# IMPACT OF CORRUPTION ON SERVICE DELIVERY IN THE MINISTRY OF

LANDS (2005 -2012)
ВҮ
JANE NYANDIA MAINA
A Project Submitted in Partial Fulfillment of the Requirement for the Award of Master of
Public Administration (M.P.A) Degree at the University of Nairobi.
Faculty of Arts

@2013

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#### **DECLARATION**

This project is my original work and has not been presented for examination in any other	r
university.	

Student's Name: Jane Nyandia Maina Registration Number: C50/70365/2011 Signature .... Date. 21/11/2013

This project has been submitted for examination with my approval.

Supervisor's Name: Dr. Adams Oloo

Signature: American Date: Date:

# **DEDICATION**

This study is dedicated to Peter my friend and love of my life, Agnes and Sharon my two beautiful daughters, Kariz my nephew, my mum, brother and sisters. Love you all.

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#### **ACRONYMS**

ACPU: Anti - Corruption Police Unit

COL: Commissioner of Lands

DC: District Commissioner

DOS: Director of Survey

DPM: Directorate of Personnel Management/

DPP: Director of Physical Planning

DPPO: District Physical Planning Officer

EACC: Ethics and Anti - Corruption Commission

**ERS: Economic Recovery Strategy** 

KACC: Kenya Anti - Corruption Commission

MDG: Millennium Development Goals

OECD: Organization for Economic Cooperation and Development

PC: Provincial Commissioner

PDP: Part Development Plan

PID: Preliminary Index Diagram

PSSP: Public Sector Stakeholder Partnership

RIM: Registry Index Map

SODNET: Social Development Network

SPSS: Statistical Package for Social Scientists

TI: Transparency International

UNDP: United Nations Development Programs

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#### ABSTRACT

The purpose of this study was to establish the impact of corruption on service delivery in the Ministry of Lands. The trend of corruption and performance in service delivery for the Ministry of Lands was examined before the impact was established. It is argued that corruption leads to an increase in the cost of public goods and loss of revenue both of which lead to poor service delivery. The study uses secondary data from Ethics and Anti -Corruption Commission and the public Sector Reforms and Performance Contracting secretariat for the period 2005 to 2012. The corruption trend over the period assumed a second degree polynomial (quadratic) functional structure while, service delivery trend assumed a linear function. A negative Pearson's correlation was established between corruption and service delivery in the ministry of Lands. The researcher recommends a study be carried out to assess the effectiveness of the corruption measures that have been put in place in the Ministry of Lands. A second recommendation is that, the department of Public Sector Reforms and Performance Contracting with corroboration with the Ministry of Lands to develop models for setting of future targets. In addition the researcher recommends that the ministry of lands carries an assessment of the procedures/processes with the aim of identifying loopholes and weakness that may foster corruption.

#### **CHAPTER ONE**

#### IMPACT OF CORRUPTION ON SERVICE DELIVERY

#### 1.1 Introduction

The executive arm of the government is responsible for providing essential goods and services to its citizens. These essential services and goods include: security, healthcare, education, infrastructure, water, land administration and management and other essentials services. The government departments are fundamentally established to provide these public goods and services efficiently and effectively. An efficient and effective public service is vital if Kenya is to sustain economic growth, reduce poverty and create employment as was envisaged in the Economic Recovery Strategy plan (ERS), attain the Millennium Development Goals (MDGs) and achieve the goals set in Kenya Vision 2030.

The achievement of the MDGs and Kenya Vision 2030 are anchored on efficient and effective land and administration services. Without efficient and effective administration and management of land resources, the flagship projects intended to drive the Kenya vision 2030 cannot be actualized. For the services to be considered efficient and effective then availability and affordability is paramount.

Availability refers to the physical access of the services needed while affordability is the ability of the client to pay for the services. Efficient and effective service delivery then means that the citizens must be able to access the services physically and also able to pay. Hence, any variable that interferes with the availability and affordability of the services will impact negatively on efficiency and effectiveness of service delivery.

Prevalence of corruption in the public sector is said to hamper efficient and effective service delivery (Lawal, 2007). Services delayed creates an avenue for corruption hence, when services are intentionally delayed to attract a bribe, the availability and affordability can no longer be quarantined and therefore efficiency and effectiveness of the services will be compromised.

According to Mihaiu, Opreana and Cristescu (2010) efficiency is given by the ratio of inputs (resources) to outputs (results). On the other hand, effectiveness is given by the ratio of the outputs (results) and the outcomes (effects). Hence, to assess efficiency and effectiveness the relationship between the inputs, outputs and the outcomes must be analyzed. Measuring efficiency and effectiveness in the public sector is complicated by the fact that quantifying inputs and outputs is quite difficult.

The inputs such as financial resources in the public sector are from different sources which include Kenyan and foreign government grants, loans or capital investments. The public sector outputs have both economical and social benefits (Mahiau et al, 2010). Economical benefits can be quantified in monetary values while, social benefits contribute to the welfare of the citizens. Further, social benefits in most cases are long term effects such as, poverty reduction, reduced child mortality and increased literacy levels.

According to Bester (2007) efficiency can be determined by measuring performance. However, Drucker (2001) argues that there is no efficiency without effectiveness hence; measuring performance will determine both the efficiency and effectiveness of service delivery in the Ministry of Lands. This study has focused on measuring performance as a measure of service delivery in the Ministry of Lands.

Corruption is a predicament that has entrenched itself in all sectors, both in developed and developing countries. However, research carried out shows that it is more prevalent in the developing countries (Pellegrini & Gerlagh, 2007, Svensson, 2005). Corruption manifests itself in different forms under different environments and contexts and therefore it is impossible to have a universal definition that encompasses all. However, corruption has widely been defined as abuse or misuse of public office and funds for personal gain.

According to Kivoi (2012) corruption is motivated by the spirit of private gain at the expense of public interest. Lawal (2007) adds that where corrupt practices have become entrenched, large scale corruption co-exists with petty corruption by which officials at almost every level request payment to perform tasks or provide services.

The consequences of corruption have impacted negatively on the welfare of the society at large and have been a concern to the previous as well as the current governments. Uhuru Kenyatta the 4<sup>th</sup> president of Kenya in his speech during the National Leadership and Integrity conference held on 12<sup>th</sup> June 2013 in Kenya School of Monetary Studies reiterated that, if corruption is left unchecked it may hinder the achievement of Vision 2030 and other development goals.

The implication is that corruption has adverse consequences on the country's development. Nyaga and Theuri (2011) ascertain that corruption undermines government ability to provide basic services such as healthcare and education and leads to wastage of public resources. Further, corruption increases the cost of doing business, discourages foreign and local investments, distorts public expenditures, reduces economic efficiency and slows down

administrative processes hence, undermining development and service delivery (Nyaga & Theuri, 2012, Chweya, Tatu & Akivaga, 2005).

A cross – national study carried out by Vian (2005) found out that, resources are lost in hospitals through corrupt practices leading to reduced revenue to pay salaries and operations. In addition, patients who visit these hospitals are unable to access quality and affordable services.

In Kenya, a survey carried out by Kenya Anti – Corruption Commission (KACC) in 2007 in the eight provinces found that, 68.2 percent of the public officers received complaints from the citizens while, 59.4 percent of the citizens had complained due to poor services. Further, Anassi (2004) in a study 'Corruption in Africa; The Kenyan experience' found out, that services delivered in majority of the local authorities in Kenya are extremely poor and this has been blamed on corruption.

Where corruption has been entrenched, public officials withhold or delay services provision necessitating payment of bribe to speed up the process (Shleifer & Vishny, 1993). When a public official demands a bribe, the cost of the government services is pushed upward, leading to marginalization of those members of the public who cannot afford the services hence, limiting the supply.

On the other hand a public official can withhold the revenue, by undercharging the government services and not remitting the revenue to the government. Withholding revenue leads to revenue loss for the government but increases the demand for the services.

Withholding or delaying the services leads to low levels of performance which is an indication of poor service delivery (Munusamy, Chelliah & Mun, 2010).

The Kenyan government acknowledges that over the years the quality of services offered in the public sector has been below the public expectation. Accordingly service delivery in the public sector has been characterized by excessive regulation and control, red tape, frequent political interference, poor management, mismanagement of resources, bloated workforce and corruption (GoK, 2005). This is in tandem with Chepkilot's (2005) assertion that, poor service delivery and corruption in the public sector have persisted over the years.

Research carried out by Ethics and Anti – Corruption Commission (EACC) annually show that corruption is still rampant in the public sector and the services rendered by the public officials are still below the expectations of the members of the public. Ministry of Lands has persistently been ranked among the ten most corrupted public institutions over the years, where land cartels, land grabbing, bribery and extortion are examples of corrupt practices encountered. Therefore, this study intends to find how corruption impacts on service delivery in the Ministry of Lands.

# 1.2 Statement of the Problem

Land is critical to the economic, social and political development of Kenya and it was the key reason for the struggle for independence (Njonjo Land Commission, 2002). Land provides a means of livelihood for the majority of Kenyans hence; issues pertaining to land administration and management are at the heart of every Kenyan.

Though land was the key reason for the struggle for independence, no significant changes were made after independence as far as the policies, laws, institutions and structures that were governing land administration. Hence, over the years, Kenyans have raised various concerns related to land administration and management such as: access, ownership, control, distribution, and use. Recognizing the serious problems facing land administration and management in Kenya, the government responded by setting up a number of commissions.

The first commission was the Njonjo Land Commission. Its mandate was to carry out inquiry into existing land laws and tenure system with the aim of coming up with recommendation to improve land administration and management in Kenya.

The Njonjo Land Commission found that services in the Ministry of Lands were characterized by delays, incompetence, corruption, nepotism, political interference and overlap of roles and functions. Further, there was abuse of discretion power bestowed on the public officials in the irregular allocation of public land. According to the report, the public officials were irregularly allocating public land without following legally laid down procedures that ensure appropriateness, transparency and fairness. The abuse led to massive grabbing of land reserved for public use.

The Njonjo Land Commission recommended institutional framework for land administration in the country to bring about: community participation in land administration and decision making, improve efficiency, transparency and accountability. However, the recommendation made by the Njonjo Land Commission were not implemented, hence the malpractice in the Ministry of Lands continued unabated.

In the year 2003 the Ndungu Land Commission was established. Its mandate was to carry out inquiry into the unlawful allocation of public land, ascertain the beneficiaries and identify public officials involved in illegal allocations. In addition, the commission was required to make recommendations for appropriate measures for: the restoration of the grabbed land to their proper purpose, prevention of future grabbing of public land and prosecution of the land grabbers.

In its finding the commission found that, there was systematic and widespread abuse of public trust by public officials and that land was no longer allocated for development purposes but as political reward or patronage and for speculation purposes. Further, the public officials and institutions charged with being the custodians of public land were the main facilitators of illegal allocations. In addition, the commission found that forged letters and documents were used to allocate land in numerous instances hence, posing a threat to the security of titles.

The commission recommended the following: inventory of public land, computerization of land records, drafting of a comprehensive land policy and the establishment of a Land Titles Tribunal. The Land Titles Tribunal was to be charged with reviewing each and every case of suspected illegal or irregular allocation of land, in order to facilitate the process of revocation and rectification of such titles.

Both Njonjo and Ndungu Land Commissions unearthed corrupt practices in the Ministry of Lands. However, based on their recommendations poor service delivery characterized by complaints by the members of the public was due to failure of institutional structures. Hence,

the two commissions recommended structural and institutional reforms aimed at improving service delivery in the Ministry of Lands.

In the last two decades, the Kenyan government has introduced a number of reforms aimed at improving performance, enhancing service delivery and promoting transparency and accountability in the public sector. In pursuing the public sector reforms, the government has adopted a multiplicity of measures such as: performance contracting, Service Charter, enactment of policies and establishment of complaint committees and Anti – Corruption agency among others.

The introduction of performance contracting in the public sector was expected to: improve service delivery and efficiency in resource utilization, institutionalization of a performance-oriented culture in the public service, measurement and evaluation of performance. Others include linking rewards and sanctions to measurable performance, retention or elimination of reliance of public agencies on exchequer funding, instilling accountability for results at all levels and enhancing performance.

Performance contracting involves setting agreed targets between the employer and the employee. However, the currently arrangement is that each ministry sets the targets which are later compared with the actual performance. This arrangement is prone to abuse as underperformance can be masked by setting targets that are easily achievable.

To enhance efficient and effective service delivery further, the government introduced the Service Charter. A Service Charter outlines the obligation of the service provider and informs

the citizen his/her right hence; it empowers the citizen to demand for better services. However, the citizens are not involved in the preparation of the service charter.

Further, complaint committees have been established in public institutions to facilitate an avenue for feedback from the citizens. The complaint committee's offices have been set up in the head quarters hence; citizens have difficulties assessing these offices. Though the complaint committees visit the field offices, time and funds are a constraint and therefore many citizens' complaints remain unheard for long periods.

