

# THE KENYA URBAN BRIBERY INDEX



## CORRUPTION IN KENYA: FINDINGS OF AN URBAN BRIBERY SURVEY

### INTRODUCTION

Bribery, private payments to public and/or private officials to influence decision-making, is the most prevalent manifestation of corruption. In Kenya as indeed elsewhere, there is a critical dearth of concrete information on the nature and incidence of corruption in general, and bribery in particular. Consequently, anti-corruption efforts tend to be informed primarily by perceptions and anecdotal evidence.

This report presents preliminary analysis of a study by Transparency International-Kenya on the magnitude of bribery in Kenya. Based on a survey in which ordinary Kenyans report their daily encounters with corruption - who they bribe, how much, and for what, the study is part of TI-Kenya's effort to inform the anti-corruption effort in with objective, rigorous research. This study seeks to go beyond perceptions of corruption to provide benchmarks of integrity based on the actual incidence of corruption. The survey conducted in March and April 2001 in Nairobi, Mombasa, Kisumu, Eldoret, Nyeri and Machakos and responded to by 1164 individuals, has been used to estimate the magnitude, incidence and direct financial cost of bribery and produce the Kenya Urban Bribery Index (KUBI) - a league table of the incidence of bribery.

### METHODOLOGY

#### SURVEY DESIGN

The survey was designed to capture citizens' interaction with the government institutions primarily, but the survey itself sought information on both the public and private sector. The sample was selected by cluster sampling from three clusters as follows:

- i. Micro and small enterprise operators ("jua kali") sample, drawn from membership of microfinance organisations
- ii. Corporate sector, drawn from the membership lists of industry and professional associations
- iii. Random "street" sample. The survey was administered to a random sample in public places (restaurants, bus stops, public parks and residential areas etc) to capture people not represented in the other two clusters (e.g. public sector workers and the unemployed)

The "jua kali" and "street" clusters were administered through personal interviews. The questionnaire was sent to the corporate cluster respondents by business reply mail and followed up by telephone. However, the response rate was extremely low and had to be complemented with personal interviews to obtain an acceptable response rate.

#### SURVEY INSTRUMENT

The survey was conducted using a structured questionnaire. It asked the respondents for information on public and private organizations, up to 10 of each, that they have interacted with over the previous 12 months. On average, each of the 1,164 respondents listed six organizations, providing a total of 6,400 observations. For each organization listed, respondents provided the following information:

- i. **Frequency of interaction:** Organizations that the respondent has interacted with in the last one year and how often (whether once a month or more often, less than once a month or only once in the last one year)
- ii. **Purpose of interaction:** classified into five categories as follows:
  - a. Services (e.g. health, education, utilities)
  - b. Law enforcement or regulatory related
  - c. Business related
  - d. Employment
  - e. Other
- iii. **Bribery incidence:** Whether or not bribes are required or demanded to obtain or expedite services (or avoid law enforcement) and what the respondents expect to be consequences of declining to bribe (i.e. satisfactory service, bad service, harassment, or denial of service)
- iv. **Bribery transactions:** The actual bribes that the respondents have paid or know others (e.g. friends, business associates or competitors) to have paid. Respondents provided information on the amount, the frequency (every day, at least once a week, at least once a month, at least once in the last 12 months), and the purpose as classified above

- v. **Corruption trend:** Organizations which respondents have perceived improvement or deterioration in the level of corruption, the magnitude (small, moderate or big), and the period over which the change is perceived (last one year, last three years, last five years)

#### **THE KENYA URBAN BRIBERY INDEX**

The overall index is an aggregate of six indicators, which capture different dimensions and impact of bribery, as follows:

- i. **Incidence:** How often people are asked for bribes in the organizations that they deal with
- ii. **Prevalence:** The percentage of the population that is affected by bribery in an organization.
- iii. **Severity:** Consequences of declining to bribe, which ranges from unsatisfactory service to denial of service altogether (i.e. no bribe, no service)
- iv. **Frequency:** The actual level of bribery reported in an organization, that is, how many bribes officials of the organization receive
- v. **Cost:** The estimated cost of bribery in an organization to the public, measured as a “bribery tax” in shillings per person
- vi. **Bribe size:** The average size of bribes paid to officials of the organization

The first three indicators, incidence, prevalence and severity are percentages in the sample. The other three, frequency, cost and size of bribes, which are actual values, are scaled by the highest value to obtain an index where the highest value equals 100. The aggregate index is the simple (i.e. unweighted) average of the six indices. The index ranks 47 institutions for which the survey provided sufficient information for statistically valid comparison. Other organizations are aggregated into five categories, namely “Other Central Government”, Other State Corporation”, “Other Local Authority”, “Private Sector (business & non-profit)” and “Embassies & International Organizations”, making for 52 rankings in total.

#### **LIMITATIONS OF THE STUDY**

The survey is a pilot study, whose primary objective is to establish the viability of empirical corruption research. It was not designed to provide a representative sample from which statistically valid conclusions about the urban population as a whole can be drawn. This requires a sample that is drawn from a sampling frame based on a census of the target population, which makes it possible to make inference about the population as a whole from the sample with known margins of error. In effect, the findings of this survey can **only** be considered as valid for the population of the same socio-economic profiles as the sample and not for the general urban population. For example, over 60% of the respondents have post-secondary education and 30% have university education, which is quite evidently higher than the urban population as a whole. In the survey, people with low education and income report significantly higher bribery incidence, which suggests that on this particular aspect, inference from the sample would understate bribery incidences in the general population.

Survey responses on bribery, like all stigmatizing behaviour (e.g. sexuality, domestic violence, drug abuse etc) will be subject to unavoidable respondent bias. Some respondents may understate or overstate the level of activity, depending on their attitude to the issue. There is also a self-selection bias, that is, people who have more to hide are more likely to decline to respond. This survey registered a low response rate from the corporate sector, reflected in a lower incidence of business bribery than one might expect. Since the corporate sector clearly pays bigger bribes than individuals and small enterprises, this implies a downward bias on the value of bribery transactions. Conversely, individuals and small enterprises, who are more likely to perceive themselves more as victims than perpetrators may overstate how frequently they bribe.

Respondent bias can be mitigated but not eliminated. The survey was designed to mitigate it in two ways. First, internal consistency checks were built into the questionnaire, such that responses of each of the four modules are cross-checked with each other. Second, the bribery questions were framed to give the respondents the option of attributing bribe paying to acquaintances so as to encourage people to respond truthfully without self-implication.

Computation of any aggregate index invariably entails making subjective judgements about what to include and what not to include, what measures to use, whether or not to attach weights to individual components and if so what weights to attach. Cross sectional

comparison (ranking units at a point in time) often entails a trade-off with comparability over time and vice versa. Consequently, each of the indicators is given equal weight, although this in itself is a value judgement since some of the indicators are arguably more critical than others. However, corruption is a very new area of academic research, and there is as yet no accepted convention as to which dimensions of it are more critical than others. Each of the indicators included is also presented and discussed separately in the report. Finally, the indicators included chosen are by no means the only possible ones. For any one aggregate index, there is always a different equally valid set or combination of indicators that could yield different rankings.

**OVERVIEW OF THE FINDINGS**

**SOCIO-ECONOMIC CHARACTERISTICS OF THE RESPONDENTS**

The demographic and socio-economic composition of the sample is broadly representative of the people most likely to interact with public institutions regularly.

**Gender** Fifty-eight percent of the respondents were men, 39% women and 3% did not indicate their gender.

**Age composition** Forty percent are aged 20 to 40 and 73% between 20 and 60. Women were over-represented in the 20-30 age group (46% as compared to 39% of the sample), more or less proportionately represented in the 30-50 bracket and under-represented among respondents over 50 years of age.

