grasp the intricate details embedded in the mechanisms that stimulate urban development. Such details are better understood through focusing on single cases rather than several cases (Flyvberg 2006, 327; Kennedy 1979, 663). One of the most important merits of studying a single case is the great depth of analysis that can be conducted on a subject which
little is known about (Gerring 2004, 345), especially at a sub-national level (Culpepper 2005, 3). Essentially, within-case analysis make it possible to asses several intervening variables, unexpected causal mechanisms and the conditions that activate them (George and Bennett 2005, 21). According to Munck and Verkuilen (2005, 8),

A related strength of case and small N studies is that they offer a basis for assessing causality (internal validity). This is done, most fundamentally, through a within-case form of analysis that uses empirical evidence about causal mechanisms as a way to check expectations concerning the direction of causal processes, to eliminate potential third variables, and to verify the assumption of unit independence and unit homogeneity.

A practical advantage of single case studies is that they allow for triangulation of evidence (Gerring 2004, 353), a goal that is almost impossible to accomplish in a large-N study. It possible to capture important nuances using single case studies because they make it possible to be closer to the situation on the ground (Flyvberg 2006, 223). Single cases have a higher degree of cross-unit comparability – unit homogeneity (Gerring 2007, 50). They “provide cases that are likely to be comparable to one another…Cases drawn from different units, in contrast, often force the researcher to make heroic assumptions about the comparability of concepts and causal relationships across the chosen cases” (Gerring 2004, 348).

2.2 Kenya as a “Typical Case”

Whether a single case study can be generalized to a broader population of cases or not depends on the type of case and the way it was chosen (Flyvberg 2006, 225). Single case studies are more insightful when the findings can be generalized to other cases (Gerring 2007, 91). The most generalizable type of case is the typical case (Gerring 2007, 96). “The typical case study focuses on a case that exemplifies a stable, cross-case relationship. By construction, the typical case may also be considered a
representative case” (Seawright and Gerring 2008, 299). The typical-case selection approach is usually meant for selecting a case that is representative of a larger number of cases (Gerring 2007, 91). Essentially, one that has typical values on the phenomenon being studied. For this study Kenya was selected as a typical case from a population of other African countries. While Kenya, as a single case, has the advantage of holding many variables constant, more leverage for inference is provided through a multi-level analysis conducted at three different levels. At the city level there are three cases,¹ at the market level there are nine cases (three from each city), and at the individual level there are 360 cases (120 business owners from each city).

A typical case can be identified using the mean, median, or mode of the main variables of interest (Gerring 2007, 92). Evidence of Kenya’s typicality has been provided using an analysis of frequency distribution of its main independent variable – urbanization – and three other variables that are closely related to the relationship between urbanization and clientelism: change in gross domestic product (GDP), level of democracy, and level of corruption. Figure 2-1 presents the distribution of urbanization in Africa from 2000 to 2010.

Verification of Kenya as a typical case using the histogram above, and those that follow, is based on comparing mean values and two tests that ensure the distribution is normal and not skewed. The purpose of the tests is to ensure that the distribution is symmetrical. When a distribution is symmetrical the mean is an appropriate measure for understanding what typically happens. The distribution above shows that from 2000 to 2010 most African countries (56%) had an average rate of urbanization ranging from 3

¹ At this level, all cases were selected for this study since Kenya has a total of three cities – Nairobi, Mombasa, and Kisumu.
to 4%, with a skewness value of -0.04. Since the skewness is almost 0, the distribution is not skewed towards either side. The kurtosis is 2.39, which means that this is a normal distribution. A kurtosis value for a normal distribution is usually around 3 (Acock 2006, 91). The mean rate of change for the all African countries was 3.7% while Kenya’s mean rate was 3.8%. Based on this evidence, Kenya’s rate of change can be considered as representative of most African countries.

Further evidence of Kenya’s typicality is shown by the examination of three other distributions, starting with a variable that is closely linked to both urbanization and clientelism, GDP growth rate (Annez and Buckley 2008, 1). The main drivers and outcomes of urbanization are usually captured in the composition of this variable since it measures the effect of labor and property on goods and services produced by a country (Jones 2001).

Urbanization is related to GDP since it is regarded as a phenomenon that occurs as a result of increase in labor and property in an area (Black and Henderson 1999, 252; Cohen 2003, 27-29; Hope Sr. 1986, 45; Miro and Potter 1980, 124). GDP, as an indicator for development, is also related to clientelism in the sense that low levels of development are usually linked to the occurrence of clientelism and vice versa (Calvo and Murillo 2004, 742; Fox 1994, 154; Robinson and Verdier 2002, 4; Roniger 2004, 355; Vicente and Wantchekon 2009, 303; Wantchekon 2003, 400). In developing countries lethargic economic development makes it possible for clientelism to serve as a mechanism for parties to monopolize resources that citizens do not have (Medina and Stokes, 2002). According to Fatton (1986, 7) patron-client relations are “a manifestation of patterns of…misdevelopment.” These dual link of GDP to urbanization and
clientelism make it an appropriate variable for evaluating the representativeness of Kenya.

The distribution presented in Figure 2-2 shows that from 2000 to 2010 most African countries (40%) had an average GDP growth rate ranging from 4% to 5%, with a skewness value of 0.6 and Kurtosis value of 3.7. This indicates that it is symmetrical and the values near the mean are typical. The mean rate of GDP growth for all African countries was 4.1% while Kenya’s mean rate was 4%. Kenya’s rate of growth can therefore be considered as representative.

The next two variables – corruption and democracy – are closely related to clientelism. Corruption, defined as “any illegitimate use of public power or authority for private benefit” (Nas, Price and Weber, 1986 cited in Kawata 2006, xii; Robinson 1998, 4) is interrelated to clientelism in the sense that narrowly self-seeking public officials tend to use resources accessible to them for clientelistic purposes (Harriss-White 1996; Philip 1997; Robinson 1998, 4). Some scholars associate it with vote buying (Kawata 2006, xii), which is a main feature of clientelism (Wantchekon 2003, 400). It also tends to occur in places where clientelistic exchanges are deeply rooted (Kawata 2006, xii; Manzetti and Wilson 2007, 949). Corruption can, therefore, be used as a proxy for clientelism (Muno 2010, 14; Persson et al. 2003; Singer 2009, 9). These attributes make it suitable for examining whether Kenya is representative with regards to the incidence of clientelism in Africa.

The distribution presented in Figure 2-3 shows that from 2007 to 2010 most African countries (83%) had a high level of corruption, with 48% of them getting a score of 3% and 35% getting a score of 2. The skewness value of the distribution is 1.1 and
Kurtosis value of 4.6. Although this values are slightly higher than the ones for the previous distributions, they still indicate that it is symmetrical and the values near the mean are typical. The symmetry of a distribution is usually questionable when the kurtosis value is greater than 10 (Acock 2006, 91). The mean score for corruption for the all African countries was 2.8 while Kenya’s mean rate was 2%. The level of corruption in Kenya is therefore typical of that in most African countries.

Another way of verifying Kenya’s typicality, with regards to clientelism, is to compare its level of democracy with that of other African countries. In most developing countries liberal democracy tends to be undermined by clientelistic interactions (Keefer 2007, 814; Kitschelt and Wilkinson 2007, 24; Robinson and Verdier 2002, 3). In these societies clientelism is viewed as the prevalent linkage between citizens and politicians (Cain, Ferejohn and Fiorina 1987; Keefer and Valicu 2008; Piattoni 2001aa, 202). In African countries clientelism has continued to occur as a form of democratic accountability (Beck 2008; Bratton and van de Walle 1997; Lindberg 2010, 133; Wantchekon 2003, 400). The close relationship between these two variables in Africa makes the incidence of democracy suitable for examining Kenya’s representatives. To accomplish this task I use data from Freedom House to analyze the average level of democracy in Africa between 2000 and 2010.

The distribution presented in Figure 2-4 below shows that from 2000 to 2010 most African countries (52%) were rated as partly free. According to the Freedom House ratings, these are countries with a rating that ranges from 3 to 5. The skewness value of the distribution is -0.2 and the Kurtosis value is 2.1. This indicates that it is symmetrical and the values near the mean are typical. The mean rating for all African
countries was 4.2% while Kenya’s mean rate was 4%. Kenya’s level of democracy over that period is therefore representative of most African countries.

With the large number of cases that can be considered typical in the distributions presented above, there is a wide range of options for selecting a case to study. Any of them can be reasonably selected but Kenya was the country of choice based on some important practical reasons. In a large-N sample with several cases that have typical scores, it is strategic to select a case using a practical criteria that takes into consideration costs and convenience (Gerring 2007, 94). Practical considerations such as time, money, and access to data play a major role in case selection (Seawright and Gerring 2008, 295). An in-depth prior knowledge of the case is also a reliable practical basis for selecting a case (Gerring 2007, 147). Preliminary knowledge of the case is advantageous in the sense that it strengthens the research design (George and Bennett 2005, 24). I selected Kenya based on three factors: cost, time availability, and prior knowledge of the case. Given that I needed to collect original data on clientelism with limited resources, it would have been more costly to execute this task in several cases. Also before conducting this study I already had prior knowledge of the case, which I had acquired through a small business project that I designed and implemented.²

² Prior to beginning my doctoral studies I had conducted a research project on small business in Kenya that was funded through a grant from the business school in my former college (Valdosta State University). Throughout 2007 and part of 2008 I was in charge of designing, implementing, and evaluating this project. Through this process I acquired basic knowledge on the relationship between local governments and small businesses since I had to get business permits from them and ensure the business complies by their by-laws.

Figure 2-3. Average level of corruption in Africa, 2007 to 2010 (Source of data: United Nations Department of Economic and Social Affairs/Population Division. 2008. World Urbanization Prospects: The 2007 Revision. New York.)

CHAPTER 3
THE INFORMAL SECTOR IN KENYA: ITS GROWTH AND PERMANENCE

Chapter 3 presents the context in which this study was done – the informal sector. It lays the foundation for the argument presented in Chapter 1 by accomplishing two objectives. It explains the economic significance of the sector, and shows how it has grown to be a vast and permanent economic feature where most Kenyans earn their living. Chapter 3 is divided into four sections. The first section conceptualizes and operationalizes the informal sector. The second section shows the significance of the informal sector by explaining the role it plays in offering a source of livelihood to most citizens in developing countries. In the third section, I show how state policies in Kenya have contributed to its growth. Specifically, I show how it created incentives for most citizens to seek employment opportunities in the informal sector by channeling its minimal resources towards a failed attempt to develop modern small industries in the formal sector during the immediate post-independence period. And then I show how its attitude towards the sector changed from the beginning of the 21st century with an extension of substantive resources towards the development of the informal sector. The final section of Chapter 3 shows how the growth of a formal microfinance industry has contributed to the growth and permanence of the informal sector through formalizing loaning procedures. In the same section I also show how these microfinance institutions have been responsible for encouraging the state’s recent substantive support to the sector.

3.1 What is the Informal Sector?

The concept of the “informal sector” was first used in the academic literature in 1973 (Hart 1973). Throughout the duration of its usage there have been extensive
discussions and debates on how to define the sector but no consensus on a single
The first task that needs to be undertaken, therefore, is to clearly conceptualize and
operationalize it. Defining the sector has always been a controversial issue because of
its rapid and unpredictable growth. After many years of debates concerning the
difference between formality and informality, two characteristics emerged as the widely
preferred operational criteria for identifying informal sector enterprises: small business
sizes and whether an enterprise is regulated and taxed (Lubell and Zarour 1990, 11;
Gerxhani 2004, 269). In recent studies (e.g. Pedersen and McCormick 1999; Muuka
2003; Blaauw 2005; Simon and Birch 1992; Muraya 2006; Komollo 2010, 6), the most
commonly used one is the size of businesses in the sector. The definition of the
informal sector used in this dissertation borrows from two sources that employ this
criteria: 1) It employs the categorization used by Kenya’s government, and 2) The
International Labor Organization’s (ILO) conceptualization of the informal sector, which
pioneered research on the sector in a study that was conducted in Kenya in 1972
(Gerxhani 2004, 269). The ILO (2007) categorizes the sector into four broad categories:

1. Own-account workers in survival-type activities
2. Paid domestic workers in households
3. Home based workers (“disguised wage workers”) in production chains
4. Self-employed workers in micro-enterprises with or without contributing family
   workers or employees.

This dissertation focuses on the fourth category - microenterprises. In Kenya, a
business with ten or fewer workers is categorized as a micro-enterprise (Gray et al.
1997, 67; Livingstone 1991, 652; Mitullah 2003, 2). The majority of businesses in this
category are in the informal sector (Akoten et al. 2006, 930; Livingstone 1991, 651;
Mitullah 2003, 2; World Bank 2006, 32). But they are also regarded as a component of
the formal sector (e.g. Daniels 1999; Gray et al. 1997; Atieno 2001). Due to the dominance of microenterprises in the sector, the term has been used interchangeably with the term ‘informal sector’ (Livingstone 1991, 663; Njeru and Njoka, 2001 142). What uniquely distinguishes the micro-enterprises in the formal and informal sector in Kenya is that those in the formal sector pay income taxes, while those in the informal sector do not (Karingi et al. 2005, 32; Macharia 1997; Moyi and Ronge 2006, 4). This is because the enterprises in the informal sector are considered to be below the official value added tax rate (Karingi et al. 2005, 55).

A physical aspect that has distinguished the informal sector from the formal sector in Kenya is their locational decisions. This was a commonly used criteria for defining the informal sector in Kenya when it started gaining prominence in the late 80s and early 90s (e.g. McCormick 1988; Onyango 1992; Ouma 1990; King and Abuodha 1991). Most of the informal micro-enterprises locate in markets owned by local authorities (Muraya 2006, 8), which were originally established under the former President Moi’s regime\(^1\) for the purpose of allocating business sites to street hawkers (Kinyanjui 2010, 27). Although businesses are not required to operate in those markets most of them have traditionally done so because premises are inexpensive to rent (McCormick and Kinyanjui 1997, 1106). The other commonly used alternative is leasing shops in privately owned buildings but these have always been costlier (McCormick and Kinyanjui 1997, 1106). In most cases the formal sector businesses opt for this alternative. This variation in locational decisions makes it possible to physically distinguish between the formal and informal sector (Gray et al. 1996, 6).

\(^{1}\) President Moi was in power from 1978-2002.
### 3.2 The Growth and Significance of the Informal Sector

The informal sector rapidly grew in Africa during the economic crisis of the 1970s and 1980s as an important source of livelihood for many (Meagher 1995, 259; Potts 2008, 156; Sethuraman 1977, 344). At the beginning of the 1990s the United Nations speculated that in the decade of the 1990s the informal sector will be the most important labor sponge in Africa’s labor markets, where it will provide some 60 to 70 per cent job openings (United Nations 1996). From the 1990s scholars (e.g. Gilbert and Gugler 1992; Potts 2008, 155; Werna, 2001), as well as institutions (UNCHS and ILO 1995), were acknowledging that growth of the sector in developing countries was the solution to unemployment. By the end of the 1990s, it was clear that the informal sector had achieved, surpassed the speculated 1990 targets, and was even absorbing more workers from the formal sector and those that were unemployed (Mofokeng 2005, 3; Potts 2007). At the beginning of the 21st century it was clear that the informal sector in Africa (Charmes 2000) and other developing countries (Todaro and Smith 2009, 336) had absorbed more than a half of the working population in different countries. For example, by 2005, the proportion of workers absorbed by the informal economy in Burkina Faso was 80%, in Ghana 90%, in Kenya 72%, in Mali 80%, in Tunisia 50% and in South Africa 53% (Mofokeng 2005, 5). In Kenya, from 2003 to 2007, the total recorded employment in the informal sector rose from 7.5 million to 9.5 million workers, and by the beginning of 2008 it constituted about 89% of total employment outside small scale agriculture and pastoralist activities (Kenya National Bureau of Statistics 2008). Currently, The total recorded employment in the informal sector in Kenya constitutes 80.6% of the overall employment (Kenya National Bureau of Statistics 2011). Figure 3-
1 below show the growth trend of the informal sector in Kenya.\textsuperscript{2} As the Figure 3-1 shows, the informal sector has steadily increased since the mid-1970s. But the growth rate is rather minimal from 1975 to 1990. During this period less than one million people joined the sector. It particularly starts increasing at a rapid pace from 1990 onwards, with approximately one million people joining the sector after every two years.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{informal_sector_growth.png}
\end{figure}

The informal sector is a major economic component of the urban economy in most developing countries (Potts 2008, 153). The growth of the sector in urban centers has been fueled by a combination of rural to urban migration and the demand for cheap

\textsuperscript{2} The trend does not include data for the years 1995, 2000, and 2001. This data is missing in the archival data collected from Kenya National Bureau of Statistics. The same issue applies to Figure 3-2 and Figure 3-3.
goods and services (Becker 2004, 9). Recent evidence “indicates that the informal sector generates surpluses [that] could provide an impetus to growth in the urban economy” (Todaro and Smith 2009, 338) in the coming years. This trend was already notable at the beginning of the 21st century when the informal sector in most African countries was contributing as high as 50% of the non-agricultural GDP (Charmes 2000). By the mid-2000s the informal sector had about 70% of the urban employment in sub-Saharan Africa (Becker 2004, 3). In Kenya, the informal sector has consistently grown in both rural and urban areas. Figure 3-2 below shows the growth trend of the informal sector in these areas.³

![Diagram of growth of rural and urban informal sector in Kenya, 1986 – 2010](image)


³ The data starts from 1986 since this data does not exist prior to 1986. The same issue applies to Figure 3-3.
The goal of Figure 3-2 is not to compare the urban and rural informal sectors but to show how they have both grown, especially since the early 1990s. Although both the rural and urban informal sectors have steadily grown, it shows that this trend is higher in rural areas. This is could be an outcome of return migration from urban to rural areas in the 1990s (Francis 2000) and the existence of few urban centers in Kenya (Agesa and Agesa 2007, 43; Otiso 2005, 123).

Figure 3-3. Urban and rural population distribution in Kenya, 1960 to 2001 (Adapted from Legovini A. 2000. Kenya Macro Economic Evolution Since Independence (Page 57, Figure 29) United Nations Development Program, Nairobi, Kenya).

Figure 3-2 shows the decline in urban informal sector growth during the late 1990s and an increase in the rural areas. Generally, the total population in the urban areas has also not been as high as it has in rural areas (Otiso 2005, 117; Richardson 1980, 97; Rural Poverty Portal 2012; UNICEF 2012). In 2009, the percentage of the population that lives in rural areas was 68% while that of the urban areas was 32%
(Kenya National Bureau of Statistics 2009, 3). However, as shown in Figure 3-3 below, since 1960 the urban population has consistently increased from about 8% to 32% of the total population.

Figure 3-3 indicates that urbanization in Kenya has consistently occurred since the 1960s. This phenomenon has been regarded as a major contributing factor to the expansion of the urban informal sector (Fay and Opal 200, 24; House 1984, 278; Todaro and Smith 2009, 336).

For years the informal sector had been regarded as a backward economic feature that will be eventually formalized (Potts 2008, 154-158) but its consistent growth with increases in productivity changed this perspective (Lubell and Zarour 1990, 9; Meagher 1995, 262; Potts 2008, 155). It has been considered a significant contributor of economic output because of labor intensive operations that the formal sector finds unprofitable to engage in (Blunch et al. 2001, 6; Nelson 1997). The shift in attitude is also a result of the advancements in business quality, from dominance of makeshift business operations to an increase in stable small and microenterprise (SME) operations, which have traditionally been considered as the upper-tier of the sector (Fields 1990; Pyke and Sengenberger 1992; Daniels 1999, 55). Compared to the typical low quality business activities, this tier tends to have businesses that have higher capital intensity and are operated by more skilled and educated workers (Bosire and Gamba 2003, 4). In Kenya, these SMEs have significantly contributed to employment and economic growth (Atieno 2009, 13; Bird and Ryan 1998, 9; Livingstone 1991; Widner 1991; King, 1996, 2001; Daniels 1999, 63; Kabecha 1999). They have created more jobs than those in the formal sector (Livingstone 1991, 657; Muraya 2006, 130; Mead
By 2010, they constituted about 96% of all the businesses in Kenya (Newa 2010, 93).

Figure 3-4 shows the variation in types of jobs created in the sector. It provides a general idea of the composition of products and services produced in the sector. As shown in Figure 3-4, the two industries that have experienced the most growth in the sector are the wholesale and retail trade, and the hospitality industry. The evidence presented above suggests that the two industries could be the main bases for the clientelistic transactions that take place in the sector since most of the poor engage in those activities (Odhiambo and Manda 2003, 11). It is usually citizens who are poor that are targeted by politicians for clientelistic bids (Auyero 1999; Robinson and Verdier 2002, 3).


The impact of the informal sector has transformed it from being viewed as a temporary feature to a permanent feature (Gerxhani 2004, 294; Hosier 1987). This is
mostly because of the employment opportunities it provides. Todaro and Smith (2009, 335) note that,

with the unprecedented rate of growth of the urban population in developing countries expected to continue and with the increasing failure of the rural and urban formal sectors to absorb additions to labor force, more attention is being devoted to the role of the informal sector in serving as a panacea for the growing unemployment problem.

The expansionary effect that urbanization has had on the informal sector in African cities (Bradshaw 1987, 236; Chen 2001, 7; Coquery-Vidrovitch 1991, 47-48; House 1984, 277-278) is likely to continue. The next two sections describe how two major factors – state development strategies and microfinance institutions – that continue to fuel the growth of the sector in urban areas in Kenya have done so in the recent past. The goal is to provide an appropriate contextual background for this study by showing how the main venue of citizen-politician interactions – the informal sector – has acquired a sense of permanence in Kenya.

### 3.3 State Development Strategies and Growth of the Informal Sector

The informal sector is an outcome of shifting state development strategies in two conflicting ways. First, from the late 1960s to the beginning of the 1980s the state’s development policy was centered around getting rid of the informal sector and producing a formal sector with small modern industries (Hosier 1987, 383; Muraya 2006, 130; Potts 2008, 158; Ronge et al. 2002, 49). But the state-led development of a modern sector failed (Himbara 1994a; Meagher 1995, 262). This led to the growth of unregulated and untaxed businesses that were not under state supervision (Ronge et al. 2002; ). Second, it has shifted its development policy from the beginning of the 21st century by extending substantive financial support towards sustaining the existence of the sector (Muraya 2006, 132). This section briefly shows how the state’s attitude
towards the informal sector has shifted from the post-independence period to the beginning of the 21st century. The post-independence era is an appropriate starting point because it is the time when the state decided to overhaul its economic policy with a goal of developing domestic manufacturing industries (Himbara 1994b, 9-10). Since Kenya gained its independence in 1963, the analysis in this section starts from the late 1960s. This insight also provides the background necessary to understand the role microfinance institutions have played in the state's shift of strategies.

The independence of Kenya was marked by state apathy towards the society's growing needs (House-Soremekun 2009, 1444). The lack of state responsiveness towards the needs of most Kenyans during the post-independence period (Murunga 2007, 118) forced them to earn their living in the informal sector, which it initially wanted to get rid of (Potts 2008, 159). It perceived the sector as an unplanned economic feature and a hindrance to its development plans (Ikiara 1991, 11). The apathetic attitude towards the informal sector was inherited from the colonial state. During the colonial period the state passed by-laws that prohibited hawking in the capital city - Nairobi (Macharia 1993, 5). The only form of employment that was authorized by the colonial state in the city was employment by Asian proprietors and by its agencies (Ikiara 1991).

The post-colonial state continued implementing these laws as it was only interested in expanding the urban formal sector through industrial activities (Ronge et al. 2002). For the state, the effective strategy for advancing the economy and reducing dependence on agriculture as a source of employment was to develop modern small industries (Ronge et al. 2002, 11). To implement this strategy, it established development finance institutions to provide financial support to potential entrepreneurs for the formal sector (Himbara 1994b, 472; Moyi and Njiraini 2005, 29; Njenga et al.)
Its industrial development programs engaged in what was known as “husbanding” of small enterprises that were placed in “industrial nurseries” under close supervision of the state (Ikiara 1989, 12). Businesses in the informal sector were considered as a hindrance to industrialization projects and frequently demolished (Ronge et al. 2002, 11; Ikiara 1991, 11). In spite of the significant investments, the state was experiencing extremely high levels of unemployment (International Labor Organization 1972). This crisis provoked a change of attitude towards the informal sector, which started in parliament. In 1970 a parliamentary select committee consulted the International Labor Organization (ILO) on what to do with the informal sector. It recommended that financial support be extended to the sector because it was a highly needed source of employment (ILO 1972). The state accepted these recommendations in 1973 but it did not extend any financial support (Ronge et al. 2002).

In the mid-1980s, declining political legitimacy forced the state to affirm its desire to extend support to the sector through the industrialization programs (Macharia 1993, 2). But these intentions were significantly undermined by the initiation of structural adjustment programs (SAPs), which called for an end to the programs (Ikiara 1991, 28). The state however continued providing minimal support that only targeted established firms in the formal sector (McCormick 1997; Ronge et al. 2002, 16; Republic of Kenya 1989b), leaving the informal sector to grow unmonitored. SAPs also recommended the retrenchment of several civil servants, leading to an upsurge of microenterprises in the informal sector (Akyuz and Gore 2001, 282; Ikiara 1991, 30; Pedersen 2005; Potts 2008, 159). This incremental effect from the decrease in public sector hiring was further compounded by stagnation of productivity in the formal sector (Parker and Torres 1994, 1). SAPs also reduced the state’ role in the provision of education by suspending
education subsidies (Rono 2002, 92-93). As a result, the cost of education increased and so did the number of students dropping out from school and entering into the informal sector (Ikiara 1991). School dropouts were unable to secure wage employment (Rono 1992).

At the beginning of the 21st century the state’s attitude towards the sector changes with the initiation of financial support programs. In 2003, it acknowledged the permanence of the informal sector by considering microenterprises a potential breeding ground for employment (Mitullah 2003, 4). As a result, for the first time in Kenya’s history it backed this acknowledgement with the initiation of two loan programs – Youth Enterprise Development Fund (YEDF) and Women’s Enterprise Development Fund (WEDF). This was a shift from its previous policies that acknowledged the sector without financial support. Since 1986, the state recognized the role of the informal economy on paper through five key policy documents (Republic of Kenya 1989a,b; Republic of Kenya 1992; Republic of Kenya 2002; Republic of Kenya 2003a, and Republic of Kenya 2003b).

The current policy document (Republic of Kenya 2003b) focuses on reviewing the former rules and regulation that affect the operation and growth of the sector (Mitullah 2003, 4). This policy highlights its economic strategy for wealth creation through investing in the informal sector. Through this policy document it intends to address the high cost of capital for the informal sector and the lack of supportive services (Mitullah 2003). To ensure their longevity, the current loan programs were

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4 The terms “Youth” and “Women’s” do not necessarily imply that these criteria is followed strictly; the parliamentary Acts that passed them make various provisions that make the loans open to any business owner.
passed as parliamentary acts\textsuperscript{5}, so as to predetermine by law the amounts that the state would give to the programs without reneging on its obligations. These loans are being channeled through microfinance institutions (MFIs), which played a significant role in stimulating the state’s response by giving the sector a sense of permanence. The next section describes how MFIs’ formalization of loaning procedures forced microenterprises to put pressure on the state and local governments to provide various forms of support that have continued to sustain the existence of the sector. It mainly focuses on the origins of these formalization strategies and the growth of MFIs that continue to use them.

\section*{3.4 Permanence of the Sector: Outcome of MFIs Expansion and their Strategies}

Microfinance is largely known as the provision of a broad range of financial services such as deposits, loans, payment services, money transfers, and insurance to the poor and low-income households and their microenterprises (Alila 1994; Atieno 2009, 10; Basu et al. 2004, 3; Kitchin 1980; Ochanda 2012, 2). By the end of the 1990s the “Kenyan microfinance industry [was already] one of the oldest and the most established in Africa” (Hulme et al. 1999, 4). Most of the influential MFIs that operate in Kenya were initiated by international donor agencies in the mid-1980s (Hospes et al. 2002, 14-15; Institute of Economic Affairs 2002, 1; Ochanda 2012, 1). As Figure 3-5 shows, this was a time when the economy was stagnating (Akyuz and Gore 2001, 281; Holmquist et al. 1994, 91; House-Soremekun 2009, 1445; Legovini 2002, 3; Mosley 1986, 107-108). Figure 3-5 below shows that the economic growth rates dropped from 8\% between 1970 and 1980 to an average of 2\% to 4\% from 1980 to 2000 (Legovini

\textsuperscript{5} YEDF Parliamentary Act and WEDF Parliamentary Act.
Between 1990 and 1999, the average annual growth rate was around 2.5% (Bedi et al. 2004, 15). Throughout that period the level of unemployment was rapidly rising (Buchmann 1999, 102; Kimalu et al. 2001; Legovini 2002, 6). From 1989 to 1997, the national unemployment rate rose from 6.5% to 18% (Kimalu et al. 2001, 55-57).

Figure 3-5. Economic growth by decade, 1963-2000 (Adapted from Legovini A. 2000. Kenya Macro Economic Evolution Since Independence (Page 29, Figure 1) United Nations Development Program, Nairobi, Kenya)

With the decline of GDP rates shown above, unemployment rates were higher in urban than in rural areas (Kimalu et al. 2001, 56) since there was a growing urban population that could not secure wage employment in both the private sector and public sector (Buchmann 1999, 110; Miller and Yeager 1994, 154; Odhiambo and Manda 2003, 9; Republic of Kenya 1991). In the late 1980s the average unemployment rate in urban areas was 13% compared to 4.9% in rural areas (Kimalu et al. 2001, 56). From 1986 to 1999, this rate increased by 15% (Odhiambo and Manda 2003, 9). For the
urban unemployed the informal sector was the place to seek for livelihood by starting their own businesses (Akyuz and Gore 2001, 281; Bedi et al. 2004, 15; Odhiambo and Manda 2003, 15) but they did not have the required capital (Adera 1995; Atieno 2001, 3; Daniels et al. 1995). The lack of capital increased the demand for loans but commercial banks, being the main source of business loans, were hesitant to issue them to informal sector businesses as they considered them risky (Buckley 1997, 1083; Ochanda 2012, 4). This banking industry was however unreliable as it was shrinking and on the verge of collapse (Chao-Beroff et al. 2000, 19). The combined lack of support from the state and commercial bank loans created a niche for MFIs, which responded through a wide range of loan products (Koopman 2001, 1). The formal processes embedded in these products was what led to the current permanence of the sector, which in turn provoked state support.

Prior to the emergence of the current MFI industry in Kenya, their services were provided through traditional and informal ways in the 1970s and 1980s (Buckley 1997; Fowler and Kinyanjui 2004, 22). They were mostly informal credit systems run by individual money lenders and shopkeepers (Rogerson 2001, 127). This early systems were instrumental in providing knowledge to the current industry (Basu et al. 2004, 7; De Aghion and Morduch 2003). With this insight, MFIs used advanced financial methods to formalize informal loaning procedures (Basu et al. 2004, 8). The main goal was to facilitate sustainability of their programs through addressing various problems encountered when loaning to the poor, such as lack of information and weak collateral (Basu et al. 2004, 8). Within this new approach their clients, who are mainly from the informal sector (Atieno 2009, 10), have been required to apply for loans through a process that required evidence of legal documents, mainly business permits and leases.
for their premises. For the informal sector, compliance has meant seeking state services in the form of business registration, business premises to conduct operations, and essential utility services (Macharia 1993, 15).

MFI formalization schemes were pioneered by a microfinance program known as Kenya Rural Enterprise Programme (KREP) (Bird and Ryan 1998, 1; Chao-Beroff et al. 2000, 19; Ochanda 2012, 3; Nyerere 2004, 139), which was established in 1984 through the United State Agency for International Development (USAID) funding (Rosengard et al. 2000, 1; Chung 1996, 184; Fowler and Kinyanjui 2004, 20). This is also one of the most innovative and successful pioneers in Africa’s microfinance industry (Rosengard et al. 2000, 7; Hospes et al. 2002). It was the first microfinance institution in Kenya and Africa to transition from an NGO to a licensed commercial bank (Nyerere 2004, 141). It was also responsible for the development of a policy that has institutionalized microfinance institutions as a major component of Kenya’s financial institutions (Nyerere 2004, 139-140). This section focuses on the USAID-KREP partnership due to the significant role KREP has played in the expansion of other formal MFIs (Bird and Ryan 1998, 1; Institute of Economic Affairs 2002, 2) and growth of microenterprises (Bird and Ryan 1998, 4).

A significant percentage of MFI programs that were started in the 1980s were run by NGOs (Institute of Economic Affairs 2002, 2; Chao-Beroff et al. 2000, 19; Ochanda 2012, 9). This was a time when aid agencies were seeking alternative avenues other than commercial banks and the state to channel development funds in Kenya (Fowler and Kinyanjui 2004, 35). These agencies were already extending funds for the development of small-scale entrepreneurs in the informal sector in the late 1970s (United Nations 1996) through commercial banks but their scope was narrow (Fowler
and Kinyanjui 2004,33; USAID-Kenya 1989) because they considered businesses in the informal sector too risky to lend money (Hoff and Stiglitz 1990, 237). Substantive donor support for the informal sector was subsequently extended through MFIs (Basu et al. 2004, 12; Bird and Ryan 1998; Craig and Goodwin-Groen 2003; Hospes et al. 2002), with USAID being one of the pioneers (Rhyne and Christen 1999, 10). The main beneficiaries were domestic NGOs that already had a microfinance program in place, even if rudimentary (Fowler 1989). The overarching goal was to empower these NGOs to become major non-state actors in steering development (Fowler and Kinyanjui 2004, 36). USAID executed this initiative by partnering with KREP (Rosengard et al. 2000, 2; Barbara 1987), which also served as an experiment that would provide insight on how to execute such programs in other African states (Fowler and Kinyanjui 2004, 38). The goal was to redesign MFI policies and procedures of loaning using new formal structures (Fowler and Kinyanjui 2004, 50–51; Chung 1996, 184).

Under these structures borrowers from the informal sector were to undergo thorough screening before getting loans (Bigelow et al. 1987). The effect was felt country-wide since grants issued to KREP’s client NGOs were conditional on the implementation of the new structures after undergoing training from KREP (Koopman 2001, 6). Its “success…provided a platform for legitimizing microfinance” (Nyerere 2004, 140). In general, it was designed to fulfill its goals through “the generation of employment…through a strategy of providing loans, training and technical assistance through groups and NGOs in order to establish or expand capacity in micro-enterprises in the informal sector” (Bird and Ryan 1998, 1).

By the end of the 1980s KREP had trained 40 small NGOs on microfinance loaning procedures and was actively facilitating the expansion of five large NGOs to
have a country-wide reach (Fowler and Kinyanjui 2004). It was also playing a major role in shaping the MFI industry in East Africa by offering training in credit administration (Chung 1996, 185). By the late 1990s, NGOs benefiting from KREP-USAID collaboration had risen to 25, with about 3.3 million U.S. dollars allocated to them (Fowler and Kinyanjui 2004, 55). Figure 3-6 below shows the consistent growth in outreach of some of the major MFIs in Kenya.6

![Graph showing consistent growth in outreach of some major MFIs in Kenya, 1997-2009.](source)

Figure 3-6. MFIs loan portfolio and Active Borrowers, 1997 – 2009 (Source of data: Microfinance Information Exchange 2012. [www.mixmarket.org/profiles-reports](http://www.mixmarket.org/profiles-reports), accessed 7 November, 2012)

Figure 3-6 shows that clients for the major MFIs in Kenya have steadily increased since the late 1990s. Most of these clients are in urban areas (Institute of

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6 Due to lack of data on all MFIs the purpose of the evidence provided below is to only provide an idea of the significant effect of the industry. The success of MFI institutions is usually measured in terms of total clients reached (Institute of Economic Affairs 2002, 7).
economic Affairs 2002, 7). The increase in these clients was a combined outcome of the increase in both urbanization and poverty rates in urban areas in the late 1990s. During that decade the amount drastically rose to about 80 million U.S. dollars, with the largest portion (USD 23 million) being allocated to KREP (Hospes et al. 2002, 23). Throughout the 1990s KREP was making major advancements and by 2001 it had graduated to a banking institution providing the largest number of small loans for microenterprises (Hospes et al. 2002, 116; Institute of Economic Affairs 2002, 2; Nyerere 2004, 139). During the same time NGOs offering client-based microfinance loans influenced by KREP had increased to 130, with 10 of them having major microfinance programs (Hospes et al. 2002, 24). These organizations played a significant role in supporting the informal sector by making it easy for microenterprises to access credit (Bird and Ryan 1998, 10). This was especially critical at a time when poverty levels were high.

Figure 3-7 below shows the drastic increase in poverty rates that occurred from 1992 to 1997. It compares the rate of growth in Kenya’s capital city (Nairobi) with the overall rate in the country. The urban poverty rates increase significantly from about 30% in 1994 to 49% in 1997. MFI clients start increasing around 2001 and sharply increase starting from 2005 (see Figure 3-6). I am not suggesting that they are directly correlated but tentatively showing the possible effect that increase in poverty had on increase in MFI clients. The outstanding client loans has immensely increased in billions of dollars since the late 1990s. The estimated amount of outstanding loans for major MFIs increased from about U.S. $ 3 million in 1997 to U.S. $ 1.2 billion in 2010, which is almost a 308% increase. With most of the clients being in the informal sector (Atieno 2009, 10), these trends suggest that MFIs have increased the size of the sector over time and continue to sustain its existence (Atieno 2001).
Figure 3-7. Increase in urban poverty incidence (Adapted from Legovini A. 2000. Kenya Macro Economic Evolution Since Independence (Page 65, Figure 37) United Nations Development Program, Nairobi, Kenya).