To prevent corruption in the public sector, the government has adopted the following measures. First is the establishment of the Anti – Corruption Economic Crime Act (2003) which provides for prevention, investigation, punishment of corruption offenders, recovering of unexplained wealth and the establishment of EACC. Though the EACC is mandated to combat corruption and economic crime in Kenya, it has not been bestowed with powers to prosecute the offenders instead; it is required to forward the file to the Attorney General.

Second is the public Officer Ethics Act (2003) which governs the ethic of public officials by providing the code of ethics and also requiring public officials to declare their wealth. However, the wealth declaration forms are not open to public scrutiny.

Third is the 2010 Constitution of the Republic of Kenya Act 232 which stipulates the values and principles of public services that they should adhere to in order to promote continuous delivery of efficient and effective services to the citizens. The 2010 constitution is in the process of being implemented hence, its effectiveness can only be determined after it has fully been implemented.

The Ministry of Lands recognizes the important role land plays in the social, political and economic sphere in the country. Towards that endeavor the Ministry of Lands has introduced the public sector reforms and implemented recommendations made by the two commissions to facilitate improvement of livelihood of Kenyans through efficient administration, equitable access, secure tenure and sustainable management of land resources. However, the full benefits of the reforms and recommendations of the commissions have not been realized by the citizens as the services offered are still below their expectations.

According to the Transparency International (TI) (2010) nearly 58 percent of the respondents who had sought land services from the Ministry of Lands in Kenya had been asked to pay a bribe. A survey carried out by EACC (2011) in Kenya also found that, corruption levels in the country had dropped to 36.1 percent from a high of 42.8 percent in the previous year. However, corruption levels in the Ministry of Lands had gone up from 14.2 percent in the year 2008 to 19.3 percent in the year 2011.

Among professionals that are perceived as being corrupt, land surveyors and land registrars were among the most corrupt while, district land offices were among the most corrupt government departments (EACC, 2011). In addition, 53.8 percent of the respondents said, it was very difficult to obtain a title deed from the Ministry of Lands. However, only 2 percent of the respondents said there was some improvement in service delivery in the Ministry of Lands.

Researches carried out over the years have demonstrated a negative correlation between corruption and service delivery (TI and KACC/EACC annual surveys, Gupta, Davoodi & Tiongson, 2000, SODNET, 2000, Canfield, 2011). For example, a survey carried out by

EACC to assess the consequences of corruption in the health sector in Kenya, found that corruption has a negative correlation on the health sector outcomes. Therefore, this study sought to establish the impact of perceived corruption on the service delivery in the Ministry of Lands.

#### 1.3 Research Questions

The overall research question for the study was how does corruption impact on service delivery in the Ministry of Lands? The specific questions were:

- i. What has been the trend of perceived corruption in the Ministry of Lands between 2005 and 2012?
- ii. How has been the trend of service delivery of the Ministry of Lands between 2005 and 2012?
- iii. How has service delivery in the ministry of Lands been affected by the perceived corruption between 2005 and 2012?

# 1.4 Objective of the study

The main objective of the study was to find out the impact of corruption on service delivery in Ministry of Lands between 2005 and 2012. The specific objectives of this study were to:

- Determine the trend of the perceived corruption in the Ministry of Lands between 2005 and 2012.
- ii. Find out the trend of service delivery of the Ministry of Lands between 2005 and 2012.

iii. Establish the relationship between perceived corruption and service delivery in the Ministry of Lands between 2005 and 2012.

### 1.5 Justification of the Study

The findings of this study will be useful to stakeholders both in the public and private sectors. Corruption is a predicament that has entrenched itself in all sectors. The government has put in place reform programs to improve performance, enhance service delivery and promote transparency and accountability in the public sector. However, two decades since the introduction of public sector reform programs, there is still a significant gap between what the government is offering and the public expectations. Further, the Ministry of Lands has persistently remained among the most corrupt public sector institutions. Hence, the findings of this study will help all the stakeholders understand how corruption impacts on service delivery in the Ministry of Lands and by extension other government department afflicted by the vice.

In the private sector, licensed surveyors, lawyers and the members of the public will be able to understand the relationship between the 'greasing of hand' and the impact on the services rendered. Equipped by the information generated from this research, the private and the public sector can form a working relationship to eradicate the corruption menace that is rampant in government departments and institutions. According to TI (2010) seven out of ten respondents believed that the general public participation in the fight against corruption would have a positive impact.

There is a knowledge gap on the impact of corruption on service delivery at institutional level hence, information collected will form part of a vital data base for future research. Most

of the studies on corruption in Kenya have been conducted at the national level (SODNET, 2000, Anassi, 2004, Chweya, Tuta & Akivaga 2005, EACC annual perception surveys), this study focused on the impact of corruption at the institutional level and therefore, other scholars will find it important as it will add a micro dimension to the existing body of knowledge on the consequences of corruption.

# 1.6 The Scope of the Study and Limitations

The study was undertaken in the Ministry of Lands. The Ministry of Lands has persistently been ranked among the top ten most corrupt government organizations while, members of the public have complain about poor services. Since 2005, Kenya Anti – Corruption Commission (KACC) and thereafter Ethics and Anti – Corruption Commission (EACC) have been conducting annual perception corruption surveys in the public sector.

The government also, in the year 2005, introduced performance contracting in the public sector. The introduction of performance contracting in the public sector, facilitated ranking of the different government institutions based on their performance in service delivery. The ranking of the public sector institutions have been based on the composite score computed from the actual achievement against the performance target.

This study used the composite scores and measures of outputs to establish the trend of service delivery in the Ministry of Lands. The output measures included revenue and AIA collected, number of deed plans, RIMs PDPs and titles processed/prepared, number of land adjudication disputes resolved and landless people settled, computerization of the land records and completion rate of projects undertaken in the Ministry of Lands.

The researcher selected output measures that had been evaluated since the year 2005 and also ensured that all departments in the Ministry of Lands were incorporated. Therefore, by focusing on the service delivery based on composite score, output measures outlined and the perceived corruption in the Ministry of Lands this study, sought to establish the correlation between service delivery and perceived corruption.

The main limitation was encountered when trying to obtain data from the Ministry of lands offices where I was viewed with a lot of suspicion. Though a formal request for data was made the Ministry of Lands did not respond. Nevertheless, the public sector reform and performance contracting secretariat provided the performance contract and the evaluation report for the Ministry of Lands and therefore the research was completed on time.

#### 1.7 Definition of Key concepts

Key concepts have a nominal and operational definition.

#### Corruption

Corruption is defined as abuse or misuse of public office and funds for personal gain. In this study, corruption referred to perceived corruption by household as carried out by the Anti – Corruption agency in Kenya. The surveys carried out by the Anti – Corruption agency have been done annually since the year 2005 in government institutions. Ministry of Lands has been one of the government institutions surveyed annually hence, the Anti – Corruption agency data provided reliable data to analyze the trend of perceived corruption in the Ministry of Lands. In the year 2009, no survey was carried out however; it was interpolated from the 2008 and 2010 data.

It should be noted that the perceived corruption is based on individual's perception and not on the actual corruption hence, biases could be present in the data. However, the secrecy with which corruption is associated with makes it difficult to measure the actual corruption. To validate the EACC data, East Africa bribery Index Transparency International data was also used for the same period.

#### Public services

Public services are the services provided by governments and are mainly funded through taxation or revenue collected by governments from its people. In this study the public services were those services offered in the Ministry of Lands which included: Land Policy formulation and implementation, administration and management of Government and Trust Land, registration of titles deeds, land valuation, resolution of land and boundary disputes, supervision and facilitation of Land Control Boards and Land Tribunals. Others include ascertainment and protection of land rights, settlement of poor landless Kenyans, land surveying and production of maps, maintenance and inspection of international boundaries and preparation of national, regional and local physical development (Ministry of Lands Service Charter).

#### Public sector employees

The public sector employees in Kenya include employees in the: Public Service Commission, Armed and Discipline Forces, Judicial Service Commission, Local Authorities, Public Universities, Parliamentary Service Commission, State Corporations and Statutory Bodies. For the purpose of this study, the public sector employees refer to employees working in the Ministry of Lands.

#### **Service Delivery**

This study adopted performance as the measure of efficiency and effectiveness of service delivery. Performance has been defined as the general accomplishment of a given task against preset standards of accuracy, completeness, cost and speed (Hogan, 1998). On the other hand, Campbell and Campbell (1988) define performance as productivity. In this study the definition of performance as given by Hogan has been adopted.

In the year 2005 the Kenyan government introduced performance contract as a management tool for measuring performance of service delivery in the public sector. According to Armstrong and Baron (2004) the main purpose of the performance contracting is to ensure efficiency and effective service delivery to the public in a transparent and accountable manner.

A performance contract is a management tool for measuring negotiated performance targets (GoK, 2006). The performance contract specifies the mutual performance obligations, intentions and the responsibilities of the two parties (AKaranga, 2008). A Performance contract spells out clearly the desired outputs expected of the public official who has signed the contract. Performance evaluation for each public agency is based on the signed performance contract and the Annual Performance Report. It entails the rating of actual achievements against performance targets negotiated and agreed upon at the beginning of the financial year.

This study adopted the performance data of the Ministry of Lands from the annual report on the evaluation of performance of the public agencies as given by the department of Performance Contracting in the then office of the Prime Minister. Specifically the study used the composite score and output measures as a measure to establish the trend of service delivery and hence, the impact of corruption on service delivery in the Ministry of Lands.

Outputs measures used included revenue and AIA collected, number of deed plans, RIMs, PDP and title deeds processed/prepared, number of boundary disputes resolved and landless citizen settled were adopted. In addition data based on computerization of land records, completion rate of projects, establishment and maintenance of national and international boundaries were also adopted. The measures were compared against the set targets in the annual performance contracts for the Ministry of Lands. The different measures of output were chosen to ensure that all departments of the Ministry of Lands were incorporated.

In assessing service delivery using the performance contract signed and the annual performance report by the government agencies, it should be noted that there is no direct accountability of the public service employees to the service consumers. This is because the government has taken the role of service provision and at the same time assessor of the services offered. Second the targets set are not based on predetermined models. Due to the fact that customer satisfaction surveys in the Kenyan public sector have not been embraced, this study adopted the performance contract data and the evaluation reports as a measure of service delivery in the Ministry of Lands. In the year 2005/2006 and 2011/2012 the evaluation reports were not available nevertheless, the performance contracts were all there.

## 1.8 LITERATURE REVIEW

The study's literature focused on corruption and the impact on service delivery. I have reviewed studies that have previously been carried out in order to identify the gaps.

For efficiency and effective service delivery, then accessibility of the services must be quarantined. Thus, service delivery that is not available, affordable or both is afflicted by corruption. In the land sector for examples, service delivery is characterized by excessive long delays, laxity by officers, slow processes, poor public relations, agents/brokers, poor record keeping and payments of bribe hence, undermining the availability and affordability of the services. When services become inaccessible, the quantities decline and revenue is lost leading to poor service delivery (Shleifer & Vishny, 1993, Bearse, Glomm & Janeba, 2000).

According to some authors, payment of a bribe has no adverse consequence but rather; it is an efficient solution for overcoming centralized, overly extended bureaucracy, red tape and excessively long delays (Leff, 1964, Lui, 1985, Kaufmann & Wei, 1999). However, research carried out over the years have demonstrated the pervasiveness of corruption and poor performance characterized by inefficiency and ineffectiveness in different sectors (TI corruption perception indices, EACC corruption surveys, Gupta, Davoodi & Tiongson, 2000, SODNET, 2000, Canfield, 2011)

In a cross – country analysis of the relationship between service delivery and corruption perception indices, Gupta et al (2000) found out that, there was a negative correlation between the two. The findings showed that child mortality rates were about 33.3 percent higher in countries with high levels of corruption than in countries whose levels were low. In addition, infant mortality rates and percent of low – birth weight babies were almost twice as

high while, school dropouts were five times high. The study was carried out in the health and education sectors using cross — country data. The corruption data was based on TI corruption perception indices. This study relied on annual corruption data obtained by the Anti — Corruption agencies in Kenya as perceived by members of the public while; the study was carried out in the Ministry of Lands in the Land sector.

In a cross – district survey in India where 79 districts were surveyed, Canfield (2011) found out that there is a negative correlation between corruption and education outcomes. The correlation coefficient was computed between corruption and percentage of students that passed primary and upper primary in 2005 and also overall literacy rate for the year 2001. The corruption coefficient was negative and significant at 10 %, 5% and 1% for students at primary, upper primary and overall literacy rate respectively. The results indicated that corruption impacts on the education outcomes negatively.

The study was carried out in the Indian education sector where the TI corruption perception indices provided the corruption data. This study was carried out in the Ministry of Lands in the Land sector in Kenya. The corruption data was obtained from the annual EACC corruption perception indices. The corruption coefficient was computed between perceived corruption and composite score, number of deed plans, RIM, PDP processed/prepared, number of disputes resolved and land less people settled, AIA and revenue collected, rate of project completion and computerization of lands record against the set targets in the performance contracts.

