THE IMPACT OF COUNTERFEIT CONSUMER PRODUCTS ON SOCIAL LIFE: A CASE STUDY OF NAIROBI CBD.

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DECLARATION

I declare that this my original work and has not been submitted for examination in any other University.

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This project proposal has been submitted for examination with our approval as the University supervisors.

Signature: …………………………………..Date: ……………………………

DR. BENEAH MUTSOTSO, PhD.

DEDICATION

 I dedicate this work to the heroes whose every single minute and thought are spent in exploring ways and means to curb counterfeit, those who are conscious that counterfeit and piracy is cancerous to the economy and development of the nation.

ACKNOWLEDGEMENTS

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DEFINITION OF TERMS AND CONCEPTS

Counterfeit: Means to imitate something. Counterfeit products are fake replicas of the real product. .

Import Restrictions: Refer to various tariff and non-tariff barriers imposed by an importing nation to control the volume of goods coming into the country from other countries

Organized Crime: Are transnational, national, or local groupings of highly centralized enterprises run by criminals for the purpose of engaging in illegal activities, most commonly for monetary profit.

Globalization: The process of international integration arising from the interchange of world views, products, ideas, and other aspects of culture.

Intellectual Property: Is a legal concept which refers to creations of the mind for which exclusive rights are recognized

Rational Systems: These are highly formalized structures in terms of bureaucracy's and hierarchy, with formal systems of rules regarding authority and highly specific goals,

ABSTRACT

Like in many third world countries, counterfeit and piracy has been truly a cancer to the economic development of Kenya. The counterfeit effects are seen through different social, economic and health hazards such as loss of income, environmental degradation and health damages and is part of organized crime. The study aimed to access the impacts of counterfeit on consumer products on social life, assess the level of preparedness and the ability to curb counterfeit by the law enforcement agencies. The study was conducted in Nairobi City County being the commercial hub for East and Central Africa, with a population of 3,138,369 (National Census Report, 2009, a home to major production, manufacturing and service industry in Kenya and with the largest consumers of counterfeit products thus a representative sample of the larger East Africa region. The study applied a theoretical framework based on Travis Hirshi and Michael Gottfredson's Self-Control Theory of Crime, Smiths' The enterprise theory of crime to explain these phenomena. Lack of individual self esteem was linked to crime and also cases of legitimate markets not satisfying the demand and taste of many customers lead to counterfeit, that high demand for a particular good or service, low levels of risk detection and high profits created the much need conducive environment for counterfeit. Questionnaires (Quantitative) and focused group discussion (Qualitative) were used to collect data from business people, anti counterfeit agencies officials and the general users, a sample of 120 was precise and representative to obtain the result, the collected data was coded and analyzed using STATA® statistical program and conclusion and recommendations were made from the result. From the study findings, 85% of the respondents reported that counterfeit levels had increased tremendously while only 1.5% thought the level of counterfeit had remained the same while 9.7% reported reduction. (73%, p=0.534) reported encountered counterfeits at personal level compared to only 17% (p=0.946) who learned about it from the Anti-counterfeit Agency and the media. It was also reported that corruption is the major stroke towards the fight against counterfeit, corruption was highly reported in KEBS followed by police and KRA respectively.

CHAPTER ONE: BACKGROUND AND PROBLEM STATEMENT

1.0 Background

Trade in counterfeit products is a flourishing business and a major problem in the global economy. It is a multibillion dollar business which is spreading widely fast among the low income earners. Research shows that the rampancy of this trade and the rapidness of its growth is fueled by a number of factors ranging from limited supply of genuine products, inability to identify the original products, high prices of the original products, poverty, corruption and ignorance of the populace(Staake, & Fleisch, 2008).

The recent total removal of import restrictions and controls, digital technology, globalization and trade liberalization policies has also been associated with increased counterfeit products in the market. The consumers of counterfeits are duped into believing that counterfeit products are retailed at prices a fraction of the original products. Counterfeit products result to genuine companies globally losing up US$ 630 billion annually (E.A.C Policy on Anti Counterfeits and Anti- piracy, 2009).

Replication of the brand designs, packaging and labeling has been facilitated by digital technology especially in the fast moving products. The most affected industries are the automobile spare parts, consumer manufacturing industries, perfumes, detergents, medical drugs, electronics, intellectual properties and computer software. (Price, 2004).

Organizations such as World Trade Organization (WTO), Interpol Intellectual Property Actions Group (IIPAG), Organization for Economic Corporation and Development (OECD) and Business Action to Stop Counterfeit and Piracy (BSCAP) have conducted surveys in order to improve strategies of policies to combat counterfeits in vain. Tim Phillips states that measuring the amount of counterfeiting there is in the world is impossible because we know about the counterfeit that get caught and reported. This frustrates the efforts to curb the trade. Philips stresses that counterfeit products impacts a lot on socio-economic and political well being of the individual and state (Philip, 2006). Trade in counterfeit is a lucrative and growing area and there is increasing evidence to show that it is part and parcel of crime. Organizational

criminality denotes a white collar crime that is purported to be committed with the support, finances and encouragement of the formal organizations for the advancement of the objectives and goals of that organization. Participants in organizational criminality are commonly expatriates, who in most cases turn crime into an occupation, if not a career (Joachim J Savelsberg, 2002).

Braithwaite John (1989), the circumstances that lead to organizational criminality are associated with the legitimate and illegitimate distribution opportunities that with completion organizations have devised methods to make more profits and hold market control in order to evade detection. He further states that organizations with political links have high tendencies of engaging in crime than those that are not linked, the spoils from counterfeits related crimes sponsor political parties in return of political support and protection in the market.

Most counterfeit products are sourced from South East Asia and the Middle East, with China leading in manufacturing and exporting counterfeits. Small percentages are rebranded, redesigned and repackaged locally. Some counterfeit goods are imported directly to the country while others find their way into the market through un-gazette entry points (Drafts on E.A.C Policy on Anti counterfeits and Anti – piracy, 2009).

Counterfeits trade in Africa is accelerated by lack of proper anti–counterfeits policies, lack of combating strategies, political instability, consumer ignorance of the hazards, weak instructional capacity and policies, neglect of the brand owners to protect their products and elimination of import restrictions and control policies (Draft on E.A.C. policy on Anti- counterfeits and Anti – piracy 2009).

In Kenya counterfeit is manned by the Kenya Anti counterfeit Agency (ACA) an agency established by The Kenya Anti Counterfeit Act 13 of 2008, Subsection 32 (a-g); "It is an offense for one to have in his possession or control in the course of trade, any counterfeit goods; manufacture, produce or make in the course of trade, any counterfeit goods; sell, hire out, barter or exchange, or offer or expose for; expose or exhibit for the purposes of trade any counterfeit

goods; distribute counterfeit goods for purposes of trade or any other purpose; import into, transit through, transship within or export from Kenya, except for private and domestic use of the importer or exporter as the case may be, any counterfeit goods; and in any other manner, dispose of any counterfeit goods in the course of trade".

Counterfeits has several negative impacts related to health, economic and social and they are felt everywhere in the world, thus poisoning the social, political and economic spectrum globally. Recently, it has been found that counterfeit spoils are even funding terrorism, thus escalating the menace. (Price, 2004).

1.1 Statement of the Problem

The rate at which counterfeits products are flocking the black market is steadily increasing at a very alarming rate. The need to counter the vice in Kenya is gaining interest from various governmental, private sector and non-governmental organizations, thus a matter of public concern.

Despite the fact that there is no documented academic research on counterfeits in Kenya, the media reports regularly on its impacts in the country, some small amount of counterfeited products have been seized after the media highlights about them or the owner of the infringed property right reported about the vice. In some instances some products have been recalled from the market after being declared genuine by the government agencies, only to be found that they were not even tested due to the corrupt system. For example in July 2011, on the Saturday Nation, (Omondi G, Muiruri etal 2011,*counterfeit chocking manufacturers*.) the Kenya Efficiency Monitoring Unit reported that the Pharmacy and Poisons Board, a government organization which is mandated to ensure medicine that is sold to the public is of the right standard, registered drugs that were counterfeit and substandard, even after they failed safety test in the national quality control laboratory.

The range of counterfeit products is extremely broad and the trend indicates that counterfeiters no longer confine their activities to luxury goods, but are increasingly exploiting consumer goods which are targeted because of their high demand, turnover rates and low involvement due to brand loyalty, extensive distribution networks and low contribution margins. Goods such as alcohol, toiletries, pre-packaged foods, soft drinks, cleaning products and shoes are most affected (Staake & Fleisch, 2008).

Business Action to Stop Counterfeiting (BSCAP) Report of 2009, states that the value of counterfeits products increased by 22% annually from 2006 and is expected to hit 1.5 trillion dollars in 2015, globally an estimate of 33% from 500 Billion dollars in 2009.

The World Health Organization (2009) reports, estimates that 10% of all drugs around the world are counterfeit, commonly referred to as generic. In Less Developing Countries, the percentage of counterfeit drugs in circulation could be as high as 33 percent, while in developed countries the rate of fake drugs is less than 1 percent. In Kenya it is estimated that 98% of HIV Aids drugs are counterfeits or generics imported cheaply from India and china. The fight against counterfeit drugs received a blow when the Kenya Anti counterfeit Act (2008) was successively challenged in the Kenyan courts and orders issued to review the act to allow access to affordable generic drugs to treat Kenyans living with HIV Aids.

A study by Price Waterhouse Coopers -Lebanon (2003) on consumer counterfeit indicated that it cost the government US$75million to 100 million dollars annually and damage consumer health. A similar research in UAE by KPMG (2008) confirmed that 12.5% of consumer products in the market are counterfeits and costs the tax man about US$3.8 billion quarterly.

East African Community (2011) reports indicated that counterfeited consumer products have invaded almost every sector in Uganda, forcing genuine businesses to close down. For examples: Kampala-based Nice House of Plastics recorded a loss of business equivalent to the sale of 2 million toothbrushes in one year to counterfeits and 6000 jobs were lost. A research conducted by Advisory Centre for Trade and Investment Policy paper (2011) shows that Kenya's economy loses US $ 240,000 every year to counterfeit.

The pharmaceutical giant Glaxo Smithkline closed its production line in Nairobi, while Sara Lee, the manufacturer of KIWI shoe polish reduced its production to below 40% due to counterfeit. HACO Industries, the manufacturer of BIC pens, estimates that it loses over KShs 1.2 billion annually to counterfeits on this product alone. In Tanzania, it has lost 80% of its market revenues, The Kenyan giant battery manufacturing Eveready Industries closed down in October 2014 due to unfair competition from counterfeited products laying off all it is staff and closing down its distribution points. Glaxo SmithKline laid off its entire production staff when it closed its production line in Nairobi while Haco Industries lay off 25% of its staff due to loss of revenue (East African Community, 2011).

The poor in the under developed world are seen as the potential market for the super brands due to their ignorance and thirst to save on expenditure. Counterfeits limits creativity, kill brand images and causes serious security and health problems (Moises 2004).

Research has revealed that counterfeits problems are real cancer to the economy and thus this research is of concern as it highlights the dangers of consumer goods counterfeits and how they impact on social and economic aspects. It also draws findings, recommendation and conclusion of how to curb the vice.

1.2 Research Questions

The study attempted to answer the following questions

     i. How does counterfeit impact on business and social life?

     ii. Do the law enforcement agencies have the capacity to combat counterfeits?

     iii. Are the law enforcement agencies able to identify counterfeits?

     iv. What problems are manufacturers and government agencies facing in fighting counterfeits?

     v. Do the manufacturers, government agencies and brand owners influence counterfeits? What are the recommended strategies for fighting counterfeit?

1.3 Objective of the Study

1.3.1 General Objectives

The main objective of the study was to audit the impacts of counterfeits in consumable products on social life in Nairobi Central Business District.

1.3.2 Specific Objectives

      i. To determine the impact of counterfeits on business and social life to the public.

     ii. To assess the level of preparedness by the law enforcement agencies to address counterfeiting.

   iii. To establish the ability of the law enforcement agencies to identify counterfeits.

   iv. To assess the consumers' ability to identify counterfeit products

    v. To determine the challenges faced by manufacturers and the government in the fight against counterfeits.

1.4 Justification of the Study

The debate on counterfeits of consumable products has gained precise interest lately. Counterfeits costs the global economy US$70 billion annually, It has led to increased terrorism and global insecurity due to financing from its spoils, increased illegal immigration, sale of arms, loss of employment, loss of national income, bodily harm and death. Above all, it is part of the organized crime.

In Kenya it is argued that companies closed down or relocated their production line due to counterfeits resulting to loss of employment and revenues for the government. Some lost up to 40% of its sales due to counterfeit while others laid partial or all the entire staff. The rise in terrorist attacks led to death of innocent folks, deaths from consumption of counterfeits drugs and drinks, diversion of taxes to fighting counterfeits, loss of creativity and innovation and scaring of the investors to other countries forms part of the impacts of counterfeit.

This impact has led to deterioration of the economy and social life thus initiated debate from all the stakeholders on the need to curb it and thus documenting the impacts of counterfeits of consumable goods to business and social life will be of paramount importance to institutions founded under Section 2 of the Kenya Anti-Counterfeit Act 2008 such as Copyright Society of

Kenya, Kenya Revenue Authority and Kenya Anti Counterfeit Agency (ACA), among others. These institutions will use the study findings to arrange and organize awareness creation training programs on counterfeits and its impacts.

1.5 Scope and Limitation of the Study

This study audited the impacts of counterfeit in business and social life of the public in Nairobi Central Business District. It focused on the anti counterfeits agencies, strategies, sources of counterfeits. The study narrowed down to audit the public and manufacturers awareness of the impacts of counterfeits to the business and social life, the contribution of the brand owners and the government to counterfeits in consumable goods within Nairobi county. Business and the public within Nairobi CBD were considered ideal for the study because most manufacturers of consumables had their distribution monitoring point in Nairobi, consumers in Nairobi had more knowledge about counterfeit and due to the fact that most business were concentrated within the CBD.

The researcher faced several limitations on the study they included; some respondents declined to respond to some questions citing fear of victimization and the sensitivity of the research topic. This resulted in some sensitive questions not getting responses. Many business owners also declined to grant permissions for fear that it was an undercover police operations.

CHAPTER TWO: LITERATURE REVIEW AND THEORITICAL FRAMEWORK

2.0 Introduction

This research paper is important to the scholars in the region and beyond as it intends to fill the existing knowledge gap of the impacts of counterfeits on consumable products on business and social life. A research that was commissioned and conducted by the EC (European Commission) task force on performance of Eveready batteries in Kenya indicated that trading in counterfeit goods is more profitable and with less risks than drug trafficking (Eveready East Africa Prospectus, 2006).

Scholars and policy makers have different views on counterfeits and piracy. It has been globally accepted that counterfeit is a threat to the global, states and industries economy from the loss of taxes, trademark, value of a brand, and loss of market sales to the damages of investment and innovation. The government is the single most affected through loss of taxes, severe strain on the law enforcement agencies, diversion of government resources thus straining the limited assets and promotion of insecurity through funding terrorism with its proceeds. Pharmaceutical and consumer related counterfeit products cause severe health related problems apart from damaging the industries and brands and even death. The consumers' inability to differentiate original from counterfeit medicine cost them their health and the cheap price implication accelerates the risk by making them more attractive to the consumers staggering economy. At this point, it is important to give out different definition of counterfeiting and dumping by different scholars (Venables, 2000).