**Employment and occupation** Self-employed people were the single largest occupation category (42%) followed by the private sector employment (36%) while 6.6% were unemployed. Women were over-represented in the unemployed, government and community categories (51% and 53% as compared to 39% in total sample), but more or less proportionately represented in self, family and private sector employment.

| <b>SOCIO ECONOMIC CHARACTERISTICS OF SURVEY RESPONDENTS</b> |            |            |             |           |             |             |            |
|---|------------|------------|-------------|-----------|-------------|-------------|------------|
| AGE   | FEMALE     | MALE       | TOTAL       | N.I.      | % FEM.      | % MALE      | % TOTAL    |
| <20   | 6          | 8          | 15          | 1         | 40.0        | 53.3        | 1.3        |
| 20-29   | 212        | 240        | 458         | 6         | 46.3        | 52.4        | 39.3       |
| 30-39   | 143        | 243        | 390         | 4         | 36.7        | 62.3        | 33.5       |
| 40-49   | 57         | 103        | 161         | 1         | 35.4        | 64.0        | 13.8       |
| 50-59   | 12         | 42         | 56          | 2         | 21.4        | 75.0        | 4.8        |
| >60   | 1          | 10         | 11          | 0         | 9.1         | 90.9        | 0.9        |
| NOT INDICATED   | 22         | 34         | 73          | 17        | 30.1        | 46.6        | 6.3        |
| <b>EMPLOYMENT STATUS</b>                                    |            |            |             |           |             |             |            |
| UNEMPLOYED  | 39         | 38         | 77          | 0         | 50.6        | 49.4        | 6.6        |
| SELF EMPLOYED   | 185        | 292        | 491         | 14        | 37.7        | 59.5        | 42.2       |
| FAMILY FARM OR BUSINESS                                     | 37         | 53         | 92          | 2         | 40.2        | 57.6        | 7.9        |
| EMPLOYED IN PRIVATE SECTOR                                  | 154        | 258        | 419         | 7         | 36.8        | 61.6        | 36.0       |
| PUBLIC SECTOR   | 20         | 18         | 38          | 0         | 52.6        | 47.4        | 3.3        |
| COMMUNITY SECTOR  | 16         | 14         | 30          | 0         | 53.3        | 46.7        | 2.6        |
| NOT INDICATED   | 2          | 7          | 17          | 8         | 11.8        | 41.2        | 1.5        |
| <b>EDUCATION ATTAINMENT</b>                                 |            |            |             |           |             |             |            |
| PRIMARY SCHOOL ONLY   | 21         | 19         | 42          | 2         | 50.0        | 45.2        | 3.6        |
| POST PRIMARY TRAINING                                       | 12         | 18         | 33          | 3         | 36.4        | 54.5        | 2.8        |
| SECONDARY SCHOOL ONLY                                       | 134        | 173        | 314         | 7         | 42.7        | 55.1        | 27.0       |
| POST SEC.SCHOOL TRAINING                                    | 177        | 229        | 413         | 7         | 42.9        | 55.4        | 35.5       |
| UNIVERSITY  | 92         | 212        | 308         | 4         | 29.9        | 68.8        | 26.5       |
| OTHER   | 17         | 29         | 54          | 8         | 31.5        | 53.7        | 4.6        |
| <b>AVERAGE MONTHLY INCOME (KSHS)</b>                        |            |            |             |           |             |             |            |
| LESS THAN 5 000   | 54         | 83         | 142         | 5         | 38.0        | 58.5        | 12.2       |
| 5 000 – 10 000  | 107        | 122        | 235         | 6         | 45.5        | 51.9        | 20.2       |
| 10 000 – 25 000   | 126        | 196        | 329         | 7         | 38.3        | 59.6        | 28.3       |
| 25 000 – 50 000   | 67         | 106        | 175         | 2         | 38.3        | 60.6        | 15.0       |
| 50 000 – 100 000  | 22         | 62         | 85          | 1         | 25.9        | 72.9        | 7.3        |
| OVER 100 000  | 13         | 41         | 55          | 1         | 23.6        | 74.5        | 4.7        |
| NOT INDICATED   | 64         | 70         | 143         | 9         | 44.8        | 49.0        | 12.3       |
| <b>TOTAL</b>  | <b>453</b> | <b>680</b> | <b>1164</b> | <b>31</b> | <b>38.9</b> | <b>58.4</b> | <b>2.7</b> |

**Education** Ninety percent of the respondents have secondary school education and above, comprising of 27% with secondary school education only, 36 % with post-secondary training and another 27% with university education. Women are marginally over-represented in the

secondary and post-secondary education levels (42% compared to 39% of sample), and under-represented among the university educated (30%). The latter reflects lower university education attainment among women.

| <b>OWNERSHIP AND CHARACTERISTICS OF RESPONDENTS' PLACE OF WORK</b> |             |              |
|--|-------------|--------------|
| OWNERSHIP  | No.         | % OF TOTAL   |
| SOLE PROPRIETORSHIP  | 464         | 39.9         |
| FAMILY OWNED BUSINESS  | 184         | 15.8         |
| FULLY KENYAN Co.   | 245         | 21.0         |
| JOINT VENTURE WITH FOREIGN INVESTORS                               | 70          | 6.0          |
| SUBSIDIARY OF MULTINATIONAL Co.                                    | 31          | 2.7          |
| NGO OR OTHER ORGANIZATION  | 55          | 4.7          |
| NOT INDICATED  | 115         | 9.9          |
| <b>EMPLOYMENT</b>  |             |              |
| LESS THAN 10   | 571         | 49.1         |
| 10 – 49  | 204         | 17.5         |
| 50 – 99  | 33          | 2.8          |
| 100 – 499  | 57          | 4.9          |
| OVER 500   | 37          | 3.2          |
| NOT INDICATED  | 262         | 22.5         |
| <b>TURNOVER</b>  |             |              |
| LESS THAN KSHS. 5 MILLION  | 713         | 61.3         |
| 5 - 50 MILLION   | 166         | 14.3         |
| 50 – 100 MILLION   | 44          | 3.8          |
| 100 – 500 MILLION  | 28          | 2.4          |
| OVER 500 MILLION   | 48          | 4.1          |
| NOT INDICATED  | 165         | 14.2         |
| <b>TOTAL</b>   | <b>1164</b> | <b>100.0</b> |

**Incomes** Close to half the sample (48.5%) report earning between Ksh. 5,000 and Ksh. 25,000 per month, 12% earn below Ksh. 5,000 and 28% earn over Ksh. 25,000. Women are proportionately represented in the brackets up to Ksh. 50,000 and under-represented above that, again reflecting lower university education attainment among women in the population.

**Firm size** Half the respondents' work in small establishments that employ fewer than 10 people and 60% in establishments with an annual turnover of Ksh. 5 million and below. Twenty percent work in medium sized establishments employing between 10 and 100 people and 8% for large establishments employing 100 people or more.

**Economic Activity** Economic activities were classified into 14 categories. General trade is the most well represented category (23%), followed by professional practice (13%), business information services (9%), financial services (6.9%) and general commercial services (5%). The other categories are Brokerage & Agency Services (4.9%), Building & Construction (3%), Education, Health & Social Services (4.2%), Personal & Domestic Services (3.5%), Agriculture (2.2%), Manufacturing (1.3%), Transport (4.4%), Tourism Services (1.5%) and other activities (15%).

#### **THE INCIDENCE OF BRIBERY**

Sixty seven percent of the respondents' interaction with public institutions, about two out of three, involve bribes or costly negative consequences if one declines to bribe. The bribery incidence is highest in law enforcement and regulatory functions, where 78% of interactions with public officials require bribes, in other words, only two out of 10 interactions do not require paying bribes. Employment related matters follow, with a bribery incidence of 63%, followed by provision of services (59%) and business (55%).