In Kenya, a research carried out by SODNET (2000) where 650 respondents were sampled in a nationwide survey targeting all the former eight provinces reported the following findings.

When asked whether corruption made the service delivery process cheaper and affordable, 10 percent of the respondents reported a positive impact while, overwhelming majority 90 percent reported a negative impact. Further, when asked whether corruption raises the transaction cost, less than 10 percent of the respondents said that bribery improved efficient while 24 percent said that it increases inefficiency. In addition, in the judiciary 48 percent of the respondents attributed poor service to bribery while, 33.2 percent said they had been asked to pay extra charges before they could access the service they desired.

In the lands sector where a total of 208 respondents had visited the lands department, majority of them attributed bribery or favoritism to the time taken to get services in land related matter. Among the respondents, 95 percent said it took too long to get services in the Land Control Board while only 14 percent said the time was unexpectedly short. This study was undertaken in five key sectors in Kenya namely: lands, health, judiciary, police and education in the year 2000 however, this study focuses on the period between 2005 and 2012 in the Ministry of Lands.

The variables used in the SODNET study were customer satisfaction, time, the quality of services and perceived corruption. This study however has used perceived corruption, composite score, number of deed plans, RIM, PDP processed/prepared, number of disputes resolved and landless people settled, AIA and revenue collected, rate of project completion and computerization of lands record against the set targets in the performance contracts within the 2005 – 2012 period. Hence, though the study was undertaken in the land sector, the variables used and the period of study are different. The 2000 study relied on data

collected within one year while, this study has used quantitative data covering a seven year period.

A survey carried out by EACC (2010) in the health sector in the country found out that, corruption has adverse consequences in the health sector. Among the findings; corruption was found to drain resources (finances, medical and non – medical supplies) leaving other functions (operations and Maintenance) underfunded hence, impacting negatively on the quality of services delivered. Further unofficial charges increases the cost of accessing health care services leading to marginalization of the poor in the society. Corruption was also found to accelerate the problem of counterfeit drugs in the market. The study was carried out in the health sector where managers, service seekers and health care providers were interviewed to provide the study data. This study was carried out in the Ministry of Lands in the Land sector while, the main source of data was from annual EACC surveys and performance reports.

Further, the EACC has undertaken a survey in the land sector in 2012- 2013. The study relied on data collected from a sample of 1200 respondents in the 47 counties through exit interviews, key informant and focus group respondents. Among the key finding is that corruption is still rampant in the land sector. According to the respondents the major processes prone to corruption include: issuance of title 35 percent, survey services 33 percent, approval of physical planning 15 percent, conducting search 10 percent and subdivision/succession.

In addition, 70 percent of respondents were dissatisfied with the services offered. On the impact of corruption on service delivery in the Ministry of Lands the respondents stated that

land grabbing, fraud, high cost of land transactions and numerous boundary land disputes have been a major occurrence in the sector. The respondents have experienced persistent long queues, laxity by land offices, very slow services, poor public relations and poor record keeping, poor attitude from public officials, understaffing and high cost of land transactions.

This study looked at the impact of corruption on the service delivery over a period of seven years (2005 – 2012) where statistical analysis such as mean, standard deviation, coefficients of variance and correlation were computed. To determine the impact of corruption on service delivery in the Ministry of Lands, Pearson's correlation coefficient and the moving Pearson's correlation of order 3 were determined. The study adopted composite score and output measures. The output measures included number of deed plans, RIM and PDP processed/prepared, number of disputes resolved and landless people settled. Others included AIA and revenue collected, rate of project completion, number of national and international boundaries established and computerization of lands record. Corruption data was from annual surveys carried out by EACC over the period.

#### 1.9 Theoretical Framework

One of the corruption models is the principal-agent-client which is grounded in rational choice theory (Lambsdorff, 2007). According to the principal – agent - client model, the actors act in their best interest based on the evaluation of the expected benefits against the consequences. This model tries to explain the corruption relationships and the type of transactions involved between the different actors. However, the model does not provide the framework for analyzing the consequences of corruption.

This study adopted the model of corruption as envisaged by Shleifer and Vishny (1993). The model of corruption provides the framework for analyzing the consequences of corruption on the provision of public services. In the model the public official has the discretion power over the sale of the government services or goods. Using his/her discretion power the public official withholds or delays the services or goods until a bribe is paid. Processing of titles or survey documents always has some sense of urgency and hence, any delay whether deliberate or otherwise leads to impatience on the part of the service seeker. Due to the perceived urgency the members of the public will easily part with a bribe if requested hence, Shleifer and Vishny (1993) corruption model applies.

The corruption model portrays two cases, figure 1.1a and 1.1b both of which have adverse consequences on provision of public services. D is the demand curve for a title, survey documents or boundary dispute complaints while, 'p' is the official government fee. In the first case figure 1.1a, the public official through withholding or long delays introduces a bribe to the cost of land administration matters. The public official remits the government revenue but retains the bribe. The overall effect drives the cost upward while lowering the quantity of goods. In this case the marginal cost is equal to 'p' while, the marginal revenue

(MR) is equal to the bribe. According to Shleifer and Vishny (1993) the public official maximizes the value of the bribe he/she obtains from selling the government goods. Those able to pay the bribe are able to obtain the services while, those members of the public unable to pay a bribe are pushed to the periphery. This first case limits the supply of the government services/goods hence, impacting negatively on service delivery.

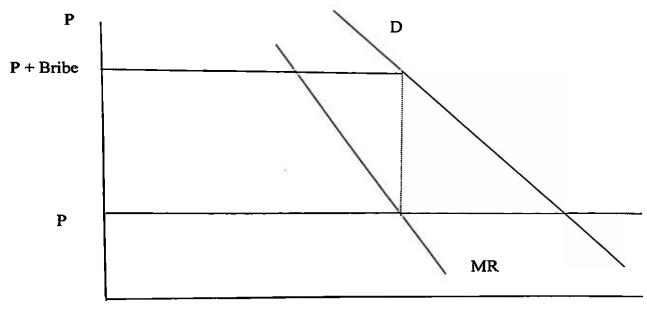


Figure 1.1a: Corruption without Theft

Source: Shleifer & Vishny (1993, p.602)

In the second case figure 1.1b, the public official undercharges the services by requesting a bribe which is lower than the actual cost. However, nothing is remitted to the government as the public officers pockets the revenue collected. A good example is when a member of public requests for a copy of a survey plan or a map. The official cost is 500 hundred Kenya shillings. The public official can ask the member of public to pay 300 hundred shillings as long as no receipt will be demanded. The public official equates the marginal cost to the marginal revenue. Shleifer and Vishny (1993) argue that such a case is attractive to both the

public official and the members of the public. The demand for the services increases, however the government loses revenue. In the short run the loss of revenue may be insignificant however; in the long run due to cumulative revenue losses the consequences will be adverse.

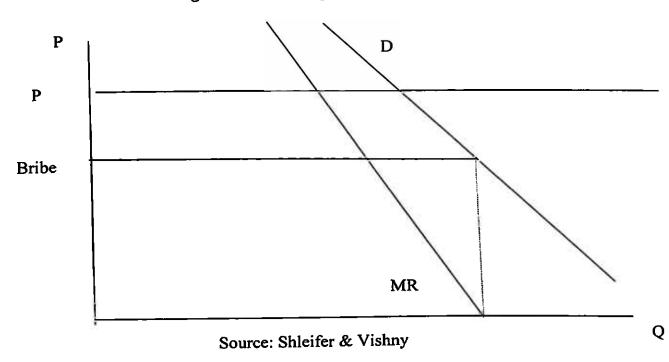


Figure 1.1b: Corruption with Theft

The effects of corruption as depicted by the two cases have adverse consequences on the provision of service offered within departments or organization where corruption is rampant. Though this model has been criticized for treating the government as a monopolist in the provision of service Gupta et al (2000), its application is relevant to the Ministry of Lands since, it is the only government organization mandated with land administration and management matters in Kenya.

# 1.10 Research Hypotheses

Corruption impacts negatively on service delivery.

#### 1.11 RESEARCH METHODOLOGY

This section looks at the research design, the target population, sampling techniques, sample size, the data collection and analysis as well as data presentation.

#### 1.11.1 Research Design

This was a correlation study focusing on the impact of corruption on service delivery in the then Ministry of Lands. Quantitative data was obtained from annual reports published annually by the Anti – Corruption Agency and the Performance Contracting department in the office of the prime Minister as it existed then.

## 1.11.2 Target Population

The government institutions include: 46 ministries, 178 state corporations, 175 local authorities and 69 tertiary institutions which had signed performance contracts as per the 2010/2011 financial year. The then Ministry of Lands was purposively chosen due to the following reasons. First, it has always been ranked among the most corrupt public institutions based on EACC annual perception survey.

Second, the Ministry of Lands offers crucial services to the public that are always in demand and also involve payment of requisite fees to the government. According to Marx (1995) departments involved in rent – seeking activities are prone to corruption. If the assertion of Marx is true, then there are corruptions incidences in the Ministry of Lands hence, this study will be able to find out the impact of corruption on service delivery.

#### 1.11.3 Sampling

Purposive sampling technique was used in this study. The Ministry of Lands was purposively selected from a list of 46 government ministries as they existed, before the reorganization of

the government after the March 2013 elections. The unity of study was the composite score and measures of output which included, number of deed plans, RIM, PDP processed/prepared, number of disputes resolved and land less people settled, AIA and revenue collected, rate of project completion, number of national and international boundaries established and computerization of lands record.

The output measures were selected purposively; first to ensure that each department was represented in the study and second to ensure that the selected output measure were reflected in the performance contract for the period of study. This was important because some output measures were introduced later while others were discontinued after some time. The period of study was also selected purposively and this was guided by the fact that the EACC and performance contract data collection commenced in the year 2005.

The total sample size for the study consisted of one government ministry; the Ministry of Lands as it existed before reorganization of government after the March 2013 elections. The four main departments namely; Lands, Survey, physical planning and adjudication provided the output measures.

# 1.11.4 Data Collection Techniques

Secondary data was the main source of data that was used to obtain information on the impact of corruption on service delivery in the Ministry of Lands. The secondary data was obtained from the annual reports prepared by Anti – Corruption agency which provided the corruption data while, performance in service delivery data was from the department of Performance Contracting in the then office of the Prime Minister. Other relevant information

was obtained from journals, books, publications and internet. Corruption data from the East Africa bribery index (TI) for the same period was used to validate the EACC data.

#### 1.11.5 Data Analysis

Data analysis is the mathematical treatment of numerical data so as to obtain various statistical measures. These statistical procedures enable the analyst to establish the various characteristics of data and relationships between variables. Before analysis, data collected was cleaned and edited to ensure completeness, relevance, consistency and uniformity. To facilitate statistical analysis, Statistical Package for Social Scientists (SPSS) and Microsoft Excel (with analysis tool pak) were used for data analysis.

Data analysis involved computation of statistical measures such as mean, standard deviation, coefficient of variance, Pearson's correlation coefficient and moving Pearson's correlation of order 3. Using output measures, departmental analysis was performed to develop multiple leaner regression models that would be used to set future targets that would ensure continuous improvement in each department.

The composite score and output measures were used to establish the trend of service delivery and hence the impact of perceived corruption on service delivery. The output measures used included number of deed plans, RIM, PDP processed/prepared, number of disputes resolved and land less people settled, AIA and revenue collected, rate of project completion, number of national and international boundaries established and computerization of lands record. The EACC annual surveys and East Africa Bribery index (TI) provided the data on perceived corruption.

# 1.11.6 Data presentation

Tables and charts were used to present the data to enhance understanding and depiction of the break-down of the various aspects under study.

#### **CHAPTER TWO**

#### **CORRUPTION IN KENYA**

#### 2.1 Introduction

The chapter offers an overview of corruption where the definition of corruption, typology, causes, variables, consequences and corruption equation was discussed.

### 2.2 Definition of Corruption

Corruption is a predicament that has entrenched itself in all sectors, both in developed and developing countries. However, research carried out shows that it is more prevalent in the developing countries (Pellegrini & Gerlagh, 2007, Svensson, 2005). Corruption manifests itself in different forms under different environments and contexts and therefore it is impossible to have a universal definition that encompasses all. However, corruption has widely been defined as abuse or misuse of public office and funds for personal gain.

In Kenya, the Anti – Corruption and Economic crime Act (2003) has defined corruption as: an offence under any of the provision of section 39 to 44, 46 and 47, bribery or fraud, embezzlement or misappropriation of public goods, abuse of office or breach of trust or an offence involving dishonesty in connection with any rate or imposed levy under any act or under any written law relating to the elevation of persons to public office. Corruption as envisaged in the act is multifaceted hence it impacts all sectors thus posing a major challenge to governments and individuals.

