# UNIVERSITY OF NAIROBI

#### INSTITUTE OF DIPLOMACY AND INTERNATIONAL STUDIES

# IMPACT OF CORRUPTION ON POVERTY IN AFRICA: A CASE STUDY OF KENYA AND UGANDA

UNIVERSITY OF MAIRORI LITRAR

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# A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT FOR THE REQUIREMENT OF THE AWARD OF MASTER OF ARTS DEGREE IN INTERNATIONAL STUDIES

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### DECLARATION

This thesis is my original work and has not been submitted for award of a degree in any other University.

Patrick Githuka Muchai Date 15th Dec 2017

This thesis has been submitted for examination with my approval as the University Supervisor.

Ambassador Professor Maria Nzomo

Signature / Cours

Date / 8 Dec 2017

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#### **ABSTRACT**

This study investigated the impact of corruption on poverty in Kenya and Uganda. It also sought to answer questions like the possible causes of corruption and poverty and also what could done to alleviate the two problems in the two countries. The main objective of this study was to determine how corruption had contributed towards poverty in Kenya and Uganda. Many researchers have written about this topic but there are gaps that this study sought to fill. The researcher employed the Progressive Social Theory which was more relevant to this study. The theory attributes poverty to bad governance which on the other hand contributes to corruption, hence the relevance of the theory.

After analysing the data collected, it is evident that corruption had an impact on poverty in the two countries under study. This was done through interview guides and questionnaires. Ultimately, after the data analysis this study gave both policy and academic recommendations. The study identified the research gaps hence creating new knowledge in this field. This study also contributed new knowledge that can be used to address corruption and poverty in Kenya and Uganda. It recommended a further study to be carried out on the same study with a view to filling the gaps that the researcher could have omitted.

#### **ACRONYMS**

**ACECA:** The Anti-Corruption and Economic Crimes Act

**ACPU:** Anti-Corruption Police Unit

**APTF:** Anti- Poverty Trust Fund

**AU:** African Union

AUCPCC: African Union Convention on Prevention and Combating Corruption

CHOGM: Commonwealth Heads of States meeting

**CPE:** Commission of Poverty Eradication

**DDCs:** District Development Committees

**DEI:** Directorate of Ethics and Integrity

**DFD:** District Focus for Rural Development

**DRC:** Democratic Republic of the Congo

**DRFD:** District Focus for Rural Development

**EABL:** Exchange Bank Ltd.

**EACAAA:** The East African Association of Anti-Corruption Authorities

GIL: Goldenberg International Ltd

**GNI:** Gross National Income

**IIDI:** Human Development Index

IAF: Inter Agency Forum

IFI: International Financial Institutions

IG: Inspection General of Uganda

IMF: International Monetary Fund

**KACC:** Kenya Anti-Corruption Commission

KANU: Kenya African National Union

LCA: Leadership Code Act

MDGs: Millennium Development Goals

MTEF: Mid-Term Expenditure Frame Work

NACS: National Anti-Corruption Strategy

NARC: National Rainbow Coalition

**NEPAD:** New Partnership for Africa's Development

NPEP: National Poverty Eradication Plan

NRM: The National Resistant Movement

OAU: Organization of African Unity

**OPM:** Office of the Prime Minister

**PEU:** Poverty Eradication Unit

**POEA:** The Public Officer Ethics Act

**PPAR:** Participatory Poverty Assessment Reports

PPDA: The Public Procurement and Disposal of Public Assets Authority

**PPP:** Purchasing power parity

**PRSP:** Poverty Reduction Strategy Papers

**PRSPs:** Poverty Reduction Strategy Papers

**RCSs:** Resistance Committees and Councils

SAP: Structural Adjustment Politics

**SDD:** Social Dimensions of Development

TI: Transparency International

UACA: Uganda Anti-Corruption Act

UN: United Nations

**UNCAC:** The United Nations Convention against Corruption

UNDN: The Uganda Debt Network

**UPE:** Universal Primary Education

WB: World Bank

WHO: World Health Organizations

# TABLE OF CONTENTS

DECLARATION
ACKNOWLEDGEMENT
ABSTRACT
ACRONYMS
TABLE OF CONTENTS
CHAPTER ONE
INTRODUCTION
1.1 Background of the Study
1.2 Statement of the Problem
1.3 Research Questions
1.4 General Objective of the Study
1.5 Justification of the Study
1.6 Literature Review
1.7 Theoretical Framework
1.8 Research Methodology
1.9 Data Analysis
1.10 Scope and Limitations
1.11 Chapter Outline
CHAPTER TWO
POVERTY IN AFRICA
2.1 Introduction
2.2 Poverty Levels in Africa
2.3 Corruption and Development in East Africa
2.4 Corruption and development in Kenya
2.5 Corruption and Development in Uganda
2.6 Causes of Poverty in Kenya and Uganda
2.7Conclusion

CHAPTER THREE
IMPACTS OF CORRUPTION ON POVERTY IN KENYA AND UGANDA
3.1 Introduction
3.2 Demographics
3.2.1 Country of Residence
3.2.2 Respondents Occupation
3.3 State of Poverty and Corruption
3.3.1 Rate of Poverty in Kenya
3.3.2 Rate of Poverty in Uganda
3.4 State of corruption
3.4.1 State of corruption in Kenya
3.4.2 State of Corruption in Uganda
3.5 Causes of Corruption
3.5.1 Tribalism
3.5.2 Ignorance
3.5.3 Poor Corporate Practices of the State
3.5.4 Abuse of Power
3.6 Strategies for Fighting Corruption
3.6.1 Institutional framework in Kenya
3.6.2 Institutional framework in Uganda
3.7 Challenges facing the fight against corruption
3.7.1 Challenges Facing Kenya
3.7.2 Challenges Facing Uganda
3.8 Conclusions
CHAPTER FOUR
EMERGING ISSUES ON FIGHT AGAINST CORRUPTION: STATE OF
POVERTY AS A RESULT CORRUPTION IN KENYA AND UGANDA
4.1 Introduction
4.2 The United Nations Convention against Corruption (UNCAC)
4.3 African Union Convention on Prevention and Combating Corruption (AUCPCC)

4.4 The East African Association of Anti-Corruption Authorities (ΕCΛΛΛ)
4.4.1Emerging Issues on War against Corruption in Kenya
4.4.2 The Anti-Corruption and Economic Crimes Λct 2003 (ΛCECΛ)
4.4.3 Emerging Issues on Uganda wars against Corruption
4.5 Conclusions
CHAPTER FIVE
CONCLUSION
5.1 Summary
5.2 Data Findings and Analysis
5.3 Recommendations
REFERENCES
APPENDICES
Appendix I: Interview Guide

#### CHAPTER ONE

#### INTRODUCTION

# 1.1 Background of the Study

Corruption and poverty are common phenomena in the entire world including the most developed and developing countries. They are as old as human beings and have co-existed ever since. The only difference is the degree of the two phenomena in different regions and individual nation states. Suffice it to note that corruption and poverty are prevalent in the developing countries and the higher the rate of corruption in many countries, the higher the poverty rate. African continent in general, Kenya and Uganda in particular have also been plagued by these ills and adversely affecting their socioeconomic development.

In order to understand the context under which this study has been undertaken, it is pertinent that we understand the definition of the two variables that are the subject of this study. The most popular and simplest definition is that "corruption" is the abuse of public power for private benefit. In several cases of corruption the abuse of public power

Lumumba P., The War Against Corruption as a Poverty Reduction Agenda. (Mombasa: Kenya, 2011) P.1

<sup>&</sup>lt;sup>2</sup>Transparency International Corruption Perception Index 2013

<sup>&</sup>lt;sup>3</sup>Erick C. et al, Corruption and Poverty: A Review of Recent Literature (Final Report), (Washington DC: 2003)

<sup>&</sup>lt;sup>4</sup> Azam, J. and Gubert F. 2015. "Migrants' Remittances and the Household in Africa: A Review of Evidence." *Journal of African Economies* 15 (Supplement 2):

is not essentially for ones private advantage but rather it can be for the advantage of one's party, class, tribe, companions, family etc. <sup>5</sup> However corruption is amusingly an undercover exchange and hence hard to watch and measure.

Waterhouse Coopers Foundation have tried to create corruption markers: every one of them rely upon total overviews, subjects, organizations or specialists and then construct their outcomes on *perception* of the issue different from more target information. So far the estimation approach is the best that we have.<sup>6</sup>

On the other hand, the United Nation describes Poverty as"

"a rejection of decisions and openings, an abuse of human dignity. It implies lacking of fundamental ability to take an interest efficiently in the public society. It implies not having enough to feed and dress a family, not having a school or work to earn ones living. It also implies weakness, frailty and prohibition of people. families and groups. It means susceptibility to violence and it frequently suggests living on peripheral or delicate situations without access to clean water or sanitation."

Both definitions will apply for Kenya and Uganda respectively.

Kenya and Uganda were British Colonies until they attained their independence on October 9<sup>th</sup> 1963 and December 12<sup>th</sup> 1962 respectively.<sup>8</sup> On independence, most Λfrican

<sup>&</sup>lt;sup>5</sup>Tanzi V, ",Corruption Around the World; Causes, Consequences and Cures" .The IMF Working Paper WP/98/63 (1989) p. 9

<sup>6</sup>ibid

<sup>&</sup>lt;sup>7</sup> Gordon, D. M. Indicators of Poverty and Hunger'': Experts Groups meeting on youth development indicators, United Nation Headquarters, (New York, 12<sup>th</sup> -14<sup>th</sup> December 2005).

<sup>&</sup>lt;sup>8</sup> Beegle, K. etal.. 2011. "Migration and Economic Mobility in Tanzania: Evidence from a Tracking Survey." *Review of Economics and Statistics* 93 (3): 1010-33.

countries were given a chance to take new orders in their improvement plan to enhance the livelihood of their people. The agenda of Kenya and Uganda was primarily to battle unawareness, poverty and diseases. However to date the two nations are yet encountering low levels of growth due to unemployment, poverty, instability and general social and moral decay.

Essentially, corruption by itself does not produce poverty. Flowever, the World Bank's World Development Report for 2000/01 summarizes current opinion on the corruption-poverty relationship as follows:

"The weight of minor corruption falls excessively on the poor people. For those without cash and relations, minor corruption in the general public or police administrations can have devastating outcomes. Corruption influences the lives of the needy through numerous channels too. It bias government spending far from socially significant objectives, for example education. It redirects public assets from foundation ventures that could profit the needy, for example, health facilities, and tends to expand open spending on capital speculations that offer more open doors for kick-backs, for example, defence contracts. It brings down the nature of infrastructure since kick-backs are more lucrative on the buying of hardware. Corruption too undermines public administration relief " (World Bank, 2001:201)<sup>10</sup>.

<sup>&</sup>lt;sup>9</sup> Carletto, G. etal. 2015. "From Guesstimates to GPStimates: Land Area Measurement and Implications for Agricultural Analysis." *Journal of African Economies* 24 (5): 593-628.

<sup>10, &#</sup>x27;Attacking Poverty', World Development Report for 2000/01

This research will therefore treated relationship between the two phenomena as indirectly connected but corruption will remain independent as poverty remains a dependent variable.

As a result of rampant corruption successive Kenya and Uganda governments have been forming committees like Ethics and Anti-Corruption Commission of Kenya (EACC) and Inspection General of Uganda (IG) all mandated to combat and prevent corruption and economic crimes in the two countries. <sup>11</sup>East African Association of Anti-corruption Authorities (EAACA) was formed in September 2007 in Kampala Uganda. It is made up of EACC (Kenya), Tanzania Prevention and combating of Corruption Burcau (PCCB). Uganda Inspectorate of Government (IG), Rwanda's Office of the Ombudsman and Burundi's Special Anticorruption Brigade .EAACA aims to promote zero tolerance to corruption within East African Community. <sup>12</sup> The formation of the umbrella anti-corruption commission for East Africa explains why inter-territorial menace needs a combined effort to prevent and combat corruption. Corruption and HIV have become the major killers in Africa, hence becoming international issues that need to be addressed. <sup>13</sup>

This study will therefore examined how corruption has impacted on poverty in Kenya and Uganda, the possible causes and what is to be done to minimise and cradicate corruption and poverty in the two countries.

<sup>&</sup>lt;sup>11</sup> Faschamps, M., and Hill T. 2008. "Price Transmission and Trader Entry in Domestic Commodity Markets." Economic Development and Cultural Change 56: 729-66.

<sup>&</sup>lt;sup>13</sup>Constitution of the East Africa Association of Anti-corruption Authorities (EAAA CA) Pg 7

<sup>&</sup>lt;sup>13</sup> Gutierrez, E etal. 2014. "Mobile Money Services Development: The Cases of the Republic of Korea and Uganda". Policy Research Working Paper; No. 6786. World Bank, Washington, DC. © World Bank.

#### 1.2 Statement of the Problem

Corruption and poverty are common phenomena not only in Kenya and Uganda but the entire world. No country can boast of performing 100% corruption and or poverty free though the degree of the same differs. <sup>14</sup> Corruption has been a contributing factor to poverty in both Kenya and Uganda and has been heaped together with IIIV/AIDS as "currently two major killers in Africa.

Since independence, both Kenya and Uganda had been struggling to fight corruption and poverty by even establishing some offices to deal with the two. <sup>15</sup> In Kenya for example there had been several commissions formed and statutes enacted to curb corruption and poverty. Currently, we have the Ethics and Anti-Corruption Commission of Kenya which was formed in 2011 mandated to prevent and combat corruption. The Kenya Constitution 2010 has devoted Chapter Six in emphasizing need of Integrity. Statutes like Anti-Corruption and Economic Crimes Act was passed in 2003 as the Public Procurement and Disposal Act, were passed in 2005 all meant to fight corruption. <sup>16</sup>

Uganda has also put corruption control measures. The National Resistant Movement (NRM) ushered in a number of novel institutions designed to improve governance both at the level of the Resistance Committees and Councils (RCSs) and the highest level with

<sup>&</sup>lt;sup>14</sup> Ali, D .etal 2015. "Investigating the Gender Gap in Agricultural Productivity: Evidence from Uganda." Policy Research Working Paper, No. WPS 7262, Washington, DC.

Appleton S. 2014. "Regional or National Poverty Lines? The Case of Uganda in the 1990s," Journal of African Economies, Centre for the Study of African Economies (CSAE), vol. 12(4), pages 598-624.

<sup>&</sup>lt;sup>16</sup> Blattman C. et al. 2016. "The Returns to Microenterprise Support among the Ultra poor: A Field Experiment in Post-war Uganda", American Economic Journal: Applied Economics 2016, 8(2): 35-64.

the establishment of Inspector General of Government (IG) and the Human Rights Commission (UHRC)<sup>17</sup>. Uganda is also a member of the EAACA, an East African umbrella anti-corruption body that was formed in 2007 and mandated to prevent and combat corruption in the region.

In spite of all the efforts put in place by both governments the corruption rate is going up and also impacting negatively on poverty. The two governments and other stakeholders who include the World Bank, International Monetary Fund (IMF), World Health Organizations (WHO) and others have been putting a lot of resources with a view to eradicating poverty in Kenya and Uganda but corruption had been frustrating these efforts. Due to corruption, resources meant to bridge the gap between the rich and the poor are used to widen it, yet there are legal and other institutions to combat it. 18

Corruption disrupts governance practices, destabilizes government institutions, reduces the provisions of services by the government, and reduces public trust in government and, hence the need to control it, otherwise it can disintegrate the two nations under study.