2.1 Organized crime

There exist an enormous body of literature that explain legitimate trade, however only a handful of empirical studies have been done on organized criminal businesses, thus lack of information is due to the nature of organized criminal businesses, in addition the existing information on criminal enterprises has been contaminated with misimpression and inaccurate journalistic accounts and government reports that lacks credibility and evidenced account. Counterfeit is part of organizational Criminality.

Organized crimes are local, national, or transnational groupings of highly centralized enterprises run by criminals for the purpose of engaging in illegal activity, most commonly for monetary profit. Some criminal organizations, such as terrorist organizations, are politically motivated. (Schrager & Short 1978).

The history of organized crime can be traced back to immigrants from southern Italy between 1875 and 1920 to the United States, the immigrants who were mostly suppressed peasants. (Schrager & Short 1978).

Lyman and Porter (2007) organized criminal organizations are characterized by;

   i.   Hierarchies based on 'naturally' forming family, social and cultural traditions.
  ii.   Tight-knit' locus of activity, Fraternal or nepotistic value systems.
 iii.   Personalized activity; including family rivalries, territorial disputes, recruitment and training of family members, entrenched belief systems, reliance of tradition (including religion, family values, cultural expectations, class politics, gender and roles.
  iv.   Communication and rule enforcement mechanisms dependent on organizational structure, social etiquette, history of criminal involvement, and collective decision-making and complex authority structure.
   v.   An extensive division of labor between classes within the organization, meritocratic (as opposed to cultural or social attributes).
  vi.   Responsibilities carried out in an impersonal manner, top-down' communication and rule enforcement mechanisms.

Organized crime groups seek out corrupt public officials in executive, law enforcement, and judicial roles so that their activities can avoid, or at least receive early warnings about, investigation and prosecution. (Padilla 1992).

2.2 The Concept of Counterfeit

The Oxford University English dictionary, defines the word counterfeit "made in imitation of something genuine with the intent to deceive or defraud; forged". In relevance to this study, the term "counterfeiting" is used in its broadest sense and encompasses any manufacturing of a product which so closely imitates the appearance of the product of another to mislead a consumer that it is the product of another. Hence, it may include trademark infringing goods, as

well as copyright infringements. The concept also includes copying of packaging, labeling and any other significant features of the product. (Wonnacott, *et al*, 1989).

The use of the term "counterfeiting" has evolved and now-- "Encompasses possession, control, manufacture, produce or make a fake product for trade course, sell, hire or barter, offer or expose a fake product for trade, distribute, import, transit or transship a counterfeit product except only for private use." (East Africa Customs Management Act, 2004).

2.3 Counterfeiting and Counterfeit Trade.

Product counterfeiting and the trade in counterfeit products, labels and packaging involve the imitation of legitimate or genuine products that are marketed under brand names. Services are also increasingly being offered by counterfeit providers who use other providers' brand, American Marketing Association (AMA) defines a brand as a "name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers).

The imitations are usually clones or falsified products, labels and packaging designed to look like genuine products. Counterfeits are usually intended to deceive or confuse consumers who then think they are paying for a merchandise, service or technology of a brand, quality, durability or other characteristics the consumer has come to rely on, but in return gets a fake product.

2.4 The Economic Impact of Counterfeiting: Geographical spread of counterfeit products

Organization for Economic Co-operation and Development OECD, Staake and Fleisch (2008), share the views that the impact of counterfeiting is extremely to the originator. The effect of counterfeiting can be extremely incapacitating for the "creator" of the goods; the counterfeit goods are usually of low quality, low pricing and at times very attractive than the original ones. Thus the goods eat the product creator's liquid and intellectual capital by misleading and confusing consumers.

Trade in counterfeits is profitable and growing venture and evidence shows that there is an obvious link between counterfeits trade and terrorism, money laundering and drug trafficking. Initially manufacturer of very high priced and very prestigious products like textile, jeweler and electronics are affected by the growing technology. (Staake & Fleisch 2008).

The top five suppliers of counterfeit goods to Kenya and East Africa are China, Korea, India, Japan and the Philippines. The most common products are media (CDs, videos, computer games, etc.), mobile phones, and wearing apparel and lighting/power goods. Industries world-wide loses large amounts to counterfeiters. These losses not only affect the producers of genuine items, but they also involve social costs. It is estimated that trade in counterfeit goods is now worth more than five per cent of world trade. According to TRIPS, (2012) this high level can be attributed to a number of factors: Advances in technology; Increased international trade, emerging markets; Increased share of products that are attractive to copy, such as branded clothing and software.

At first momentary look, it is evident that consumers buy counterfeit goods based on their low and affordable prices, this would literally imply that counterfeits are primarily attractive to low income earner but in reality even the high income earners also buy counterfeit goods although they can afford genuine products (Gentry, *et al* 2002).

2.5 Global Counterfeit Statistics

Recent counterfeit statistics estimated that 7% or $512 billion of world merchandise trade in 2004 was counterfeit products, (Balfour, 2005). The number of counterfeit items seized at European Union borders increased by more than 1,000%, rising to over 103 million dollars in 2004 from 10 million dollars in 1998. The U.S. borders are not exception its seizures of counterfeit goods have more than doubled since 2001 (Guiterez *et al,* 2006).

2.5.1 Categories of Counterfeit Products

Counterfeits are categorized into two main groups: 1) infringement and, 2) consumer knowledge/perception. Based on the degree of infringement, Venables (2000) categorized counterfeit products into four, namely;

(1) **True Counterfeit,** where the physical appearance of the product and the brand are perfectly similar to the original one, this kind of fake product becomes very hard to identify them even to the original creators of the brand.

(2) **The Look** – like counterfeit goods, in this category the product is a copy of the original product physically but the brand it uses is not the original.

(3) T**he reproductions of counterfeit products,** which only have some similarities with the original.

(4) **Unconvincing imitations; or the obvious imitations,** which are goods that can be easily differentiated with the original by a mere simple look at the physical and brand of the product. In most cases these products are poorly packaged and labeled.

On the basis of the consumer knowledge and perception of the products, *Wonnacott, et al* (1989) in their research classified counterfeit products into two:

1) **Deceptive Counterfeiting**; counterfeit goods that consumers cannot distinguish the fake from genuine; the consumers are fully unconscious of purchasing the fake products.

2) **Non-deceptive Counterfeiting;** these are goods that consumer can easily distinguish them from the genuine ones. In this category consumers purchase counterfeit goods consciously and thus it cannot be assumed that they were fooled, they are also aware of where the counterfeits are sold and the distributors of genuine products.

Wonnacott *et al* (1989), states that most counterfeit products are either highly prestigious goods, high technology products such as computer software or fast moving consumable products, in this case the counterfeit goods prices are set as high as the original product but with a very wide room for negotiation into almost half the price of the original, in this case, the high marked price for products is set to keep its exclusivity and originality perception.

Organization for Economic Co-operation and Development (OECD) (2000) states that the fight against counterfeit requires the employment of technology that must be "… cost effective, compatible with the distribution of the product, consumer – friendly, resistant and durable". Peticolas, *et al*, (1999), argue that while there are no general solutions, there are a "… wide range of tools, which if applied intelligently should be sufficient to solve most of the problems

that we meet in practice". Such technologies range from, "… simple cost effective printing technologies through optical technology, biotechnology, chemical and electronic fields". The technology, overt or covert, should be well guarded secret he further proposes that covert devices should be used since they constitute a key trade secret of the enterprise.

2.6 Global Counterfeit Trends

Counterfeiting has for long been seen especially by the perpetrators of the vice as victimless crime and that it poses cheap and alternative to the expensive and in most cases not available genuine products, in the past due to poorly enforcement of law counterfeiters globally saw the business as low risk business with very light penalties relative to the large benefits accrued to it (Carter, 1994).

Global research conducted by Carter, (1994) shows that organized crime is increasing and changing its focus toward an enterprise model in terms of structure, membership, and commodities. A number of key factors are shaping the trends globally and that they should be monitored in the effort to curb counterfeit crime they include:

2.6.1 Globalization

Although organized crime has always crossed national borders, it is becoming increasingly international in scope. This form of crime has grown in Europe with the near elimination of European Community border controls and the opening of Eastern European borders. Autos and consumer goods are the main targets. International crime entails on-going enterprises in two or more countries; product counterfeiting, money laundering, drug trafficking and the black market (Carter, 1994).

2.6.2 New Generation Crime Cartels

As consumerist crime has risen, the 'basic nature of organized crime groups has shifted. Conventionally draw from a narrow group based on heritage, kinship, or other common factors, members usually became career criminals associated with a specific crime group. Entrepreneurial crime groups, on the other hand, depend on a small core of permanent members

who bring in others as needed to handle specific assignments. According to British police department "Today's diverse organized crime groups are operationally more like corporate raiders, only the criminals use violence and illegal methods to solidify their market and profit." (Carter, 1994).

2.6.3 The New Russian Threat

Russian organized crime is so pervasive that it now threatens the democratization process and attempts to develop foreign trade. Russian crime syndicates are involved in a range of activities including: drug trafficking; theft of consumer goods, intellectual property, and nuclear materials; and racketeering. efforts to control Russian counterfeit and other organized crimes and in general global fight has been hampered by; bribery of police officials, the government's overriding preoccupation with stabilizing the economic and political systems, The lack of effective communication with law enforcement agencies internationally, the loss of 19% of Russia's police officers in 1992'many of whom became involved in organized crime, high levels of arms trading (Carter, 1994).

2.6.4 Trends in prohibited Activity

Counterfeit and drugs trafficking routes have been disrupted and forced northward by the conflicts involving Croatia -Yugoslavia and Bosnia Herzegovina -, but it continues to be a major source of criminal activity. Other commodities actively trafficked by both Eastern and Western European crime groups are stolen consumer goods and cars (Carter, 1994).

Corporate security directors also report increases in industrial espionage and product counterfeiting. Government officials report an increase in forged passports used for illegal immigration, credit card and social service fraud, terrorist travel, and so forth. Two final areas of increasing emphasis for organized crime are computer-related crimes and high technology targets. Counterfeits and related crimes have led to increased crime and death and its estimated that trade in counterfeit products is estimated to exceed six per cent of global trade. It is not only damaging to business and investment opportunities but is also having negative social and economic impacts (Carter, 1994).

In recent joint reporting by the East African Association of Manufacturers, Kenya Association of Manufacturers and the Kenya Anti counterfeit Agency "intellectual property rights in Kenya" indicated that the quality of packaging and branding of counterfeit products is improving making it difficult for consumers and anti counterfeit agencies in distinguishing between genuine and fake. The counterfeiters are more organized adaptable and now using covert and sophisticated technology to improve their products, avoid detection and prosecution; this shows their level of determination to continue with the vice (Wekesa & Sihanya, 2010).

Three percent of global Trade in tobacco products are dominated by counterfeit products with the total number of fake cigarettes produced and sold each year reaching 150 billion sticks annually, 20 per cent of the clothes bought in Italy are fakes, according to a report issued by the Italian consumers association Intesa dei Consumatori in April 2004. Fake shoes and clothes reached EUR 3.13 billion (US$3.705 billion) in terms of value in 2002, and accounted for nearly 21 per cent of all counterfeits produced and marketed in Italy and in 2001, illicit vodka containing methyl alcohol killed 60 people in Estonia (Wekesa & Sihanya 2010).

2.7 Counterfeit Trade in Kenya

It has been estimated that in some of the worst affected industries, counterfeit trade accounts for more than 70% of the trade while the rest consists of trade in legitimate (legit) or genuine products or services. Counterfeit trade costs Kenya about Kshs 20 billion yearly in lost revenue and employment opportunities annually. Among the counterfeit goods in the market in Kenya are drugs (about $ 130 million), textiles (about $ 6.5 million), tire and tubes (about $ 4 million) and soaps and detergents (about $260,000), (Kenya Association of Manufacturers Annual Report, 1999).

Kenya Book Publishers Association (1999) estimated their annual loss at KShs 300,000. The losses incurred in the copyright industry have increased dramatically since then. In Kenya, street vendors and exhibition stalls openly sell counterfeit or pirated goods. And generic medicines are marketed through counterfeit packaging of the popular legitimate brands. (Kenya Association of Manufacturers' Annual Report 1999).

To compound the problem, emerging technologies have made it easier for counterfeit traders to carry out the trade. For instance, digital audiotapes, digital broadcasting, optical character recognition (OCR), scanners, recordable compact discs (CDs), electronic cameras, the Internet and high quality photocopiers have made counterfeiting cheaper, faster, simpler and more rewarding. (Kenya Association of Manufacturers' Annual Report 1999).

2.8 Impact of Counterfeit Trade on Economy

According to the Anti -Counterfeit Agency joint report with Kenya Association of Manufacturers and Kenya Private Sector Alliance (2011), the following are the impacts of counterfeit trade to the economy:

1) Counterfeiters rarely (if ever) pay taxes or the relevant duties and rates.
2) Counterfeiters incur limited production costs, thus they can afford to sell their goods cheaply and thereby undercut genuine producers. This deprives business of deserved profits.
3) Counterfeit goods pose great risks to public health and safety.
4) Where the counterfeits are of lower quality than the legit or genuine products, the legit entrepreneur's reputation is tarnished and this leads to loss of future sales.
5) Counterfeit trade may lead to strained trade relationships among Intellectual Property (IP) owners and counterfeiters.

2.9 Economic Framework

2.9.1 Stylized Model

The stylized model is based on the following two assumptions: (i) trademarks (is a distinctive sign or indicator used by an individual, business organization, or other legal entity to identify for consumers that the products or services on or with which the trademark appears originate from a unique source, designated for a specific market) and branding (brand is name, logo, slogan, and/or design scheme associated with a product or service) lead to higher future consumer welfare because they encourage discretionary investments such as research and development, advertising and training; (ii) counterfeit goods cause confusion and therefore reduce consumer welfare (Cowling, 1978).

That the original goods producers and their state governments offer views that are dependant of the roles of price and quality of goods so produced. The producers are said to have spent a lot of money to the development of brands image and quality of products through invention, design, research and informative advertising, it is believed that this should translate into high quality products, with proper occupation of market niche with some degree of monopoly, power and protection from counterfeits. This should in turn raise the producers of genuine products current and future products enabling him to meet and pay future. The result is a high quality product, occupying a market niche offering the originator some degree of monopoly, power and protection from counterfeits. This raises the originator firm's current and expected future profits, enabling it to pay for future unrestricted investments, which maintain their position in the longer-term by generating future monopoly power; these actions are legal and characterize the dynamic process of competition through quality improvement (Cowling, 1978).

The model also states that counterfeiting impinges on the cycle of dynamic performance by (1) transferring demand from the producer of genuine products and (2) by confusing consumers about the quality of the genuine goods and reduces the value they command. The effects of both are enormous in the absence of patency and protectionist will whereby the counterfeiters trades on fakes using the quality and name of the genuine products (Cowling ,1978).