# 2.3 Typologies of corruption

Different authors have classified corruption into different typologies. A few of the typologies include: petty or grand, administrative or political, passive or active, a way of life or a fact of

life, incidental, systemic or systematic and well-organized or chaotic (UNDP, 2008, Quah, 2007, Kpundeh, 1998, Mauro, 1998). In Kenya, corruption in the public sector is classified either as petty or grand (KACC, 2007) and in some instances it has been considered as systemic.

Petty corruption is perpetrated by the junior officers in the public sector who demand for favors in form of cash or in kind from the public before they can offer services (Nyaga & Theuri, 2011). This type of corruption has become so common that it has been taken as an intrinsic part of the day to day transactions in some government offices (KACC, 2007). Majority of members of public induce the public official to compel them to provide duly deserving or duly undeserving services, to speed up the process or provide fair services (Chweya, Tuta & Akivaga, 2005).

Grand corruption is as a result of abuse or misuse of discretion power by senior public officials or prominent persons in position of authority (Nyaga & Theuri, 2011). Grand corruption targets public resources, for example embezzlement of public funds through procurement contracts and tenders, grabbing of public land, non – collection or non – remittance of government revenue or payment of non – existence goods or services.

Corruption in Kenya can also be considered systemic as it has been entrenched within the government systems where individuals in position of power misuse their positions for their own personal gain. According to a survey done by KACC (2007) there are government departments where corruption is so entrenched such that paying a bribe is the norm and not the exception.

A survey done by EACC (2013) in the land sector identified the most common form of corruption as: abuse of office 42 percent, intentional delays to attract bribes 37 percent, bribery and extortion 12 percent and tribalism 9 percent.

#### 2.4 Consequences of Corruption

Corruption has many consequences and its repercussions are felt in all sectors. The consequences include: increase in the cost of production, deters both local and foreign unemployment, production of inferior goods, insecurity, investment, poverty, underdevelopment of infrastructure and stagnation of the economy (Mauro, 1995, Rose -Ackerman, 1996, Svensson, 2005, Tanzi & Daviood, 2001, DPM/ACPU, 2002). Corruption in the public sector leads to loss of: integrity, citizen trust, capacity to be effective and efficient in the delivery of goods and services, compliance with regulation and competent employees (Thompson, 1992, Caiden & Dwivedi, 2001, Quah, 2007). In addition corruption leads to inefficiency, poor performance and poor quality of services (Vian, 2005, Lindelow & Sernells, 2006, Lawal, 2007).

In Kenya, corruption is a major impediment to economic growth because it: distorts market fundamentals, discourages local and foreign investment, increases the cost of production, affects delivery of services, diverts public resources into undeserving private hands and increases the tax burden thus leading to widespread unemployment, insecurity and poverty (EACC, 2013).

In the land sector the consequences of corruption include: land grabbing, fraud, high cost of land transactions, numerous boundary land disputes, persistent long queues and laxity by

land offices, very slow services, poor public relations and record keeping and poor attitude from public officials (EACC, 2013).

#### 2.5 Causes of Corruption

Majority of research carried out have focused on broad causes of corruption a cross - countries/nations. The cross – national causes of corruption include: democracy, foreign trade, culture, religion, colonial heritage, levels of income and economical development, political system, wages, political instability, inequality, ethnicity, size of governments (Treisman, 2000, Rose – Ackerman, 1997a, Tanzi & Davoodi, 1997, Gray & Kaufmann, 1998, Mauro, 1995, 1997, Zimelis, 2011). Shrestha (2007) in his report on; Corruption in Infrastructure: provision and service delivery at municipal level in Nepal attribute corruption to: lack of public awareness, information disclosure and accountability, materialism, perverse use of authority, poor system of reward and punishment, acceptance of irregularities and low salaries.

Corruption in the Kenyan public service has been attributed to: greed/selfishness, poor remuneration and culture, poverty, to fast track services, poor governance, inflation, impunity, ignorance and unemployment. Other reasons include unprofessionalism, ethnicity, lack of transparency/equity, inadequate opportunities/ resources, non – enforcement of law, corrupt leaders, laxity in combating corruption, lack of motivation, disunity, political patronage and red tape/bureaucracy (EACC, 2012). According to KACC/EACC annual surveys, greed is the leading cause of corruption in Kenya.

A survey done by EACC (2013) in the land sector where 1200 respondents were drawn from the 47 counties found out that the main causes of corruption in the land sector are: poor remuneration, long bureaucratic procedures/processes, greed, presence of brokers/agents and lack of integrity. Others include entrenched culture of corruption, poor record management, and tribalism, centralization of services, poverty and under staffing, high cost of acquiring and processing land, lack of valid land credentials/documentation, political interference and ignorance of procedures by the service seekers. In addition, the respondent stated that the processes/procedures are under- developed, poorly harmonized and non – transparent while, supervision was lacking, with some officials wielding too much discretion powers.

#### 2.6 Corruption Variables

According to Mills (2012) majority of the variables in isolation cannot cause corruption and their presences in a location does not necessarily mean corruption will occur. However, Mills (2012) equates the variable to risk factors which when present provide an enabling environment for corruption to occur. Zimelis (2011) adds that corruption is a function of multiple variables that interact with each other affecting almost all aspects of the society. Corruption variables can be classified into three and are based on: individual, organization and external environment factors (OECD/DAC, 2006).

Individual factors that drive corruption include: ethics/moral, attitude/belief, life style, ambition, need, greed and addiction (Gorta, 1998, De Speville, 1995). For example, someone used to life on the fast lane may be tempted to be corrupt to keep up with the status that come with the type of the life style while, an addict may do so to sustain his/her addiction. Annual surveys conducted by KACC/EACC have shown that greed is a leading cause of corruption in the Kenyan public sector.

The organization factors that drive or aid in perpetrating corruption include: employee dissatisfaction, discretion and responsibility, nature of work, working condition, reporting mechanism, supervisor, colleagues, culture, work pressure, communication and salaries (Gorta, 1998). For example, discretion in work place allows the employee to make personal judgment in interpreting, administering and implementing the rules and regulation (Mynit, 2000).

According to Rose – Ackerman (1978) discretion is associated with regulations thus; individuals involved in activities such as inspection, regulation and issuing legal documents such as titles have been bestowed with discretion powers by virtue of their work. Hence, a corrupt individual will make decisions that bestow personal favor at the expense of the larger society. A survey carried out by EACC (2013) in the land sector indicated that majority of the public officers in the Ministry of Lands have been bestowed with excessive discretion powers while supervision is lacking.

External environment factors affecting corruption include: income, political will, press, civil society, perception of the society and the anti – corruption regulation (Gorta, 1998, Treisman, 2000, Kpnudeh, 1998). According to Treisman (2000) the extent of the civil society and press involvement and the performance of legal institutions in a country have a bearing on the levels of corruption. The EACC (2013) survey indicated that political interference, patronage and lack of political will are some of the causes of corruption in the land sector. A summary of the corruption variables is given on table 2.1.

Table 2.1: Corruption Variables

- 1. Individual factors:
  - ▶ Belief
  - ➤ Attitudes
  - > Ethics/values
  - ➤ Addition/life style
  - > Needs (achievement, more income, social status)
- 2. Organization factors:
  - > Employee discretion, responsibilities and dissatisfaction
  - ➤ Salary
  - > Supervisor
  - > Nature of work and working conditions
  - > Attitude of colleagues
  - ➤ Work pressure
  - > Culture
  - > Reporting mechanism
    - 3. Environmental factors
  - > Income
  - ➤ Anti corruption regulations
  - ➤ Political will
  - > Press and civil society

Source: Gorta (1998)

#### 2.7 Corruption Equation

Corruption is facilitated by the presences of two ingredients namely monopoly and discretion while, it is deterred by presence of accountability (Klitgaard, 1988). The relationship between corruption, monopoly, discretion and accountability has been attributed to Klitgaard (1988) and is given by;

Corruption = Monopoly + Discretion - Accountability

Corruption in this case is the misuse of official powers or funds for personal gain. Illegal allocation of public land or requesting a bribe to resolve a land dispute, process a deed plan,

issue a title deed or abuse of discretion powers are examples of corruption in the Ministry of Lands.

Monopoly can be equated to an officer with unique responsibilities that are in demand (Myint, 2000). For example, the Ministry of Lands has monopoly on issues pertaining to land administration and management. On the other hand, an officer who is mandated to seal deed plans has monopoly as he/she is the only one mandated to do so.

Discretion can be seen as powers bestowed on an individual in interpreting and implementing policies, rules, regulation and procedures in the cause of executing his/her responsibility (Myint, 2000). Discretion allows an individual some freedom and personal judgment in interpreting and implementing rules and regulation. For example, an adjudication officer has the freedom to decide which officers to appoint to help him/her execute the adjudication process. On the other hand, director of physical planning (DPP) has the freedom to accept or reject objection raised during the public inspection of the part development plan (PDP).

Accountability on the other hand is being held responsible for ones action/deeds.

The presence of discretion powers and monopoly acts as incentives for corruption. From the equation, corruption levels will be high if opportunities for discretion powers given to the public officers are great and monopoly exist while accountability is low or lacking. However, if mechanisms to check abuse and misuse of discretion powers are put in place and devolvement of services done to reduce monopoly, corruption can be reduced.

The Ministry of Lands has monopoly on issues pertaining to land administration and management while, some officers have monopoly on the kind of services they offer. In

addition, officials have been bestowed with excessive discretion powers on matters touching on interpretation and implementation of land administration and management procedures with minimum supervision. The presence of monopoly and discretion presents opportunity for corruption while, minimum supervision does not augur well in terms of accountability.

Monopoly and discretion can be abused by introducing unnecessary delays or denial of services in order to entice the service seeker to pay a bribe (Shleifer & Vishny, 1993). In addition, monopoly and discretion causes public officials to treat government services or goods like personal property hence, disposing them at will to the highest bidder.

#### **CHAPTER THREE**

#### SERVICE DELIVERY IN THE MINISTRY OF LANDS

#### 3.1 Introduction

Chapter three discusses service delivery in the Ministry of Lands. A brief history of the Ministry of Lands is outlined followed by the organizational structure. By discussing the land adjudication, cadastral, registration of title, and preparation of the PDP processes, the service delivery in the Ministry of Lands is evaluated.

#### 3.2 A brief history of Ministry of Lands

The Ministry of Lands was established in 1903. It has four main departments which are: Survey, Lands, Physical Planning and Adjudication. A fifth department is the administration which oversees all the other departments. The four departments have offices in all the former districts headed by district officers who are directly answerable to the provincial officers and who, in turn are answerable to the respective assistant directors. The Ministry of Lands is mandated to formulate and implement land policy, register land transactions, undertake physical planning, land surveys and mapping, land adjudication and settlement, land valuation and administration of state and trust land.

## 3.3 Organization structure of the Ministry of Lands

After the March 2013 elections, government ministries were reorganized to enhance service delivery, accountability, transparency and improve performance as well as reduction of government expenditure. The reorganization consolidated five former ministries namely: Lands, Public works, Metropolitan, Housing and Urban planning under the Ministry of Lands, Housing and Urban Development. However, since the period of study was before the

reorganization of the ministries the study has adopted the Ministry of Lands as previously constituted.

Minister of Land Assistant Minister Under Secretary Commissioner Administrati Director of Director of Director of of Lands Physical on Land Survey adjudication Planning **Deputy Director Provincial Surveyor** Senior Assistance District Director Surveyor **Assistant Director** Superintendent Surveyor Surveyor I/II Survey Assistant Source: Research 2013

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Figure 3.1: Organizational Structure of the Ministry of Lands

#### 3.4 Ministry of Lands Services

The Ministry of Lands offer a range of services that include: land administration and management, land adjudication and settlement, surveying and mapping and physical planning. Majority of services provided by Ministry of Lands are demand driven and specific to each department.

Services such as: policy formulation and implementation, generation and collection of revenue and AIA, protection of public utility land and provision of up — to date land information are common in all the departments. Revenue is collected from fees, fines, stamp duty levy and any other levy that may be imposed by the government on matters pertaining to land administration and management. All services offered in the Ministry of Lands have a requisite fee which must be paid. For example, all survey work submitted for quality control, checking fees must be paid to the director of survey. The total revenue is given by the sum total of revenue collected from the four departments.

The main services provided by the land department include: alienation of government and trust land, development control, preparation and issuance of title deeds, registration of land transaction, custodian and maintenance of land records. Others include provision of advisory and technical services on land matters, preservation of public land and fragile ecosystem, resolution of boundary and land disputes and land valuation. To help deliver these services the land department has three technical divisions namely land: administration, registration and valuation division.

The department has established forty one offices across the country, processed over three million titles and alienated over two hundred and fifty thousand urban plots (Ministry of

Lands, 2013). The output measures that have been captured in the performance contract over the period of study are the issuance of title and computerization of land record.

The land adjudication department main services include adjudicate, consolidate and settlement of the landless citizen. The department consists of land adjudication and settlement divisions. Land adjudication deals with land adjudication, consolidation and group ranches, while, settlement deals with settlement of landless citizens. The department has forty five offices in the former six provinces namely: Central, Coast, Rift valley, Western, Nyanza, and Eastern.