19 Being a problem of that magnitude it warrants a deeper study on their causes and effects it is causing on development in the two countries.

<sup>&</sup>lt;sup>17</sup>Rachel F., & David W.; The state of corruption: A case study of Uganda in third world quarterly, Vol 20 no 3 pg 515

Gable, S. Etal. 2014. Country Development Diagnostics Post-2015: Uganda. Washington, DC: World Bank.

<sup>&</sup>lt;sup>19</sup> Deininger, K. and J. Okidi J. 2003. "Growth and Poverty Reduction in Uganda: 1999-2000: Panel Data Evidence", Development Policy Review 21(4): 481-509.

# 1.3 Research Questions

This research aimed at answering the following questions:

- i. What is the state of poverty in Africa?
- ii. What are the impacts of corruption on poverty in Kenya and Uganda?
- iii. What are the emerging issues on fight against corruption in Kenya and Uganda?

# 1.4 General Objective of the Study

The study established the extent to which poverty in Africa had been increased by endemic corruption in most African countries, Kenya and Uganda in particular; and analysed the possible causes and control measures put in place to mitigate the phenomena.

# 1.4.1 Specific Objective

- i. The study analysed poverty in Africa
- ii. The research assessed the impacts of corruption on poverty in Kenya and Uganda
- iii. It identified the emerging issues on fight against corruption in Kenya and Uganda

# 1.5 Justification of the Study

# 1.5.1 Academic Justification

The study filled the identified research gap and therefore created new knowledge in this field. This study also went a long way in building the theory in use after it was finally empirically tested.

# 1.5.2 Policy Justification

Through carrying out a research of this nature it is my hope that the study contributes new knowledge that can be used to address the twin problems of corruption and poverty. After the data analysis and findings, the recommendations given will contribute new knowledge that can be used to address corruption and poverty in Kenya and Uganda. Using the proposed new knowledge and skills, the existing policies, regulations and programmes will be improved and new ones formulated and implemented.

#### 1.6 Literature Review

# 1.6.1 Definitions of Corruption and Poverty

The legal definition of corruption differs from one country to the other. The most commonly used is an inappropriate behaviour or abuse of authority for personnel gains by public officers. This definition is not all inclusive because one can also be corrupt for the gains of friends, family members, his community or political party for example. However Kenya Anti-Corruption and Economic Crimes Act (ACECA), 2003 has identified certain actions or omissions on the part of the holder of public office and then criminalize them. Since the act seeks to control corruption, it logically follows that all activities it criminalizes must be viewed as corrupt practices. These practices are enumerated in sections 39, 44, 46, and 47 of the Act and they include bribery, fraud,

Annassi P. Corruption in Africa: the Kenyan Experience, (Transfford Publishing: Nairobi).p. 16

embezzlement or misappropriation of public funds, breach of trust and offences in relation to taxes.<sup>21</sup>

From this definition it must not be presumed that corruption can't exist in private area exercises. Particularly in substantial private activities, this incident obviously exists, for instance in obtainment and contracting. It as well exists in private exercises managed by the government.<sup>22</sup>Just like the ACECA, the Uganda Anti-Corruption Act (UACA) has not defined the term corruption but instead has identified and criminalized the activities which would amount to acts of corruption if committed and or omitted. The criminalised activities are explained in *Section one* in Uganda Anti-Corruption Act of 2009.<sup>23</sup> In both Uganda and Kenya, the two descriptions of corruption will suffice for they embrace similar corrupt activities and omissions.<sup>24</sup>

Like corruption, poverty is subjective and depends on ones perception about it. Poverty is experienced all over the world but the levels differ from one country to the other. Poverty has no definite definition but some characteristics are attributed to some living conditions such as serious hardship of essential human needs, including food, safe drinking water, sanitation services, health, shelter, education and having no information. It depends on salary as well as rights to good services.<sup>25</sup>

<sup>&</sup>lt;sup>21</sup>The Anti-corruption and economic Crimes Act, 2003, Chapter 65 p. 5

<sup>&</sup>lt;sup>22</sup>Vito, Corruption around the World; Causes, Consequences and Cures; in the IMF working paper WP/98/63 p. 9

<sup>&</sup>lt;sup>21</sup>Uganda Anti-corruption Act, 2009 pp. 3-4

<sup>&</sup>lt;sup>24</sup> Kaminski, J. and Luc. C. 2014. "Household Welfare in Uganda 2005-2009." Mimco, World Bank.

<sup>&</sup>lt;sup>25</sup> Anassi, P. Corruption in Africa: The Kenyan Experience(Victoria: Trafford, Nairobi: Dialnet, 2015).

Fundamentally, poverty is a dissent of decisions and openings, an infringement of human pride. It implies not having enough to eat and dress a family, not having a school or work to procure ones living, not having entry to credit. It implies security, weakness, and avoidance of people family and groups. <sup>26</sup>It implies vulnerability to violence and is regularly living in peripheral or delicate environment without access to clean water or sanitation. (UN articulation, <sup>27</sup>June 1998, - Signed by the Heads of all UN offices). Poverty is additionally characterized in connection to pay, frequently measured according to capita gross domestic product (GDP). Excessive poverty as indicated by the UN Development Goals (2002) is regarded as a pay of less than \$1 per individual every day.

Going by the parameters and characteristics used to measure poverty it becomes quite difficult for the poor to cater for all the basic needs mentioned with less than \$1 per person per day which is not even guaranteed especially when one is not employed. As reported in

Kenya Economic report, 2013, corruption limits speculation and holds economic development.<sup>28</sup> It undermines programs planned particularly to help the weak areas of the general public. The World Bank approximates that Uganda gets 16% direct authority help yearly as growth help. In 2008, 2009, and 2010 Uganda got \$ 14,230,000; 11,190,000 and 13,070,000 in help in the year 2012 alone. Uganda got \$ 16 billion. More than \$ 10

Rick, S. et al. "Introduction: An Overview of the Costs of Corruption and Strategies to Deal with It" in Stapenhurst R. and Sahr J. (eds.) Curbing Corruption: Toward a Model for Building National Integrity (Washington, D.C.: The World Bank, 2011).

<sup>\*\* &</sup>quot;Attacking Poverty", World Banks' World Development Report for 2000/01, p. 6

<sup>&</sup>lt;sup>28</sup> Kenya Economic Report 2013; Kenya Institute for public Policy Research and Analysis. (Nairobi, Kenya, 2013) p. 14

million of improvement help had been affirmed stolen at the Office of the Uganda's Prime Minister. This report sounds doom to the poor if corruption rate is not going to be reduced or eradicated in Kenya and Uganda.<sup>29</sup>

# 1.6.2 Background to Corruption and Poverty in Kenya

Kenya and Uganda were British Colonies and got their independence in 1963 and 1962 respectively. 30 During the colonial administration there was no possibility that the indigenous people employed in the civil service would be involved in corruption as the major decisions were made by the colonial masters in both Kenya and Uganda<sup>31</sup>. After independence both countries were taken over by African Rulers who initiated several projects to fight what was considered the greatest enemics in the three countries: poverty, ignorance, and diseases. These contracts included the construction of roads, schools, public buildings and other development projects meant to alleviate poverty as Rusinda<sup>32</sup>, writes but contracts were awarded to those who were closer to the government. Augustine Ruzinga the author was a member of the Ugandan Parliament and served as chairman of its Public Accounts Committee and also Uganda's Inspector General of Government, a body that was charged with the responsibility of preventing and combating corruption yet during his time corruption was still rife in Uganda.

<sup>&</sup>lt;sup>29</sup>International Political forum.com/Uganda-and the-culture-of-corruption 20/8/2015

<sup>&</sup>lt;sup>30</sup> Appleton S. etal, 2011, "Changes in Poverty in Uganda, 2011- 16", Centre for the Study of African Economies, University of Oxford, WPS/99.22.

Ruzinda A, "The importance of leadership in Fighting corruption in Uganda, "http://www.ii.com/institute for International Journey of Economics p. 2

32 Deininger, K. and Okidi J. 2003. "Growth and Poverty Reduction in Uganda: 1999-2000: Panel Data

<sup>&</sup>lt;sup>32</sup>Deininger, K. and Okidi J. 2003. "Growth and Poverty Reduction in Uganda: 1999-2000: Panel Data Evidence", Development Policy Review 21(4): 481-509.

Yoweri Museveni (1985) <sup>33</sup>has lamented in his book that corruption in Uganda has gone too far such that it can neutralise any disease elimination programmes as the medical staff invariably ensure that government drugs are diverted for private sale. President Museveni should be commended for bringing peace in a war torn country after experiencing successive civil wars and also for pointing fingers at corruption but no tangible action to indicate reduction of corruption rate has been taken to combat corruption even now that he is still in power with so many statutes passed to combat corruption policies made to reduce poverty and little or nothing is improving.<sup>34</sup>

Comparatively, the British who colonised Kenya took Kenyan land by force and illegally. Kivutha asserts that corruption phenomena is well discussed going back to its origin, it's development, causes and its effects on the economy and individuals organs.<sup>35</sup> The book is well researched almost touching on anything about corruption in Kenya but it could be more complete if it could relate in a more detailed way how corruption impacts on poverty in Kenya. Even after this book was written and very comprehensive recommendations given corruption is still here with us hence a need to revisit and analyse the recommendations given.

<sup>33</sup> Museveni Y, Selected Articles on Uganda Resistance Army, (Kampala, NRM, publication), 1985 p. 64

<sup>\*\*</sup>Collier, P. and Reinikka, R. 2003. "Kenya's Recovery: The Role of Farms, Firms, and Government". World Bank Publications, The World Bank, number 13850, February.

<sup>&</sup>lt;sup>20</sup> Kibwana K. et al. The Anatomy of Corruption in Kenya. (Nairobi: Claripress Limited). p. 15

## 1.6.3 Research Gap

Going by the already reviewed literature it was evident that the impact of corruption on poverty was so generalised, hence you cannot determine the levels of corruption in Kenya and Uganda, the causes and the impact it had. It is only after coming up with those facts that the researcher was in a position to come up with recommendations of different strategies to deal with corruption and poverty in the two countries. This researcher aimed to fill that gap so as to contribute to knowledge in this field of study.

#### 1.7 Theoretical Framework

The researcher adopted the Progressive Social Theory in this study due to its relevance and applicability to Kenyan and Ugandan state of poverty and mainly the underlying causes of the phenomena. Academics in this situation look to the economic, political, and social structure which causes individuals to have constrained open doors and assets with which to accomplish wage and prosperity. The financial structure is organized in a manner that needy individuals fall behind despite how equipped they are. Taken to an extraordinary, radical researchers contended that the framework was defective and ought to be profoundly changed.

According to this hypothesis high-defencelessness and low-asset state are driven by the rejection of the incessantly poor from the political, social and economic structures that may permit them to start to secure resources and that makes them more powerless against

<sup>&</sup>lt;sup>36</sup>Rank, M. One Nation. Underprivileged.( New York: Oxford University Press) 2004.

<sup>&</sup>lt;sup>37</sup> Chubb, J. E., & Moe, T. M., "Politics, Markets, and Equality in Schools". (ed.), Reducing Poverty in America: Views and Approaches (Thousand Oaks: Sage) pp. 121-153.

<sup>38</sup> lbid...

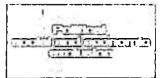
stuns, and by their low beginning resource/ability position, which abandons them couple of assets with which to react to stuns. <sup>39</sup>The event of stuns can disintegrate resources and wage pay, and intensify rejection from frameworks of social insurance. Quality essential education, social help, and attempting to incorporate the underestimated in the economy on reasonable terms ought to be guaranteed. Stopping impoverishment requires policymakers and experts to create proper approach structures. A managed escape from severe poverty implies that the governments (and others) have to give quality and market-applicable education, offer essential health services, and support protection projects to reinforce strength. <sup>40</sup>

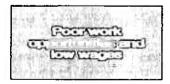
This theory fits the Kenyan and Uganda situation well where analytically, poverty is mainly caused by economic, social-political and discriminatory factors. Corruption on the other hand is considered to be accelerated by bad governance that in turn promotes corruption. Figure 1.1 below explains how according to Progressive theory, poverty cycle is propelled

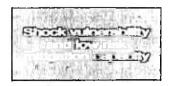
<sup>&</sup>lt;sup>39</sup> Fox, L. and Obert P. 2011. Is Informality Welfare-Enhancing Structural Transformation? Policy Research Working Paper 5866.

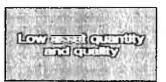
<sup>&</sup>lt;sup>40</sup> Shepherd A. Tackling Chronic Poverty: the Policy Implications of Research on Chronic Poverty and Poverty Dynamics, (London: Chronic Poverty Research Centre, 2011)

Figure 1.1: Progressive Social Theory









Poverty may turn out to be distinctly regulated for political reasons in social and political standards and frameworks come to acknowledge it, it gets to be legitimized in political talk and by the political elites while the poorest sets neglect to increase political representation. <sup>41</sup>Under this point of view the state is recognized as the performer that holds a definitive obligation in battling poverty and, thus, the one responsible for giving assets to its residents to its end. <sup>42</sup>

At the point when previous welfare beneficiaries enter low wage work markets, for instance, rivalry builds, subsequently bringing down the wages of all specialists, which

Hickey S. and Bracking S., "Exploring the Politics of Chronic Poverty, from Representation to a

Politics of Justice?" World Development, 2005.

<sup>&</sup>lt;sup>42</sup> Carletto G. .etal 2015. "From Guesstimates to GPStimates: Land Area Measurement and Implications for Agricultural Analysis." *Journal of African Economies* 24 (5): 593–628.

may bring about growing poverty<sup>43</sup>. Low earners will probably create weakness which dissolves their human capital and consequently their conceivable outcomes of getting away from poverty. Low wages may prompt to unending poverty in that they keep people from sparing, which thusly cause a higher probability of falling into poverty upon an negative financial stun. <sup>44</sup>A standout amongst the most broadly proposed measures is the need to execute least wages to avoid labourers on the most minimal livelihoods from falling into poverty because of the misuse of private enterprises. <sup>45</sup>

The theorists argue that if the issue of poverty is in the framework instead of in the poor themselves, a group growth reaction must be to change the framework. By so doing they argue that there will be more jobs, enhance education for poor people, level pay, expel separation inclination from housing, managing an account, education, and business, and guarantee measure up to political support by poor people.

They further argue that change could be prepared to maintain better occupations for poor people and efficient framework. <sup>46</sup> For instance, pressure from the public including unionization can expand wages and work for people steadily avoided. Social equality developments have strongly affected separating formal obstructions, as has the woman's

Joseph Rowntree Foundation (2013), "Monitoring Poverty and Social Exclusion 2013" Joseph Rowntree Foundation and the New Policy Institute

<sup>&</sup>lt;sup>44</sup> Pemberton S. Etal, "A review of the Qualitative Evidence Relating to the Experience of Poverty and Exclusion", PSE-UK Working Paper Methods Series No. 22 (2013).