According to Grossman (1988), the business of counterfeiting includes several expenses ranging from direct production expenses , distribution costs, penalties costs in case of seizure, bribes, The risks are complex, comprising the chance of being caught, confiscation, probability of conviction, and other penalties. The risk return profile varies across sectors and countries, in particular, between "deceptive" and "non deceptive" counterfeits. Anti-counterfeiting schemes attempt to reduce the risk adjusted returns (OECD, 2002)

2.9.2 Regional Integration and Counterfeit.

The trading blocks in Africa's economic schemes and the equivalent attempts to establish continental trading blocks and the issue of free market indicates a wider market for counterfeit goods. Examples of such trading blocks are the African Economic Treaty that came into force in 1994, the Abuja Treaty which initially sought to strengthen existing regional schemes and

promote formation of new ones that would be the frontrunners of a continental integration scheme. The East African Community that seeks to unite the East Africa and allow free movement of its people for trade and investments. Others include but not limited to Economic Community for West African States, (ECOWAS) and Preferential Trade Area (PTA) all these integrations consist of political, economic and social objectives that also create environment for counterfeits business (Biersteker, 1987).

According to Fitzgerald, (1996) integration as a process leads to a condition in which groups of people assents to communality within a given bloc and practices strong interrelatedness to ensure sustenance of dependable expectations of peaceful change among its populations. Langenfeld, (1996) writing about the unity in Europe, defined integration as, a process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations, and political activities towards new center, whose institutions posses or demand jurisdiction over the pre – existing national states". The successes of the European Union are an indicator of the need for integration for development of any region.

The economic success of the East Asian economies has been seen for some time as based on sharing the benefits of global markets from exports in their societies through investment on human capital, physical infrastructure, and poverty reduction. It is argued that counterfeits goods played a major role in the economic development of the East Asian countries; the fact that they took advantage of globalization and closed the gap in knowledge and technology also favored the flourishing of counterfeit trade. Scholars have argued that the complexity of the process to curb counterfeit should not be blamed on globalization and growth in technology rather on the management of globalization and technology (Lawrence, 1995).

Therefore regional integration has been viewed as a useful component in eradicating counterfeit and as a way towards attained of global integration, that such an arrangement will help in overcoming the disadvantages of small economic size, minimize adjustment costs, enhance export competitiveness, and provide an effective framework for financial sector, legal and regulatory reforms, investment promotion, and the implementation of sectored policies thus a

recipe for eradication of counterfeit. Lawrence (1995) sees regional integration as a tool for conflict prevention and resolution and for fostering conditions for health economic development.

2.9.3 East African Community: An Institution For or Against Counterfeit?

The history of the East African Community dates back to the early 20th Century especially the integration of Kenya Uganda and Tanzania. The idea of EAC was conceived with the Customs Union of Kenya and Uganda in 1917 and evolved henceforth by the joining Tanzania in 1927, in 1948 to 1961 East African high Commission existed and replaced by The East African Common Services Organization 1961 – 1967 and the East African Community (1967 - 1977). In 1977 Kenya played a very big role in the collapse of EAC by demanding more seats in the East African decision making organs than Uganda and Tanzania. The differences in political believes between the three countries i.e. dictatorship in Uganda during the era of President Amin, the capitalism in Kenya and socialism in Tanzania. Scholars have been keenly following the development of the EAC and the big question they are asking is whether the community is an institution for or against counterfeit? (Francisco, 2004).

The EAC finally revived on 30 November 1999 when the treaty for it is re – establishment was signed. It came into force on 7th July, 2000, since then the community has grown to incorporate two other members, thus Rwanda and Burundi. With Southern Sudan officially sending application for inclusion. The community has an area of 1,817,945 km2, GDP (PPP) of 104, 239 millions a population of about 124, 858, 68 persons, and a GDP per capita values of US$1,065. The scholars have also argued that with this growth and anticipated collaboration there is anticipation for reduced counterfeits through integrated reinforcement of anti-counterfeit agencies (Francisco, 2004).

2.10 Institutional Framework

In the effort to fight world counterfeits, different institutions have been mandated to fight counterfeits crimes globally, this institutions work in a coordinated manner, the constitution has mandated Anti Counterfeit Agency in Kenya and its working with several bodies that were established by the act of parliament, they include.

2.10.1 Standard Organizations, Mandates and Related Laws and Strategies

The institutional framework of anti counterfeits in Kenya are contained in the Anti-Counterfeit act No. 13 of 2008 which is An Act of Parliament to prohibit trade in counterfeit goods, to establish the Anti-Counterfeit Agency , and for coordination of all the institutions associated with fighting the vise, establishment powers and functions of the agency, financial provisions and inspection.

In 2010 the Minister of Trade under the provisions of the law in exercise of his powers conferred by Section 37 of the Anti- Counterfeit Act, 2008, came up with the anti counterfeit regulations 2010. This act allows coordinated mandate by the Anti Counterfeit Agency, the police, Kenya Intellectual property Organization (KIPO), the Kenya Revenue Authority (KRA) and the private sector and individuals to combat counterfeit.

2.10.2 Anti Counterfeit Agency

The Anti-Counterfeit Agency (ACA) was established by the Anti-Counterfeit Act, 2008. It is a state corporation currently within the Ministry of Industrialization. Although the Act was passed by Kenya's Parliament in 2008, it came into force on 1st July 2009 with the principal aim of prohibiting trade in counterfeit goods. The Agency came into operation in June 2010. The parliament of Kenya enacted the Anti-Counterfeit Act No.13 of 2008.

This Act of parliament was enacted to prohibit trade in counterfeit goods. The agency serves the following functions; 1) to enlighten and inform the public on counterfeiting, 2) to combat counterfeiting. 3) To devise and promote training on combating counterfeiting, 4) to co-ordinate with all organizations involved in combating counterfeiting, as well as prosecutes suspect counterfeiters, Through the execution of its mandate, ACA protects Government and the Economy, Local Manufacturers, Investors and Innovators, Consumers and the general public from counterfeit related activities

2.10.3 The Police

Under the Anti-Counterfeit Act, 2008 the Anti counterfeit Agency was mandated to venture into partnership to strengthen their fight against counterfeit, this led to establishment of a special police unit called the anti counterfeit police unit, this unit performs the following functions in their coordinated efforts to fight counterfeit namely; Cooperation in investigation and enforcement, Intelligence sharing and Public awareness of Agency's mandate and functions.

2.10.4 Kenya Revenue Authority (KRA)

The Kenya Revenue Authority is the tax collection agency in Kenya that was formed in 1995 to enhance tax collection on behalf of the Government.

To promote compliance with Kenya's tax, trade and border legislation and regulation, KRA has partnered with the anti counterfeit agencies in their effort to ensure that the government does not loose revenues through tax evasion.

In the effort to fight the menace a Secretariat comprising the Department of Weights and Measures, the Kenya Revenue Authority, the Industrial Property Office, the Kenya Bureau of Standards and the Kenya Police has come together to support the manufacturing sector in the fight against counterfeit and substandard products in conjunction with the Kenya Association of Manufacturers. The Weights and Measures Department has been playing a crucial role in the fight against counterfeits through the enforcement of the Trade Descriptions Act, which is one of the consumer protection legislation enforced by the Department by its field inspectorate staff. (Ministry of trade-Kenya)

On the other hand, the following organizations are mandated to develop standards in Kenya: 1) The Kenya Bureau of Standards (KEBS), 2) The National Environment Management Authority (NEMA), 3) The Division of Environmental Health.

2.10.5 The Kenya Bureau of Standards (KEBS)

KEBS is government regulatory body under Kenya's Ministry of Trade mandated to develop and ensure compliance with the International Standards Organization (ISO) product standards. It works hand in hand with other equally established and independent institution and they include

the Ministry of Environment and Natural Resources, the Department of Public Health, and the Ministry of Health to develop environmental and public health standards in partnership with KEBS.

The institution conducts product testing for individual product categories and undertakes certification. (East African Community, 2012).

KEBS being the major standardization institution it also works hand in hand with the following organizations which are mostly professional testing bodies:

a) The Government Chemist (forensic testing for law enforcement agencies)

b) The National Quality Control Laboratories (medical and pharmaceutical testing)

c) The National Public Health Laboratories (testing of microbiological reagents)

d) The Kenya Plant Health Inspectorate Service (KEPHIS) (certification of all imported plant materials as well as implementing sanitary & phytosanitary requirements)

e) Materials Testing Department, Ministry of Roads & Public Works (testing of materials used in the building and construction industries)

g) The Kenya National Accreditation Service (KENAS)

h) The Anti Counterfeiting Agency (ACA) and

i) The International Federation of the Phonographic Industry (IFPI)

Apart from these organizations there are other equally registered private conformity assessment bodies in Kenya they include; SGS Kenya, Bureau Veritas, and InterTek Services, all of which provide private consumer product-testing services.

2.10.6 Product Certification

Product certification is voluntary, but essential for marketing purposes. There are no mandatory requirements for product certification, but companies are encouraged to have their export products certified. National organizations such as the Radiation Protection Board, NEMA, the Dairy Board of Kenya, and the Communications Commission of Kenya (CCK) have specific product and system requirements that must be met prior to issuance of licenses or permits. The importation of any form of plant material (seeds, cuttings, bud wood plantlets, fresh fruit,

flowers, and timber) into Kenya is subject to strict conditions as outlined in the import permit issued by the Kenya Plant Health Inspectorate Service (KEPHIS) prior to shipment of such plants from the origin regardless of whether they are duty free, gifts or for commercial or experimental purposes. Seed certification is mandatory before seeds can be sold locally; the process can take up to three years. Kenya has been a member of the International Union for the Protection of New Varieties of Plants (UPOV) since 1999. It is worth noting that Seeds are the number one good counterfeited in Kenya (Anti counterfeit Agency, 2012).

The Pest Control Products Board (PCPB) registers all agricultural chemicals imported or distributed in Kenya following local testing by an appointed research agency. It also inspects and licenses all premises involved in the production, distribution, and sale of the chemicals. The board has the right to test chemicals sold locally to assure their compliance with originally certified specifications, No agricultural chemicals can be imported into Kenya without prior PCPB authorization, and chemicals can only be sold for the specific use granted by the board. For the most part, major horticulture producers and exporters also adhere to strict European Union and U.S. standards in the application and use of agricultural chemicals (Centers for Disease Control, 2012).

All organizations involved in the manufacture, distribution, and sale of agricultural chemicals in Kenya are members of the Agro Chemical Association of Kenya (ACAK). Members must sign a Code of Conduct based on the U.N.'s Food and Agriculture Organization Code. This document requires rigid controls in the manufacturing, packaging, labeling, and distribution of agrochemicals. It also mandates an ethics code (Centers for Disease Control, 2012).

Kenya's Pharmacy and Poisons Board (PPB) and the Ministry of Health are responsible for the certification and registration of all pharmaceutical drugs manufactured or imported into the country. To indicate conformity with mandatory product requirements, manufacturers can voluntarily place a KEBS mark of quality on the certified product. KEBS has the legal authority to stop the sale of substandard products and to prosecute offending parties. KEBS may inspect the product to ensure it conforms to KEBS or any other KEBS-approved standards; products that

do not meet the standards are to withdrawn from the market and the importer / manufacturer may be prosecuted (Kenya Bureau of Standards, 2012).

2.10.7 Accreditation

Accreditation bodies in Kenya include KEBS, SGS, and Bureau Veritas; however, no mandatory accreditation for laboratories is required for any sector. In March 2005, the GOK formed the Kenya Accreditation Services (KENAS), a quasi-government body with both public and private sector membership to develop a national accreditation system (Kenya Accreditation Service, 2012). KENAS is recognized by the GOK as the sole national accreditation body that provides format recognition for Certification Bodies (CBs), Inspection Bodies (IBs) and Laboratories throughout the country. This ensures that testing and calibration, proficiency testing scheme providers are competent to carry out specific conformity assessment tasks. KENAS also registers assessors, auditors, and inspectors, and regulates training providers of management systems. KENAS is responsible for the Accreditation of Certification Bodies to ISO/IEC Guide 62 66 (replaced by ISO/IEC 17021:2006 in September 2007) and 65 (including adherence to the IAF interpretation of the same and laboratory certification to ISO/IEC 17025.) All inspection bodies are accredited to ISO/IEC 17020 standards (Centers for Disease Control, 2012).

2.10.8 Publication of Technical Regulations

Proposed technical regulations under the Standards Act do not normally require notification via the official government publication, the Kenya Gazette; however, final regulations are published in the Kenya Gazette as legal notices. (Kenya Bureau of Standards, 2012).

2.10.9 Labeling and Marking

In the combined efforts to fight counterfeits special labeling is required for certain goods including condensed milk, paints, varnishes, vegetables, and butter. In addition, imports of pre-packaged paints and related or similar products must be sold by metric weight or metric fluid measure. Weights and measure indicators must be in metric form or display both metric and

imperial units (the U.S. standard). Manufacturers are required to indicate the date of manufacture and expiry on the labels of consumable products. (Kenya Bureau of Standards, 2012).

Globally, regionally and nationally, the following institutions are working together in the fight against counterfeit:

(a) **National Criminal Intelligence Service**: This British deliberate intelligence group that focuses on counterfeit, drug trafficking and global crime, with special attention directed to Eastern European crime groups and organizations (Schrager and Short 1978).

(b) **Europol:** The European Community intelligence clearing house dealing with all aspects of crime affecting the twelve member states. Although Europol is still in the development stage, it will eventually serve as an important resource for those concerned with global organized crime. Interpol. The International Criminal Police Organization (Interpol) is a clearing house on crime which provides information to law enforcement agencies worldwide. (Schrager & Short (1978).

(c) **National Law Enforcement Groups**: These are specialized organizations in addition to the law enforcement agencies to deal with global organized crime. These include: the Direzione Investigative Antimafia (DIA) in Italy, the Terrorist Financial Unit (TFU) for Northern Ireland, and the Financial Crimes Enforcement Network (FinCEN) in the United States. Nationally the Kenya police and the Anti Counterfeit Police Unit that are mandated to investigate arrest and prosecute counterfeiters in Kenya, (Kenya Bureau of Standards, 2012).

2.11 Legal Framework

The legal framework of Anti-counterfeit in the world has been constitutionalized and different bodies have been established to fight counterfeit, globally the Global Anti-Counterfeiting network (GACN) and in Kenya, the Anti- Counterfeit Agency. This organizations work hand in hand with other organizations mandated by the law to fight the menace, some anti counterfeiting legal frameworks which have been adapted and which should be strengthened include using the criminal law and civil law, as well as institutional collaboration at the international, regional and national levels to curb this menace.

Globally the Anti-counterfeiting Trade Agreement (ACTA) is a multinational treaty for the purpose of establishing international standards for intellectual property rights enforcement. The agreement aims to establish an international legal framework for targeting counterfeit goods, generic medicines and copyright infringement. In Kenya the following legal framework to curb counterfeit is in place.