Those likely to be poor (i.e. low income or unemployed and low education) are significantly more vulnerable to corruption than the better off socio-economic groups. Respondents with primary education and below encounter bribery in 75% of their interactions with public organizations, as compared to 67% for those with secondary school education and 63% for

those with tertiary education. The unemployed encounter bribery in 71% of their interactions, self or family employees 68% of the time and private sector (both business & non-profit) 61% of the time. Public sector employees report encountering bribery in just over half (52%) of their interactions, significantly lower than all the other groups. Men are more susceptible than women, encountering bribery in 67% of their interactions as compared to 62% for women.

| PURPOSE                         | BRIBERY INCIDENCE (%) | RESPONSES |            |
|---------------------------------|-----------------------|-----------|------------|
|                                 |                       | NUMBER    | % OF TOTAL |
| 1. REGULATORY & LAW ENFORCEMENT | 77.8                  | 2,276     | 36.0       |
| 2. EMPLOYMENT                   | 62.8                  | 215       | 3.4        |
| 3. SERVICES                     | 59.0                  | 3,087     | 48.9       |
| 4. BUSINESS                     | 55.3                  | 351       | 5.6        |
| 5. OTHER                        | 55.6                  | 390       | 6.2        |
| TOTAL/MEAN                      | 64.8                  | 6,319     | 100.0      |
| SOCIAL ECONOMIC STATUS          | BRIBERY INCIDENCE (%) | RESPONSES |            |
|                                 |                       | NUMBER    | % OF TOTAL |
| GENDER                          |                       |           |            |
| WOMEN                           | 62.2                  | 2,224     | 35.2       |
| MEN                             | 66.5                  | 3,920     | 62.0       |
| NOT INDICATED                   | 58.9                  | 175       | 2.8        |
| TOTAL/MEAN                      | 64.6                  | 6,319     | 100.0      |
| INCOME (KSH)                    |                       |           |            |
| UP TO 5,000                     | 74.4                  | 691       | 10.9       |
| 5,000 – 10,000.                 | 63.2                  | 1,190     | 18.8       |
| 10,000 – 25,000                 | 61.7                  | 1,738     | 27.5       |
| 25,000 – 50,000                 | 64.9                  | 1,025     | 16.2       |
| 50,000 – 100,000                | 61.9                  | 517       | 8.2        |
| OVER 100,000                    | 61.9                  | 361       | 5.7        |
| NOT INDICATED                   | 63.9                  | 797       | 12.6       |
| TOTAL/ MEAN                     | 64.8                  | 6,319     | 100.0      |
| SOCIAL ECONOMIC STATUS          | BRIBERY INCIDENCE (%) | RESPONSES |            |
|                                 |                       | NUMBER    | % OF TOTAL |
| EDUCATION ATTAINMENT            |                       |           |            |
| PRIMARY & BELOW                 | 75.0                  | 192       | 3.0        |
| POST PRIMARY TRAINING           | 75.9                  | 141       | 2.2        |
| SECONDARY SCHOOLING             | 67.3                  | 1,574     | 24.9       |
| POST SECONDARY TRAINING         | 62.7                  | 2,142     | 33.9       |
| UNIVERSITY EDUCATION            | 63.0                  | 1,951     | 30.9       |
| OTHER                           | 83.3                  | 6         | 0.1        |
| NOT INDICATED                   | 66.1                  | 313       | 5.0        |
| TOTAL/MEAN                      | 64.8                  | 6,319     | 100.0      |
| EMPLOYMENT STATUS               |                       |           |            |
| UNEMPLOYED                      | 71.1                  | 381       | 6.0        |
| SELF-EMPLOYED                   | 68.2                  | 2,499     | 39.5       |
| FAMILY EMPLOYED                 | 68.1                  | 445       | 7.0        |
| PRIVATE SECTOR                  | 61.4                  | 2,493     | 39.5       |
| PUBLIC SECTOR                   | 52.2                  | 253       | 4.0        |
| COMMUNITY SECTOR                | 61.4                  | 140       | 2.2        |
| NOT INDICATED                   | 63.0                  | 108       | 1.7        |
| TOTAL/MEAN                      | 64.8                  | 6,319     | 100.0      |

### BRIBERY TRENDS

The general experience of the public is that corruption is on the increase. The survey asked respondents to list institutions where they have experienced change (decline or increase) in the level of corruption, the magnitude of the change (small, moderate or big) and the period they have experienced the change (compared to one, three or five years ago). The respondents provided 8,700 responses citing worsening corruption, an average of seven per respondent, as compared to 2,400 responses citing improvement, an average of two observations per respondent. Half the responses of worsening corruption cite “very significant” increase, 35% cite “moderate increase” and the remaining 15% a small increase. Of the responses on improvement, 20% cited very significant improvement, 43% cited moderate improvement and the remaining 37% cited small improvements. On both improvement and worsening, the responses are more or less evenly distributed over the three time frames, that is, one, three and five years.

| CORRUPTION INCREASE COMPARED TO: | SMALL                            | MODERATE | BIG   | TOTAL |
|----------------------------------|----------------------------------|----------|-------|-------|
|                                  | NUMBER OF RESPONSES              |          |       |       |
| 1 YEAR AGO                       | 480                              | 920      | 1,568 | 2,968 |
| 3 YEARS AGO                      | 349                              | 1,227    | 1,304 | 2,880 |
| 5 YEARS AGO                      | 524                              | 893      | 1,404 | 2,821 |
| TOTAL                            | 1,353                            | 3,040    | 4,276 | 8,669 |
|                                  | % OF RESPONSES                   |          |       |       |
| 1 YEAR AGO                       | 5.5                              | 10.6     | 18.1  | 34.2  |
| 3 YEARS AGO                      | 4.0                              | 14.2     | 15.0  | 33.2  |
| 5 YEARS AGO                      | 6.0                              | 10.3     | 16.2  | 32.5  |
| TOTAL                            | 15.6                             | 35.1     | 49.3  | 100.0 |
|                                  | CORRUPTION DECREASE COMPARED TO: |          |       |       |
|                                  | NUMBER OF RESPONSES              |          |       |       |
|                                  | SMALL                            | MODERATE | BIG   | TOTAL |
| 1 YEAR AGO                       | 340                              | 318      | 203   | 861   |
| 3 YEARS AGO                      | 266                              | 426      | 116   | 808   |
| 5 YEARS AGO                      | 286                              | 286      | 152   | 724   |
| TOTAL                            | 892                              | 1030     | 471   | 2393  |
|                                  | % OF RESPONSES                   |          |       |       |
| 1 YEAR AGO                       | 14.2                             | 13.3     | 8.5   | 36.0  |
| 3 YEARS AGO                      | 11.1                             | 17.8     | 4.8   | 33.8  |
| 5 YEARS AGO                      | 12.0                             | 12.0     | 6.4   | 30.3  |
| TOTAL                            | 37.3                             | 43.0     | 19.7  | 100.0 |

### MAGNITUDE OF BRIBERY

Most bribes involve relatively small sums paid very frequently. Bribes of Ksh. 200 and below paid every day account for 41% of the transactions, daily bribes of Ksh. 500 and below for 63%, and daily bribes of Ksh. 1000 and below for 75% of the transactions. However, transactions involving big amounts account for most of the proceeds from bribery. Bribes of Ksh. 50,000 and over account for 41% of the value, and bribes exceeding Ksh. 5,000 for just over 75%. It is estimated the average urban Kenyan pays 16 bribes to both public and private institutions in a month. Public servants, that is, employees of central government ministries, local authorities and state corporations are by far the most bribed, accounting for 99 percent of the bribery transactions, and 97% of the value.