The department has registered approximately eight million hectares through the adjudication and consolidation process while over three million hectares have been registered under group ranches. Further, about a million hectares of land have been put under settlement program while about two hundred thousand families have been settled (Ministry of Lands, 2013). The output measures that have been captured in the performance contract over the period of study are the boundary disputes, adjudication sections and settlement of the landless citizens.

The main services offered in the survey department include: provision and maintenance of all kinds of maps, establishment of national and international boundaries and provision of quality control of all surveys. The department has fifty four offices in all the former eight provinces. The output measures that have been captured in the performance contract over the period of study are the processing of deed plans and RIMs and establishment of national and international boundaries.

The physical planning department offers such services as: preparation of PDP for both urban and rural areas, approval of development plans and local physical plans for both urban and rural area. Only one output measures was captured in the performance contract over the period of study namely the preparation of local physical development plans.

Though each department offers specific services, they are still intertwined as they rely on each other. For example, the processing of titles cannot commence until deed plans or Registry Index Maps (RIMs) have been prepared. The deed plans and RIMs are prepared based on survey work which is guided by an approved PDP or a subdivision scheme from the physical planning department. Hence all the departments must work in harmony to ensure good governance in land matters.

# 3.5 Evaluation of service delivery

By discussing the different processes, service delivery in the four main departments was evaluated. This section discusses the land adjudication process, cadastral process, registration of title process and the process of PDP preparation.

# 3.5.1 Land Adjudication Process

The Land Adjudication Act chapter 284 of the Laws of Kenya governs the Land Adjudication in Kenya. The process of land adjudication commences once the Minister of Land declares a portion of Trust land area as an adjudication section and appoints an adjudication officer to steer the process. Once the adjudication office has been given the mandate to steer the adjudication process, he/she appoints survey, demarcation and record officers to assist administer the process. Further, the adjudication officer in consultation with

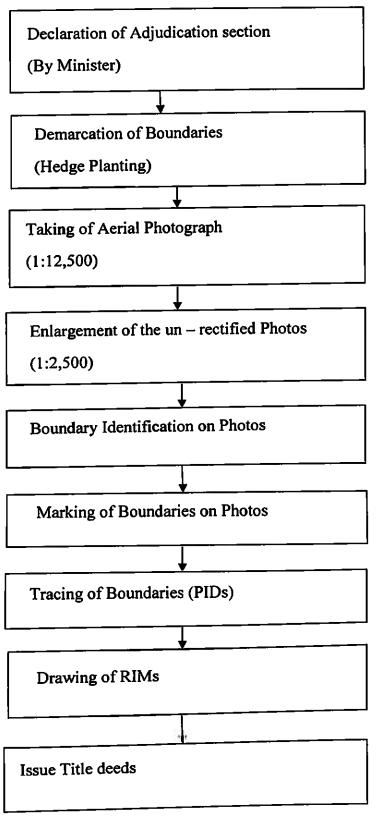
the provincial commissioner (PC) and the district commissioner (DC) within the area of jurisdiction constitute the arbitration board and adjudication committee respectively.

The adjudication officer with the help of the appointed officers, the adjudication committee and the arbitration board prepare the adjudication register. The adjudication register contains the record of rights and interests to the land for the particular adjudication section. All the interested parties must be present during demarcation, to facilitate identification of their boundary extent.

Once the boundaries have been identified, the parcel owners are required to plant hedges as the boundary marks. Once the marking of the boundaries is completed and the hedges have grown sufficiently to be visible from a low flying aircraft, aerial photography of the area is undertaken. The authorized officers identify and mark the adjudication parcels of land on the un — rectified enlarged photographs. Boundaries that are not clear on the enlarged photographs are plotted by estimation.

Once the identification and marking of the parcels is completed, direct tracing of the boundaries as depicted on the enlarged photographs is done to produce Preliminary Index Diagrams (PIDs) (Nyadimo, 2006). From the PIDs, Registry Index Maps (RIMs) are produced and used to facilitate registration of titles through the Registered Land Act Chapter 300. Figure 3.2 gives an illustration of the land adjudication process.

Figure 3.2: Land Adjudication Process



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Source: Nyadimo (2006)

The process of land adjudication follows the steps outlined. However, though the steps are well outlined no timelines have been set to guide the process. This has been left to the officers appointed to execute the process, the members of the adjudication committee and the arbitration board who are all under the adjudication officer. Further, the processes moves one step at a time where, each step must be completed in full before the next one commences.

In addition, before an adjudication section can be said to be finalized, all claims and disputes must be resolved. One of the reasons for the many pending adjudication section is the pending resolution of claims and disputes. As of June 2006 there were five hundred adjudication sections and over ten thousand land disputes that were pending (Ministry of Lands performance contract, 2005/2006). Nevertheless these numbers have been reducing yearly though at a slow pace. According to the EACC (2013) survey one of the consequences of corruption in the land sector is numerous boundary land disputes.

The adjudication officer has monopoly on who is appointed to steer the process and secondly who constitutes the members of the arbitration board and the adjudication committee. In addition, the adjudication office has discretion power on whom among the members of the public benefits from the adjudication process. With two ingredients already present corruption will occur if the mechanisms for accountability are lacking (Klitgaard, 1988). According to Shleifer and Vishny (1993) public officials who have discretion power over the sale of the government services or goods can withhold or delay services or goods until a bribe is paid.

#### 3.5.2 Cadastral Process

One of the main services offered by Survey department is quality control of all survey work executed by either government or private surveyors. Hence, all the jobs must be submitted to the Director of survey (DoS) for checking. Once a survey job is submitted it is received before being forwarded for registration. A complete survey job will have a computation file and a plan depicting the surveyed plot(s). During registration both the computation file and the plans are given numbers. Once the job has been registered it is forwarded to the chief preliminary checker (CPC) who ensures mathematical and graphical consistency. The CPC forwards the job to the chief final checker who enforces quality checks before forwarding to the assistant director for authentication.

The assistant director issues authentication slip to the Commissioner of Lands (CoL) or the private surveyor requiring them to pay the checking fees and submit deed plans or request for amendment of the RIM. The indent for RIM or deed plans is submitted to the DoS for processing. The deed plans will be checked, RIM amended then sealed before they can be forwarded to the CoL for the processing of title. Table 3.1 gives an illustration of the cadastral process.

Table 3.1: Cadastral Process.

Registry Record Officer			Director of survey		
<ul> <li>Receives all survey jobs,</li> <li>Retrieves correspondence file,</li> <li>Files job and forwards the job to Director of Survey (DOS).</li> <li>Receivers the indent for deed plans or RIM,</li> <li>Retrieves correspondence files</li> <li>Files the indent forwards indent for deed plans/RIM to the SRO.</li> </ul>		r RIM,	Verifies and forwards job to senior assistant director cadastral (SADC)		
<ul> <li>SADC</li> <li>Verifies and forwards job to survey record officer (SRO).</li> <li>Request authenticated job from SRO,</li> <li>Verifies payments and indent before forwarding the deed plans for numbering or amendment of RIM.</li> </ul>	<ul> <li>SRO</li> <li>Receives file with job from SADC,</li> <li>Verifies documents with COL and DPP,</li> <li>Cross reference the plan and register the computation file and plan.</li> <li>Forwards job to chief preliminary checker (CPC).</li> <li>Attaches the computation file &amp;Plan and indent and forwards to SADC.</li> <li>Dispatch sealed deed plans/RIMs to commissioner of lands (COL).</li> </ul>				
CPC: Receives jobs from SRO, ensures mathematical and graphical consistency and forward the job to chief final checker (CFC).		CFC: Enforces quality checks and forwards to assistant director cadastral (ADC) for authentication			
ADC: Authenticates the jobs/Signs the authentication slip once it has been typed.		Typist: Types the authentication slip/dispatch letter			
Chief cartographer: Draws and checks deed plans, amends RIMs, control quality and forwards deed plans and RIM for sealing		Deed plan Officer: Checks and seals deed plans, & RIMs and also signs the dispatch letter and dispatches the sealed deed plans & RIM to SRO			

Source: Research (2013) adopted from cadastral branch.

Unlike the adjudication process that have well defined steps, the cadastral process is complex, long and involves many actors. For example, the SRO, SADC have a number of actions they must perform in the process. However, the actions are not executed at once but rather, the files moves back and forth. In addition, all the cadastral jobs carried out in the country must be submitted to the DoS hence, the process is centralized. The CPC, CFC, SRO, chief cartographer and computer room, have officers working under them however, others actors are the ones mandated to carry out the responsibility given to them. For example, all the jobs must be seen by the DoS while, deed plans and RIMs are sealed by a single officer.

The arrangement as it is creates monopoly while at the same time bestowing discretion powers to the public officials. Further, some responsibilities are duplicated for example, verification of document by the DoS, SADC and SRO leading to unnecessary delays. Unnecessary delays create unnecessary bottle necks which hinder fast flow of the jobs hence, providing opportunity for corruption to thrive. According to EACC (2013) survey in the land sector, one of the processes where corruption thrives is the surveying and mapping process.

#### 3.5.3 Title Registration Process

The title registration process discussed is based on the Registration of Titles Act, chapter 281 of the laws of Kenya. The process of title registration commences once a sealed deed plan is forwarded to the Commissioner of Lands (CoL) by the DoS. The main actors in the title registration process include: registry record officer, land officer, senior plan record officer, accountants, registrar of title, typist, senior land office, assistant commissioner, senior assistant commissioner, deputy commissioner and commissioner of lands and lastly the chief

land registrar. Though there are twelve main actors involve in the process, there are forty five steps involved before the land owner can collect the title deed (Wanjiku, 2010).

Table 3.2: Title registration process

Registry Record Officer: Receives sealed deed plan from DOS/Retrieves old card and opens new Card/Files deed plan and forwards to Land officer /Receivers the title form and the confirmed deed plan/Make an entry in the title certificate for the registrar to sign		Land officer: Receives the file with the deed plan/Forwards to senior plan record office/Issue allotment letters for each new plot/Request for land rent and rates/Forwards to registrar of title/Confirms the content of the title/Fills a forwarding form for title circulation/Writes the dispatch letter/Dispatch title to owner	
Senior Plan Record: Confirms the surveyed plot with the existing deed plan/Close old cards and open new ones/Files a status form and forwards to Land officer	Accountant: Gives information on land rates and rent/Receives payment of rates and duty/Endorse the circulation form if duty is paid/Issue the certificate of stamp duty/Forward the title for stamping		
Registrar of Titles: Receives the title with the de instruction to typist (draft the title)/Attest the comsignature/Assess the stamp duty/Endorses the circ registration/Endorse the title certificate/Make a codate and time of signing of the title	unissione ulation fo	orn Book for	Typist: Types the title using the standard form
Senior Land Officer: Endorses the circulation form		nt Commissioner of lands: Endorses the ion form	
Senior Assistant Commissioner of lands: Endorses the circulation form		Commissione ion form	r of lands: Endorses the
Commissioner of lands: Endorses the circulation form	Chief Land Registrar: Endorses the circulation form		
Land owner: Pays the rates and duty and collect	s the title		
	Source: `	Wanjiku (2010	0)

The title registration process is centralized, long, complex, demand driven with many actors involved. Some of the officers have been given a lot of discretion power. For example, the land officer and the registrar perform eighteen of the forty five steps involved during the process of a single title. The land officer or the registrar does not perform all the procedures at once but rather the file moves to and fro. Unfortunately all the actors involved in the process are not in one centralized office but are scattered in different offices and floors.

The complexity of the whole process creates loopholes for public officials and agents/brokers to abuse the processes as not many members of the public understand it. Since the introduction of the public sector reforms, the government has reduced the number of support staffs who are responsible for moving the files from one office to another. Therefore, with the limited number of support staffs this is likely to cause delays and also create room for bribe seeking or giving.

Further, many of the land transactions have some sense of urgency hence; some land owners may be tempted to pay a bribe in order to have their document ready within the shortest time possible. Six senior officers have been mandated to endorse the form that accompanies the title which is too much bureaucracy and red tape further exacerbating the problem of delays.

# 3.5.4 Part Development Plan Process

The part development plan (PDP) process is guided by Physical Planning Act, chapter 286 of the laws of Kenya. The process commences once a request has been made to the district physical planning officer (DPPO) and authority granted. A notification to show intention for preparation of a PDP is made followed by a field survey. Once the field survey is completed a draft PDP is prepared which is then circulated. Circulation involves advertisement in the

local daily newspaper, the Kenya gazette and the district physical planning offices notice board and should be done not later than thirty days after preparation. The advertisement must be in the national language; English and Swahili and is facilitated by the owner.

