

# **The influence of patronage networks on Kenya's experience of corruption**

**Lillian Cherotich**

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# + What is Patronage?

## 1. Definition of patronage:

...an unequal relationship of mutual dependence and reciprocity.

...depends on differentiation of power, wealth and status in society.

...creates the position of **Patron** (who dispenses largesse, resources and protection) and **Client** (who provides loyalty and support to the patron).

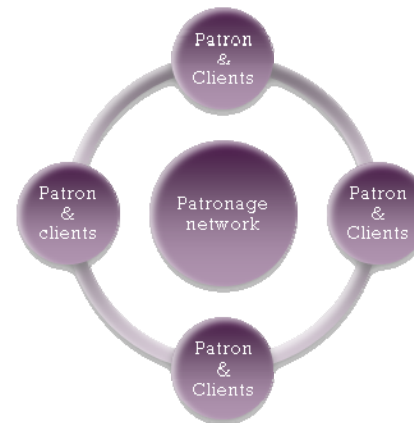
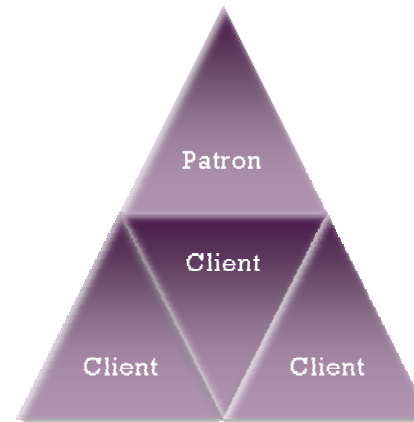
...is a voluntary and instrumental relationship



# + What is a Patronage Network?

2. A patron usually has several clients.

- ◆ Depending on their proximity to the Patron, clients may also have their own clients.
- ◆ The result is an informal hierarchy taking the shape of a **pyramid** with the Patron or 'Big Man' at the apex.
- ◆ **Patrons** may enter into mutually beneficial **alliances**.
- ◆ The **patronage network** refers to **patronage 'pyramids'** and **patron alliances** operating in a particular area/ community.



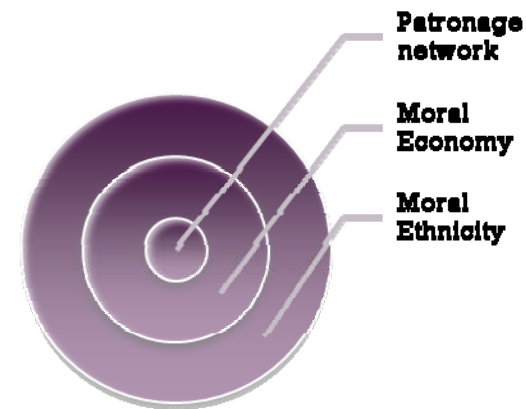


# How does it operate?

3. Patronage networks operate within a **moral economy**.

...this refers to the social and cultural norms that regulate the obligations and expectations of patrons and their clients.

- ◆ In most African countries, patronage networks operate within an **ethnic context**. Thus, the *moral economy* of the patronage network is circumscribed by the norms of the ethnic group.
- ◆ This normative ethnic context is also known as **moral ethnicity**.
- ◆ Where ethnic identities are particularly strong, moral ethnicity and the moral economy of patronage may align.
- ◆ A final important dimension of ethnicity is **political tribalism**. This is the mobilization of ethnicity for narrow instrumental ends.



# + Implications for Corruption

4. African States tend to be weak. Informal norms dictated by moral ethnicity and reinforced by patronage networks tend to be stronger than norms of formal State institutions.

- ◆ Whenever there is a conflict between the two sets of norms, these informal norms tend to prevail.
- ◆ Given a choice between preserving the integrity of public office or using the office to meet societal expectations, a public officer in such a system will choose the latter.





