

# Path Dependence and the Persistence of Lake Victoria's Kenyan Port Towns

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## ABSTRACT

*Debate about path dependence on emergence and persistence of urban centres has attracted parallel views. The emergence of urbanisation equilibrium in the lake region can be explained by locational fundamentals (their proximity to Lake Victoria) and increasing returns. However, the persistence of these urban centres is due to path dependence. The decline of lake transport in post-colonial East Africa resulted in the collapse of many port activities across the Lake. However, a number of Kenyan port towns including Karungu (Sori), Kisumu, Homa Bay and Kendu Bay have persisted and even expanded despite this economic shift. Employing path dependence theory, this paper explains their resilience, arguing that both colonial and post-colonial administrative frameworks and socio-economic networks created self-reinforcing mechanisms that sustained these towns long after their original economic importance faded. Drawing on field research, archival sources and secondary literature, the study demonstrates how initial conditions, institutional lock-ins, and adaptive strategies contributed to the continued expansion of these urban centers. The findings show the enduring influence of historical pathways on contemporary urban development and suggest policy implications for leveraging these historical trajectories for sustainable growth.*

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## I. INTRODUCTION

The emergence of urbanisation equilibrium in the lake region can be explained by locational fundamentals (their proximity to Lake Victoria) and increasing returns (Jedwab, Kerby & Moradi, 2017).

Ports were established at Kisumu (Ogot, 2016), Karungu (Uganda Railways, 1912); Asembo Bay, Homa Bay and Kendu Bay (Uganda Railways, 2011), which were formally recognized as towns (Obudho & waller, 1976; Ochieng & Maxon, 1992). Their emergence was due to their proximity to the lake. Geographical endowments therefore were the main

determinants of spatial economic patterns at the initial stages of the development process in the lake region (Jedwab, Kerby & Moradi, 2017). Ochieng' (1990) posits that colonization produced new urban traits, with the new urban centers becoming more racially and ethnically heterogeneous than the pre-colonial settlements. The 1903 Township Ordinance empowered the governor to gazette an area as a township or trading center and vested in him the authority to make rules for the government in these centers, fixing fees for plot holders engaged in different forms of trade. In these places, the governor's powers were used to control African participation in trade. These centres were the collection points of African produce before exportation (Ochieng' & Maxon, 1992).

Lake Victoria, for a long time has served as a critical hub for transportation, trade and regional integration in East Africa (Ford, 1955; Labu, 2012; Olali, 2024). During the colonial era, Kenyan ports such as Karungu (Sori), Kisumu, Homa Bay and Kendu Bay emerged as key nodes in a network connecting British East African protectorate with Ugandan protectorate and German Tanganyika (Hoyle, 1997; Budi, Orondo, Okuro, & Odhiambo, 2023). These towns owed their early growth to colonial infrastructural projects, particularly the Uganda Railway, which terminated at Kisumu in 1901 (Ogot, 2016) and the steamship trade that facilitated the movement of goods and people across the lake (Omenya, 2015).

In the post-colonial period lake transport declined because the government invested more on other modes of transport such as roads, mistrust between the three East African states, mismanagement of port facilities and shifting trade dynamics (Otieno, 1986; Onyango, 1997; Irandu, 2000; Leigland & Palsson, 2007). In spite of this decline, these towns have survived and economic activities have not decentralized away from their locations. Moreover, in some cases some of them have thrived, for example Kisumu, transitioning into regional administrative, commercial, and fishing hubs (Kayombo & Jorgensen, 2006). Their continued expansions evidence their persistence. This is partly because their early emergence served as a mechanism to coordinate contemporary investments for each subsequent period and partly because colonial sunk investments such as hospitals, schools, and roads contributed to urban path dependence (Jedwab, Kerby & Moradi, 2017).

The resilience of these port towns raises an important question: why have these towns persisted even though their original economic function had diminished? This paper posits that path dependence theory provides a compelling framework for understanding their continued significance.

Path dependence, which is a concept borrowed from institutional economics, indicates that historical decisions and investments create self-reinforcing mechanisms that lock societies into particular developmental trajectories (David, 1985; Roos, 2024). Once a certain path is established, whether through administrative policies, infrastructure development or economic networks, the cost of switching to an alternative becomes prohibitively high, thus leading to institutional inertia (Pierson, 2000). Thus, Lake Victoria's port towns reveal how colonial-era investments in transport and governance, combined with post-colonial adaptations, have ensured their survival despite economic upheavals.

While employing a combination of archival data, secondary literature, and contemporary economic data this study traces the evolution of these towns from their colonial origins to their present-day roles. And by examining the interplay between historical contingencies and adaptive strategies, the paper contributes to broader debates on urban resilience, regional development, and the long-term impacts of colonial infrastructure in Africa.