### SIZE AND FREQUENCY OF BRIBES REPORTED

| PERCENTAGE OF BRIBERY TRANSACTIONS |           |        |         |        |       |
|------------------------------------|-----------|--------|---------|--------|-------|
| AMOUNT (KSH)                       | EVERY DAY | WEEKLY | MONTHLY | YEARLY | TOTAL |
| 200 or less                        | 41.7      | 1.5    | 0.7     | 0.03   | 43.9  |
| 200-500                            | 20.7      | 2.4    | 1.0     | 0.04   | 24.2  |
| 500-1 000                          | 11.6      | 2.2    | 0.9     | 0.05   | 14.7  |
| 1 000-5 000                        | 7.5       | 1.5    | 1.2     | 0.09   | 10.4  |
| 5 000-10 000                       | 3.6       | 0.7    | 0.3     | 0.05   | 4.6   |
| 10 000-50 000                      | 0.6       | 0.2    | 0.3     | 0.04   | 1.2   |
| 50 000-100 000                     | 0.6       | 0.02   | 0.1     | 0.01   | 0.7   |
| 100 000+                           | 0.2       | 0.02   | 0.1     | 0.01   | 0.3   |
| TOTAL                              | 86.6      | 8.5    | 4.6     | 0.34   | 100.0 |
| % OF TOTAL PROCEEDS                |           |        |         |        |       |
| 200 or less                        | 2.0       | 0.1    | 0.03    | 0.00   | 2.1   |
| 200-500                            | 3.5       | 0.4    | 0.2     | 0.01   | 4.1   |
| 500-1 000                          | 4.2       | 0.8    | 0.3     | 0.02   | 5.4   |
| 1 000-5 000                        | 9.1       | 1.9    | 1.5     | 0.12   | 12.6  |
| 5 000-10 000                       | 13.0      | 2.4    | 1.1     | 0.17   | 16.7  |
| 10 000-50 000                      | 9.1       | 3.4    | 4.5     | 0.64   | 17.6  |
| 50 000-100 000                     | 22.9      | 0.8    | 2.7     | 0.49   | 26.8  |
| 100 000+                           | 10.2      | 1.0    | 2.8     | 0.72   | 14.7  |
| TOTAL                              | 74.0      | 10.7   | 13.1    | 2.16   | 100.0 |

### COST OF BRIBERY

Bribery of public officials is estimated to impose a direct financial cost, an additional tax burden in other words, of just under Ksh. 8,000 per respondent per month. The additional tax burden of central government officials is estimated at Ksh. 5,530 (68%), state corporation officials at Ksh. 1,515 (18%) and local government officials at Ksh. 920 (11%). Bribes to private sector and foreign organizations (embassies and international organizations) officials impose a cost of Ksh. 220 per person per month.



Since both individuals and businesses pay bribes, how the bribery tax burden is shared between households income and profits will depend on how much businesses are able to pass on to households in higher prices of goods and services. The average income of the survey respondents is Ksh. 26,000 per person per month, and the average turnover of the enterprises represented in the survey is Ksh. 8.2 million. If the burden were to fall entirely on households, it would translate to a cost of living increase of 31% over what it would be in a bribe free society. If it were to be borne entirely by profits, it would translate to an additional tax of 2.8% of turnover, which translates to Ksh. 291,000 on a business with the average Ksh. 8.2 million turnover. However, neither extreme is likely to be the case. Assuming that it falls equally on households and enterprises implies that bribery may be raising the cost of living by up to 15% and the cost of doing business by up to 1.4% of turnover. While 1.4% of turnover may appear small, it is in fact a very significant cost. Assuming for instance that the gross margin of a business is twenty percent, 1.4% of turnover translates to 9% of the gross margin.

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SOME UNPLEASANT ARITHMETIC OF BRIBERY

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BRIBERY COST ON HOUSEHOLDS AND BUSINESSES

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Scenario 1: 100% incidence on households

|                                     |                |
|-------------------------------------|----------------|
| Average income of respondents       | Ksh. 26,086.00 |
| Bribery tax per person              | Ksh. 8,188.00  |
| Bribery tax as proportion of income | 31.4 %         |

Scenario 2: 100% incidence on enterprises

|   |                  |
|---|------------------|
| Average annual turnover                     | Ksh. 8.2 million |
| Average bribery tax per business enterprise | Ksh. 291,467.00  |
| Bribery tax as % of turnover                | 2.8 %            |

Scenario 3: 50/50 incidence on h/holds and enterprises

|                                     |            |
|-------------------------------------|------------|
| Bribery tax per person              | 4 094.20   |
| As % of personal income             | 15.7%      |
| Bribery tax per business enterprise | 145 733.00 |
| Bribery tax as % of turnover        | 1.40 %     |

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**THE KENYA URBAN BRIBERY INDEX**

**OVERALL INDEX**

The Kenya Police tops the national bribery league with an index score of 68.7 out of a maximum score of 100. The Ministry of Public Works follows with a markedly lower score of 41.0, implying in effect, that bribery in the police force is much higher than any other institution. The Immigration department ranks third with a score of 36.1, the Ministry of Lands is fourth (34.8) followed closely by the Nairobi City Council with an index score of 33. The others in the worst 10 are the Judiciary (32.3), the Kenya Ports Authority (29.3), Provincial Administration (29.0), and Mombasa Municipal Council (28.7).

The Central Bank of Kenya ranks as the least bribery prone institution with a near perfect score of 0.2, followed by the Kenya Wildlife Service with a substantially

| <b>BRIBERY INCIDENCE</b>                       |                                      |
|--|--------------------------------------|
| <b>(LIKELIHOOD OF ENCOUNTERING BRIBERY, %)</b> |                                      |
| 1  | MOMBASA MUNICIPAL COUNCIL 91.6       |
| 2  | KENYA POLICE 90.4                    |
| 3  | PRISONS DEPARTMENT 90.4              |
| 4  | MINISTRY OF LANDS 86.7               |
| 5  | ATTORNEY GENERAL'S CHAMBERS 86.1     |
| 6  | NAIROBI CITY COUNCIL 84.8            |
| 7  | AGRICULTURAL FINANCE CORP. 84.6      |
| 8  | MINISTRY OF PUBLIC WORKS 83.3        |
| 9  | KISUMU MUNICIPAL COUNCIL 81.7        |
| 10   | IMMIGRATION DEPARTMENT 81.4          |
| 11   | TEACHERS SERVICE COMMISSION 81.4     |
| 12   | REGISTRAR OF PERSONS 80.6            |
| 13   | PUBLIC HOSPITALS (EXCL.KNH) 79.9     |
| 14   | FORESTRY DEPARTMENT 77.3             |
| 15   | PROVINCIAL ADMINISTRATION 76.7       |
| 16   | MINISTRY OF LOCAL GOVERNMENT 76.5    |
| 17   | KENYA PORTS AUTHORITY 75.4           |
| 18   | JUDICIARY 74.9                       |
| 19   | OTHER CENTRAL GOVERNMENT 74.1        |
| 20   | KENYATTA NATIONAL HOSPITAL 73.9      |
| 21   | MINISTRY OF HEALTH 73.0              |
| 22   | MOTOR VEHICLE LICENSING DEPT 72.3    |
| 23   | NATIONAL WATER& PIPELINE CORP 70.5   |
| 24   | DEPT. OF WEIGHTS& MEASURES 70.0      |
| 25   | KENYA REVENUE AUTHORITY 63.7         |
| 26   | OTHER LOCAL AUTHORITIES 63.4         |
| 27   | MINISTRY OF EDUCATION 62.5           |
| 28   | KENYA BUREAU OF STANDARDS 59.0       |
| 29   | POSTA CORPORATION 58.9               |
| 30   | KENYA NAT. EXAMINATIONS COUNCIL 57.9 |
| 31   | KENYA AIRPORTS AUTHORITY 56.4        |
| 32   | CATERING LEVY TRUSTEES 54.5          |
| 33   | OTHER STATE CORPORATION 51.6         |
| 34   | KENYA SUGAR AUTHORITY 50.0           |
| 35   | KENYA TEA DEV. AGENCY 50.0           |
| 36   | NATIONAL SOCIAL SECURITY FUND 49.6   |
| 37   | TELKOM KENYA 48.7                    |
| 38   | KENYA RAILWAYS CORP 48.0             |
| 39   | MINISTRY OF AGRICULTURE 48.0         |
| 40   | NATIONAL HOSPITAL INS. FUND 42.6     |
| 41   | UNIVERSITY OF NAIROBI 41.7           |
| 42   | HIGHER EDUCATION LOANS BOARD 41.2    |
| 43   | KENYA POWER& LIGHTING CO. 37.5       |
| 44   | NATIONAL BANK OF KENYA 33.3          |
| 45   | MINISTRY OF FINANCE 30.0             |
| 46   | KENYA COMMERCIAL BANK 28.6           |
| 47   | COMMISSIONER OF INSURANCE 28.3       |
| 48   | KENYA BROADCASTING CORPORATION 25.9  |
| 49   | EMBASSIES& INTERNATIONAL ORGS 24.2   |
| 50   | KENYA WILDLIFE SERVICE 21.7          |
| 51   | PRIVATE SECTOR 11.2                  |
| 52   | CENTRAL BANK OF KENYA 0.0            |