2.11.1 The Penal Code 126 CAP 63 [2009]

This provides a general framework for anti-counterfeiting criminal laws. Section 380 and 381 penalize counterfeiting or forging of trade marks. Section380 outlines that ((a) a mark, other than a trade mark registered under the Trade Marks Act, lawfully used by any person to denote any chattel to be an article or thing of the manufacture, workmanship, production or merchandise of such person or to be an article or thing of any peculiar or particular description made or sold by such person; or (b) any mark or sign which in pursuance of any law in force for the time being relating to registered designs is to be put or placed upon or attached to any chattel or article during the existence or continuance of any copyright or other sole right acquired under the provision of such law, while Section 381 outlines conduct which constitutes trade mark counterfeiting (Kenya police*).*

2.11.2 Civil Anti- counterfeiting Law

The applicable laws relate to contractual liability, tortuous liability and breach of statutory duty. These include: weights and measures law(The act that catalogue lawful weights and measures, prescribe the mechanism for inspection and enforcement of the use of such weights and measures), general contract law, competition law, import and export regulation, sale of goods, registration of business names, and transfer of businesses, and sale of goods law, among others. (*Kenya law)*

2.11.3 The Anti-counterfeiting Bill, 2007

Some stakeholders are promoting an Anti-counterfeiting Bill. Counterfeiting has been defined in the Bill to include "the manufacture, production or making, whether in Kenya or elsewhere, the subject matter of intellectual property" Intellectual Property has been defined in the Bill to

include "any right protected under the Industrial Property Act'. The Bill as drafted seeks to legislate against generic drugs. Although the definition of the bill to include the legislation against generic medicines would be contrary to existing legislation that allows for it. Historically, Kenya has allowed for generic drugs as a counter to the high cost of treating HIV Aids and other terminal diseases. The Draft Anti-counterfeiting Bill recommends penalties up to KShs 1.5 million or five year jail terms (or both) for first offenders. The proposed penalties are harsher for repeat offenders and will include destruction of impounded goods. (Kenya law)

2.12.0 The Impact of Counterfeit Goods on the Consumers

Counterfeiters produce their goods with clear knowledge of the market, in most cases they conduct Cost Benefit Analysis and thus they precisely know the extent of the market available the risks involved due to the level of law enforcement in that market, and so on. Consumers of counterfeit goods can be countries, business people and individuals. For example a country can be a victim of counterfeits such as Nigeria that bought medicine for meningitis and found out that some were counterfeit, corporate and individual companies also can be victims of counterfeit by buying counterfeits without knowledge. Either consciously or unconsciously consuming counterfeit products have impacts that include missed sales opportunities, job losses, and lost tax revenues and at times death or health related complications

Finally counterfeiting discourages investment in product development due to lack of product investment return, economic loss by extreme funding of the anti-counterfeit agencies and enforcement operations, spending on sentencing and dealing with counterfeits, spending on counterfeits related crimes etc.

2.12.1 Social Impacts of Counterfeits

Most consumers believe that they get fair bargain by the massive bargain gap of counterfeit goods compared to genuine products. Eventually, the consumers end up paying the costs of unfair competition, low value of the goods and poor quality. The associated cost arises from the health related impacts of counterfeit non long lasting of the goods and thus constant replacement and loss of important revenue for development and growth of the economy. Hence, they end up paying an excessive price for an inferior product (Durham, 1996).

The effects of inferior quality products related to health and safety are disastrous, workers in counterfeit companies are in most cases exploited and work in very poor conditions, counterfeiters also use the services of child labor, and the workers are also exposed to various risks including arrest and prosecution. Durham(1996) states that the workers of the counterfeiters are generally poor.

Perhaps in social terms the real damage suffered by businesses due to counterfeit are reflected on its impact upon employment. Employment levels may increase in the country where counterfeit products are produced. However, this growth of employment level does not create any meaningful economic impact to the employee since they are exploited in most cases. At the same time in the country where the counterfeit products will be marketed and sold, infringing products greatly affect employment. For example, the sale of fake batteries in Kenya from China creates employment in China but has led to massive loss of employment in Kenya's Eveready Battery Company (Martin Eisend, 2006).

The prejudicial downgrading of the reputation and originality of the genuine products due to counterfeits has led to businesses incurring extra costs of running awareness clinics, anti-counterfeit campaigns, brand protection costs investigation and expatriates opinion in the dispute resolution   and in certain cases may even lead to tort actions against the *de facto* right holder of the products marketed by the counterfeiter or pirate where the proof of good faith is in doubt (Martin Eisend 2006).

2.13 Theoretical Framework
2.13.1 The Self-Control Theory of Crime

This theory is sometimes referred to as the General Theory of Crime is a criminological theory that entails the lack of individual self esteem or control and this leads to criminal acts. The self-control theory of crime suggests that individuals who were ineffectually parented before the age of ten develop less self-control than individuals of approximately the same age who were raised with better parenting. Research has also found that low levels of self-control are correlated with criminal and impulsive conduct (Hirschi & Gottfredson, 1990).

This theory is associated with criminologists Travis Hirschi and Michael Gottfredson but has since been subject to a great deal of theoretical debate and a large and growing empirical literature, according to this scholars individual self esteem improves with age as a result of many factors namely: hormonal development, socialization and increasing opportunity costs of losing control. In addition, criminal acts are often markedly non-controlled; they are both opportunistic and short-sighted (Hirschi & Gottfredson, 1990).

Gottfredson and Hirsch's (1990) general theory of crime builds on the relationship between social-control and criminal behavior. They posit that an individual acquires self-control through the successful exertion of social-control during childhood. Self-control is the extent to which individuals, "are not vulnerable to the temptations of the moment" and once acquired creates an enduring preference for acceptable social behavior. Those who fail to develop self-control are more likely to commit delinquent acts as youths and to engage in crime as adults including counterfeits and other white collar crimes. Gottfredson and Hirsch consider self-control as antecedent to any other factor affecting crime, and believe it to be the best predictor of deviance or conformity over the life course. The essence of their theory is that crime is caused by a lack of control intersecting with opportunity for quick and easy gratification.

According to Gottfredson and Hirschi (1990), the benefit of most crime is obvious and generally desirable to all, but the cost calculus is different for those who are insensitive (self control theory) to the suffering of victims and ignore or discount the risk of social, legal and natural sanctions. The absence of self-control is evidenced by several intertwined traits that are "factors affecting calculation of the consequences of one's acts. Those who lack self-control are often thrilled by risk and lack empathy for the suffering and needs of others. Collectively these elements determine how vulnerable individuals are to the temptations and opportunities of the moment.

Because low self-control indicates an enduring predisposition towards impulsive and selfish actions, criminals will engage in a variety of these acts throughout their lifetime. Furthermore, because the appeal to the low-control individual depends on contextual features such as target

accessibility and vulnerability, they are equally satisfied committing counterfeit and other organized crime related acts such as burglary, robbery, and shoplifting, depending on opportunity. If the criminal does obtain legitimate work his next victim could easily be his employer. Those with low self-control will seize an opportunity to commit a felony. Although Gottfredson and Hirschi believe that versatility is the norm, apparent specialization could occur because appealing opportunities may repeatedly present themselves. Criminals also avail themselves of opportunities to participate in diverse kinds of reckless or imprudent (Gottfredson & Hirschi 1990).

However this theory has been criticized by Akers who states that the scholars of this theory do not define precisely what self control entails and it is linked to criminal traits (Gottfredson & Hirschi 1990).

2.13.2 The Enterprise Theory of Crime

The Smith's Enterprise Theory (1980) tries to understand and explain the stake of organizations in criminal acts as reflective of specific environmental factors-market or economic forces, influencing the motivations of criminals, how they interact, their perceptions or risk versus benefit, and the efficiency and efficacy of their modus operandi (Lyman & porter 2007).
According to this theory, organized crime exists because legitimate markets leave many customers and potential customers unsatisfied , that High demand for a particular good or service, low levels of risk detection and high profits lead to a conducive environment for entrepreneurial criminal groups to enter the market and profit by supplying those goods and services. This theory further states that competition organizational crimes discourage competition to ensure criminal monopolies are maintained to sustain profits (Lyman & porter 2007).

This theory can be used to explain well the counterfeits and piracy by rich merchants and organizations. The theory further explains that economic enterprises involves both legitimate and criminal activities, Smith states that market dynamics operating past the point of legitimacy tend to establish the primary context of the illicit entrepreneur, that a high level demand for a

particular form of goods and services combined with relatively low level risk of detection and considerable high profit margins provides the ideal condition for illicit business groups to enter the market, At the heart of enterprise theory is the hall mark of economics, the law of supply and demand which the counterfeit drug cartels trading can illustrate (Lyman & porter 2007).

2.13.3 Illegitimate Opportunity Theory

This theory was first formalized by Richard Cloward and Lloyd Ohlin in 1960. In their theory they argued that individuals and organizations tend to commit crimes when the chances of being caught are low.   This theory closely relates to strain theory that states that social structures within the society pressure citizens to commit crime. It is closely associated with the words of Emille Durkheim.

 The Strain Theory has been advanced by Robert King Merton (1957), Albert Cohen (1955), Richard Cloward and Lloyd Ohlin (1960), Robert Agnew (1992), and Steven Messner and Richard Rosenfeld (1994). According to these scholars, strain may be either:

a) **Structural**: this refers to the processes at the societal level which filter down and affect how the individual perceives his or her needs, i.e. if particular social structures are inherently inadequate or there is inadequate regulation, this may change the individual's perceptions as to means and opportunities; or
b) **Individual**: this refers to the frictions and pains experienced by an individual as he or she looks for ways to satisfy his or her needs, i.e. if the goals of a society become significant to an individual, actually achieving them may become more important than the means adopted

Merton states that strain is caused by the discrepancy between culturally defined goals and the institutionalized means available to achieve these goals. To illustrate this Merton argues that the dominant cultural goal for example in the US is the acquisition of wealth, as a message was depicted that happiness often equated with material success which is often associated with wealth. The socially accepted institutionalized manner of achieving these material goals was

believed to be hard work and education, meaning it is widely believed that people who apply themselves to study and work will succeed financially and that those who do not succeed are labeled as either lazy or defective.

According to Merton, the problem with this type of society is that the legitimate means for achieving material success are not uniformly distributed. As a result individuals tend to turn into criminal activities to achieve the expectation of the society and this including counterfeits and other vises.   According to Merton, the innovator is the most likely to engage in criminal behavior, as the innovator accepts the socially recognized goals of society, but reject the legitimate means to achieve these goals. Consequently, the innovator uses proceeds from crimes such as fraud, theft, and illegal drug dealing to access culturally defined goals.

Some scholars have argued that this theory is predicated since it has limitations. Albert Cohen states that there is an ample amount of crime/ delinquent behavior that is "non-utilitarian, malicious, and negativistic that this theory is unable to explain youth crimes that are often engaged in for social status rather than material acquisition. Also the theory fails to adequately address issues such as race, gender and phenomena of white collar crime (Cohen, 2000).

02.14 Conceptual Framework

Fig 1.0: Factors influencing counterfeit purchase behavior

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│                              │
│  Availability of counterfeits│ ──────────┐
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└──────────────────────────────┘           │
                                            ↓
┌──────────────────────────────┐     ┌──────────────────────────┐
│                              │ ──→ │                          │
│   Curiosity and show offs    │     │ Counterfeit purchasing   │
│                              │     │ behavior                 │
└──────────────────────────────┘     │                          │
                                     └──────────────────────────┘
┌──────────────────────────────┐           ↑
│                              │           │
│  High cost of genuine products│ ─────────┤
│                              │           │
└──────────────────────────────┘           │
                                            │
┌──────────────────────────────┐           │
│                              │           │
│     Fashion and patterns     │ ──────────┤
│                              │           │
└──────────────────────────────┘           │
┌──────────────────────────────┐           │
│        Income levels         │ ──────────┘
└──────────────────────────────┘
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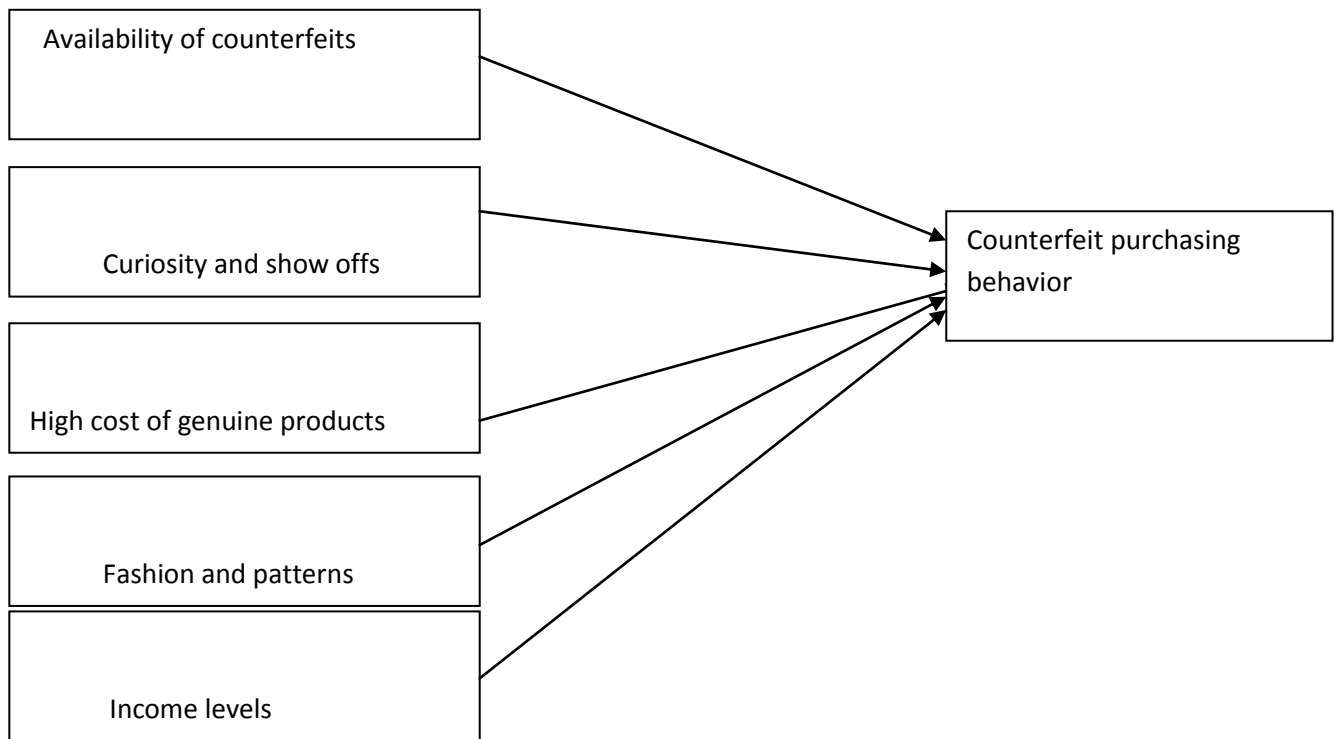
It is expected that consumers who have experienced counterfeit items have the option that is conscious to opt for either counterfeit or genuine products than those consumers who have not experienced counterfeit. Consumers who have experienced counterfeit may develop a preference towards it, such preference for counterfeit goods is due to the following reasons ;(1) buying a product that is fake knowingly for curiosity and for satisfaction of the need for variety that is cost effective (Wee *et al* 1995).