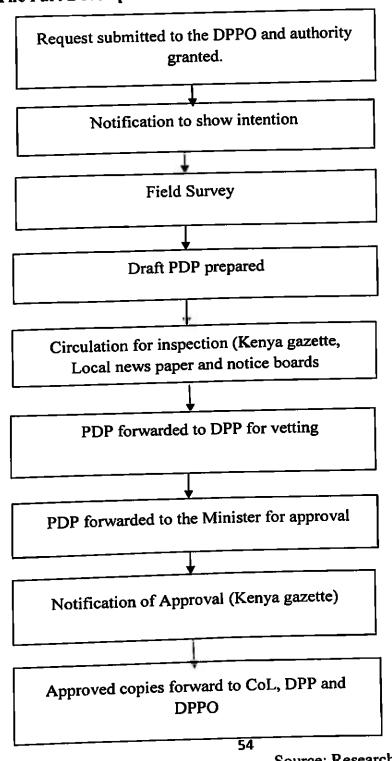
A period of sixty days is provided to allow members of the public time to inspect the draft PDP and forward any objections or queries to the respective office. However, the DPP has the discretion powers to reject or accept the objections. Once the sixty days period is over, the PDP is forwarded to the director of physical planning (DPP) department for vetting before being forwarded to the minister for approval. The minister is mandated to approve the PDP within a period not exceeding sixty days. Once the PDP is approved by the minister, notification of approval is done through the Kenya gazette within fourteen days. A copy of the approved PDP is forwarded to the CoL, DPP and the district physical planning officer whose jurisdiction the PDP falls.

The preparation of PDP is governed by statuary periods that must be abided with. The statuary period, minus time taken to carry out field survey or draft the PDP and assuming no objections are made during the inspection period is about one hundred and sixty four days. In other words no PDP can be prepared within a period of less than six months. By virtue of the statuary regulations the preparation of the PDP is a long process. The DPP has been given discretion powers to reject or accommodate any objection raised during the inspection period.

The land owner is required to circulate the PDP; that is placement on daily local newspaper, the Kenya gazette and on notice boards of the local office. What this means is that the owner must keep track of the process hence, creating loopholes for manipulation of the process

either by the owner or the public official. The process of PDP has been illustrated by figure 3.3.

Figure 3.3: The Part Development Plan Process



Source: Research (2013)

#### 3.6 Service delivery Evaluation Summary

To summarize the processes of land administration and management, some characteristics have been identified cutting across the different departments. First and foremost the services offered in the Ministry of Lands are demand driven and due to the importance attached to land there is always some sense of urgency. In addition, service delivery processes are long, complex and centralized and involves many actors, monopoly and discretion.

Monopoly and discretion are two ingredients when present, foster corruption (Klitgaard, 1988). Further, where services are characterized by long delays and there is some sense of urgency, the customers are tempted to pay a bribe in order to shorten or fast track the process (Deleon, 1995). Those willing to pay the bribe move up the queue while those unwilling or unable to pay are relegate to the back of the queue.

A long and complex process creates loopholes for broker/agents to come in as many of the ordinary service seekers are ignorant of the process. A casual observer will notice many visitors, long queues and presence of brokers/agents in the Ministry of Lands.

Monopoly and discretion gives the public officials a lot of leeway in the interpretation and implementation of regulations, policies and procedures. According to Shleifer and Vishny (1993) public officials who have discretion power can withhold or delay services or goods until a bribe is paid. The long and complex procedures coupled with the urgency associated with land matters are fertile grounds for bribery either to fast track the process or seeks favors. The requisite fees paid for some of the services can also be manipulated upward or downwards depending on the whims of the service provider. Upward manipulation of the cost leads to an increased in the cost of the public goods and services hence, limiting the

supply. On the other hand, downward manipulation of the cost of the public goods and services though attractive to both the public official and the service seeker, leads to loss of government revenue (Shleifer & Vishny, 1993). This could lead to adverse consequences on service delivery in the Ministry of Lands.

#### **CHAPTER FOUR**

#### IMPACT OF CORRUPTION ON SERVICE DELIVERY

#### 4.1 Introduction

This chapter presents findings and discussion on impact of corruption on service delivery in the Ministry of Lands. First, the trend of corruption in the Ministry of Lands is analyzed using corruption data from the KACC/EACC annual surveys. Second, service delivery trend of the Ministry of Lands is analyzed which entails the rating of actual achievement against performance targets agreed on in the performance contract signed at the beginning of each financial year.

The composite score and output measures such as revenue and AIA collected, number of deed plans, RIMs, PDPs and title deeds processed/prepared, number of land adjudication disputes resolved and landless people settled, computerization of the land records and completion rate of projects undertaken in the Ministry of Lands were used. The chapter argues that corruption impacts negatively on service delivery in the Ministry of Lands.

# 4.2 Trend of the perceived corruption in the Ministry of Lands in the period 2005/2006 – 2011/2012.

Having been ranked among the most corrupt ministries in the country over a long period of time, Ministry of Lands' corruption trend over the period of this study was investigated to dig-out the effects of the continued corruption on the service delivery. For a comparative investigation, the trend of the KACC/EACC Corruption index for the Ministry of Lands for the period 2005/2006 to 2011/2012 was studied. The trend over the period assumed a second degree polynomial (quadratic) functional structure with the third period (year 2007/2008)

giving the lowest index of 13.7 percent. The fourth period (year 2008/2009) gave the second lowest corruption index of 14.6 percent. The seventh period (year 2011/1012) gave the highest corruption index of 28.3 percent. Figure 4.1 shows the trend of the corruption index over the stated period.

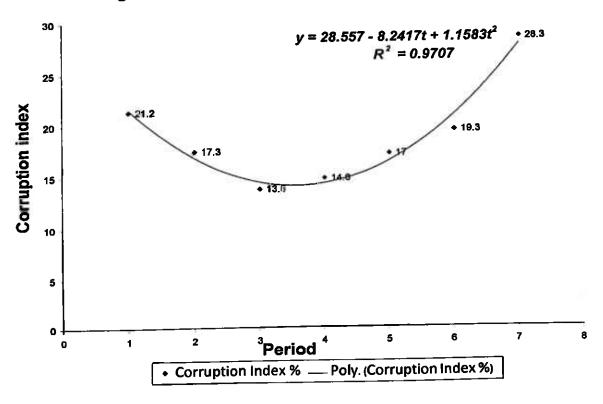


Figure 4.1: KACC/EACC Corruption Index %

Source: Research data (2013)

The polynomial functional relationship between the time periods and the index is described by the expression;

$$y = 28.557 - 8.2417t + 1.1583t^2$$

where; y = Corruption index and t = Time period since year 2005/2006.

The model yields a coefficient of determination  $R^2 = 0.9707$  (97.07%) which indicates a very high explanatory power, hence a statistically significant model that can be used to forecast future corruption index values with sufficient confidence, given the already identified trend.

Based on this trend of the corruption index over time, and using the trend model to forecast on the future corruption indices, corruption levels are on the rise and will continue to escalate to higher levels in the future. This finding is in tandem with Marx (1995). According to Marx (1995) departments involved in rent – seeking activities are prone to corruption. Further according to EACC (2013) survey corruption is still rampant in the land sector.

Evaluation of the service delivery in the Ministry of Lands indicated that Land administration and management processes are long, demand driven, complex with many actors who have monopoly and discretion powers. According to Klitgaard (1988) monopoly and discretion are two ingredients when present creates opportunity for corruption to thrive. EACC (2012) survey found that supervision is lacking in the Ministry of Lands hence accountability is not assured nor is transparency due to the complex nature of the processes. Therefore the findings are in tandem with Shleifer and Vishny (1993) model of corruption that those public officials who have monopoly and discretion power over provision of public services or goods can withhold or delay services or goods until a bribe is paid.

To validate the KACC/EACC corruption data, Aggregate corruption index from the East Africa Bribery Index Transparency International- Kenya on the Ministry of Lands revealed the trend shown in Figure 4.2.

| Lands - Kenya | Y = 12.17 + 7.9071t | R<sup>2</sup> = 0.9318 | Solution |

Figure 4.2: East Africa Bribery Index: Aggregate Corruption Index for Ministry

A clear linear upward trend (Y = 12.17 + 7.9071t) is observed where the aggregate corruption index (Y) for the ministry increases steadily through time (t). The trend yields a coefficient of determination  $R^2 = 0.9318$  (93.18%) which indicates a very high explanatory power. This confirms the trend shown by the findings of the KACC/EACC corruption index study, though not of similar functional forms. This becomes a concern to all the stakeholders in the Ministry of Lands hence timely and effective measures need to be taken so as to curb the upward corruption trend which is hypothesized to affect the service delivery in the ministry causing it to deteriorate.

According to the equation of corruption (Klitgaard (1988)

Corruption= Monopoly + Discretion - Accountability.

Since the Ministry of Lands has monopoly on matters pertaining to land administration and management and officials dealing with issuance of legal documents such as title deeds have discretion by virtue of their work (Rose – Ackerman, 1978), mechanisms to fight and prevent corruption in the Ministry of Lands should enhance accountability. Enhancement of accountability should ensure that the consequences/penalties will be severe enough to deter corrupt practices.

## 4.3 Service Delivery trend in the Ministry of Lands in the period 2005/2006 – 2011/2012

The main objective of the study was to investigate the actual effect of corruption on service delivery of Ministry of Lands. Efficient and effectiveness of service delivery was measured using performance. The performance of the Ministry was evaluated based on the composite score and output measures from the performance evaluation reports and performance contracts. The output measures included number of deed plans, RIM, PDP processed/prepared, number of disputes resolved and land less people settled, AIA and revenue collected, rate of project completion, number of national and international boundaries established and computerization of lands record.

The general performance of the ministry in service delivery was measured using the composite score which is based on the target set and the actual achievement. Based on the annual evaluation reports; Excellent is achievement between 30 and 100 percent above set

target. Very good is achievement of the set target in the performance contract up to 129.99 percent of the target. Good is achievement between 70 percent and 99.99 percent of the set target. Fair is achievement between 50 and 69.99 percent of the set target while poor is achievement below 50 percent. In terms of composite score, excellent is between 1.00 - 1.49, very good 1.50 - 2.49, good 2.50 - 3.49, fair 3.50 - 3.59 and poor is 3.60 - 5.00.

This implies that a downward trend of the composite scores indicates a continued improvement in performance of the ministry of Lands in service delivery. The trend portrayed by these scores over the period is as illustrated in Figure 4.3.

Figure 4.3: Service delivery trend (Composite Score) 2005/2006 to 2011/2012

Source: Research data (2013)

The scores indicated a decreasing/downward linear trend over the period with a high of 2.3857 points in year 2006/2007 and a much decreased low of 1.972 points in the year 2010/2011. This declining linear relationship is well described by the linear model:

$$Y = 2.503 - 0.087t$$

Where Y =Composite score and t =time period since year 2005/2006.

Given this trend, it is observed that performance of ministry of Lands in service delivery is getting better by the day and will be much better in the future. However, this is contrary to EACC (2013) findings which indicated that overwhelming majority (70 percent) of the respondents were dissatisfied with services rendered in the Ministry of Lands.

# 4.4 Relationship between perceived corruption and Service delivery in the Ministry of Lands.

There has been observed an upward trend of the corruption levels and a downward trend of the composite scores, indicating good and improving performance in service delivery, despite the rising corruption levels. This is a clear indication that the increasing corruption levels (as measured by the corruption indices) impact positively on the ministry's performance in service delivery (as measured by the composite scores). This relationship is confirmed by the Pearson's correlation analysis between the two variables whose results are as shown in table 4.1.

Table 4.1: Correlation between Corruption index and Composite scores (performance)

	Corruption index %	Composite score
Corruption index %	1	*
Composite score	-0.6328	1

The correlation coefficient of -0.6328 indicates a statistically strong inverse (negative) relationship between the variables. This implies that as the corruption levels increase, the performance of Ministry of Lands in service delivery levels increase significantly. This is contrary to Shleifer and Vishny (1993) model of corruption which shows that corruption has adverse consequences on the provision of service offered within departments or organization where corruption is rampant. This finding nevertheless appears to agree with some authors. According to them payment of a bribe has no adverse consequence but rather; it is an efficient solution for overcoming centralized, overly extended bureaucracy, red tape and excessively long delays (Leff, 1964, Lui, 1985, Kaufmann & Wei, 1999). However, this observation is rather disturbing, since the researcher's hypothesis was that corruption has a negative effect on service delivery in the Ministry of Lands.

To further ascertain this relationship average performance for each year was computed from the output measures and Pearson's correlation coefficient determined. An analysis of the correlation between the Actual Average Performance across all departments, and the KACC/EACC Corruption Index gave the results in table 4.2.

Table 4.2: Correlation matrix- Actual Average Performance, KACC/EACC Corruption Index

	Average Performance	EACC Corruption index %	
Average Performance	1	1	
EACC Corruption index %	<b>-</b> 0.0 <b>80</b> 6	*	

It is observed that there is a weak inverse relationship between the Actual average performance of the ministry and the KACC/EACC corruption Index. This implies that corruption impacts negatively on service delivery as measured using average performance. This agrees with surveys carried out in different sectors that have shown that corruption impacts negatively on service delivery (TI corruption perception indices, KACC/EACC corruption surveys, Gupta, Davoodi & Tiongson, 2000, SODNET, 2000, Canfield, 2011). In addition, it is in tandem with Shleifer and Vishny (1993) assertion that corruption has adverse consequences on the provision of service offered within departments or organization where corruption is rampant.