| <b>KENYA BRIBERY INDEX</b> |                                  |      |
|----------------------------|----------------------------------|------|
| 1                          | KENYA POLICE                     | 68.7 |
| 2                          | MINISTRY OF PUBLIC WORKS         | 41.0 |
| 3                          | IMMIGRATION DEPARTMENT           | 36.1 |
| 4                          | MINISTRY OF LANDS                | 34.8 |
| 5                          | NAIROBI CITY COUNCIL             | 33.0 |
| 6                          | JUDICIARY                        | 32.3 |
| 7                          | MOMBASA MUNICIPAL COUNCIL        | 32.1 |
| 8                          | OTHER LOCAL AUTHORITIES          | 31.5 |
| 9                          | PROVINCIAL ADMINISTRATION        | 29.5 |
| 10                         | PRISONS DEPARTMENT               | 29.4 |
| 11                         | KENYA PORTS AUTHORITY            | 29.3 |
| 12                         | REGISTRAR OF PERSONS             | 28.4 |
| 13                         | PUBLIC HOSPITALS (EXCL. KNH)     | 27.7 |
| 14                         | KISUMU MUNICIPAL COUNCIL         | 26.7 |
| 15                         | KENYA REVENUE AUTHORITY          | 26.5 |
| 16                         | ATTORNEY GENERAL'S CHAMBERS      | 26.1 |
| 17                         | TEACHERS SERVICE COMMISSION      | 25.4 |
| 18                         | FORESTRY DEPARTMENT              | 24.4 |
| 19                         | MINISTRY OF LOCAL GOVERNMENT     | 23.7 |
| 20                         | AGRICULTURAL FINANCE CORPORATION | 23.5 |
| 21                         | MOTOR VEHICLE LICENSING DEPT     | 23.0 |
| 22                         | EMBASSIES & INTERNATIONAL ORGS   | 22.4 |
| 23                         | MINISTRY OF HEALTH               | 20.8 |
| 24                         | OTHER CENTRAL GOVERNMENT         | 20.7 |
| 25                         | KENYA BUREAU OF STANDARDS        | 20.1 |
| 26                         | POSTA CORPORATION                | 18.8 |
| 27                         | KENYATTA NATIONAL HOSPITAL       | 18.7 |
| 28                         | KENYA AIRPORTS AUTHORITY         | 18.4 |
| 29                         | DEPT. OF WEIGHTS& MEASURES       | 17.7 |
| 30                         | NATIONAL WATER& PIPELINE CORP    | 17.5 |
| 31                         | TELKOM KENYA                     | 17.3 |
| 32                         | OTHER STATE CORPORATIONS         | 16.8 |
| 33                         | MINISTRY OF EDUCATION            | 16.7 |
| 34                         | KENYA POWER& LIGHTING CO.        | 15.6 |
| 35                         | NATIONAL SOCIAL SECURITY FUND    | 15.0 |
| 36                         | CATERING LEVY TRUSTEES           | 14.9 |
| 37                         | KENYA RAILWAYS CORP              | 14.7 |
| 38                         | KENYA NAT. EXAMINATIONS COUNCIL  | 14.3 |
| 39                         | KENYA SUGAR AUTHORITY            | 12.5 |
| 40                         | KENYA TEA DEV. AGENCY            | 12.2 |
| 41                         | NATIONAL HOSPITAL INSURANCE FUND | 11.8 |
| 42                         | MINISTRY OF AGRICULTURE          | 11.2 |
| 43                         | MINISTRY OF FINANCE              | 9.3  |
| 44                         | HIGHER EDUCATION LOANS BOARD     | 8.7  |
| 45                         | KENYA COMMERCIAL BANK            | 8.6  |
| 46                         | KENYA BROADCASTING CORPORATION   | 8.3  |
| 47                         | UNIVERSITY OF NAIROBI            | 8.3  |
| 48                         | COMMISSIONER OF INSURANCE        | 7.4  |
| 49                         | NATIONAL BANK OF KENYA           | 7.2  |
| 50                         | PRIVATE SECTOR                   | 5.6  |
| 51                         | KENYA WILDLIFE SERVICE           | 5.2  |
| 52                         | CENTRAL BANK OF KENYA            | 0.2  |

higher score of 5.2, the private sector (5.6), the National Bank of Kenya (7.2) and the Commissioner of Insurance (6.7).

The Kenya Ports Authority is the most bribe prone state corporation in position 11, followed by the Kenya Revenue Authority at position 15, well above the Agricultural Finance Corporation at position 20. Foreign missions are ranked 22nd, with an index score of 22.4.

The index indicates that overall, bribery is most prevalent in law enforcement and local authorities. Law enforcement institutions (Police, Judiciary, Prisons) and local authorities (Nairobi, Mombasa, "Other LAs") occupy six of the 10 most corrupt institutions.

**BRIBERY INCIDENCE**

The Mombasa Municipal Council registers the worst bribery incidence (91.6%) closely followed by the Police and Prisons department at 90.4%. This is to say that the likelihood of obtaining satisfactory service from these institutions without paying a bribe is less than 10%, in other words, only one out of 10 people who regularly deal with the organizations obtains satisfactory service without paying a bribe. The Ministry of Lands follows with 86.7% incidence and the Attorney General’s Chambers is fifth with 86.1% incidence.

| <b>BRIBERY PREVALENCE<br/>(RESPONDENTS ENCOUNTERING BRIBERY, %)</b> |                               |      |
|---|-------------------------------|------|
| 1   | KENYA POLICE                  | 57.5 |
| 2   | NAIROBI CITY COUNCIL          | 28.2 |
| 3   | TELKOM KENYA                  | 23.2 |
| 4   | PROVINCIAL ADMINISTRATION     | 20.4 |
| 5   | KENYA POWER& LIGHTING CO.     | 19.7 |
| 6   | IMMIGRATION DEPARTMENT        | 18.0 |
| 7   | KENYA REVENUE AUTHORITY       | 17.6 |
| 8   | JUDICIARY                     | 15.6 |
| 9   | REGISTRAR OF PERSONS          | 13.2 |
| 10  | OTHER LOCAL AUTHORITIES       | 11.6 |
| 11  | PUBLIC HOSPITALS (EXCL.KNH)   | 11.6 |
| 12  | MOTOR VEHICLE LICENSING DEPT  | 10.7 |
| 13  | PRIVATE SECTOR                | 9.1  |
| 14  | KENYATTA NATIONAL HOSPITAL    | 8.5  |
| 15  | MINISTRY OF LANDS             | 8.4  |
| 16  | KENYA PORTS AUTHORITY         | 7.6  |
| 17  | MOMBASA MUNICIPAL COUNCIL     | 6.5  |
| 18  | NATIONAL SOCIAL SECURITY FUND | 6.0  |
| 19  | KISUMU MUNICIPAL COUNCIL      | 5.8  |
| 20  | POSTA CORPORATION             | 4.8  |
| 21  | MINISTRY OF HEALTH            | 4.6  |
| 22  | TEACHERS SERVICE COMMISSION   | 4.1  |
| 23  | PRISONS DEPARTMENT            | 4.0  |
| 24  | OTHER STATE CORPORATION       | 4.0  |
| 25  | MINISTRY OF EDUCATION         | 3.4  |
| 26  | EMBASSIES& INTERNATIONAL ORGS | 3.4  |
| 27  | NATIONAL WATER& PIPELINE CORP | 2.7  |
| 28  | KENYA AIRPORTS AUTHORITY      | 2.7  |
| 29  | ATTORNEY GENERAL'S CHAMBERS   | 2.7  |
| 30  | NATIONAL HOSPITAL INS. FUND   | 2.5  |
| 31  | KENYA COMMERCIAL BANK         | 2.2  |
| 32  | KENYA BUREAU OF STANDARDS     | 2.0  |
| 33  | OTHER CENTRAL GOVERNMENT      | 1.7  |
| 34  | MINISTRY OF PUBLIC WORKS      | 1.7  |
| 35  | NATIONAL BANK OF KENYA        | 1.5  |
| 36  | FORESTRY DEPARTMENT           | 1.5  |
| 37  | MINISTRY OF LOCAL GOVERNMENT  | 1.1  |
| 38  | COMMISSIONER OF INSURANCE     | 1.1  |
| 39  | MINISTRY OF AGRICULTURE       | 1.0  |
| 40  | KENYA RAILWAYS CORP           | 1.0  |
| 41  | KENYA NAT. EXAMS COUNCIL      | 0.9  |
| 42  | AGRICULTURAL FINANCE CORP     | 0.9  |
| 43  | KENYA BROADCASTING CORP       | 0.6  |
| 44  | HIGHER EDUCATION LOANS BOARD  | 0.6  |
| 45  | DEPT. OF WEIGHTS& MEASURES    | 0.6  |
| 46  | MINISTRY OF FINANCE           | 0.5  |
| 47  | KENYA TEA DEV. AGENCY         | 0.5  |
| 48  | KENYA SUGAR AUTHORITY         | 0.5  |
| 49  | CATERING LEVY TRUSTEES        | 0.5  |
| 50  | UNIVERSITY OF NAIROBI         | 0.4  |
| 51  | KENYA WILDLIFE SERVICE        | 0.4  |
| 52  | CENTRAL BANK OF KENYA         | 0.1  |