Some of the MFIs that started in the 1990s have progressed from NGO-sponsored credit programs to quasi-independent financial institutions by the end of the 1990s (Koopman 2001, 19). This rapid expansion of the MFI industry has stabilized business operations through the formal processes in their financial and non-financial loan products that were designed for this purpose (Fowler and Kinyanjui 2004, 33; Institute of Economic Affairs 2002, 2; United Nations 1996, 41-42). They have particularly made the sector a physical permanent feature in local government jurisdictions by requiring them to show evidence that they are legally registered and have an existing business operation site before being issued loans (Mwaniki 1996, 6).
In order to fulfill MFI requirements, microenterprises have placed extensive demands for business permits and business sites on local governments. Kenya’s local government law assigns them the responsibility of registering and licensing micro-enterprises (Komollo 2010, 11; Patrick et al. 2005, 19; Kinyanjui 2010, 11). To meet the growing demand for business sites, they have built several markets and developed new parcels of land to lease to the informal sector (Muraya 2006, 132). These have been important investments for them since they are major revenue bases (Devas and Grant 2002, 3). A significant budget of local governments depends on revenues collected from rental, registration, and annual license fees (Kapila 2006, 32; Smoke 1993, 905).

The financial significance of the sector has also encouraged other forms of assistance forms of state assistance targeting the sector (Amenya 2007, 4). In 1995 the states established a fund to increase local governments’ efficiency in service delivery in the informal sector (Smoke 2004, 225). In 2001, the state created an avenue for allowing citizens’ participation in identifying public service improvements required at the local government level, namely the Local Authorities Service Delivery Action Plan. In one year, a wide range of groups, including informal sector associations had identified about 3,092 projects that it funded (Patrick et al. 2005, 20).

The state also established a ministry (Ministry of Technical Training and Applied Technology) charged with the responsibility of creating programs for improving the productivity of the informal sector (Amenya 2007, 4). The overall outcome of local governments’ and state response to the sector’s needs has been the creation of a rather permanent informal sector.

The magnitude and permanence of the informal sector makes it an important place to study the nature of linkages between citizens and politicians. As the place with
the largest pool of voters, politicians have a strong incentive to sustain linkages with citizens. The high level of poverty in this sector also makes it attractive for clientelistic transactions, since it tends to thrive where there are high levels of poverty (Robinson and Verdier 2002, 3; Auyero 1999). There is a need to understand how the ongoing urban development is shaping these transactions through shaping levels of poverty in this sector, especially if we take into consideration that the rates or urbanization are projected to continue increasing in Africa. As shown in Figure 3-8 below the percentage of urban populations have been increasing across all African regions.


With the trends shown above we should expect to see the level of urban development increasing in Africa as people engage in developing new property and governments develop public infrastructure (Bairoch 1988; Bertinelli and Black 2004; Davis and Golden 1954; Huriot and Thisse 2000; Weng 2007, 341). Chapter 4 below
provides an analysis of how these features vary in Kenya’s three cities. These are the cities where this study was conducted.
CHAPTER 4
URBAN DEVELOPMENT IN LOCAL GOVERNMENT JURISDICTIONS

Chapter 4 presents a historical background of urban development in three local government jurisdictions. It is divided into six parts. The first part provides a short history of how Kenya’s local government system has evolved since independence, with a focus on the gradual centralization of the system. It is important understand this system since it is what gives the three cities a high degree of unit homogeneity. The second part introduces the main features of the centralized local government system that affect urban development outcomes. The third part provides a summary of the reforms that have been undertaken to decentralize the system and strengthen local government development capacity. In the fourth part I provide a short history of urban development in the three cities starting from the time they were founded and also conduct a qualitative comparison of their urban development patterns.

4.1 An Overview of Kenya’s Local Government System

Kenya has a highly centralized local government system. In this regard, “local government refers to specific institutions or entities created by...[the] central government...or executive order to deliver a range of specified services to a relatively small geographically delineated area” (Barasa and Eising 2010, 1). There are four types of local governments (LGs), namely: municipal, town, county, and urban councils. There are a total of 175 LGs. Several of them were created for political expediency by the central government (Nguri et al. 2010, 119). The local governments that govern Kenya’s three cities – Nairobi, Mombasa, and Kisumu, which are the subject of this study, fall under the municipal councils category. These councils are considered more urban and are larger than town councils. For example, the infrastructure in municipal councils is
usually better than that in town councils (Barasa and Eising 2010, 3). Nairobi, being the capital city, is governed by a more independent and autonomous council since it was established under a different set of by-laws (Koti 2000, 19-20; Lumumba 2004, 3).

The local government system consists of elected councils and a non-elected administration. The organ that makes laws is the full council, which is a combination of both elected and nominated councilors headed by a Mayor. The administration is headed by the clerk’s office, which oversees several departments that provide public services and utilities. Majority of the councilors are elected through the popular vote, a third are nominated by political parties that win most seats in the council elections, and the Mayor is elected through a secret ballot held during the inaugural meeting of the council (Menon et al. 2008, 20). Each councilor serves in one or more of the committees that make decisions implemented by administrative departments (Koti 2000, 10).

Local governments (LGs) play a significant role in managing urban development (Evans 1989). They provide a wide range of services, such as building and maintaining roads, building markets, and garbage collection. But they take care of these tasks under the supervision of the Ministry of Local Government (Kenya Local Government Reform Program, 1991). The form that urban development in Kenya’s cities has taken has historically been affected by the financial limits that the national government has placed on local government capacity (Oyugi 1983; Smoke 1994). Before making any major decisions, especially budget related issues, LGs needed the approval of the Ministry of Local Government. This centralized system makes them instrumental in the management of urban centers because of the intermediary position they take between the central government and citizens (Akivaga et al. 1985). For instance, the provision of
public water services, which is an important economic development stimulus, tends to be more reliable when provided by LGs than when provided by the central government (Lewis 1998, 142). They also supplement services that the public or private sector is unable or fails to provide. Usually, “in the face of limited central government resources, and an underdeveloped private sector, [their] effectiveness in providing physical infrastructure and a conducive atmosphere for economic activity can have an important influence on the success of the local economy, and its potential for future development” (Koti 2000, 22). A critical aspect of local governance, apart from providing basic public services, is facilitating market-led developments through the private sector (Barasa and Eising 2010, 1).

In order to gain a full understanding of the way that LGs shape urban development in Kenya one has to first understand how the historical transformations that they have undergone. This knowledge is also important because it informs and justifies the comparison of Kenya’s three cities by showing how they are similar political components under the same system. The next section provides a brief history of this system.

4.2 A Short History of the Local Government System

Kenya’s local government system was first established in 1903 by the British colonial government (Barasa and Eising 2010, 204). This system had two tiers: one that had Africans and another that had European settlers (Akivaga et al. 1985; Smoke 1994; Stamp 1986). The local authorities based in the areas that Europeans settled in had a higher degree of autonomy in political and administrative decision-making than those in the areas inhabited by Africans (Akivaga et al. 1985). European areas were also well represented in the government than African ones (Koti 2000, 15). In order to effectively
control the African areas the colonial government disempowered and underdeveloped their local authorities (Muia et al. 2010, 13). To accomplish this goal it passed laws that established a highly centralized local government system (Muia et al. 2010, 16). It believed that this was an effective model for controlling African countries at the local level (Stamp 1986, 18). Since then, Kenya has had a highly centralized government that overbearing controls local governments (Mwenda 2010, 10). The system was introduced when two of the three cities in Kenya, Nairobi and Mombasa, were established as townships and then later on made municipalities (Stamp 1986). Although most of the main aspects of the initial system still exist, it has also gradually evolved over time (Muia et al. 2010, 16).

Upon gaining independence, Kenya was under a relatively decentralized structure that was negotiated by the British colonial government. Under this agreement the first post-independence government was to establish a regional structure devolving power to the regional assemblies and give local authorities autonomy (Akivaga et al. 1985; Smoke 1994). It was not long before the post-colonial government reneged on it. The central government wanted to ensure that it had a firm control over LGs by using the Ministry of Local Government to appoint all the high-ranking staff and approve their budgets (Dege Consult 2007, 7). A new constitution was introduced in 1964 that officially abolished the regional assemblies (Oyugi 1983; Ochieng 1995, 107; Muia et al. 2010, 17) and established a parallel administrative system, known as the Provincial Administration, to usurp most of the functions of the local government. It passed laws that took away important political, administrative, and fiscal powers from them and gave them to its provincial administrative officers (Mwenda 2010, 11), who were essentially
part of its bureaucracy. This strategy was laying the ground for government’s goal of establishing a unitary single-party state by creating institutions that allowed the president to shape all public policies with no constitutional limitations (Kimenyi 2004). Through the provincial administrative system the executive was able “to monitor political developments and control the distribution of patronage down to the local level” (Lamb, 1974, 27-53; Mueller 1984, 407). This centralized system has not been beneficial for local government development since most local government development decisions have been controlled and constrained at the central level (Muia et al. 2010, 16).

In 1965 the central government enacted a new Local Government Act (LGA) delegating specific functions to local authorities with regards to the services they would be mandated to be in charge of. This Act also specified the sources of local authorities revenues, which included a combination of grants it would allocate and those they would have to raise from local resources. Since each local authority is endowed with different resources, the quality of services was dependent on the revenues they could raise. Jurisdictions that had more resources were able to provide better infrastructural and educational services, such as high quality primary school education and durable roads. Those that had less resources depended on grants that the central government allocated for such services. In most cases, the development efforts of the latter authorities were undermined due to the unwillingness and inconsistencies of the central government in making grants available to them (Muia et al. 2010, 18). By the late 1960s, the central government, via the provincial administration, had taken over the tax collection role of the local authorities and effectively drained power from the local authorities (Goldsmith and Rothchild 1969, 428).
By 1969, it was clear that most local authorities were unable to provide adequate services without substantial assistance from the central government. This situation led to the enactment of a new Act (Transfer of Functions Act of 1969) that would transfer the provision of major services to the central government, such as primary school education, health services and road construction (Muia et al. 2010, 19). This action left them with minimal service delivery functions, mainly road maintenance, market construction, and other minor functions. Due to lack of financial resources following the take-over by the central government, local authorities were unable to handle the few functions they were left with (Dege Consult 2007, 85). They lost the power to collect revenues and provide most public services (Patrick et al. 2005, 19). The stipulations of the Act did not favor Kisumu as they favored Nairobi and Mombasa since Kisumu had scarcer resources within its jurisdiction. The relationship that the central government and local governments had after passing the Transfer of Functions Act and implementing the reforms was “one of master and agency, though in theory local authorities [were] autonomous legal entities established by an Act of Parliament: the Local Government Act” (Patrick et al. 2005, 19). According to the central government, the reforms were justifiable because local authorities were facing challenges in raising revenues and maintaining qualified staff (Southall and Geoffrey 1996, 506). It also argued that the level of patronage at the local level was too high and, as a result, councilors were less concerned about providing public services (Gertzel 1970, 37-38).

Throughout the 1970s, the ruling party “extensively undermined the administrative and financial autonomy of local authorities” (Stamp 1986). In 1974, the central government made significant changes that abolished their power to directly
collect taxes and replaced it with a centrally controlled sales tax (Stamp 1986, 27). Due to this change, local authorities had to seek loans and grants for their capital projects from the central government. This dependency “provided the central government with a powerful tool for controlling local government” (Oyugi 1983, 131-132 in Stamp 1986, 27). A major constitutional reform that further transformed the local government system was the 1977 Local Government Act Cap. 265 (Smoke 1994). Under this act the Minister for Local authorities was empowered to be in charge of almost all local government operations (Koti 2000, 18). By the late 1970s,

the ministry kept close track of council politics and administrative performance through the requirement that every municipal, county, and town council provide an annual report and the minutes of all council and committee meetings. Financial controls were exercised through audit of accounts by the controller and auditor-general; regulation of local taxes, fees and charges; and approval of the annual estimates, to which a council was obliged to adhere (Stamp 1986, 27).

The second post-independence regime, under President Moi, usurped more power from the local authorities than the first post-independence regime (Southall and Geoffrey 1996, 508). From 1978, when he assumed power, his regime tightened the control on local government through more rules. In 1983, the government strengthened its presence at the local government level by introducing a new system known as the Kenya District Focus for Rural Development. This system was particularly used to establish patronage networks in the sense that “MPs in collaboration with presidentially appointed District Commissioners [made] decisions on local development and resource allocations routinely on the basis of political patronage” (Smoke 1993). The underlying strategy was to divide and rule councilors. Hence, during the 1970s and 1980s, urban development was undermined by internal wars for power and control by councilors (Herbert 1974, Stren 1978, Murumba 1987). By the 1990s Kenya had been transformed
to a centralized-bureaucratic regime. “Such regimes are marked by the retention of clientelism, the centralization of power in an executive, the displacement of the party by a bureaucracy answerable to the head of state, and the downgrading of representative institutions (Allen 1992: 305-306).” Political patronage from the executive was a common feature (Crook 2003, 81). During this period most of the staff in local authorities were recruited based on patronage, hence leading to the misuse of revenues that were used for personal reasons rather than for financing the provision of public services (Eising et al. 2010, 63). The overall outcome of these transformations was a set of institutions that have been intentionally designed to sustain the centralized-bureaucratic system.

4.3 Main Features of the Local Government System

4.3.1 The Governing Rules: Local Government Act of 1978

Up to 2010, Local governments in Kenya have been operating under the Local Government Act of 1978 (Action Aid 2006, 1).¹ This Act has significantly shaped the role that they have played in governance and urban development, from being able to make autonomous decisions to the loss of autonomy to the central government. It “contains no less than 186 central government controls and regulations over local authorities (World Bank Report No. 8997-KE, 1992).” In general, it laid out the institutional structure that the local government system has taken, as well as the legal powers and service provision responsibilities of the local authorities under the supervision of the Ministry of Local Government (MOLG). It mainly usurped their powers and gave them to the

¹ Since September 2010 Kenya’s government has been implementing a new constitution that will establish a fully devolved system of government. This study was conducted prior to this reform, when this Act was still operational. Currently, local governments still technically operate under the 1978 Act. The new constitution is expected to start taking full effect after the 2013 national elections that will be held in March.
Minister of Local Governments. The MOLG has been in charge of staff recruitment and the supervision of local government budgeting (Dege Consult 2007, 16). This structure has always been a source of contention between the council and the administration since councilors have always argued that because they have the public’s mandate they should have the powers to appoint administration officers (Mwenda 2010, 32).

Apart from administrative powers, the Minister has been given powers that determine the nature of local governance since he can create or dissolve local authorities (Wainaina and Okoth 2002, 40; Nguri et al. 2010, 118; Mwenda 2010, 31). “The Local Government Act provides immense powers to the Minister…to the extent that he has to approve virtually all matters resolved by local authorities (Barasa 2010, 52).” It gave him the authority to establish electoral zones in local areas, and appoint some councilors without consulting citizens. This issue has often created political tension between councilors and administrators. This is because appointed councilors rarely respect the authority of city managers since they are protected by the Minister (Muia et al. 2010, 25). In general, the Act merged civil and administrative functions. Civil functions were under the council and the administrative ones are under the clerk’s office.

The Local Government Act also stipulated how local authorities were to initiate and implement urban development projects. It granted them the power to acquire land and use it for any property that may benefit the public. Under this law, they also had the power to grant or deny permission to other developers. The Act “provides that no person shall carry out development, in most cases housing projects, within the area of a local authority without development permission granted by the local authority”
(Lumumba 2004, 4-5). But the downside is that they have been required to provide more services than they originally did at independence. Their main responsibility at independence was to provide services that would stimulate national development through a wide range of projects (Oyugi and Kibua 2006, Muia 2008).

4.3.2 Local Authority Urban Development Responsibilities and the Political Challenges

Although the government took over control of local government responsibilities it left them with most of the urban development ones that they had been assigned at independence (Stamp 1986, 26). Most of these functions make them managers of urban space (Koti 2000, 3). Among the several functions that were assigned to local authorities, the most important ones were those that facilitated the extraction of revenues, such as provision and supervision of business license and regulation or business premises (Muia et al. 2010, 22). But they also have the responsibility of providing a wide range of other services, such as fire protection, education, rubbish collection, sports and recreation, maintaining bus parks, and water and sanitation (Mwenda 2010, 87). Over the recent years they have been unable to increase or maintain better service provision due to lack of capacity, which in turn has led to the deterioration of urban development in most of the local authorities (Barasa and Eising 2010, 1).

In spite of the power to shape urban development, most have not had full authority over the projects within their jurisdictions (Barasa 2010, 58; Koti 2000, 77). Public projects that could have been implemented by local governments are usually politically influenced and implemented by other Ministries (Eising et al. 2010, 69-70). The MOLG bolsters projects at the local government through its Department of Urban
Development through political favoritism. This has made the administrative component of local authorities highly politically inclined in making decisions because of the strong influence that bureaucrats at the national level have on the use of funds, as well as, on the allocation of land and other natural resources (Barasa 2010, 55). Politicians tend to determine how the administrative offices use development funds, as well as how they allocate natural resources (Barasa and Eising 2010, 204). “Councilors tend to monopolize the decision-making role in the LAs” (Republic of Kenya, 2009, 3). Patronage by Councilors has constrained project implementation. In most cases they have been known to coerce contractors to bribe them or else they will terminate the projects; they also insist on the employment of their political clients, who may lack the required qualifications (Eising et al. 2010, 79).

4.3.3 Local Authority Revenues and Expenditures

The main revenue base for LGs is a combination of locally generated revenues and financial assistance transferred from the central government’s national tax revenues. Their revenues are also largely influenced by the authority that the central government gives them in collecting revenues from their main sources, (Menon et al. 2008, 12). LG revenues come from various taxes and fees collected within their jurisdiction. Some local governments also receive donor assistance for infrastructural projects. In the highly urbanized areas, such as Nairobi and Mombasa, a substantial amount of revenue comes from property rates and business permit fees (Dege Consult 2007, 11; Lewis 1998, 145). Among these major sources of revenue, they tend to have more autonomy over the business permit fees (Okoth and Odipo 2005, 6). It was introduced by the central government in 1999 to simplify the business registration process. “The objectives of the Single Business Permit were threefold: to reduce
administrative costs, bring equity and promote local economic activities” (Okoth and Odipo 2005, 6-7). LGs collect a significant amount of these fees from big businesses in the formal sector (Muia et al. 2010, 192). Other sources of revenues that they directly collect are parking fees, market fees, and other minor fees. Another type of revenue that local authorities get from the central government is the Contribution In Lieu of Rates (CILOR). This is the tax that it pays to the LAs for the properties it owns within their jurisdictions. But they are usually viewed as unpredictable (Menon et al. 2008, 16). LGs have not always been able to successfully collect their revenues due to inadequate administrative capacity. Consequently, the national government introduced a more direct form of assistance known as the Local Authorities Transfer Fund (LATF) to strengthen the revenue base of local authorities in 1999 (Nguri et al. 2010, 119).

LGs’ capacity to implement capital projects is largely dependent on the ability to use its revenues effectively. But this action is always delayed because the MOLG has to approve them first, especially, those that heavily rely on central government grants (Akivaga et al. 1985). Most of the LG expenditures go to road construction and maintenance (Mwenda 2010, 104). By the late 1990s it was evident that most of them lacked the administrative capacity required to maintain their projects and deliver public services (Oyugi and Kibua 2006; Menon et al. 2008, 9). In response, the Ministry of Local Government decided to implement a series of reforms that would make them efficient in revenue collection and subsequently service delivery (Muia et al. 2010, 179).

4.3.4 Recent Local Government Reforms: Stimulating Urban Development

The 1990s was a period of transformation for the local government system. Starting from 1995 the MOLG initiated a number of reforms through a program known as the Kenya Local Government Reform Programme (KLGRP). This program has had
three main objectives: “to improve service delivery, to enhance good economic
governance, and to alleviate poverty” (World Bank 2002, 8). The KLGRP is a last phase
of an evolution of the local government system that started with the reforms that
immediately followed independence (Mwenda 2010, 30). During the last decade the
program introduced a number of other programs that have improved financial
management and service delivery in local authorities (Barasa and Eising 2010, 204;
Menon et al. 2008, 9). One major area where improvements have been made is
revenue collection (Action Aid 2006, 1). In order to facilitate the goals of KLGRP, in
1999 the central government established a fund known as the Local Authorities Transfer
Fund (LATF) to transfer 5% of the national income tax revenues it collects annually to
local authorities (Devas and Grant 2003, 312; Mwenda 2010, 32). In order to access
the LATF funds all local authorities have to present annual budgets and financial reports
to the central government (Nguri et al. 2010, 104).² With this assistance they have been
in a better position to develop their jurisdictions and also provide better public services.
The fund also supplements local authorities’ revenues, to pay outstanding debts (Eising
et al. 2010, 77). The amount of funds a local authority is awarded under the LATF is
based on the total population of the jurisdiction, as well as the performance record with
related financial issues, such as well-prepared budgets and financial reports.

The LATF allocation formula tends to benefit highly populated areas since it
mainly uses the population size to determine the amount of funds to apportion (Mwenda
2010, 89). Hence, highly urbanized local authorities are more likely to get most of the
funds.

² These documents have been the sources of the analysis done in Chapter 4.
Through the LATF process the KLGRP has also tried to strengthen the linkage between local authorities and citizens. Prior to the introduction of KLGRPs, local governments had no political space for citizens to actively participate in the projects or even push for accountability. LATF changed this situation by making citizen participation a condition for receiving funds from the central government (Devas and Grant 2003, 307). Since 2001, local authorities have been required to involve citizens in the budgeting process by preparing a Local Authority Service Delivery Action Plan (LASDAP). “The LATF Act and Regulations of 1999 demand that citizens must be involved during the preparation of every council’s LASDAP” (Action Aid 2006, 3). Local authorities are required to submit their budgets to the public for review before being submit through the channels that lead to the Minister for Local Governments (Menon et al. 2008, 18). Collaboration and inclusion in the production of LASDAPs also includes working with local civil society organizations (Barasa and Eising 2010, 2). This initiative has been effective in incorporating citizens wishes since “the projects prioritized by this process (wells, clinics, road repairs) appear to reflect the interests of ordinary citizens better than those formerly prioritized by the LAs themselves (vehicles, offices, equipment)” (Devas and Grant 2003, 314). The KLGRP also initiated a Rural Poverty Reduction and Local Government Support Programme (RPRLGSP), which targets poverty reduction through supporting reform initiatives that seek to improve service delivery and financial management in rural based local governments (Barasa and Eising 2010, 2). The main outcomes of the KLGRP were the initiation of a Single Business Permit, improvement of budgeting and financial management, and increased financial support from the central government. All these were meant to increase and strengthen
the revenue base of the local authorities. Put together, these reform programs have been successful in improving urban development (Patrick et al. 2005, 29), particularly in Kenya’s three cities. But the extent of urban development has varied because of other historical factors.

4.4 A Short History of Urban Development in Kenya’s Three Cities

Figure 4-1 below shows the location of the three cities in Kenya that are the subject of this study.


³ Mombasa is approximately 274 miles from Nairobi while Kisumu is approximately 164 miles from Nairobi.
Urban local authorities have played a significant role in stimulating Kenya’s economic growth since the beginning of the 21st century (Menon et al. 2008, 2). More than 70% of the GDP is generated from its three cities: Nairobi, Mombasa, and Kisumu (Menon et al. 2008, 2). This study focuses on these three cities. They have been hailed as major centers of innovation (UN-Habitat 2005, 4). Nairobi and Mombasa were the first townships to be established in Kenya. Kisumu, which is a more poorer city than Mombasa and Nairobi, was established much later. These cities have also experienced different levels of urbanization, which is evident from the different levels of development in the three cities. In terms of how they rank based on the evidence provided in the sections that follow, Nairobi ranks first, Mombasa ranks second and Kisumu ranks third.

4.4.1 Nairobi

“Kenya has a primate urban system that is centered on Nairobi. Urban primacy is said to exist when a country’s largest city is at least twice as large as the combined population of the second and third largest cities” (Zeigler et al., 2003). Nairobi, Kenya’s capital city, has been the dominant city in Kenya because of an investment environment that attracts a wide range of businesses and workers (Otiso 2005, 117). Economies of agglomeration have sustained Nairobi’s dominance by attracting a variation of enterprises, even though the government has attempted to create business incentives in smaller cities to attract these enterprises (Obudho 1997). It is the major contributor of Kenya’s economic growth (Da Cruz et al. 2006, 4).

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4 Since Nairobi’s history and development is well documented the background of the cities in this section extensive information on it than on Kisumu and Mombasa. However, recently Kisumu has been extensively studied for economic development purposes and so its introduction is more extensive than Mombasa’s; however, most of the information on Kisumu is from UN-HABITAT.
Nairobi was founded in 1899 (Menon et al. 2008, 11). It was originally established as an administrative center for serving the needs of the colonial settlers by providing them with a wide range of urban services (Furedi 1973, 276; Macharia 1992, 227). Prior to British settlers’ developing it, the city was mostly a grazing area for nomads and pastoralists. The construction of permanent buildings began in 1899, when the British colonial government decided to make it their railway headquarters (Macharia 1992, 227). Initially the headquarters were in Mombasa. The expansion of this railway played a significant role in developing the city. It led to the growth of commercial and business activities in the city. By 1900, it was a large and booming place with an increase in buildings and residential homes for arriving European settlers and Indian laborers that were constructing the railway (K’Akumu and Olima 2007, 90). But it did not have an industrial sector (Furedi 1973, 276). By 1938 the unemployed population had drastically increased due to the rapid migration of rural inhabitants seeking jobs that were highly scarce (Furedi 1973, 277).

Urban development in Nairobi experienced a significant boost in the 1940s when the colonial government officially initiated a well-funded program meant to transform its industrial sector (Anderson 2001, 138). “The visionary scheme of the city planners was encapsulated in the 1948 Master Plan for a Colonial Capital, which set out a design for the development of the urban infrastructure for the next 25 years” (Anderson 2001, 138). The colonial government planned to construct new administrative headquarters, a modern commercial center, an expanded industrial area, a modern transportation system, and new houses for Africans (Anderson 2001, 138). “Nairobi’s construction industry boomed in the period between 1942 and 1955, boosted by the proliferation of
municipal housing developments...The infrastructure of the city was hugely expanded
by the mid-1950s, as new roads were laid out and electricity, water supplies, drains and
sewers put into the new estates” (Anderson 2001, 149).

In 1950, Nairobi was officially acknowledged as a city, and the authority of its city
council subsequently expanded (Anderson 2001, 138). From 1954 the colonial
administration limited the migration of Africans from rural areas to the city by banning
public housing for Africans and only allowing squatter settlements (Amis 1984, 89;
Obudho and Aduwo 1989). Once Kenya became independent in 1963, this restriction
was lifted, leading to a rapid population growth, with most people encountering
inadequate housing (Dafe 2009, 14). The City Council of Nairobi did not have the
financial or administrative capacity to handle this growth since they were unable to
regulate the growth, provide land or services to the increasing number of residents
(Syagga et al. 2001, 1). It experienced its first major shortfall of housing in 1972, mostly
because the government did not have the capacity to match the rapid migrant influx that
was taking place in the city (Stren 1978). Due to the lack of a housing policy, the city
experienced a rapid expansion of slums (Anderson 2001, 154).

By the beginning of the 21st century Nairobi was experiencing a higher rate of
urbanization than the other two cities. In 1999, Nairobi’s population tripled Mombasa’s
(Otiso 2005). The high rate was driven by the increase in industries, real estate boom,
and expansion of small businesses (Mundia and Aniya 2005, 106). Nairobi is now
Kenya’s primary financial, industrial, and commercial center (Menon et al. 2008, 11) and
also the most populated city, with an estimated four million people (Kenya National
Bureau of Statistics 2010). Its economy is based on industrial activities, local and
international trade, financial activities and government services. The city not only plays an important economic role in Kenya but also in Africa. It serves as a regional center for several commercial activities for East, Central, and Southern African countries because of its infrastructural network (Da Cruz et al. 2006, 4; Dafe 2009, 5). “The Great North Road corridor from Cape Town (South Africa) to Cairo (Egypt) passes through Nairobi. It provides the main access route for various markets in Africa, the Indian Ocean and South Asia” (Omwenga 2010, 4). It also serves as a home for several international and regional organizations, including the headquarters of two United Nations Organizations (Menon et al. 2008, 11), as well as a center of international diplomacy, finance, banking, and commerce (Da Cruz et al. 2006, 9). It is now the largest city in East Africa, with a population of about 4 million people (Kedogo at al. 2010, 5). It is the fourth largest city in Africa with a population growth rate of about 5% per year (Hendricks 2010, 63). It has the most established manufacturing industries in East and Central Africa (Omwenga 2010, 5). Based on the high quality of corporate services that Nairobi has, it has been ranked as the third global city in Africa (Hendricks 2010, 63). Nairobi is also influential in the region due to a high number of education and research institutions that operate from there (Omwenga 2010, 6).

Due to a rapidly increasing population, Nairobi’s needs have always outstripped those of other cities. For example, “during the 1984-88 plan period, it was allocated 42.1% of total local authority development expenditure (compared to 11.4% for Mombasa and 31.7% for the remaining, then 18 municipalities)” (Southall and Geoffrey 1996, 516). Since the 1980s, capital expenditures for service provision have not been able to keep up with the demand (Southall and Geoffrey 1996, 516). This is because of
a rapid rate of urbanization that has always kept demand levels above the supply levels since 1963 (Amis 1984, 89). “Its population [has] grown from 120,000 in 1948 to 3,138,369 in 2009. The annual growth rate was about 5% between 1989 and 1999, and 4% during the 1999-2009 decade despite the fall in employment opportunities associated with the economic downturn in Kenya from the 1980s” (Zulu et al. 2011, S186). This fall in employment has since led to a rapid growth of the informal sector (UN-Habitat 2005, 19) since it drastically reduced employment in the formal sector (Lyons and Snoxell 2005, 1080). The informal sector has reproduced Nairobi and transformed its urban design by increasing informal settlements (Chege 1981, 74). This is also an outcome of a segregated residential structure left by the former colonial government. The population density is very high in low income areas, with a “population density [that] ranges from between 358 and 2,490 per km2 in high and middle income areas to between 15,753 and 82,590 per km2 in low income areas” (Hendricks 2010, 63). The legacy of the structure is such that over half of Nairobi’s residents tend to live in highly dense informal settlements (UN Habitat 2005, 19)

Although Nairobi contributes a high percentage of Kenya’s GDP, access to public services for its residents has been very low because of poor local governance (Gulyani et al. 2006, 49-53). Since independence, its politics has been marked by rampant corruption in service provision (Greenstone 1966, 204). This has significantly increased the level of poverty and inequality in the city. Almost 60% of Nairobi’s inhabitants are now slum dwellers (Syagga et al. 2001, 1). The income distribution in Nairobi favors higher income groups, whose income is almost ten times higher than the low-income groups (Hendricks 2010, 63). The quality of housing is very low in the low-income areas
with barely any services provided by the local government (Da Cruz et al. 2006, 4).

“With slums growing at the same rate as the city at 5% per year, and the majority of its current and projected future population falling out of the existing formal frameworks, urban governance issues are paramount (Kedogo et al. 2010, 5).” The highly centralized local government structure has historically undermined the capacity of the city council of Nairobi to respond to issues that affect the city (Da Cruz et al. 2006, 8). Since the late 1980s “the city management has been unable to cope with the increasing demand for efficient city services since the rapid urban growth has outpaced the capacity of local authorities to provide and maintain infrastructure and basic services (Stren and White, 1989 cited in Mundia and Aniya 2005, 106).” This is because since the 1970s most people living in unauthorized houses and operating in the informal sector have been sustained by patronage from the ruling party, which overlooked their illegal settlements as it sought their votes (Macharia 1992, 288).

Democratic representation at the City Council of Nairobi has for years been significantly affected by clientelistic political practices (Mitullah et al. 2004; Mitullah 2004). Political parties have undermined the efficiency of local authority operations by channeling the minimal resources towards their own patronage activities (Hendricks 2010, 64). Councilors in Nairobi are known for sustaining patronage by bringing and manipulating clients to support their procurement and tendering projects during council meetings (Hendricks 2010, 70). They “are mostly not independent representing agents of citizens and often themselves subject to manipulation. Especially in informal settlements this often goes together with politicization, patronage relations and expectations of reciprocity” (Hendricks 2010, 72).
4.4.2 Mombasa

Mombasa was Kenya's original capital city (Hildebrand and Holst 2010, 70). But it is now Kenya’s second largest city after Nairobi (Musingi et al. 1999, 419). It is six times smaller than Nairobi (Hope Sr. 2012, 6). Its working population is three times fewer than Nairobi’s, with workers earnings being five times lesser than Nairobi’s workers (Otiso 2005, 123). It serves as the principal port for Kenya and other East and Central African countries (Hildebrand and Holst 2010, 70; Menon et al. 2008, 11), especially for landlocked countries such as Rwanda, Burundi, Uganda, South Sudan and Congo (Kithiia and Dowling 2010, 470; Awuor et al. 2008, 232; Musingi et al. 1999, 419). With Kenya's only seaport located in the city, it has served as a major port since pre-colonial Kenya when it was used as a trading point for other port cities in Africa, Persia, Arabia, and India. But congestion, poor transportation network, as well as local government mismanagement, has hindered the operation of the port (Rakodi et al. 2003, 154). As in Nairobi, Mombasa’s population growth has been driven by rural-urban migration (Hildebrand and Holst 2010, 72; Musingi et al. 1999, 420). The continuously increasing population of Mombasa has led to land struggles, and competition for the scarce resources available (Kiitha 2010, 471).

Mombasa’s urban development dates back to the 10th century when it served as a trading center between the East African Coast and Arabia (Musingi et al. 1999, 419). Since the 11th century, it has been a vibrant maritime trading center that has attracted migrants from all over the country as well as the East African region (Hildebrand and Holst 2010, 70). Since independence its extensive port facilities have provided casual employment opportunities to unskilled laborers (Stren 1970, 38). Its industrial center is second after Nairobi and is linked to major East and Central African cities by a railway
and a road system (Musingi et al. 1999, 420). “Mombasa has a well-established industrial sector, comprised of six large and over 400 medium and small-scale manufacturing enterprises. Almost half were engaged in agro-processing, with oil refining, cement production and textiles and clothing also important” (Rakodi et al. 2002, 154). Its major industrial activity is oil refining (Musingi at al. 1999, 419). Its economy is however diversified around tourism, manufacturing, trade, and other commercial activities.

Although Mombasa has some of the major manufacturing industries in Kenya, a quarter of its population falls under the absolute poverty line (Rakodi et al. 2002, 153). The poverty rate in Mombasa is higher than Nairobi’s.

Estimates from the recent Kenya Household and Budget Survey show that 37.6% of Mombasa’s households fall below the poverty line, hardly an improvement over the 38.3% recorded in…1997. These poverty indicators contrast sharply with those for Nairobi where the proportion below the poverty line dropped from 50.2% in 1997 to 21.3%14 in 2006 (Hildebrand and Holst 2010, 73).

Currently, its economy “has stagnated to the extent that decaying infrastructure and widespread poverty characterize the city…Virtually all of the urban poor live in unplanned settlements spread across the city” (Hildebrand and Holst 2010, 70). The urban poor, who constitute a third of its total population, inhabit about 55 slums spread out around the city (Hildebrand and Holst 2010, 74). Due to low levels of education and lack of training, the poor in Mombasa have no access to wage employment (Rakodi et al. 2002, 153). Hence, they engage in unskilled activities in the informal sector (Hildebrand and Holst 2010, 74). Food security and economic performance is very low (Awuor et al. 2008, 232).
Mombasa was formally included as part of the local government system in 1963 (Municipal Council of Mombasa 2009, 7). Initially, it was a town council that was run by a board established in 1928. This board was accorded Municipal status in 1959, which resulted in an extension of the city’s territorial jurisdiction. It is now governed by a municipal council which has a mandate to provide education, health and roads. It also provides government and public housing facilities, markets, as well as regulates land use, handles public health issues, and business licensing (Rakodi et al. 2002, 162). Due to unprecedented levels of urbanization, Mombasa’s city council faces significant challenges. It has been unable to develop a strategy for tackling rising poverty levels and improving service delivery (Hildebrand and Holst 2010, 82). Its revenue comes mainly from property taxes, followed by service charges, market fees, house rents, and business licenses but it has not been historically efficient in collecting these revenues. Hence, it has had major service provision shortfalls; for example, less than 30% of the daily water demand has been successfully met by the city’s administration and its sewer system only manages to serve 15% of the population (Hildebrand and Holst 2010, 82).

4.4.3 Kisumu

Kisumu is Kenya’s third largest city (Huchzermeier 2009, 275; Karanja 2010, 223; UN-HABITAT 2005, 13). It is located at the shores Lake Victoria. Like Mombasa, it also serves as a gateway to the land-locked countries of East and Central Africa. Unlike Nairobi and Mombasa, Kisumu is a less developed commercial and administrative center (Menon et al. 2008, 11). Even though it is the poorest, it is also one of the fastest growing urban areas in Kenya (Huchzermeier 2009, 275; KPMG 2008, 8). Urbanization in Kisumu began in 1898 with the construction of a railway terminus (UN-HABITAT 2005, 13). This terminus significantly transformed the economy of the city by increasing
trade in commodities across the lake between Kenya, Tanzania, and Uganda. This trade generated employment opportunities and increased wealth in the city (DA CRUZ et al. 2006, 7). In 1930, the boundaries of Kisumu were shrunk by colonial settlers, with the intention of developing specific urban areas and excluding African residents from enjoying the same benefits (UN-HABITAT 2005, 18). By the 1960s and 70s its economy was growing at a high rate as a major manufacturing center for sugar, cotton, and fish. It was highly prosperous until 1977, when the East African Community collapsed and severed the trading links it had in the region (Earth Institute 2007, 33). Following the collapse of the EAC, the city has struggled to recover from the reduction of shipping services and the decline of railway trade (UN-HABITAT 2009, 13). Hence, its development story has been one of steep decline and very slow recovery.

Most of Kisumu’s physical urban growth occurred in the period between 1979 and 1999 (UN-HABITAT 2005, 15). But a series of events led to the decline of the city’s economic growth:

- exposure to international competition combined with under-investment in infrastructure caused decline in industrial activity; trade liberalization led to influx of cheap imports, exposing inefficiency of parastatal enterprises;
- cotton collapsed and brewing industry left Kisumu; uncompetitive sugar industry sustained through import tariffs, and literacy levels fell due to increasing poverty with urbanization becoming a significant problem (KPMG 2008, 9).