The two findings are not in tandem hence further analysis was done. Moving correlation coefficients of order 3 were determined between Actual average performance of the ministry and the KACC/EACC corruption Index. Table 4.3 shows the results of the moving correlation analysis.

Table 4.3: Moving correlation analysis

Moving Period intervals of order 3	Correlation between Actual average performance and the KACC/EACC corruption index
2005 -2007	-0.8512998
2006-2008	-0.6818059
2007-2009	-0.0548904
2008-2010	0.66675989
2009-2011	-0.4075465
2010-2012	1

The moving correlation analysis indicates a well defined trend. The general indication of the correlations is that corruption impacts negatively on average performance and hence on service delivery in the Ministry of Lands. The periods where positive correlation was observed were (2008-2010 and 2010-2012). Further scrutiny of data indicated that these are the periods when performance targets were set equal to or below the already achieved targets.

This implies that if there are no such ways of masking the under-performance, a clear negative effect of corruption on performance and hence on service delivery would be observed. As such, corruption does not drive performance of the Ministry of Lands in service delivery but rather it impacts on it negatively. This is in tandem with Shleifer and Vishny (1993) corruption model that corruption has adverse consequences on provision of public services.

Performance in the ministry's departments is measured as a percentage of the set targets that are achieved. This implies that;

$$Performance = \frac{Actual\ Achievement}{Set\ Target} * 100\%$$

A deeper investigation into the raw data on this measurement of performance revealed that most of the departments would set targets for future periods below the achievement of the current period. This would therefore result in majority of the departments achieving their targets, while others achieving above the targets and therefore indicating exemplary good performance and hence service delivery which is not real. This in itself is; corruption. This further implies that the inverse relationship observed between the composite scores and the EACC corruption index is spurious i.e. nonsensical. Table 4.4 shows examples of departments or sections whose targets were unreasonably set resulting to 'good performance' of 100% and beyond.

Table 4.4: Actual versus Target performance for some sections in some departments

	Departm	ent of land	l adjudication	Departi	ment of S	urvey
		t of landle		Bounda	ries	
Year	Actual	Target	Performance	Actual	Target	Performance
2005/2006	4395	8000	54.94%	10	10	100.00%
2006/2007	16541	17000	97.30%	12	20	60.00%
2007/2008	14000	17000	82.35%	121	30	403.33%
2008/2009	14530	17000	85.47%	60	70	85.71%
2009/2010	17266	12000	143.88%	78	80	97.50%
2010/2011	13281	15000	88.54%	227	227	100.00%
2011/2012	19553	12000	162.94%	270	300	90.00%
		ent of Sur		adjudic		and ation Sections
	Number	<u>of finalized</u>	<u>d Deed plans</u>	İ		
Year	Actual	Target	Performance	Actual	Target	Performance
2005/2006			••••	15	50	30%
2006/2007	5624	5650	99.54%	26	28	92.86%
2007/2008	8993	6000	149.88%	28	30	93.33%
2008/2009	7369	8000	92.11%	28	30	93.33%
2009/2010	9500	9500	100.00%	30	30	100%
2010/2011	12483	10000	124.83%	30	30	100%
2011/2012	16310	12000	135.92%	30	30	100%

A department or section that sets its targets appropriately in a manner that indicates commitment to improved performance should set the target for the next period higher than the achievement of the current period. This should have been the case for the Ministry of Lands and to this extent; a positive/direct correlation is expected between the target and the actual performances.

It can therefore be deduced that the departments and sections in the ministry set their targets so inappropriately so as to allow for corruption and evade responsibility for failing to

perform as expected. The key problem therefore becomes that of setting good and reasonable targets.

## 4.5 Departmental performance and target setting

Departmental performance collectively yields the ministerial performance which gives the measure of service delivery. Also, the departmental corruption levels collectively contribute into the ministerial corruption index. Therefore, it is paramount that the performance of each department is monitored and ensured to improve so as to guarantee improved overall performance in service delivery of the ministry. One way of ensuring continued improvement on service delivery is by setting achievable, realistic and time bound (SMART) targets. Such targets coupled with corruption fighting mechanisms would result to effective and efficient service delivery, which will consequently raise the performance index and lower the corruption index.

The fact that some departments would set targets for future periods below the achievement of the current period is a clear indication of a deliberate move by these departments to evade commitment to improved performance which hypothetically may be attributed to creating chances and lee ways to practice corruption. Table 4.5 shows the various departments and sections in the ministry, their statistics on performance as a measure of service delivery and the correlation with the EACC corruption index.

Table 4.5: Departmental performance and correlation with EACC corruption index

	VI a dia a	Mean Performance	Standard deviation	Coefficient of Variation	Correlation to EACC Corruption Index
Department	Function	(%)	GEVIATION	v ai iativii	IIIGEX
A 1	Revenue Collection	0.9485	0.0533	0.0562	0.0544
Administration	AIA collected	0.8929	0.1204	0.1349	0.1849
Land Adjudication	Disputes resolution	0.9552	0.1663	0.1741	0.3119
	Settlement of landless	1.0220	0.3774	0.3692	0.5029
	Finalization of land adjudication sections	0.8707	0.2540	0.2917	-0.1308
Physical planning	Physical planning	0.8460	0.3362	0.3974	0.0041
Survey	Project completion	0.7125	0.2503	0.3513	0.6278
<i>Da.</i> • • <i>y</i>	Boundaries	1.3379	1.1967	0.8945	-0.4335
	RIMs	1.1575	0.7067	0.6106	-0.3244
Lands	Deed plans	1.1705	0.2330	0.1990	0.2830
	Titles	0.7511	0.2501	0.3330	0.1945
	Computerization	0.7725	0.2345	0.3035	0.3332

It is observed that a third of the departmental functions had a mean greater than 1 (100%) which is unrealistic, and caused by improper target setting. Further, the coefficient of correlation is positive for many functions, implying that an increase in the corruption level causes an increase in the performance levels and hence improved service delivery.

To this extent, departmental analysis was performed on the actual achievements vis-à-vis the number of years since 2005/2006 and the set targets to develop multiple linear regression

models that would be used to set future targets that will ensure continued improvement in each department. Each departmental model aim at determining the target to be set for one time period in the future (regressand) as a function of the time period since year 2005/2006 (regressor 1), and the actual achievement of the current period (regressor 2). The general structure of the models:

$$\hat{Y} = \beta_0 + \beta_1 X_1 + \beta_2 X_2$$

Where;  $\hat{Y}$  = Target value for one period into the future

 $X_1$  = Time period since year 2005/2006  $X_2$  = Actual value observed in the current period

To test the reliability, explanatory power and the statistical significance of these models, regression Analysis of Variance (ANOVA) at a significance level  $\alpha = 0.05$  was conducted on each model. Table 4.6 shows the regression analysis results for the revenue collection, which is overseen by the administration department across all departments.

Table 4.6: Regression analysis for revenue collection

ANOVA	· · · · · · · · · · · · · · · · · · ·				
Source	df	SS	MS	F-statistic	Significance F
Regression	2	27561895	13780948	13.57551	0.031385
Residual	3	3045398	1015133		
Total	5	30607293			
		Standard			
	Coefficients	Error	t Stat	R Square	F-Critical
Intercept	680.1642	1037.043	0.655869	0.900501	9.5521
X Variable					
1	1186.88	814.1805	1.45776		
X Variable					
2	0.051844	0.593657	0.08733		<u>.                                    </u>

The analysis yields the model;

$$\hat{Y} = 680.16 + 1186.88X_1 + 0.0518X_2$$

Where:  $\hat{Y}$  = Target revenue collection for the next period (Ksh. "millions")

 $X_1$  = Time period since year 2005/2006  $X_2$  = Actual revenue collected in the current period (Ksh. "millions")

The F-statistic (13.57551) is much greater than the F-critical value (9.5521) and the significance F (0.031385) is less than the significance level  $\alpha = 0.05$ . This implies that the model is statistically significant. Further,  $R^2 = 0.9000501 = 90.00501\%$  giving a very high explanatory power of the model. This implies that there is over 90% confidence that the targets set using this model are achievable.

Table 4.7 shows the regression analysis results for the project completion rate (percentage) which is also overseen by the administration department across all departments.

Table 4.7: Regression analysis for project completion rate (percentage)

ANOVA Source	df	SS	MS	F-statistic	   Significance F
Regression	2	1320.468	660.234	44.14762	
Residual	3	44.86543	14.95514		
Total	5	1365.333 Standard			
	Coefficients	Error	t Stat	R Square	F-Critical
Intercept	36.29145	21.19169	1.712532	0.96714	9.5521
X Variable	7.760595	7.371113	1.052839		
X Variable 2	0.096654	0.764036	<u>0.126505</u>		

Source: Research data (2013)

The analysis yields the model;

$$\hat{Y} = 36.2915 + 7.7606 X_1 + 0.0967 X_2$$

Where;  $\hat{Y} = \text{Target project completion rate (percentage) for the next period}$ 

 $X_I =$ Time period since year 2005/2006

 $X_2$  = Actual project completion rate for the current period

The F-statistic (44.14762) is much greater than the F-critical value (9.5521) and the significance F (0.005957) is less than the significance level  $\alpha = 0.05$ . This implies that the model is statistically significant. Further,  $R^2 = 0.96714 = 96.714\%$  giving a very high explanatory power of the model. This implies that there is over 96% confidence that the targets set using this model are achievable.

For the Land adjudication department, there are three main activities on which performance evaluation is critical. These are; settlement of landless citizen, resolving land disputes and land adjudication. Presently, the Kenyan government has endeavored to resettle all the landless citizens, an exercise that has already taken off. This implies that the number of landless (or unsettled) citizens will be minimal or zero in the near future.

The number of land disputes to be resolved is a variable that does not depict any desirable trend through time. To this extent, the target of the disputes to be resolved should be set on the basis of the number at a particular time. Whatever target is set, it should not compromise the efforts to curb corruption and it should be void of allowances for corruption.

Land adjudication is a continuous process that requires continuous commitment to performance and improvement. Table 4.8 shows the regression analysis results for completion of land adjudication sections by the Land adjudication department.

Table 4.8: Regression analysis for completion of land adjudication sections

ANOVA	-				Significance
Source	df	SS	MS	F-statistic	F
Regression	2	12.00988	6.004939	13.61196	0.031272
Residual	3	1.323455	0.441152		
Total	5	13.33333			
		Standard			_
	Coefficients	Error	t Stat	R Square	F-Critical
Intercept	23.70148	1.713465	13.83249	0.900741	9.5521
X Variable	0.491868	0.277356	1.773417		
X Variable 2	0.123961	0.091489	1.354927		Decearch data

The analysis yields the model;

$$\hat{Y} = 23.7015 + 0.4919X_1 + 0.124X_2$$

Where;  $\hat{Y} = \text{Target adjudication sections to be finalized in the next period}$ 

 $X_I$  = Time period since year 2005/2006

 $X_2$  = Actual adjudication sections finalized in the current period

The F-statistic (13.61196) is much greater than the F-critical value (9.5521) and the significance F (0.031272) is less than the significance level  $\alpha = 0.05$ . This implies that the model is statistically significant. Further,  $R^2 = 0.900741 = 90.0741\%$  giving a very high explanatory power of the model. This implies that there is over 90% confidence that the targets set using this model are achievable.

Table 4.9 shows the regression analysis results for completion of local physical development plans by the Physical Planning department.

Table 4.9: Regression analysis for completion physical planning tasks by the physical planning department

ANOVA					Significance
Source Regression Residual Total	df 2 1 3	SS 936.3545 8.395522 944.75	<i>MS</i> 468.1772 8.395522	F-statistic 55.76511	F 0.0494268
Intercept	Coefficients 1.171642	Standard Error 4.342649	t Stat 0.269799	R Square 0.991113	<i>F-Critical</i> 9.5521
X Variable 1	24.3209	6.390409	3.805843		
X Variable 2	-0.86567	0.500612	-1.72923		Research data (

Source: Research data (2013)

The analysis yields the model;

$$\hat{Y} = 1.1716 + 24.3209 X_1 - 0.8657 X_2$$

Where;  $\hat{Y}$  = Target physical planning tasks be finalized in the next period

 $X_I$  = Time period since year 2005/2006

 $X_2$  = Actual physical planning tasks completed in the current period

The F-statistic (55.76511) is much greater than the F-critical value (9.5521) and the significance F (0.0494268) is less than the significance level  $\alpha = 0.05$ . This implies that the model is statistically significant. Further,  $R^2 = 0.991113 = 99.1113\%$  giving a very high explanatory power of the model. This implies that there is over 99% confidence that the targets set using this model are achievable.

The survey department is mandated to layout and set national and international boundaries, preparation of RIMs and deed plans. Based on the data on the RIMs prepared over the time, the multiple linear regression analysis yielded the results in table 4.10.