Eighteen organizations, over one third of the organizations in the index, have a bribery incidence of 75% and higher, that is, less than one out of four people obtains satisfactory service without paying a bribe. Thirty-six organizations, two thirds of the total, have a bribery incidence of over 50%, that is, half the people who deal with these organizations encounter bribery. Only four institutions rank below 25% incidence. The Central Bank is the most favourably ranked organization on bribery incidence with a score of zero and the only one to score below 10%. This indicates that people who regularly deal with the Central Bank do not encounter bribery. The private sector is the next favourably ranked at 11.2%, followed by the Kenya Wildlife Service at 21.7%. Embassies and international organizations are next at 24.2%.

**BRIBERY PREVALENCE**

Bribing police officers is the most rampant practice. The police force is cited by 57.5% of the respondents, that is, six out of 10 urban residents pay bribes to the police or are mistreated or denied service if they do not. The Nairobi City Council ranks second, cited by 28% of the respondents, Telkom Kenya third (23%), the Provincial Administration fourth (20.4%) and Kenya Power & Lighting Company fifth (19.7%).

Put together, the urban local authorities are cited by 52% of the respondents, making them second to the police. The three principal utilities, Kenya Power, Telkom Kenya and Kenya Ports Authority are cited by 51% of the respondents.

The Central Bank is the most favourably ranked organization on this indicator with only 0.1% of the respondents citing bribery encounters, followed by the Kenya Wildlife Service and the University of Nairobi both cited by 0.4% of the

respondents. The Ministry of Finance, Kenya Tea Development Agency, Kenya Sugar Authority and the Catering Levy Trustees are tied third (0.5%). The Kenya Broadcasting Corporation, the Higher Education Loans Board and the Department of Weights & Measures are joint fourth (0.6%) and the Kenya National Examinations Council and the Agricultural Finance Corporation fifth cited by 0.9% of the respondents.

**SEVERITY OF BRIBERY**

The Prisons Department tops the severity league. In close to seven out of 10 encounters with the Department (67%), declining to bribe means no service. Five organizations score 50% and more on severity. The others are Mombasa Municipal Council (64%), the Police (62%), the Ministry of Lands (58%) and the Immigration Department (53%). The Central Bank of Kenya and the University of Nairobi are the most favourably ranked with a score of zero, followed by

the National Bank of Kenya, the private sector and the Kenya Wildlife Service all with a score of 4%.

**SIZE OF BRIBES**

Officials of the Ministry of Public Works demand the biggest bribes, averaging Ksh. 37,500 per bribe, closely followed by officials of embassies and international organizations with Ksh. 36,800 per bribe. Immigration officials come third with bribes of Ksh. 12,000 on average, judicial officers fourth with Ksh. 10,000 and the Ports officials fifth with Ksh. 9,700. Organizations that deal primarily or extensively with business predominate the rankings on bribe size, notably the Ministry of Public Works (1st), the Ports Authority (5th), the Kenya Revenue Authority (7th), Kenya Commercial Bank (8th) and the Kenya Bureau of Standards (9th). Immigration services are the most costly as reflected in the ranking of embassies and immigration officials in second and third positions respectively.

Officials of the Ministry of Local Government demand the smallest bribes, Ksh. 110 on average followed by those of the National Water & Pipeline Corporation (Ksh. 210), Post Office and Mombasa Municipal Council staff with bribes averaging Ksh. 280. Bribery in the private sector is also dominated by small bribes reflected in average bribes of Ksh. 1,400. Officials of smaller local authorities demand bigger bribes than the big councils, averaging Ksh. 2,200, over Ksh. 300 more than Kisumu at Ksh. 1,880, almost double Nairobi's Ksh. 1,200 and almost eight times Mombasa at Ksh. 280.

| <b>SEVERITY OF BRIBERY</b>              |                               |      |
|---|-------------------------------|------|
| <b>(% CITING "NO BRIBE NO SERVICE")</b> |                               |      |
| 1                                       | PRISONS DEPARTMENT            | 67.3 |
| 2                                       | MOMBASA MUNICIPAL COUNCIL     | 63.9 |
| 3                                       | KENYA POLICE                  | 62.4 |
| 4                                       | MINISTRY OF LANDS             | 57.5 |
| 5                                       | IMMIGRATION DEPARTMENT        | 53.1 |
| 6                                       | REGISTRAR OF PERSONS          | 49.2 |
| 7                                       | KENYA PORTS AUTHORITY         | 47.5 |
| 8                                       | PROVINCIAL ADMINISTRATION     | 46.9 |
| 9                                       | KISUMU MUNICIPAL COUNCIL      | 46.3 |
| 10                                      | TEACHERS SERVICE COMMISSION   | 45.8 |
| 11                                      | NAIROBI CITY COUNCIL          | 45.7 |
| 12                                      | MINISTRY OF PUBLIC WORKS      | 41.7 |
| 13                                      | MINISTRY OF LOCAL GOVERNMENT  | 41.2 |
| 14                                      | KENYA BUREAU OF STANDARDS     | 41.0 |
| 15                                      | FORESTRY DEPARTMENT           | 40.9 |
| 16                                      | JUDICIARY                     | 39.1 |
| 17                                      | OTHER LOCAL AUTHORITIES       | 37.1 |
| 18                                      | KENYA REVENUE AUTHORITY       | 33.5 |
| 19                                      | MOTOR VEHICLE LICENSING DEPT  | 32.4 |
| 20                                      | MINISTRY OF HEALTH            | 31.1 |
| 21                                      | KENYA AIRPORTS AUTHORITY      | 30.9 |
| 22                                      | PUBLIC HOSPITALS (EXCL.KNH)   | 30.8 |
| 23                                      | AGRICULTURAL FINANCE CORP     | 30.8 |
| 24                                      | ATTORNEY GENERAL'S CHAMBERS   | 30.6 |
| 25                                      | DEPT. OF WEIGHTS& MEASURES    | 30.0 |
| 26                                      | OTHER CENTRAL GOVERNMENT      | 29.6 |
| 27                                      | MINISTRY OF EDUCATION         | 28.1 |
| 28                                      | KENYA RAILWAYS CORP           | 28.0 |
| 29                                      | CATERING LEVY TRUSTEES        | 27.3 |
| 30                                      | NATIONAL WATER& PIPELINE CORP | 25.0 |
| 31                                      | OTHER STATE CORPORATION       | 24.2 |
| 32                                      | POSTA CORPORATION             | 22.1 |
| 33                                      | TELKOM KENYA                  | 19.7 |
| 34                                      | NATIONAL SOCIAL SECURITY FUND | 17.0 |
| 35                                      | KENYA SUGAR AUTHORITY         | 16.7 |
| 36                                      | KENYA TEA DEV. AGENCY         | 16.7 |
| 37                                      | MINISTRY OF AGRICULTURE       | 16.0 |
| 38                                      | KENYA NAT. EXAMS COUNCIL      | 15.8 |
| 39                                      | MINISTRY OF FINANCE           | 15.0 |
| 40                                      | KENYATTA NATIONAL HOSPITAL    | 14.9 |
| 41                                      | KENYA BROADCASTING CORP       | 11.1 |
| 42                                      | COMMISSIONER OF INSURANCE     | 10.9 |
| 43                                      | KENYA POWER& LIGHTING CO.     | 10.6 |
| 44                                      | NATIONAL HOSPITAL INS. FUND   | 10.3 |
| 45                                      | EMBASSIES& INTERNATIONAL ORGS | 6.1  |
| 46                                      | HIGHER EDUCATION LOANS BOARD  | 5.9  |
| 47                                      | KENYA COMMERCIAL BANK         | 5.5  |
| 48                                      | KENYA WILDLIFE SERVICE        | 4.3  |
| 49                                      | PRIVATE SECTOR                | 4.0  |
| 50                                      | NATIONAL BANK OF KENYA        | 3.9  |
| 51                                      | UNIVERSITY OF NAIROBI         | 0.0  |
| 52                                      | CENTRAL BANK OF KENYA         | 0.0  |