The decline of Kenya’s economy during the 1990s significantly affected the city through an increase in collapsing industries and commercial enterprises. Its industries were not able to compete successfully with cheaper imports that flooded the market during the economic liberalization era of the 1980s and 90s (Aguilo et al. 2007, 18; KPMG 2008, 8). This decline was accelerated by the effect of World Bank structural adjustment programmes, which reduced the employment rate by retrenching civil servants (Da Cruz
et al. 2006, 23-24). In spite of the significant challenges facing Kisumu, it has been somewhat successful in developing an economic base (Otiso 2005, 127) that plays a significant role in Kenya’s economy. “Its economic significance comes primarily from its location on the shores of the second-largest fresh water lake in the world, Lake Victoria, which connects it to Uganda and Tanzania” (Aguilo et al. 2007, 18). The city’s economy is mainly driven by locally produced goods. Its agricultural contribution to Kenya’s overall agricultural output is about 25%, although most of its agricultural activities are under subsistence farming (KPMG 2008, 10). Its economy is traditionally based on cotton, fish, and sugar, which have been declining in that past few years due to stagnation in trade (Aguilo et al. 2007, 4).

Compared to Nairobi and Mombasa, Kisumu’s rate of unemployment has increased at the fastest pace, and it has the highest levels of poverty (UN-Habitat 2009, 19). It also has one of the highest incidences of food poverty in the country, with “53.4% of the population below the food poverty line in comparison to 38.6% in Mombasa, and 8.4% in Nairobi” (Aguilo et al. 2007, 14). More than half of its population earn their living from the informal sector where monthly incomes are as low as 40 dollars (UN-HABITAT 2005, 21; Wagah et al. 201). The low quality of its demographic characteristics has contributed to the expansion and persistence of the informal sector. It has a labor force that is highly unskilled, its adult literacy rate that is lower than the national average, and it has a high gender parity in education between boys and girls (Aguilo et al. 2007, 14-15). The existing educational facilities are inadequate for the increasing population, and there are great inequalities in teaching standards and services between government-run and private schools.” (Da Cruz et al. 2006, 11). Due to these factors, business owners
in Kisumu lack the skills needed for attracting high end jobs such as accountancy, engineering, and technical farming (KPMG 2008, 26).

Kisumu further suffers from the problem of an inadequate shelter to accommodate its inhabitants. About 75% of its population live in temporary and informal settlements (slums), with about 60% of them lacking basic services (Aguilo et al. 2007, 14-15). “Most slum dwellings are without electricity and occupants use paraffin lamps, tin lamps, batteries, and candles for lighting and kerosene or charcoal for cooking” (Aguilo et al. 2007, 14-15). The uncontrolled expansion of slums has contributed to the infrastructural problems the city faces (Earth Institute 2007, 34). Its “poorly maintained and under-developed transport infrastructure presents a financial and logistical challenge to businesses” (KPMG 2008, 26). The poor state of its infrastructure has contributed to this stagnation by increasing the cost of doing business and affecting farmers ability to deliver fresh produce to markets in a timely manner (KPMG 2008, 26). The physical infrastructure of the city is more developed in the high income residential areas, leaving the slum areas with a very poor road network (UN-HABITAT 2005, 19). Historically, infrastructural development has been biased towards the high income areas because of poor governance and limited council resources (UN-HABITAT 2005, 20).

The municipal government has unsuccessfulty struggled to keep up service provision with the rapid population growth because of political and financial challenges (Aguilo et al. 2007, 4). Service provision has been largely undermined by the lack of administrative capacity to collect revenues. The Municipal Council of Kisumu only manages to collect about half of its potential revenue (Da Cruz et al. 2006, 9). This has limited its ability to generate funds for its urban development projects (UN-HABITAT
Like Nairobi and Mombasa, it mainly collects its revenues from property taxes, land rents, business permits, as well as the financial support that comes from the Local Authorities Transfer Fund (Menon et al. 2008, 14). But the highly centralized decision making under the local government system has undermined its ability to access these funds because the disharmonious relationship that it has historically had with the central government (Aguilo et al. 2007, 4). This is because it has been home to antagonistic opposition parties, which the central government has traditionally punished by denying it financial support (Aguilo et al. 2007, 20; Earth Institute 2007, 33). “The opposition politics that once was a hallmark of the Kisumu region often pitted the local political leadership against the central government. The upshot was a slowdown in development initiatives for the town.” (UN-HABITAT 2005, 24). The combination of the antagonistic relationship and the highly centralized local government system highly affected its development plans during Kenya’s economic crisis in the 1980s and 1990s, leading to a steep decline in economic growth and an sharp increase in extreme levels of poverty (UN-HABITAT 2005, 25; Da Cruz et al. 2006, 4). Since then, the city has struggled to recover. “The advent of multiparty politics has given it an opportunity to move out of under development placed upon it during the one-party system and the frequent fallouts this involved between the local party leadership and the central government” (UN-HABITAT 2005, 24).

In spite of the improved relationship with the central government, the municipal council of Kisumu has still not been strategic in responding to the city’s urbanization challenges. For example, it has registered an expansive freehold land but failed to allocate land for developing its infrastructural needs and public facilities (Huchzermeyer
It has also been biased in its response to the needs of the poor. Recent urban improvement programs have given low priority to the municipal rental houses that are mainly occupied by the poor (UN-HABITAT 2005, 20). Slum dwellers, who live in rural areas, have almost completely excluded from decision making on urban development issues (Da Cruz et al. 2006, 4). One of the main contemporary challenges the council is therefore facing, in light of the increasing urbanization, is the inclusion of about 80% of its land that is predominantly rural in its urban development plans (Da Cruz et al. 2006, 18).

Table 4-1. A summary of urban development in Kenya’s three cities

<table>
<thead>
<tr>
<th>Nairobi</th>
<th>Mombasa</th>
<th>Kisumu</th>
</tr>
</thead>
<tbody>
<tr>
<td>The main commercial center and regional headquarters for numerous international and regional organizations.</td>
<td>A principal manufacturing center.</td>
<td>Not a principal manufacturing center; only has two main industries: a textile and a sugar refinery.</td>
</tr>
<tr>
<td>Nairobi international airport (JKIA) has assumed increasing importance as a regional hub for East and Central Africa and a major program for upgrading and improving the facilities is ongoing.</td>
<td>It is the best-equipped and most modern port in East Africa.</td>
<td>It is the commercial center of western Kenya.</td>
</tr>
<tr>
<td>Nairobi is the largest city in East Africa with a population around 4 million.</td>
<td>Has two tanker berths for the bulk transfer of crude and refined petroleum.</td>
<td>Most of Kenya’s sugar factories are located within a 50 miles radius of the city.</td>
</tr>
<tr>
<td>Has the lowest poverty head count index among the three cities – 43.9%.</td>
<td>The oil refinery at Mombasa has an annual capacity of 4.2 million tons of crude oil.</td>
<td>Is based in the province with the highest poverty index in Kenya – Nyanza – 64.6%.</td>
</tr>
<tr>
<td>3.4 million people (2009)</td>
<td>Is based in a province with a lower poverty index than where Kisumu is, but higher than Nairobi’s poverty index – 57.6%.</td>
<td>394,684 people (2009)</td>
</tr>
<tr>
<td>Area: 696 Km²</td>
<td>996,000 people (2009)</td>
<td>Area: 417 Km²</td>
</tr>
</tbody>
</table>
Chapter 4 has demonstrated that Nairobi has always had the highest level of urban development, followed by Mombasa, and then Kisumu. The descriptive analysis of the trends in urban development, based on data collected from the local governments shows that this tendency has been further strengthened over the past decade. Another important goal of Chapter 4 was methodological. The analysis establishes that there is unit homogeneity by showing that they have undergone similar changes under the former centralized local government system. The examination shows that since independence they have operated under the same laws and administrative processes under the supervision of the Ministry of Local Governments. This is what makes them comparable. The larger issue that this study seeks to address is how the varying trends in urban development have influenced clientelistic linkages in the three cities. Chapter 5 and Chapter 6 analyze how the level and modes of clientelism vary across the three cities.
Chapter 4 provided a comparison of the level of urban development in Kenya’s three cities, thereby laying the foundation for examining the relationship between urban development and clientelism. Chapter 5 carries out this examination. It is divided into three sections. The first section provides a contextual background for the analysis by describing the historical roots of the clientelistic linkages that prevail in Kenya today. This is because they are still a major characteristic of Kenya’s contemporary politics (Mueller 2011, 105). In essence, current clientelistic networks are mostly well-maintained old networks. I attempt to show why and how they were formed, and how they have been sustained and strengthened over time. The section does not attempt to cover every historical aspect but the key transitional moments that provide an illuminating background for this study. The second section shows the variation of urban development in the three cities. The third section examines the relationship between urban development and socioeconomic status in the three cities in the three cities. It compares the nature of this relationship across the three cities. Having shown these variations, the final section conducts an analysis showing the moderating effect that socioeconomic development has on political party clientelism.

5.1 Party Clientelistic Linkages in Kenya: The Roots

For decades Kenya’s politics has been characterized by a culture of clientelism (Murunga et al. 2006, 10). The modern day form of political clientelism has its roots in the first post-independence regime that was led by President Kenyatta (Steeves 1997, 27). The form of patronage that has been dominant in the current multiparty system is also an outcome of dominance by a wealthy political class that was part of the first and
second post-independence regimes (Narman 2003, 344; Omolo 2010, 219). Their wealth was instrumental in sustaining the clientelistic linkages they formed with citizens. Such linkages have been perpetuated by powerful party leaders, also known as “big men” in the literature on African politics (Jackson and Rosberg 1984). “In Kenya ‘big man’ politics has outlasted the change from the one party to the multi-party system. Aside from the implementation of laws allowing for multiparty politics, there has not occurred a fundamental structural change in the country’s politics” (Omolo 2010, 219).

One can get a clear picture of how the current citizen-politician linkages in Kenya operate by analyzing their historical roots because they have not undergone any significant transformations (Murunga et al. 2006, 10). This is the goal of this section.

The centralized political system in Kenya since independence “[gave] rise to particular forms of patron-client relations, particularly those in which the patron plays the role of a broker on behalf of clients that are distant from the administrative power centers (Blok 1969, 369).” This system has also made it possible for presidents and their political allies to establish patronage networks between the ruling party and citizens at the local government level (Klop 2001, 90). The prevalence of such strategies within parties has undermined the institutionalization of Kenya’s party system (Mutua 2010; Mwangi 2008, 269).

The absence of such a system has meant that leaders appeal to ethnic sentiments when seeking for supporters (Mwangi 2008, 269). Hence political parties have often built on the dominant ethnic cleavages in the country rather than ideological platforms (Elischer 2008, 3). The history of party organization and establishment of linkages with citizens after independence shows how old ethnic and patronage networks
have had a significant role in shaping the type of party-citizen linkages that exist in Kenya today (Carey 2010, 58). The development of political parties and the types of linkages they established with citizens after independence was largely shaped by inherited colonial governance strategies and institutions (Murunga et al. 2006, 10; Berry 1993, 125). “The inherited political structures encouraged the exploitation of both ethnic and regional links and further strengthened patronage networks” (Carey 2010, 53). These were the structures under which Kenya’s politicians were first integrated into the colonial political system (Steeves 1997, 27). These politicians were first elected in the colonial Legislative Council in 1957. This is when two factions that later became Kenya’s two first parties – Kenyan African National Union (KANU) and Kenyan African Democratic Union (KADU) – began forming. At their infancy, they were only allowed to operate at the district level following a 1953 ban on national parties (Carey 2010, 55; Throup 1993, 372). Under these restrictions, both KANU and KADU formed around loose coalitions of local ethnic leaders (Barkan 1987, 218). In 1959 the colonial government lifted the restrictions and for the first time allowed parties to be formed at a national level. Because of the short period that was available for organizing and preparing for the elections that were to be held in 1962,

party formation occurred along two different lines: one was at the behest of a single leader who provided intellectual and financial patronage and who drew a core of founders linked more by personal ties forged in the ethnic arena than by ideological commitment. The other track stemmed from the colonial practice of restricting African political activities to local areas, which were ethnically homogeneous (Ndegwa 1997, 604).

Both KANU and KADU followed this structure (Carey 2010, 56). They particularly sought for political power by using patronage to seek clients within the ethnic communities that were represented in the parties (Berman et al. 2011, 463).
Before the elections in 1962, Kenya’s Regional Boundaries Commission divided the country based on ethnic composition (Fox 1996, 597). This division set the tone for the ethnically based parties and ethnic alliances that would follow in Kenya’s politics (Fox 1996, 607). The 1962 elections revealed the political culture and political strategies that would come to dominate in Kenya, with voters mainly voting for candidates that would secure political benefits for them. “They had a clear perception that this was the real function of the ‘ideal’ representative” (Hyden 1972, 402). Both parties took advantage of this prevalent perception and strategized effectively around it. Due to organizational weakness within the opposition party (KADU), KANU won the elections. Meanwhile KADU experienced shifting alliances between leaders of different ethnic factions, with Kenyatta (KANU’s leader) acting as the grand patron (Berman et al. 2011, 478). Kenyatta gave loyal MPs access to state resources so that they could use them to secure electoral victory for KANU (Barkan 1987 cited in Klopp 2001, 82). The outcome of this strategy was an extensive use of the bureaucracy in banning political meetings and distribution of political positions to political leaders of the opposition party, KADU, with the goal of establishing one-party rule (Mueller 1984; Oyugi 1992). KANU tightened its control on other opposition leaders as well. All opposition candidates seeking parliamentary and city council seats could only do so through KANU (Africa Research Bulletin 1966, 512). In 1964 the opposition party was informally dissolved and as most of its leaders joined KANU (Throup 1993, 373).

Kenya’s experience with the multiparty system after independence only lasted for a short time. In 1969, Kenya’s first president, Kenyatta, constitutionally banned opposition parties, making Kenya a one-party state (Carey 2010, 58; Throup 1993,
375). However, intra-party competition still continued between politicians in the ruling party, KANU.

Under the single-party system, Kenyatta’s regime based its legitimacy and authority on elders who belonged to an upper income class and had been accorded the privilege of making decisions for their communities (Berman et al. 2011, 472). To be considered part of this political network, “leaders were supposed to be wealthy and were expected to show their largesse through distributing patronage to their followers” (Berman et al. 2011, 474). Kenyatta not only encouraged the formation of patron-client links but also used the government to monitor them (Carey 2010, 67). A more clear sign of his intention was a major constitutional reform that he made in 1966, stipulating that the government was going to use the civil service to oversee such operations (Wanjohi 1997, 127). The main goal behind this strategy was to use the civil service to establish clientelistic linkages with citizens through various projects. He mainly established linkages through self-help organizations, whereby citizens organized projects at the local level and then sought financial assistance from politicians. “With Kenyatta’s encouragement, communities demanded candidate contribution to…local self-help development projects, and politicians raced to supply funds and ‘big men’ who could be counted on to deliver additional capital and visibility” (Widner 1994, 139). Members of parliament took advantage of this self-help system and used it as a tool for building local support by contributing financially to the small projects; citizens also sustained this system by casting their vote based on the extent to MPs contribution (Carey 2010, 63). The rationale behind this self-help system was to make the ruling party to appear more accountable and also responsive to the needs of the public (Carey 2010, 64).
Kenyatta cemented this patronage system by pushing citizens to seek their politicians assistance, and also forcing politicians to respond to citizens’ demands (Barkan 1992, 177). “Voters expected candidates and officeholders to deliver local benefits (localized ‘public goods,’ such as classrooms or a cattle dip) and…most politicians devoted the time they spent in their constituencies to discussion of these matters” (Barkan 1984, 83). The linkages that MPs formed with voters were however not independent of the ruling party’s interference, which was eager to ensure that no multiparty movements were being formed (Widner 1994, 142). Throughout the late 1970s, therefore, Kenya had a patronage network that was characterized by political parties that selectively responded to citizens demands at the local level (Tamarkin 1978, 77). The focus on local issues “produced a direct flow of patronage from the political elite to rural communities” (Holmquist 1984, 81). By the end of the 1970s patron-client networks were highly developed (Tamarkin 1978, 314). This was the political context that the next regime, under President Moi, assumed power under after Kenyatta’s death in 1978. But since he was Kenyatta’s Vice-president he was quite aware of the patronage system and also a good disciple.

President Moi shaped Kenya’s political economy by enhancing the patron-client system. Moi continued the kind of ethnic politics that was perpetrated by Kenyatta when he radically change his entire cabinet by filling almost all the positions with members of his ethnic group, the Kalenjin (Widner 1992, 165-166). He diverted state resources that had been used for patronage by Kenyatta from the Kikuyu (Kenyatta’s ethnic group) to his ethnic group (the Kalenjin) and regions where his allies came from (Throup 1993, 371). His administration was notably known for misusing state resources to sustain
rampant political patronage during campaigns, including bribing and buying out political opponents (Mwangi 2008, 272). “Whereas Kenyatta had viewed KANU as a coalition of local and regional clientelist organizations that embraced a diversity of interests, Moi came to view the party as a mechanism to control leaders with independent followings” (Barkan 1992, 177). Throughout the 1980s Moi intensified patron-client networks by establishing a program known as District Development Focus, which was used for channeling patronage resources in areas that his party sought political support (Anangwe 1995, 72). While these projects encouraged local participation, they also forced MPs to establish linkages with citizens at the local level (Barkan and Chege 1989).

In the 1990s, Kenya was marked by political turmoil as internal and external pressure grew upon Moi’s regime to end the one party rule and return multi-party politics (Berman et al. 2011, 463). Under so much pressure from civil society and the international community, Moi eventually ended the one-party rule in 1991 and restored the multi-party system. Numerous parties were formed and launched around the political leaders of different ethnic communities. These parties were mostly patron-client based networks between ethnic leaders and their supporters as they lacked a cohesive ideology or a concrete organization structure (Berman et al. 2011, 481). In the first multiparty elections in 1992 the new opposition parties were unable to unseat President Moi because of extreme divisions and conflict of interests between leaders and followers (Berman et al. 2011, 481). These parties primarily had endless contests between leaders’ ethnic networks, with a repetition of similar competitions in the second multiparty elections on 1997 (Oyugi 1997).
The restoration of multipartyism created competition between state elites that had both extensive networks and access to resources and those who have neither of these advantages. Hence, the re-introduction of multiparty politics led to what Klopp (2001, I) calls “patronage inflation”, in the sense that “competitive elections escalated demands for and promises of patronage…Further, with multiple political parties, voters gained bargaining power to demand both resources and accountability” (Klopp 2001, I). Under this context, KANU was able to survive during the multiparty era because it secured support from the extensive patronage networks it had built over the years (Van De Walle 2007, 19). While intensifying and using the same strategies, KANU set a template for a party structures that revolve around the whims of a powerful party leader who makes almost all the decisions (Mutua 2010, 115). Most of Kenya’s current political party leaders, including the incumbent president, were part of KANU’s regime, where they played significant patronage roles during its forty year rule (Berman et al. 2011, 478). Most of them quit KANU and became civil society leaders that were agitating for the end of one-party rule while also setting up their own parties (Mutua 2010, 113). But throughout the democratization period they have used patronage strategies.

The current political parties in Kenya are driven by powerful and wealthy politicians from the previous regimes, who have made them vehicles for personal rather than national interests (Mutua 2010, 115). They are products of the early 1990 ethnically based opposition parties (Elischer 2008, 24), but with different names. They have still not distinguished themselves on ideological or programmatic platforms (Mueller 2001, 104). Instead, they “are seen primarily as personal distributors of private rather than public goods (Mueller 2001, 105). They still distribute national resources to
their clients based on ethnic backgrounds (Mueller 2011, 105). The high degree of ethnic diversity in Kenya has made it difficult for parties to secure victory without forming coalitions with parties representing other ethnic groups (Cheeseman 2008, 172). Hence parties now base their winning strategies around such coalitions (Elischer 2008, 3).

The overall legacy of past party organization strategies is political parties with weak democratic linkages to the society because of lack of mechanisms for supporters to articulate interests or shape how their parties operate (Barkan & Henderson 1997, 27-28; Mwangi 2008, 269). Previous and present parties have had an inherent failure of being unable to respond to the demands of the masses (Carey 2010, 65). Citizen-politician linkages have also been tenuous because the party system in Kenya has always been in a state of fluidity because of frequent shifts in party affiliations among elected political representatives, especially Members of Parliament (Elischer 2008, 21). Shifting affiliations among MPs has been a critical factor because they have always played a central role in Kenya’s centralized political system by being the link between these bosses and the citizens (Berg-Schlosser 1982, 408). During Kenyatta’s era, they traditionally advocated for the demands of the upper class through the administrative hierarchy but responded to those of the poor through patron-client networks (Tamarkin 1978, 317). MPs were at the highest level of the president Moi’s patron-client network (Barkan 1987, 231). Moi effectively used them to create a network of patronage bosses to buy the loyalty of party members and citizens (Throup and Hornsby 1998, 331). Councilors have also been traditionally expected to support these networks or be ejected from their positions (Kassim 1999, 48-50). The goal of this study is to find out how the increasing rate of urban development is shaping these clientelistic linkages. It
begins by showing the variation in the level of urban development in the three cities in Kenya, it then compares the socioeconomic status of business owners across the cities and then the occurrence of clientelism in those cities. Figure 1-2, in Chapter 1, illustrates the argument analyzed in this Chapter 5.

5.2 Variation of Urban Development in Kenya’s Three Cities

This section conducts a descriptive analysis that compares their level of urban development. They focus on initiatives that have been undertaken by the respective local governments and citizens.

5.2.1 Infrastructural Development

Infrastructural development is an essential component of urban development (Bertinelli and Black 2004, 81). The role of developing infrastructure usually lies with local governments (Black and Henderson 1999). They also conduct other physical development projects that increase the level of urban development. In order to compare the levels of infrastructural and other physical development initiatives that the three city councils have undertaken I used the data on their annual capital expenditures. This data captures the amount of revenues that they have spent on infrastructural projects and service provision (Appendix A provides a detailed description on how this data was collected). In general, local governments in Kenya use most of their revenues on road construction and maintenance, construction and maintenance of education facilities, public lighting, solid waste, construction and maintenance of water and sanitation and health facilities. The bulk of their expenditures are therefore used in enhancing service delivery to citizens. Higher amounts in capital expenditures, therefore, reflect three things: urban development is high, there is better management of the urban area, and citizens have better access to public services. According to Figure 5-7 below, all three
cities had very low levels of capital expenditures from 2002 to 2006. From 2006 to 2009, the level of capital expenditures in Nairobi rapidly increased, while that in Mombasa and Kisumu still remained generally flat, with a very small increase in Mombasa. This could indicate that access to public services rapidly increased for business owners in Nairobi. The findings from this study show that in Nairobi most of the business owners rely on the local government for such services than in Mombasa and Kisumu. When asked whether they seek government services from their local governments, 52% of the business owners in Nairobi responded that they do, compared to 20% in Mombasa and 28% in Kisumu. This could be because these services are more available in Nairobi than the two other cities. Lack of such services has a negative effect on business productivity and subsequently on socioeconomic development.

5.2.2 Market Development

Another important feature of urban development, especially in developing countries, is the availability of affordable business premises for business owners to conduct their businesses (Devereux et al. 2007). The increase in these premises can be from private individuals or local governments (Harpham and Boateng 1997; McGill 1998). Thus, the physical construction of these premises is a major driver of urbanization and urban development. In this study, I used data on fees collected from city council owned markets to analyze the rate of urban development driven by the city council economic activities.

The findings presented in Figure 5-5 show that the city of Nairobi has experienced a higher increase in new markets than both Mombasa and Kisumu. It also shows that the rate of increase in markets is slightly higher in Mombasa than in Kisumu. There is almost no increase in Kisumu.
5.2.3 Property Development

Urban areas that are experiencing high levels of development are usually characterized by high levels of property development (Weng 2007). In order to compare property development driven by citizen actions, I use data on fees that local authorities collect from property rates to get an idea of the development of new properties. This is a form of property tax that local authorities impose on a wide range of buildings. An increase in property rates should indicate an increase in the development of new property. However, the increase could also be due to improvements in personnel assigned to collect the fees. More information from local authorities can shed more light on this issue but it is missing in the reports. But the changes on property development suggests that the increase could be from property developments. The data shows that Nairobi has generally experienced a higher increase in property development than Mombasa and Kisumu over the period 2002 to 2009.

As Figure 5-6 shows, Nairobi tends to have the highest share of new properties over time. In Nairobi, property rates collected have generally increased at a higher rate than Mombasa and Kisumu, with the exception of 2005, when the rates collected plunged. Both Mombasa and Kisumu have generally had very low to almost no increase in property rates collected, apart from a slight increase in Mombasa in 2008.

5.2.4 Business Development

Urban development increases when private economic activities increase (Alcacer and Chung 2007; Moomaw 1983). One way in which these activities increase is through the growth of businesses (O’Sullivan 2009, 43). It is impossible to conduct a survey of all businesses in Kenya’s cities to find out the rate of increase in businesses. A useful proxy is instead the fees collected from business permits by city councils of Nairobi,
Mombasa, and Kisumu to analyze the rate at which new businesses are emerging in the three cities. According to the reports, Nairobi has had a continuous increase in business growth over the period 2002 to 2009.

5.3 Urban Development and Variation of Socioeconomic Status

Cross-tabulation has been used to analyze the relationship between a set of dependent and independent variables that show the relationship between urban development and socioeconomic status, which includes examining its relationship with business performance. I test for the strength of the relationships using four types of tests: chi-squared, Cramer’s V, Gamma, and Fisher’s exact test. The likelihood-ratio chi-squared ($X^2$) statistic examines the likelihood that the results occurring by chance. The significance levels are reported as $p<.05$, $p<.01$, $p<.001$, or $p<.001$. Cramer’s V test for the relationship between nominal variables. The strength ranges from 0 to 1, where 1 indicates a highly strong association between the variables. Cramer’s V values that are less than .20 indicate a weak relationship. Values that lie between .20 and .49 indicate a moderate relationship, and those that are more than .50 indicate a strong relationship. Gamma tests for the relationship between ordinal variables. Similar to Cramer’s V, the strength of the relationship varies from 0 to 1, with 1 indicating a highly strong association. Fisher’s exact test has been included where the cases in the cross-tabulation are few, usually it is when the cases are less than 5. If the Fisher’s test is statistically significant the null hypothesis is rejected because there is a relationship between the variables.

The argument pursued in this study is that at an aggregate level clientelism mostly occurs in urban contexts that have low levels of urban development, but when disaggregated the occurrence of different types of clientelism vary across urban areas.
This happens because of the transformation of socioeconomic status brought about by increase in per-capita income and employment growth (Black and Henderson 1999, 253-254). These are outcomes of urban development infrastructural and real estate projects (Bertinelli and Strobl 2007; Stroper and Scott 2009; Waddell 2007).

There are four sources of economic growth that affect socioeconomic status in urban areas. I have used them to come up with measures for analyzing the effect of urban development on clientelism in the informal sector, namely: capital deepening, increase in human capital, technological progress, and agglomeration economies (O'Sullivan 2009, 90-91). Capital deepening is “an increase in capital per worker – it increases productivity and income because each worker works with more capital” (O’Sullivan 2009, 90). In an urban economy, capital deepening is measured by the level of physical capital available for production of goods and services. These are typically in the form of machines, equipment, and buildings constructed to facilitate production of goods and services. Businesses that have high productivity and high income are usually large in size (Todaro and Smith 2009, 328). Evidence of such productive clusters has been difficult to gather in the informal sector due to lack of data, but it is possible to use the estimate level of capital investment in a business and the number of employees as proxies for income and business size, respectively. Urban development improves citizens’ socio-economic status by improving these two factors (Henderson 2000; Njoh 2003). In urban areas that are more developed, clustering of large businesses leads to higher level of business productivity (Moomaw and Shatter 1996). The high quality of these businesses is associated with the high level of capital investments in the businesses (Burmeister and Turnovsky 1972, 842). The substantial capital investments
required for businesses that use higher levels of physical capital imply that business owners experiencing high levels of poverty are unable to own them. Form fieldwork observations of the informal sector in Kenya’s three cities, these tend to be businesses that use advanced machines and deal with bulky products. For example, furniture businesses, welding businesses, and car repair businesses. The nature of these businesses offer more employment opportunities due to their labor intensiveness. We should expect to see these businesses in a more developed city (Nairobi).

To examine the relationship between urban development and level of poverty I use a variable that is based on the estimated level of capital investment (capital intensity) in a business and the size of equipment owned by individual businesses. This variable was created using estimates that were provided by business owners and the size of equipment observed in their businesses. The business owners were asked to provide a financial estimate of the total amount of money they invested in purchasing the equipment they use to conduct their business activities. These measures were used to create three capital intensity categories that were coded for each respondent. Table 5-1 below shows the factors that were used to create the categories. Table 5-2 shows the relationship between level of urban development and the capital intensity in a business. Table 5-2 shows that most (68%) of the businesses with high capital intensity are based in Nairobi, followed by Mombasa (29%), and then Kisumu (3%). This suggests that the socioeconomic status of most business owners in Nairobi is the highest.

With regards to the factors that drive the costs of clientelism, the findings shown above imply that the cost of clientelism is likely to be much higher in Nairobi than in
Mombasa and Kisumu. Nairobi has the highest level of development in infrastructure, markets, property, and business. Hence, it is appropriate to assume that the level of socioeconomic status of businesses is the highest. When the cost of clientelistic strategies is too high politicians are likely to avoid using it or use it moderately.

### Table 5-1. Measuring capital intensity

<table>
<thead>
<tr>
<th>Capital Intensity (Level of poverty)</th>
<th>Overall size of physical capital (as observed)</th>
<th>Capital investment estimates as provided by business owners (in Kenya shillings)</th>
<th>Main types of businesses (as observed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low (High)</td>
<td>Small</td>
<td>2,000 – 5,000</td>
<td>Green grocer, Hairdresser, Restaurant, fish monger, grains and cereals, Hand crafts, barber, fruit stand,</td>
</tr>
<tr>
<td>Moderate (Medium)</td>
<td>Medium</td>
<td>6,000 – 20,000</td>
<td>Tailor, Electrician, cloths and fabrics seller, shoe seller, butchery, laundry, beauty products dealer</td>
</tr>
<tr>
<td>High (Low)</td>
<td>Large</td>
<td>More than 20,000</td>
<td>Restaurant, Computer services, Hardware shop, Welding, Retail shop, Bakery, Carpenter, Car mechanic</td>
</tr>
</tbody>
</table>

The size of physical capital entails the approximate surface area and the number of equipment used by the business. Those that fall under the small category tend to operate in make shift structures or lay their items on the ground, and have a maximum area of about 50ft squared to 100ft squared. They have about three to five items and do not have any employee, apart from the business owner. They do not use electricity or running water to conduct their operations. Those that fall under the medium size
operate in semi-permanent to permanent structures that are walled, operate in an area of about 100ft squared to 300ft squared. They conduct their operations using fairly bulky equipment, own about five main machines for conducting their operations, and have 1 to 2 employees and the business owner. They tend to use electricity and running water. The businesses that fall under the large size operate in an area that is about 100ft squared and more than 300ft squared. Own more than five main equipment that are bulky in size, they use more advanced equipment than the medium sized ones, are well equipped for their operations, have more than three employees, and consume more running water and electricity than the medium sized ones.

Table 5-2. Urban development and capital intensity

<table>
<thead>
<tr>
<th>Level of Urban Development</th>
<th>N (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low (Kisumu)</td>
</tr>
<tr>
<td>Low</td>
<td>73 (61)</td>
</tr>
<tr>
<td>Moderate</td>
<td>45 (37)</td>
</tr>
<tr>
<td>High</td>
<td>2 (2)</td>
</tr>
<tr>
<td>Total</td>
<td>120 (100)</td>
</tr>
</tbody>
</table>

\( p < .001 \), Gamma = 0.29, Fisher’s exact = 0.000

With regards to the factors that drive the costs of clientelism, the findings shown above imply that the cost of clientelism is likely to be much higher in Nairobi than in Mombasa and Kisumu since it has the highest (41%) number of businesses with high capital intensity. Kisumu has the highest number of businesses with low (61%) and moderate (37%) capital intensity. Mombasa has more businesses with moderate capital intensity (17%) than Kisumu (2%). When the cost of clientelistic strategies is too high politicians are likely to avoid using it or use it moderately. Another measure that indicates the level of prosperity of a business owner is the size of the business. Table 5-
shows the relationship between urban development and business size in Kenya’s three cities. I use the number of employees a business has to estimate its size. Since most (67%) of the businesses do not have any employees apart from the business owner, I consider a business with one or more paid employees as being larger in size.¹

<table>
<thead>
<tr>
<th>Has Employees</th>
<th>Level of Urban Development</th>
<th>N (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Moderate</td>
</tr>
<tr>
<td>No</td>
<td>85 (71)</td>
<td>91 (76)</td>
</tr>
<tr>
<td>Yes</td>
<td>35 (29)</td>
<td>29 (24)</td>
</tr>
<tr>
<td>Total</td>
<td>120 (100)</td>
<td>120 (100)</td>
</tr>
</tbody>
</table>

*p < .01, Cramer’s V=0.19*

Table 5-3 shows that most of the larger businesses in Nairobi (45%), compared to 25% in Mombasa and 29% in Kisumu. Hence, we should expect to find more successful business owners in Nairobi. Due to lack of data on their revenues and profits, I have used the ability of a business owner to pay the rent of their premises, the ability to purchase business stock, and the ability to acquire business loans as proxies for indicating the successfulness of the business. These are by no means accurate measures of business success but suitable proxies in this case. While some business owners did not have this data readily available during the surveys, most of them did not because they do not have any financial records. These indicators were provided during in-depth interviews when business owners were asked how they measure their business performance if they did not keep any financial records. This information was then included in a survey question asking them which financial difficulty they mostly

¹ A breakdown of the employees in the businesses shows that 67% of them have no employee, 12% have one employee, 11% have two employees, 4% have three employees, and 6% have more than three employees.
encounter. In a related follow-up study to this one, which investigated the relationship between microfinance institutions and the informal sector, I used survey questions to find out the percentage of business owners that measure their business performance by looking at their flow of stock and ability to pay rent. The study was based on 300 surveys conducted in the same three cities and the same markets. The findings showed that 88% of business owners measured their performance by only looking at the flow of stocks and 53% used their ability to pay rent.

Using the ability to acquire business loans as a measure is strengthened by the fact that most financial institutions scrutinize business owners based on their financial successfulness before approving them for a loan. In most cases they try to establish that the businesses are financial stable and have the potential of maintaining financial success if given a loan. The three proxies are therefore useful in getting a good idea of which city has more successful businesses. Usually, businesses that are doing well are able to meet the rental cost of their premises with less difficulty, re-stock frequently as needed, and acquire business loans with less difficulty from financial institutions. Table 5.4 shows a positive relationship between business size and the three proxies.

Table 5.4. Larger business size and financial success

<table>
<thead>
<tr>
<th>Business Challenges</th>
<th>Business Has Employees N (%)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Difficulty paying rent</td>
<td>82 (34)</td>
<td>27 (23)</td>
<td>109 (30)</td>
<td></td>
</tr>
<tr>
<td>Difficulty purchasing required stock</td>
<td>95 (39)</td>
<td>31 (27)</td>
<td>117 (33)</td>
<td></td>
</tr>
<tr>
<td>Difficulty acquiring business loans</td>
<td>61 (25)</td>
<td>56 (47)</td>
<td>126 (35)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4 (2)</td>
<td>4 (3)</td>
<td>8 (2)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>242 (100)</td>
<td>118 (100)</td>
<td>360 (100)</td>
<td></td>
</tr>
</tbody>
</table>

*p < .001, Cramer’s V=0.24, Fisher’s exact = 0.000

The findings presented in Table 5-4 show that it is mostly small businesses that experience difficulties in the issues that directly affect business operation. 34% have
difficulties in paying the rent of their premises and 39% in re-stocking frequently, compared to 23% and 27%, respectively, of those that have employees. On the contrary, most of those that have employees have difficulties in the issue that indirectly affects business. 47% of them have difficulties acquiring loans compared to 25% of those that have no employee. Since business owners that have larger business sizes are mostly in Nairobi (high level of urban development), we can cautiously conclude that they are more financially successful than those in Mombasa (moderate urban development) and Kisumu (low urban development).

Higher levels of human capital can also have a moderating effect on clientelism since they enable one to effectively manage business. Human capital increases when a person’s knowledge and skills, gained through education and work experience, increases. When a person’s human capital increases the productivity and income is also likely to increase (O’ Sullivan 2009, 90). Ease of access to apprenticeship training and its low cost in the informal sector leads to increase in human capital. Studies done by urban economists (e.g. Glaeser, Scheinkman, and Shleifer 1995) have shown that human capital has a positive effect on business productivity and income in urban areas. “An increase in the education or job skills of a specific worker increase the worker’s productivity…In addition, workers learn from one another by sharing knowledge in both formal and informal settings, and a worker with more human capital has more knowledge to share” (O’ Sullivan 2009, 93). Glaeser, Scheinkman, and Shleifer (1995) have shown that “cities with relatively high levels of human capital [experience] relatively large increases in per capita income.” In developing countries completing secondary education has a positive effect on income growth (Mody and Wang 1997).
Urban development also has a positive effect on education outcomes because of the availability of more learning institutions and learning opportunities. These educational outcomes usually translate into better business management skills and business productivity (Bosire and Gamba 2003). This study measures human capital by looking at the level of education and whether a business owner has attained education on business management. The level of education ranges from lack of formal education to completing college education. Having college education and having business education indicates high human capital. We should expect to see higher levels of human capital in Nairobi. The findings presented in Table 5-5 and Table 5-6 below show that both of these aspects are higher in Nairobi than in Mombasa and Kisumu.

Table 5-5. Urban development and level of education attained

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Low</th>
<th>Moderate</th>
<th>High</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kisumu</td>
<td>Mombasa</td>
<td>Nairobi</td>
<td></td>
</tr>
<tr>
<td>No formal education</td>
<td>4 (3)</td>
<td>1 (1)</td>
<td>2 (2)</td>
<td>7 (2)</td>
</tr>
<tr>
<td>Primary school educated</td>
<td>27 (23)</td>
<td>49 (41)</td>
<td>21 (17)</td>
<td>97 (27)</td>
</tr>
<tr>
<td>High school educated</td>
<td>59 (49)</td>
<td>54 (45)</td>
<td>40 (33)</td>
<td>153 (42)</td>
</tr>
<tr>
<td>College educated</td>
<td>30 (25)</td>
<td>16 (13)</td>
<td>57 (48)</td>
<td>103 (29)</td>
</tr>
<tr>
<td>Total</td>
<td>120 (100)</td>
<td>120 (100)</td>
<td>120 (100)</td>
<td>360 (100)</td>
</tr>
</tbody>
</table>

\[ p < .001, \text{ Gamma} = 0.20, \text{ Fisher’s exact} = 0.000 \]

Table 5-5 shows that in Nairobi 48% of the business owners have attained college education compared to 13% in Mombasa and 25% in Kisumu. The kind of education one gets also matters for business management. Business owners who have had some form of formal business education are more likely to manage their businesses well and depend on them for their livelihood. Most of the business owners that have had formal business education are in Nairobi. As Table 5-6 shows 43% of the business...
owners in Nairobi have had formal business education, compared to 21% in Mombasa and 23% in Kisumu.