<sup>&</sup>lt;sup>45</sup> Hill R. and Mejia-M. . 2016. "Welfare, Income Growth and Shocks in Uganda", The World Bank, Background Paper for the Uganda Poverty Assessment.

<sup>&</sup>lt;sup>46</sup> Kleemans, M. 2015. Migration Choice under Risk and Liquidity Constraints. Washington, DC: World Bank.

development. Group sorting out in the custom has lessened neediness the nation over. Second policy inside group improvement for changing the framework includes making and creating elective establishments which have admittance, openness, development, and an ability to help the poor increase prosperity.<sup>47</sup>

The theory will aptly apply in this study in that, the very causes of poverty postulated as emanating from exclusion in political decision making.

## 1.7.1 Research Hypotheses

The study was guided by the following null hypotheses:

Ho<sub>1</sub>: Poverty levels in Africa have been on an increase trend

Ho<sub>2</sub>: Corruption has impacted on poverty in Kenya and Uganda

Ho<sub>3</sub>: The institutions and policy frameworks put in place to reduce poverty in Kenya and Uganda are adequate

# 1.8 Research Methodology

#### 1.8.1 Research Design

In examining corruption and poverty in Kenya and Uganda, the study mainly utilized an analytical approach. In addition to this approach, a descriptive approach was used wherever necessary to expound the analysis. A comparative approach was used to relate corruption and poverty in the two countries. The research was both qualitative and

<sup>&</sup>lt;sup>47</sup>Alinsky, S. Reveille for Radicals.( Chicago: Chicago Press, 1945)

quantitative. It appeared from the available data on the subject that certain phenomena was not accessible to the researcher's direct observation; therefore, the thesis was based mainly on desk research. The primary data was collected by the use of questionnaires and interviews to the respondents while the secondary data involved examining a variety of sources including the existing academic literature, statute books, official government reports, United Nations agencies, reports from the World Bank. Transparency International and any other relevant sources.

#### 1.8.2 Data Collection

The proposed study collected primary and secondary data using several methods. For the secondary data the researcher got it from the following sources: statute books and case reports, magazines and newspaper reports, official government reports, the United Nations (UN) agencies, reports from the World Bank (WB), the International Monetary Fund (IMF), Transparency International (TI) and any other source.

On the other hand, the primary data was conducted through interview methods. There was face-to-face encounters with the respondents. This method was proposed because it provided in-depth data which was not possible to get using questionnaires. The interviews were supposed to be more flexible and by using probing questions the researcher expected to get more information. By using this method the researcher got higher response rates mainly because it was difficult for a respondent to completely refuse to answer questions.

Structured/closed-ended and unstructured/open-ended questionnaires were administered.

The researcher proposed to use structured or closed questionnaires because apart from

being economical to use in terms of money and time, they were easier to analyse since they were in an immediate usable form. They were also easier to administer because each item was followed by alternative answers.

These open-ended questions gave the respondent complete freedom of response. These free response questions allowed an individual to respond in his or her own words and consecutively the researcher got more information.

# 1.9 Data Analysis

The researcher summarized the collected data on all variables using content analysis. The data was further summarized using frequency tables, bar charts, graphs, histograms and polygons were applied. The research had some data expressed in form of words as well as others that were in numbers, hence the two methods used catered for the two data especially when it was being analysed.

#### 1.10 Scope and Limitations

For ease of management, the field study covered some parts of central Kenya and Nairobi City County. For comparative purposes key informant Interviews was conducted with Uganda diplomats' at their embassy.

# 1.11 Chapter Outline

Chapter One: Introduction. This chapter covers the background of the study, statement of the problem as well as the objectives, justification and hypothesis of the study. Also covered in this chapter is literature review and the research methodology

Chapter Two: Poverty in Africa. This chapter explores the state of poverty in the African Continent.

.Chapter Three: The chapter explores the impacts of corruption on poverty in Kenya and Uganda

Chapter Four; The chapter addresses the emerging issues on fight against corruption in Kenya and Uganda

Chapter Five: Conclusions and Recommendations. The chapter provides conclusions and recommendations based on the findings and analysis and also propose further areas of research in this topic.

#### CHAPTER TWO

#### POVERTY IN AFRICA

#### 2.1 Introduction

The abuse of human dignity that is determined by the decisions and opportunities is what is termed as poverty. It is viewed as the inability to undertake actions freely in the public arena. Poverty is determined when one is unable to provide the basic needs that are; adequate food, clothing and shelter to its family members and also not having enough income. Poverty carries with it the lack of security, lack of power and not having freedom of people, families and groups. This leads to lack of clean water and sanitation, lack of power to protect oneself and living in fear.<sup>48</sup>

This definition aptly fits the progressive social theory that is used in this study. According to this theory, the poor are in the sorry state described in the UN definition. because of denial of choices and opportunities.<sup>49</sup> These choices and opportunities can only be realised if the poor are included in the socio-political and economic decision making forums but if they are excluded they will definitely live in the said state, as the progressive social theory maintains.<sup>50</sup> Africa is poor and stagnant in development. Despite all the rich assets both human and material in its ownership, Africa is the world's poorest

<sup>&</sup>lt;sup>48</sup> (UN Statement, June 1998 - signed by the heads of all UN agencies

<sup>&</sup>lt;sup>49</sup> Bold, T.etal. 2015. "Low Quality, Low Returns, Low Adoption: Evidence from the Market for Fertilizer and Hybrid Seed in Uganda", Harvard Kennedy School WP.

<sup>&</sup>lt;sup>50</sup> Ardington, C. ctal 2009. "Labor Supply Responses to Large Social Transfers: Longitudinal Evidence from South Africa." American Economic Journal: Applied Economics 1 (1): 22 48.

continent. This chapter will explore key factors that enhance corruption in Kenya and Uganda by fast presenting the vice in Africa and East Africa.

### 2.2 Poverty Levels in Africa

Tozoacha (2011) describes poverty as the most established and the most defiant disease that achieves an overwhelming illness in the third world or developing nations. Its rate of executing can't be contrasted with any disease from the beginning of humankind. It is much terrible than malaria and HIV/AIDS which are said to be the highest killer diseases and worse than EBOLA<sup>51</sup>. This description of poverty illustrates how devastating it can be hence the need to know more about it and the effects it leaves in its wake.

Suffice it to note that poverty is found all over the world but in different degrees and magnitude depending on the country. Africa in this case is not exceptional. Regardless of the way that the African continent surpasses in its size and natural assets as Scidman et al contends most Africans must battle for exposed survival.<sup>52</sup>

Even though poverty decrease and additionally disposal have remained a top need on the universal growth motivation as indicated by, more than seventy five percent of the world's poor live in Africa. <sup>53</sup>Numerous African economies are as yet pondering it even though the global acknowledgments of African nations are among the quickest

F. Tazoacha F. (2001). The causes and impact of poverty on sustainable development in Africa. A paper presented at the conference held in Bordeaux, France (Nov 22-23, 2001).

<sup>&</sup>lt;sup>52</sup>Ferrone, L.etal; 2015. "Household Migration and Child Educational Attainment: The Case of Uganda." IZA Discussion Paper Series No. 8927, IZA.

<sup>&</sup>lt;sup>53</sup> Dasandi, N. (2013), "International Inequality and World Poverty: A Qualitative Structural Analysis", New Political Economy, 1-26.

developing economies on the planet today. There is confirmation on the basic part of economic development in poverty decrease and growth of Sub-Saharan African nations. On the other, hand, the advantages are still a long way from being figured out. Achievements from financial development are not getting to the poor people. This is a clear indication that economic growth in Africa does not necessarily translate to poverty reduction.<sup>54</sup>

The utilization of financial markets like per capita salary, the future at childbirth (years). access to human services, access to safe water, access to training and access to sanitation facilities can be used to recognize the poverty levels in Africa. For instance the world has accomplished enormous decreases in poverty over the previous decade. This advance has happened unevenly, with China and the rest of East Asia encountering decreases in abundance of 2 percent focuses a year. This again is an indicator that global economic growth does not guarantee declines in poverty in every part of the world hence another reason why African countries continue languishing in poverty.

The International Futures (IFs) base case approximate is that, in 2013, around 12% of the total population, or 892 million individuals, still lived under the edge for extreme poverty (utilizing the redesigned level of US\$1,75 in 2011 PPP), of whom 388 million lived in Africa (33% of Africa's population). Maybe if we consider the line for serious poverty(US\$1, 00 a day in 2011 PPP), around 197 million individuals live beneath this

De Mel, S., etal; 2008. "Returns to Capital: Results from a Randomized Experiment." Quarterly Journal of Economics 123(4): 1329-72.

Ravallion M.; Benchmarking global poverty reduction, World Bank Policy Research Working Paper. Washington DC: World Bank, 2012, https://23.21.67.251/handle/10986/12095

line in Africa, constituting simply under a portion of those living in extreme poverty. This is critical on the grounds that it suggests that the severe poverty gap in Africa is vast (that is, many live far beneath US\$1, 75), making it harder to decrease severe poverty. Also, in view of the CPRC's utilization of severe poverty as an intermediary for incessant poverty, it implies that an extensive number of the poor in Africa are probably going to be constantly poor. 57

While the continental picture may appear to be disheartening in comparison with the growth being made somewhere else, several nations have as of now met the World Bank poverty goal for 2015. As Sarah et al says, these consist of all the North African nations and also Mauritius and the Seychelles<sup>58</sup>. Generally; though, nations in sub-Saharan Africa have not fared also. This is not generally in light of absence of development. A few nations, (for example, the outrageous instance of Equatorial Guinea additionally a nation, for example, Botswana) have encountered extremely quick rates of development. yet have not been able to effectively make an interpretation of this development into the decrease of poverty. <sup>59</sup> In essence, economic growth in a country is one thing and translating the same to poverty reduction is another.

Kwasi F. Growth, inequality, and poverty reduction in developing countries: recent global evidence, WIDER Working Paper, New Directions in Development Economics, Helsinki: UNU-WIDER, 2011

Johnson, D., A. J. C. Cunningham, R. Dowling. 2012. Professional Teaching Competencies across 17
African Countries – A Meta Analysis of Published Governmental Expectations. New York: World Bank.

Sarah T. Et al."Reasonable Goals for Reducing Poverty in Africa:" African Futures Paper 13/ February 2015, (Pretoria: Hanns Seidel Foundation, 2015) p.7

<sup>59</sup> ibid

Cameroon, Egypt, Ghana, Kenya, Mali, Mauritania, Scnegal, Swaziland. Tunisia and Uganda have all been doing great in making an interpretation of their financial development into lessening poverty. Populations of more than 10 million is living in severe poverty; 272 million in these 10 nations alone. <sup>60</sup>A few nations, for example, the Democratic Republic of Congo (DRC) and Madagascar, have great amounts of severe poverty and extreme poverty gaps regardless of moderately low levels of pay disparity, basically in light of the fact that normal levels of pay are low. In others, for example, Zambia and the Central African Republic, high amounts of pay disparity have added to vast poverty gaps. <sup>61</sup>The 10 nations with the biggest populations of great poverty are Nigeria, the Democratic Republic of the Congo (DRC), Tanzania, Ethiopia. Madagascar, Kenya, Uganda, Mozambique, Malawi and Burundi. All the countries except Burundi have populations of more than 10 million living in severe poverty; a sum of 272 million in these 10 nations alone. <sup>62</sup>

African nations differ broadly as to the degree and point of severe poverty. The rate of the population living in extreme poverty ranges from zero to 80%. Poverty gaps over the continent are high, in spite of the fact that they generally change. As indicated by Barry Hughes (2011) a few nations, for example, the DRC and Madagascar, have great amounts of extreme poverty and great poverty gaps moderately low levels of pay imbalance,

<sup>&</sup>lt;sup>60</sup> MoFPED. 2014. "Poverty Status Report: Structural change and poverty reduction in Uganda", Economic Development Policy and Research Department.

<sup>&</sup>lt;sup>61</sup> Nikoloski, Z.: 2015. "Household Shocks and Coping Mechanism: Evidence from Sub-Saharan Africa." Mimeo, World Bank.

<sup>62</sup> Saunders, P. 2005. The Poverty Wars: Reconnecting Research with Reality. Sydney: UNSW Press.

basically in light of the fact that normal levels of wage are low. In others, for example, Zambia and the Central African Republic, constantly have large amounts of wage disparity adding to large poverty gaps<sup>63</sup>.

Going by this report, it is evident that the two countries under this study, that is Kenya and Uganda are amongst the 10 countries with the highest populations of the extreme poor.

# 2.3 Corruption and Development in East Africa

From being broad to systemic, corruption in East Africa has now achieved dangerous extents and today it has serious negative effects on the growth in the area. Corruption whether in broad daylight or private circle brings about the mishandle and abuse of assets that altogether influence the whole economy. Corruption is adversely connected with formative destinations. The uncontrolled corruption in East Africa focuses to the way that something has turned out badly in the administration of the individual country states. Organizations, which are intended for the control of the relations amongst subjects and the state, are utilized rather for the individual improvement of public authorities (lawmakers and civil servants) and other degenerate private operators (people, bunches, organizations).

On the other hand, as Kaufmann has noted, 'artful civil servants and government officials who attempt to amplify their take without respect for such destruction on the measure of the general pie may represent the especially antagonistic effect corruption has in a few

Barry B Hughes et al., Reducing global poverty: potential patterns of human progress, Vol. 1, Paradigm Publishers, 2011. The index value is from 0,1 to 52,8, which indicates the average shortfall of the poor below the poverty line expressed as a fraction of the poverty line

nations of East Africa where Kenya and Uganda are ranked. 64 Corruption in the Third World Africa included is receiving serious international attention. However, it should be noted that whether the donors freeze their funds the victim will always be the poor but not the perpetrators of corruption. When the donations meant to alleviate poverty are not released, it is the very poor who continues to suffer.

A few organizations have been enrolling their worry about the retrogressive impacts of corruption on growth and have been vowing to actualize approaches which speed up ant-corruption reactions and decrease the likelihood of individual enhancement by corrupt public authorities. For instance, the former World Bank President, James Wolfensohn, once said that the Bank would wipe out activities where official corruption was noted.<sup>65</sup>

Transparency International (TI), risen out of the justification that corruption is one of the best difficulties of the contemporary world 'which undermines great government, on a very basic level twists open arrangement, prompts to misallocation of assets, damages the private segment and private segment improvement, and especially harms poor people. <sup>66</sup> That corruption antagonistically influences the improvement procedure in creating nations is no more drawn out in uncertainty. Static productivity, speculation and development, for instance, are altogether influenced. As Bardhan contends, the instalments of a reward to get a speculation permit decrease the motivating force to

Kaufmann, D. (1997) 'Corruption: The Facts', Foreign Policy, No. 107(summer): 114-31.

Ssewanyana, S. etal.: 2013. "The Dynamics of Income Poverty in Uganda: Insights from the Uganda National Panel Surveys of 2009/10 and 2010/11", EPRC, Occasional Paper No. 35

Transparency International (TI) (1997) The Fight Against Corruption: Is the Tide Now Turning? Berlin: TI.

contribute and the creation of venture.<sup>67</sup>As a result of this, the country becomes poor, chances of employment are not there and poverty takes a centre stage.