According Babin *et al* (1994) the preference for hedonistic rather than utilitarian needs will always lead consumers to purchasing the counterfeits. For example it is argued that most consumers who travel to China from Kenya buy counterfeit products knowingly as a proof that they were in China. Counterfeits allow consumers to enjoy prestige at low price without quality. According to Grossman (1988) consumers enjoy the status and the symbolic benefits associated

with the brand from a fake product and that in most cases when the genuine products are very expensive they opt for counterfeit.

Albers *et al* (1999) states that the cost of counterfeit products plays a major role in the monopolization of fake products in the market. Fake products happen to be cheap and more attractive than the original products and this give the price advantage to the counterfeit products and thus increase the preference for fake products.

Dodge *et al (*1996) economic consequences and pressures influence the illegal purchase, its argued that consumers with low income are prone to illegal purchase of counterfeit. Fashion also has been stated to influence the consumer behavior for purchasing of counterfeits. Consumers are driven by fashion and in cases where the fashion thing is un-affordable they opt for counterfeits.

Scholars have also argued that it is hard for an individual to change his or her shopping pattern. Those consumers who are used to purchase of counterfeit may not opt for genuine products even if their financial status improve. Seetharaman *et al (*1999) found power in the inner choice behavior in which consumer's loyalty makes them repeat same purchase pattern. With this it is clear that wild experience of counterfeit result to creation of repeated pattern for purchase of counterfeit.

Counterfeit is the dependant variable, while Availability of counterfeits, Curiosity and show offs , High cost of genuine products, Fashion and patterns, Income levels are independent variables, intervening variable are better medicare, police checks, KEBS checks, KRA checks, Policies and Interventions and lifestyle and authenticity.

CHAPTER THREE: METHODOLOGY

3.0 Introduction

This chapter covers research methodology and illustrates the steps undertaken in carrying out the research study. It discusses the following aspects namely; study site, research design, sampling procedure and sample size, methods of data collection, techniques of data collection, data analysis and ethical consideration.

3.1 Description of the Study Site

Nairobi is the capital city of Kenya and the largest in terms of population, development and geographical. Over the years the city has risen from an inhabitable swamp to a thriving economy attracting huge capital investments, millions and millions of visitors and thus a wider market for various goods and services. Research has also indicated that with the arrival of the railway in Nairobi in 1899, the city was opened for international business thus making it a hub for both legal and illegal businesses with the thriving economy, Modern Nairobi has grown to be the safari capital of Africa and the giant capital investment economy for east and central Africa, with its several industries and its tourism sceneries it has turned to attract large investment in both service and manufacturing industry thus becoming one of Africa's largest, and most interesting cities in Africa.

Nairobi is Kenya's capital city and the arrival point for many visitors. The main airport is Jomo Kenyatta International, located 15 km out of the centre of town. JKIA handles both international and domestic carriers. Wilson airport is located 11 Km outside of the city centre, is the domestic hub for both scheduled and chartered domestic air traffic. Nairobi is the centre of Kenya's extensive business network, with many companies operating from the outskirts of Nairobi such as Industrial Area and Survey in Ruaraka. All these make Nairobi a suitable niche for study since with all its operations, counterfeit business is flourishing. The airports serve as the receiving and dispatch points of counterfeit products from outside Kenya and to the outside countries. It also forms the suitable area of study based on the fact that it houses the Anti-Counterfeit Organization and business institutions most affected by counterfeit.

Nairobi is home to over 3,038,553 people (Census Report, 2009) making it the largest market for the counterfeited products in the country. The cosmopolitan status of Nairobi captures and provides the indicative universal information of the country and the status of counterfeit in Kenya. Unlike most cities in Kenya, Nairobi hosts a number of professionals and state organizations such as Kenya Revenue Authority, The Kenya Police and Kenya Bureau of Standards.

3.2 Rationale of the Study Site Selection

Geographically Nairobi is centrally placed in the country, with the international airport (JKIA) being the crucial importation and exportation point of counterfeit products into Kenya and the East African market. It is also the home of various manufacturing and service industries with international and huge investments and which in most cases are affected by counterfeit businesses and institutions. The researcher also selected this region based on the fact that the fight against counterfeit is intensified in Nairobi more than other cities within the country. All these characteristics attracted the researcher to conduct the study in Nairobi.

3.3 Research Design

A research design is a plan, structure and a strategy of investigations to obtain answers and responses to research problem. A research design is intended to help the researcher to answer the questions objectively, accurately and economically (Mugenda &Mugenda, 1999).

The research design that used is the case study that focused on Nairobi Central Business District (CBD). The researcher applied both quantitative and qualitative techniques in data collection. The quantitative data was collected using structured questionnaires administered to the Anti - counterfeit officers, business community and the general members of public in Nairobi. The qualitative data will target section of the anti counterfeit policy makers and those in the front line to fight counterfeit who in most cases have influenced the policies of anti counterfeit.

The study adopted a descriptive survey design. According to Mugenda (2003) and Oso (2005), in a case where the target populations that can be investigated are few and small sample is

available, an in-depth analysis is necessary. The unit of observation was the impact of counterfeit products on business and social life, the consumers and the business owners formed the source of information for secondary data.

3.4 Sampling Procedure   and Sample Size

Sampling is the act, process, or technique of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population; it helps to draw conclusions about populations from samples. In research it is important based on the fact that it is cheaper to study a sample and make inferences from it, the easiness in handling data from sample than the whole population; sampling reduces the errors of handling the whole population and also enables the researcher to access information faster thus saving time (Mugo, 2002).

The researcher used purposive (Non-Probability) to select institutions and key informant respondents based on the knowledge of a population and the purpose of the study. Purposive sampling was used in this study because the units of measurements or investigations were based on the judgment of the researcher. For quantitative research purposes, the researcher used accidental sampling; a procedure that involved samples drawn from the population which was close and readily available.

Stratification is the process of grouping members of the population into relatively homogeneous subgroups before sampling, this technique involves dividing the population into three or more relevant and significant strata based on one or a number of attributes. Dividing the population into a series of relevant strata means that the sample is more likely to be representative (Saunders *et al.,* 2007), the population sample was stratified to three strata namely: anti counterfeit agencies and institutions, business people, and general users.

The primary respondents were the consumers who constituted the sample. Purposive sampling was used to identify elements to three categories namely; Anti Counterfeit agencies, Business community and consumers in Nairobi on a sample size of 120(One Hundred and Twenty). In

each of the selected anti counterfeit organizations and business community only one questionnaire targeted a particular officer, a key informant interview was conducted on department head directly dealing with anti-counterfeit.

Among the consumers, the researcher employed accidental or convenient sampling, a method of drawing representative data by selecting people based on volunteering or availability or accessibility, this procedure is advantageous based on the quickness through which the data can be availed, though it is weak on the fact that it poses the risk of misrepresentation, and may be biased. The general users were those found buying or individuals window shopping. A total of 120 respondents were interviewed. This number was considered significant for analysis and generalization.

In the Focused Group Discussion, the researcher targeted individuals in organizations fighting counterfeit and who have highly influenced the anti-counterfeit policies and the heads of departments.

The total number of respondents for this study was 120 who were drawn from consumers who were found shopping or window shopping, the sampling size was precise since the researcher wanted to establish the impacts of counterfeit to consumers, to add weight the researcher sought professional views from those organizations mandated to fight counterfeit and the corporate that are most affected by counterfeit, one respondent was chosen from each agency and company who formed the focused group discussion respondents. The sample size where women and men of between the age of above 18 years and over 50 years who were randomly sampled for the study various from religious affiliations.

Table 3.1: Target Population

Group	Reasons for sample	Target Institutions	Sample size
Anti-counterfeit agencies/institutions	Knowledge and education	KRA	1
		KEBS	1
		ACA	1
		Police	1
Business people	Basis of easy in availability.	Cosmetics manufacturers	1
		Pens Manufacturers	1
		Batteries manufacturers	1
		Cigarettes (Master mind) (BAT)	1 1
		Alcohol KWAL KEROCHE	1 1
Consumers	Those found buying and window shopping		120

3.5 Methods of Data Collection

The researcher used both qualitative and quantitative data collection methods, the use of qualitative methods allowed primary description of the major stakeholders of anti counterfeits and counterfeit products, the researcher also used interview (A conversation in which one person (the interviewer) elicits information from another person (the subject or interviewee), in this case the researcher used key informant interview.(loosely structured conversations with people who possess firsthand knowledge about the topic at hand). Focused group discussion (direct conversation or interview of a group of people directly affected to gain knowledge about a particular topic or need by interviewing a group of people directly affected by the issue. Observation was used. (It is a research technique aimed at observing consumers or individual

interact naturally with the surrounding, products and services, this method was necessary in order to get information naturally without the observed knowledge that may alter the trait. Quantitative information was obtained through the use of survey questionnaires (it is a data collection tool used to gather information about individuals through self report mechanism in which the respondents fills the questions that are pre-guided.

3.6 Techniques of Data Collection

3.6.1 Questionnaire

A research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. A semi structured questionnaire was developed for the 120 sample size population to capture their enrollment to the study. They were structured to capture key information on the impacts of counterfeit to manufacturers, users and government and the impact of counterfeit to the economy.

The researcher administered the questionnaire through face to face interviews in shops with consumers they shopped or window shopped, in situations where it took inside the shops permission was obtained from the shop owners. In the process of filling questionnaires, face to face interview was also applied in the effort to make clarifications and explanations to the respondents on the purpose of research and meaning of some questions. The researcher was satisfied with face to face interview in the sense that the right people were interviewed and also gave an opportunity to obtain additional information that was not in the questionnaire.

3.7.0 Key Informant Guide

These are guideline questions that were developed for each category of the target respondents on the basis of the study attributes on which they were to give information. A check list was be developed and filled by the researcher on each person interviewed; this was useful in ascertaining that the basic background information relating to the respondent like gender, Institution, title etc were captured. The checklist consisted of variables such as age, gender, occupation, title of the respondent and department. The department heads were the key informants and from each department one head respondent. The key informants provided detailed information about the topic of counterfeit and the impact on society, challenges faced

and the way forward, they also provided a global picture of counterfeit, the interviews were done based on appointments.

3.7.1 Observation Checklist

Observation checklist refers to the list of things that include; actions, behaviors and traits that a researcher intends to observe in his research. The checklist helps one to collect and gets insights to a study through intense and intimate participation and involvement with people in their cultural environment over an extended period of time. The researcher made observations on critical issues such as color that is, the difference in color between the original and counterfeit, the size or quantity, the researcher also observed and made inferences about the differences in quantity and size between the original and the counterfeit products.

3.8: Ethical Considerations

All the data was collected with after obtaining informed consent of the respondent. A structured consent form was provided to the respondent to sign; the respondent was at liberty to withdraw from the study if they desired to do so. The data collected was stored in privacy and handled in confidentiality. To boost the confidence of the respondent the researcher obtained a letter of authority to conduct research from the University of Nairobi.

The respondents were assured of utmost confidentiality of the information that they provided and that none of their personal attribute will be disclosed or victimized. To increase the validity of the information to be collected during the data collection exercise, follow-up discussions were held with the respondents to correct any inconsistence or possible anomalies, in cases where the interviews took place inside a shop, permissions from the shop owners was obtained.

3.9: Data Analysis

The collected data from the questionnaire was coded, classified and tabulated. It was then analyzed using STATA® program where descriptive statistics of percentages and frequencies were worked out. Data collected through interviews, document analysis and observation schedule were categorized into themes and patterns, coded and analyzed using descriptive statistics to indicate frequencies and percentages.

CHAPTER FOUR: DATA ANALYSIS AND RESULT PREESENTATION

4.0 Introduction

This chapter presents the data analysis and results on the basis of the study objectives of assessing the impact of counterfeits on business and social life, causes of counterfeits, obstacles to anti-counterfeit war, and the challenges faced by manufacturers and the government in the fight against counterfeits, the information presented is that the rate at which counterfeits products s are flocking the black market has steadily increasing and that there is need to document its impacts and in return identify the counter mechanism. Data obtained on various variables of paramount importance as to the impacts of counterfeits, analyzed and presented statistically using frequency distribution tables, bar charts and pie charts to give descriptive analysis of the data as shown below.

4.1 Gender Distribution of the Respondents

The total number of respondents was 70% male and 30% female the most probable explanation was that men are the greater income earners, and breadwinners and they were more likely to be shopping or preparing to shop, also male shoppers were more willing to respond to the questions than female who had a much higher refusal rate

4.2 Respondents Age Profile

From the data analysis, (40%) of respondents were below the age of 20 years compared to 37% who were Between 21- 30 Years, 15% of the respondents were Between 31-40 Years as shown in table 4.2 above. Those below the age of 20 years formed the largest proportion of the samples drawn from the consumers and reported self employment-trading, this age group is also mostly used by the counterfeits merchants as they are considered very aggressive in their approach to sales and marketing and energetic.

The respondents above the age of 51 years and above (1%) were few, most of them were not readily available because they could have retired or not actively engaged in productive work where counterfeit takes place. Most of the persons under this age category were not readily

available at research site because most of them could have moved out of Nairobi City to their places of birth away from Nairobi where research was conducted.

Table 4.1: Distribution of Respondents' Age

% proportion of respondents Age	Frequencies	Percent
Below 20 Years	48	40.5
Between 21- 30 Years	45	37.2
Between 31-40 Years	19	15.7
Between 41-50 Years	7	5.8
Between 51-60 years	1	0.8
Above 60 years	0	0.0
TOTAL	120	100

4.3 Respondents' Religious Background

The respondents were drawn from mainly two religious backgrounds as distributed in table 4.3 above. Of the total respondents, Christians constituted 90 % compared to Muslims 9%, Other religious affiliations were not captured. The percentage of Christian respondents was high because Kenya is predominantly a Christian nation. The scenario is also attributed to the fact that Christians were readily responding to the questions on the study site than their Muslims counterparts.

Table4.2:.Religious background of the respondents

% proportion of respondents Religious background	Frequencies	Percent (%)
Christian	109	90.8
Muslims	11	9.2
Others	0	0
TOTAL	120	100

4.4 Marital Status

Majority of the respondents (71%) were single, 27% were married while the rest (1%) were widowed, divorced or separated. Majority of the single respondents (89%) were reportedly also below the age of 30 years; a scenario which is also attributed to high unemployment level, this also shows that most shoppers are single, they are more active in shopping in towns and mostly in the street shops.

Table 4.3: *Respondents marital status*

% proportion of respondents Marital Status	Frequency	Percent
Single	86	71.6
Married	32	27.4
Divorced / Widowed/ Separated	2	1
TOTAL	120	100

4.5 Level of Education

A total (52%) had obtained university education level or were in the university studying while only (13%) had attained less than secondary education. 27% had diploma level of education. The fact that most of the respondents had attained secondary level of education and above was an indication that most of them could understand the relationship between socio-economic issues and counterfeit and that their actions were superseded by ignorance. Since Nairobi city has many universities and other diploma colleges in which youths are majority, it also shows that they dominate shopping, it was also found that majority of the shoppers were professionals working in the city and non professionals in service industry and had lived for more than five years, most female respondents confessed to be doing shopping or window shopping daily compared to men who could only shop when they wanted something or escorting their female counterparts to shopping, the research also found out that most respondents were regular clients of that particular shop that they were found. Price, fashion and peer influence was the determinant factor to their choice of shop.