Table 5-6. Urban development and attainment of business education

<table>
<thead>
<tr>
<th>Attained Business Education</th>
<th>Level of Urban Development</th>
<th>N (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low Kissumu</td>
<td>Moderate Mombasa</td>
</tr>
<tr>
<td>No</td>
<td>92 (77)</td>
<td>95 (79)</td>
</tr>
<tr>
<td>Yes</td>
<td>28 (23)</td>
<td>25 (21)</td>
</tr>
<tr>
<td>Total</td>
<td>120 (100)</td>
<td>120 (100)</td>
</tr>
</tbody>
</table>

*p < .01, Cramer’s V=0.15

Human capital accumulation not only comes from getting formal education and formal business education but also other forms of learning opportunities. Learning opportunities that have an effect on business productivity are those that lead to acquisition of knowledge on how to manage businesses (Bosire and Gamba 2003, 1). In order to examine these effects this study focuses on the number of business workshops and business seminars that business owners in the informal sector have attended. Table 5-7 and Table 5-8 show that business owners in Nairobi have benefited from such learning opportunities than those in Mombasa and Kisumu. As shown in Table 5-7, Nairobi 18% of the business owners have attended more than two business workshops compared to 3% in Mombasa and 7% in Kisumu.

Table 5-7. Urban development and attendance of business workshops

<table>
<thead>
<tr>
<th>Workshops Attended</th>
<th>Level of Urban Development</th>
<th>N (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low Kissumu</td>
<td>Moderate Mombasa</td>
</tr>
<tr>
<td>None</td>
<td>95 (79)</td>
<td>110 (92)</td>
</tr>
<tr>
<td>1 to 2 workshops</td>
<td>17 (14)</td>
<td>6 (5)</td>
</tr>
<tr>
<td>More than 2 workshops</td>
<td>8 (7)</td>
<td>4 (3)</td>
</tr>
<tr>
<td>Total</td>
<td>120 (100)</td>
<td>120 (100)</td>
</tr>
</tbody>
</table>

*p < .001, Gamma = 0.26, Fisher's exact = 0.000
Table 5-8. Urban development and attendance of business seminars

<table>
<thead>
<tr>
<th>Business Seminars Attended</th>
<th>Low Kisumu</th>
<th>Moderate Mombasa</th>
<th>High Nairobi</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>83 (69)</td>
<td>111 (92)</td>
<td>74 (62)</td>
<td>268 (74)</td>
</tr>
<tr>
<td>1 to 2 seminars</td>
<td>25 (21)</td>
<td>8 (7)</td>
<td>23 (19)</td>
<td>56 (16)</td>
</tr>
<tr>
<td>More than 2 seminars</td>
<td>12 (10)</td>
<td>1 (1)</td>
<td>23 (19)</td>
<td>36 (10)</td>
</tr>
<tr>
<td>Total</td>
<td>120 (100)</td>
<td>120 (100)</td>
<td>120 (100)</td>
<td>360 (100)</td>
</tr>
</tbody>
</table>

\[ p < .001, \text{Gamma} = 0.14, \text{Fisher's exact} = 0.000 \]

Table 5-8 shows that 19% of the business owners in Nairobi have attended more than two business seminars, compared to 1% in Mombasa and 10% in Kisumu. These findings suggest that business owners in Nairobi have better knowledge on how to succeed in business than those in Mombasa and Kisumu. Subsequently, their socioeconomic status should be higher than for those in Mombasa and Kisumu. This is the case when we take into consideration the relationship between attaining business knowledge and financial successfulness.

Table 5-9 shows a positive relationship between attaining formal business education and financial successfulness.

Table 5-9. Attaining business education and achieving financial success

<table>
<thead>
<tr>
<th>Business Challenges</th>
<th>Attained Business Education N (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Difficulty paying rent</td>
<td>86 (33)</td>
</tr>
<tr>
<td>Difficulty purchasing stock often</td>
<td>94 (36)</td>
</tr>
<tr>
<td>Difficulty acquiring business loans</td>
<td>81 (30)</td>
</tr>
<tr>
<td>Other</td>
<td>3 (1)</td>
</tr>
<tr>
<td>Total</td>
<td>264 (100)</td>
</tr>
</tbody>
</table>

\[ p < .05, \text{Cramer's V} = 0.15, \text{Fisher's exact} = 0.049 \]

The findings presented in Table 5-9 show that most of the business owners that have not attained business education have difficulties in the two issues that directly affect business operation. 33% find it difficult to pay the rent of their premises and 36% find it difficult to re-stock frequently, compared to 24% and 33%, respectively, of those
that have attained business education. On the other hand most of those that have
attained education have difficulties in the issue that indirectly affects business. 38% of
them find it difficult to acquire business loans compared to 30% of those that have not
attained business education. Tables 5-10 also shows the relationship between attending
business seminars and financial successfulness.

Table 5-10. Attending business seminars and achieving financial success

<table>
<thead>
<tr>
<th>Business Seminars Attended</th>
<th>None</th>
<th>1 to 2</th>
<th>More than 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty paying rent</td>
<td>83 (31)</td>
<td>20 (35)</td>
<td>6 (17)</td>
<td>109 (30)</td>
</tr>
<tr>
<td>Difficulty purchasing stock</td>
<td>96 (36)</td>
<td>21 (38)</td>
<td>9 (25)</td>
<td>126 (35)</td>
</tr>
<tr>
<td>Difficulty acquiring loans</td>
<td>84 (31)</td>
<td>15 (27)</td>
<td>18 (50)</td>
<td>117 (33)</td>
</tr>
<tr>
<td>Other</td>
<td>5 (2)</td>
<td>0 (0)</td>
<td>3 (8)</td>
<td>8 (2)</td>
</tr>
<tr>
<td>Total</td>
<td>268 (100)</td>
<td>56 (100)</td>
<td>36 (100)</td>
<td>360 (100)</td>
</tr>
</tbody>
</table>

\[ p < .05, \text{ Gamma} = 0.15, \text{ Fisher's exact} = 0.031 \]

Table 5-10 shows that most of the business owners that have not attended any
business seminar or attended 1 to 2 of them have difficulties in the issues that directly
affect the operation of business when compared to those that have attended more than
two seminars. 31% of those that have not attended any seminar and 35% of those that
have attended 1 to 2 have difficulty in paying the rent of their premises compared to
17% of those that have attended more than two. 36% of those that have not attended
any seminar and 28% of those that have attended 1 to 2 have difficulty in purchasing
stock compared to 25% that have attended more than two seminars. On the contrary,
most of the business owners that have attended 1 to 2 seminars have difficulties in the
issue that indirectly affects business operation, acquiring loans. 50% of those them
have difficulties in acquiring loans compared to 31% of those that have not attended any
seminar and 27% that have attended 1 to 2 seminars. Since business owners that have
attained business education and attended more than two seminars are in Nairobi (high
level of urban development), we can tentatively conclude that they are more financially successful in the issues that directly affect business operation than those in Mombasa (moderate urban development) and Kisumu (low urban development). Taking into consideration the direct effect of larger business sizes, attainment of education, and attainment of business education on capital intensity (level of poverty) and financial successfulness we can conclude that high level of urban development improves socioeconomic status. The next section examines how the occurrence of clientelism varies with regards to variation in socio-economic status.

5.4 Socioeconomic Status and Variation of Political Party Clientelism

In general, the socioeconomic factors examined above should have a moderating effect on the attractiveness of clientelism because they increase self-reliance of business owners in the informal sector. This attitude affects clientelistic calculations since politicians are typically concerned with reducing the uncertainty that clients will not vote for them after being given goods (Clapham 1993; Kitschelt and Wilkinson 2007, 10; Le Vine 1980; Lewis 1996). For them, this can involve giving the client a good they consider valuable based on the client’s economic status (Piattoni 2001a, 17). Based on the variation of socioeconomic status examined above, we should expect the level of political party\(^2\) clientelism to be lowest in Nairobi, moderate in Mombasa, and highest in Kisumu.

The operationalization of political party clientelism borrows from the existing literature. According to this literature, whether a party's assistance is clientelistic or not

\(^2\) Unfortunately, this study does not compare the variation across specific parties. This is because the fieldwork was done a few months after the post-election crisis in Kenya and in that environment asking respondents about specific parties was a sensitive issue. Pilot surveys showed that asking about specific parties had a high non-response rate. When the names of all parties were eliminated from the surveys the response rate was very high.
is determined by finding out whether the party help that a citizen received was offered around election periods (Auyero 2001, 213; Brinkerhoff & Goldsmith 2002, 3; Hopkin 2006, 5; Keefer 2009; Kitschelt and Wilkinson 2007, 10; Sandbrook 1972, 108; Weingrod 1968, 380). This is widely used strategy for winning elections in clientelistic contexts (Grzymala-Busse 2008, 643). Parties in these contexts, even ideological ones, have learned that in order be electorally successful they need to establish clientelistic linkages with citizens at the grassroots level (Coppedge 2001, 176). The clientelism literature in political science (e.g. Van de Walle 2007, 3) often refers to these “impersonal and short-term electoral bargains between mass-parties and voters” (Hilgers 2011, 585). These types of bargains have been viewed as mostly occurring during competitive elections in nascent multi-party systems (Muno 2010, 8).

To compare the occurrence of clientelism in the three cities, business owners were asked whether they have mostly received such assistance during election or non-election periods.³

Table 5-11. Urban development and political party clientelism

<table>
<thead>
<tr>
<th>Has mostly received party assistance during elections</th>
<th>Level of Urban Development</th>
<th>N (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low Kisumu</td>
<td>Moderate Mombasa</td>
</tr>
<tr>
<td>No</td>
<td>50 (42)</td>
<td>102 (85)</td>
</tr>
<tr>
<td>Yes</td>
<td>70 (58)</td>
<td>18 (15)</td>
</tr>
<tr>
<td>Total</td>
<td>120 (100)</td>
<td>120 (100)</td>
</tr>
</tbody>
</table>

³ The exact question asked was: Have you mostly received assistance from the party during election periods? Respondents were asked when they “mostly” received assistance since the goal they could not recollect the exact number of times they have received assistance from the time they started their businesses. To avoid misinterpretation on their part, the interviewer clarified that the question required them to consider the overall times they have received such assistance during the time they have been operating their business.
Table 5-11 above shows that most of the business owners that have received assistance during elections are in the city with the low level of urban development. The finding shown is based on party clientelism. Other measures of clientelism will be explored later. Figures 5-1, 5-2, and 5-3 show how these relationship varies with regards to the type of business ownership, level of poverty, and gender respectively.

Figure 5-1 below shows the percentage of business owners that have mostly received assistance from political parties around election periods in the three cities. This is the period when parties conduct campaigns and also undertake clientelistic transactions.

Figure 5-1. Clientelism is more prevalent where urban development is low

Figure 5-1 shows two categories of business owners: those who are in partnerships with others and those who are sole proprietors. Kisumu, the city with the lowest level of urban development, has the highest level of clientelism when compared
to Mombasa and Nairobi in both categories. The level of clientelism among sole proprietors is higher in Mombasa than in Nairobi. In Kisumu it is mostly the sole proprietors that are targeted for clientelistic transactions.

When it comes to comparison based on level of poverty, as shown in Figure 5-2 below, in Kisumu it is mostly the very poor (low capital intensity) that are targeted for clientelistic transactions. The level of clientelism is also high among the moderately poor and the least poor. In Mombasa, it is mostly the least poor (high capital intensity). Clientelistic practices among the moderately and least poor are much lower than in Kisumu. In Nairobi the level of clientelist transactions is low all three levels of poverty. This finding suggests that the price of clientelism is higher is Nairobi and Mombasa and cheaper in Kisumu.

![Figure 5-2. Clientelism is prevalent where the level of poverty is high](image)

Figure 5-2. Clientelism is prevalent where the level of poverty is high
With regards to gender, shown in Figure 5-3 below, in Kisumu it is mostly the female business owners that are targeted for clientelistic offers, whereas in Mombasa and Nairobi the differences between male and female involved in clientelism are not significant (Figure 5-3).

![Bar chart showing assistance received from political parties in Nairobi, Mombasa, and Kisumu by gender.](chart.png)

**Figure 5-3.** Women are more likely to be targeted for clientelism.

Chapter 5 has shown that urban development is highly correlated with clientelism. An important issue that needs examined further, using an appropriate method, is the causal effect of urban development and clientelism and not just the correlation. While the findings presented here are insightful, more can be learned by

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4 In the overall sample size 56% of the respondents are women and 44% are men. In Nairobi: 64% women and 56% men. In Mombasa: 62% women and 58% men. In Kisumu: 76% women and 44% men.
understanding the relationship that exists between urban development and the clientelistic strategies that different politicians use. This is the objective of the Chapter 6.

Figure 5-4. Variation in infrastructural development based on capital expenditures in the three cities (Source of Data: Local Authorities Transfer Fund. 2010. Annual Report and Review of Local Authority Financial Performance, 2002-2009. Nairobi, Kenya.)
Figure 5-5. Variation in market development based on market fees (Source of Data: Local Authorities Transfer Fund. 2010. Annual Report and Review of Local Authority Financial Performance, 2002-2009. Nairobi, Kenya.)

Figure 5-6. Variation in property development based on property rates (Source of Data: Local Authorities Transfer Fund. 2010. Annual Report and Review of Local Authority Financial Performance, 2002-2009. Nairobi, Kenya.)
Figure 5.7. Variation in business development based on single business permit fees (Source of Data: Local Authorities Transfer Fund. 2010. Annual Report and Review of Local Authority Financial Performance, 2002-2009. Nairobi, Kenya.)
CHAPTER 6
TRADITIONAL VERSUS MODERN CLIENTELISM: CONCEPTUALIZATION AND OPERATIONALIZATION

Clientelism can provide a more intricate insight on how politicians’ interactions with citizens vary in different contexts but the concept tends to be applied in a highly generalized form. This is because it has been used to accommodate a wide range of political exchanges (Hopkin 2006, 2). The concept is useful for explaining the political interactions that take place between high and low level actors (Powell 1970, 423). This includes politicians, brokers, rural and urban voters, and other traditional leaders (Kaufman 1974, 302). Scholars tend to emphasize either the exchange and reciprocity aspects or the relational aspects of clientelism (Muno 2010, 3). Some scholars (e.g. Auyero 1999, 301) have called for a shift from the common approach that mechanistically views the poor as citizens who cast votes for a political candidate in exchange for favors and refocus on the relational links that are established for problem solving. Studies have shown that clientelism can take different forms in rural and urban areas (Smith 1960, 260). The form that clientelism takes is largely dependent on the context it exists in (Lemerchand and Legg 1972, 156). We can gain a better understanding of the different forms that it takes by identifying the forms that have been highlighted in the vast literature on clientelism and then finding out how they vary in different contexts. This is the goal of Chapter 6. Chapter 4 showed how, in general, its prevalence varies with regards to urban development. Chapter 6 goes further by identifying the different forms of clientelism, based on the insight offered in the literature on clientelism, and showing their variation in the three cities in Kenya.

The first part of Chapter 6 analyses the variation in the occurrence of two types of clientelism: a traditional versus a modern mode. It also draws out variables that can
be used to examine their incidence. The second part elaborates on how these variables can be measured. The third part compares their incidence in the three cities on two levels. It first compares their prevalent use with the MP and Councilor lumped in one category as politicians. It then compares Councilors’ and MPs’ usage separately. The comparisons are done using two methods: descriptive and regression analyses. The fourth part concludes Chapter 6.

6.1 Differentiating Modern and Traditional Clientelism

6.1.1 Scholastic Distinction

The initial studies on clientelism were rooted in the sociological and anthropological studies that were done on traditional societies in the 1960s and 1970s (Hilgers 2011, 568). Hence, our current understanding of clientelism is mostly based on ethnographic studies that have identified its characteristics at a microsociological level (Eisenstadt and Lemarchand 1981; Eisenstadt and Roniger 1984; Gellner and Waterbury 1977; Piattoni 2001a). There have been two significant waves in the study of clientelism (Roniger 2004, 355).

The first wave was in the late 1960s and early 1970s. This wave largely involved case studies done by anthropologists and political scientists attempting to conceptualize clientelism (e.g. Graziano 1976; Lemarchand 1972a, Scott 1969). During this wave sociologists and anthropologists (e.g. Cornelius 1977; Weingrod 1977) originally framed the relationships between chiefs or landlords and peasants as patron-client relations (Brinkerhoff and Goldsmith 2002, 2; Hilgers 2011, 569). Their approach, which used the local or village level as the unit of analysis, has been regarded as the traditional approach (Eisenstadt and Roniger 1980, 54; Fatton 1986, 61; Hilgers 2011, 585; Kaufman 1974, 290; Kitschelt 2000, 849; Muno 2010, 3; Paul 2008, 213; Roniger
In this study, I refer to it as traditional.

The second wave started in the late 1990s (Roniger 2004, 355). This was at a time when the process of democratization was also taking off in Africa, marked by the rise of multi-party competition (Van de Walle 2007). The view of clientelism in this wave reflects the rise in importance of elections and a shift in the way clientelistic politicians used clientelism as a strategy for winning the votes of rural inhabitants that were the focus of the first wave. The integration of peasants in such societies in electoral political competition was accompanied by the use of clientelism as a political mobilization or persuasion strategy (Szeftel 2000, 430). This has been regarded as the modern approach (Hilgers 2011, 568; Hopkin 2006, 8; Kitschelt 2000, 849; Paul 2008, 213; Roniger 2004, 355-356; Schaffer 2007). I refer to it as the modern mode.

In the first wave the concept was used to explain the nature of politics in villages but in the second wave it was broadened and used to explain national level politics (Brinkerhoff and Goldsmith 2002, 2; Hilgers 2011, 568). The attempt to broaden the use of clientelism to explain national level politics has led to a generalized definition that has downplayed some characteristics that still exist in the traditional mode (Hilgers 2011, 571). This has been driven by a desire to compare the significance of behaviors observed in traditional clientelistic activities across historical periods and geographical as well as hierarchical space (Hilgers 2011, 568).

What clientelism has meant for political scientists has diverged from what it has meant for anthropologists (Weingrod 1968, 378). “Reviews of the literature on clientelism often refer to the divide between an anthropological clientelism describing
traditional relationships in the countryside and a political science one referring to the impersonal and short-term electoral bargains between mass-parties and voters” (Hilgers 2011, 585). Anthropologists have often emphasized unequal social relationships bound by kinship ties that exist in small communities in the countryside (Brinkerhoff and Goldsmith 2002, 2; Hilgers 2011, 568; Piattoni 2001a, 9; Weingrod 1968, 379) while sociologists and political scientists have emphasized the existence of these relations in bureaucratic structures (Eisenstadt and Roniger 1980, 42). Two ways of examining clientelistic practices within the social sciences therefore persist, studies that emphasize traditional patron-client ties and studies that emphasize the distribution of resources in exchange for political support (Roniger 2004, 355). The latter is sometimes viewed as one based on anonymous interactions under political party machines (Kitschelt 2000, 849). A sharp contrast has been made between the two modes by some scholars (Roniger 2004, 355-356). But they are also viewed as a continuum from traditional to modern norms (Kitschelt 2000, 849). The two modes are rarely exclusive from each other (Hopkin 2006, 4; Lemarchand 1972, 77). Instead they can overlap and occur simultaneously as a nation develops (Scott 1972, 1145). But there can be instances where one is stronger than the other.

6.1.2 A Modernization Perspective of the Two Modes

Modernization of political and economic systems has driven the examination of the two modes. Attempts to comprehend how clientelism evolves with regards to the modernization of state and society structures date back to the late 1960s and early 1970s when the emphasis was placed on peasant societies (e.g. Graziano 1973; Lemarchand and Legg 1972, 1972; Scott 1969, 1972). Social and economic changes engendered by modernization were expected to weaken traditional clientelistic norms...
but instead they persisted (Lemarchand 1972, 88). These norms were considered a predominant feature of non-industrialized contexts, with their resilience constraining “modernizers to neo-traditional values and modes of behavior” (Fatton 1986, 62). They were also viewed as antagonistic to political development (Lemarchand 1972, 87-88), which is a key component of modernization (Huntington 1965, 393). Due to their persistence, they are viewed as having “permeated the sites of modernity, namely the bureaucratic apparatus and the dominant political party” (Fatton 1986, 63). Within these sites modernization has transformed clientelism.

According to Graziano (1973, 369), clientelism transforms from the traditional form to the transitional form. The difference between these two forms is that the latter form has clientelism incorporated as a strategy for organized political parties and is widely used for electoral competition while in the former it is not commonly used for those reasons (Graziano 1973, 369). Lemarchand (1972, 72) frames it as a transformation from feudal to patrimonial forms. The traditional mode is the feudal one. It is characterized by a personalistic bond between a superior and subordinate person and involves “an exchange of protection, economic security and a position in the society [from the superior] in return for loyalty, obedience and service from the subordinate” (Cohen 1966, 91 cited in Lemarchand 1972, 73). The modern mode is the patrimonial one. It involves exchanging targeted goods for various political benefits, particularly votes (Lemarchand 1972, 72-73).

Although modernization may have led to a decline of traditional dyadic, face-to-face ties, they are still an inherent part of several contemporary political systems (Lande 1983, 444-445). They have become “enmeshed in the dynamics of electoral
politics” (Hopkin 2006, 3) of the modern mode. This mode of clientelism has gained prominence since the late nineties because it has been widely used to distinguish the nature of electoral competition in new democracies and advanced democracies worldwide (e.g. Auyero, 2001; Brusco, Nazareno and Stokes, 2002; Est´evez, Magaloni and Diaz-Cayeros, 2002; Fox, 1994; Gay, 2001, 1998; Hagopian, 1996; Kitschelt et al., 1999; Levitsky, 2001, 1999; Mainwaring, 1999; Malesky, 2001; Robinson and Verdier 2002; Roniger 2004; Stokes, 1995; Szwarcberg, 2001; Van Loo and Taran, 2001; Wantchekon, 2002). This is because the provision of private, targeted goods has been a common feature of younger democracies (Keefer 2007, 807). The modern form of clientelism is a strategy that is also commonly associated with organized parties, where favors are distributed by party members and agents (Hopkin 2006, 8). Hence, examinations of clientelistic relationships between parties and clients have focused on the exchange of votes for favors (e.g. Auyero 1999; Gunther 1996; Hoskin 1997; Kitschelt and Wilkinson 2007; Lindberg 2003, 2012; Lindberg & Morrison 2008; O'Donnell 1996; Piattoni 2001a; Robinson and Verdier 2002; Stokes 2007). The increasing attempt to distinguish clientelistic from democratic norms in the democratization era (e.g. Brinkerhoff and Goldsmith 2002, 4) has increased the focus of clientelistic transactions as being based on exchanging votes for goods and services. This is different from the exchanges associated with the traditional mode.

6.1.3 Distinguishing Relations

Hilgers (2011, 573) points out that “clientelism is not only an exchange, but also a personal relationship.” “As much of the literature on political clientelism suggests, but inadequately explores, the distribution of goods and services is a necessary, but not the only, condition for the operation of the clientelist world” (Auyero 1999, 304). Clientelistic
transactions are usually sustained by complex bonds that can be either weak or strong (Brinkerhoff and Goldsmith 2002, 2). Contemporary political relationships broadly labeled as clientelistic exist in two forms: “some are easily identifiable as instrumentally rational and short-lived, while others cross the lines among instrumental, value, emotional, and traditional causes” (Hilgers 2011, 574). “The patron-client dyad itself can be conceived in a large number of forms, all the way from the exclusive and monopolistic aspects of the traditional peasant-landlord relationship to the more fluid and limited exchange process characteristic of the political machine” (Kaufman 1974, 289). The existence of strong long term face-to-face interactions in the traditional mode of clientelism differentiates it from the short term ones that characterize the modern mode (Hilgers 2011, 568). In the traditional mode, the establishment of a strong relationship takes precedence.

Anthropology and political science scholars have highlighted the different nature of relationships in the two modes. For anthropologists, patrons and clients first establish enduring interpersonal relationships then manipulate the relationship to continually achieve mutual benefits (Weingrod 1968, 379). For political scientists, politicians establish ephemeral relationships for the sake of exchanging favors for electoral support (Weingrod 1968, 379). This implies that “patronage is most clearly enunciated during election campaigns” (Weingrod 1968, 380).

In a traditional context, patron-client dyads tend to last almost throughout the lifetime of both partners (Barnes 1968; Powell 1970, 413). Patrons form these traditional dyads because they provide long term security for their positions and can be invoked when other factors they depend on are unreliable (Scott 1972, 102). Due to the affective
nature of the relationship between patrons and clients, they have been viewed as friends (Boissevian 1966, 32). Pitt-Rivers (1954) calls them “lopsided friendships.” “Ritualized friendships” were highlighted as a condition for the exchange of gifts in the societies where the traditional form of clientelism was observed (Eisenstadt and Roniger 1980, 54). On the contrary, this is not a necessary condition for the exchanges that take place in the modern mode where the recipient is only seen as a potential voter (Schaffer 2007).

6.1.4 Distinguishing Transactions

“The crux of patron-client relations is…the organization or regulation of exchange or flow of resources between social actors” (Eisenstadt and Roniger 1980, 51). Different clientelistic interactions can lead to different exchanges (Auyero 1999, 323). Clientelistic relationships are sustained “by the simultaneous exchange of two different types of resources and services: instrumental (e.g., economic and political) and ‘sociational’ or expressive (e.g., promises of loyalty and solidarity)” (Roniger 1990, 3). Instrumental types of exchanges are associated with the modern mode and the sociational types with the traditional mode. This distinction characterizes a common divergence in contemporary studies. “Some researchers continue to use clientelism to indicate diffuse, long-term interactions involving shows of personal concern and liking between the parties involved; others label it an interest-maximizing exchange of goods and services and apply it to incidents ranging from vote-buying to pork-barreling” (Hilgers 2011, 568). This observation highlights the factors that distinguish the exchanges in the two modes of clientelism. Rather than viewing patron-client relations as mechanism for buying votes (modern mode), the traditional approach views them “as models of structuring…interpersonal interaction and exchanges in society” (Eisenstadt and
Roniger 1980, 56). In the modern understanding of the concept, exchanges are conceived as reliant on the availability of a personal vote (e.g. Grzymala-Busse 2008, 665). Citizens explicitly use their votes as a bargaining tool to get politicians to respond to their demands (Kitschelt 2000, 851). Although votes are a primary good they are not the only basis of transactions (Gay 1990, 648 cited in Auyero 1999, 297). The dominant focus on votes as the key aspect of clientelistic linkages has masked traditional types of exchange.

Traditional clientelistic norms are embedded in communitarian ethics of reciprocity (Van de Walle 2007, 3). In this case, community norms play an important role of anchoring private relationships (Kaufman 1974, 285). What binds patrons and clients is the strong interpersonal loyalty that strengthens their solidarity (Eisenstadt and Roniger 1980, 50). These bonds are established for the sake of increasing accountability on both sides (Hilgers 2011, 578) and are sustained by a “powerful sense of obligation and duty” (Hopkin 2006, 2). There is an element of care and concern for the client’s needs from the patron that is absent in the modern mode (Paul 2008, 213). The patron primarily protects them and provides their needs because of the shared affective bonds (Muno 2010, 3). Initial studies on the norm found that clientelistic exchanges were marked by patrons offering assistance and protection to clients who reciprocated by becoming loyal followers (Boissevian 1966, 18; Mason 1986, 489). Scholars (e.g. Lemarchand and Legg 1972; Scott 1969, 1972) emphasized that the reason clients sought relations with patrons was to buy ‘social insurance’ for protection against economic emergencies. For the patron, fulfilling these duties mattered because it provided a loyal following that secured his superior position (Camic et al. 2005, 167).
Patrons who employ the traditional mode do not seek a one-time transaction but a long term obligation from clients (Scott 1972, 97). Hence, the obligation that the patron and the client have between each other does not require immediate response, it can take a long time before the transaction is fully completed. As Boissevian (1966, 22) points out “the obligation created by a patron in one generation may not be called on until the following generation.” Patrons can strategically give clients goods that bind them to a debt of obligation that they may never be able to fully reciprocate (Scott 1972, 93). This implies that there is more than meets the eye in cases where exchange of votes for goods takes place. “From the outside, what appears as an exchange of votes for favors is seen from the inside in many different (and, sometimes, antagonistic) ways: manipulation versus caring, interested action (politics, calculative exchange) versus disinterested actions (friendship)” (Auyero 1999, 305). Implicitly, therefore, the exchange of votes for goods and services is supported by a more deeper relationship between patrons and clients. There is also a specificity of time based on elections that mostly applies to the transactions in the modern mode. In this mode the use of clientelism tends to increase as the intensity of electoral competition increases (Scott 1969; Van de Walle 2007). In the traditional mode the range of time when transactions take place is diffuse (Scott and Kerkvliet 1977; Blau 1964, 93).

6.1.5 The Role of Brokers

Brokers play an important intermediary role in the modern mode due to the lack of interpersonal relationships between patrons and clients. They mediate between patrons and clients that are either geographically or personally distant from each other by connecting complex networks (Eisenstadt and Roniger 1980, 43). They are able to establish mutually beneficial relationships between patrons and clients (Boissevian
1966, 24-25). Most of the time they serve as patrons’ agents but can also act as agents for clients (Kettering 1988, 425). Their importance stems from the connections they have to a wider network of powerful and powerless people and their ability to facilitate negotiations and the trading of resources (Powell 1970, 412). In some cases brokers can be local patrons that are well connected to clients and so are recruited by politicians in the central government to establish links with clients (Kaufman 1974, 290). These patrons can also link political party elites that are detached from the local level politics to the masses (Lemerchand 1972, 86).

6.1.6 The Role of Group Membership

There are almost no studies that have looked at how traditional and modern clientelism vary when it comes to distributing private goods to clients that are members of organized groups, yet apart from the distribution of goods to individuals clients, politicians can also distribute goods to groups (Hopkin 2006, 10). This study seeks to examine this issue by including a variable that analyses the effect of clients that are members of groups versus those who are not. Although clientelism is mostly based on one-to-one relationships, they may be more beneficial to a politician’s long term goal of securing a political position when he has several of them. One way of increasing these relationships may be to distribute goods to groups (Robinson and Verdier 2002, 2). In groups, patron-client linkages can exist in the form of a network of dyads formed by people who know each other (Hilgers 2011, 580; Lemarchand 1972, 75). The reasons why politicians may prefer to distribute private goods to citizens in groups over those who are not in groups are to secure clients’ loyalty, to monitor them, and to maximize benefits from transactions. The literature on clientelism has shown that politicians are both strategic and selective when it comes to which citizens’ demands they choose to
respond to. They can strategically respond to the demands of citizens who belong to groups and those that they have a high level of contact with. This can especially be the case in urban areas where politicians do not usually trust urban residents to be loyal at the polling station (Lindberg 2010, 127).

For clientelistic promises to be fulfilled close monitoring is necessary. In most cases politicians are unable to effectively monitor whether voters they have given goods vote as expected. This inability to monitor voters can make the distribution of goods a costly investment for them. Since groups are in a position to monitor each other successfully in ensuring all the members deliver their votes, they may reduce the cost of monitoring individual clients. Thus, for politicians it may be easier for people who have close interactions to monitor each other. Robinson and Verdier (2001, 2) note that “who politicians can credibly exchange with will be determined by the social network of individuals whose behavior they can observe relatively well...This network, a clientele, ...allows politicians to make credible...offers to such people.” The potential of improving monitoring through groups is more likely to make it an attractive strategy for patrons who use the modern mode since they are more detached from clients, especially intimately. Table 6-1 summarizes the key differences in the two modes, with regards to the four aspects discussed above.

6.2 Operationalization and Key Empirical Expectations

Based on the previous discussion of the two modes, this section introduces the variables that can be used to analyze how the two modes of clientelism vary with regards to urban development and level of politicians, as well as the empirical expectations. The survey questions that were used to construct these variables are listed in Appendix B. In order to compare how the modes vary with regards to urban
development, this study examines how they play out in election and non-election periods. Scott (1972, 99), advices that when dealing with the types of ‘political service’ that clients offer patrons one should separate electoral related help from non-electoral help. There is a difference in the way transactions in the two modes play out during election periods. Clients can vote for patrons due to the strong relationship and sense of obligation in response to a good or service that had been delivered a long time ago (Hopkin 2006, 3), or due to a one-time vote buying transaction that is devoid of a long term relationship and sense of obligation. The former interaction falls under the traditional mode and the latter under the modern mode.

Hence, we can be able to differentiate between politicians that use the traditional versus modern mode by finding out whether the goods delivered are related to campaign visits and voting patterns or not. In this case, visits made primarily during campaigns fall under the modern mode. Delivery of goods from patrons associated with high voting patterns also fall under this mode. The variables that can be used to conduct this analysis are those looking at the periods politicians mostly visit citizens(election versus non-election), the reason why politicians visit citizens (campaign versus non-campaign), frequency of voting in elections, and the time when citizens mostly receive clientelistic goods (election versus non-election).

Another way of comparing the two modes is by looking at the effect of proximity. This is essential in the execution of traditional patron-client transactions (Powell 1970, 413; Schmidt 1974, 425). Kitschelt (2000, 852) points out that “direct face-to-face interactions cemented by normative bonds between politicians and their clients occur only in the traditionalist type of clientelism.” The traditional form of clientelism is,
therefore, characterized by recurrent interactions between patrons and clients, allowing the patron to closely monitor clients. Since clients must be closely monitored, patrons that employ the traditional mode have to invest a significant amount of time and energy in seeking and maintaining clients on the ground (Roniger 1994, 212). These patrons also tend to supply durable goods to their followers so as to retain them for a long time (Hopkin 2006, 2); hence, the ties that bind them tend to be greater (Scott 1972, 100). So we should expect the provision of durable goods and frequent visits to be more associated with direct interactions and long term relationships during non-election periods. In this regard, we should also expect a higher level politician to be associated with the modern mode and a lower level politician with the traditional mode. Key variables that can be used to analyze the effect of proximity are: frequency of visits from low and high level politicians, the durable or non-durable nature of the goods distributed, and the level of direct, face-to-face, contact between politicians and clients. The availability of vast resources can compensate for the lack of proximity needed in the traditional mode since patrons who have a large resource base tend to increase their instrumental or non-affective ties (Scott 1972, 99). In this regard, it should be expected that a politician who has access to more resources is more likely to use the modern mode.

Because the analysis in this Chapter 7 is extensive, including many variables, it is necessary to introduce the main variables here. An extensive list of the other variables, with their descriptions, is provided in the appendix. It also elaborates further on the main variables that I briefly presented below.
6.2.1 Dependent Variables: MPs Versus Councilors Business Assistance

The two types of politicians that this analysis compares are members of parliament (MPs) and Councilors. MP and the Councilor are the most critical citizens’ political representatives in Kenya. Councilors play an important role of dealing with the city council on various matters that affect business owners. Since they represent the business owners in council meetings with the Mayor, who heads the local government, they can act as advocates for those who are unable to meet all the pre-requisites for issuing business stalls, such as paying the full rent and license fee on time. Findings from focus group discussions and interviews show that these are major problems in the informal sector. For clients in these markets promising loyalty to Councilors has long term benefit of getting protection from the harassments that business owners in the informal sector normally get from local government inspectors when they are late in paying rent or have violated any of the business permit requirements. These harassments usually include possible eviction from the stalls.

Successful establishment of linkages with MPs also serves an important goal of accessing financial resources that make it possible to cover the costs of acquiring and maintaining a business stall. The main resource that business owners in Kenya seek from MPs comes from a development fund that was established by the state for the purpose of stimulating development in constituencies. This fund is known as the

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1 Under Kenya’s new devolved political system that will be implemented starting March 2013 other types of politicians will emerge, namely: governors, senators, and county representatives.

2 A number of business owners pointed out that they are usually harassed by the city council officers for rent and license; given five choices of problems they are facing to pick from, most (33%) of the business owners mentioned high rent charges from the city council as the major problem affecting their ability to conduct business. From the interviews one business owner in Kisumu informed me that they have been suggesting to the city council to allow them to pay a joint license fee for the market to ease their inability to pay the fee on time.
Constituency Development Fund (CDF). The Fund is disbursed to every constituency through the MP using guidelines that were established under a parliamentary Act. The CDF Act (2003, 15) states that “the list of proposed constituency based projects to be covered under this Act shall be submitted by the member of Parliament for that constituency." These funds are a more guaranteed form of state support for small businesses and so they can easily serve as mechanisms for politicians seeking long term clientelistic loyalties. The Act requires the government to grant the program a minimum of 2.5% of the national revenue for each financial year. The stability of the fund serves as a major incentive for business owners to seek linkages with politicians. Such linkages can increase the likelihood of accessing funds frequently, given that the CDF managing committee in each constituency is usually formed by the MP. It is comprised of the MP, the councilor and nine other members from the constituency.

Since Councilors are also part of this committee it also creates an incentive for business owners to form linkages with them because they can facilitate access to get the funds.

The literature on clientelism also shows the necessity of comparing their roles since it distinguishes the traditional and modern mode with regards to the local level and

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3 The Constituency Development Fund (CDF) was created in Kenya in 2003 through an act of parliament to "fight poverty at the grassroots level through the implementation of community based projects which have long term effects of improving the peoples’ economic well-being and to relieve members of parliament from the heavy demands of fund-raising for projects which ought to be financed through the Consolidated Fund. The legal provision of the establishment and operation of the Act suggests that the fund is essentially a model for decentralization of development planning and implementation.

4 Currently, there are calls by M.P.s to increase the CDF amount; several M.P.s have argued that the devolved fund has contributed to growth at the grassroots and lobbied to have the kitty tripled.