## II. LITERATURE REVIEW

### 2.1 Path Dependence in Towns and Economic Development

The concept of path dependence emerged from economic studies of technological adoption, where scholars including David (1985) and Roos (2024) show how early choices such as suboptimal could become entrenched due to increasing returns and network effects. Over time, this framework has been extended to institutional analysis, with Pierson (2000) arguing that political and administrative systems exhibit similar patterns of lock-in.

In Africa, path dependence has been used to explain the persistence of colonial urban equilibrium, the endurance of extractive institutions

and the spatial distribution of cities (Herbst, 2012 and Acemoglu & Robinson, 2017). Urban centers that emerged as colonial transport hubs or administrative posts often retained their importance long after independence, even when their original economic rationale faded. This persistence can be attributed to sunk investments in infrastructure, the concentration of human capital, and the difficulty of redirecting economic activity to new locations (Jedwab & Moradi, 2017).

During the early 20th century, steamers operated by the British and German colonial governments dominated Lake Victoria trade, transporting skin, groundnuts, maize, cotton, coffee, and other commodities between Kisumu, Mwanza and Entebbe (Reichart, 2013). The First World War disrupted these networks, but the interwar period saw a resurgence of trade, with Kisumu emerging as the lake's principal port (Budi, Orondo, Okuro & Odhiambo, 2023). However, the post-independence era brought significant challenges, including mismanagement of the Kenya Railways and Ports Authority, competition from road transport, and the declining profitability of lake shipping (Ogot, 1995). Despite these challenges, the towns adapted. Kisumu became a provincial capital, ensuring continued administrative investment, while smaller ports shifted toward fishing and informal trade (Onyango, 2015). This adaptability underscores the role of path dependence: while the original transport function declined, the towns' historical advantages such as trade, infrastructure, population density, and institutional presence allowed them to transition into new economic roles.

### III. EMERGENCE AND DEVELOPMENT OF LAKE VICTORIA'S PORT TOWNS

#### 3.1 Kisumu

The British government held the view that the railway could become profitable through involvement of the people of Lake Victoria basin in trade and agriculture. They therefore considered establishing a port at the railway terminus and placing ships upon the lake (Knowles, Knowles & Knowles, 2005). Moreover, the topography of the shoreline was complex and a factor in delaying development of road network around the lake. Hence, rail network and marine transport on the lake provided the best alternative on the transportation of passengers and cargo in the

region (Maritime & Transport Business Solutions, 2016).

From a geographical and colonial administrative point of view as well as from a historical and traditional point of view, the site of Kisumu possessed features which made it suitable for a regional centre (Ogot, 2016). Kisumu was identified in 1893 when the chief engineer and a railway surveyor marked it as the terminus of the railway in Western Kenya and subsequently an administrative centre of the region. The basic infrastructure—telegraph lines, roads and other means of communication were immediately established to connect the new port with other settlements as the Uganda Railways steadily approached the Lake. A British administrator, C.W Hobley, was ordered to move from Mumias to establish the new headquarters for Nyanza Province in Kisumu (Obudho, 1976 & Waller; Omenya, 2012; Ogot, 2016). A shipbuilding yard and assembly was then established before the end of the First World War, with ferries and cargo ships travelling across the lake (World Bank, 2017).

Completion of railway line in Kisumu in 1901 created new administrative boundaries and altered the growth of urban centers in Western Kenya. Eastern Province of Uganda was transferred to British East African protectorate and divided into Kisumu Province and Naivasha Province. This move signaled a growth stage in which the development of the penetration line set in motion a series of spatial processes and re-adjustments as the comparative locational advantage of all centres (Obudho, 1981). Since then Kisumu has offered administrative functions for local and international agencies in the region.

Between 1910 and 1920, Kisumu became a major commercial centre in the Great Lake region. This was partly due to the Asian influence (Malack & Ondieki, 2015). The population of Asians in Kisumu expanded tremendously, attracted by the city's enormous economic opportunities (PC/NZA 3/6/2/1). From Kisumu the Asians migrated to other parts of Siaya, Kisii, Nyamira, Homa Bay and Migori Counties (DC/KSM/1/19/120). These enterprising Asians transformed Kisumu into a well-known station for the distribution of imported goods such as cloths throughout Nyanza Province and Eastern Uganda. They transformed Kisumu into a major depot for gathering raw materials from rural African markets in the hinterland and assembling them in

readiness for export to places like Europe, Somalia and Saudi Arabia (Zezeza, 1982).