Figure 4.1 Distribution of Respondents' Levels of Education

Education level attained
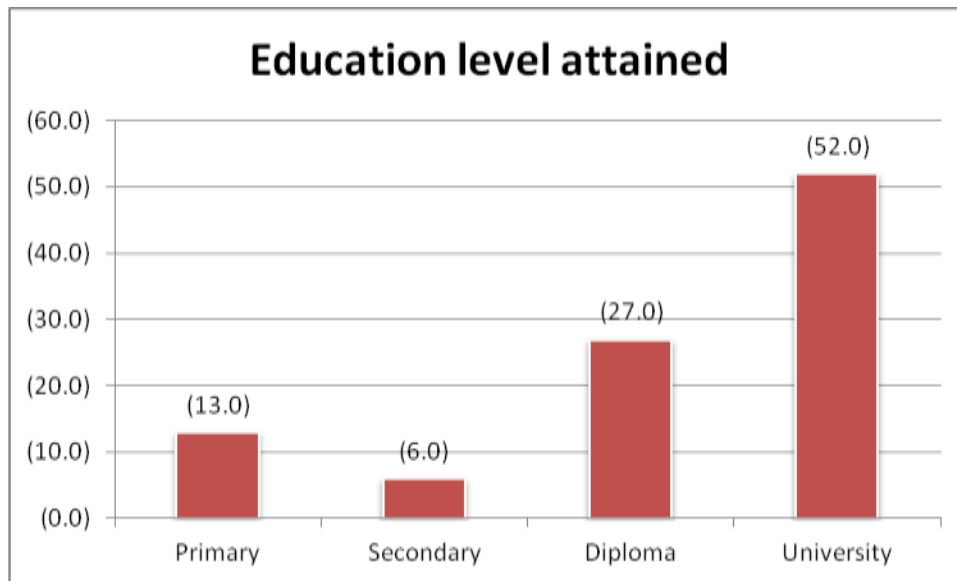
4.6: Perception *levels of counterfeit*

The researcher sought to understand the perception levels of counterfeits in Nairobi. (86%) (105) of the respondents felt that the levels of counterfeit trade had increased tremendously compared to only 11% who thought otherwise; only 3% of the respondents didn't know whether the level of counterfeit was increasing or decreasing in the country. This shows that most shoppers are aware of the phenomenal increase in counterfeit goods.

Table4.4: Distribution on Counterfeit Perception Levels

% proportion who reported level of counterfeit	Total Number of Respondents	(%) response
Increased	105	(86.3)
Decreased	12	(11.2)
Don't know	3	(3.0)
TOTAL	120	100

4.7 Counterfeit Trends Within the Last 5 years

The aspect of growth of counterfeit within the five years preceding the study period was also considered. This is because determination of the increase or decrease of the counterfeit levels is best explained through comparison. More female respondent (90%) felt that over the last five years counterfeit levels had increased tremendously compared to males (83%). Further analysis revealed that the increase was due to corruption by the police 34%, anti-counterfeit agencies in particular KRA 12% and porous borders 10%.

Overall, respondents (94%) reported that the government had not done well in Anti-counterfeit war while only (17%) believed that anti-counterfeit police had helped in combating counterfeits. This revealed that a majority of respondents had little, if any, faith on the government and anti-counterfeit agencies regarding the war on counterfeits." One respondent said….

> "I am not sure the government of the day is committed to fighting counterfeit and illegal trade as a result people are dying and business closing I wonder where they are getting the tax from…..I guess they are part of the counterfeit cartel". All this is happening because those in power are the ones benefitting, it is not like they don't know that it is happening but they assume or ignore because they are the major beneficiaries".

Figure4.2: Graph: Counterfeit trends during the Last 5 Years
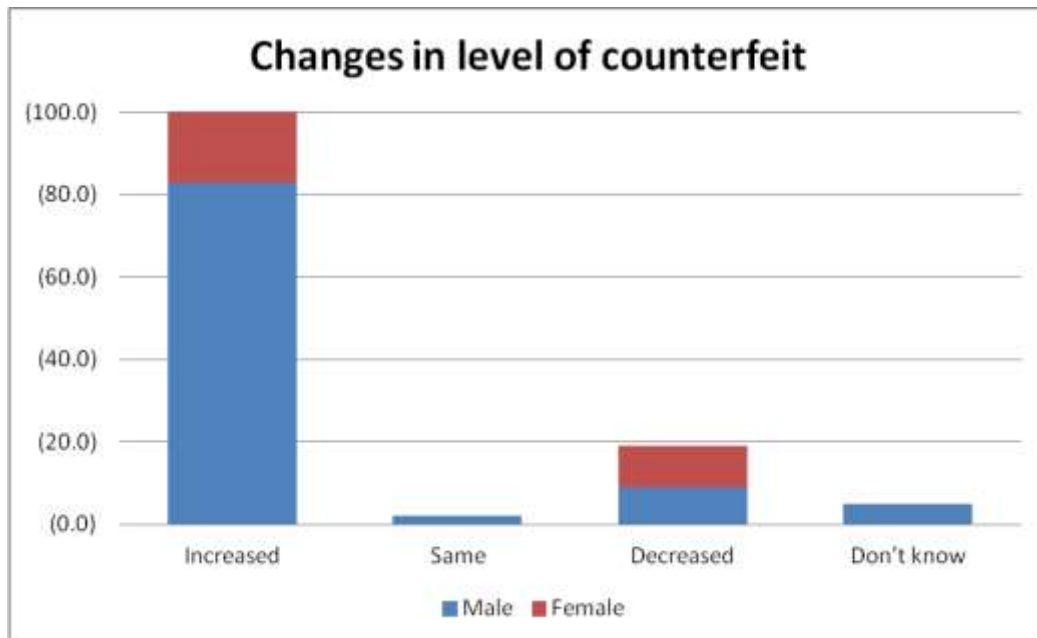
4.8 Basis of Assessment of Levels of Counterfeit

The researcher also sought to establish the basis of respondent's assessment of the level of counterfeit in Nairobi. It was established that 74% of the respondents had personal experience with counterfeits, meaning that at one point they had either been consumers or merchants of counterfeit, 25% had heard about it from either friends of business partners, 41% based the assessment on media reports while 12% of the respondents based their assessment on complaints from users of counterfeit products.

Figure 4.3: Graph: Clients' Basis of Counterfeit Assessment
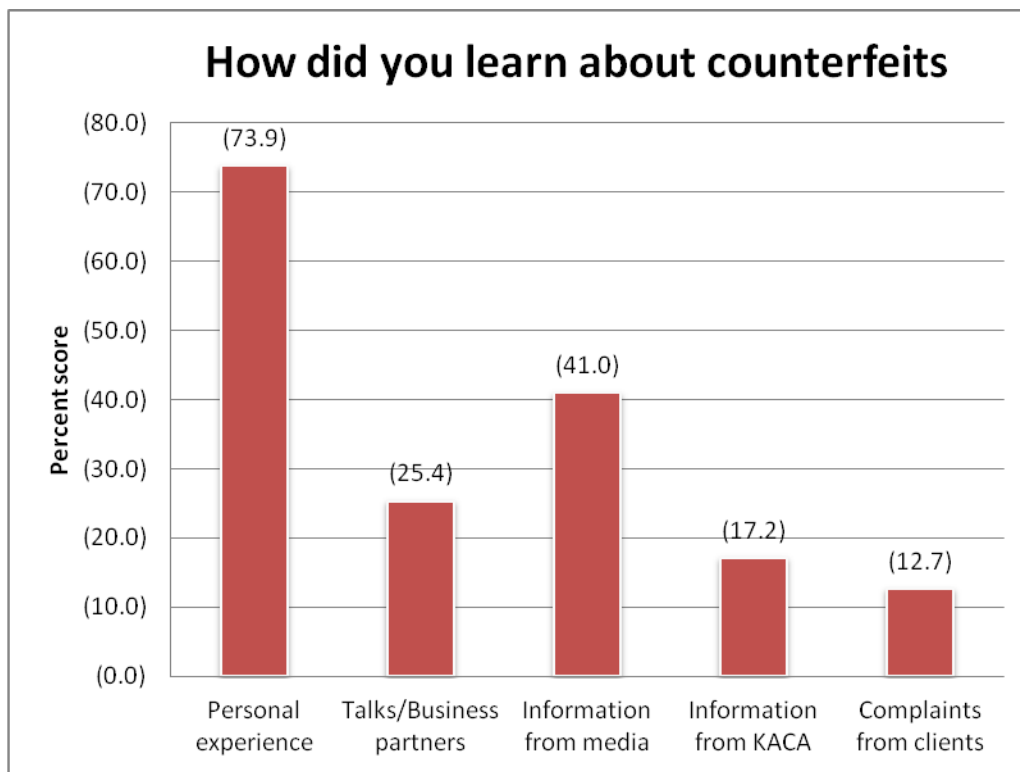
4.9 Government Dealing with Counterfeit

The researcher also sought to determine how the government has dealt with counterfeits, 94.9% of the respondents felt that the government has not dealt well with counterfeit. The argument was that the government institutions mandated to fight counterfeit are in the frontline promoting counterfeit through active participation in corruption; one key informant said "some of us are business people and the essence of business is to make profit. At times it is hard to fight a

competitor just because you are in government" some of the officers are business people and politician who are also directly involved in counterfeit business to fund their luxurious life style and political campaigns. While a collective 4.9% reported that the government has not dealt well with the vice, 0.8% of the respondents reported not knowing.

Table 4.5: Distribution of How the Government has Dealt with Counterfeits

% proportion who reported that Government-has dealt with counterfeit:	Total responses	(%) Response
Well	6	(4.9)
Not well	113	(94.1)
Don't know	1	(0.8)

4.10 Opinion on Negative Impacts of Counterfeit on Business and Economy

Overall, 87% of the respondents felt that counterfeit affected business negatively through giving the genuine products which are a bit expensive unhealthy completion, "every day we lose thousand of profit to illegal and counterfeit good, we are forced now to cut down the work force and thus far much impact than capital…" (Head of Investigation and Quality Control, Mastermind). Overall shop owners argued that they have lost millions of shillings to counterfeited products which are sold at their doorsteps by the hawkers at half price that of theirs in shops. Economically, they argued that through evasion of tax they are not able to receive quality service from the government, since millions of shillings are lost and thus rendering the government capacity to delivery of crucial services such as infrastructure, health among others low.

It also kills killing innovations that could probably created more jobs thus reducing the government and individual efforts to creation of employment and providing alternatives to the expensive original, Of those who argued in favor of counterfeits, only 5.9 % of them felt that counterfeit creates employment by providing alternative jobs for the unemployed and increasing the market place for variety of goods a good example was thousands of jobs created to the hawkers in the street who makes a living through selling mostly counterfeit goods. On the other

hand, 6.9 % of respondents reported that counterfeit creates high returns on investments based on the little investments compared to the returns; they argued that through evasion of tax much money is saved otherwise could have gone to government. Those who where for this position argued that they did not see value for the tax they paid and thus evasion for them was necessary.

Table 4.6: Distribution of who reported in own opinion on impacts of counterfeits to business/ and economy negatively.

	Total Responses/%	
%proportions who reported in own opinion that counterfeit	**Total number of respondents**	**% response**
Affects Business / economy negatively	89	87.3
Creates employment	6	5.9
Creates High profit Returns	7	6.9
TOTAL	102	100

4.11 Factors that Slow Down the Fight Against Counterfeit

The highest percentage of the respondents argued that collectively police corruption and corrupt KEBS officials are to blame, (42.4%) of the respondents felt that corruption by KEBS officials and police (34%) has greatly contributed to slow fight against counterfeits. 12% of the respondents blamed KRA and 10% attributed it to porous borders and powerful business people who use their resources to ensure that they benefit from the vice. This illustrated that counterfeit as a vice is highly protected by the powerful forces and the returns are used in financing various political and non political activities, the police seize counterfeit goods and they end up releasing them to the market on bribe, some of them steal them from the station and go sell them, it is further argued that corrupt officials in KEBS and KRA are known to work in cahoots with the counterfeiters to clear their goods as original and not counterfeit, this makes the whole process of fighting counterfeit cumbersome

Figure 4.4: Factors that Slow Down the Fight Against Counterfeit
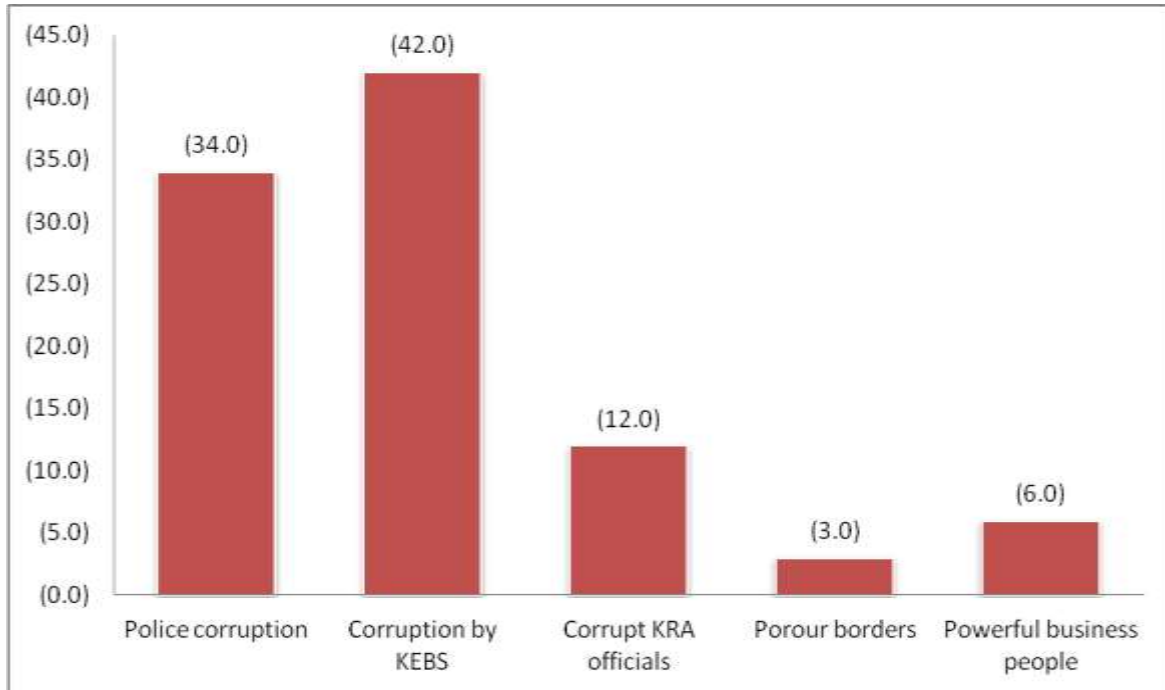
Source: Researcher Field Data analysis, 2013

4.12 Ways of Improving Anti- Counterfeit War

The researcher also examined ways of improving the fight against counterfeits where the majority of the respondents (35%) felt that reforming and increasing the capacity of the anti-counterfeit institutions would improve the fight against counterfeit, one of the respondents said

> "*The status and life style of the investigators of counterfeit is wanting and thus they easily fall play to the silly traps of the counterfeits by being bribed and if they refuse the bribes they are easily killed since they are also not well equipped*".