The corruption/advancement nexus is of exceptional worry in poor nations, for example, is found in Africa. The individuals who pay and get bribes can confiscate a country's constrained riches. Nevertheless, even nations blessed with natural assets (some of which are additionally found in Africa) may neglect to grow under an administration of systemic corruption as Rose-Ackerman contends. The former Zaire under Mobutu is a great case of this last perception. In both situations, governments as well as their pioneers are not compelled by countervailing strengths or national honest to goodness foundations. Truly, after accepting force, numerous African governments compare the state with their decision makers and set going to corner national assets and in this manner invade all features of economic life.

In Uganda, for instance, there rose a change of the decision party first class from an extraordinary politically advantaged party to a financial inner circle. What was created was another political/business foundation of government officials and gathering hacks who as often as possible built real business open doors for themselves through a one of a kind blend of the utilization of state assets for individual pick up. This kind of corruption has negative outcomes for growth since it comes about into wastefulness. By favouring

Bardhan, P. (1997) 'Corruption and Development: a Review of Issues', *Journal of Economic Literature* 35(3): 1320 – 46.

Smith, G.; (1997) 'The Dichotomy of Politics and Corruption in a Neopatrimonial State: Evidence from Sierra Leone, 1968–1993', Issue: a Journal of Opinion25(1): 58–62.

particularistic courses of action, which thus support particular customers, the most meriting beneficiaries don't access open assets.<sup>69</sup>

As the Progressive social theory maintains, the socio-politically and economically connected ruling elite will always manipulate the state coffers at the expense of the powerless poor. To Ultimately, the poor remains poor as the cartel in the government excel. By going against the general population trust and consuming social capital, corruption has broad externalities including the moderate disintegration of political authenticity to the point where even fair authorities and individuals from people in general observe little point in playing by the principles, with the best casualties being poor people. The 'chical economy of corruption' existed when a ruler's riches was not isolated into open and private coffers.

In history, any leader who was not liberal with his assets was viewed as dishonest. So today, the action of taking government supports and giving out some to top choices is not really seen as degenerate or unlawful. Sure enough, corruption gives off an impression of being more pervasive in nations with ineffectively working formal organizations and pitifully incorporated responsibility components, that is the place conventional 'casual 'methods for intuition and acting stay more lively and where sane lawful foundations are

<sup>&</sup>lt;sup>69</sup>Carletto, G. Etal.; . 2015. "From Guesstimates to GPStimates: Land Area Measurement and Implications for Agricultural Analysis." *Journal of African Economies* 24 (5): 593–628.

World Bank (1997) World Development Report 1997: the State in a Changing World. New York: Oxford University Press.

<sup>&</sup>lt;sup>71</sup> World Bank (1997) World Development Report 1997; the State in a Changing World. New York: Oxford University Press.

not yet fixed. At the point when corrupt conduct gets to be distinctly ruthless, for example, as it is under Museveni in Uganda, when a million of dollars were given to the President and his partners it influences financial development, the conveyance of administrations, and poverty-reduction. To Corruption with exemption at that level brings forth degenerate practices all through the common administration and society. Corruption will always benefit a few people at the expense of development and the poor who are the majority.

## 2.4 Corruption and development in Kenya

The progressive theory applied in this study maintains that corruption undermines socioeconomic and political growth columns, and individual's human rights and the legitimate
systems planned to secure them. <sup>73</sup>In nations where governments can pass approaches and
spending plans without conference or responsibility for their activities, unduc impact,
unequal advancement and poverty result. Individuals get to be impaired (politically,
monetarily and socially) and, all the while, additionally ruined. Corruption likewise
redirects products and cash proposed to mitigate poverty. <sup>74</sup>

The most illegitimate financing of politics in Kenya, however, happened through the Goldenberg and Anglo-financial scandals. The Goldenberg scandal was, according to the

<sup>&</sup>lt;sup>72</sup>Seff, I. etal.; . 2014. "Dynamics of Wellbeing in Tanzania 2008–2013: Analysis Based on Three Waves of the National Panel Survey." Background paper prepared for Tanzania Poverty Assessment Report (May 19).

<sup>&</sup>lt;sup>73</sup> Martina B.; 2012. "Income Shocks and Gender Gaps in Education: Evidence from Uganda." *Journal of Development Economics* 105 (2013): 237–253.

<sup>&</sup>lt;sup>74</sup>Stark, O. 2015. "The New Economics of Labour Migration." The American Economic Review 173-78.

Judicial Service of Inquiry into the Goldenberg affair, a series of business deals that were carried out through Goldenberg International Ltd (GIL) and Exchange Bank Ltd. (EABL), two private companies with common shareholders and directors. The purported business deals cost the country Ks. 30 billion through export compensations claims against both illegal and fictitious export of gold and diamonds. The

The Anglo-Leasing contracts were organized and systematic fraudulent schemes designed to fleece the Government of billions of shillings. Like The Goldenberg scandal, the Anglo-Leasing scandal involved payments of undelivered goods and services by use of non-competitive processes in procurement and overpricing of the contracts and by May 2005 a total of about Ks. 18 billion had been paid. 77 According to the Public Accounts Committee Report, 2006, only Ks. 1 billion of the Ks. 63 billion involved in the Anglo-Leasing has been returned to the Government. On assuming power, President Uhuru Kenyatta ordered Treasury to pay the Anglo-leasing Ltd. Ks. 1.4 billion as a debt owed to them. 78

The Goldenberg scandal for example, involved about Ks. 19.8 billion. Each of the 210 constituencies then would have received about Ksh. 94.5 million had the funds been distributed according to the Constituency Development Fund Formula. The

<sup>75</sup> The two shareholders were: Kamlesh Partni, aged 25 at the time and son of a gold jewellery dealer

<sup>\*</sup>Republic of Kenya, Report of the Judicial Commission of Inquiry into the Goldenberg Affair (Nairobi: Government Printers, 2005)

<sup>&</sup>lt;sup>77</sup> Kivuva J.; and Odhiambo M.; Integrity in Kenya's Public Service: Illustrations from Goldenberg and Nglo-Leasing Scandals (Nairobi: Clarion, 2010), 46

<sup>&</sup>lt;sup>78</sup> Esipisu M.; "Government Statement on the Settlement of Two Foreign Judgement Debts Against the Republic of Kenya: First Mercantile and Universal Satspace," *The Daily Nation, May.* 15,2014

constituencies would have been able to build schools, classrooms, health facilities, agricultural processing plants and others. <sup>79</sup> Similarly, the Anglo-Leasing contracts involved about Ks. 63 billion which if divided among Kenyan constituencies would have received about Ksh. 300million. In total the two scandals entailed about Ksh. 82.8 billion. The budget for the year 2005/2006 was Ksh. 296 billion, which implies that the two scandals wasted about 28% of the ordinary revenue.

## 2.5 Corruption and Development in Uganda

Uganda has been depicted as a cave of corruption for quite a while, a "malady" that has gobbled up the whole society. Shockingly or not, the Ugandan political machine has guaranteed that this practice flourishes to profit its interests to the cost of the dominant poor.<sup>80</sup>

Ugandan government for instance channels assets to the grassroots through the decentralization procedure. Sadly, local governments in Uganda, the greatest being the area, just give another layer of organization to abuse and catch of open subsidizes by neighbourhood government legislators and, or call it the decentralization of corruption. As per Transparency International corruption observation record, uncontrolled corruption

<sup>&</sup>lt;sup>79</sup> Ravallion, M. and Benu B. :2014. "How robust is a poverty line?" World Bank Economic Review 8(1): 75-102.

World Bank (1997). "Helping Countries Combat Corruption: The Role of the World Bank. Poverty

Reduction and Economic Management". New York: The World Bank Group. http://www1.worldbank.org/publicsector/anticorrupt/corrupt/corrupt/corrupt/htm

imperils the battle against poverty. 81 Along these lines corruption has an immediate bearing on the steady levels of poverty. It is then no big surprise that poverty has remained an associate of most Ugandans with 62.9 for every penny living on \$2 a day. 82

The World Bank assesses that Uganda gets more than 16% in direct authority subsidizing every year as advancement help. For example in 2008, 2009 and 2010, the nation got USD 1,641,470,000, 1,784,700,000 and 1,723,470,000 in help in that order.Unluckily. the poverty head tally still stands at 24.5% (\$1.25), and 62.9% (\$2) beneath the poverty line. The principle contributing component to this level of poverty has been corruption because of absence of straightforwardness and subjects' cooperation process. In his idea of "Authority Moguls", an idea of connect and press somebody, Michael Johnston classifies Uganda among the official magnates, a group of countries where capable lawmakers and their top picks hold every one of the cards, and basically, couple of people assume control and possess everything. In fact this is a flawless profile that fits Uganda's circumstance considering that 50.7 percent of salary is held by the main 20 percent of the population and a greater part 62.9 percent wins just \$ 2 a day.<sup>83</sup>

Corruption in Uganda being politically encouraged has come about into government's failure to represent its natives successfully.<sup>84</sup> The failure of political establishments to connect with nationals and give responsive administrations has genuinely thwarted the

<sup>&</sup>lt;sup>81</sup> Chetwynd E. and Spector B. (2003). "Corruption and Poverty: A Review of Recent Literature".( Washington, DC: Management Systems International) 2004

World Bank (2013)

<sup>&</sup>lt;sup>83</sup> ibid

Reinikka, R., and Svensson J.: 2015. "Fighting Corruption to Improve Schooling: Evidence from a Newspaper Campaign in Uganda." *Journal of the European Economic Association* 3 (2/3): 259-67.

amount and nature of open administrations subsequently influencing the poor who generally rely on upon them. As it were corruption enhances poverty through its impact on authority.

Subsequently, this clarifies why areas, for example, health are given lower need than say resistance where spending plans are arranged and therefore simple to abuse. At the broadest level, corruption has acquired wasteful aspects open consumption by redirecting assets to effectively corruptible segments and has misshaped the portion of assets and arrangement choices <sup>85</sup>. It essentially "exasperates the living states of the needy individuals by mutilating the whole basic leadership handle associated with open part programs. <sup>86</sup>The following table summarizes the mega scandals that were reported the unreported ones notwithstanding.

Table 1: Major patronage driven corruption Scandals

Corruption Scandals		Amount		Officials Implicated	
		Million		Minister Amama Mbabazi Current Ministerfor ICT	
				John Nasasira & his DeputyForcign Affairs	
				Minister Sam Kutesa	
Global	Fund	\$38 Milli	on	Former Health Minister Jim Muhwezi	

Construction, using German Data" http://www.shelley.polisci.ucla.edu/recent\_papers/nancygermanyreplication.pdf.Retrieved on 8/17/2015

<sup>&</sup>lt;sup>85</sup> Hite Nancy; (2006). "Measuring Regional Variation of Corruption Induced Inefficiency in Public Roads

<sup>&</sup>lt;sup>86</sup> Mwenda A. and Tangiri R.: (2001). "Corruption and Cronyism in Uganda's Privatization in the 1990's". *African Affairs*. (2001): 117

(2008)		
Temangalo (2008)	\$4.3 Million	Prime Minister Amama Mbabazi, & Businessman
National ID (2010)	\$7.5 Million	Amos Nzeyi Former Minister for General Duties Kiddu
Bicycle scam (2011)	\$1.7 Million	Permanent Secretary Ministry of Local Government
Pensions (2012)	\$66.7 Million	Ministry of Public Service Officials
OPM2 (2012)	\$19.7 Million	Principle Accountant in Prime Minister's Office& Local Government Permanent Secretary Steven
		Kagoda

Source: Major Media Houses in Uganda

The greatest rate of this cash was for the most part dispensed for various tasks and administrations identified with the overall population and considering that the poor arc most reliant on taxpayer supported organizations, any reasonable person would agree that corruption of this kind without a doubt influences poverty decrease attempts additionally muddling their effectively troublesome circumstance.<sup>87</sup>

## 2.6 Causes of Poverty in Kenya and Uganda

The World Bank and the United Nations have described poverty in different types of signs. One is lack of adequate salary and lack of enough assets that ensure an individual has stable employment, lack of food, inadequate health services, lack or inadequate

<sup>&</sup>lt;sup>87</sup> Muto, M. 2012. "The Impacts of Mobile Phones and Personal Networks on Rural-to-Urban Migration: Evidence from Uganda." *Journal of African Economies* 21 (5): 787–807.

education opportunities, lack of sanitation, lack of a good home, deficiency, an environment full of corruption and lack of security.<sup>88</sup>

Poverty is caused by many factors; the main causes are; corruption, political instability, bad and poor land usage and structure, clashes and wars, diseases and lack of food, systems by the IMF and World Bank. <sup>89</sup> The World Bank and the United Nations have described poverty in different types of signs. One is lack of adequate salary and lack of enough assets that ensure an individual has stable employment, lack of food, inadequate health services, lack or inadequate education opportunities, lack of sanitation, lack of a good home, deficiency, an environment full of corruption and lack of security. In the social life, poverty is described as lack of basic leadership. <sup>90</sup> In the civil, social and cultural setting, poverty is generally caused by social discrimination among indivisibles and lack of participation in their social life as explained by the Progressive Social Theory. <sup>91</sup>

In their dialogue on the elements that cause poverty, de Haan and Sindzingre noticed that poverty could also be brought by general rejection of the general population from social life. To them avoidance reflects separation, which is a procedure that denies people from full investment in material trade or connection. The idea is attached to avoidance from

<sup>88</sup> World Bank (1990b). Malawi, Growth through poverty reduction

<sup>&</sup>lt;sup>89</sup> United Nations (1995). The Report of the World Summit for Social Development. The Copenhagen Declaration and Programme of Africa. 6-12 March

<sup>&</sup>lt;sup>90</sup> World Bank (2001) Attacking Poverty. World Development Report 2000/2001.New York Oxford University Press

<sup>&</sup>lt;sup>91</sup> Massey, D. etal, 2013. "Theories of International Migration: A Review and Appraisal." *Population and Development Review* 19 (3): 431-66.

the work market, long term unemployment and the obliteration of the social connections and joining that as a rule go with work.

According to Obadan<sup>92</sup> the fundamental elements that cause poverty include: deficient access to business openings; insufficient physical resources, for example, land, capital and negligible access by the poor to credit even on a little scale; insufficient access to the method for supporting country improvement in poor localities; insufficient access to business sectors where the poor can offer merchandise and ventures; low blessing of human capital, annihilation of regular assets prompting to ecological debasement and decreased profitability; insufficient access to help for those living at the edge and those defrauded by short lived poverty and absence of cooperation. That is, inability to draw the poor into the outline of growth projects.

Land in most parts of Africa is taken with so much value and sometimes its underutilization or no use at all causes violence. This is caused by the fact that there is not system used to direct individuals on how to use the land. Some people make use of the land by growing crops that they use for domestic use. The remainder is the taken to the market for sale. This on its own is a contributor to poverty. Majority of the countries in the African continent are known for their wars amongst themselves or with their neighbours. These wars make it difficult for other nations globally to invest in Africa. <sup>93</sup>

Obadan, M. (1997) Analytical Framework for Poverty Reduction: Issues of Economic Growth Versus Other Strategies. Proceedings of the Nigerian Economic Society Annual Conference on Poverty Alleviation in Nigeria 1997. Ibadan: NES: 1-18.