Table 4.10: Regression analysis for completion RIMs

ANOVA Source	df	SS	MS	F-statistic	Significance F
Regression	2	8.13E+09	4.06E+09	31.06674	0.009885
Residual	3	3.92E+08	1.31E+08		
Total	5	8.52E+09		_	
	Coefficients	Standard Error	t Stat	R Square	F-Critical
Intercept	-25213.6	16013.16	-1.57456	0.953941	9.5521
X Variable 1	17792.88	6949.241	2.560406		
X Variable 2	0.227685	0.393302	0.578907		barranah data

Source: Research data (2013)

The analysis yields the model;

$$\hat{Y} = -25213.6 + 17792.88X_1 + 0.2277X_2$$

Where;  $\hat{Y} = \text{Target RIMs to be completed in the next period}$ 

 $X_I$  = Time period since year 2005/2006

 $X_2$  = Actual RIMs completed in the current period

The F-statistic (31.0667) is much greater than the F-critical value (9.5521) and the significance F (0.0099) is less than the significance level  $\alpha = 0.05$ . This implies that the model is statistically significant. Further,  $R^2 = 0.953941 = 95.3941\%$  giving a very high explanatory power of the model. This implies that there is over 95% confidence that the targets set using this model are achievable.

The department of lands is mandated to prepare title deeds and automate/computerize the information on land ownership. Between year 2005/2006 and year 2008/2009, the department used count of the title deeds prepared and the number of jobs computerized as the performance indicators/measures. However, this changed in the year 2009/2010 where the department started using the average amount of time taken to prepare a title deed or to computerize a job as the performance indicator. Because of this change, there is no sufficient data that could be gathered over the period covered by the study to analyze the trend and thus develop a target setting model. However, over the short periods covered by each type of measure used, improvement was evident since the numbers increased while the average time per unit reduced consistently.

## 4.5.1 Trials of the developed target setting models

Trials on the developed target setting models were conducted using the collected data on actual performance over the seven years (2005/2006 to 2011/2012). Gradually and reasonably increasing targets were observed to be set through time, which will demand the staff to remain committed to improvement at all times.

Further, the target set for a given period by a model was seen to be higher than the previous actual achievement by a considerable margin for all the departments involved. This

eliminates the problem of under-setting the targets. This implies that, if these models were used to set targets over the period, underperformance will not be masked and high rates of achievement going beyond 100% will reflect improvement in service delivery. This is because corruption in the ministry of lands hinders efficient and effective service delivery and does not aid service delivery.

To confirm the actual effect of increasing corruption levels on the actual performance as a measure of service delivery, correlation analysis was carried out on the average actual performance based on the targets set using the models (Average performance – Model Target (MT)) and the EACC corruption index percentage. Table 4.11 shows the results.

Table 4.11: Correlation matrix- Average performance (MT) and the EACC corruption index percentage.

	EACC Corruption index %	Average performance(MT)
EACC Corruption index %	1	*
Average performance(MT)	-0.6580034	1

Source: Research Data (2013)

A significantly strong negative correlation is observed, confirming that corruption impacts negatively on performance and by extension on service delivery in the ministry of Lands. This is in tandem with Shleifer and Vishny (1993) corruption model and also with surveys carried out in different sector that have shown that corruption impacts negatively on service delivery (TI corruption perception indices, EACC corruption surveys, Gupta, Davoodi & Tiongson, 2000, SODNET, 2000, Canfield, 2011).

This confirms that target setting is a problem that needs to be resolved in the ministry of lands, since poor target setting is used to hide underperformance which is attributed to increasing levels of corruption in the ministry, may be, among other factors.

#### **CHAPTER FIVE**

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Summary

The study revealed that corruption levels are on the rise and will continue to escalate to higher levels in the future. This trend is worrying and should be a concern to all the stake holders. A number of reforms have been undertaken in the Ministry of Lands. For example, land administration and management has been anchored in the 2010 Kenya constitution, the National land policy has been formulated and enacted in parliament, The National Land Commission has been set up and anti – corruption measures have been put in place. The expectation should be that, there is a decline in corruption levels however, the findings indicate otherwise.

Evaluation of service delivery in the Ministry of Lands indicated that the processes are demand driven, centralized, complex and long and involves many actors who have monopoly and discretion. Monopoly and discretion foster corruption in cases where accountability is lacking. On the other hand centralized, complex and long processes create loopholes which allow corrupt practices to thrive.

The study further revealed that performance as a measure of service delivery is improving and will continue to improve in the near future. The trend and the Pearson correlation coefficient indicate a positive correlation between corruption and composite score which was contrary to the researcher's hypothesis. However, the moving correlation analysis indicated a well defined trend. The general indication of the correlations was that corruption impacts negatively on service delivery.

It was observed that a third of the departmental functions had a mean greater than 1 (100%) which is unrealistic. This was an indication that the actual achievement was way above the set target. A deeper investigation into the raw data on this measurement of performance revealed that most of the departments would set targets for future periods below the achievement of the current period. This would therefore result in majority of the departments achieving their targets, while others achieved above the targets and therefore indicating exemplary improvement in service delivery which is not real. This in itself is; corruption.

Using the actual performance, multiple linear regression models were developed for survey, administration, adjudication and physical planning. Due to multiple ways in which the outputs in the lands department were measured, regression model could not be developed. Trial of the developed multiple linear regression models generated targets that were used to determine Pearson's correlation coefficient. A significantly strong negative correlation was observed, confirming that corruption impacts negatively on performance and by extension on service delivery in the ministry of Lands.

#### 5.2 Conclusions

The study revealed an upward trend of corruption indicating that corruption levels are on the rise and will continue to escalate to higher levels in the future. The trend over the period assumed a second degree polynomial (quadratic) functional structure with the third period (year 2007/2008) giving the lowest index of 13.7 percent. The seventh period (year 2011/1012) gave the highest corruption index of 28.3 percent.

A positive correction between corruption and the composite score was obtained contrary to the researcher's hypothesis that corruption impacts negatively on service delivery. However, further scrutiny of data indicated that the positive correlation was due to erroneous setting of targets. Analysis of coefficient of correlation between corruption and average performance of the ministry gave a weak negative coefficient of correlation. Further, analysis of moving Pearson's correlation coefficient of order 3 indicated a clear trend which established that corruption impacts negatively on performance hence service delivery. Therefore corruption impacts negatively on service delivery in the ministry of Lands.

In addition processes/procedures for delivering services in the Ministry of Lands indicated that the processes are demand driven, centralized, complex and long and involves many actors who have monopoly and discretion.

#### 5.3 Recommendations

The government of Kenya has introduced multifaceted measures to improve service delivery and fight corruption in the public sector. The envisaged effectiveness and efficient in service delivery and reduction of corruption in the Ministry of Lands is far from being actualized. To further improve on the service delivery and curb corruption the study recommends the following.

1. Based on the findings that corruption levels are on an upward trend, timely and effective measures need to be taken so as to curb the upward corruption trend. The researcher recommends a study be carried out to assess the effectiveness of the corruption measures that have been put in place. Accountability deters corruption hence; the mechanisms to foster accountability should be severe enough to deter corrupt practices. This will ensure that the new institutions established and reorganized ministries will not inherit the corruption networks but rather, corruption will be curbed before it can spill over.

2. Departmental performance collectively yields the ministerial performance and hence measure of service delivery. Also, the departmental corruption levels collectively contribute into the ministerial corruption index. Therefore, it is paramount that the performance of each department is monitored and ensured to improve so as to guarantee improved overall performance of the ministry in service delivery.

One way of ensuring continued improvement of service delivery is by setting achievable, realistic and time bound (SMART) targets. Such targets coupled with corruption fighting mechanisms would result to effective and efficient service delivery, which will consequently raise the performance index and lower the corruption index.

The researcher recommends that the public sector reforms and performance contracting secretariat with collaboration with the ministry of Lands develop models for setting future targets. This is possible as it has been demonstrated by the researcher. This will ensure that targets set are SMART and are not geared to mask underperformance.

3. The evaluation of the land administration processes indicated that the processes are: long centralized and complex, while some of the officers have monopoly with a lot of discretion powers. Monopoly and discretion acts as incentives for corrupt practices. While, long, centralized and complex processes create loopholes for corrupt practices to thrive.

The researcher recommends that the ministry carries an assessment of the procedures/processes with the aim of identifying loopholes and weakness that foster corruption and undermine efficient and effective service delivery.

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## **APPENDICES**

#### Appendix 2

### DATA REQUEST PUBLIC SECTOR AND PERFORMANCE

Jane Nyandia Maina

P.O Box 1871 - 00900

Kiambu

Cell NO.:0723797485

Email: nyando123@yahoo.com

Date: 09th September, 2013.

The Permanent Secretary

Public Sector Reform and Performance Contracting

Office of Prime Minister

P.O. Box

**NAIROBI** 

Dear Sir/Madam

## RE: REQUEST FOR DATA ON PERFORMANCE EVALUATION FOR THE MINISTRY OF LANDS ( 2005 - 2012)

I am a final year student (Registration NO: C50/70365/2011) in the University of Nairobi, College of Humanities and Social Sciences, undertaking a Masters degree in Public Administration (MPA). I am carrying out a research project entitled "Impact of Corruption on Service delivery in the Ministry of Lands" as part of the requirement for the award of the MPA. The purpose of the study is to examine how corruption impacts on service delivery in the Ministry of Lands.

Your organization has been purposively selected as it has been evaluating the performance of public sector institutions. I am requesting for performance data for the Ministry of Lands for the period 2005 - 2012.

The information/data provided will be treated with utmost confidentiality and will solely be used for academic purposes.

Yours faithfully

Jane Nyandia Maina

Appendix 3: Corruption data KACC/EACC (2005 - 2012)

	Corruption index
year	<b>%</b>
2005/2006	21.2
2006/2007	17.3
2007/2008	13.6
2008/2009	14.6
2009/2010	17
2010/2011	19.3
2011/2012	28.3

## East Africa Bribery Index (2005 - 2012)

	Aggregate
YEAR	corruption index %
2005/2006	25.5
2006/2007	19.7
2007/2008	37
2008/2009	45.6
2009/2010	53.3
2010/2011	55.5
2010/2011	70
2011/2012	

Appendix 4

Data from Evaluation Reports and Performance Contracts Ministry of Lands 2005 - 2012

	Composite	Revenue collected		AIA collecte	AIA collected	
	1 50010		Target	Actual	Target	
Year		Actual (M)	(M)	(M)	(M)	
2005/2006	******	696	800	614	765	
2006/2007	2.3857	773	850	96	142	
2007/2008	2.263	3789	3800	175	180	
2008/2009	2.3677	5400	6000	205	240	
2009/2010	2.2132	5937	6000	237	240	
2010/2011	1.972	6446	6500	288	298	
2011/2012	******	7855	8000	456	460	
		Settlement of landless		Disputes resolved		
		Bettlement		Actual		
Year		Actual	Target	(M)	Target	
2005/2006	<del> </del>	4395	8000	538	600	
2005/2000		16541	17000	8594	10000	
2007/2008		14000	17000	10000	11000	
2008/2009	<del>-</del>	14530	17000	8250	11000	
2008/2009	<del> </del>	17266	12000	12787	12800	
2010/2011	<del>-</del>	13281	15000	12806	10000	
2010/2011		19553	12000	15375	15500	
2011.2012						
		Finalize adjudication section		Physical Planning		
¥7 - am		Actual	Target	Actual	Target	
Year 2005/2006	<del> </del>	15	50	8	10	
2005/2000	<del> </del>	26	28	17	47	
2006/2007	+	28	30	37	50	
	+	28	30	43	50	
2008/2009	<del> </del>	30	30	60	40	
2009/2010	<del> </del>	30	30	40	50	
2010/2011	<del> </del>	30	30	43	50	

	RIN	1s	Deed plans		
Year	Actual	Target	Actual	Target	
2005/2006	150	160	****	*****	
2006/2007	160	200	5624	5650_	
2007/2008	813	300	8993	6000	
2008/2009	22456	40000	7369	8000_	
2009/2010	63632	64000	9500	9500	
2010/2011	71448	65000	12483	10000	
2011/2012	99984	100000	16310	12000	
	Titles/time		Computerization		
Year	Actual	Target	Actual	Target	
2005/2006	27120	30000	150000	200000	
2006/2007	82148	85000	132886	150000	
2007/2008	124000	130000	146826	150000	
2008/2009	140000	300000	15	50	
2009/2010	90	30	50	75	
2010/2011	30	25	50	55	
2011/2012	25	20	55	60	
	Project completion rate		Boundaries		
Year	Actual	Target	Actual	Target	
2005/2006	37	45	10	10	
2003/2000	32	90	12	20	
2000/2007	57	100	121	30	
2007/2008	75	100	60	70	
2008/2009	49	100	78	80	
	100	100	227	227	
2010/2011	100	100	270	300	
2011/2012		100			