29.0% felt that there was need for regular border patrols and inspections and that this should be followed with prosecution and punishment of offenders

> "*our borders are so open, and considering that the police who are manning the borders are also people with families and they are underpaid, they easily accept the bribes, there is need to increase security in the borders*".

Only 17% of the respondents advocated for civic education. Both agencies advocated the creation of independent oversight authority over these organizations that will evaluate all the

actions and individual conducts and performances of the officers involved in fighting counterfeit.

Figure 4.5
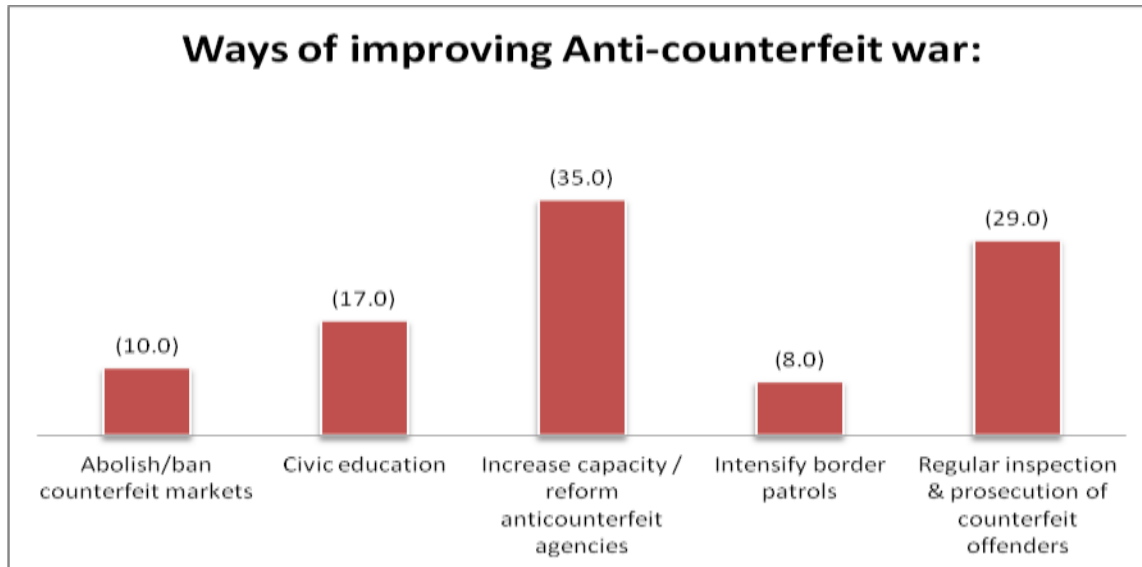
4.13 Are anti counterfeit agencies empowered with enough resources?

There was a divided opinion as to whether the anti-counterfeit agencies were effectively empowered or not. Most of the Key Informants argued that the anti counterfeit agency was effectively empowered to fight the menace, they attributed the increased cases of counterfeit to greed, tribalism and nepotism (where a police favors a counterfeiter because of tribe or origin) ,political influence, poor leadership and sycophancy. A respondent argued "*our defense force and security departments are well empowered and equipped to fight counterfeit, tribalism, nepotism and need to please the bosses has greatly contributed to death, loss of capital among others from the counterfeiters*".

They also argued that the budget for security is the highest in the country's and takes about 22% of the total government annual budget and thus have no excuse. A few argued that the agencies are not well empowered and equipped despite the huge allocations in terms of budget, they argued that the police and other special units lack proper training on surveillance and understanding of the law, they also blamed lack of coordination and sophisticated equipments to differentiate the illicit and the legal in the sector.

> *"Yes the allocations in terms of budget is more than enough, but the question is do you think the allocations reach the implementers in the force through empowerment and social welfare?"*

They further argued that the money ends up in few officials pockets and thus impacting negatively the operations juniors who handle field surveillance and inspections, this results to increased corruption that in return affect the fight.

4.14 Order of Negative impacts of counterfeit

Counterfeit was greatly ranked to have impacted the economic, social and political lifestyle, Most of the Key Informant felt counterfeits used counterfeit proceeds to buy their way out and as a result accelerated the level of corruption due to huge sums of money that they bribe with,

> *"Counterfeiters can always buy their rights even if it means killing and thus the genuine business and the consumers will always bear the burden".*

Others felt that evasion of tax is the greatest negative impact of counterfeit for it directly affects literally every one by slowing down development in health, infrastructure among others,

> *" our government ends spending too much on health and security due to counterfeiters, this funds otherwise if converted to development could to great way, above all the counterfeit don't pay tax and thus killing our economic development,"*

A little percentage of the informants associated counterfeit with insecurity through funding terrorism and organized gangs that trade in counterfeit. Others believed that health problems were associated with counterfeit products through substandard medical equipments and medicine that harms resulting to complications *" every day we are losing lives to counterfeit products, it is high time all the effort to curb the menace are funded to bring the cartels down*

4.15. Effects of Social Economic Factors to Anti Counterfeit Policies

56% of the respondent felt that the current social economic factors have affected the anti counterfeit policies and are to blame for the current rate of anti counterfeit trade.

Figure 4.13.pie chat: Effects of Social Economic Factors to Anti Counterfeit Policies
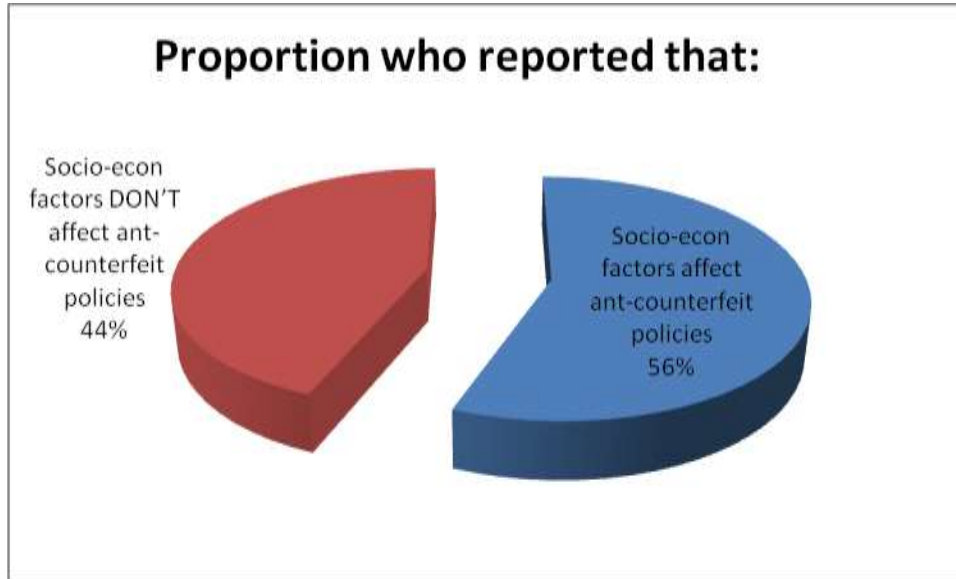
4.16 The Blame on Counterfeits.

Most respondents (78%) believed that the counterfeit menace was a problem predominantly caused by the business owners compared to the paltry 22% of the respondents who felt that the government was to blame for the menace. The business owners' culpability was driven by the profit motive; the belief that counterfeits fetch wider profit margins due to tax evasion, and quality inferiority. The focused group discussion seconded this argued by cementing the fact

> "business *people are all hypocrites, those who complain that counterfeit is killing their genuine business are those who lack a way to the trade, given a chance they will also engage themselves in the illegal trade, we all have a common motive of making profit*"

Looking at the government side, 66 % of the respondent felt that the government has lost on the fight against counterfeit due to corruption, poor status of the officers, poor payments, and poverty among others. Among those who viewed the fight against counterfeit to be succeeding, a

majority associated it with anti- counterfeit agencies working well and success in creation of awareness.

Figure 4.7: Pie chart
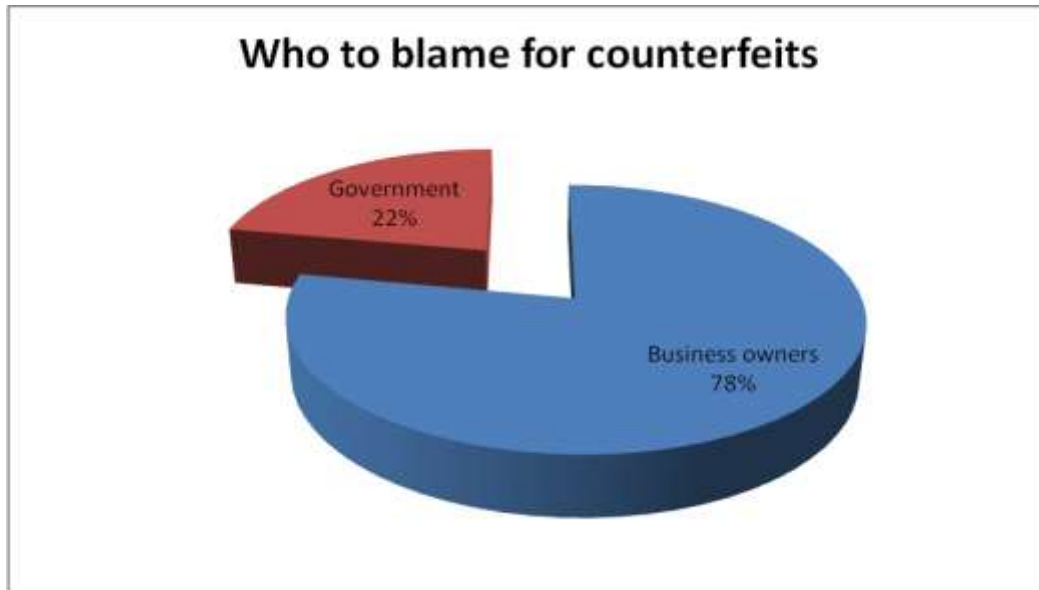
4.16 Respondents Ranking of the Causes of Counterfeit

While many issues were reported to be the causes of counterfeits, poor product protectionist's policies and knowledge (88%), were ranked highest and thus given priority in terms of what is promoting counterfeit, the respondents argued that there is lack of cohesion and coordination in most agencies and policies thus giving room for the counterfeiters, they further argued that most law enforcers do not understand the products, and thus they depend on other people to clarify if the goods are counterfeit or not. They also not empowered to understand the laws governing counterfeit both on constitution and company acts. Poor economic policies and high cost of living (87%) were also singled out as contributory factors towards counterfeit. Other reasons were poor law enforcement agencies (81%) corruption in standardization (83%) among others. Only (25%) of the respondents attributed cultural reasons to the increased counterfeit trade

Table 4.7: Distribution on Ranking of Causes of Counterfeits

% proportion who ranked the following causes of counterfeit as important	Total Responses	
	No.	(%) Responses
Cultural reasons	32	(25.7)
Poor product protectionist policies and knowledge	113	(88.3)
High cost of living and poor economic policies	107	(87.2)
Information technology (counterfeiters having technological equipment to merge the standards of the fake to those of original and thus evading enforcers easily)	88	(69.8)
Insecurity	82	(63.6)
lack of effective & anti counterfeit agency and reporting	102	(80.4)
Corruption in standardization	106	(83.5)
Poor law enforcement agencies/ investigation	103	(81.5)
Poverty/poverty	99	(77.6)

4.17 Role of Institutions in Curbing Counterfeits

Anti-counterfeit police (17%), KRA 16%, anti counterfeit agencies 24% standardization bureau 28% were singled out as failed to curb counterfeit, the respondents argued that the institutions are either too corrupt to curb the menace or are not sufficiently empowered through resources and training.

The business owners also have the role in fighting counterfeit, it is argued that the fight against counterfeit lacks complainant willing to stand in the court of law to testify, most business owners do not complain and even if they complain they fear attending court cases. Patenting also stand out as a factor, most business owners have not patented their genuine products and thus giving counterfeiters enough room for their evils, it is also argued that

business owners do not invest of product security features and thus very hard to identify counterfeit from the genuine products.

The research found out that the police are incapable of curbing counterfeit due to incapability to differentiate fake from genuine due to lack of proper training, lack of proper understanding and interpretation of the anti counterfeit acts that they are reinforcing, they are not well facilitated in terms of finances and equipments to fight counterfeit, limited manpower in terms of reinforcement team, lack of coordination among the police and other departments and demoralized environment due to the poor living conditions of the police.

KRA has a single mandate of collecting revenue, it was found that the institution in a bid to perform its mandate of revenue collection has deployed technology with the objective of eliminating counterfeit and hence encourages tax compliance. To this end the authority has finalized implementation of an Excisable Goods Management System (EGMS) which facilitates real time production, accounting as well as providing for non-intrusive, on the spot verification of products in the market. This system also facilitates public participation in the fight against counterfeit by use of relevant non-covert, semi covert security features. It is possible to use specific codes and software to verify the authenticity of products without encouraging counterfeiting. Due to the success achieved in a short period after implementation and the fact that there is lack of coordination in this regard, the Kenya Revenue Authority (KRA) in the month of July 2014 convened a consultative meeting aimed at sensitizing various government agencies involved in the fight on counterfeit, experts in the authentication technology and manufacturers so that the same system can be used by all.

The Anti Counterfeit Agency (ACA) as a governmental body is mandated to detect, investigate, arrest and prosecute the perpetrators of counterfeit, however research singled out the following factors to have contributed greatly to the ineffectiveness of the agency in delivery of its mandate, Lack of manpower and funding thus low enforcement, its argued that recruitment is done at the top management level and thus reinforcement team is understaffed. For the Agency to act there must be a complainant and few business community are willing to report counterfeit and even if

they report they are not willing to testify in the court of law and thus making the cases to end prematurely. Storage of the collected counterfeit goods is another fact identified, the organization is not well equipped and funded to handle large capacities of counterfeit products this gives loopholes to the goods going back to the market since they only carry samples, lack of data to identify individuals and organization that have been previously participated in counterfeit for surveillance, finally the executive office of the agency is a political seat and thus lack of security of tenure resulting to cases of conflicting interest.

The Kenya Bureau of Standards (KBS) as a government body have the mandate to look at the standards of the Kenyan goods for consumption, their mandate does not go beyond standardization, Research also found out that some goods may pass the standard marks but still are counterfeit, for the bureau as long as the goods meet their marks then they are not interested in the genuinity of the product, this also hinders the fight on counterfeit. Their work is to look for standards, and if the goods meets the standards, and its counterfeited then it is not their work, also the flow of information within the government coordinating organizations also is not effective.