<sup>&</sup>lt;sup>93</sup> Golumbeanu, etal 2013. Connection charges and electricity access in Sub-Saharan Africa. Policy Research Working Paper; no. WPS 6511. Washington, DC: World Bank.

Due to poor facilities in Africa, the availability of diseases like malaria, IIIV/AIDS, TB. Ebola, Diabetes and Cancer caused by this are also a great cause of poverty. The resources a family has are all spent in treating these diseases in case they occur in the family. This leads to the family having a poor way of life after all the resources are exhausted.

The loans given out by the World Bank and IMF have additionally added to the poverty in Africa. Such loans have strict conditions, which for the most part oblige governments to conform some of their financial choices. <sup>94</sup>For example, the necessity to lessen adds up to government spending in African nations has influenced significant social areas, for example, education, health and infrastructure, which are drivers of financial improvement. Corruption reduces public income and builds public spending. It in this way adds to bigger economic shortfalls, making it harder to the government to run a sound financial strategy. Corruption is probably going to build pay disparity since it permits all around situated people to exploit the government exercises at the cost of whatever remains of the population. <sup>95</sup>

In this case corruption is not blamed whole sale for poverty but as one of the contributing factors. Corruption has multiplier effects on poverty. When one grabs public land, that is corruption; when a public officer demands for a bribe for one to get employment or to offer services that are supposed to be given freely, he or she is propagating poverty

<sup>&</sup>lt;sup>94</sup> Jonathan A. 2015. "Social Accountability: What Does the Evidence Really Say?" World Development 72: 346-61.

Gupta et al." Does Corruption Affect Income Inequality and Poverty? "IMF Working Paper, forthcoming (Washington: International Monetary Fund)

because the poor might not get access to the goods and services that are supposed to alleviate poverty.

Corruption twists markets and distribution of assets since it diminishes the limit of the government to force controls and review to control. At the point when the government does not perform well its administrative part on banks, doctor's facilities, food dissemination, transportation exercises, monetary markets et cetera, it loses a portion of its contact d'être. Corruption bends motivations. Capable people dispense their energies in lease looking for and to degenerate practices and not to beneficial exercises. Sometimes the subsequent has a negative esteem included. <sup>96</sup>Corruption goes about as a discretionary cost. Particularly when corruption is not unified, its irregular nature makes high overabundance load, on the grounds that the cost of arranging and paying the influence must be added to the cost of looking for the individual or people to whom the fix must be paid. At the point when corruption is not brought together, the legally binding commitment secured by the instalment of a payoff are more probable not to be conformed to. It additionally diminishes or twists the principal part of the government of (on requirement of agreements, security of property rights). <sup>97</sup>

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<sup>&</sup>lt;sup>96</sup> Hanushek, etal. 2012. "Do Better Schools Lead to More Growth? Cognitive Skills, Economic Outcomes and Causation." *Journal of Economic Growth* 

<sup>&</sup>lt;sup>97</sup> Finlayson, M. 2009. "The Impact of Teacher Absenteeism on Student Performance: The Case of the Cobb County School District." Dissertations, Theses and Capstone Projects, Paper 4, Kennesaw State University.

# 2.7Conclusion

In this chapter, the poverty levels in Africa have been identified and analysed. The chapter has gone further to show how corruption has negatively impacted on development in the African continent and more so in Kenya and Uganda in particular. The chapter has also explored the causes of poverty in Africa.

#### CHAPTER THREE

#### IMPACTS OF CORRUPTION ON POVERTY IN KENYA AND UGANDA

## 3.1 Introduction

Chapter two presents state of poverty in Africa. Chapter three presents findings as analysed from the interview guide supported by literature from secondary sources. This chapter commences with a section on interviewee demographics and then the findings on corruption are presented.

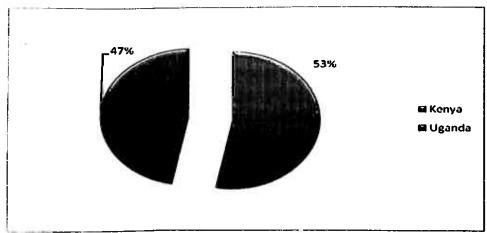
## 3.2 Demographics

Interviewee country of residence as well as their occupation was analysed as below;

# 3.2.1 Country of Residence

Figure 3.1 below illustrates that majority of those who responded to the interview (53%), were Kenyan residents while 47% were Ugandan residents.

Figure 3.1: Country of Residence



Source: Survey 2016

## 3.2.2 Respondents Occupation

According to the findings 18% of the respondents had other job occupations, 16% were employees of private sectors, 15% were parastatal sector employees, 9% were civil servants, 8% were professionals (lawyer, doctor, architect, etc.), 7% were traders and Jua Kali entrepreneurs, 6% were teachers and students while 5% were drivers, manufacturers and unemployed.

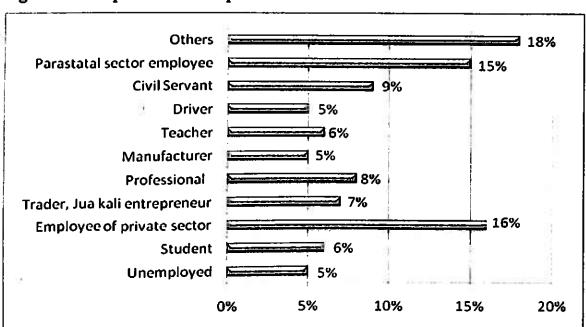


Figure 4.2 Respondents Occupation

Source: Survey 2016

#### 3.3 State of Poverty and Corruption

## 3.3.1 Rate of Poverty in Kenya

Despite living in the greatest conditions of poverty, Kenya together with other Sub-Saharan Africa are rated the highest in corruption, Kenya being the third while the rest are among the top 10 in the world. 98 From France and South Africa, Kenya was rated third. On a study done on economic crimes by Price Waterhouse Coopers in 2016 the findings were inline. This therefore calls for measures to be implemented to enable Kenya fight poverty by 2030 so as to protect its citizens. Nigeria, Democratic Republic of Congo, Tanzania, Ethiopia, Madagascar, Uganda, Mozambique, Malawi and Burundi in that specific order are other countries with big populations under extreme poverty conditions.

## 3.3.2 Rate of Poverty in Uganda

Corruption in Uganda has been deteriorating, as per the worldwide Corruption Perception Index (CPI). Uganda was positioned 127th in 2012, 143 in 2013, 130 in 2014, 140 in 2015, and 142 in 2016. <sup>99</sup>According to CPI; the higher the corruption rate, the higher the positioning. Out of the aggregate population of Uganda, 67% spoke to Ugandans who spend beneath the poverty line of \$ 1.20 (about sh3, 170) every day and the individuals who are underneath double the poverty line, \$2.40 (about sh6, 340) every day. In line with the United Nation's Fund for Population Activities (UNFPA), Uganda at present has 34.5 million individuals, which means around 23.1 million are inclined to poverty, and around 8.4 million of them (around 24.5%) are caught in extreme poverty.

<sup>&</sup>lt;sup>98</sup> Svensson, J. etal .2015. *Improving Services Delivery: An Assessment of Absenteeism Data*. Ideas for Growth, International Growth Center.

<sup>&</sup>lt;sup>99</sup> Sheehan, M., and Barrett C. 2016. "Understanding the Agricultural Input Landscape in Sub-Saharan Africa: Recent Plot, Household, and Community-Level Evidence." World Bank Policy Research Working Paper 7014.

## 3.4 State of corruption

## 3.4.1 State of corruption in Kenya

In Kenya, the issue of corruption has been a great factor in contributing to the poverty of the nation. For a common Kenyan to have his problems solved, he/she need to pay approximately 16 times in a month. \$13.5 billion (12.4 billion euro) was given by the parliament for the development of the Mombasa-Nairobi railway line which was vital to the Kenyan economy. About 1.2% of government consumption can be legitimately represented is a stinging prosecution of the administration of public assets. 100

Kenya's auditor general, Edward Ouko, released a yearly review of government records. Chaos promptly took after as the size of public assets turned out to be clear. Just 1.2% of the nation's 2013-14 \$10bn (£6.4bn) spending plan was accurately represented. About \$600m couldn't be represented by any means. As per one of the key witnesses, the administration of President Uhuru Kenyatta has permitted the most tolerant environment for corruption in Kenya's history. <sup>101</sup>Taking after the report's production, eyewitnesses were soon conjecturing about the likelihood that an impressive lump of the missing assets had been stashed. This is incompletely in light of the fact that the economy has developed and there is a whole other world to "eat", as corruption is brought in Kenya. More cating is being done than whenever since measure of graft in the 1990s.

Hazlewood A. (2015). The Economy of Kenya: The Kenyatta Era. Oxford University Press.

Baell, K. (2015), Sub, The finding for Preventing Corruption of Public Servant (Scoul: The Policy Analysis Society Journal 5(1),

The loss of Sh791 million at the National Youth Service (NYS) brought about anger among Kenyans. Another saga was that of the Eurobond that the jury has yet to determine how the government spent the Sh250 billion. According to the respondents, there was theft and loss of public resources from employees and state officials. The auditor general's last report showed that state officials were responsible for the loss of most of the public resources. I t was also found that only 1% of the last budgets had been well accounted for by the officials responsible. The whole society is them affected by the state of corruption <sup>102</sup>. While the common Kenya continues to suffer under the heavy weight of corruption that leads to poverty, the state officials continue to take advantage of public resources to enrich themselves.

## 3.4.2 State of Corruption in Uganda

The economy of Uganda is greatly hindered by its state of corruption, advancement and in addition to the arrangement of value open administrations. Corruption-related difficulties in the nation originate from a frail argument from people with no good interests for the country's development. This is caused by the fact that the country does not have strict punishment on any individuals caught in the act of corruption. <sup>103</sup>

Corruption influences an extensive variety of areas and government organizations, including acquisition, police, and the defence, education and health sectors. As a guide subordinate nation, Uganda needs a sound public financial management framework, to

<sup>&</sup>lt;sup>102</sup> Kimani F. (2015), The Freedom of the Spirit: African Indigenous Churches in Kenya. Oxford University Press.

<sup>&</sup>lt;sup>103</sup>Ndege G. (2015). Health, State, and Society in Kenya: Faces of ContAct and Change. Western and traditional medicine in Kenya, 224pp.

guarantee givers' assets are spent shrewdly and spillages are kept away from. Regardless of changes, there is still space to enhance the level of straightforwardness and responsibility of the nation's public financial management framework still. The Ugandan government has recognized that corruption is one of the fundamental challenges facing the nation. Although, late improvements have bring up issues on the government's political will to address it. A few changes, laws and new foundations to battle corruption have been built up. Regardless of late examinations and corruption trials. a successful requirement of the laws set up is as yet deficient.

#### 3.5 Causes of Corruption

In both Uganda and Kenya the cause for corruption was found to be similar in the following ways

#### 3.5.1 Tribalism

One aspect that energizes the issues of corruption is tribal devotion. Individuals in Kenya and Uganda are as a matter of first importance faithful to their families, then their clan (more distant family), then their tribe. Individuals from a similar family or tribe frequently "help" each other, even when it includes corruption. Tribal impacts have disappeared throughout the years, however are still solid even in the 21st century. 105

Hill R. and Mejia-M. . 2016. "Welfare, Income Growth and Shocks in Uganda", The World Bank, Background Paper for the Uganda Poverty Assessment

Gable, etal. 2014. Country Development Diagnostics Post-2015: Uganda. Washington, DC: World Bank.

#### 3.5.2 Ignorance

The overall population is purposely kept in a condition of ignorance, which empowers corrupt people to bear on their practices directly before the general population who have no clue what to do about it. Even when individuals know that an public servant is not doing right, they are woefully ignorant of the moves they can make to manage that individual.<sup>106</sup>

## 3.5.3 Poor Corporate Practices of the State

The state tells people what to do rather than the people telling the state what it should do, in which case there seems to be a master servant relationship between the government and its people. <sup>107</sup>At the point when individuals trust that the government is a master and they are workers, even important administrations are changed over from being rights to bribes thus nationals are continually eager to pay influences to get what is theirs rightfully.

#### 3.5.4 Abuse of Power

The most glaring practice by government specialists is abuse and mishandle of the power of the workplaces they hold. <sup>108</sup>Such heads settle on choices that are in opposition to the benefit of all, and after that face no discipline for it. The instance of Goldenberg

Fafchamps, M., and R. V. Hill. R. 2008. "Price Transmission and Trader Entry in Domestic Commodity Markets." *Economic Development and Cultural Change* 56: 729-66.

<sup>&</sup>lt;sup>107</sup> Azam, J.-P., and F. Guber F.. 2015. "Migrants' Remittances and the Household in Λfrica: Λ Review of Evidence." *Journal of African Economies* 15 (Supplement 2): 426–62.

Svensson, J. et al. 2015. Improving Services Delivery: An Assessment of Absenteeism Data. Ideas for Growth, International Growth Center

International embarrassment in Kenya demonstrates how a priest manhandled his office as was recorded by the Judicial Commission of Inquiry into the Goldenberg Affair.

An exploration by the Transparency International as of late demonstrated that more than 51% of the natives in both nations paid rewards to get services from government workplaces. These are services they ought to as of now get without pay. It stays genuine today that there are the individuals who consider government employments to be open doors for storing up riches by accepting bribes. This propensity has developed to the point where, in spite of utilizing qualified experts, the government dependably renders fair administrations, because of terrible administration, political patronage\lack of political will, breakdown/disintegration/corruption of societal qualities and standards, non-implementation of the law, tribalism, bias, nepotism and cronyism, frail or nonappearance of administration frameworks, systems and practices, feeble common society and detachment, absence of expert honesty, absence of straightforwardness and responsibility, wasteful public sector system and greed.

# 3.6 Strategies for Fighting Corruption

## 3.6.1 Institutional framework in Kenya

Several strategies have been put forward as means of fighting and eliminating corruption in Kenya and specifically in the police service. They include; launching of informative campaigns on the impact of corruption, suspension for those caught indulging in corrupt practices and when it's necessary sacking of those officials who are involved in corruption.

#### 3.6.1.1 Kenya Anti-Corruption Commission

Kenya has had anti-corruption enactment from route in 1956. The Prevention of Corruption Act (Cap. 65) was in operation from August 1956 to May 2003 when the Anti-Corruption and Economic Crimes Act, No 3 of 2003 got to be distinctly operational and cancelled it. At first, the Prevention of Corruption Act (Cap. 65) was basically to be implemented by the Police Department. But, corruption became throughout the years regardless of the presence of the Prevention of Corruption Act. <sup>109</sup>An exertion was made to build up an Anti-Corruption squad inside the Criminal Investigation Department of the Police Department, however the squad was disbanded before it could have an effect. The Prevention of Corruption Act (Cap. 65) was revised in 1987 to accommodate the foundation of the Kenya Anti-Corruption Authority (KACA).

The primary Director of KACA, Mr. John Harun Mwau was chosen ten years after December 1997. He was suspended in the after being in office for just six months and was later expelled through a Judicial Tribunal named by the 53 then President Daniel Arap Moi. The second Director of KACA, Justice Aaron Ringera was chosen in mid 1998.