| <b>AVERAGE SIZE OF BRIBES PAID, KSH.</b> |                                      |
|--|--------------------------------------|
| 1  | MINISTRY OF PUBLIC WORKS 37 506      |
| 2  | EMBASSIES& INTERNATIONAL ORGS 36 824 |
| 3  | IMMIGRATION DEPARTMENT 11 925        |
| 4  | JUDICIARY 10 334                     |
| 5  | KENYA PORTS AUTHORITY 9 693          |
| 6  | MINISTRY OF LANDS 7 526              |
| 7  | KENYA REVENUE AUTHORITY 6 668        |
| 8  | KENYA COMMERCIAL BANK 5 397          |
| 9  | KENYA BUREAU OF STANDARDS 4 065      |
| 10                                       | OTHER STATE CORPORATION 3 892        |
| 11                                       | KENYA RAILWAYS CORP 3 865            |
| 12                                       | NATIONAL SOCIAL SECURITY FUND 3 836  |
| 13                                       | TEACHERS SERVICE COMMISSION 3 423    |
| 14                                       | OTHER CENTRAL GOVERNMENT 3 115       |
| 15                                       | KENYA AIRPORTS AUTHORITY 2 931       |
| 16                                       | KENYA SUGAR AUTHORITY 2 867          |
| 17                                       | AGRICULTURAL FINANCE CORP 2 500      |
| 18                                       | CATERING LEVY TRUSTEES 2 500         |
| 19                                       | UNIVERSITY OF NAIROBI 2 500          |
| 20                                       | OTHER LOCAL AUTHORITIES 2 199        |
| 21                                       | KISUMU MUNICIPAL COUNCIL 1 883       |
| 22                                       | NATIONAL HOSPITAL INS. FUND 1 870    |
| 23                                       | MOTOR VEHICLE LICENSING DEPT 1 859   |
| 24                                       | HIGHER EDUCATION LOANS BOARD 1 625   |
| 25                                       | FORESTRY DEPARTMENT 1 567            |
| 26                                       | PRIVATE SECTOR 1 420                 |
| 27                                       | COMMISSIONER OF INSURANCE 1 391      |
| 28                                       | KENYA WILDLIFE SERVICE 1 330         |
| 29                                       | NAIROBI CITY COUNCIL 1 194           |
| 30                                       | KENYATTA NATIONAL HOSPITAL 1 166     |
| 31                                       | KENYA POWER& LIGHTING CO. 1 045      |
| 32                                       | KENYA TEA DEV. AGENCY 1 025          |
| 33                                       | REGISTRAR OF PERSONS 871             |
| 34                                       | ATTORNEY GENERAL'S CHAMBERS 871      |
| 35                                       | PUBLIC HOSPITALS (EXCL.KNH) 818      |
| 36                                       | MINISTRY OF AGRICULTURE 719          |
| 37                                       | TELKOM KENYA 699                     |
| 38                                       | MINISTRY OF EDUCATION 644            |
| 39                                       | KENYA BROADCASTING CORP 641          |
| 40                                       | MINISTRY OF HEALTH 633               |
| 41                                       | KENYA POLICE 631                     |
| 42                                       | PROVINCIAL ADMINISTRATION 569        |
| 43                                       | PRISONS DEPARTMENT 463               |
| 44                                       | KENYA NAT. EXAMS COUNCIL 397         |
| 45                                       | DEPT. OF WEIGHTS& MEASURES 350       |
| 46                                       | MINISTRY OF FINANCE 350              |
| 47                                       | NATIONAL BANK OF KENYA 350           |
| 48                                       | CENTRAL BANK OF KEN YA 350           |
| 49                                       | MOMBASA MUNICIPAL COUNCIL 279        |
| 50                                       | POSTA CORPORATION 279                |
| 51                                       | NATIONAL WATER& PIPELINE CORP 209    |
| 52                                       | MINISTRY OF LOCAL GOVERNMENT 111     |

**Bribery Cost**

Police officers exact the largest “bribery tax” equivalent to Ksh. 2,670 on every adult urban resident a month, and accounting for a third of the direct financial cost. Immigration and judicial officers follow at Ksh. 1,100 each or 13% of the total. The Kenya Revenue ranks fourth with Ksh. 750 and “Other Local Authorities” fifth with Ksh. 500 per person. The financial cost of bribery is highly concentrated. These five organizations account for 75% of the total burden, the top 10 organizations account for 90% of the burden, and the top 14 account for 95%. The others in the top ten are Nairobi City Council (Ksh. 390), Kenya Power & Lighting Company (Ksh. 360), Ministry of Lands (Ksh. 260), Kenya Ports Authority (Ksh.190) and embassies and international organizations at Ksh. 130 per person per month. At the more favourable end of the scale, the Higher Education Loans Board, the Catering Levy Trustees, the Kenya Sugar Authority and the Central Bank of Kenya impose the smallest burden, less than 10 cents per person.