The research also found out that the media (52%) has the role in fighting counterfeit, that by the media only highlighting the glamorous life style of counterfeiters they encourage counterfeit, they also need to portray counterfeit as an evil, which they are not doing, some respondents blamed the media for lacking programs that are insightful on the impacts of counterfeit. "Our media lacks content that will instill values on our children to identify counterfeit as evil, in this way they also have failed." It further argued that the media has the highest role in curbing counterfeit, that proper media investigations and exposure, televised local content on counterfeit impacts among others will lead to reduced counterfeit.

Figure 4.8

Institution which help combat counterfeit

Institution	Value
Business owners	(20.0)
Anticounterfeit agencies...	(24.0)
Anticounterfeit police	(17.0)
KRA	(16.0)
Mass media	(52.0)
Development partners	(31.0)
Churches/ Religious bodies	(20.0)
Standardization...	(28.0)
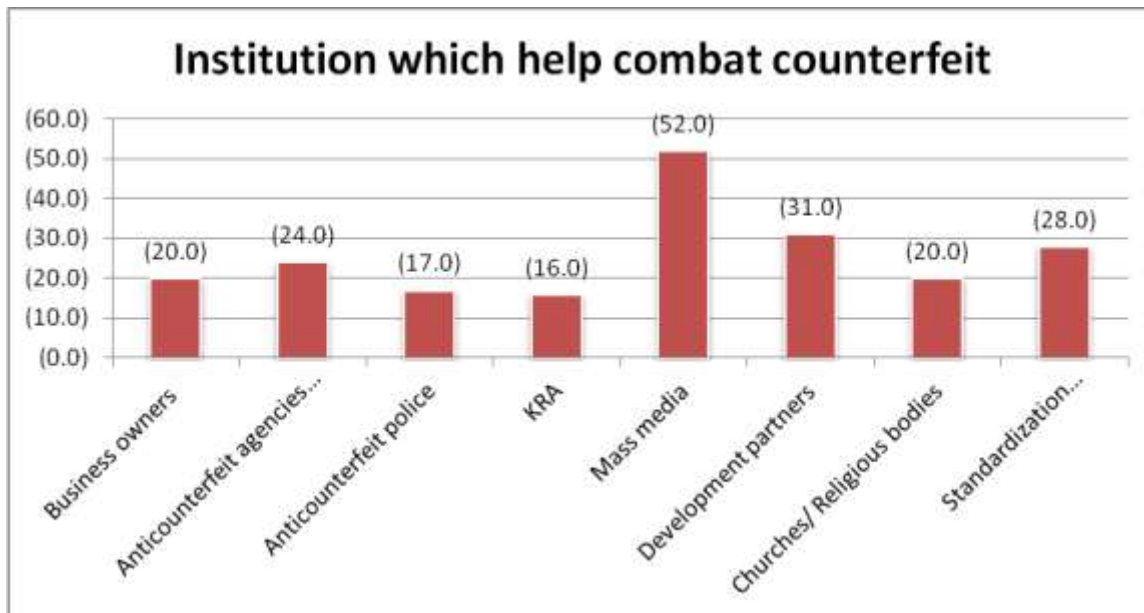
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

1.1 Summary

From the research conducted and analysis done the main objectives were determine the impact of counterfeits on business and social life to the public. Counterfeit has greatly affected the business and social lives, organizations have closed or retrenched their workforce, far beyond this counterfeiters have also killed the morale of business by posing unfair competition to genuine products.

The research was also to assess the level of preparedness by the law enforcement agencies to address counterfeiting, the level is wanting and that there is need for training, financing and coordination among the agencies, the blames for increased counterfeit is two folds, that the law enforcers are ill prepared to counter the vice, the financial allocations to fight counterfeit is also very insufficient. Lack of clear roles of the organizations fighting counterfeit is also another factor. On the other hand business community and the consumers have also been on the limelight for not reporting cases of counterfeit thus incapacitating the fight against counterfeit.

Consumers' ability to identify counterfeit was also assessed; it was found out that there is lack of civic education on the features of various products, to differentiate them from counterfeit, consumers tend to consume products not because they are not aware that its counterfeit but on the cost analysis. The research also found out that there is lack of accessibility to counterfeit information's such as laws and acts by the consumers and thus making it hard for consumers to identify counterfeit from genuine.

In the determination to single out the challenges facing the manufacturers and the government in the fight against counterfeits, this research shows that manufacturers faces several challenges including lack of security features in their products, lack of government goodwill to fight counterfeit, corruption, nepotism among others. The government on its hand also faces challenges that include lack of public and political support in the fight against counterfeits,

insufficient funding, terrorism among other challenges, and thus there is need for coordination among all the stakeholders in order to fight counterfeits.

5.2 Conclusion

From the study findings, it is evident that counterfeit problem keeps increasing by day, business owners are fuelling counterfeit trade, anti-counterfeit and law enforcement agencies are not doing enough to fight the menace. It is also clear from the findings that the current socio-economic factors have impacted negatively on the counterfeit policies. All these factors have conspired to increase the level of counterfeits in the country. Counterfeits can cause unprecedented economic loss in the country besides instigating social ills like corruption, health related problems, death, killing of creativity, joblessness, insecurity among others If unchecked, Countries are losing thousands of lives and billions of shillings worth of genuine products. There is need to empower the law enforcers, properly fund the institutions combating counterfeits, do educate the consumers on the negative impacts of counterfeit and also run campaigns on facing out counterfeits in Kenya, these calls for more pronged strategies of fighting counterfeits.

5.2 Recommendations

Based on the study findings, it is recommended that the business owners be included more in the counterfeit war. This is because the business owners are the main merchants of counterfeits, are the ones who profit from the counterfeit business by selling at higher margins and are the very people who know the counterfeits source market. Thus, the government can achieve by building capacity of various anti-counterfeit, enforcement and standardization agencies and increasing the role and participation of mass media in anti-counterfeit campaign to expand civic education.
 There is need to properly empower the law enforcers with finances, technological equipments and capacity building for them to combat the vice.

It is recommended also that all the government bodies working towards combating counterfeit should have a central coordination point and information sharing so that proper actions are taken on time in relation to the fight on counterfeit.
There is need for public campaigns to create awareness on the impacts of counterfeit.

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http://www.trade.go.ke/index.php?option=com

Penal code, http://www.kenyapolice.go.ke/resources/Penal_Code

www.kenyalaw.org/KenyaGazette/

Total war declared on counterfeiters,

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APPENDICES

Appendix1: General questionnaire/anti counterfeit agencies/ business people/publics

Good Morning/Afternoon? My Name is Julius Chege Macharia. I'm undertaking a study on impacts of counterfeits on consumer products on business and social life. A case study of Nairobi CBD. I would like to request your time to respond to my questions accurately and honestly. All the information you provide me will be held in confidence and will only be used for the purpose of this study I will also not mention your name or your organization without your permission.

Questionnaire serial no				

a) Interview information

Interviewer's name	Interview date	Start time (adopt the 12 hour clock)
……………………………………………	…… / …………./2012	

b) Data processing

Activity	Name	Date

Coded by	………………………………..	……… /…………./2012
Keyed in by	………………………………..	………/…………./2012

Section one: general information

1. Location of the interviewee
   i. Anti-counterfeit with/agencies ☐

      ……………………………

ii. Business organization ☐

     Industrial

     Electronics

     Food and beverages ☐

     Clothing and textiles

     Others specify ……………………………………………………………

iii. Publics

     State your income generating activity---

     ----

2. Relationship with business

     Owner ☐

     Employee ☐

     Others specify …………………………………………………………

     …………………………………………………………………………

3. Gender (Tick whichever is appropriate)

    i. Male ☐

    ii. Female ☐

4. Age bracket ;Tick whichever is applicable

    i.   Below 20 -30 Years ☐

    ii.   Between 21- 40 Years ☐

    iii.   Between 31-40 Years ☐

    iv.   Between 41-50 Years ☐

    v.   Between 51-55 years ☐

    vi.   Above 55 years ☐

5.   Religion (tick whichever is appropriate)

    i.   Christian ☐

    ii.   Muslim ☐

    iii. Hindu ☐

    iv. Buddhist ☐

    v.   Other (specify) ……………………………………………………

6.   Marital status: (tick whichever is appropriate)

i.   Single   ☐

ii.   Married   ☐

iii.   Windowed   ☐

iv.   Divorced/separated   ☐

7.   What is your highest level of education? (tick whichever is appropriate)

i.   Primary

ii.   Secondary

iii.   Diploma

iv.   University

v.   Others (please specify) …………………………………………………………...

8.   Which is your occupation?

……………………………………………………………………………………………..

9.   For how long have you worked in

The current organization ………………. Years

The present position ………………….. Years

The current station …………………… years.

10.   What is your current position your organization?

i.   Head/deputy of organization   ☐

ii.   Head/deputy of department   ☐

iii.   Other senior management/professional/technical   ☐

iv.   Others please specify   ☐

As an individual how has counterfeit impacted you?

……………………………………………………………………………………………

Section two: questions on the impacts level of counterfeit in business communities and social life.

1.   In your opinion has the level of counterfeit increased or decreased?

(i) Increased   ☐

(ii) Decreased   ☐

(iii) Don't know   ☐

2. Compared to last 5 years, what would you say about the level of counterfeit trade in Kenya?

i. Increased ☐

ii. Same ☐

iii. Decreased ☐

iv. Don't know ☐

3. When rating the impacts of counterfeit in Kenya, what do you do you base your assessment on? (Tick all that apply)

i. Personal experience ☐

ii. Talk by business partners ☐

iii. Information from the media ☐

iv. Information from Kenya Anti counterfeit agencies ☐

v. Complains from clients ☐

vi. Others specify …………………………………...

4. How has the Government of Kenya dealt with problem of counterfeit? (Tick whichever is appropriate)

Problem	Well 1	Not well 2	Don't know 3
Counterfeit			

5. What is the impact of counterfeit to business in your own option?

………………………………………………………………………………………

6. In which way will you rank the impact of counterfeit to business?

	Positively	Negatively	Don't know
Counterfeit			

7. What slows down the war against in Kenya? (Tick all that apply).

(i) Police corruption ☐

(ii) Corruption by KEBS ☐

(iii) Corrupt KRA officials ☐

(iv) Porous borders ☐

(v) Powerful business people ☐

8. Suggest ways in which the war against counterfeit could be improved.

1. ……………………………………………………………………………..

2. …………………………………………………………………………………

3. …………………………………………………………………………………

9. Name institutions mandated to fight counterfeit (Tick all that apply).

(i) Police ☐

(ii) KEBS ☐

(ii) Kenya Anti Counterfeit Agency ☐

(iv) KRA ☐

(v) Kenya Intellectual Property Organization. ☐

(vi) Don't know ☐

10. Have the institutions mandated to fight counterfeit effectively empowered with resource allocation

i. Yes

ii. No

iii. Don't know

11. Evaluate the negative impact/influence of counterfeit on business and social life based on the following issues

	Highly	Not highly	Don't know
Corruption			
Health			
Economy			
Insecurity			

Joblessness			

12. In your own opinion how does counterfeit impacted social life? Explain

----

13. Are there ways in which the socio-economic factors influence the anti counterfeit policies and the war against counterfeit succeeded in general?

i. No ( )

ii. Yes ( )

iii. Don't Know ( )

iv. If yes explain

v. ……………………………………………………………………………

14. What is the role of business in encouraging counterfeit? Explain

----

15. In your own opinion to the business owners the blame for anti-counterfeit?

----

16. Is the fight against counterfeit losing or succeeding?

Losing ( )

Succeeding ( )

17. Explain your answer

………………………………………………………………………………………………

Please evaluate the following causes of counterfeit in order of importance? (Tick whichever is appropriate)

Cause	Important 1	Not important 2	Don't know 3
Cultural reason			
Poor economic policies such as privatization			
Poor product protectorate policies			
High cost of living			
Lack of transparency an accountable political; process			

Information technology			
Ignorance			
Have of product knowledge			
Insecurity			
Lack of effective anti counterfeit reputing			
Lack of effective and anti counterfeit			
Lack of an effective ant			
Corruption in standardization			
By the government agencies			
Poor law enforcement by the government agencies			
Poverty			
Unemployment			
Poor investigation counterfeit released			
Other (please specify) ……………………………………………			

18. How effective are the following institution s in combating counterfeit in Kenya? (Tick whichever is appropriate)

Organization	Helped tremendously	Helped to some extent	Not at all	Don't know
business owners				
Anti Counterfeit Agencies				
Anti- counterfeit Police				
KRA				
Media (press, radio and TV)				

Development partners				
Churches to religious bodies				
Standardizations organizations				

Post – interview information

This part should be filled out by the interviewer after the interview.

a.   Finish Time _____ : _____

b.   Overall, how was the respondent's reaction to the interview? (tick as appropriate) ☐

    i.   Very positive

    ii.   Positive ☐

    iii. Negative ☐

    iv.   Very negative ☐

c.   Overall, how sincerer did the respondent seem to be in his/her answers (tick as appropriate)

    i.   Very sincere ☐

    ii.   Sincere ☐

    iii. Not sincere ☐

    iv.   Very sincere ☐

d.   Back check information (tick as appropriate)

    i.   Interview completed

    ii.   Interview partially completed

Supervisor: Name: _____ signature _____

Date checked _____/ _____/2013

APPENDIX 2: TOOLS FOR DATA COLLECTION
INTERVIEW GUIDE- ANTI COUNTERFEIT AGENCIES/ INSTITUTIONS HEADS AND STAFFS

1. What is your opinion on the state of counterfeit in Kenya?
2. What is the value of counterfeit in Kenya?
3. What negative impact does counterfeit have in Kenya?
4. Who are the major stakeholders in the fight against counterfeits? Name them
5. What are the impacts of counterfeit in business?
6. What are the impacts of counterfeits in social life?
7. In your opinion what are the contributions of business community to counterfeit?
8. What capacities do the anti-counterfeit officers have in fighting counterfeit?
9. Is there a coordination structure that brings together all the actors in anti-counterfeit war?
10. What are the key constraints facing the fight against counterfeit?
11. What is the role of the consumers in the promotion of counterfeit?
12. In your opinion what is the role of the public's in the fight against counterfeit?
13. In your opinion are the policies for fighting counterfeit sufficient?
14. What are the factors influencing trade in counterfeit?
15. How can we enhance the fight against counterfeit?
16. What recommendations would you propose?
17. In your opinion has the level of counterfeit increased or decreased?
18. How has the Government of Kenya dealt with problem of counterfeit?
19. What is the impact of counterfeit to business in your own option?
20. What slows down the war against counterfeit in Kenya?
21. Suggest ways in which the war against counterfeit could be improved.
22. In your opinion, have the institutions mandated to fight counterfeit effectively empowered with resource allocation
23. In your own opinion how counterfeit impacted social life? explain

24. Are there ways in which the socio-economic factors influence the anti-counterfeit policies and the war against counterfeit succeeded in general?

25. What is the role of business in encouraging counterfeit? Explain

26. In your own opinion to the business owners the blame for anti-counterfeit?

27. Is the fight against counterfeit losing or succeeding? explain

Thank you