Nevertheless, in December 2000, the High Court on account of Gachiengo V Republic (2000) 1 EA 52(CAK) held that the presence of KACA undermined the forces presented on both the Attorney General and the Commissioner of Police by the Constitution of the Republic of Kenya. Furthermore, the High Court additionally held that the statutory

Sheehan, M., and C. Barrett C. 2016. "Understanding the Agricultural Input Landscape in Sub-Saharan Africa: Recent Plot, Household, and Community-Level Evidence." World Bank Policy Research Working Paper 7014.

arrangements setting up the KACA were in struggle with the Constitution. That spelt the demise of KACA and the energy through which the Prevention of Corruption Act (Cap 65) had looked to battle corruption in Kenya. 110

#### 3.6.1.2 Legislation

After this disaster, there were endeavours to revive the battle against corruption. This finished in the institution of two bits of enactment in April 2003. These were; the Anti-Corruption and Economic Crimes Act, No 3 of 2003 and The Public Officer Pthics Act, No 4 of 2003. These two statutes got to be distinctly operational on second May 2003. The Prevention of Corruption Act (Cap. 65) was cancelled by Section 70 of the Anti-Corruption and Economic Crimes Act No. 3 of 2003. The Anti-Corruption and Economic Crimes Act, sets up the Kenya Anti-Corruption Commission (KACC) as a body corporate, recommends its arrangement and presents energy to it. [11]

The foundation of KACC has been a critical development in the battle against 54 corruptions in Kenya. This has been a piece of the Kenya Government's dedication to annihilate corruption, enhance great administration and cultivate straightforwardness in all divisions. The Director and the three Assistant Directors formally took office on the tenth September, 2004<sup>112</sup>. They then set out on a lively battle to select senior and junior

<sup>&</sup>lt;sup>110</sup> Reinikka, R., and . Svensson.J 2015. "Fighting Corruption to Improve Schooling: Evidence from a Newspaper Campaign in Uganda." *Journal of the European Economic Association* 3 (2/3): 259-67.

Nikoloski, etal. 2015. "Household Shocks and Coping Mechanism: Evidence from Sub-Saharan Africa." Mimeo, World Bank.

MoFPED. 2014. "Poverty Status Report: Structural change and poverty reduction in Uganda", Economic Development Policy and Research Department.

staff coming full circle in the enlistment of the last bunch of officers, who gave an account of obligation on the first of August, 2005.

In one year or so that KACC has been in presence, a great deal has been done in its order touching inter-alia on, examinations, resource following and recuperation, counteractive action of corruption through distinguishing proof and end of chances for corruption in systems and techniques of public bodies and government funded instruction went for enrolling open support. <sup>113</sup> The Act additionally sets up the Kenya Anti-Corruption Advisory Board an unincorporated body involving people assigned by a cross-area of partners. The Advisory Board makes proposals for individual to be delegated as a Director and Assistant Directors. It additionally advices the Commission for the most part on the practice of its forces and execution of its capacities under the Act. <sup>114</sup>

## 3.6.2 Institutional framework in Uganda

The working together of Ugandans is challenged by corruption. The departments where corruption is wide spread is the police, legal and obtainment sectors. The structures that Uganda has developed are the Anti-Corruption Act 2009, the Penal Code, the Inspectorate of Government Act 2002, the Public Finance and Accountability Act 2003 (PFAA) and the Leadership Code Act 2002 (LCA). 115 Offences that include

Kleemans, M. 2015. Migration Choice under Risk and Liquidity Constraints. Washington, DC: World Bank.

<sup>114</sup> Kaminski, J. and Luc C.. 2014. "Household Welfare in Uganda 2005-2009." Mimco, World Bank.

<sup>&</sup>lt;sup>115</sup> Hill R. and Mejia M. 2016. "Welfare, Income Growth and Shocks in Uganda", The World Bank, Background Paper for the Uganda Poverty Assessment.

misappropriation, bringing about budgetary misfortune, mishandle of office and extortion are handled by The Penal Code.

The LCA is intended to build straightforwardness and to control corruption; it additionally criminalizes endeavoured corruption, dynamic and detached gifts, blackmail, pay off of a remote public authority and mishandle of office. Under the LCA, endowments or gifts must be proclaimed in the event that they surpass five coin focuses in esteem. Corruption difficulties are exacerbated by frail law implementation, which fills a culture of exemption. <sup>116</sup>Assistance instalments are not characterized in Ugandan law. There are a few establishments in the nation entrusted with researching wrongdoings and battling corruption. While an arrangement of balanced governance is ensured by the 1995 constitution, by and by, a number of the nation's establishments can't play out their obligations productively in light of the fact that they are understaffed and need adequate assets.

## 3.6.2.1 Inspectorate of Government

The greatest command to battle corruption in Uganda was the Office of the Inspectorate of Government (IGG) formed in 1986 and began working in 1995. The Inspectorate of Government Act of 2002 further supports the command of the office. \(^{117}\Lambda\)s indicated by the demonstration, the Office of the Inspectorate assumes a basic part to guarantee a more viable and effective public organization, and in this way, ought to work intimately with

Gable, etal. 2014. Country Development Diagnostics Post-2015: Uganda. Washington, DC: World Bank

Ferrone, etal. 2015. "Household Migration and Child Educational Attainment: The Case of Uganda." IZA Discussion Paper Series No. 8927, IZA

other government offices and NGOs to advance the administering of law and morals among public authorities.

Corrupt authorities are arrested by the office, arraigned and investigations are done. The office also has the authority to authorize the leadership code of conduct and is the nation's protector. Investigations and advice to the Inspector General is done by the Inspectorate of Government which has 14 branches which are headed by a Regional Inspectorate Officer. 118

Information with respect to corruption cases taken care of by the capable organizations in Uganda is still inadequate and untrustworthy. Open reports demonstrate that the Inspectorate of Government managed 114 criminal corruption cases in 2010, of which 59 were really arraigned with 17 feelings. Also, the workplace has managed 272 authoritative cases identified with corruption in 2010, with a normal length of six months (a noteworthy decrease contrasted with the 36 months required to determine a regulatory case under the watchful eye of 2008). While by law the Inspectorate is conceded huge freedom, reporting just to the Parliament, practically speaking, its self-governance, proficiency and viability have been hampered by the absence of assets and staff, and additionally impacted by the Executive.

<sup>&</sup>lt;sup>118</sup> Carletto, G et al. 2015. "From Guesstimates to GPStimates: Land Area Measurement and Implications for Agricultural Analysis." *Journal of African Economies* 24 (5): 593–628.

#### 3.6.2.2 Director of Public Prosecutions

All criminal cases especially those that involve corruption, are handled by the Directorate of Public Prosecutions (DPP) of Uganda. <sup>119</sup>The parliament endorses the Director of Public Prosecutions, suggested by the Public Service Commission and selected by the president himself the Prosecutions' Office, the considerable larger part of corruption related cases explored by the workplace identifies with theft and fraud. Nonetheless, the information additionally demonstrate that a critical number of cases are either shut or alluded to further examination because of the lack of adequate proof for arraignment. For example, in 2009, more than 40% of corruption-related wrongdoings surveyed as bringing about money related misfortune to the general population organization were shut or eluded to further examination (20% in 2010).

#### 3.6.2.3 Auditor General

The financial and all other management audits are controlled by the auditor general. The audits main aims are to ensure that public funds are used in accordance to law and are effectively and efficiently spent; to ensure governance in public agencies is evaluated and improved and to ensure that the public administration is investigated on its illegal activities. The auditor's general office is considered a very strong institution in the country's governance. Despite this, he faces very serious challenges in the office and he

Bold, T,. 2015. "Low Quality, Low Returns, Low Adoption: Evidence from the Market for Fertilizer and Hybrid Seed in Uganda", Harvard Kennedy School WP.

can be removed as he was appointed by the president as per the underscore by the Global Integrity Report of 2011.

#### 3.6.2.4 Directorate of Ethics and Integrity

The Directorate of Ethics and Integrity (DEI) inside the Office of the Presidency is in charge of organizing the administration's endeavours in the battle against corruption and for setting up an uprightness framework that advances great administration over the organization. Inside this system, the Directorate is executing the National Anti-Corruption Strategy 2008-2013. The directorate likewise keeps up an asset focus on corruption accessible to the general population. The Directorate is likewise the seat of the Inter Agency Forum (IAF), which is a group entrusted with guaranteeing the viable coordination among all establishments entrusted with battling corruption in the nation. It accommodates a stage where distinctive government organizations can trade data and lessons learned with respect to the outline and execution of hostile to corruption techniques.

#### 3.6.2.5 Judiciary

The 1995 Constitution stipulates a detachment of forces between the Executive, the Legislature and the Judiciary, along these lines ensuring the autonomy of the judiciary. In fact, higher courts are moderately autonomous and staffed with qualified and very much prepared judges. In lower courts, still, justices are frequently affected by political and

<sup>120</sup> Stapenhurst, etal: "Introduction: An Overview of the Costs of Corruption and Strategies to Deal with It" in Rick Stapenhurst and Sahr J. Kpundeh (eds.) Curbing Corruption: Toward a Model for Building National Integrity (Washington, D.C.: The World Bank, 2011).

financial gatherings. Additionally, the selection of judges is seen by some as risky the President is in charge of designating, endless supply of the Parliament.

The legal is evaluated as somewhat corrupt by both subjects and organizations in Uganda. Another issue influencing the strategy is the absence of budgetary and IIR: somewhere around 2008 and 2010, the Supreme Court did not meet as a result of an absence of majority.<sup>121</sup>

Corruption related cases stated to be judged faster and productively by a particular anticorruption court that was established in 2008. Between 2009 and 2011 there had been judged about 350 cases that had resulted to 232 mixed feelings. <sup>122</sup>In 2011 there were about 127 pending cases and others about 198. Most of the cases dealt with thest and public properties.

## 3.7 Challenges facing the fight against corruption

## 3.7.1 Challenges Facing Kenya

Corruption risks Kenya's Vision 2030 objectives. Exactly when Kenya is rebuilding government through the devolution procedure, pulling in venture, extending exchange,

<sup>&</sup>lt;sup>121</sup> Francis KimaniGithieya. (2015), The Freedom of the Spirit: African Indigenous Churches in Kenya. Oxford University Press.

Tacoli, C. 2011. "Rural-Urban Interactions: A Guide to the Literature." *Environment and Urbanization* 10 (1): 147-66.

making occupations, and battling psychological warfare, corruption is keeping the nation down. It is an unwelcome friend, and has no place in Kenya's splendid future. 123

The Commission (whether KACC or EACC) has never been delighted in all inclusive public support. Issues emerged from the difficulties experienced while setting up the KACC, with areas of people in general neglecting to bolster the initiative of the Commission. The arrangement procedure of executives turned into the subject of contention between Parliament, the President and the initiative of the EACC. Promote, inability to guarantee responsibility in the Anglo Leasing outrage has somewhat been viewed as a sign of the absence of autonomy with respect to EACC, additionally dissolving public certainty. <sup>124</sup>Poor Public Perception and Low Credibility Perceptions are an imperative piece of open believability in hostile to corruption. Likewise Legal Constraints have been experienced case in 2007, corrections to ACECA saw the presentation of another subsection which as a result essentially shortened the then KACC'S investigative process. Through the Miscellaneous Amendment Statute 2007, another (Section 25A) was presented which got to be distinctly known as the 'Absolution Clause'. The Section offers energy to the Minster, AG and KACC Director to figure out if to end or proceed with examinations on cases as of now founded.

Seff, I .etal . 2014. "Dynamics of Wellbeing in Tanzania 2008–2013: Analysis Based on Three Waves of the National Panel Survey." Background paper prepared for Tanzania Poverty Assessment Report (May 19).

<sup>&</sup>lt;sup>124</sup> Nikoloski, etal .2015. "Household Shocks and Coping Mechanism: Evidence from Sub-Saharan Africa." Mimeo, World Bank

Beside the above difficulties legal difficulties identifying with the recuperation of benefits of corruption are a main compel, the Judiciary shows a significant test in the authorization of against corruption laws by and large. The Commission has ended up on the less than desirable end of unfavourable legal translation of its forces. <sup>125</sup> The principal ambush on the Commission was the Judiciary's understanding of the impact of the annulment of the Prevention of Corruption Act (Cap 65) regarding offenses conferred before the ACECA came into constrain is still shifted and the courts have not settled the law on the matter. Despite the fact that Section 42(k) of Limitations of Actions Act was presented, it couldn't help the Commission in cases which were at that point under the steady gaze of the courts before it was endorsed.

## 3.7.2 Challenges Facing Uganda

Lack of individuals and state officials to follow the right channels while undertaking their duties and preferring to use shortcuts leads to most of corrupt related challenges. A culture of implementation of powerless laws from high authorities contributes greatly to the spread of corruption cases. 126

As indicated by respondents to the National Integrity Survey directed by the Inspectorate of Government in 2015, the most repetitive types of corruption in the nation incorporate the payment of bribes (66% of the respondents); theft of public cash (15%), nepotism (5%), and bias (3%). There is copious confirmation of misappropriation of public

MoFPED. 2014. "Poverty Status Report: Structural change and poverty reduction in Uganda", Economic Development Policy and Research Department.

<sup>126</sup> Kaminski, etal. 2014. "Household Welfare in Uganda 2005–2009." Mimeo, World Bank.

Subsidizes in the nation. Roughly 20% of public authorities studied under the 2008 National Integrity Survey reported the theft of public cash inside their organization as a typical practice, while 15% showed the redirection of assets to be a typical type of corruption influencing public bodies. <sup>127</sup>There is likewise confirmation of the presence of sorted out syndicates made out of public authorities deliberately put inside various government foundations who plot to steal open assets, while staying unpunished.

For example, in late 2012 government reviews uncovered that an expected 7,600 phantom specialists existed over general society organization. These people never worked for any public organizations however were incorporated into the administration finance, costing billions of shillings. The review revealed that the plan was made conceivable by a conniving understanding between authorities inside the Ministry of Public Service, upheld by the Ministry of Finance. What's more, numerous embarrassments have revealed an insight into the theft of help cash in the nation. Uganda has ended up extremely help subordinate, with a few contributors accommodating direct spending support. Though, the absence of responsibility in managing these assets has put at hazard the nation's association with a few contributors, including Ireland, Denmark, Norway and the U.K. 128

<sup>&</sup>lt;sup>127</sup> Hill R. and Mejia-M. 2016. "Welfare, Income Growth and Shocks in Uganda", The World Bank, Background Paper for the Uganda Poverty Assessment

Fox, J. 2015. "Social Accountability: What Does the Evidence Really Say?" World Development 72: 346-61.

#### 3.8 Conclusions

In this chapter, the measures put in place to fight corruption in Kenya and Uganda have been analysed. As it has clearly come out, the fight against corruption is global requiring global effort. The global organization like United Nation Convention Against Corruption and regional organizations like the African Union Convention on Prevention and Combating Corruption and the East African Association of Anti-Corruption Authorities have joined hands to fight corruption. Comparatively, the policies and strategies applied in both Kenya and Uganda are the same.

It is also clear that the two countries have no short of anti-corruption institutional frameworks and policies. They are plenty and meanwhile more than enough but they are not implemented. It is also noted that the very people who are supposed to implement them are the very individuals who are implicated in the graft cases. As the theory used in this study implies, the poor who is bearing the burden of corrupt decision and policy makers will ever live in a cycle of poverty due to lack of good education, presentable housing, luck of good health care and good and sufficient food.