## Implications for Corruption 2

- 5. Political mobilization and resource distribution in such systems are primarily organized along ethnic and patronage lines.
  - To ensure access and extraction of State resources, ethnic champions use **political tribalism** to rally the ethnic group (and patronage network) behind them.
  - Political tribalism is in turn fuelled by regional inequalities within African States. These hanker back to the colonial period.
  - Once in office, ethnic patrons engage in avid rent seeking for personal accumulation. They also use the fruits of office to nourish their patronage networks.
- ◆ Competition between ethnic champions and patronage networks for finite State resources is likely to lead to an increase in corruption.
- ◆ In a competitive electoral system, corruption related to election financing is likely to be significant as patrons fight over the primary resource: the State.
- ◆ Within government, ethnic patrons are likely to compete for key ministries because of the rent-seeking opportunities they offer e.g. Finance, Agriculture, Health. In ministries departments such as Procurement, Supplies, Accounts, Personnel and recruitment.

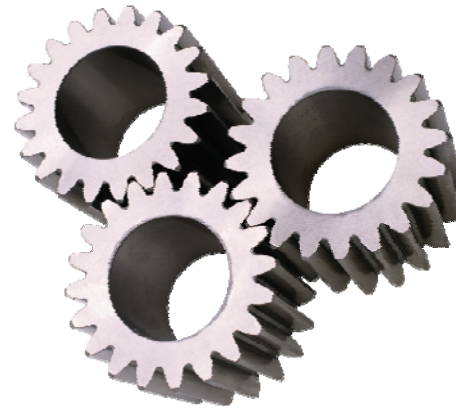




# Brokers and Corruption

6. Exchanges within and between patron networks occur at different levels. This differentiation creates opportunities for intermediaries or 'brokers'.

- ◆ Brokers trade in influence. They expend energy and resources in cultivating contacts with key patrons.
- ◆ They provide patrons with information and introduce them to other networks they might find beneficial.
- ◆ Brokers are the fuel that keeps the corruption wheel turning.
- ◆ In the globalizing world, brokers play an even more crucial role. They serve as bridges between national patrons and the world. They facilitate international contracts for a fee, negotiate kick-backs on behalf of Ministers and assist these patrons hide their corruptly acquired assets abroad.





# Applying this: Kenya's Goldenberg Affair

7. Kenya's political system is characterised by strong ethnic identities and entrenched patronage. Political tribalism and patronage have converged on the State to create significant incentives for corruption.
- Since 1991 when Kenya re-introduced multi-party politics, Kenya has witnessed the rise of election-related corruption. Behind this is the need to capture/retain control of the State – the chief resource.
  - The Goldenberg Affair serves as the most spectacular example of this type of corruption.







# Kenya's Goldenberg Affair

8. Goldenberg involved the fictitious exportation of gold and diamond jewellery from Kenya by a company called Goldenberg International Limited between 1990-1993.
- ◆ Kenya has no diamonds and very little deposits of gold. The Affair took advantage of several economic schemes introduced as part of Kenya's economic liberalization programme in the 1990s.
  - ◆ The Scheme was used by the Moi regime to siphon billions of dollars from public coffers. The aim was to raise funds to enable it secure victory in Kenya's first multi-party elections since independence. These were held in 1992.
  - ◆ How much was lost through the Affair will never be known. It has been estimated that Kenya lost 10% of GDP through Goldenberg.
  - ◆ A significant proportion of the funds were however repatriated to private offshore accounts.
  - ◆ Key departments were involved in Goldenberg: Treasury; Customs and Excise; Central Bank of Kenya; the Department of Mines and Geology; Commerce and Industry.
  - ◆ These are the key government departments most likely to experience significant corruption because of the rent-seeking opportunities they provide.
  - ◆ Successful patronage networks are likely to want to capture them for their corrupt ends.



# + Conclusions

9. It is important to understand the political contexts in which corruption occurs as this will facilitate targeted anti-corruption interventions that have a better chance of succeeding.
- ◆ Reforms should not only aim at strengthening State institutions and addressing capacity issues. They should also address the political values, cultures and shared mores that underpin these institutions and facilitate corruption.
  - ◆ Emphasis should not only be on transparency and accountability but also fairness. When there is equitable sharing of resources, people are likely to trust the system and want to support it rather than circumvent it through corruption and other illegal means.