5 The CDF Act states that “There shall be a Constituency Development Committee for every constituency, which shall be constituted and convened by the elected Member of Parliament within the first thirty days of a new Parliament and shall have a maximum of fifteen members, comprising of – 1) the elected member of Parliament; 2) two councilors in the constituency; 3) one district officer in the constituency; 4) two persons representing religious organizations in the constituency; 5) two men representatives from the constituency; 6) two women representatives from the constituency; 7) one person representing the youth from the constituency; 8) one person nominated from among the active NGOs in the area if any.”
national level politics (Brinkerhoff and Goldsmith 2002, 2; Powell 1970, 423). As far as legislative issues are concerned, in Kenyan politics the Councilor is usually closer and the MP farther. It can, therefore, be expected that Councilors are associated with the traditional mode and the MP the modern mode. To examine this distinction, I asked business owners whether they have ever received the MPs’ help or Councilor’s business assistance. This question is then followed by questions that try to find out the types of business assistance that they have received, as well as the frequency.

6.2.2 Key Independent Variables:

The analysis conducted in this dissertation consists of several independent variables that cannot be detailed in full here. The following section highlights the main ones that the study is based on.

6.2.2.1 Participation in elections

The literature on clientelism has also highlighted the fact that transactions in the modern mode are mostly enunciated during elections while those in the traditional mode are not (Auyero 1999, 297; Graziano 1973, 369; Hilgers 2011, 577-578; Hopkin 2006, 3; Moran 2001; Muno 2010, 8; Wantchekon 2002; Weingrod 1968, 380; Szeftel 2000, 427). This implies that we can tell whether the MP and Councilor employ either of the two modes by finding out whether the delivery of goods is associated with business owners’ frequency of participation in elections. To examine this issue I use two measures: whether a business owner has voted in at least one election and how many elections he or she has voted in. If the politicians’ assistance to a business owner is associated with these two measures, we can cautiously conclude that the politician uses the modern mode. If not, then the politician uses the traditional mode.
6.2.2.2 Campaign versus non-campaign (business) visits

In order to investigate this issue I used a survey question that asked business owners the main reason why politicians have visited them. The list of choices they were given in the questionnaire included several reasons why they mainly visit business owners. These reasons were provided by business owners during focus group discussions and in-depth interviews. They fall under two categories: campaign and non-campaign visits. Campaign visits mostly take place during the election periods while non-campaign visits take place during non-election periods. The non-campaign visits are visits related to delivering various forms of business assistance by politicians, such as helping business owners in getting stalls, providing them with funds to improve their business, and delivering government funds allocated to small businesses. I have labeled the non-campaign visits as business visits.

6.2.2.3 Frequency of contacts (level of access to politician)

The nature of bonds or ties between citizens and politicians vary from weak to strong. Hence, it is possible to tell whether politicians use the traditional or modern mode by comparing the relationships that they have with business owners. In order to examine these relationships business owners were asked about their frequency of contact with the politicians from the time they started operating their businesses. The choices provided were: 0 times, 1 to 2 times, 3 to 4 times, and more than 4 times, which I have labeled as none, low, moderate and high respectively. Traditional and modern clientelism also vary in terms of face-to-face contact. As shown in the discussion on the bonds of affection between patrons and clients, the traditional mode is mostly associated with face-to-face contact while this is rare for the modern mode. This study compares three types of contact that were mentioned by respondents during focus
group discussions and interviews then included in the survey questionnaire: letters, phone calls, and office visits. I then ranked them as low, moderate, and high direct contact respectively. In this case, the traditional mode is associated with the most direct contact – office visits. Respondents were asked which of these forms of contact they have mainly used to gain access to the politicians.

6.2.2.4 Two-way link with politician

The review of the literature on the two modes has shown that the traditional one is based on patrons and clients having a reciprocal relationship. This not only implies exchanging goods but also casual interactions. In this mode the patrons tend to visit their clients more often than in the modern mode. Hence, one way that the two modes can be compared is by finding out whether a reciprocal relationship exists or not, in the sense that the client has visited the politician and vice versa. In this study I call this relationship the two-way link. A politician who is associated with this link uses the traditional mode.

6.2.2.5 Lobby group membership

The effect of group membership in securing private clientelistic goods has not been examined in studies on clientelism. Usually, scholars make a distinction between private goods issued to individuals and club goods issued to groups. But during the focus group discussions and interviews that were conducted for this study some business owners reported that they have received private benefits through their groups. This provoked further interest in examining the role that group membership plays in securing private goods. Since most of these groups are used to advocate for a wide range of goods and services for markets I consider them lobby groups. I used two measures: whether a business owner is a member of at least one lobby group and
whether a business owner is a member of more than one lobby group. Respondents were directly asked whether they are members of any of the organization(s) that lobby’s the local government for better service to markets. Those who respond affirmatively are then asked other follow up questions that seek to find out the number of lobby groups they are members of, whether or not they contribute to the lobby groups’ activities, and the frequency of their contribution. The goal behind asking about contributions is to find out the relationship between active participation in the group and both modes. This variable is most likely associated with the modern mode because it is not based on long term personal relationships. In the traditional mode politicians maintain close relationships with citizens, hence they are less likely to interact with groups.

6.2.2.6 Demographic and business aspects

In addition to the main variables above the analysis that follows also include some demographic variables and other important ones that are related to their businesses, namely: gender, level of education, the duration that the business owner has had the business, and the size of the business. Table C-1 in Appendix C provides the descriptive statistics of these variables, as well as the variables mentioned above. Using these variables, Chapter 7 conducts an analysis of the variations in modern and traditional clientelistic practices.
<table>
<thead>
<tr>
<th>Features</th>
<th>Modern Clientelism</th>
<th>Traditional Clientelism</th>
</tr>
</thead>
</table>
| **Transactions** | ▪ Take place during election periods  
▪ One-time  
▪ Most of the time the transacting parties (patron and client) do not know each other personally  
▪ Mostly based on votes as the main good | ▪ Take place during both election and non-election periods  
▪ Continuous  
▪ Most of the time the transacting parties (patron and client) know each other personally  
▪ Other goods and services apart from votes are exchanged |
| **Relations** | ▪ Less intimate and affective  
▪ Short-term  
▪ Weak interpersonal loyalty  
▪ Less reciprocation  
▪ Less accountability | ▪ More intimate and affective  
▪ Long-term  
▪ Strong interpersonal loyalty  
▪ More reciprocity  
▪ More accountability |
| **Brokers** | ▪ Patrons mostly use brokers to establish connections with clients | ▪ Patrons rarely use them to establish connections clients |
| **Groups** | ▪ Patrons are more likely to use groups so as to increase their ability to monitor them and secure clients' loyalty. | ▪ Patrons are less likely to use groups as a way of monitoring clients since their interactions with clients are built at the individual level. |
CHAPTER 7
EXAMINATION OF TRADITIONAL VERSUS MODERN CLIENTELISM

Chapter 7 first compares the traditional and the modern mode based on two levels: their occurrence in the three cities, how the MPs and Councilors use the two modes across the three cities. Regression analyses are then done to find out how the voting behaviors of citizens and their relationships with politicians are related to getting assistance from the two politicians. The effect of these variables is compared with that of the demographic ones to find out how which ones have a strong effect on the probability of getting assistance from MPs and Councilors. The regression analyses are also used to compare the effect of campaign and non-campaign visits on the probability of getting assistance from the politicians.

7.1 Data

This study was conducted in nine markets in across the three cities compared in this study. Three markets were selected from each city. The data was gathered using four methods: focus group discussions, semi-structured interviews, surveys, and key informant interviews from three people who have first-hand knowledge of the relationship between politicians and the informal sector. Three research assistants (RAs) were recruited to help with the data collection. The first step in gathering the data was selecting markets on the basis of geographical location. The goal was to ensure that the markets were in political wards represented by different politicians. We then mapped all the markets and recruited focus group participants. In each city we recruited two participants from each market. All the focus group discussions were tape recorded, along with note-taking. In total 3 focus group discussions were done.
In the next stage, I analyzed the information from the focus groups and used
them to develop questions for the semi-structured interviews. Semi-structured
interviews were more appropriate, as opposed to in-depth interviews, since I was
getting assistance from three RAs in different locations and it was important that the
information from the interviews be comparable. Moreover, although semi-structured
interviews are different from unstructured interviews they still have much of the
freewheeling quality of unstructured interviewing and require the same skills (Bernard
2006, 212). The participants for both the interviews and surveys were recruited using
the systematic random sampling technique. In each city we conducted 20 interviews,
leading to 60 interviews total.

After the interviews were completed all the interviews were transcribed. In the
transcribed interviews I looked for common themes and common variables to create a
survey questionnaire. Based on the information gathered on the citizen-politician
linkages, I developed a survey meant to scrutinize the linkages further with the
assistance of the RAs, we were able to conduct 360 surveys (120 in each city) from
nine markets. In the last stage I decided to interview three key informants so as to verify
the findings from the politicians’ stand point, although in an indirect way. These key
informants were: 1) A personal assistant for the one of the current Deputy Prime
Ministers in Kenya 2) A Political Science professor in one of Kenya’s universities, who
lost in his bid for a parliamentary seat at the nomination stage and later worked as a
strategist for other M.P.s, and 3) a communications officer for one of Kenya’s main
political parties (Orange Democratic Party). Appendix A provides a more detailed
discussion on the data collection. Clarification of the survey questions used for variables included in this study and coding of the responses is provided in Appendix B.

7.2 Methods

Two types of regression analysis methods for categorical dependent variables have been used to examine the data: binary regression models and ordinal regression models. The dependent variables – MP’s business assistance and the Councilor’s business assistance – have been measured as binary variables that differentiates those who have received such help from those who have not. Councilor’s assistance is also measured using two ordinal variables indicating the number of times a business owner has received such help and the quality of goods they have received. The model that has been used for the binary dependent variables is the binary logit. The ordered logit has been used for the two ordinal variables based on Councilors’ business assistance.

7.2.1 Binary Regression Models

I generate regression models for binary outcomes to find out how the independent variables (Table C-1, Appendix C) affect the probability of a business owner getting business assistance from the Councilor and the MP. “Because the model is nonlinear, the magnitude of the change in the outcome probability that is associated with a given change in one of the independent variables depends on the level of all the independent variables” (Long and Freese 2006, 131). The complexity of the results presents the challenge of interpreting them. This requires a simple way of summarizing the effect of change in the binary outcomes for the dependent variable for a change in the independent variables.

For the logit models I fit different models with the two binary dependent variables based on the following equation:
\[
Pr(y = 1) = \alpha + \beta_1 x_1 + \ldots + \beta_k x_k
\]

As an independent variable, \(x\), increases by one unit, the dependent variable, \(P(y=1)\), increases (or decreases) by \(\beta\) units. To illustrate the findings, I use figures showing nonlinear models predicting the dependent variables \(y\). Each of these models has an independent categorical variable \(x\). The lines shown in these models plot \(y\) as \(x\) changes. For the models, the probability of the business owners getting MPs or Councilors help is:

\[
Pr(y = 1|x) = F(x\beta)
\]

Where \(F\) is the logistic cumulative density function for the logit model. The probability \(P(y = 1)\) takes a S curve shape. \(\beta\) indicates the direction (up or down) of the curve as \(x\) increases.

Since the binary regression model is nonlinear, “no approach to interpretation can fully describe the relationship between a variable and the outcome” (Long and Freese 2006, 157). Several methods can be used to present them in a more interpretable manner. “Meaningful approaches are based on predicted probabilities and functions of those probabilities” (Long and Freese 2006, 157). To present the findings in a more understandable way I use three different approaches. The first method I use is showing the effect that each of the independent variables have on the predicted probability of an outcome using the following formula:

\[
Pr(y = 1 \mid x, x_k)
\]

The equation above represents the probability to be computed when all other variables are set to their means, except the variable of interest \(x_k\). This variable is can be set at a
specified value, such as its minimum. Hence, to find out the effect that it has when it varies from its minimum to maximum the following calculation is done:

\[ \Pr(y = 1 \mid x, \text{max } x_k) - \Pr(y = 1 \mid x, \text{min } x_k) \]

This method allows one of the independent variables to vary from its minimum value to its maximum value, while other others are held at their means. The second method I use involves finding out the discrete change. This is because “the change in the predicted probabilities for a discrete change in an independent variable...[is] more effective for interpreting” (Long 1997, 75) binary regression models. The discrete change for a change of some quantity in the independent variable is:

\[ \Delta \{\Pr(y = 1 \mid x)/\Delta x_k\} = \Pr(y = 1 \mid x, x_k + \delta) - \Pr(y = 1 \mid x, x_k) \]

“which can be interpreted that for a change in variable \(x_k\) from \(x_k\) to \(x_k + \delta\), the predicted probability of an even changes by \(\Delta \Pr(y = 1 \mid x)/\Delta x_k\), holding all other variables constant” (Long and Freese 2006, 171). This method is able to show the effect of a finite change in the independent variables. In the analysis of this change, I examine the change in predicted probability at the independent variables change from their minimum \((x_k)\) to maximum \((x_k + \delta)\) all the variables have been held at their means.

The third method I use to interpret the findings examines the odds ratio. This method transforms the coefficients \(\beta\) of the independent variables in the logit models to show the factor change in the odds of business owners getting assistance from the MPs and the Councilors. The method takes the antilogs of both sides of a logistic regression equation, such that:

\[
\log \left( \frac{P(y = 1)/(1-P(y = 1))}{\alpha + \beta x} \right) = 0 \]

\[ P(y = 1) / (1 - P(y = 1)) = e^{\alpha + \beta x} = e^\alpha (e^\beta)^x \]
The exponential regression on the right side indicates that a constant value multiplied by another raised to the power of $x$ increases the odds by $e^\beta$ in a multiplicative manner. This means that for a unit change in an independent variable, the odds of an outcome are expected to change by a factor of $e^\beta$.

### 7.2.2 Ordinal Regression Models

In the analysis I also use two ordinal dependent variables for business assistance from the councilors. I analyze them using an ordinal logistic regression model. I use the following proportional odds model:

$$\ln \left( \frac{\sum \text{pr(event)}}{1 - \sum \text{pr(event)}} \right) = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \ldots + \beta_k x_k, \text{ or}$$

$$\ln \left( \frac{\sum \text{pr}(Y \leq j | x)}{1 - \sum \text{pr}(Y \leq j | x)} \right) = \alpha_j + \beta_i x_{i,l}, \ i=1...k, \ j=1,2,..., \ p-1$$

where: $\alpha_j$ or $\beta_0$ are the thresholds, $\beta_1$ the parameters, and $x_{i,l}$ the set of factors or predictors of the model. The equation is an ordinal logistic model for $k$ number of predictors with $p-1$ levels of response for each ordinal variable.

In order to convert the out of the ORM into an interpretable form I examine the discrete change for the variables. This is the predicted probability for a change in a variable from the initial value ($x_s$) to the end value ($x_e$), that is:

$$\Delta \text{Pr}(y = m | x)/\Delta x_k = \text{Pr}(y = m | x, x_k = x_e) - \text{Pr}(y = m | x, x_k = x_s)$$

where $\text{Pr}(y = m | x, x_k)$ is the probability that $y = m$ given $x$, taking into consideration a specific value for $x_k$. “The change is interpreted as indicating that when $x_k$ changes from $x_s$ to $x_e$, the predicted probability of outcome $m$ changes by $\Delta \text{Pr}(y = m | x)/\Delta x_k$, holding all other variables at $x$” (Long and Freese 2006, 213). ORM results can also be interpreted using odds ratios. With the ordered logit model defined as:

$$\Omega_{\leq m > m}(x) = \exp(\tau m - x\beta)$$

The effect of a change in a dependent variable $x_k$ of 1 takes the form:
The above equations indicate that “for a unit increase in \( x_k \), the odds of an outcome being less than or equal to \( m \) is changes by the factor \( \exp(-\beta_k) \), holding all other variables constant…The odds ratio can be interpreted as follows: for a unit increase in \( x_k \), the odds of a lower outcome compared with a higher outcome are changed by the factor \( \exp(-\beta_k) \), holding all other variables constant” (Long and Freese 2006, 217).

### 7.2.3 Plotting Probabilities

To graphically present the findings from the binary regression models I plot the probabilities of an outcome over the change from minimum to maximum of an independent variable. Since there are several independent variables I examine the effects of the main ones. For example, consider the effects of age and business owners voting in elections (BV) on getting assistance from a politician (GAP). The effect of both independent variables, is then plotted by holding all other variables at their means and allowing \( \text{AGE} \) and \( \text{BV} \) to vary. To do this, where \( x_0 \) contains the mean of all other variables, \( \text{BV} \) and \( \text{AGE} \) will be allowed to vary. Then,

\[
\Pr(\text{GAP} = 1 \mid \text{AGE}, \text{BV} = 0) = \Phi(x_0\beta)
\]

is the predicted probability of getting assistance from a politician for business owners of a given age who have not voted and are average on all other characteristics. The predicted probability for those who have voted, \( \Pr(\text{GAP} = 1 \mid \text{AGE}, \text{BV} = 1) = \Phi(x_0\beta) \), is similarly computed and the predicted probabilities plotted. The interpretations are then made. For instance, the plotted results of the example above can be interpreted as: for each additional n years of age, the probability of getting assistance from a politician increases by \( p \), holding all other variables at their means.
To present the findings from the ordinal regression models I plot the cumulative probabilities. This “is the probability that the outcome is less than or equal to some value” (Long 1997, 133). For instance, to examine the frequency at which a business owner gets assistance from a politician (never, rarely or often), the cumulative probability of one of the outcomes being less than or equal to \( m \) is

\[
Pr(y = m \mid x) = \sum Pr(y = j \mid x) = F(\tau m - x\beta)
\]

In the example, the cumulative probabilities would be the probability of never getting assistance, \( Pr(y \leq 1 \mid x) \), the probability of never getting assistance and rarely getting assistance, \( Pr(y \leq 2 \mid x) \), and the probability of never getting assistance, rarely getting assistance, and often getting assistance, \( Pr(y \leq 3 \mid x) \). When plotted these probabilities uncover the three trends by showing the effect of an independent variable on the three categories.

7.2.4 Diagnostic Tests

Before interpreting the results from the logit and ordinal logistic regression analyses, this study ensures they are valid by conducting the necessary diagnostic tests. For the binary regression models it test for multicollinearity, which occurs when there are correlations among the independent variables. In this case if an independent variable \( X_1 \) is a perfect linear function of one or more other variable \( X_2, X_3 \ldots X_n \) then it has been determined by the linear combination of these variables. The presence of multicollinearity makes the models inappropriate since the estimates of the coefficients cannot be uniquely obtained, hence they are unreliable. It also makes the model unidentifiable, in the sense that it is not possible to differentiate the effect of the collinear independent variables on the dependent variable.
To test for multicollinearity I examine the interrelationships that exist between the variables in each binary regression model using two commonly examined measures: variance inflation factors (VIF) and tolerance. The VIF indicates the extent of inflation of the standard error that is caused by correlation between the independent variables. Tolerance indicates the level of collinearity an analysis can tolerate. If all the variables are uncorrelated with each other both their VIF and tolerance values are 1; if they are correlated, tolerance drops to 0 and VIF values increase. The rule of thumb is that multicollinearity is problematic when any of the VIF is greater than 10, or conservatively 5 (Heiberger and Holland 2004, 243).

The ordinal regression model is based on an assumption, known as the proportional odds assumption, that needs to be tested to ensure that the models are appropriate to use. The assumption made is that the effects of any of the independent variables on the different categories of the dependent variable are consistent or proportional. Essentially, we should be able to observe the same odds ratio at each threshold since it constrains them through the assumption. I perform a test that checks whether when different independent variable parameters $\beta_k$ are fitted for each function, the coefficients for each threshold are equal. The null hypothesis to be tested is that parameters are the same ($\beta$) and not different ($\beta_k$), stated as:

$$\beta_1 = \beta_2 = \beta_3 = \ldots = \beta_J - 1$$

If the proportional regression assumption holds, the coefficients ($\beta$) should be the same. If not, the null hypothesis is rejected and so it the proportional regression assumption. In this case the models are not appropriate and another approach should be considered. To conduct the test I use an approximate likelihood ratio test. Under this...
test, when the test statistic is significant the proportional regression assumption is violated.

The binary logit models have been examined for goodness-of-fit using the Hosmer and Lemeshow’s goodness-of-fit test. This test examines how a model fits by finding out how the predicted frequency and observed frequency match. If they match closely, it is concluded that a model has a good fit. This test is computed as the Pearson chi-square and the p-value used to determine whether the model fits the data or not. The null hypothesis is that the model fits the data. The alternate hypothesis is that the model does not fit the data. If the p-value is statistically significant, there is a problem with the fit of the model since we have to accept the alternate hypothesis. If the test is not statistically significant, we fail to reject the null hypothesis and conclude that the model may fit the data sufficiently well. For the ordered logit models I examine the log likelihood p-value to find out if the model as a whole is statistically significant.

7.3 Analysis and Findings

The first part of the analysis is based on cross tabulations comparing the utilization of the two modes of clientelism in the three cities. I start by presenting descriptive findings that provide evidence on the way the two modes of clientelism vary across the three cities. Comparisons on the variation have been done in two levels. First, with the MP and Councilors lumped together in one category as politicians. At the second level, I compare how modes vary by each type of politician. The second part of the analysis is based on maximum likelihood estimations on the probability of the MP Councilor using the modern and traditional modes, respectively.
7.3.1 Comparing the Occurrence of Clientelism: Urban Development and Modern Clientelism

Figure 7-1 below presents the frequencies of the utilization of modern clientelism in the three cities.

![Bar chart showing the occurrence of modern clientelism in Nairobi, Mombasa, and Kisumu.](chart)

Figure 7-1. Occurrence of modern clientelism (%)

Figure 7-1 above shows the percentages of business owners that were visited mainly for campaign purposes during election periods. The modern mode is mostly used in the city with a moderate level of urban development (Mombasa). It is also used more often in least developed city (Kisumu) than the most developed city (Nairobi). 48% of the business owners in Mombasa have mainly\(^1\) received business assistance when politicians visit for campaigning purposes, compared to 30% in Kisumu and 13% in Nairobi.

\(^1\)“Mainly” means that out of all other reasons politicians have visited the business owners since the time they started operating their businesses visits for the purpose of campaigning are the most common.
7.3.2 Urban Development and Traditional Clientelism

Figure 7-2 below presents the frequencies of utilization of the traditional mode. It shows the variation of non-campaign visits that are made during non-election periods. The traditional mode is prevalently used in Kisumu. 39% of the business owners in Kisumu compared to 17% in Mombasa and 9% in Nairobi reported that they have mainly received business assistance when politicians visit them for non-campaign reasons, which is usually during non-election periods.

![Bar chart showing occurrence of traditional clientelism (%)](image)

**Figure 7-2. Occurrence of traditional clientelism (%)**

The traditional mode is rarely used in the most populated city (Nairobi), moderately used in moderately populated city (Mombasa), and widely used in the least populated city (Kisumu). There is a 9% prevalence level in Nairobi, 17% in Mombasa, and 39% in Kisumu. The low level of both modes in Nairobi reflects the findings presented in Chapter 5 showing that, in general, clientelism is used less often in Nairobi because of its costliness in highly urbanized areas (See Figures 5-1, 5-2, and 5-3). In
Chapter 5, the study also demonstrated, using socioeconomic factors, that in such a context the value and magnitude of goods that politicians have to distribute to make clientelistic transactions appealing to voters is too high. Similar observations have been made in other studies on clientelism (e.g. Fatton 1986, 69; Kitschelt 2000, 857). Another factor that seems to reduce clientelistic transactions in Nairobi is that most of the business owners directly seek public services from the local government rather than going through politicians. The findings from a question trying to find out the percentage of business owners that seek such services shows that in Nairobi, 52% of the business owners directly access public services from the local government compared to 20% in Mombasa and 28% in Kisumu.

There are two conditions that possibly increase the prevalent use of the modern mode in Mombasa. First, there are more poor business owners than in Nairobi. This reduces the bidding price for votes. Table 5-2 in Chapter 5 (using capital intensity as a proxy for poverty) shows that 50% of the business owners in Mombasa are poor compared to 32% in Nairobi. This implies that the cost of modern clientelism in Mombasa is likely to be lower, hence making it more appealing for politicians to use. The lower level in the occurrence of modern clientelism in Kisumu can be explained by the high incidence of the traditional mode shown in Figure 7-2. It shows that this mode is used more often in Kisumu than in Mombasa and Nairobi. The low level of urban development in Kisumu provides fertile grounds for using the traditional mode. Hence, it is more appealing for politicians to use it rather than the modern mode. It has been shown in other studies that traditional patron-client relations are a predominant feature of non-industrialized contexts (Fatton 1986, 62). Modernization in Nairobi and Mombasa
can also contribute to the prevalence of the traditional mode in Kisumu as citizens seek alternative ways of catching up with the socio-economic advancements in the more urbanized cities. Other studies (Powell 1970, 425) have shown that as modernization takes place in more urbanized contexts, socio-economic factors create tensions that intensity the importance of traditional clientelistic norms in less urbanized contexts.

A second plausible reason why the modern mode is prevalently used in Mombasa is that the high population density makes it challenging to successfully use the traditional mode. Mombasa has a population of about 0.9 million residents and Kisumu has about 0.4 million residents (Kenya Open Data, 2012). Hence, it is difficult for politicians to employ the traditional mode, which works effectively in a low population context because it needs frequent monitoring and interacting with clients (Warner 1997, 535). The same population factor explains why the traditional mode is also employed less frequently in Nairobi than in Mombasa. Nairobi has a much higher population that the other two cities, which makes the utilization of the traditional mode a difficult task to execute successfully. It has about 3.4 million residents (Kenya Open Data 2012).

7.3.3 MPs versus Councilor Usage of Modern Clientelism (%)

To provide more insight on the utilization of the two modes, the next stage of analysis compares their variation with regards to the level of politicians. The higher level politicians are Members of Parliament (MPs) and the lower level ones are the Councilors. This differentiation is based on the level of the legislature they serve in and the political issues they are responsible for. Whereas MPs represent citizens in a higher lawmaking institution and mostly legislate on national issues, Councilors serve as representatives in a lower institution and legislate on local issues (Infotrack East Africa,
The findings show that, in general, MPs employ the modern mode while the Councilors employ the traditional mode. As shown in Figure 7-3 below, their use of this strategy also varies in the three cities.

**Figure 7-3.** MPs' versus councilor's usage of modern clientelism (%)

The variation shown in Figure 7-3 raises an important question: why is the prevalence of the modern mode higher in Mombasa yet Kisumu has more poor business owners who make it cheaper to buy votes? The higher population density in Mombasa could be forcing MPs to make a trade off that lead to the higher usage of the mode. Its population makes it difficult to build traditional clientelistic relationships. Thus to make up for this difficult situation, MPs engage in more vote buying than in Kisumu. In Kisumu they can rely on building more traditional clientelistic relationships because of the low population. Their prevalent traditional bonds with clients in Kisumu reflects Campbell’s (1964, 260) argument that regardless of the selectivity of members of parliament “their relationships with their rural constituents are essentially based on personalized, affective, reciprocal ties.” Although MPs’ lack of proximity may limit their use of the traditional mode they could be employing brokers to bridge the gap. Studies
done before have shown that agents are used as intermediaries who recruit clients for
to agents, establish client networks for them, as well as monitor them, is a common norm
in traditional clientelism (Boissevian 1966, 24; Eisenstadt and Roniger 1980, 43;

The findings above do not show the actual variation in the usage of the mode
since they include the entire sample size. At a more specific level we can compare MPs’
and Councilors’ overall usage in all the three cities focusing only on those who have
been visited for campaign reasons. This comparison has been done by calculating the
overall percentages using only the 116 business owners that have been visited by the
two politicians for campaign reasons, which is mainly around election period. Table 7-1
shows the results from the computation.

Table 7-1. MPs’ versus councilors’ overall usage of modern clientelism

<table>
<thead>
<tr>
<th>Campaign Visits</th>
<th>Kisumu</th>
<th>Mombasa</th>
<th>Nairobi</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MP</td>
<td>30 (88)</td>
<td>48 (86)</td>
<td>16 (62)</td>
<td>94 (81)</td>
</tr>
<tr>
<td>Councilor</td>
<td>4 (12)</td>
<td>8 (14)</td>
<td>10 (38)</td>
<td>22 (19)</td>
</tr>
<tr>
<td>Total</td>
<td>34 (100)</td>
<td>56 (100)</td>
<td>26 (100)</td>
<td>116 (100)</td>
</tr>
</tbody>
</table>

The findings presented in Table 7-1 show that in Nairobi 62% of the business
owners have been visited by the MP for this purposes compared to the 38% visited by
the Councilor. Similarly, in Mombasa and Kisumu 86% and 81% have been visited by
the MP for the same purpose, compared to 14% and 12%, respectively, by the
Councilor. While the variation of MPs’ use of the mode is in response to costs of
clientelism, the variation among the Councilors’ is driven by both population and cost.
The findings comparing their usage of the traditional mode shows that show that they
generally prefer to use the traditional where population density is low – Mombasa and
Kisumu. The findings shown above also suggest that where socio-economic
development is higher Councilors find it more profitable to use the modern mode. Its usage could be benefiting them by minimizing time costs and maximizes returns.

7.3.4 MP versus Councilor Usage of Traditional Clientelism (%)

Having compared the way MPs and Councilors use the modern mode of clientelism, this section compares their usage of the traditional mode.

Figure 7-4. MP versus councilor usage of traditional clientelism (%)

Figure 7-4 shows that the variations among the MPs and Councilors have a similar pattern. It is difficult to differentiate their usage from Figure 7-4 above because these findings are based on the total sample size (N=360). A focus on only the business owners that they have used the traditional mode on provides a clearer idea of their preferences. Table 7-2 shows the results derived from computing their usage of the traditional mode on the 57 business owners that they used the it on.

Table 7-2. MPs’ versus councilors’ overall usage of traditional clientelism

<table>
<thead>
<tr>
<th>Business Visits (Non-Campaign)</th>
<th>City N (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kisumu</td>
</tr>
<tr>
<td>MP</td>
<td>9 (28)</td>
</tr>
<tr>
<td>Councilor</td>
<td>23 (72)</td>
</tr>
<tr>
<td>Total</td>
<td>32 (100)</td>
</tr>
</tbody>
</table>
Table 7-2 shows that Councilors use the mode more than MPs. In the three cities combined, 74% of the business owners have mainly received business help from the Councilor during non-campaign visits compared to 26% who have had the same from the MPs. In Nairobi, the prevalent usage of the mode is 83% for Councilors versus 17% for MPs versus, 74% versus 26% in Mombasa, and 72% versus 28% in Kisumu. The differences highlight the advantage of proximity to clients that Councilors have since they operate at the local level. This is in line with other studies (Hopkin 2006, 8; Powell 1970, 413; Schmidt 1974, 425) that have shown that it is one of the major factors that facilitates the successful execution of the traditional mode. Contrary to Councilors, MPs are not able to frequently interact with clients.

During the in-depth interviews and focus group discussions, business owners pointed out that they often see Councilors casually walking around in the markets for a wide range of uneventful daily activities, such as shopping, visiting friends, and simply dining at some of the local restaurants. MP visits are very different and typically marked with elaborate pomp and ceremony and one hardly ever see the MP interact with individuals in the casual manner that the Councilor does. The friendliness demonstrated by Councilors’ behaviors has often been associated with the traditional mode in other studies (Auyero 1999, 305; Boissevian 1966, 32; Weingrod 1968, 379), even though, as Scott (1972, 92) has pointed out based on observations in Southeast Asia that they are unequal and established for instrumental reasons. Paul (2008, 213) notes that “it is a kind of instrumental friendship in which the patron cares for the well-being and protection of his client, while the client promises to support and aid his patron on
demand.” In the section that follows I try to establish which of the two modes matters more in getting assistance from MP versus the Councilor using a different method.

7.3.5 Logistic Regression Analysis

The variation in campaign and non-campaign visits shown above enlighten us on how MPs and Councilors employ the two clientelistic strategies but that evidence is not adequate enough. They do not address the role of strong face-to-face bonds and participation in elections. The findings can be strengthened by examining how the delivery of clientelistic goods is associated with voting behavior and the nature of personal relationships. What are the chances that business owners who vote during elections, once or often, will get clientelistic goods from the MP and not the Councilor? What are the chances that business owners who have stronger face-to-face ties with the MP and Councilor will get business assistance from them? Based on the descriptive findings presented above, I address one major question: What is the probability that those business owners who have received business assistance from MPs and Councilors are those that they have visited for campaign rather than non-campaign reasons? Taking account of the fact that the data is categorical in nature I use the maximum likelihood estimation techniques discussed in the methods section to fit two types of models: binary and ordinal regression models.

7.3.6 Probability of Getting MPs’ Business Assistance

Three different binary regression models have been fitted when the MPs’ business assistance (mpba) is the dependent variable:

The independent variables are: Has never missed voting (nmv), Politician campaign visits (pcv), MP business visits (mpbv), Direct access to the MP (dmp), High level of access to the MP (hmp), Direct access to the Councilor (dac), Two-way link with
the councilor (twlc), High access to the Councilor (hac), Frequent politician agents’ visits (fpav), Membership in lobby group (mlg), Contributes to lobbying often (clo), Contributes to political parties (cpp), Male, Many employees (emp), High capital intensity (hci), Older business owner (obo), Actively seeks government services (asgs), High level of education (hle), Has gotten business education (bizd). The descriptive statistics for these variables are presented in Table C-1, Appendix C. The survey questions they were derived from, responses, and how they were coded are provided in Appendix A.

Model 1: \[ \Pr(\text{mpba} = 1) = F(\beta_0 + \beta_{\text{nmv}}\text{nmv} + \beta_{\text{pcv}}\text{pcv} + \beta_{\text{twlc}}\text{twlc} + \beta_{\text{fpav}}\text{fpav} + \beta_{\text{cpp}}\text{cpp} + \beta_{\text{male}}\text{male} + \beta_{\text{emp}}\text{emp} + \beta_{\text{hci}}\text{hci} + \beta_{\text{obo}}\text{obo}) \]

Model 2: \[ \Pr(\text{mpba} = 1) = F(\beta_0 + \beta_{\text{pcv}}\text{pcv} + \beta_{\text{mpbv}}\text{mpbv} + \beta_{\text{hmp}}\text{hmp} + \beta_{\text{clo}}\text{clo} + \beta_{\text{cpp}}\text{cpp} + \beta_{\text{male}}\text{male} + \beta_{\text{emp}}\text{emp} + \beta_{\text{obo}}\text{obo} + \beta_{\text{asgs}}\text{asgs} + \beta_{\text{hle}}\text{hle}) \]

Model 3: \[ \Pr(\text{mpba} = 1) = F(\beta_0 + \beta_{\text{nmv}}\text{nmv} + \beta_{\text{pcv}}\text{pcv} + \beta_{\text{mpbv}}\text{mpbv} + \beta_{\text{dmp}}\text{dmp} + \beta_{\text{dac}}\text{dac} + \beta_{\text{mlg}}\text{mlg} + \beta_{\text{cpp}}\text{cpp} + \beta_{\text{male}}\text{male} + \beta_{\text{hci}}\text{hci} + \beta_{\text{obo}}\text{obo} + \beta_{\text{asgs}}\text{asgs} + \beta_{\text{bizd}}\text{bizd}) \]

The results are presented in Table 7-3 below. The findings for variables that have a statistically significant effect on getting MPs’ business assistance shown in Table 7-3 above are presented in three related models from several successive tests. The goal was to test a wide range of variables while avoiding problems of collinearity. The multicollinearity diagnostics for the three models, using variance inflation factors (VIF), show that there is no collinearity in the models. The VIF for all the variables is below 1.4 (see Table C-2, in Appendix C for the complete results). The mean VIF for Model 1 is

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2 The effect of other possible differences across the three cities that could be related to the dependent variable and may have not been accounted for was tested using dummy variables. The three models with these dummies are shown in Table C-4 in Appendix C. The dummies are not statistically significant and the significant effect of the other variables do not change. They do not influence the dependent variable. This means that the variables that have been included in the models account for the differences in getting MPs’ business assistance across the three cities.
1.09, for Model 2 is 1.14, and Model three is 1.10. The tolerance results also show lack of collinearity. They range between 0.76 and 0.97. The Hosmer-Lemeshow's (H-L) goodness-of-fit tests shows that the three models fit the data sufficiently well. The H-L chi-squared value and p-value for model 1 is 10.13 and 0.2558, for model 2 is 6.06 and 0.6407, and for model 3 is 9.40 and 0.3096. This means that we cannot reject the null hypothesis that the models fit the data.

Table 7-3. Logit analyses of getting MPs' business assistance

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Model 1 Coefficient (SE)</th>
<th>Model 2 Coefficient (SE)</th>
<th>Model 3 Coefficient (SE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has never missed voting</td>
<td>1.578 (0.999)</td>
<td>1.846 (1.044)*</td>
<td></td>
</tr>
<tr>
<td>Politician campaign visits</td>
<td>2.145 (0.863)**</td>
<td>1.524 (0.688)**</td>
<td>1.432 (0.713)**</td>
</tr>
<tr>
<td>MP business visits</td>
<td></td>
<td>0.851 (0.797)</td>
<td>0.038 (0.811)</td>
</tr>
<tr>
<td>Direct access to the MP</td>
<td></td>
<td></td>
<td>2.437 (0.843)**</td>
</tr>
<tr>
<td>High level of access to the MP</td>
<td></td>
<td>1.144 (0.354)**</td>
<td></td>
</tr>
<tr>
<td>Direct access to the Councilor</td>
<td></td>
<td></td>
<td>1.081 (0.680)</td>
</tr>
<tr>
<td>Two-way link with the councilor</td>
<td>-0.266 (0.975)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High access to the Councilor</td>
<td></td>
<td>0.142 (0.339)</td>
<td></td>
</tr>
<tr>
<td>Frequent politician agents' visits</td>
<td>0.625 (0.263)**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership in lobby group</td>
<td></td>
<td></td>
<td>0.701 (0.781)</td>
</tr>
<tr>
<td>Contributes to lobbying often</td>
<td></td>
<td>0.687 (0.515)</td>
<td></td>
</tr>
<tr>
<td>Contributes to political parties</td>
<td>-0.743 (1.201)</td>
<td>-0.873 (1.217)</td>
<td>-0.465 (0.687)</td>
</tr>
<tr>
<td>Male</td>
<td>0.115 (0.579)</td>
<td>0.062 (0.600)</td>
<td>0.098 (0.589)</td>
</tr>
<tr>
<td>Many employees (large business)</td>
<td>0.439 (0.209)**</td>
<td>0.356 (0.218)</td>
<td></td>
</tr>
<tr>
<td>High capital intensity (least poor)</td>
<td>0.732 (0.371)**</td>
<td></td>
<td>0.937 (0.398)**</td>
</tr>
<tr>
<td>Older business owner</td>
<td>-0.557 (0.459)</td>
<td>-0.905 (0.473)*</td>
<td>-0.860 (0.458)*</td>
</tr>
<tr>
<td>Actively seeks govt. services</td>
<td>-0.533 (0.697)</td>
<td>-0.408 (0.637)</td>
<td></td>
</tr>
<tr>
<td>High level of education</td>
<td>0.947 (0.197)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has gotten business education</td>
<td></td>
<td></td>
<td>0.791 (0.683)</td>
</tr>
<tr>
<td>N=360</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Significant at the * p<0.10, ** p<0.05, *** p<0.01

Since the models presented in Tables 7-3 are for categorical outcomes that are nonlinear, the coefficients cannot be directly interpreted. However, based on a cursory
check of the statistically significant variables, it is noticeable that they support those shown in the previous analysis comparing the usage of the modern mode. Frequent participation in elections and being visited for campaign purposes show up as statistically significant. Campaign visits are consistently significant in all the three models.