#### CHAPTER FOUR

# EMERGING ISSUES ON FIGHT AGAINST CORRUPTION: STATE OF POVERTY AS A RESULT CORRUPTION IN KENYA AND UGANDA

#### 4.1 Introduction

Corruption resembles a torment that has an extensive variety of retrogressive impacts on social orders. It undermines vote based system and the run of law, prompts to infringement of human rights, contorts markets, dissolves the personal satisfaction and permits sorted out crimes, fear based oppression and different dangers to human security to thrive. This shrewd marvel is found in all nations of all shapes and sizes, rich and poor however it is in the creating scene that its belongings are generally damaging. The United Nations theorizes that consistently \$1 trillion is paid in fixes while an expected \$2.6 trillion is stolen every year through corruption – a total proportional to more than 5 for each penny of worldwide GDP. 129

Corruption is accounted for to cost Africa roughly \$148 billion every year though t Kenya is losing as much as \$1bn every year. <sup>130</sup>In 2005, the World Bank assessed Uganda loses to corruption at 510 billion shillings (USD 204 million), while the Global Integrity Report multiplied up to one trillion shillings. <sup>131</sup> Corruption in Africa has achieved malignant extents. Actually, so inescapable is this wonder in the district that it has been named the 'Guides of popular government' which is decimating the eventual fate

Global Organization of Parliamentarians Against Corruption: Position Paper. Vol. 1, Issue 3-April 2014

<sup>130 &#</sup>x27;Corruption haunts Kenya's leader' BBC News23 February 2005. Sourced

<sup>131</sup> ibid

of numerous social orders in the area. The corruption issue in Africa mirrors the broader, and now amazing, atmosphere of exploitative administration and terrible administration found all through the majority of the landmass. 132

In 1996, then-World Bank president proclaimed that, for developing nations to accomplish financial development and poverty lessening. This assertion was the first of its kind by a World Bank president, centred the overall growth examination, at the national and the universal levels, on the battle against corruption. <sup>133</sup>By any standard, this amount of money lost in corruption is quite big and if condoned, it is to bring down many states due to inability to operate. It should be appreciated that this is the reported corruption mainly involving money only but other areas where governments lose like absenteeism from workplace, grabbing of public property like land through corrupt deals are not mentioned. If every corrupt deal is reported, the value of the loss in corruption could even be more than what is given in this study. It is not gainsaid therefore that corruption is a worse enemy not only to Kenya and Uganda but to the entire globe, hence requiring a concerted effort to curb it. After realizing that the corruption phenomenon is a common threat world over, some international, regional and national organs have been formed with a view to combating it.

This Chapter will therefore explore the anti-corruption measures taken globally, regionally and nationally to address the corruption scourge. The chapter will also pay a special attention to other emerging issues from chapter three on the governance

<sup>&</sup>lt;sup>132</sup>Ferrone,etal . 2015. "Household Migration and Child Educational Attainment: The Case of Uganda." IZA Discussion Paper Series No. 8927, IZA.

<sup>&</sup>lt;sup>133</sup> Vinay B. "The Cancer of Corruption." World Bank Global Issues Seminar Series.

frameworks and policies put in place by both Kenya and Uganda to fight corruption anticorruption policies. Other stakeholders in the fight against corruption like the non-stake actors will also be analysed. A conclusion will be given at the end of the chapter

## 4.2 The United Nations Convention against Corruption (UNCAC)

The Convention against Corruption is the main authentically worldwide, legitimately restricting instrument on corruption and related matters, that is, the first to be produced with a broad universal investment and with an expansive agreement of signatory States and global private area and common society organizations. Starting 1 January 2013, 165 states, including essential worldwide players, for example, the US, China and India, host get to be parties to the UNCAC. This expansive interest can be viewed as a sign of far reaching worldwide support. In any case, the absence of endorsement by a couple states is important: Germany, Japan and New Zealand have not approved the UNCAC, regardless of marking it. 134

Thus, it must be acknowledged, or is required to be acknowledged, by the immense dominant part of nations in the worldwide group, so that the battle against corruption will be found in another, worldwide point of view. This is correctly what separates this Convention from alternate instruments accessible. The reason for the Convention is to forestall corrupt practices and unlawful store exchange, and battle these practices adequately; to criminalize and curb corrupt practices; to advance, encourage and sustain universal participation and specialized help; to return wrongfully exchanged assets to

Jan W. etal. "The International Legal Framework against Corruption: Achievements and Challenges." *Melbourne Journal*. Vol. 14. Pp. 13-14

their nations of beginning; and to advance uprightness, responsibility and legitimate administration of public issues and public property. 135

Types of corruption are imitated and exchanged starting with one nation then onto the next. Since degenerate conduct is unlawful, the returns of corruption regularly are exchanged abroad, prompting to universal question including organizations (especially banks) in various nations. Governments, universal offices, non-administrative organizations, help contributors and transnational enterprises are actually worried about worldwide parts of corruption, extending from the spread of criminal systems to the making of uncalled for conditions for exchange and back. That is the reason, as of late, there has been a multiplication of worldwide endeavours to handle the issue of corruption. It is expected that it is up to national governments to avoid and battle corruption in their own particular nation. In any case, expansive based worldwide collaboration is expected to guarantee that the measures received in various nations are predictable and reasonable and cultivate global relations and financial productivity; to make an even handed structure for universal relations; furthermore to guarantee that administrations have the way to handle their national issues, which frequently they need. <sup>136</sup>

The United Nations Convention against Corruption as of now possesses a critical place in the global group's endeavours to beat the human, moral, political, monetary and social issues got from corruption. In the event that executed effectively, it is probably going to

<sup>135</sup> United Nations Convention Against Corruption. Article 1

Bold, T, etal. 2015. "Low Quality, Low Returns, Low Adoption: Evidence from the Market for Fertilizer and Hybrid Seed in Uganda", Harvard Kennedy School WP.

in a great way affect the aversion of and battle against corruption in the universal field. advancing national activities, making a typical structure and sorting out participation among the States Parties. Moreover, its approach and degree are aggressive; it has won the support of numerous nations in the drafting and marking stage. It might likewise make a hostile to corruption culture, including governments, government organizations and open authorities as well as, most importantly, organizations and common society. 137

All in all, there are some shortcomings with the Convention. One of those challenges is the nonappearance of any component to punish States Parties that don't satisfy their commitments under the Convention, that is, the issue of usage and authorization. This is identified with the nonattendance of observing and reconnaissance systems including agents of common society, organizations, unions, and so forth. Such components can decide the achievement or disappointment of the Convention. 138

In reality, the Convention forces no commitment on signatory nations to criminalize certain demonstrations, for example, uninvolved pay off of a remote public authority, exchanging impact, mishandle of public capacities or illegal enhancement. It contains various arrangements that every State Party "might receive", others that every State Party "should consider embracing" (or things they "should attempt to do"), and others that they "may receive". The way that there is no commitment to make remuneration and misappropriation in the private sector a criminal offense merits uncommon specify, in

<sup>&</sup>lt;sup>137</sup> Vlassis, D. (2002), "The negotiation of the Draft United Nations Convention on against Corruption", Forum on Crime and Society, 2, 1.

<sup>&</sup>lt;sup>138</sup> Michael, B. (2004), "What does the UN Convention on Corruption teach us about international regulatory harmonization?", Linacre College

light of the fact that, in numerous nations, the line amongst private and pubic part is obscured, particularly with regards to globalization, outsourcing and privatization of state-claimed organizations. Resistance of private corruption unavoidably makes it harder to avert and battle public corruption. [139]

So far there is clearly manifested that the world through the United Nations Convention Against Corruption is not only aware about the detriment of corruption, but it has gone further to mobilise the international community to join in hands in the combat. However, there is need to amend the Convention so that it can address the shortcomings that this study has identified so as to make it more authentic, acceptable and practical. 140

# 4.3 African Union Convention on Prevention and Combating Corruption (AUCPCC)

African continent has as well been putting measures in place to fight corruption after realizing it is eating into the African states, leaving a lot of socio-political and economic damages in its wake and therefore requiring urgent and concerted efforts in order to finish or control it. "Corruption in Africa has gotten to destructive extents. The truth is, so unavoidable is this wonder in the area that it has been marked the 'AIDS of democracy' which is wrecking the eventual fate of numerous social orders in the locale. The corruption issue in Africa mirrors the broader, and now incredible, atmosphere of

Beegle, et al. 2011. "Migration and Economic Mobility in Tanzania: Evidence from a Tracking Survey." Review of Economics and Statistics 93 (3): 1010-33.

<sup>&</sup>lt;sup>140</sup> Simon A . 2014. "Regional or National Poverty Lines? The Case of Uganda in the 1990s," Journal of African Economies, Centre for the Study of African Economies (CSAE), vol. 12(4), pages 598-624.

deceptive authority and awful administration found all through the greater part of the continent.<sup>141</sup>

The African Union (AU), established in July 2002, is a union comprising of 53 African states. It is the successor association to the Organization of African Unit (OAU .It's points are to advance majority rules system, human rights and improvement crosswise over Africa, particularly by expanding outside speculation through the New Partnership for Africa's Development (NEPAD) program. The AU covers the whole continent apart from Morocco. 142

The AU Convention on Preventing and Combating Corruption was received by the heads of state at the African Union Summit held in Maputo on 11 July 2003. The AU Convention gives a thorough system and spreads a scope of criminal offenses including bribery (domestic or foreign), redirection of property by open authorities, exchanging impact, illegal enhancement, tax evasion, and covering of property. It calls for measures on aversion, criminalization, local participation, common legitimate help, and recuperation of advantages. It covers public parts and private area corruption, both free market activity side. It is remarkable in containing obligatory arrangements as for private-to-private corruption and on straightforwardness in political gathering financing. Other solid purposes of the AU Convention are obligatory necessities of statement of

<sup>&</sup>lt;sup>141</sup>Ali, etal 2015. "Investigating the Gender Gap in Agricultural Productivity: Evidence from Uganda." Policy Research Working Paper, No. WPS 7262, Washington, DC.

Kaminski,etal. 2014. "Household Welfare in Uganda 2005-2009." Mimeo, World Bank.

MoFPED. 2014. "Poverty Status Report: Structural change and poverty reduction in Uganda", Economic Development Policy and Research Department.

advantages by assigned open authorities and limitations on invulnerability for open authorities.<sup>144</sup> The AU Convention likewise gives specific regard for the requirement for the media to have entry to data.<sup>145</sup>

The Advisory Board on Corruption is built up inside the African Union, as far as Article 22 of the Convention. The Board has wide obligations of advancing hostile to corruption work, gathering data on corruption and the conduct of multinational enterprises working in Africa, creating philosophies, exhorting governments, creating sets of principles for open authorities and building associations. <sup>146</sup>What's more, it is required to present an answer to the Executive Council all the time on the advance made by every State Party in consenting to the arrangements of the AU Convention. In the meantime, States Parties are required to answer to the Board on their advance in executing the AU Convention inside a year after the coming into compel of the AU Convention and from there on a yearly premise through reports by national hostile to corruption powers to the Board. Advances, State Parties are required to guarantee and accommodate the cooperation of common society in the observing procedure.

The AU Convention contains various arrangements very exceptional among local against corruption traditions a large portion of them are likewise not to be found in the United

Taylor E. 2013. "Theories of International Migration: A Review and Appraisal." *Population and Development Review* 19 (3): 431-66

<sup>&</sup>lt;sup>145</sup> Art. 12

<sup>&</sup>lt;sup>146</sup> Nikoloski,etal. 2015. "Household Shocks and Coping Mechanism: Evidence from Sub-Saharan Africa." Mimeo, World Bank.

Nations Convention on Ant-Corruption (UNCAC). Specifically, (Art 5) (2)<sup>147</sup> calls for States Parties to reinforce national control measures to guarantee that the setting up and operations of remote organizations in the domain of the State Party might be liable to the regard of the national enactment in constrain. Workmanship 11 (2) calls for States Parties to build up systems to energize support by the private segment in the battle against uncalled for rivalry, regard of delicate techniques and property rights.<sup>148</sup>

The Convention is also to team up with the nations of beginning of multinationals to criminalize and rebuff the act of mystery commissions and different types of corrupt works on amid universal exchange exchanges and in addition encouraging local, continent and global participation to avert corrupt practices in worldwide exchanges.

Other provisions in the Convention include encouraging all nations to take administrative measures to keep corrupt public authorities from enjoying poorly procured resources by solidifying their outside records and encouraging the repatriation of stolen or illicitly gained monies to the nations of starting point and work intimately with universal, territorial and sub local financial organizations to kill corruption being developed guide and collaboration programs by characterizing strict controls for qualification and great administration of competitors inside the general system of their advancement strategy.

<sup>&</sup>lt;sup>147</sup>Johnson, D. 2012. Professional Teaching Competencies across 17 African Countries - A Meta Analysis of Published Governmental Expectations. New York: World Bank.

<sup>&</sup>lt;sup>148</sup>Gutierrez,etal. 2014. "Mobile Money Services Development: The Cases of the Republic of Korca and Uganda". Policy Research Working Paper; No. 6786. World Bank, Washington, DC. © World Bank.

After going through this Convention one quickly notices that if the procedures provided are to be followed corruption in Africa can be a thing of the past. However, in a continent that has been engulfed in corruption like Africa it is difficult to eradicate the vise but it is not impossible, especially when all and sundry realize that they are fighting a common enemy. The continental anti-corruption body might not have achieved much in spite of escalating cases of corruption but none can complain that Africa lucks policy frameworks and programs for use in combat against corruption.

## 4.4 The East African Association of Anti-Corruption Authorities (ECAAA)

The East African communities like any other region in Africa is not spared by rampant corruption. In the Transparency International (TI) Corruption Perceptions Index Report for 2014, Kenya and Uganda ranked amongst the ten (10) most corrupt countries among the 54 where the survey was conducted. Whereas Kenya was number 3. Uganda was position 10 amongst the most corrupt respectively. 150

Even in the International scene, the two countries among others from Africa are not performing any better. In 2013 TI Corruption Perception Index, Kenya was position 136 and Uganda was 140 respectively, out of the 177 countries and territorics around the world. Again in 2014, Kenya was position 145 and Uganda was 142 respectfully out of the 175 graded countries in order of the perceived levels of corruption. Rampant

Jonathan A. 2015. "Social Accountability: What Does the Evidence Really Say?" World Development 72: 346-61.

Faschamps, M., and Hill. R.(2008). "Price Transmission and Trader Entry in Domestic Commodity Markets." Economic Development and Cultural Change 56: 729-66.

corruption in the East African Region led to the formation of the East African Association of Anti-Corruption Authority (EAAACA) by the anti-corruption authorities of the East African Partner States. It was formed in September 2007 and is governed by its Constitution. It's composed of national anti-corruption agencies of Burundi, Djibouti, Ethiopia, Kenya, Rwanda, South Sudan, Tanzania and Uganda. ΕΑΛΛCΛ through Association of h its members coordinate and documents efforts by its members to prevent and combat corruption in the East African region.<sup>151</sup>

The objectives of the Association are explained in Article 6 of the Hast African Association of Anti-Corruption Authorities. <sup>152</sup>To advance, encourage and manage participation among the member States to guarantee the adequacy of measures and activities to avoid, distinguish, examine, rebuff and kill corruption and other related offenses in East Africa; and reinforce the improvement in East Africa by Partner States of systems required to forestall, identify, research, rebuff and annihilate corruption and other related offenses in the general population and private areas; to facilitate and blend the arrangements and enactments between Partner States for the reasons for aversion, discovery, examination, discipline and ending of corruption in the East African Community locality; to bear the cost of each other shared lawful help in regards to recognition, examinations, indictments, recognizable proof, following, solidifying, seizure, reallocation and repatriation of property, instruments or continues acquired or got from corruption.