Expansion of Kisumu has influenced the economic development of the offspring towns in the region. As a large city in the region and a port, it plays a very important role in the economy, as the largest domestic market, the chief manufacturing center, the primary trading connection with the rest of the world. Moreover, by virtue of its geographical position Kisumu has been the main point of intercourse with lakeside cities of Uganda (Entebbe, Jinja and Kampala) and Tanzania (Bukoba, Musoma and Mwanza) (Ogot, 2016). Moreover, it became a major axis where goods imported from outside of British East Africa penetrated into the areas occupied by the Luo, Abagusii, Abaluhya, Abakuria and beyond. Out of all Kenyan Lake Ports, Kisumu acted as an intermediate port providing a link to the whole country through the railway. As a station, it is quite important for transit trade in East African region and beyond. Kisumu was the entry point of commodities and passengers ferried by train to South Kavirondo through Homa Bay and Kendu Bay ports; Central Kavirondo through Asembo Bay port and North Kavirondo Districts through Port Sio (Lake Victoria Basin Commission, 2011).

Before the breakup of the East Africa Community (EAC) in 1977, Kisumu was very significant in the trade across the lake. As a commercial centre of importance, it had a large distributing trade with all parts of the Lake Victoria region. By 1950s, the extensive docks, railway facilities, repair sheds, storage sheds and oil installations occupied the lake shore of Kisumu. Along the road of factories, bordering on to the railway line was running parallel to this zone. These factories reflected many aspects of the lake trade. There were mills engaged in hulling rice, milling maize, and crushing groundnuts and simsim for their oil, ice factories producing ice for fish packing, timber yards, engineering works, some specializing in the supply of mining materials and factories curing hides and skins. Connecting to this road was the trading section of the town, which is stretching up the hill and the main street consisting of modern shops while the side streets conform to the pattern of the typical East African Indian bazaar of small corrugated-iron roofed shops (Zezeza, 1989). Kisumu Shipyard has created over 1,897 jobs, with ripple effects being felt in the local economy, including supplies (Mwita, 2022).

However, this is one city that has stagnated in regard to modernization specifically in transport infrastructure. Different scholars have linked this experience to political marginalization by the pioneer regime of President Kenyatta and President Moi due to what has been perceived as rigid opposition politics and ethnic driven economic development plans (UN-Habitat, 2006; Jedwab, Kerby & Moradi, 2014). In addition to politics, it would be important to underscore other limited factors on transport and urban planning over overtime. Under-development in transport infrastructure has affected the socio-economic transformation of the offspring towns (UN-Habitat, 2016).

### 3.2 Homa Bay, Kendu Bay and Karungu (Sori)

Karungu was established as a port in 1903 (Uganda Railways, 1912); Homa Bay, Asembo Bay and Sio Port were established ports in 1911 (Uganda Railways, 1911) while Kendu Bay Port was established in 1916 (Uganda Railways, 1916). These ports expanded to towns and have exhibited persistence of a spatial equilibrium despite the historical shock—the collapse of ferry services. According to Homa Bay County Integrated Development Plan, Kenudu Bay, Homa Bay and Mbita were among the towns recognized in 2021 as townships based on their population, which is over 10,000 persons (Omar & Omar, 2021; Raballa, 2021). Similarly, Homa Bay, Asembo Bay, Sio Port and Kendu Bay attracted foreign traders—Indians who established their enterprises in these towns upon the establishment of the lake ports (Budi, 2017 & Omollo, 2020). Onduru (2009) observes that Indians played a significant role in transport industry and established shops at different centers in South Nyanza. For instance, Indians had a head start in the lorry driven fish wholesale business in the region (Opondo, 2011).

Homa Bay town remains the largest urban centre in Homa Bay County and served as the district headquarters of South Nyanza District before it was subdivided into smaller districts. Nevertheless, it remains an administrative and political headquarters of Homa Bay County as well as a business hub within the county. It hosts the County referral hospital, education and religious institutions and provides formal and informal employment to many (County Government of Homa Bay, 2018).



Kendu Bay emerged as a port centre linking Kisii Districts and Homa Bay–Karungu to Kisumu by both road and water (Budi, 2017). This exposed Kendu Bay to the immigrants like Indians, Arabs and Christian Missionaries (Ochieng, 1990). When the port was established in Kendu Bay in the early 20th century, the commercial activities became vibrant as Arabs, Christian Missionaries and Indians scrambled to control rural town whose port was centrally located to the administrative units of the larger South Nyanza and the port of Kisumu (Budi, 2017; Raballa, 2021; Uganda Railways, 1916). Between 1916 and 1960, when it was a major trading centre and link point in South Nyanza, Arab merchants brought goods through the port of Mombasa, transported them to Kisumu by train and then to South Nyanza through Lake Victoria to Kendu Bay and Homa Bay Ports (Omollo, 2020). Currently Kendu Bay has two distinct sections. The new Kendu Bay town which is located on the busy Kisumu–Homa Bay Road and the other one, popularly referred to as “Old Kendu Bay Town”. However, the number of people settling in Kendu Bay has been increasing over the years and is expected to increase further as businesses are expanding and people seeking services at the headquarters of Rachuonyo North Sub County continue to surge (Oduor, 2014).