For better interpretation of these findings I use predicted probabilities and odds ratios to reveal the most important characteristics of these relationships. Although there are other methods that can be used, predicted probabilities provide “the most direct approach for interpretation” (Long and Freese 1997, 64). The ratios make it possible to analyze the effect of the main variables on the odds that business owners got the MPs help. Table 7-4 shows the factor change in the odds of getting MPs help for each of the statistically independent variables in the logit analyses.

Table 7-4. Factors that affect the probability of getting MP’s business assistance

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Factor Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never misses voting in elections</td>
<td>6.33</td>
</tr>
<tr>
<td>Mainly gets campaign visits</td>
<td>4.59</td>
</tr>
<tr>
<td>High level of direct access to the MP</td>
<td>8.44</td>
</tr>
<tr>
<td>Has a high level of access to the MP</td>
<td>3.14</td>
</tr>
<tr>
<td>High level of capital intensity (least poor)</td>
<td>2.56</td>
</tr>
<tr>
<td>Several visits from politicians’ agents</td>
<td>1.87</td>
</tr>
<tr>
<td>Older business owner</td>
<td>2.47</td>
</tr>
<tr>
<td>High number of employees (large business)</td>
<td>1.55</td>
</tr>
</tbody>
</table>

First, the relational aspects associated with the existence of clientelism, level of direct access and level of access, show that the MPs’ business assistance is clientelistic in the sense that interpersonal sense. Establishing direct access to the MP increases the odds of a business owner getting the MP’s help by a factor of 8.44, holding all other
variables constant. To reiterate, what I consider as high level of access in this study is when a business owner says that he or she has mostly contacted the MP through office visits, compared to sending and receiving letters or phone calls. This means that there is a face-to-face relationship. It is also important for these clients to have strong bonds with the MP. For each additional level of access to the MP, the odds of getting the MP’s help are increased by a factor of 3.14, holding all other variables constant. What this means is that a client seeking assistance needs to have interacted more than once with the MP. This could contradict the descriptive findings by suggesting that the MP uses the traditional mode but further analysis below shows that this is not the case.

Lemerchand (1972, 77) has observed from his studies on clientelism that situations where traditional clientelism and modern clientelism occur simultaneously are not uncommon (Lemarchand 1972, 77). Hilgers (2011, 578) points out that in these circumstances a patron-client relationship can have the characteristics of long term exchanges and face-to-face contact with the patron primarily distributing goods to the client during election periods (Hilgers 2011, 578).

### 7.3.7 The Effect of Campaign Visits

The findings on the effect of a business owner’s frequent participation in elections and getting campaign visits show that the MP is most likely to use the modern mode. For each additional campaign visit by politicians, the odds of getting the MP’s help are increased by a factor of 4.59, holding all other variables constant. Table 7-5 below presents predicted probabilities showing the effects of campaign visits and level of access on the probability of getting MPs’ business assistance. The nonlinear effect of getting a campaign visit is clearly evident. The difference in probability for those who have a high level of access to the MP changes incrementally from one level to the next.
one, especially for those that have been visited for campaigning purposes. The
difference from those who have not had access to the MP to those with low access is
.14, from low access to moderate access is .26, and from moderate to high access is
.27. Overall, it changes from .07 to .74 from no access to high level of access.

Table 7-5. Predicted probability of getting MP’s help by the business owner’s level of
access to MP and campaign visits by politicians

<table>
<thead>
<tr>
<th>Politician has visited to campaign</th>
<th>No Access to MP</th>
<th>Low Access</th>
<th>Moderate Access</th>
<th>High Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>0.02</td>
<td>0.05</td>
<td>0.15</td>
<td>0.37</td>
</tr>
<tr>
<td>Yes</td>
<td>0.07</td>
<td>0.21</td>
<td>0.47</td>
<td>0.74</td>
</tr>
</tbody>
</table>

Figure 7-5 shows the difference between having direct access to the MP and not
getting campaign visits versus getting campaign visits.

Figure 7-5. Probability of getting MP’s assistance when direct access to the MP varies
with regards to age and getting campaign visits

Figure 7-5 shows the nonlinearity of the outcomes with the effect of having direct
access to the MP increasing with campaign visits and age. The positive effect is shown
by the increasing probabilities as the linkage status changes from having no access to the MP to establishing access. For a young business owner that has mainly been visited for campaigning, it shows that when the level of access to the MP is low, the probability is .13. For a business that has direct access to the MP, the predicted probability is .64. Although the predicted probability also changes positively for a business owner that has not been visited for campaign reasons, it is much lower. For this business owner, when there is no direct access to the MP the probability is .04 and when there is direct access the predicted probability is .30. This finding corroborates the descriptive analyses. Since patrons who employ this mode complete their transactions during elections, as other studies have sown (Hilgers 2011, 577-578; Hopkin 2006, 3; Muno 2010, 8; Wantchekon 2002), a positive relationship between MPs’ assistance and business owners participation in elections should provide more convincing evidence.

7.3.8 The Effect of Participation in Elections

The results show that participation in elections has a stronger relationship with getting MPs assistance than campaign visits. Campaign visits are likely to change the probability of getting the MPs assistance by a factor of 4.59 while voting is likely to change it by a factor of 6.33, holding all other variables constant. In other words, those citizens who vote often are likely to be the ones who have received assistance from the MP. This strengthens the claim that MPs use the modern mode by suggesting that for them clientelistic transactions are completed at the polls or once they can confirm that the business owner has voted. As Stokes (2005, 2007) has shown in her research, this is a precautionary measure that politicians who use this mode take to ensure clients fulfill their part of the transaction. The finding does not necessarily negate MPs use of the traditional mode shown in Figure 7-4. Other research (e.g. Hilgers 2011, 578) show
that both of them can occur simultaneously. The limitation of this study is that there is no data that can be used to show whether this was at election time but we can imply from this finding that MPs’ assistance is closely associated to elections. To clarify, this evidence is not enough to conclude whether the clients actually vote for the MP or not. Usually, it is difficult to know how clientelistic transactions play out at the polls. The goal of this study is to show the strategy that is most likely associated with the MP rather than finding out whether they actually vote for the MP. Figure 7-6 plots the predicted probabilities.

![Diagram](#)

**Figure 7-6.** Probability of getting MP’s assistance when direct access to the MP varies with regards to age and frequency of participation in elections (voting)

Figure 7-6 considers the effect of having direct access to the MP and the level of participation in elections. The effects of these variables are plotted by holding all other

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3 Due to the delicate and tense post-election crisis environment I was unable to ask this question directly.
variables at their means and allowing these ones to vary. It shows a business owner is likely to get the MPs’ help when he/she participates in more than one election. It shows that when this business owner has no direct access to the MP, the probability is .10. When there is direct access to the MP, the predicted probability increases to .56. The predicted probability also increases for a business owner that missed 1 to 3 elections but at a much lower extent. For this business owner, when there is no direct access to the MP the probability is .02 and when there is direct access the predicted probability increases to .17. For a business owner that has missed more than 3 elections or all elections there is a zero probability of getting help from the MP, even if they have direct access. Figure 7-7 below provides more insight by showing the level of participation in elections where the likelihood of a client getting MP’s help starts increasing.

![Figure 7-7](image)

**Figure 7-7.** Probability of getting MP’s assistance when the level of voting in elections varies with regards to capital intensity and direct access to the MP
Figure 7-7 takes into consideration the effects of voting frequently in elections and direct access for a less poor business owner. It demonstrates the non-linear relationships once again with the probability of getting assistance from the MP increasing with level of participation in elections. When a business owner that has direct access to the MP has not taken part in any election the probability of getting help is zero and when/she has voted frequently, without missing any election, the probability increases to .50. The increase begins at the point where a business owner has voted frequently and only missed 1 to 3 elections (at about level 2.5). At this point the probability is .02. From this point onwards, to those who have not missed any elections (level 4), there is .48 increase in probability of getting the MP’s help.

The finding shown in Figure 7-7 above indicates that MPs ensure that there is some level of trust before distributing clientelistic goods and services. It suggests that they first ensure they have a face-to-face relationship with a client but delay the delivery of goods until the client has participated in elections more than once. This centrality of participation in elections is a major feature of timing in the modern mode. This is in line with other studies that have shown this is the case because elections are when the completion of transactions takes place (Grzymala-Busse 2008, 638-639; Hopkin 2006, 3; Wantchekon 2002), which is contrary to the diffuseness of delivery time in the traditional mode as shown in the research that examines this mode (e.g. Scott and Kerkvliet 1977).

The fact that other variables that cannot be directly or uniquely linked to clientelism have a weaker effect on getting assistance highlights the importance of modern clientelism. These variables, however, inform us about the demographical
attributes and business characteristics of those that MPs target. It is the young business owners that are more likely to get the MPs’ clientelistic assistance. For older business owners the odds of getting MPs’ help are decreased by a factor of 2.47, holding all other variables constant.

To examine the effect of poverty on clientelism, I created three categories of poverty based on estimated capital investment levels: least poor, moderately poor, and most poor. Based on this categorization, it is the least poor rather than the most poor that are likely to get the MP’s help. For each additional level of capital intensity (wealth), the odds of getting the MP’s help are increased by a factor of 2.56. This finding goes against the argument made in the literature that politicians mostly target the poor with clientelistic offers. This could be because wealthier business owners have the resources for seeking the MPs, who are mostly based in Nairobi. The MPs could also benefit more from targeting the less poor, even if the costs are higher. Such as getting financial support later. For business owners that are in Mombasa and Kisumu, the fact that MPs’ offices are in Nairobi means that they have to travel to the city to meet the MP and this requires resources (see map with the three cities in Figure 4-1, Chapter 4). It could be an indication that those with the resources are more likely to interact with the MP than most poor business owners and subsequently get recruited for clientelistic transactions. This finding shows that there are some trade-offs being made by MPs that need to be researched on further.

### 7.3.9 Probability of Getting Councilors’ Business Assistance

The following binary regression model has been fitted to examine the effect of independent variables on the probability of a business owner getting business assistance from the Councilor (cba):


\[
\text{Pr(cba = 1)} = F(\beta_0 + \beta_{pcv}pcv + \beta_{vlo}vlo + \beta_{hac}hac + \beta_{hmp}hmp + \beta_{clo}clo + \beta_{male}male + \\
\beta_{obo}obo + \beta_{asgs}asgs + \beta_{gpa}gpa + \beta_{hle}hle + \beta_{emp}emp)
\]

The results are presented in the table below:

**Table 7-6. Logit analysis of getting councilors’ business assistance**

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Logit Coefficient (SE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politicians’ campaign visits (pcv)</td>
<td>-0.056 (0.547)</td>
</tr>
<tr>
<td>Has voted at least once (vlo)</td>
<td>0.865 (0.777)</td>
</tr>
<tr>
<td>High level of access to Councilor (hac)</td>
<td>0.548 (0.163)***</td>
</tr>
<tr>
<td>High level of access to MP (hmp)</td>
<td>-0.674 (0.447)</td>
</tr>
<tr>
<td>Contributes to lobbying often (cl)</td>
<td>0.579 (0.322)*</td>
</tr>
<tr>
<td>Male</td>
<td>-1.184 (0.354)</td>
</tr>
<tr>
<td>Older business owner (obo)</td>
<td>0.077 (0.203)</td>
</tr>
<tr>
<td>Actively seeks govt. services (asgs)</td>
<td>0.208 (0.371)</td>
</tr>
<tr>
<td>Has given party assistance (gpa)</td>
<td>-1.624 (1.131)</td>
</tr>
<tr>
<td>Has a high level of education (hle)</td>
<td>-0.031 (0.110)</td>
</tr>
<tr>
<td>Many employees (large business - emp)</td>
<td>-0.030 (0.148)</td>
</tr>
<tr>
<td>Constant</td>
<td>-3.150 (1.058)***</td>
</tr>
<tr>
<td>N=360</td>
<td></td>
</tr>
</tbody>
</table>

Significant at the * p<0.10, ** p<0.05, *** p<0.01

The model above uses a binary dependent variable based on whether or not the councilor has given a business owner any form of business assistance.\(^4\) The multicollinearity diagnostics for the models show that there is no collinearity in the models. The VIF for all the variables is below 1.3, with the mean VIF for being 1.11. The tolerance results range between .81 and .98 (see Table C-3, in Appendix C for the

\(^4\) The effect of other possible differences across the three cities that could be related to the dependent variable and may have not been accounted for was tested using dummy variables in two different models. One model includes Nairobi and Mombasa. The other includes Mombasa and Kisumu. The two models with these dummies are shown in Table C-5 and Table C-6 in Appendix C. The dummies for the cities are not statistically significant and the significant effect of the other variables do not change. They do not influence the dependent variable. This means that the variables that have been included in the model account for the differences in getting Councilors’ business assistance across the three cities.
complete results on the tests). The Hosmer-Lemeshow’s (H-L) goodness-of-fit tests shows that the model fits the data sufficiently well. The H-L chi-squared value and p-value for the model 1 is 10.96 and 0.2042. This means that we cannot reject the null hypothesis that the models fit the data.

Two ordinal regression models are also fitted to examine the effect that the independent variables have on the probability of a business owner getting business assistance from the Councilor frequently (Model 1) and the probability of getting a higher quality of business assistance (Model 2).\(^5\)

Model 1: \(x\beta = \beta_0 + \beta_{pcv}pcv + \beta_{nmv}nmv + \beta_{cbv}cbv + \beta_{twlc}twlc + \beta_{clo}clo + \beta_{male}male + \beta_{obo}obo + \beta_{emp}emp + \beta_{chs}chs + \beta_{cpp}cpp + \beta_{obl}obl\)

Model 2: \(x\beta = \beta_0 + \beta_{pcv}pcv + \beta_{nmv}nmv + \beta_{cbv}cbv + \beta_{twlc}twlc + \beta_{clo}clo + \beta_{male}male + \beta_{obo}obo + \beta_{emp}emp + \beta_{chs}chs + \beta_{obl}obl\)

The results are presented in the Table 7-7 below. Model 1 uses an ordinal dependent variable based on how frequently a business owner has received this assistance. There are three levels considered in this variable: None (No business assistance received), Low (business assistance received 1 to 2 times), and High (business assistance received more than 2 times). Model 2 also uses an ordinal variable based on the quality of the goods that the councilor has given. During the in-depth interviews conducted with business owners they mostly mentioned three types of goods: small amounts of money that they irregularly receive from politicians, state funds for small businesses, and business stalls. Through further probing on the value of these

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\(^5\) The effect of other possible differences across the three cities that could be related to the dependent variable were also tested using dummy variables in two different models. One model includes Nairobi and Mombasa. The other includes Mombasa and Kisumu. The two models with these dummies are shown in Table C-7 and Table C-8 in Appendix C. The dummies for the cities are not statistically significant and the significant effect of the other variables do not change. They do not influence the dependent variable. This means that the variables that have been included in the models above account for the differences in getting Councilors’ business assistance across the three cities with regards to quality and frequency.
goods I was able to establish that the business stalls have the highest value based on the cost of getting one as well as the monthly rent payments, followed by the small business loans they can get from the government, and then the small amounts of money they irregularly receive from politicians. Thus the small amounts of money correspond to the low quality of assistance measure above, while small business loans and getting a business stall correspond to the high quality of assistance. These goods were then incorporated in a survey question designed to find out the business owners that are likely to get them.

Table 7-7. Ordinal analyses of getting councilors’ business assistance

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Model 1 Coefficient (SE)</th>
<th>Model 2 Coefficient (SE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politicians’ campaign visits (pcv)</td>
<td>0.049 (0.582)</td>
<td>0.191 (0.617)</td>
</tr>
<tr>
<td>Has never missed voting (nmv)</td>
<td>0.337 (0.225)</td>
<td>0.136 (0.220)</td>
</tr>
<tr>
<td>Councilor business visits (cbv)</td>
<td>1.934 (0.596)**</td>
<td>1.801 (0.611)**</td>
</tr>
<tr>
<td>Two-way link with the councilor (twlc)</td>
<td>-0.456 (0.838)</td>
<td>-0.309 (0.812)</td>
</tr>
<tr>
<td>Contributes to lobbying often (clo)</td>
<td>0.594 (0.315)*</td>
<td>0.798 (0.327)**</td>
</tr>
<tr>
<td>Male</td>
<td>0.036 (0.346)</td>
<td>0.075 (0.382)</td>
</tr>
<tr>
<td>Older business owner (obo)</td>
<td>0.270 (0.218)</td>
<td>0.311 (0.231)</td>
</tr>
<tr>
<td>Many employees (large business-emp)</td>
<td>-0.006 (0.148)</td>
<td>0.004 (0.161)</td>
</tr>
<tr>
<td>Has completed high school (chs)</td>
<td>-0.636 (0.352)*</td>
<td>-0.957 (0.390)**</td>
</tr>
<tr>
<td>Contributes to political parties (cpp)</td>
<td>-1.249 (0.885)</td>
<td></td>
</tr>
<tr>
<td>Has owned the business longer (obl)</td>
<td>0.336 (0.168)**</td>
<td>-0.263 (0.176)</td>
</tr>
</tbody>
</table>

Significant at the * p<0.10, ** p<0.05, *** p<0.01

The diagnostic test for the two models has been done using the likelihood ratio test. A statistically significant test would show that the proportional odds assumption (POS) has been violated. The chi-square value for Model 1 is 10.91 (Prob > chi2 = 0.1426). The chi-square value for Model 2 is 10.03 (Prob > chi2 = 0.268). Both results are not statistically significant, hence the POS has not been violated and the models are valid and appropriate to use. The goodness-of-fit, using the log likelihood p-value show
that both models are statistically significant. The log likelihood chi-squared for model 1, with 11 degrees of freedom, is 27.77 and the p-value is 0.0035, and for model 2 is 25.66 and 0.0042.

Based on a cursory check of the statistically significant variables, it is noticeable that the findings shown in the models above support the previous findings on Councilors’ versus MPs’ usage of the traditional mode. These findings shows that Councilors use the traditional mode more often than the MP. Contrary to the findings shown in the MP’s models, where frequent participation in elections and campaign visits show up as related to MPs business assistance, non-campaign (business) visits show up as statistically significant when Councilors’ business assistance is the dependent variable. Campaign visits and voting in elections are not statistically significant in all the three models (Tables 7-6 and 7-7).

Table 7-8 presents the factor changes of the statistically significant independent variables that have an effect on getting Councilors’ business assistance. The values shown in Table 7-8 are the factor changes in the odds for a unit change in the independent variables. The ordinal regression models are based on two different ordinal variables. One that looks at how frequently business owners have received business assistance from the councilor and the other one ranks the quality of goods they have received from councilors. First, the findings show above confirm that Councilors use the traditional clientelism approach since business owners that contact them often are the ones that have received business assistance. Having a high level of access to the Councilor increases the probability of getting assistance by a factor change of 1.73. The findings show that none of the campaign related and participation in elections variables
have a statistically significant effect on getting Councilors’ assistance (See Table 7-6 and Table 7-7). Instead, it is the non-campaign related variables (business visits) that have a statistically significant effect on all the three outcomes: getting Councilor’s assistance at least once, as well as getting it frequently and at a high quality. The study attempted to examine whether there is a relationship between MPs’ frequent and high quality assistance but these variables had no statistically significant relationship with any of the independent variables testing traditional or modern clientelism. This indicated that the MPs’ have one-time transactions that tend to be common in the modern clientelistic mode.

Table 7-8. Factors that affect the probability of getting councilors’ assistance

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Factor Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Logit Model</strong></td>
<td></td>
</tr>
<tr>
<td>Mainly gets business visits</td>
<td>3.20</td>
</tr>
<tr>
<td>High level of access to the councilor</td>
<td>1.73</td>
</tr>
<tr>
<td>Contributes to lobbying several times</td>
<td>1.78</td>
</tr>
<tr>
<td><strong>Ordinal Regression Model (Frequency of Assistance)</strong></td>
<td></td>
</tr>
<tr>
<td>Mainly gets business visits</td>
<td>6.91</td>
</tr>
<tr>
<td>Contributes to lobbying several times</td>
<td>1.81</td>
</tr>
<tr>
<td>Has completed high school</td>
<td>1.89</td>
</tr>
<tr>
<td>Has owned business for a longer time</td>
<td>1.40</td>
</tr>
<tr>
<td><strong>Ordinal Regression Model (Quality of Assistance)</strong></td>
<td></td>
</tr>
<tr>
<td>Mainly gets business visits</td>
<td>6.06</td>
</tr>
<tr>
<td>Contributes to lobbying several times</td>
<td>2.22</td>
</tr>
<tr>
<td>Has completed high school</td>
<td>2.60</td>
</tr>
</tbody>
</table>

The relationship between business visits and Councilors’ assistance is strong in all the three models. As shown in Table 7-8 above, getting business visits increases the
The probability of getting help from the councilor at least once by a factor change of 3.20, holding all other variables at their means. Figure 7-8 below plots the predicted probabilities of getting Councilors’ assistance with regards to this finding. It takes into consideration the effects of access to the councilor and whether or not politicians have mainly visited the business owner to offer business help.

7.3.10 The Effect of Getting Business Visits

Figure 7-8 below shows an almost linear positive outcome with the effect of politicians visiting to offer business help increasing along with increasing access to the councilor.

Figure 7-8. The Probability of getting councilor's assistance when the level of access to the councilor varies with regards to getting business visits

In Figure 7-8, there is a positive effect shown by the increasingly positive probabilities as one moves from low to high level of access. The predicted probability of
getting assistance from the Councilor is .21 for a business owner with low level of access to the councilor but when the level of access is at its highest the predicted probability increases to .58. This indicates that Councilors uses the traditional clientelistic mode. They assist those they have strong relationships with, since having a high level of access means that one has had sever personal contacts with the Councilor. The predicted probability also increases for one who has been visited mainly for the purposes of being offered business help but at a much lower level. For this business owner, when the level of access to the councilor is low the probability is .08 and when it is high the probability increases to .30.

The findings further show that Councilors employ the traditional mode when it comes to the relationship between non-campaign visits and getting help frequently and a high quality. The goods with the highest quality that business owners have received are business stalls. The factor change is 6.91 for those who the councilor has visited frequently for purposes of giving business assistance, and the factor change for getting a high quality of assistance is 6.06, holding all other variables constant. These findings highlight a key characteristic of the traditional clientelistic strategies that confirm Councilors’ use of this mode. Distribution of durable goods so as to retain clients for a long time has been shown by other studies to be a common aspect of the traditional mode (Boissevian 1966, 22; Hilgers 2011, 568). Councilors have access to business stalls because they are directly connected to the source: local governments. In Kenya, local governments own markets with stalls leased to business owners. The Mayor, who is part of the Council, oversees the department responsible for the markets. Councilors’ frequent interaction with the Mayor provides them with direct access to stall distribution.
These stalls are at times openly allocated to Councilors’ clients. During one of the focus group discussions in Kisumu, business owners mentioned that the Councilor often assigns newly opened local government business stalls to their close friends in the market.

The comparative changes in predicted probability for each outcome category of the dependent variable highlights the importance of the non-campaign visits. They have a stronger effect than the other variables that we would expect to also have a strong effect. Table 7-9 and Table 7-10 compare the predicted probability for these variables at each outcome category.

Table 7-9. Discrete change in the probability of getting councilor’s help frequently for the ordered logit model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Change Level</th>
<th>Avg. Change</th>
<th>None</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainly gets business visits</td>
<td>0 to 1</td>
<td>0.28</td>
<td>-0.42</td>
<td>0.10</td>
<td>0.32</td>
</tr>
<tr>
<td>Contributes to lobbying frequently</td>
<td>Min to Max</td>
<td>0.16</td>
<td>-0.23</td>
<td>-0.00</td>
<td>0.24</td>
</tr>
<tr>
<td>Has completed high school</td>
<td>0 to 1</td>
<td>0.09</td>
<td>0.11</td>
<td>0.03</td>
<td>-0.14</td>
</tr>
<tr>
<td>Has owned the business for long time</td>
<td>Min to Max</td>
<td>0.18</td>
<td>0.27</td>
<td>-0.01</td>
<td>-0.26</td>
</tr>
</tbody>
</table>

For a business owner that mainly gets business visits from the councilor, the predicted probability of getting a high frequency of assistance increases by .32 (Table 7-9), and by .28 (Table 7-10 below) for high quality assistance holding all other variables constant at their means. We would expect that being in the business for a long time would increase the likelihood of getting assistance frequently, but this is not the case. Instead the effect is negative. An extended duration of ownership decreases the predicted probability of getting party assistance frequently by .26 (Table 7-9), holding all other variables constant at their means. My interpretation is that these are business
owners who have become successful and are less dependent on clientelistic offers.

Similarly, lobbying (active group membership) also has a lower effect on both frequent and high quality assistance, of .24 (Table 7-9) and .26 (Table 7-10) respectively.

Table 7-10. Discrete change in the probability of getting high quality of councilor’s help for the ordered logit model

<table>
<thead>
<tr>
<th>Variable</th>
<th>Change Level</th>
<th>Avg. Change</th>
<th>None</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainly gets business visits</td>
<td>0 to 1</td>
<td>0.27</td>
<td>-0.40</td>
<td>0.13</td>
<td>0.28</td>
</tr>
<tr>
<td>Has completed high school</td>
<td>0 to 1</td>
<td>0.16</td>
<td>0.19</td>
<td>0.04</td>
<td>-0.23</td>
</tr>
<tr>
<td>Contributed to lobbying frequently</td>
<td>Min to Max</td>
<td>0.25</td>
<td>-0.37</td>
<td>0.11</td>
<td>0.26</td>
</tr>
</tbody>
</table>

Although the findings confirm that citizens with lower levels of education are targeted by clientelistic politicians, as it has been shown in other studies (Kitschelt 2000, 857; Vicente and Wantchekon 2009, 303), the effect of education in getting help frequently is weaker than that for the others. For a business owner that has completed high school, the predicted probability of getting assistance from a the Councilor frequently decreases by .14, holding all other variables constant at their means. It decreases by .23 for getting quality goods. Meaning that educated business owners are less likely to get these forms of assistance. The strong effect of the business visits, therefore, highlights Councilors’ inclination to use the traditional mode as a strategy for extending business assistance with minimal consideration of these demographic factors. Figure 7-9 plots the predicted probabilities for the low and high frequency outcome of Councilors’ business assistance. Figure 7-9 considers a business owner that has owned the business for less than one year and contributes to lobbying activities frequently and shows how the predicted probabilities are affected by councilor’s business visits.
Figure 7-9. Probability of getting councilor’s assistance frequently when councilor’s business visits vary with regards to lobbying and duration of ownership

It shows that with the high probability of getting councilor’s business visits the probability of getting assistance frequently also increases. When there is no visit the probability of getting assistance at a high frequency is .07 and when there is a business visit the probability is .33, a difference of .26. The probability of low frequency is an unusual characteristic of ordinal regression models (Long 1997, 132-133). The effect is initially positive and then negative. The probability begins at .25, increases to about .46, and then decreases to .44. This occurs because as the probability of business visits increases more cases move from the low frequency category to the high frequency category.

Figure 7-10 illustrates the effect that business visits has on the quality of goods. It plots the predicted probabilities for low and high quality outcomes of Councilors’
business assistance. According to the literature, traditional patrons normally distribute durable, high quality goods so as to bind clients to long term debt of obligations that they may never be able to fully reciprocate (Scott 1972, 93). This has been found to ensure that they secure a long term following (Scott 1972, 100).

Figure 7-10. Probability of getting a high quality of councilor’s assistance when councilor’s business visits vary with regards to lobbying and low education

Figure 7-10 takes into consideration a business owner that has not completed high school and frequently contributes to lobbying activities. It shows that with a high probability of getting Councilors’ business visits the probability of getting a high quality of goods from the councilor is also high. It begins at .20 and ends at .59, a difference of .39. This indicates that Councilors prefer to distribute goods that establish the type of long term patron-clients bonds associated with traditional clientelism. A strategy that has been found to be common in other studies (e.g. Scott 1972, 93). The goal can be to
ensure that there are successful outcomes from the strategy. When clientelistic relationships are embedded in long term relationships they can facilitate accountability on the part of the patron and simultaneously increase the incentive for the client to comply to the contract than the one-shot attempt to buy votes (Hilgers 2011, 578). This means that the durable good can also serve as a strategy for securing votes, only that the patron has to invest more in maintaining the relationship through frequently interacting with the client and supplying the goods requested by the client. In contrast, the modern mode associated with the MP did not have any significant relationships with the high quality goods or frequent distribution of goods. This emphasizes the one-time nature of the transactions that take place in the modern mode.

7.4 Overview of Findings

Most studies of clientelism examine its effects at the national level and hardly compare how politicians at different legislative levels use it. An important contribution of this dissertation is the attempt to systematically operationalize the two modes and compare their occurrence and usage. To my knowledge, this is the first one that does so. This dissertation makes a case for within country comparisons that take into account the different positions that politicians occupy and the differences in the contexts within one country. The findings in Chapter 7 demonstrate that clientelistic behaviors can intricately vary at the macrosociological and microsociological levels simultaneously. The findings show that different patterns of clientelism exist at the city and politician level. These findings uphold the model proposed in Chapter 1 (Figure 1-1) by demonstrating the important role of variations in urban development. It shows what difference it makes on clientelism when the urban context is taken into account. The
analysis demonstrates the implications of the socioeconomic variations reported in Chapter 5.

An important feature of the model that these findings also highlight is the importance of examining clientelism at the local government level. As pointed out in Chapter 5, the initiatives of both local government administrations and citizens transform the socioeconomic factors that affect clientelistic strategies. The results demonstrate that these factors can incentivize and disincentivize politicians' preferences in terms of these strategies in different ways, depending on their legislative level and access to resources. Politicians at a higher level use the modern mode because they have access to more resources, while those at the lower level use the traditional mode because they have less resources. The latter secure loyalty from clients by building strong interpersonal relationships, while the former purchase it when they need it – during elections. They reinforce the importance of distinguishing between the traditional and modern norms of clientelism.

In sum, the analysis has shown that citizen-politician clientelistic linkages can be understood better if the effects of socioeconomic development are also accounted for at the microeconomic level rather than the commonly used macroeconomic factors. More research is certainly needed to strengthen the findings but they provide a fairly substantial basis for making some theoretical and methodological suggestions for studies on clientelism, including this one. This is the goal of Chapter 8.

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6 A limitation of this study is that it has not accounted for all the factors that could be at play and may also lead to the same findings. This factors will be included and examined as this study evolves.
CHAPTER 8
CONCLUSION

This dissertation examines clientelism as a common form of interaction by citizens and politicians in African countries. It seeks to provide insight on the effect that urban development has on such interactions. The findings show that the effectiveness of clientelistic appeals vary depending on the level of urban development, the type of clientelistic mode, and the type of politicians. This study attempts to improve our understanding of the intricate dynamics of clientelism in urban areas. Existing studies on clientelism have not examined the effect of urban development on clientelistic strategies employed at the political party level, politicians lumped in one category, and specific types of politicians.

Chapter 8 will provide an overview of the main questions and how they have been addressed. It will do so by recapping the proposed theories, the derived hypotheses, the analysis that was conducted, and the conclusions reached. It then shows the gaps that the study fills in the existing literature on clientelism and makes some recommendations for future studies. This dissertation started by raising a number of questions which any study that tries to examine how urban development affects clientelism needs to consider. The overarching questions are: how does urban development affect the clientelistic strategies employed by politicians? How does it affect their preferences for one strategy over the other? How do these preferences vary with regards to the type of politician? What are the socioeconomic factors behind the variations in citizen-politician relationships in different urban contexts? What is the role of local governments in the relationship between urban development and clientelism? It has addressed these questions using different types of data and methods.
8.1 Overview of Data and Methods Utilized

The data used in this study was collected through in-depth interviews, focus groups, surveys, archival sources, and from a variety of secondary sources. In the three cities compared, 60 in-depth interviews were conducted, 3 focus groups, 360 survey questionnaires were administered, and archival data on urban development aspects collected from the local authorities that govern the cities. Three key informant interviews were also conducted. Appendix A provides a detailed description of the procedure employed in gathering the data from interviews, focus groups, and surveys. The data on urban development is based on initiatives that have been undertaken by local authority administrations and citizens. It uses expenditures that the local governments have extended towards infrastructural projects, the revenues collected from real estate taxes, and revenues collected from small businesses to compare levels of urban development in the three cities. The limitation of this data set is that the it was only available for the years 2002 to 2009. This is because prior to 2002 the local authorities did not keep complete records. Starting from 2002 the central government, which they were under,¹ required all of them to submit financial reports using the same format if they were to get any financial assistance. This standardization has made the data comparable. It stops in 2009 because from 2010 they were no longer required to submit the reports. The eight year data is, however, sufficient for demonstrating the variation in urban development and rank the cities. To bolster this evidence, the study traces the history of development in the three cities using secondary data from a variety of sources.

¹ Kenya passed a new constitution in 2010 that ended the centralized system of government, which placed local authorities under the central government.
Different methods have been employed to systematically examine the data. The initial analysis is mostly based on the use of cross-tabulations to analyze the relationship between a set of different categorical variables. They have been primarily used to examine the relationship between urban development and socioeconomic status. This is an important part of the main argument that drives the study. I argue that urban development affects clientelism by improving citizens socioeconomic status. A number of tests have been done to examine the strength of these relationships. First, chi-square tests have been done to see whether there is a statistically significant relationship between the categorical variables. The limitation of using chi-square is that it is does not say much about the strength of the relationship. To avoid the danger of misinterpreting statistical significance as indicating a strong relationship, three other appropriate tests for measuring strength have been done. Cramer's V has been used to measure the strength between nominal variables and Gamma to measure those between ordinal variables. A Fisher's exact test has been used in cross tabulations that have few cases in the cells. This test is usually necessary when there are fewer than five cases in each one of the cells. Like the chi-squared, it tests whether there is a relationship between the variables.

For the next level of analysis maximum likelihood estimation (MLE) techniques have been used since they have appropriate analytical methods for examining survey data. These techniques are appropriate since MLE estimators work well with data collected from small sample sizes like the one used for this study. There is no set rule on the sample size needed, but a minimum of 100 is recommended (Long & Freese 2006, 77). The sample size for this study (N = 360) fulfills this requirement. The
advantage of MLE techniques is that they provide consistent ways of estimating parameters, such that they can be used to estimate a variety of models when the type of categorical data used is different.

Outcomes from the binary dependent variables are examined using binary logit regressions models and ordinal logit regression models used for ordinal variables. The estimates produced by these models are not directly interpretable. MLE techniques are useful for interpretation since they provide a variety of methods for describing the relationship between independent and dependent variables. MLE has various options for interpretation that make it possible to elegantly and concisely summarize complex models. One can be able to try the different interpretation options they provide for examining the effect of variables. The results from the binary regression models have been interpreted using predicted probabilities, discrete change, and odds ratios. The simplicity of predicted probabilities make them suitable for interpretation. This method examines the effect that each independent variable has on the probabilities of observing an outcome. Interpretation is direct because it is possible to examine how change in each independent variable affects the predicted probability of an outcome. The disadvantage of using predicted probabilities is that extreme values affect the range by increasing the change in probability from minimum to maximum. Taking this into consideration, the study also examines the discrete change for the outcomes. This method of interpretation has been used for both the binary and ordinary regression models. They “are much more informative” (Long 1997, 135) than other methods of interpretation.
For binary variables, the analysis examines their effect as they change from 0 to 1, and for those that are not binary, the change in predicted probability has been examined as the independent variables change from their minimum to maximum values. The study examines how the predicted probabilities change when there is a discrete change in each variable. The benefit of using discrete change is that one can observe the change in predicted probability calculated as an independent variable changes from the starting point to the end point, for instance a change from 0 to 1 in a binary variable.

It is also possible to examine the effects of an individual variable of interest by allowing it to vary and holding the others at their means. This effects can be calculated for any amount of change in an individual variable. For instance, the change for year of education for men and women can be calculated separately. The examination of odds ratios is useful for finding out the chances of an outcome occurring. This study examines the factor changes for both the binary regression models and the ordinal regression models.

Diagnostic tests for all models have been done so as to ensure that the models are valid and appropriate to use. The most common problem in binary regression models is collinearity of variables. Hence, they have been tested for multicollinearity. This is to prevent the danger of using biased and unreliable coefficient estimates that are outcomes of correlation between the independent variables. The tests conducted check the variance inflation factors (VIF) and the tolerance values for the variables in each model. These two measures check for inflation of standard errors and biasness of coefficients. The standard rule of thumb is that multicollinearity is present if the VIF values are above 10 and is the tolerance values are close to 0. The most desirable
outcome is for both to have a value of 1. The models used in this study meet this standard since the mean VIF for all the BRM is around 1.1 and the tolerance values range at around 0.75 to 0.98. As for the ordinal regression models, a test checking whether they have violate the proportional odds assumption (or parallel regression assumption) has been conducted. Ordinal regression models are based on the assumption that the coefficients at each of the different cut points in the ordered categories are equivalent. In other words, the effect of any independent variable should be the same across the different ordered categories in an ordinal dependent variable. This means that the odds of an outcome are the same at each category. If this is not the case the proportional odds assumption is violated, hence it is inappropriate to use the models. This study finds that this assumption has not been violated in any of the ordinal regression models.