| BRIBERY TAX PER PERSON, KSH |                               |       |
|-----------------------------|-------------------------------|-------|
| 1                           | KENYA POLICE                  | 2 670 |
| 2                           | IMMIGRATION DEPARTMENT        | 1 099 |
| 3                           | JUDICIARY                     | 1 090 |
| 4                           | KENYA REVENUE AUTHORITY       | 747   |
| 5                           | OTHER LOCAL AUTHORITIES       | 504   |
| 6                           | NAIROBI CITY COUNCIL          | 392   |
| 7                           | KENYA POWER& LIGHTING CO.     | 363   |
| 8                           | MINISTRY OF LANDS             | 258   |
| 9                           | KENYA PORTS AUTHORITY         | 192   |
| 10                          | EMBASSIES& INTERNATIONAL ORGS | 127   |
| 11                          | PROVINCIAL ADMINISTRATION     | 124   |
| 12                          | TELKOM KENYA                  | 119   |
| 13                          | PRIVATE SECTOR                | 96    |
| 14                          | PUBLIC HOSPITALS(EXCL.KNH)    | 74    |
| 15                          | MOTOR VEHICLE LICENSING DEPT  | 73    |
| 16                          | REGISTRAR OF PERSONS          | 60    |
| 17                          | NATIONAL SOCIAL SECURITY FUND | 39    |
| 18                          | MINISTRY OF PUBLIC WORKS      | 32    |
| 19                          | OTHER STATE CORPORATION       | 26    |
| 20                          | KISUMU MUNICIPAL COUNCIL      | 21    |
| 21                          | KENYATTA NATIONAL HOSPITAL    | 19    |
| 22                          | ATTORNEY GENERAL'S CHAMBERS   | 11    |
| 23                          | TEACHERS SERVICE COMMISSION   | 11    |
| 24                          | KENYA AIRPORTS AUTHORITY      | 8.60  |
| 25                          | NATIONAL HOSPITAL INS. FUND   | 6.97  |
| 26                          | POSTA CORPORATION             | 5.06  |
| 27                          | MOMBASA MUNICIPAL COUNCIL     | 4.42  |
| 28                          | MINISTRY OF HEALTH            | 3.91  |
| 29                          | KENYA BUREAU OF STANDARDS     | 3.82  |
| 30                          | KENYA COMMERCIAL BANK         | 2.30  |
| 31                          | OTHER CENTRAL GOVERNMENT      | 1.79  |
| 32                          | FORESTRY DEPARTMENT           | 1.33  |
| 33                          | PRISONS DEPARTMENT            | 1.27  |
| 34                          | MINISTRY OF EDUCATION         | 0.87  |
| 35                          | AGRICULTURAL FINANCE CORP     | 0.58  |
| 36                          | KENYA BROADCASTING CORP       | 0.39  |
| 37                          | NATIONAL BANK OF KENYA        | 0.26  |
| 38                          | NATIONAL WATER& PIPELINE CORP | 0.20  |
| 39                          | KENYA RAILWAYS CORP           | 0.15  |
| 40                          | KENYA NAT. EXAMS COUNCIL      | 0.11  |
| 41                          | MINISTRY OF FINANCE           | 0.10  |
| 42                          | KENYA WILDLIFE SERVICE        | 0.07  |
| 43                          | COMMISSIONER OF INSURANCE     | 0.06  |
| 44                          | MINISTRY OF LOCAL GOVERNMENT  | 0.06  |
| 45                          | KENYA TEA DEV. AGENCY         | 0.04  |
| 46                          | UNIVERSITY OF NAIROBI         | 0.02  |
| 47                          | MINISTRY OF AGRICULTURE       | 0.01  |
| 48                          | DEPT. OF WEIGHTS& MEASURES    | 0.01  |
| 49                          | CENTRAL BANK OF KEN YA        | 0.01  |
| 50                          | KENYA SUGAR AUTHORITY         | 0.01  |
| 51                          | CATERING LEVY TRUSTEES        | 0.01  |
| 52                          | HIGHER EDUC. LOANS BOARD      | 0.003 |

| FREQUENCY OF BRIBERY<br>(BRIBES PER CLIENT/MONTH, BRIBES “PER CAPITA”) |                               |             |
|--|-------------------------------|-------------|
| 1  | KENYA POLICE                  | 10.5 6.7    |
| 2  | OTHER LOCAL AUTHORITIES       | 6.8 1.3     |
| 3  | PUBLIC HOSPITALS (EXCL. KNH)  | 4.3 0.6     |
| 4  | ATTORNEY GENERAL'S CHAMBERS   | 3.7 0.4     |
| 5  | MINISTRY OF LANDS             | 3.6 0.4     |
| 6  | MOMBASA MUNICIPAL COUNCIL     | 3.1 0.2     |
| 7  | PROVINCIAL ADMINISTRATION     | 3.1 0.8     |
| 8  | NAIROBI CITY COUNCIL          | 3.0 1.0     |
| 9  | POSTA CORPORATION             | 2.7 0.2     |
| 10   | REGISTRAR OF PERSONS          | 2.6 0.4     |
| 11   | JUDICIARY                     | 2.4 0.5     |
| 12   | MINISTRY OF LOCAL GOVERNMENT  | 2.4 0.04    |
| 13   | FORESTRY DEPARTMENT           | 2.4 0.04    |
| 14   | KISUMU MUNICIPAL COUNCIL      | 2.2 0.2     |
| 15   | MINISTRY OF PUBLIC WORKS      | 2.0 0.04    |
| 16   | KENYA PORTS AUTHORITY         | 1.9 0.2     |
| 17   | IMMIGRATION DEPARTMENT        | 1.9 0.4     |
| 18   | AGRICULTURAL FINANCE CORP     | 1.9 0.02    |
| 19   | MOTOR VEHICLE LICENSING DEPT  | 1.8 0.3     |
| 20   | MINISTRY OF HEALTH            | 1.5 0.1     |
| 21   | KENYA REVENUE AUTHORITY       | 1.5 0.4     |
| 22   | PRISONS DEPARTMENT            | 1.4 0.1     |
| 23   | KENYA AIRPORTS AUTHORITY      | 1.3 0.1     |
| 24   | KENYA POWER& LIGHTING CO.     | 1.3 0.7     |
| 25   | KENYATTA NATIONAL HOSPITAL    | 1.2 0.1     |
| 26   | TEACHERS SERVICE COMMISSION   | 1.2 0.1     |
| 27   | KENYA BROADCASTING CORP       | 1.1 0.03    |
| 28   | OTHER STATE CORPORATION       | 1.1 0.1     |
| 29   | NATIONAL HOSPITAL INS FUND    | 1.1 0.1     |
| 30   | KENYA NAT. EXAMS COUNCIL      | 1.1 0.02    |
| 31   | OTHER CENTRAL GOVERNMENT      | 1.1 0.02    |
| 32   | MINISTRY OF FINANCE           | 1.0 0.02    |
| 33   | KENYA BUREAU OF STANDARDS     | 0.8 0.03    |
| 34   | TELKOM KENYA                  | 0.8 0.4     |
| 35   | NATIONAL SOCIAL SECURITY FUND | 0.7 0.1     |
| 36   | NATIONAL WATER& PIPELINE CORP | 0.7 0.03    |
| 37   | DEPT. OF WEIGHTS& MEASURES    | 0.5 0.004   |
| 38   | MINISTRY OF EDUCATION         | 0.4 0.02    |
| 39   | NATIONAL BANK OF KENYA        | 0.4 0.02    |
| 40   | KENYA TEA DEV. AGENCY         | 0.3 0.003   |
| 41   | EMBASSIES& INT'L ORGS         | 0.2 0.02    |
| 42   | KENYA WILDLIFE SERVICE        | 0.1 0.003   |
| 43   | PRIVATE SECTOR                | 0.1 0.1     |
| 44   | KENYA RAILWAYS CORP           | 0.1 0.002   |
| 45   | UNIVERSITY OF NAIROBI         | 0.1 0.001   |
| 46   | KENYA COMMERCIAL BANK         | 0.1 0.01    |
| 47   | MINISTRY OF AGRICULTURE       | 0.04 0.001  |
| 48   | COMMISSIONER OF INSURANCE     | 0.03 0.001  |
| 49   | CENTRAL BANK OF KEN YA        | 0.03 0.001  |
| 50   | CATERING LEVY TRUSTEES        | 0.02 0.0002 |
| 51   | KENYA SUGAR AUTHORITY         | 0.02 0.0002 |
| 52   | HIGHER EDUCATION LOANS BOARD  | 0.01 0.0001 |

**FREQUENCY OF BRIBERY**

People who deal with the police pay 10.5 bribes per person per month on average, which translates to 6.7 bribe “per capita”, making police officers the most frequently bribed public officials in Kenya. Officials of local authorities (excluding Nairobi, Mombasa & Kisumu) are second, extracting seven bribes per person per month (1.3 bribes/capita), and hospital staff third with four bribes per person (one bribe/capita). Clients of the Attorney General’s office and Ministry of Lands pay just under four bribes per month. Police officers alone account for just over 40% of bribes paid, that is four out of 10 bribes and police and local authority

officials for close to 60%, that is six out of 10 bribes paid. The ten most frequently bribed organizations account for 75% of all the bribes paid. The Catering Levy Trustees is the least frequently bribed organization in the ranking with one bribe for every 50 persons per month, followed by the Central Bank, the Commissioner of Insurance and the Ministry of Agriculture with one bribe for every 30 clients per month.