Karungu, popularly known as Sori in Migori County, is the divisional headquarters of Karungu Division (Nyatike Sub County) since 1990s and the largest urban centre in Nyatike Sub County. It has grown as a commercial centre and provides the largest market for fish in Migori County in addition to agricultural produce within the region.

Despite the survival and expansion of many port towns including Kisumu, Homa Bay, Kendu Bay and Mbita after the deterioration of lake ferry transport, some port centres such as Asembo Bay and Kowuor Pier Popularly referred to as Kajimo by the locals in Rachuonyo North sub county have not exhibited signs of expansion and in some instances have shown features of decay. Asembo Bay, which was established as a port in 1911 (Uganda Railways, 1911), attracted traders as far as Kisumu, Gem, Uyoma, Sakwa, Ugenya, Seme and Alego. Up to 1980s, the port centre was one of the most vibrant markets in Siaya County and this made it popular in Nyanza Region. Like Kisumu and Kendu Bay, the town attracted Indian traders who opened their shops and sold mostly household commodities such as sugar, soap, cigarettes and sweets. The port

was an entry point of the manufactures from Nairobi, Mombasa and Kisumu and an exit of gold, fish, agricultural produce–cotton, maize and cattle particularly from Siaya County. The departure of Indian traders who owned most of the beachfront shops marked the decline of the town. Currently the town looks deserted, having been brought down by the poor economy of the region. Tombstones of graves of long dead pioneer Indian traders spread at the beaches that were once economically active. Most of the buildings that popularized the town including Indian Temple are vandalized or brought down by old age or abandoned (Omingo, 2019).

## IV. FINDINGS AND DISCUSSION

### 4.1 Colonial Infrastructure and Institutions

The construction of the Uganda Railway and the development of Kisumu’s port facilities created a durable spatial and economic framework that shaped regional development for decades. The railway, initially intended to serve imperial interests, became a critical artery for Kenya’s western region, linking Lake Victoria to Nairobi and the coast (Ochieng’, 1985). This infrastructure generated significant sunk costs, making it economically unviable to abandon Kisumu even when lake trade declined.

Similarly, the colonial administration’s decision to designate Kisumu as a provincial headquarters ensured its continued institutional relevance. Government offices, schools, and hospitals clustered in the town, attracting migration and investment (Were, 1967). This administrative lock-in mirrored patterns seen in other colonial cities, where political centrality compensated for economic shifts (Jedwab & Moradi, 2016).

### 4.2 Post-Colonial Developments and Economic Diversification

After independence, the shock caused by the decline of lake transport forced these port towns to reinvent themselves. Kisumu’s administrative status attracted public-sector employment, private investments and tertiary education institutions, such as Kisumu National Polytechnic and Maseno University. Karungu, Homa Bay and Mbita capitalized on Lake Victoria’s fishing industry, which became a critical source of livelihoods as formal trade dwindled (Omolo, 2010). Furthermore, Homa Bay remained an administrative headquarters of the

former South Nyanza District. Kendu Bay hosts the headquarters of Seventh Day Adventist Church (SDA), a popular denomination in Homa Bay, Migori, Nyamira and Kisii Counties. Being the largest urban centre in Rachuonyo North Sub County, it remains as the major transport centre, trade centre and entertainment centre in the region.

Informal trade networks though known by the law enforcing authority also played a crucial role in sustaining these towns. Cross-border smuggling of goods between Kenya, Uganda, and Tanzania majorly across the lake, a practice dating back to the colonial era, persisted despite official trade declines (Owino, 2018). This informal economy, though often overlooked in policy discussions, provided a vital cushion against economic shocks.

## V. CHALLENGES AND ADJUSTMENTS

The persistence and survival of these towns has not been without challenges. Economic fluctuations, decaying port infrastructure, environmental degradation, and overfishing have undermined long-term sustainability of these towns (Onyango, 2015). Additionally, lack of political goodwill by President Jomo Kenyatta's, and Moi's regimes due to the perceived opposition politics in Nyanza region further affected the development of these towns (UN-Habitat, 2006). However, the very factors that contributed to their decline such as fishing, politics and the concentration of population have also made them resistant to total collapse.

## VI. CONCLUSION

The persistence of Lake Victoria's Kenyan port towns underscores the influence of path dependence on urban emergence and survival. Therefore, Path dependence theory helps explain why these towns have persisted despite the fluctuation of the economy: colonial investments created infrastructural lock-ins and institutions, while post-colonial adjustments reinforced their transition into new roles. Government agencies intending to revitalize these towns must recognize these historical trajectories, leveraging existing strengths while addressing systemic challenges.

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