8.2 Summary of Chapters

Chapter 1 points out the gap that exists in the clientelism literature with regards to urban development. It shows that the effects of urban development associated with local government initiatives are not yet understood. This is mostly because existing studies tend to focus on the effect of national level variables, such as gross domestic product, government expenditures, and national level education. By doing this they have overlooked the effect of socio-economic factors within local government jurisdictions. This study argues that local governments play a central role in transforming clientelism through the development initiatives they undertake, such as road construction, construction of markets, and development of electricity grids. Citizens within these also jurisdictions play a similar role by engaging in property and business development activities. In existing studies on clientelism, these roles are masked by the
focus on aggregated development initiatives that central governments undertake within an entire country. In order to address this gap this study suggests the need to combine theories from clientelism and urban economics. Theories from urban economics provide tools for examining the socioeconomic outcomes of urban development initiatives. This is important because these are the factors that sustain or undermine clientelism. Since clientelism is usually sustained by low socioeconomic status, the argument made is that by understanding how urban development initiatives within local government jurisdictions transform these factors we are able to gain insight on the relationship that exists between urban development and clientelism. The study further points out in Chapter 1 that there is a need to examine the effect of urban development on two types of clientelistic strategies: traditional and modern. Most studies that examine the relationship between development and clientelism have conflated them or lumped them. One reason why this occurs is because the two strategies have not been systematically distinguished. It suggests the need to distinguish the two types of clientelism by using existing studies from political science, anthropology, and sociology.

Chapter 2 justifies the use of a case study method and the case selection. The case that was selected for this study is Kenya, which is a typical case with regards to the relationship this study examines. A case study is appropriate for this study because of five main reasons: case studies are useful for building theories on issues that have not been examined since they can produce new and valid theories with minimal biasness, they have a high potential for achieving high conceptual validity than large-N studies, there is no valid and reliable cross-national large N data available on clientelism, a great depth of understanding can be gained on an issue that is barely
known, and they allow for triangulation of evidence. The study shows that Kenya is a
typical case with regards to three factors related to clientelism: economic development,
corruption, and democracy. Kenya has the same annual GDP growth rate (4% - 5%) as
most African countries (40%), it has the same level of corruption as most African
countries (48%), and shares the same level of democracy (partly free) with most
countries (52%). Kenya also falls among the 56% of countries with the average rate of
annual urban population growth in Africa (3% to 4%). Its typicality therefore makes it
possible to generalize the findings from the study. This is important for both theory
building and policy recommendations.

Chapters 3 and 4 present more specific information on the context in which the
study was done. This study was conducted in the informal sector in Kenya. Chapter 3
shows how the sector has rapidly grown and gained economic significance in urban
areas. It is now where most citizens earn their living. The recorded employment in the
sector currently stands at about 80%. In most African countries the average is around
50% to 60% of the population. Given its expansiveness it is an important venue for
examining clientelism since it is where most of the citizen-politician interactions at the
local government level take place. It is where most politicians seek votes through both
clientelistic and non-clientelistic ways. Chapter 3 also shows the role that the state and
microfinance institutions have played in sustaining the sector. In Kenya, as well as most
African countries, it has become a rather permanent feature in urban areas through the
support of this two actors. This makes it a suitable place to examine the effect that
urban development initiatives have on clientelism. These businesses are concentrated
in Kenya’s three cities – Nairobi, Mombasa, Kisumu, which have been examined in
Chapter 4. It introduces the three cities by showing the history of urban development. It attempts to show how they were founded and grown over time. It accomplishes three main objectives: shows how Kenya’s local government system has evolved from independence to the current period, provides a history of urban development in the three cities and compares the three cities. It uses secondary data to show why Nairobi, the capital city, has the highest level of urban development, followed by Kisumu, and then Mombasa. Through this examination it introduces the main driving factors of urbanization in Kenya. It essentially lays the foundation for the analysis that follows in Chapters 5, 6, and 7 where the level and type of clientelism in the three cities is compared.

Since clientelism thrives in areas that are poor, higher levels can be expected to be present in cities with a low degree of urban development. Chapter 5 examines this hypothesis. Cities with low development have scarce opportunities for growth since the infrastructural factors that stimulate business growth are lacking. In this context infrastructural capacity is too underdeveloped to increase production levels. This leads to scarcity of basic needs for citizens. Hence, the lack of growth makes clientelistic offers an option for filling the scarcity. In a developed city this may not be the case because citizens have more opportunities for business growth and can depend on their businesses. For them clientelistic offers have to be much more appealing and this is costly for politicians, who end up engaging in such transactions at a minimal level. Chapter 5 uses the above logic to examine the effect of urban development on clientelistic transactions that takes place between political parties and citizens. It starts with an extensive examination of the roots of clientelistic linkages that exist between
parties and citizens in Kenya. An analysis using four factors is then done to compare
the level of urban development in the three cities. This analysis uses archival data that
was retrieved from the Ministry of Local Government in Kenya, which oversees the
operations of local governments. The four factors compared using the data are: the
level of infrastructural development, the number of markets owned by local
governments, real estate development and business growth. Nairobi ranks high in all
the four dimensions, followed by Mombasa, and then Kisumu. In this case, we should
expect to find that clientelistic transactions are the least common in Nairobi, moderate in
Mombasa, and high in Kisumu. The examination of clientelistic transactions between
parties and citizens uses survey data. They are based on a question that asked citizens
who have received assistance from parties, whether it was mostly given around election
periods or not. If so, it is considered clientelistic. This reasoning borrows from most
studies in political science. The findings uphold the expectations laid out above by
showing that these transactions are less common in Nairobi and Mombasa but mostly
common in Kisumu. But we cannot tell from these findings whether the same
transactions can be observed at the politician level since parties can use a wide range
of channels to carry out clientelistic transactions, such as agents. This is the goal of
Chapters 6 and 7, which investigate the nature of these transactions at the politician
level.

Chapter 6 starts off the analysis by conceptualizing and operationalizing
clientelism using an approach that has not yet been used in literature. Clientelism is
systematically disaggregated into two modes: traditional and modern. The traditional
mode is based on long term clientelistic relations between citizens and politicians, while
the modern one is based on one-time transactions that take place during elections. Although this distinction is known to exist, most studies in political science conflate the two categories or overlook the traditional mode. This mode has been mostly addressed in anthropology and sociology. I argue that both modes should be considered in studies on clientelism so as to give a more complete understanding of its causes and effects. The effects of clientelism should be compared based on the traditional versus modern distinction. In most cases, the findings in the literature present an image of one general type of clientelism affected by development. But what is not possible to decipher from these studies is the comparative effect of development on both modes. This study attempts to fill this gap. This approach can significantly increase our understanding of clientelism. In order to clearly distinguish the two modes, Chapter 5 uses a wide range of studies from anthropology, sociology, and political science. It operationalizes the traditional mode as one undergirded by long-term relationships between citizens and politicians, with transactions that do not depend on election periods but occur throughout the relationship. On the contrary, in the modern mode the relationships are ephemeral since they are established for one-time transactions that occur during election periods only. The occurrence of the two modes across the three cities is thoroughly examined in Chapter 7.

The data used in Chapter 7 is based on a question that asks respondents the main reason why politicians mostly visit them and when the help they have received from politicians was given to them. For the first part they are given choices to pick from that include campaigning and four other that have nothing to do with campaigning but helping them with their businesses. The other question asks them whether most of the
help they have received from politicians was given during election periods or non-election periods. The assistance given during election periods are categorized under modern clientelism while those that are given during non-election period are categorized under traditional clientelism. They were indirectly rather than directly asked whether they mostly get help through clientelistic transactions that they have with politicians for two related reasons. One, the study was conducted four months after a post-election violence that occurred in Kenya, where politicians had been accused of inciting citizens to participate in violent activities. Investigations were then launched to find those who had been involved in the skirmishes. Hence, it would be a highly sensitive question to ask directly. This would have also decreased the response rate and sample size. Two, it would lead to unreliable answers because the natural inclination at that time, with investigations going on, would have been to lie or skip the question. This was the case when pilot tests were done on the survey questionnaire. Respondents tended to skip or feel uncomfortable answering any sensitive questions related to those elections.

The data from the questions that try to find out why and when politicians visit citizens is examined using cross-tabulations and histograms. The occurrence of the two modes is compared in the three cities. The goal is to find out where the traditional mode is most common and where the modern mode is most common. According to studies on the traditional mode, it is mostly found in rural areas. This means that we should expect to find it most comply used by politicians in the city with low level of urban development (Kisumu).

The analysis has shown that clientelistic practices are less prevalent in the city that has high urban development (Nairobi), moderately prevalent in the city with
moderate urban development (Mombasa) and more prevalent where urban development is low (Kisumu). The literature on clientelism does not distinguish clientelistic practices based on the type of politician. This study argues that the use of both modes depends on the type of politician and the level of urban development. Politicians who are at a higher legislative level – such as Members of Parliament – have more resources to use for clientelism than those at the lower level – such as Councilors. Hence, the mode preferred depends on the context and resources available to a politician. Since the traditional mode is based on establishing long term relationships at the local level, it favors politicians who serve at the local level - Councilors. But it only works well where the level of urbanization is low since clients have to be monitored frequently. Again this favors the Councilor because he represents a smaller percentage of citizens than an MP. On the contrary, MPs have enough resources to buy votes during election periods but since they represent more citizens they may not have the time to establish long-term relationships, especially in highly urbanized areas.

Given these considerations, we should expect the Councilors to use the traditional mode more often and the MPs the modern mode. The findings comparing the occurrence of clientelism show that MPs mostly use the modern mode in the moderately developed city. This suggests that the costliness of the modern mode in the most developed city prevents MPs from using it often. As for the least developed city, the findings show that they mostly use the traditional mode. Councilors mostly use the modern mode in the most developed city and the traditional mode in the least developed city. This indicates that they are unable to employ the traditional mode in a highly populated city, hence for them the modern mode is preferred in that context.
Although it may seem as if both the Councilor and MP use the modern mode in the developed cities in the same way, it is not the case. When their overall usage of this mode is compared, the MP uses it more than the Councilor.

To corroborate the findings above, which were examined using the cross-tabulations graphs, two maximum likelihood estimation techniques (binary regression models and ordinal regression models) have been used to test the likelihood of the two politicians using the modern mode versus the traditional mode. For this analysis, the use of the modern mode occurs when citizens who vote often are the ones that are likely to get help from a particular politician and the traditional mode occurs when a citizen is mostly visited for non-campaign reasons but to be offered business assistance. The data for this examination is based on a question that asks citizens how many elections they have missed. Again, the indirect approach in examining the occurrence mode takes into consideration the sensitive context in which the study was done. In general, the findings show voting often and campaign visits are strongly associated with getting assistance from MPs, while those who have been visited often for non-campaign reasons (business related visits) are likely to get the Councilor’s assistance. These findings again show that the modern mode is associated with the MP and the traditional mode associated with the Councilor. Taking into consideration the past and recent studies, three broad suggestions can be made for the future. The need to distinguish between the two clientelistic modes examined in this study, especially that of providing more knowledge on the traditional mode, the need to account for the effects of urbanization on clientelism and the need to differentiate how higher and lower level politicians use the two modes with regards to variations in urban development.
8.3 Distinguishing Clientelism and Increasing Focus on the Traditional Mode

Although recent studies on young democracies have shed more light on clientelism (e.g. Kitschelt and Kselman 2012, Stokes 2005, Wantchekon 2003), they seem to re-examine the same issues that have been addressed in past studies. Hence, they have not adequately addressed other unexamined aspects of clientelism.

What is needed is a new approach that examines the comparative effect of the modern and traditional mode. There is much to be learned in such examinations. Most studies, including recent ones (e.g. Benit-Gbaffou 2011, 455; Brender and Drazen 2009) tend to conflate the two modes. There are a few (e.g. Nichter 2011; Örnebring 2012) that acknowledge the existence of these modes but do not go as far as comparing their effects or examine how they are distinctively affected by social, political, and economic factors. Almost all the studies that examine the effects of clientelism are based on the modern mode (e.g. Keefer 2007; Lynch and Crawford 2011). Since the traditional mode is not often specifically mentioned, there is an underlying assumption that it has similar effects as the modern one. Oversight of the traditional mode raises some questions about existing theories because its aspects differ from those of the modern one. To be sure, there have been some studies that have exclusively paid attention to the traditional mode (e.g. Auyero 2001; Banfield and Wilson 1963; Kitschelt 2000; Levitsky 2003; Powell 1970; Paul 2008). But these studies also tend to provide a one-sided understanding of clientelism as they leave out the modern mode. They also fail to provide an intricate understanding of how it is used by different politicians. What is missing are studies that focus on both at the same time.

Most of the earlier studies on clientelism in political science applied a broader meaning of clientelism that included the traditional mode but still did not make an
attempt to compare the effects of both (e.g. Clapham 1982, 4-5; Eisenstadt and Lemerchand 1981, 271-271; Eisenstadt and Roniger 1984, 43-44; Lande 1977, xii; Scott 1972, 104-105; Weingrod 1968, 377-379, Roniger 1994, 3-5). For instance, studies that treat it as a social relationship (Omobowale 2008; Taylor 2004, Garcia-Guadilla and Perez 2002) strictly focus on the traditional mode but inappropriately make conclusions that apply to both.

To be clear, I am not claiming that clientelism has not been distinguished in other ways but highlighting more intricate variations that have not been addressed. There are hardly any studies that try to differentiate it at the different, from operationalization to how it is applied, levels this study has attempted to do. Instead, the few that are there address other issues while still maintain the generalized definition. For instance, distinctions are based on the different goods distributed using the strategy: targeted benefits versus club goods (e.g. Robinson and Verdier 2002; Keefer and Valicu 2008), integrated versus non-integrated clientelist systems (Ansell and Mitchell 2011), structured versus processual clientelistic exchanges (Bika 2011), clientelism in political versus non-political networks (Szwarcberg 2012), and democratic versus anti-democratic forms of clientelism (Benit-Gbaffou 2011). Although such evaluations are insightful, those studies continue using it in its conflated form. By doing this, they raise more questions that make their findings tentative but also open new avenues for future research. For instance, what is the relationship between these goods and the two modes? Which one is mostly distributed using the modern mode or the traditional one?

The fact that both modes are used as strategies for acquiring votes in exchange for personal goods has contributed to the oversight of their different features. Since both
are used for this similar purpose, the point I seek to make is not that one mode is used as a strategy for acquiring votes while the other one is not. What am calling for is a consideration of the different procedures involved in both modes. As this study has shown, this differences primarily revolve around the timing of transactions that occur during non-election and election periods. Most of the insight offered by commonly referenced studies on clientelism is one-sidedly based on the latter period (e.g. Lindberg and Morrison 2008; Van de Walle 2007; Vicente and Wantchekon 2009; Young 2009). There have been several recommendations offered for addressing the clientelistic transactions that take place during election periods (e.g. Keefer 2009; Robinson and Verdier 2002) but hardly any for addressing those that take place during non-election periods. Several questions thus remain unanswered. For example, what is the nature of recurring clientelistic transactions that continue to take place during non-election periods? How frequently do politicians who use the traditional mode monitor their clients. Other questions can be raised with regards to different aspects associated with the modes: the politicians that use them, the goods that are distributed through them, the clients that are mostly targeted, and the context that they are most likely to be used in. An appropriate response to these issues requires us to pay more attention to the dynamics of the under-examined traditional mode. This shift of attention has both theoretical and practical benefits. Theoretically, it will help us to understand vote-buying strategies that are not directly observable at the polls and develop theories that shed light on them. From a practical standpoint, this will help in enhancing strategies that are designed to mitigate the negative effects of clientelism on electoral outcomes. So far, the perpetual focus on the modern mode only provides part of the solution.
The modern mode of clientelism has been somewhat over-examined, including in recent studies (e.g. Kitschelt and Kselman 2012; Jensen and Justesen 2012; Ichino and Nathan 2012). It, therefore, tends to be inappropriately used as the default definition of clientelism. This is evident from the fact that some scholars (e.g. Green 2010; Lynch and Crawford 2011) do not clearly define the concept in their work but still make conclusions based on it. Most of the time it is simply seen as a way of buying support in exchange for direct benefits (Brender and Drazen 2009, 306). When scholars talk about the pervasive nature of clientelism in African countries (e.g. Lynch and Crawford 2011; Lemarchand 1972; Wantchekon 2003; Hyden 2004) they tend to naturally refer to this view. Studies that examine the negative effect of clientelism on economic outcomes (e.g. Bardhan and Mookerjee 2011, Keefer and Khemani 2004) tend to suggest that it is only the modern mode that leads to such outcomes.

Due to the extensive focus on the modern mode, we know it as the only effective one in mobilizing political support in young democracies (e.g. Jensen and Justesen 2012, 4; Hopkin 2006, 3). What we do not know is how that effectiveness compares to that of the traditional mode. This can be said of other factors related to clientelism. For instance, the nature of the links that exists between modern clientelism and demographic attributes are well known than those of the traditional mode. Hence, theories, as well as policy recommendations, related to these attributes and the modern mode have been well developed. But the same has not been adequately done for the traditional mode. We know that since educated citizens are less inclined towards modern clientelism (Fujiwara and Wantchekon 2012; Kitschelt and Wilkinson 2007, 25-26), educating voters can prevent voting based on clientelistic appeals. But we do not
satisfactorily know how this finding applies to traditional clientelism. This can be said of other demographic aspects like income, age, and gender. Most of the time we inappropriately apply what we know about the modern to the traditional one.

The primary focus on the modern mode has sometimes misled us to the conclusion that clientelistic relationships in general are only ephemeral. The image one gets from such a conclusion is that they are only established during elections and then terminated once elections are over. For example, Kitschelt and Kselman (2012, 6) argue that “politicians in new democracies, and especially in democracies where the very existence of party organization is in doubt from one electoral cycle to the next, will generally not be able to credibly commit to the provision of continuing benefits over a series of exchanges.” Contrary to that argument, this study has shown that this is the case for the one-time exchanges in the modern mode but not the traditional clientelistic exchanges that are based on durable goods.

Scholars that have examined transactions done in the traditional mode have shown that the purpose of the durable goods is usually to create a long term commitment from the voters (e.g. Hopkin 2006, 2; Boissevian 1966, 22; Hilgers 2011, 568). The nature of transactions in the traditional mode requires us to view citizen-politician relationships as being long term rather than short term (Scott 1972, 100; Eisenstadt and Roniger 1984, 48-49; Mason 1986, 489). It can be a form of demonstrating long term accountability towards citizens for some politicians (Hilgers 2011, 578). The long term nature of the linkages in the traditional mode make it critical to understand it better if we are to suggest ways to mitigate the negative effects of clientelism on the consolidation of democracy. With regards to policies that attempt to
undermine the negative effects of clientelistic practices, it is critical to understand the traditional mode because it is likely to be more persistent than the modern mode. This is because it has strong habitual underpinnings that serve as an entrenched source of the modern one. Landini (2012, 2) points out that “although clientelism does, in fact, have a dimension that is related to the practice of exchanging support for votes, it is also a practice based on the existence of an internalized habitus, in other words, patterns of appreciation, perception and action…in the mental structures of the subjects involved in these exchange relationships.”

There are diverse interactions that exist within clientelism (Landini 2012, 9) that have gone unnoticed due to the one-sided focus. Clientelism takes many different forms in various contexts and levels of societies (Lande 1983, 440). The existing knowledge based on relationships built around the one-time exchange of votes at the polls leaves out voters who take part in them but are also already committed to a politician because they already received durable goods during the non-election periods. When both modes are taken into consideration, it seems that there are more than one type of clientelistic voters: those whose transaction already took place prior to the elections and will continue after elections, those whose transaction will take place close to or during the elections, those who are involved in both transactions. Since most of the insight that has been offered is based on those that engage in one-time transactions, it is possible that the prevalence of clientelism in some countries is often underestimated and misunderstood. This is especially the case in countries where clientelism in general is said to be minimal or absent without complete evidence that includes the types of
clientelistic voters mentioned above. Addressing all those categories of voters in future studies will improve existing theories.

Some of the most recent findings show how the findings from this study could advance theories on clientelism. A study that examines the effect of primaries on parties with regards to clientelism (Ichino and Nathan 2012) concludes that the effects of legislative primaries “may not apply where clientelism is prevalent” (Ichino and Nathan 2012, 1). Insightful as it is, it falls short of specifying the type of clientelism where such outcomes may not apply. It raises several other questions that can be answered by distinguishing the two modes. Are these effects mostly common where the modern mode is prevalent or is it where the traditional mode is prevalent? Or what is the variation in contexts where both modes are present? These questions apply to other studies as well. In another study that re-examines an established understanding of clientelism, Kitschelt and Kselman (2012, 1) challenge the argument that clientelism decreases as economic development increases and consolidation of democracy takes place by showing that it tends to increase as a country develops and consolidates it democracy. This is an important finding that has several theoretical and policy implications. But when we take into consideration the existence of the modern and traditional mode it seems to raise some certain questions. Does their argument apply to both the modern and traditional mode? Is the argument applicable where only one of the two modes is present or where both are present? It may be the case in one and not the other, especially when we take into consideration that it is persistent in rural areas because it is used as a strategy for accessing resources that states only provide in urban areas (Brinkerhoff and Goldsmith 2002, 2). The insight they offer can be
improved by conducting case studies that compare the effect of development and democratization on both modes.

Theories on clientelism are based on commonly accepted arguments that need to be reevaluated with a different approach towards the concept. For instance, the commonly accepted argument that clientelism undermines democratic electoral outcomes (Devarajan et al. 2012, 3) needs to be further examined since the two clientelistic modes represent different strategies that may have different effects on democratic outcomes. This argument is often based on the modern mode rather than the traditional one, in the sense that it refers to one-time transactions that take place at the polls. A re-examination of the relationship between the two modes and democratic electoral outcomes could potentially lead to different conclusions and new insight. One of the most problematic aspects in the way clientelism has been treated is the similarity made between the practice and other outcomes of democratization. For instance, some studies have made the case that it can be form of democratic accountability (e.g. Benit-Gbaffou 2011, 455; Beck 2008). This proposition tends to be based on a generalized form of clientelism although it could play out differently in when clientelism is distinguished. Hence, it is questionable whether both modes are forms of accountability. This is not clear from the existing literature. Answers to these questions have important policy making implications. Knowing the exact relationships can help in the development of appropriate policies for preventing the negative outcomes of clientelism that usually affect the distribution of public services.

There is a widely upheld view that clientelism continues to dominate African politics (Lynch and Crawford 2011, 287). This has been accepted from a generalized
perspective that does not show how the modern and traditional mode may vary around the continent (e.g. Ichino and Nathan 2012, 9). The dominant image presented by existing literature is one of a uniform type of modern clientelism occurring across the continent. This image has led to the conclusion that the modern mode is more dominant in Africa than the traditional one (Resnick 2012,4). Yet, there are countries where a good measure of democratic accountability exists along with clientelism, such as Ghana (Lindberg 2012, 1). Such findings contradict those that argue that clientelism diminishes when democratic consolidation occurs (Keefer 2007). These contradictions suggest a need to reconsider how the norm has been conceptualized and operationalized. It is possible for both clientelism and procedural democracy to exist where the mode that is tied to such a democratic state is the modern one. This is because the existence of a well-functioning procedural democracy assumes that elections are not adulterated by negative aspects of vote buying at the polls. A change in methodologies may be required in order to address these contradictions.

What this case study of Kenya has shown is that theories that have been built using large-N studies need to be tested by conducting within case studies that examine the occurrence of both modes. Due to methodological advancements, scholars now have better tools that can be used to improve our understanding of clientelism. To get more insight on the effect of long-term traditional clientelistic relationships there is a need for panel studies that use experiments. But these methods alone will not make a difference if the way we conceptualize and operationalize the norm is not modified. For instance, the innovative experiments that have been recently used to examine clientelism (Vicente and Wantchekon 2009; Aker et al., 2010; Collier and Vicente 2010)
still have the same problem of conflating the two modes. They essentially address the clientelism associated with vote buying during elections but leave the one that is not directly associated with elections unaddressed. Although we know that education reduces voter engagement in clientelistic practices from one such study (Fujiwara and Wantchekon 2012), we are still unable to say what the comparative effect of education on both modes looks like.

Extensive focus on the modern mode has also led to the failure to distinguish the use of the two modes in both the national and local government level. Most of the attention in the vast literature tends to be given to national level issues (e.g. Diaz-Cayeros et al. 2001; Gibson 1997; Johnston 1979; Keefer 2007; Kurer 1993; Medina and Stokes 2002; Robinson and Verdier 2002; Tullock 1980). In most on this literature it is also not clear which politicians are being referred to (e.g. Ansell and Mitchell 2011; Benit-Gbaffou 2011, Hellmann 2012; Sanchez and Lozano 2012; Szwarcberg 2012; Weitz-Shapiro 2012; Grzymala-Busse 2008; Keefer and Khemani 2004; Kurer 1993). Most of the time we only know them as “patrons” (e.g. Hermez 2011, 529; Joshi and Manson 2011; Whitehead 2012; 1087; Ichino and Nathan 2012; Calvo and Murillo 2004; Eisenstadt and Roniger 1980; Fatton 1986; Fox 1994). The literature therefore presents one commonly upheld image that needs improvement: politicians or patrons serving at the national government level as being clientelistic in the modern sense.

This dissertation has presented a more complex image showing that MPs – who deal with national level issues – are more likely to use the modern mode and least likely to use the traditional one, while Councilors – who deal with local government issues – are more likely to use the traditional mode and least likely to use the modern one. By
doing this, it has shown that the both modes exist in the two levels of government. Due to lack of studies that show such variations, we do not fully understand how the use of both mode affects democratic governance. This is particularly the case at the local government level. Oversight of this level has important policy implications related to democratic distribution on public goods and services. The fact that citizens get most of their public services at the local government level (Evans 1989; Lewis 1998, 142; Barasa and Eising 2010, 1) means that understanding how both modes are used at this level matter significantly for policy recommendations. It suggests a need for a more complex image. The fact that this has not been adequately addressed in the literature means that some existing theories are rather weak and policy recommendations offered only target part of the problems associated with lack of democratic distribution.

From the past and recent studies that this study has reviewed, there is a recent one that somewhat addresses the gaps it has highlighted and echoes some of the suggestions this study has made. This study (Nichter 2011) demonstrates the additional knowledge that can be gained by distinguishing the two modes in other contexts. It was done in the healthcare sector in Brazil. Nichter (2011) compares the delivery of healthcare benefits in two types of clientelism: electoral clientelism and relational clientelism. They are similar to the modern and traditional mode, respectively. “Electoral clientelism delivers all pay-offs to citizens before voting, and involves the threat of opportunistic defection by citizens. By contrast, relational clientelism continues to deliver benefits to citizens after voting, and involves the threat of opportunistic defection by both citizens and politicians” (Nichter 2011, 3). He criticizes the literature for conflating the two categories and reducing them to the modern mode (Nichter 2011, 3). He also
points out that most of the literature pays very little attention to clientelism at the local level (Nichter 2011, 7). He finds that relational and electoral coexist in the healthcare sector in Brazil but what varies are the quality and quantity of goods distributed using the two strategies. What he does not show, however, is how the use of both modes vary around the country. He (2011, 32) aptly points out that since the modes are not separated scholars talk past each other. The following extract from his study (Nichter 2011, 32) appropriately illustrates this problem.

Failing to distinguish between electoral and relational clientelism may result in scholarly confusion. To see why, consider Stokes's (2005: 316) assertion that many clientelist practices “make a mockery out of democratic accountability.” At first glance, it might appear that Kitschelt (2000: 851) counters Stokes when he argues that it is “imprecise or even misleading” to argue that “clientelist politics undercut democratic accountability, whereas programmatic politics creates it.” Yet actually, these scholars’ viewpoints need not conflict. Although neither Kitschelt nor Stokes makes this distinction explicit, they focus on entirely different strategies of clientelism. On the one hand, Stokes focuses on a specific form of electoral clientelism – vote buying – that rewards citizens for voting against their preferences during a given election. This focus leads Stokes to argue that clientelism holds citizens, rather than politicians, accountable for their actions: “perverse accountability – the ability of parties to monitor constituents’ votes, reward them for their support and punish them for defection – is what sustains machine politics” (325). By contrast, Kitschelt examines ongoing patterns of relational clientelism, which he argues involve elite accountability: “Politicians who refuse to be responsive to their constituents’ demands for selective incentives will be held accountable by them and no longer receive votes and material contributions” (Kitschelt 2000: 852; see also Kitschelt et al. 2010, 292).

It is not uncommon to find such contradicting views in the literature on clientelism. Their existence suggests a need to reconsider how we conceptualization the norm by comparing the occurrence of both modes and their use by politicians serving at different legislative levels. In another recent study that seems to have taken note of the one-sided focus on the modern mode, Ornebring (2012, 498) challenges scholars to move beyond the focus on the modern mode. He argues that clientelism
does not have to be related to securing votes and so expanding its definition beyond practices associated with buying votes during elections sheds light on the role of other actors, such as the media (Örnebring 2012, 499).

All the above suggestions ultimately culminate in how they affect practical outcomes that are at the center of policy-oriented studies on clientelism. The primary goal of most policy driven studies (e.g. Keefer 2007; Keefer and Khemani 2004; Medina and Stokes 2002; Robinson and Verdier 2002; Ansell and Mitchell 2011) is to find ways of reducing the negative effects of clientelism on competitive political processes associated with a well-functioning democracy. For this goal to be fully achieved both modes have to be examined thoroughly so that the solutions suggested are appropriately customized. Policies that are designed to undermine clientelism can be effective if we know better which clientelistic mode is being targeted. Based on the findings presented in this study, it is possible that the undesired effects from politicians who use the traditional versus those who use the modern mode will be different. Similarly, the strategies suggested for undermining their clientelistic practices will also have to be different. Policies that seek to end the occurrence of clientelism in future can be more helpful if they take this into consideration. This is because those that address the one-time transactions that occur during election periods may not appropriately apply to transactions based on long-term relationships. It is possible that some of those that are in place today, mostly focusing on the modern mode, are not effective since they have left out practices under the traditional mode. This is an issue that needs to be taken into consideration in future.
8.4 Beyond Kenya

The findings from this study have shown that there is a negative relationship between urbanization and clientelism in Kenya. The question is whether they can be generalized to other African countries, since urbanization rates are similar to that of Kenya. I make a case for examining this relationship in other African countries based on an exploratory cross-national study. This analysis focuses on 36 Sub-Saharan Africa countries. Although the relationship between urbanization and other political and economic variables has already been established, that between clientelism and urbanization has not. Through this study we can start establishing a basis for the recommendation that future studies on clientelism should examine it at an in-depth level. In this regard, it is also important to find out whether the relationship is similar to the one shown in this study. The analysis includes a wide range of variables that have already been linked to urbanization and covered in this study. The goal is not to elaborate on them again but to simply acknowledge them and then use them as control variables. I do not intend to compare their effects with that of clientelism since this is not the purpose of the analysis.

In most studies on urbanization in developing countries, the relationship between urban growth trends and economic factors rather than political factors has been established (e.g. Bertinelli and Strobl 2007; Black and Henderson 1999; Cohen 2004; Storper and Scott 2009; Waddell 2007). This study has tried to link all the three factors by combining lessons from these studies. Similar to what has been shown in the present study, most existing studies show that urbanization and economic factors have a positive relationship (e.g. Black and Henderson 1999, 253-254; O'Sullivan 2009, 90; Todaro and Smith 2009, 321). For instance, urbanization and GDP per capita rates are
often positively correlated (Davis and Henderson 2003, 99), although in some African cities the correlation is negative (Asabere and Owusu-Banahene 1983, 377). The relationship between economic growth and urbanization in some African countries has differed from others, such that urbanization has occurred without much economic growth (Fay and Opal 2005; Poelhekke 2009, 8). Another popular factor that has been associated with urbanization since the 1990s, due to the effects of globalization, is openness to trade. “The traditional argument is that openness favors large established cities, which are the contact points and the business focus of international trading partners” (Davis and Henderson 2003, 103). Others have argued that “increased trade openness markets to underdeveloped areas, increasing their importance and hence reducing the importance of capital cities (Krugman and Elizondo 1996, 146). Ades and Glaeser (1995, 196) argue that low levels of international trade increase the degree of concentration of resources in few urban areas. Unlike the national focus that such arguments are based on, the examination in this study has shown how they play out in small businesses at the local level. Other factors that affect these levels of concentration are the business environment and regulatory policies (Ades and Glaeser 1995, 199). Both of these factors have also been incorporated in this study.

Political factors have not been widely examined but they have been acknowledged as critical stimulants and restrictors of urban population growth, especially in places where urban concentration has been directly affected by policies and politics (Davis and Henderson 2003, 98). In a study on the political economy of the urbanization process, Davis and Henderson (2003, 98) found that infrastructural investments facilitate urbanization. The present study has highlighted how this finding
plays out at the local government level in Kenya. In some cases, the influences of political factors on urban population growth is not necessarily a direct one, but indirect. For example, the policies that affect the agricultural sector’s and the manufacturing sector’s shift in labor. Political factors that lead to shift of resources from one of those sectors to the other usually affect the labor composition of the two sectors. The findings from this study show that the relationship that exists between urbanization and clientelism is indirect. This relationship affects democratic outcomes as well. The effect of political factors is usually related to the way in which democratization shapes government operations (Henderson and Wang 2007). In essence, the type of democratic policies that a government adopts and implements largely affect the rate of urban population growth through distribution of resources (Poelhekke 2009). What we still do not know is how the relationship between clientelism and urbanization affects such outcomes. This is the gap that scholars of clientelism should consider addressing in future research.

Focusing on urbanization has the benefit of highlighting how clientelism varies within one country. This insight lacking in existing studies. The examination of clientelism in the three cities in Kenya has shown that generalizations that present a uniform image of all voters in one country as clientelistic can be misleading. For example, Kitschelt’s and Kselman’s (2012, 8) argument that “voters in underdeveloped countries are…likely to be particularly responsive to clientelistic forms of electoral linkage.” While this may be true, it can vary in different urban contexts within one underdeveloped country. The socioeconomic factors that feed clientelism are constantly changing in both rural and urban areas, such as education (O’ Sullivan 2009, 93; Fay
and Opal 2000, 14) and levels of income (Rakodi 1991, 542; Annez and Buckley 2008, 1; Njoh 2003, 173; Davis and Henderson 2003, 99) are rapidly changing in African countries (references). The changes depend on the level of urbanization. The conclusion that is arrived at in most studies (e.g. Fatton 1986; Chappell 1989; Calvo and Muliro 2004; Keefer 2007; Van de Walle 2007; Young 2009; Kitschelt and Kselman 2012, 25) present countries as a whole as dominated by clientelistic transactions while disregarding that there could be urban and rural areas where clientelistic practices are not be prevalent. Given the increasing rate of urbanization in Africa (Kessides 2005; UN-Habitat 2010), scholars of clientelism can improve our understanding of the norm by taking into consideration the variations that exist across urban areas. This can be based on both small-N and large-N case studies. The exploratory regression analysis that follows examines whether there is a possible relationship between clientelism and urbanization that could be explored further.

The analysis is based on a snapshot of data for 2009 from 36 Sub-Saharan Africa countries. I have used the 2009 data since it is the latest year that has complete data for most countries on the variables included. Urbanization, which is the dependent variable, has been operationalized as urban population growth (see Table C-4 in Appendix C for a description of all the independent variables and the descriptive statistics). Due to lack of a uniform and comparable data set on clientelism from all African countries, I have used corruption as a proxy. This is an appropriate proxy because corruption is closely related to clientelism (Muno 2010, 14; Persson et al. 2003; Singer 2009, 9) in the sense that narrowly self-seeking public officials tend to use resources accessible to them for clientelistic purposes (Harriss-White 1996; Philip 1997;
It is sometimes associated with vote buying (Kawata 2006, xii), which is a central aspect of clientelism (Wantchekon 2003, 400). Corruption has also been found to be common where clientelistic interactions are prevalent (Kawata 2006, xii; Manzetti and Wilson 2007, 949). I also use this proxy to find out the direction of the relationship between clientelism and urbanization. The question is whether it is a negative one as the one shown in this study. This analysis does not attempt to develop a model that can be used to explain the political and economic factors that affect urbanization but to merely find out whether there is a possibility that clientelism has a relationship with urbanization, while controlling for other factors. Table 8-1 below presents the findings.

Table 8-1. The relationship between clientelism and urbanization in Africa

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Model 1 (N=36)</th>
<th>Coefficient (p-value)</th>
<th>Model 2 (N=36)</th>
<th>Coefficient (p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption (proxy for clientelism)</td>
<td></td>
<td>-0.029 (0.098)</td>
<td></td>
<td>-1.393 (0.028)</td>
</tr>
<tr>
<td>Government effectiveness</td>
<td></td>
<td>-0.238 (0.639)</td>
<td>-1.393 (0.028)</td>
<td></td>
</tr>
<tr>
<td>Political stability</td>
<td></td>
<td>-0.120 (0.640)</td>
<td></td>
<td>-2.282 (0.008)</td>
</tr>
<tr>
<td>Regulatory quality (policies)</td>
<td></td>
<td>-1.783 (0.029)</td>
<td></td>
<td>-0.043 (0.945)</td>
</tr>
<tr>
<td>Rule of law</td>
<td></td>
<td></td>
<td></td>
<td>0.099 (0.018)</td>
</tr>
<tr>
<td>Failed state</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Freedom</td>
<td></td>
<td>0.001 (0.863)</td>
<td>0.020 (0.093)</td>
<td></td>
</tr>
<tr>
<td>Openness to trade</td>
<td></td>
<td>0.014 (0.228)</td>
<td>0.004 (0.684)</td>
<td></td>
</tr>
<tr>
<td>FDI</td>
<td></td>
<td>0.057 (0.043)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP growth (annual %)</td>
<td></td>
<td>0.048 (0.077)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP per capita growth (annual %)</td>
<td></td>
<td>0.341 (0.013)</td>
<td>0.516 (0.001)</td>
<td></td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>N=36</td>
<td></td>
<td>N=36</td>
<td></td>
</tr>
</tbody>
</table>

The findings presented in Table 8-1 show a similar relationship between clientelism and urbanization that has been observed in the case study of Kenya. Similar to the findings from Kenya, corruption (as a proxy for clientelism) has a negative relationship with urbanization. This is an indication that in countries that have high levels
of urbanization, clientelism may be less prevalent and where the level of urbanization is low it may be widespread. But since corruption is just a proxy in this case, this finding should be taken as tentative and as a starting point. It would have been helpful to go beyond the simple analysis if there was data on clientelism from these countries. The hope is that this finding will provoke considerations for future studies that specifically use data on modern and traditional clientelism. The challenge that lies ahead is in coming up with innovative methods for collecting cross-national data on the two modes. Small-N studies that make it possible to do more in-depth examinations will also be needed. They will make it possible to better examine the effect of both modes. Within this cases it is important to examine clientelistic interactions at both the national and local level, and compare how different politicians use them. The question is whether other within-case studies in Africa will reveal similar or different variations to those that have been observed in Kenya. Whatever the revelations will be, it is certain that they will improve our understanding of clientelism and enhance policies made to prevent the negative effects of clientelistic transactions.
APPENDIX A
DATA COLLECTION METHODOLOGIES

The data used in this study was collected using five different methods. 120 individual-level questionnaires, 20 semi-structured interviews, and one focus group was administered in each of the three cities in Kenya (Nairobi, Mombasa, and Kisumu), yielding a total sample size of 360 for the survey, 60 for the interviews, and three focus groups. In addition, key informant interviews from three people who have first-hand knowledge of the relationship between politicians and the informal sector. The data on urban development in the three cities was collected from the Ministry of Local Government archives. Three markets were selected in each city based on variation in constituencies. This made it possible to examine distinct citizen-politician linkages. This study began with an attempt to examine the nature of politics in general in the informal sector. Although there was no particular issue driving it at the beginning, there were several themes. The main themes were the role of government policy in business performance, the role of politicians’ responsiveness to citizens’ demands, and the nature of citizen-politician linkages. The exploratory nature of the study at the beginning hence led to the use of three methods.

Since this research was conducted in three cities that are distant from each other, it was necessary to use research assistants (RAs) to ensure that the data collection was being done within the same period. To ensure that the assistants employed uniform data collection techniques I first spent one week acquainting them on the study and training them on the three methods. During this week I held day long training sessions. This week was also used to map the markets that had been selected for the study. The goal was to ensure that we understood the general nature of
businesses in the markets, the structure of the market, and the number of shops in the market. This information was important for the purpose of systematically recruiting a fair number of participants from each market and selecting markets that had a variety of businesses. To map the markets we would walk around them while counting the shops and sketching the general design. Using these maps as a guide in the recruiting process prevented oversampling one cluster of similar business owners and also made it possible to start each day using different entrances so as to increase the variation of responses. By using different entrances, I ensured that business owners did not share the questions prior to our arrival or even know we were collecting data in the market. To prevent predictability of responses in this market during one day we would collect data in different rows and ensure that we do not re-visit the same row two days in a row.

I began the study with the focus group discussions, which were based on open-ended questions. The goal was to use the responses to these questions to find out common themes that could be explored further. Two business owners were selected from each of the three markets selected in each city. Those that were selected had to be politically active in the market. The goal was to find business owners that would be able to provide the most insight on the issues that were to be discussed. But the selection was also to be random. In order to accomplish these two goals I established a criteria that would be used for recruiting. The criteria was business owners who had been in business for more than 15 years, were members of a group in the market, and knew the political representatives in the constituency. I set 15 years as a benchmark so as to ensure that they were business owners that had participated in at least one election. With the help of three research assistants, one in each city, we visited the
markets and used systematic random sampling technique to visit business owners. In each market that we visited we selected several businesses and when we encountered a business owner that met the criteria we gave them a flyer that provided them with the details of the focus group and a phone number to call the next day if they are interested in participating.

The following day, the first two business owners to call me from each market were selected for the focus group discussion. Those that were finally selected had to consent to being recorded using a tape recorder. Although this is not a perfect method since I may have selected those that have access to a phone, it was the most appropriate one. It made it possible to give all the business owners some fair chance to be recruited for the discussion, rather than selecting the first two in each market using only the systematic random sampling method. To create the questions that were used during the focus groups, I reviewed the literature on citizen-politician relationships and read newspapers on the same issue in Kenya. Each focus group discussion was recorded using a tape recorder. I then transcribed these interviews and examined them thoroughly to select the common themes. The themes that stood out were the close relationship that business owners have with microfinance institutions, the lack of government services in the markets, rampant insecurity, harassment by local government authority officials, and weak citizen-politician linkages. I used these themes to develop questions for next stage, semi-structured interviews. Semi-structured interviews were more appropriate, as opposed to in-depth interviews, since I was getting assistance from three RAs in different locations and it was important that the information from the interviews be comparable. Moreover, although semi-structured
interviews are different from unstructured interviews they still have much of the freewheeling quality of unstructured interviewing and require the same skills (Bernard 2006, 212). In order to accommodate the language differences across the three cities, the questions were translated into the commonly spoken languages. English and Swahili in Nairobi, Luo in Kisumu, and Swahili in Mombasa.

Prior to the interviews, I held another week long training session with the RAs. The goal was to ensure that the questions would be administered in the same way in the three cities. The prompts were to be done in the same way, the time allocated for answering each question was to be the same, and clarification of questions was to be done in the same way. The goal was to increase the comparability of the responses. To make this exercise successful pilot test were conducted with under my supervision during the one-week training session. This helped in identifying areas that would potentially lead to problems and address them. The participants for the interviews were also recruited using systematic random sampling within each market. Using this technique we recruited business owners only by first visiting their shops and seeking appointments with them. This is because some of the business owners have employees and are not always available. For those who were absent we left the employee(s) with short memos requesting for their participation and also informing them of when we would be stopping by to conduct interviews. This was to ensure that the business owners would be available on the set date. This approach was quite successful as they were always available on the day of the interview and also gave maximum participation. In each city 20 business owners were recruited and interviewed, leading to 60 interviews. To ensure that the RAs were conducting the interviews as expected I used
two strategies. One, I conducted the first five interviews in each city as they watched and learned. They then conducted the next five interviews under my supervision. This ensured that there was consistency in how the questions were being administered in the three cities. Two, All these interviews were tape recorded and notes taken as well. The purpose of recording the interviews was to ensure that the RAs followed the same format in my absence.

Once all the interviews had been completed I transcribed all the recorded tapes while looking for common themes. This is when my research interest in citizen-politician linkages emerged. The finding that stood out, and also led to the application of the next two methods (surveys and key informant interviews) was the nature of relationships between the business owners in the sector and politicians. The findings from these interviews showed that there were only a few business owners that had managed to get substantive forms of assistance from politicians. Hence, I was curious about the nature of the linkages that these business owners had with the politicians. I wanted to find out what was unique about these few business owners that receive assistance from business owners. Based on the information gathered on the linkages, I decided to develop a survey that scrutinizes the citizen-politician linkages further. Prior to the administering of the surveys, I held another one week training session with the RAs since it had aspects that all of them needed to be familiar with, such as when to skip questions and how to use the vignettes. I also wanted to ensure that they were able to effectively administer the survey. Most importantly, I used this week to do pilot tests on the questionnaire and make modifications where necessary. With the assistance of the RAs, we were able to conduct 360 surveys (120 in each city) from nine markets. The
surveys were translated into the appropriate languages widely spoken in each city. They were administered in English and these languages. The data from the surveys were entered on a daily basis so as to get a data set that I could examine while in the field and see if there are any patterns that can be investigated further. For the most part, the preliminary data that I examined showed the same results as those from the interview.

In the last stage, with one week left to depart from Kenya, I interviewed three key informants so as to indirectly corroborate the findings from the politicians' stand point. Although I tried to directly contact politicians I was unable to get an appointment with a one week notice. Most of them were willing to offer me an interview between two weeks and a month. Hence, I decided to interview the key informants instead. These key informants were: 1) A personal assistant for the one of the current Deputy Prime Ministers in Kenya; 2) A scholar and politician who lost in his bid for a parliamentary seat at the nomination stage and later worked as a strategist for other M.P.s, and 3) a communications officer for one of Kenya’s main political parties (Orange Democratic Party – ODM). I found these informants using the snow-ball technique. I would have found more key informants but I was short of time. I conducted one-hour in-depth interviews with them based on the same themes that I used for the semi-structured interviews. They provided a perspective of the citizen-politician linkages from the politicians’ side.

For the analysis on urban development in the three cities this study uses archival financial data from the local governments of the three cities Nairobi, Mombasa, and Kisumu. At the time of this study, Kenya was still under a centralized system of government. Hence, the local governments were under the Ministry of Local
Governments (MOLG). Under this system the state wielded a substantial degree of power over the local governments in a number of important ways, such as, determining the financial base of the local governments, and their annual budget. All their financial plans had to be approved by the Minister for Local Governments. For them to get approval and financial assistance from the state they had to submit annual financial plans. These conditions made it possible to collect data on urban development initiatives from the MOLG. I, therefore, visited the MOLG archives during my fieldwork and collected this data. I retrieved the data from financial reports submitted starting from 2002 to 2009. The data collected prior to 2002 had problems of authenticity and incompleteness. They had not been audited and some months had no data. On the other hand, the reports that were compiled from 2002 by the city councils are comparable because they have been edited and also use a similar format required by the MOLG for recording the data. They strictly followed the set guidelines because the MOLG made it a prerequisite for getting any financial assistance for supplementing their annual budgets. The guidelines generally required local governments to submit annual financial accounting records, provide statements of debtors and creditors, and Revenue Enhancement Plans, which provide a clear description of the urban development initiatives within their jurisdictions. The authenticity of the data from these reports is high because they are thoroughly audited before funds are issued. The last report I use is the 2009 one because it is the latest one that was available. There were no reports beyond 2009 because the central government had started a process of devolution.
APPENDIX B
QUESTIONS AND VARIABLES

This appendix provides the actual questions for the variables used in this dissertation, as well as descriptions for those for the constructed variables. Information on the coding of variables is also provided.

**Dependent Variables:**

1. **Ever received MP help/Councilor’s**

   *Have you ever received any form of assistance(s) to your business from the M.P./Councilor?*

   Coding: 1 if yes; 0 if no

2. **Frequency of Councilor’s help**

   *How often have you received this assistance from the Councilor?*

   Coding: 0 if None; 1 if 1 to 2 times (Low), 2 if more than 2 times (high)

3. **Quality of Councilor’s help**

   I first asked the following question:

   *What kind of assistance have you mostly received from the councilor?*
   - Financial assistance to start this business
   - Financial assistance to boost my business
   - With the registration of the business
   - With getting this stall

   The responses are then lumped as low and high based on two factors: 1) the average amount that business owners get as financial assistance and the actual amount it would take a business owner to register a business or register a business. The average amount is based on responses from business owners when asked about the amount they have received. The actual amount of registration or getting a stall was retrieved from the local government department responsible for these two issues. 2) the other factor that determined now the responses lumped are the number of responses in each category. The number of business owners that received financial assistance to start their business and those who received a stall were too few. The two categories on financial assistance were, therefore, lumped and the other two also lumped. This led to two recoded categories:

   Low quality coded as 1: financial assistance to start a business or to boost a business.
   High quality coded as 2: registration of the business or getting a stall.
Independent Variables

1. Has voted at least once

*Have you voted in any national elections?* (we clarified that these are elections that include Councilors, MPs, and Presidential candidates in the ballot, which is usually the case in Kenya)

Coding: 1 if voted; 0 if not

2. Elections missed voting

*How many times have you missed to vote in elections?*

   - Missed all elections
   - More than 3 times
   - 1 to 3 times
   - None

*Coding:* 1 if has missed voting in all national elections; 2 if missed more than 3 national elections; 3 if missed 1 to 3 national elections; 4 if not missed any national election

3. MP/Councilor business visits

*Has the Councilor/MP ever visited your business when in the market?*

   - Yes
   - No

*What is the main reason why the MP/Councilor visited your business?*

   - To campaign
   - To provide financial assistance
   - To provide me with a new business stall
   - To issue me a business permit
   - To solve other business problems

Based on the responses from the question above, I generated two new variables for each of the two politicians based on the following questions:

*Has the MP/Councilor mainly visited the business owner to campaign?*

   - The campaign responses here are recoded as 1 (Yes) and all the other responses as 0 (No)

*Has the MP/Councilor mainly visited the business owner to offer business assistance?*
The four responses associated with offering business responses are lumped and recoded as 1 (yes) and campaign is recoded as 0 (No)

4. Politician campaign visits: this is a new variable that was created by combining MP and Councilor responses from variable 6 and generates a new variable based on the following question

*Have politicians mainly visited the business owner to campaign or offer business assistance?*

Coding: campaign responses are coded as 1 and the rest as 0.

5. Direct access to the MP/Councilor

*How have you mainly contact the M.P./Councilor?*

- Personally written letters
- Telephone calls
- Visiting him/her at the office

*Coding*: 1 if contact is through letters (low level); 2 if contact is through phone (moderate level); 3 if contact is through office visits (high level)

I then transformed the variable into a binary one based on two categories: direct (telephone calls and office visits) and indirect (letters), coded as 0 for indirect and 1 for direct.

6. High level of access to the MP/Councilor

*How many times have you contacted the M.P./Councilor?*

- None
- 1 to 2 times
- 3 to 4 times
- More than 4 times

*Coding*: 0 if none; 1 if 1 to 2 (low); 2 if 3 to 4 (moderate); 3 if more than 4 times (high)

7. Two-way link with the councilor

This is a new variable by adding the responses in the following questions: a sum of two indicates the presence of a two-way link

*Has the Councilor ever visited your business when in the market?* 1 if yes and 0 if not
Have you ever contacted the Councilor? (we clarify that this means that they successfully reached/found him/her) 1 if yes and 0 if not

8. Frequent politician agents’ visits (politician agents combines MP and Councilor)

This is a variable that was created by combining the responses from the following question that was asked separately for both the MP and Councilor.

Have you personally been visited by anyone who works for the MP/Councilor here in the market for any particular reason since you started your business?

Those who answered “yes” to this question were then asked the following follow-up question:

How many times have you been personally visited by the M.P.’s/Councilor’s staff?

The original response categories to this question are:

- None
- 1 to 2 times
- 3 to 4 times
- 5 to 6 times
- More than 6 times

The responses for both MP and Councilor are then summed up in the new variable. Using the totals I create four new categories, based on four ranges of values, in the variable that are coded as: 0 for none, 1 for low, 2 for moderate, and 3 for high.

9. Membership in lobby group

Are you a member of any of the organization(s) that lobby’s the government for better service to these types of markets?

Coded as: 1 if he/she is a member; 0 if not

10. Contributes to lobbying often

How often do you contribute funds in a year?

Coded as: 0 if None; 1 if 1 to 2 times; 2 if More than 2 times

11. Contributed to political parties

Have you ever contributed money to political parties, e.g. ODM, PNU, KANU etc.?

Coding: 1 if he/she has ever contributed; 0 if not

12. Male
Respondent’s gender was filled by interviewer
Coding: 1 if business owner is male; 0 if female

13. Many employees (large business)

How many employees do you have?
Coded as: 0 if no employees; 1 if one employee; 2 if two employees; 3 if three employees; 4 if more than 3 employees

14. High capital intensity (proxy for business owner’s level poverty)

What is the type of business? (only asked if it is not obvious): there are 30 types of businesses entered.
I then asked business owners for an estimate of the money they personally spent in buying starting their business, including purchasing equipment, and then used those figures to place businesses in three categories: low, moderate, high. I asked for estimates because almost all the business owners who took part in the study do not keep records, and for those who do they did not have them readily available.
Coded as: 1 if low capital intensity; 2 if moderate capital intensity; 3 if high capital intensity (see Table 5-1 in Chapter 5)

15. Older business owner

In which age range do you lie?
Responses coded as: 1 if 20 years old and below; 2 if 21 to 30 years old; 3 if 31 to 40 years old; 4 if 41 to 50 years old; 5 if more than 50 years old.

16. Actively seeks government services

As a business person in this market and a stakeholder of government services do you take practical actions to demand from the government for better services to your business?
Responses coded as: 1 if business owner has achieved business education; 0 if not

17. High level of education

What is the highest level of formal education you have completed?
Coding: 0 if no formal education; 1 if completed primary school (low); 2 if completed high school (moderate); 3 is has some post high school education (high)

18. Has completed high school

Created from the above responses, with those who have completed high school, have some post high school education, or completed post high school education categories considered to have completed high school. The rest have not.

Coding: 1 if business owner has completed high school; 0 if not

19. Has achieved business education

Do you have any formal business education?

Coding: 1 if business owner has achieved business education; 0 if not

20. Has owned the business longer

How long have you been in this business?

Responses coded as: 1 if one to four years; 2 if five to eight years; 3 if nine to twelve years; 4 if thirteen to twenty years; 5 if more than 20 years


Which of the following business challenges do you mostly face?

Responses coded as: 1 for difficulty in paying rent; 2 for difficulty in purchasing stock often; 3 for difficulty in acquiring business loans, and 4 for other
### Table C-1. Descriptive statistics

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent Variables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ever received MPs’ help</td>
<td>0.04</td>
<td>0.206</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Ever received Councilors’ help</td>
<td>0.13</td>
<td>0.337</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Frequency of Councilors’ help</td>
<td>0.16</td>
<td>0.426</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Quality of Councilors help</td>
<td>0.15</td>
<td>0.466</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has voted at least once</td>
<td>0.91</td>
<td>0.280</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Elections missed voting</td>
<td>3.49</td>
<td>0.902</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>MP business visits</td>
<td>0.04</td>
<td>0.200</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Councilor business visits</td>
<td>0.06</td>
<td>0.240</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Politician campaign visits</td>
<td>0.11</td>
<td>0.318</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Direct access to the MP</td>
<td>0.05</td>
<td>0.235</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Direct access to the Councilor</td>
<td>0.13</td>
<td>0.334</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>High level of access to the MP</td>
<td>0.14</td>
<td>0.527</td>
<td>0</td>
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</tr>
<tr>
<td>High level of access to the Councilor</td>
<td>0.46</td>
<td>0.935</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Two-way link with the councilor</td>
<td>0.05</td>
<td>0.224</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Frequent politician agents’ visits</td>
<td>0.31</td>
<td>0.763</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Membership in lobby group</td>
<td>0.13</td>
<td>0.128</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Contributes to lobbying often</td>
<td>0.09</td>
<td>0.396</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Contributed to political parties</td>
<td>0.06</td>
<td>0.245</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Male</td>
<td>0.44</td>
<td>0.497</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total employees (proxy for business size)</td>
<td>0.73</td>
<td>1.194</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>High capital intensity (proxy for poverty)</td>
<td>1.73</td>
<td>0.779</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Older business owner</td>
<td>2.66</td>
<td>0.850</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Actively seeks govt. services</td>
<td>0.40</td>
<td>0.403</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Highest level of education</td>
<td>1.98</td>
<td>0.797</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Has completed high school</td>
<td>0.58</td>
<td>0.495</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Has achieved business education</td>
<td>0.27</td>
<td>0.443</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Has owned the business longer</td>
<td>2.18</td>
<td>1.241</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>
Table C-2. Variance inflation factors (VIF) and tolerance values for binary regression models when MPs’ business assistance is the dependent variable

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1 VIF (Tolerance)</th>
<th>Model 2 VIF (Tolerance)</th>
<th>Model 3 VIF (Tolerance)</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Ever get MP help (dep. variable)</em></td>
<td>1.11 (0.90)</td>
<td>1.13 (0.88)</td>
<td>1.10 (0.91)</td>
</tr>
<tr>
<td>Elections missed voting</td>
<td>1.03 (0.97)</td>
<td>1.04 (0.97)</td>
<td></td>
</tr>
<tr>
<td>Politician campaign visits</td>
<td>1.25 (0.80)</td>
<td>1.07 (0.94)</td>
<td>1.09 (0.92)</td>
</tr>
<tr>
<td>MP business visits</td>
<td>1.22 (0.82)</td>
<td></td>
<td>1.18 (0.85)</td>
</tr>
<tr>
<td>Direct access to the MP</td>
<td></td>
<td></td>
<td>1.17 (0.85)</td>
</tr>
<tr>
<td>High level of access to the MP</td>
<td></td>
<td>1.31 (0.76)</td>
<td></td>
</tr>
<tr>
<td>Direct access to the Councilor</td>
<td></td>
<td></td>
<td>1.14 (0.88)</td>
</tr>
<tr>
<td>Two-way link with the counselor</td>
<td>1.16 (0.86)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High level of access to Councilor</td>
<td></td>
<td>1.23 (0.81)</td>
<td></td>
</tr>
<tr>
<td>Frequent politician agents’ visits</td>
<td>1.10 (0.91)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership in lobby group</td>
<td></td>
<td></td>
<td>1.12 (0.89)</td>
</tr>
<tr>
<td>Contributed to lobbying often</td>
<td></td>
<td>1.05 (0.95)</td>
<td></td>
</tr>
<tr>
<td>Contributed to political parties</td>
<td>1.05 (0.95)</td>
<td>1.12 (0.89)</td>
<td>1.15 (0.87)</td>
</tr>
<tr>
<td>Male</td>
<td>1.05 (0.96)</td>
<td>1.06 (0.95)</td>
<td>1.09 (0.92)</td>
</tr>
<tr>
<td>Many employees (large business)</td>
<td>1.07 (0.94)</td>
<td>1.11 (0.90)</td>
<td></td>
</tr>
<tr>
<td>High capital intensity (least poor)</td>
<td>1.05 (0.96)</td>
<td></td>
<td>1.06 (0.94)</td>
</tr>
<tr>
<td>Older business owner</td>
<td>1.03 (0.97)</td>
<td>1.03 (0.98)</td>
<td>1.04 (0.97)</td>
</tr>
<tr>
<td>Actively seeks govt. services</td>
<td></td>
<td>1.20 (0.83)</td>
<td>1.12 (0.89)</td>
</tr>
<tr>
<td>Highest level of education</td>
<td></td>
<td>1.14 (0.88)</td>
<td></td>
</tr>
<tr>
<td>Has gotten business education</td>
<td></td>
<td></td>
<td>1.06 (0.95)</td>
</tr>
<tr>
<td>Mean VIF</td>
<td>1.09</td>
<td>1.14</td>
<td>1.10</td>
</tr>
</tbody>
</table>
Table C-3. Variance inflation factors (VIF) and tolerance values for binary regression model when councilors’ business assistance is the dependent variable

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>VIF (Tolerance)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ever get Councilor’s help (dep. variable)</td>
<td>1.10 (0.91)</td>
</tr>
<tr>
<td>Politicians’ campaign visits</td>
<td>1.04 (0.96)</td>
</tr>
<tr>
<td>Has voted at least once</td>
<td>1.04 (0.96)</td>
</tr>
<tr>
<td>High level of access to Councilor</td>
<td>1.24 (0.81)</td>
</tr>
<tr>
<td>High level of access to MP</td>
<td>1.23 (0.81)</td>
</tr>
<tr>
<td>Contributes to lobbying often</td>
<td>1.04 (0.96)</td>
</tr>
<tr>
<td>Male</td>
<td>1.05 (0.95)</td>
</tr>
<tr>
<td>Older business owner</td>
<td>1.02 (0.98)</td>
</tr>
<tr>
<td>Actively seeks govt. services</td>
<td>1.21 (0.83)</td>
</tr>
<tr>
<td>Contributed to political parties</td>
<td>1.07 (0.93)</td>
</tr>
<tr>
<td>Has a high level of education</td>
<td>1.13 (0.88)</td>
</tr>
<tr>
<td>Many employees (large business)</td>
<td>1.10 (0.91)</td>
</tr>
<tr>
<td>Mean VIF</td>
<td>1.11</td>
</tr>
<tr>
<td>Independent Variables</td>
<td>Model 1 Coefficient (SE)</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Has never missed voting</td>
<td>1.511 (0.977)</td>
</tr>
<tr>
<td>Politician campaign visits</td>
<td>1.587 (0.848)*</td>
</tr>
<tr>
<td>MP business visits</td>
<td>-0.715 (1.255)</td>
</tr>
<tr>
<td>Direct access to the MP</td>
<td></td>
</tr>
<tr>
<td>High level of access to the MP</td>
<td></td>
</tr>
<tr>
<td>Direct access to the Councilor</td>
<td></td>
</tr>
<tr>
<td>Two-way link with the councilor</td>
<td>-0.160 (1.012)</td>
</tr>
<tr>
<td>High access to the Councilor</td>
<td></td>
</tr>
<tr>
<td>Frequent politician agents’ visits</td>
<td>0.525 (0.252)**</td>
</tr>
<tr>
<td>Membership in lobby group</td>
<td></td>
</tr>
<tr>
<td>Contributes to lobbying often</td>
<td></td>
</tr>
<tr>
<td>Contributes to political parties</td>
<td>-0.687 (1.190)</td>
</tr>
<tr>
<td>Male</td>
<td>0.066 (0.581)</td>
</tr>
<tr>
<td>Many employees (large business)</td>
<td>0.436 (0.207)**</td>
</tr>
<tr>
<td>High capital intensity (least poor)</td>
<td>0.722 (0.409)*</td>
</tr>
<tr>
<td>Older business owner</td>
<td>-0.666 (0.459)</td>
</tr>
<tr>
<td>Actively seeks govt. services</td>
<td>-0.850 (0.745)</td>
</tr>
<tr>
<td>High level of education</td>
<td></td>
</tr>
<tr>
<td>Has gotten business education</td>
<td></td>
</tr>
<tr>
<td>Nairobi</td>
<td>0.101 (0.713)</td>
</tr>
<tr>
<td>Mombasa</td>
<td>0.001 (0.874)</td>
</tr>
<tr>
<td>Constant</td>
<td>-9.588 (4.026)**</td>
</tr>
</tbody>
</table>

N=360

Significant at the  * p<0.10, ** p<0.05, *** p<0.01

1 Kisumu has been left out of the model so as to prevent perfect multicollinearity. However, it was included in other models together with Mombasa, while maintaining the same variables, and the output had the same values as those shown.
Table C-5. Logit analysis of getting councilors’ business assistance (with dummy variables for Nairobi and Mombasa)

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Logit Coefficient (SE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politicians’ campaign visits (pcv)</td>
<td>-0.173 (0.559)</td>
</tr>
<tr>
<td>Has voted at least once (vlo)</td>
<td>1.038 (0.786)</td>
</tr>
<tr>
<td>High level of access to Councilor (hac)</td>
<td>0.693 (0.161)***</td>
</tr>
<tr>
<td>High level of access to MP (hmp)</td>
<td>-0.679 (0.447)</td>
</tr>
<tr>
<td>Contributes to lobbying often (cl)</td>
<td>0.711 (0.303)**</td>
</tr>
<tr>
<td>Male</td>
<td>-0.249 (0.352)</td>
</tr>
<tr>
<td>Older business owner (obo)</td>
<td>0.131 (0.208)</td>
</tr>
<tr>
<td>Actively seeks govt. services (asgs)</td>
<td>0.150 (0.379)</td>
</tr>
<tr>
<td>Has given party assistance (gpa)</td>
<td>-1.115 (1.070)</td>
</tr>
<tr>
<td>Has a high level of education (hle)</td>
<td>-0.043 (0.112)</td>
</tr>
<tr>
<td>Many employees (large business - emp)</td>
<td>-0.055 (0.150)</td>
</tr>
<tr>
<td>Nairobi</td>
<td>0.529 (0.397)</td>
</tr>
<tr>
<td>Mombasa</td>
<td>0.175 (0.177)</td>
</tr>
<tr>
<td>Constant</td>
<td>-3.611 (1.058)***</td>
</tr>
<tr>
<td>N=360</td>
<td></td>
</tr>
</tbody>
</table>

Significant at the * p<0.10, ** p<0.05, *** p<0.01
Table C-6. Logit analysis of getting councilors’ business assistance (with dummy variables for Mombasa and Kisumu)

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Logit Coefficient (SE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politicians’ campaign visits (pcv)</td>
<td>-0.224 (0.553)</td>
</tr>
<tr>
<td>Has voted at least once (vlo)</td>
<td>0.931 (0.795)</td>
</tr>
<tr>
<td>High level of access to Councilor (hac)</td>
<td>0.638 (0.157)**</td>
</tr>
<tr>
<td>High level of access to MP (hmp)</td>
<td>-0.628 (0.449)</td>
</tr>
<tr>
<td>Contributes to lobbying often (cl)</td>
<td>0.683 (0.302)**</td>
</tr>
<tr>
<td>Male</td>
<td>-0.253 (0.351)</td>
</tr>
<tr>
<td>Older business owner (obo)</td>
<td>0.100 (0.208)</td>
</tr>
<tr>
<td>Actively seeks govt. services (asgs)</td>
<td>0.259 (0.369)</td>
</tr>
<tr>
<td>Has given party assistance (gpa)</td>
<td>-1.208 (1.070)</td>
</tr>
<tr>
<td>Has a high level of education (hle)</td>
<td>-0.012 (0.110)</td>
</tr>
<tr>
<td>Many employees (large business - emp)</td>
<td>-0.029 (0.147)</td>
</tr>
<tr>
<td>Mombasa</td>
<td>0.149 (0.176)</td>
</tr>
<tr>
<td>Kisumu</td>
<td>0.060 (0.190)</td>
</tr>
<tr>
<td>Constant</td>
<td>-3.419 (1.114)**</td>
</tr>
</tbody>
</table>

Significant at the * p<0.10, ** p<0.05, *** p<0.01

N=360
Table C-7. Ordinal analyses of getting councilors’ business assistance (with dummy variables for Nairobi and Mombasa)

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Model 1 Coefficient (SE)</th>
<th>Model 2 Coefficient (SE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politicians’ campaign visits (pcv)</td>
<td>0.108 (0.584)</td>
<td>0.114 (0.622)</td>
</tr>
<tr>
<td>Has never missed voting (nmv)</td>
<td>0.356 (0.225)</td>
<td>0.140 (0.222)</td>
</tr>
<tr>
<td>Councilor business visits (cbv)</td>
<td>1.988 (0.592)***</td>
<td>1.892 (0.609)***</td>
</tr>
<tr>
<td>Two-way link with councilor (twlc)</td>
<td>-0.211 (0.819)</td>
<td>-0.253 (0.799)</td>
</tr>
<tr>
<td>Contributes to lobbying often (clo)</td>
<td>0.553 (0.318)*</td>
<td>0.776 (0.331)*</td>
</tr>
<tr>
<td>Male</td>
<td>0.008 (0.346)</td>
<td>0.086 (0.384)</td>
</tr>
<tr>
<td>Older business owner (obo)</td>
<td>0.328 (0.222)</td>
<td>0.380 (0.238)</td>
</tr>
<tr>
<td>Many employees (large business-emp)</td>
<td>-0.032 (0.151)</td>
<td>0.009 (0.160)</td>
</tr>
<tr>
<td>Has completed high school (chs)</td>
<td>-0.683 (0.357)*</td>
<td>-0.960 (0.396)**</td>
</tr>
<tr>
<td>Contributes to political parties (cpp)</td>
<td>-1.305 (1.080)</td>
<td></td>
</tr>
<tr>
<td>Has owned the business longer (obl)</td>
<td>-0.303 (0.166)**</td>
<td>-0.268 (0.177)</td>
</tr>
<tr>
<td>Nairobi</td>
<td>0.254 (0.374)</td>
<td>-0.022 (0.434)</td>
</tr>
<tr>
<td>Mombasa</td>
<td>0.134 (0.166)</td>
<td>0.198 (0.152)</td>
</tr>
</tbody>
</table>

N=360

Significant at the * p<0.10, ** p<0.05, *** p<0.01
Table C-8. Ordinal analyses of getting councilors' business assistance (with dummy variables for Mombasa and Kisumu)

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Model 1 Coefficient (SE)</th>
<th>Model 2 Coefficient (SE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politicians' campaign visits (pcv)</td>
<td>0.139 (0.584)</td>
<td>0.212 (0.626)</td>
</tr>
<tr>
<td>Has never missed voting (nmv)</td>
<td>0.345 (0.228)</td>
<td>0.131 (0.223)</td>
</tr>
<tr>
<td>Councilor business visits (cbv)</td>
<td>1.976 (0.590)**</td>
<td>1.887 (0.607)**</td>
</tr>
<tr>
<td>Two-way link with the councilor (twlc)</td>
<td>-0.275 (0.819)</td>
<td>-0.275 (0.797)</td>
</tr>
<tr>
<td>Contributes to lobbying often (clo)</td>
<td>0.533 (0.320)*</td>
<td>0.734 (0.336)**</td>
</tr>
<tr>
<td>Male</td>
<td>0.017 (0.346)</td>
<td>0.084 (0.385)</td>
</tr>
<tr>
<td>Older business owner (obo)</td>
<td>0.323 (0.224)</td>
<td>0.389 (0.238)</td>
</tr>
<tr>
<td>Many employees (large business-emp)</td>
<td>-0.001 (0.148)</td>
<td>0.029 (0.160)</td>
</tr>
<tr>
<td>Has completed high school (chs)</td>
<td>-0.651 (0.352)**</td>
<td>-0.988 (0.394)**</td>
</tr>
<tr>
<td>Contributes to political parties (cpp)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has owned the business longer (obl)</td>
<td>-0.327 (0.166)</td>
<td>-0.280 (0.177)</td>
</tr>
<tr>
<td>Mombasa</td>
<td>0.127 (0.161)</td>
<td>0.211 (0.148)</td>
</tr>
<tr>
<td>Kisumu</td>
<td>0.150 (0.169)</td>
<td>0.194 (0.175)</td>
</tr>
<tr>
<td>N=360</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Significant at the * p<0.10, ** p<0.05, *** p<0.01
<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban population growth (annual %)</td>
<td>Urban population is the midyear population of areas defined as urban in each country and reported to the United Nations.</td>
<td>United Nations, World Urbanization Prospects.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freedom from Corruption (proxy for clientelism)</td>
<td>This factor relies on Transparency International’s Corruption Perceptions Index (CPI), which measures the level of corruption in 152 countries, to determine the freedom from corruption scores of countries that are also listed in the Index of Economic Freedom. The CPI is based on a 10-point scale in which a score of 10 indicates very little corruption and a score of 0 indicates a very corrupt government.</td>
<td>Quality of Government</td>
</tr>
<tr>
<td>Government Effectiveness</td>
<td>“Government Effectiveness” combines into a single grouping responses on the quality of public service provision, the quality of the bureaucracy, the competence of civil servants, the independence of the civil service from political pressures, and the credibility of the government’s commitment to policies. The main focus of this index is on “inputs” required for the government to be able to produce and implement good policies and deliver public goods.</td>
<td>World Bank – Governance Indicators.</td>
</tr>
<tr>
<td>Political Stability</td>
<td>“Political Stability” combines several indicators which measure perceptions of the likelihood that the government in power will be destabilized or overthrown by possibly unconstitutional and/or violent means, including domestic violence and terrorism.</td>
<td>World Bank – Governance Indicators.</td>
</tr>
<tr>
<td>Regulatory Quality</td>
<td>“Regulatory Quality” includes measures of the incidence of market-unfriendly policies such as price controls or inadequate bank supervision, as well as perceptions of the burdens imposed by excessive regulation in areas such as foreign trade and business development.</td>
<td>World Bank – Governance Indicators.</td>
</tr>
<tr>
<td>Independent Variables</td>
<td>Description</td>
<td>Source</td>
</tr>
<tr>
<td>----------------------------</td>
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</tr>
<tr>
<td>Rule of Law</td>
<td>“Rule of Law” includes several indicators which measure the extent to which agents have confidence in and abide by the rules of society. These include perceptions of the incidence of crime, the effectiveness and predictability of the judiciary, and the enforceability of contracts. Together, these indicators measure the success of a society in developing an environment in which fair and predictable rules form the basis for economic and social interactions and the extent to which property rights are protected.</td>
<td>World Bank – Governance Indicators.</td>
</tr>
<tr>
<td>Failed States Index</td>
<td>The Failed States Index includes an examination of the pressures on states, their vulnerability to internal conflict and societal deterioration.</td>
<td>Fund for Peace</td>
</tr>
<tr>
<td>Business Freedom</td>
<td>The business freedom score encompasses 3 components, all weighted equally; starting a business, closing a business, obtaining a license. Each of these raw components is converted into a scale graded from 0 to 100, where 100 represents the maximum degree of business freedom.</td>
<td>World Bank’s Doing Business study.</td>
</tr>
<tr>
<td>Openness to Trade, Current Prices (%)</td>
<td>Exports plus imports as a percentage of GDP. Measured at current prices.</td>
<td>United Nations Statistics Divisions – National Accounts</td>
</tr>
<tr>
<td>Foreign direct investment, net inflows (% of GDP)</td>
<td>Foreign direct investment are the net inflows of investment to acquire a lasting management interest (10% or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows in the reporting economy and is divided by GDP.</td>
<td>IMF International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.</td>
</tr>
<tr>
<td>Independent Variables</td>
<td>Description</td>
<td>Source</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>GDP growth (annual %)</td>
<td>Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2000 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.</td>
<td>World Bank national accounts data, and OECD National Accounts data files.</td>
</tr>
<tr>
<td>GDP per capita growth (annual %)</td>
<td>Annual percentage growth rate of GDP per capita based on constant local currency. GDP per capita is gross domestic product divided by midyear population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.</td>
<td>World Bank national accounts data, and OECD National Accounts data files.</td>
</tr>
</tbody>
</table>
REFERENCES


BIOGRAPHICAL SKETCH

Levy Odera was born and grew up in Kenya, where he completed his primary and secondary education. He later attended college at the Kenya School of Professional Studies (currently Inoorero University), where he received a Diploma in information technology. From 2002 to 2006 he attended college at Valdosta State University, Georgia, U.S., where he attained a B.A. degree in political science, a Bachelor of Business Administration degree in economics, and a Master of Public Administration. At the end of 2006 he returned to Kenya to consult for a business project. In 2007 he entered the PhD program in political science at the University of Florida, where he received a master's degree in political science in the spring of 2010 and his Ph.D. in the spring of 2013.