The East African Association of Anti-Corruption Authorities (EAAACA), 2007

<sup>&</sup>lt;sup>152</sup> Carletto, G. Etal 2015. "From Guesstimates to GPStimates: Land Area Measurement and Implications for Agricultural Analysis." *Journal of African Economies* 24 (5): 593–628.

To help with removal of any individual accused of or sentenced offenses of corruption and other related offenses, done in the domain of an East African Community Partner State and whose removal is asked for by that Partner State Party, in similarity with their local laws, any appropriate removal bargains, or removal of assertions or courses of action between or among the Partner States, or Memorandum of Understanding and Bilateral Agreements between the Anti-Corruption Authorities; to set up the fundamental conditions to cultivate straightforwardness and responsibility in the administration of public issues; to coordinate in the zone of witness insurance and shrick blower assurance framework; to furnish each other with the best conceivable specialized collaboration and help with managing demands from powers that are enabled by excellence of their national laws to avoid, recognize, research and arraign demonstrations of corruption and other related offenses; and to disperse data on the work and exercises of Anti-Corruption Authorities among private and open areas, common society and the media; to invigorate public mindfulness about the threats of corruption and about common society's part in the counteractive action and battling of corruption n most cases. 

153

To complete joint preparing projects of representatives of the associate Anti-Corruption Authorities; to lead inquire son new and best practices and developments to enhance and improve the adequacy of Anti-Corruption Authorities in the East African Community district, and to advance moral values; and to make reports and suggestions to proper powers on best open practices and changes that would upgrade the viability of Anti-Corruption Authorities and to advance participation among the Anti-Corruption

Blattman etal. 2016. "The Returns to Microenterprise Support among the Ultrapoor: A Field Experiment in Postwar Uganda", American Economic Journal: Applied Economics 2016, 8(2): 35-64.

Authorities in directing and trading contemplates, investigates and skill on great administration, moral qualities, and on the most proficient method to anticipate and battle corruption and other related offenses.<sup>154</sup>

To advance participation among Anti-Corruption Authorities, where conceivable, in giving any accessible specialized help with drawing up projects, sets of principles or arranging joint preparing, where essential and for the advantage of their staff; to encourage the repatriation of proceeds of corruption or tax evasion or sick gotten riches and the seizure of any property when asked for by any Party to this Constitution; to network, partner and co-work with Regional and International Bodies and Authorities; and to do whatever other thing for the regular enthusiasm of the Anti-Corruption Authorities that are individuals from this Association.<sup>155</sup>

Corruption is something that we discuss, it is something that we protest about, and something whose negative effect is perceive, something that even the corrupt recognize is a terrible thing. The irony and tragedy at once is that those who engage in corruption love it. The tragedy at once is those who don't engage in it directly accommodate it. We all have high levels of tolerance to Corruption. If the East African Association of Anti-Corruption Authorities can be dutifully implemented then we need no other panacea to

<sup>&</sup>lt;sup>154</sup> Azam, J.-P., and Gubert. F. 2015. "Migrants' Remittances and the Household in Africa: Λ Review of Evidence." *Journal of African Economies* 15 (Supplement 2): 426–62.

<sup>155</sup> The Constitution of the East African Association of Anti-Corruption Authorities, Article 6

this plague. The majority are the victims in this malady, and can therefore, with combined effort win this battle.<sup>156</sup>

### 4.4.1Emerging Issues on War against Corruption in Kenya

Corruption is a major problem in Kenya but gained prominence in 1970s when smuggling coffee from neighbouring countries and grabbing of public utility land came into public debate. It gradually permeated the entire body of institutions and in 1990s the President then acknowledged official corruption in the country. It was for this reason that Kenya became the first country in the world to sign and ratify the United Nations Convention against Corruption (UNCAC) ON9<sup>th</sup> December 2003. Is 158

While the Government of Kenya has sought after corruption programs since the mid 1970's, the negligence has held on and at times heightened as of late proposing that the healing measures have not been altogether viable. The most established law on corruption in Kenya, the Prevention of Corruption Act goes back to 1956. This law has since been cancelled by the Anti-Corruption and Economic Crimes Act 2003 (ACECA) which basically looks for though with constrained accomplishment to train the UNCAC arrangement. Consequently, Kenya set up the Kenya Anti-Corruption Commission (KACC) that got to be distinctly operational in May 2004. It was gone before the Kenya Anticorruption Authority (KACA) that was set up in 1997. The defeat of KACA was an aftereffect of lawful details and escape clauses in the Act building up it that brought

<sup>156</sup> Simon A. . 2014. "Regional or National Poverty Lines? The Case of Uganda in the 1990s," Journal of African Economies, Centre for the Study of African Economies (CSAE), vol. 12(4), pages 598-624.

<sup>157</sup> Kibwana K, et al. The Anatomy of Corruption in Kenya. 2005

United Nations Convention against Corruption

about its being pronounced invalid and void to the degree of its irregularity with the Constitution. Its destruction prompted to the foundation of the Anti-Corruption Police Unit (ACPU) in 2001 in view of a presidential order. Since ACPU was basically a police outfit, its autonomy and viability was sketchy and bargained. This prompted to the setting up of KACC as a changeover from the ACPU. 159

In spite of the fact that the formal lawful structure includes the execution of the Anticorruption and Economics Crimes Act 2003 (ACECA) and the Public Officer Ethics Act 2003 (POEA), there are other supplementary administrative activities for battling corruption in Kenya. These are comprised of for instance the Public Procurement and Disposal Act 2005 and the Public Audit Act 2003. However, for the motivations behind this review, the subsection will essentially concentrate on the Anti-Corruption and Economic Crimes Act 2003 and the Public Officer Ethics Act, 2003 (POEA).

# 4.4.2 The Anti-Corruption and Economic Crimes Act 2003 (ACECA)

The goals of the ACECA are to accommodate the anticipation, examination, and discipline of corruption, financial violations and related offenses and for matters accidental thereto and associated therewith. <sup>160</sup> The Act contains another class of 'monetary violations' as an offense including contemptibility under any composed law accommodating the upkeep or insurance of open income. <sup>161</sup>

<sup>&</sup>lt;sup>159</sup>ACECA sections 72, 73.

<sup>160</sup> Preamble Anti-Corruption and Economic Crimes Act 200

<sup>&</sup>lt;sup>161</sup> ACECA section 2.

The nation's Parliament disbanded KACC on 24th August 2011, in accordance with the necessities for change as stipulated in the new Constitutional regulation. The Ethics and Anti-Corruption Commission (EACC) was set up after Kenya's President Hon. Mwai Kibaki marked the Ethics and Anti-Corruption Act on 29th August 2011. The EACC was built up on fifth September 2011. The Commission is ordered to battle and anticipate corruption through authorization of the law, teaching people in general and enrolling their against corruption and giving preventive administrations through support advancement/improvement of good practices to seal openings and escape clauses that encourage corruption.

The Anti-Corruption and Economic Crimes Act 2003 orders the Commission to do the accompanying capacities: Investigative capacity: the Commission examines any matter that, in the Commission's conclusion, raises doubt that any of the accompanying has happened or is going to happen: Conduct constituting corruption or economic wrongdoing; lead at risk to permit or empower corruption or financial wrongdoing. Counseling Function: At the demand of any individual, the Commission exhorts and helps the individual or any open body on courses in which the individual or body may wipe out corrupt practices. [62]

The Commission likewise analyzes the practices and techniques of public bodies keeping in mind the end goal to encourage the revelation of corrupt practices and to secure the update and strategies for work or methods that, in the conclusion of the Commission might be helpful for corrupt practices. Educative Function: The Commission has the

Ali,etal. 2015. "Investigating the Gender Gap in Agricultural Productivity: Evidence from Uganda." Policy Research Working Paper, No. WPS 7262, Washington, DC.

order to teach the general population on the perils of corruption and financial wrongdoings and to enroll their support in fighting corruption in the nation. The Commission has forces: to examine the degree of risk for the misfortune or harm to any public property and; to organize common procedures against any individual for the recuperation of such property or for pay; and to reestablish such property to people in general regardless of the possibility that the property is outside Kenya.

In arraigning corruption offenses of accepting, requesting, or offering on the premise of ACECA, custom is not a reasonable defense. To serve as an impediment and as a disciplinary activity against people observed to carry on in corrupt and untrustworthy ways, they are to be excluded and prohibited from being chosen or named as public officers for a long time after the conviction. 164 In an indictment for corruption or financial violations, no witness is required to distinguish or give data that may prompt to the personality of the shriek blowers. However, regardless of this arrangement, shrick blowers are not adequately secured with no specify of authorizations ought to such data hole to the general population not at all like in article 33 of the UNCAC.

The Public Officer Ethics Act 2003 (POEA) is another structure. The main goal of POEA is to avert corruption by the progression of a code of morals for open officers. Common administration changes are key in tending to a portion of the reasons for corruption.

165 Poorly paid, overworked and demotivated government employees are rearing

<sup>&</sup>lt;sup>163</sup>Carletto, G et al. 2015. "From Guesstimates to GPStimates: Land Area Measurement and Implications for Agricultural Analysis." *Journal of African Economies* 24 (5): 593–628.

<sup>164</sup> ACECA section 64

<sup>&</sup>lt;sup>165</sup> Bold, T etal. "Low Quality, Low Returns, Low Adoption: Evidence from the Market for Fertilizer and Hybrid Seed in Uganda", Harvard Kennedy School WP.

justification for corruption in Africa. The issue of corruption is identified with the issue of morals and it is difficult to tame corruption and monetary wrongdoings without a code of morals. Corruption has a tendency to flourish where there are no recognized moral guidelines to guide lead. 166

POEA is an impression of what African state parties have settled upon in article 7 of the AU Anti-Corruption Convention to guarantee that open authorities proclaim their benefits at the season of supposition of office, amid and after their term of office. Polished skill inside the general population administration is a key part of the general set of accepted rules and morals. <sup>167</sup> On the other hand, there are an extensive variety of precluded practices by open officers, for example, preference and nepotism, requesting or tolerating blessings and inappropriate behaviour. <sup>169</sup>Public officers are required to watch political impartiality in the execution of their obligations. <sup>169</sup>Public officers are required to shun clashes between private interests and open obligation. <sup>170</sup>This implies open officers ought to shun entering positions in the private division for beneficial work or maintaining a private business that is probably going to make irreconcilable circumstances. The govern of law is evoked by the prerequisite that open officers release their obligations as per the law and in doing as such might not damage the rights and opportunities of any individual.

<sup>166 &#</sup>x27;Fighting graft impossible without code of ethics' African Herald 11March 2001.

<sup>167</sup> POEA section 17

<sup>&</sup>lt;sup>168</sup>Carletto, G et al. "From Guesstimates to GPStimates: Land Area Measurement and Implications for Agricultural Analysis." *Journal of African Economies* 24 (5): 593–628.

<sup>&</sup>lt;sup>169</sup> Simon P. 2014. "Regional or National Poverty Lines? The Case of Uganda in the 1990s," Journal of African Economies, Centre for the Study of African Economies (CSAE), vol. 12(4), pages 598-624.

<sup>170</sup> POEA section 12

POEA subjects people to addressing of unexplained riches. The assertion of salary and resources is accentuated. <sup>172</sup>False or deluding data would draw in the authorizations of the arrangements of ACECA while the aim of the riches announcement is to screen that open authorities don't utilize their positions for dishonourable improvement, such data is classified and blocked off to the general population. <sup>173</sup>It must be gained by the police or some other law authorization organization, a man approved by a request of the High Court and an individual illustrative of the general population official whose data is given. <sup>174</sup>

The significance of public divulgence of riches statement shapes can't be overemphasized. While in Kenya this does not occur, it is presented that at any rate Parliament through a suitable advisory group ought to have the ability to review the enrolment of assertions. This position has been caught concisely by Transparency International which has watched that an 'enlist of interests which is not open to an adequately wide classification of people in general is a powerless apparatus in introducing morals out in the public life. It gets to be at last enlisting of privileged insights as opposed to of interests. <sup>175</sup>

<sup>171</sup> POEA section 10.

<sup>&</sup>lt;sup>172</sup>The Anti-Corruption and Economic Crimes Act no 3 of 2003 (ACECA)

POEA section 32

<sup>&</sup>lt;sup>174</sup>Stapenhurst, R. and Shahrzad S. "Introduction: An Overview of the Costs of Corruption and Strategies to Deal with It" in Rick Stapenhurst and Sahr J. Kpundeh (eds.) Curbing Corruption: Toward a Model for Building National Integrity (Washington, D.C.: The World Bank, 2011).

<sup>175</sup> Tl Global Corruption Report (2005).

Kenya's new constitution ensures and additionally reinforces flexibility of the press and in addition opportunity of expression. <sup>176</sup> A free Communications Commission Kenya has been built up, another media law is being drafted and in addition another strategy for data and correspondence. 1777 However, as indicated by Freedom in the World, in 2012 the legislature once in a while endeavours to confine these rights, with a few cases in 2011 of government authorities bringing criticism and maligning arguments against columnists or media outlets for providing details regarding charged corruption. There were likewise reports of badgering and dangers against media specialists by the security powers, purportedly to report on issues, for example, corruption. Kenya's media is progressively assorted and for the most part free from direct restriction and Kenya's autonomous media keeps on developing with a few productions, for example, the Nairobi Law Monthly giving inside and out investigative examination of asserted corruption cases. 178 Various private TV and radio stations work, however their scope is constrained. The state holds control of the biggest telecom arrange, the Kenya Broadcasting Corporation, which as indicated by the constitution ought to be non-factional. Most Kenyans depend on the radio for news. The legislature does not limit access to the understudy.

<sup>176.</sup> Ndege O. (2015). Health, State, and Society in Kenya: Faces of ContAct and Change. Western and traditional medicine in Kenya, 224pp.

Baell, K.. (2015) ;s Sub, The finding for Preventing Corruption of Public Servant (Scoul: The Policy Analysis Society Journal 5(1),

Lansner, T, 2012, Freedom House's Countries at crossroads - Kenya country profile

# 4.4.3 Emerging Issues on Uganda wars against Corruption

Corruption in Uganda is across the board and seen as one of the best hindrances to the nation's financial growth and to the arrangement of value public administrations. <sup>179</sup> Corruption-related difficulties in the nation come from a powerless division between general societies. Despite the economic enhancements accomplished by the nation amid the most recent 25 years, Uganda still experiences extreme poverty, high pay imbalance and huge difference among areas. <sup>180</sup>

The nation is likewise exceedingly reliant on global guide for the conveyance of essential administrations to its subjects. A Low straightforwardness and responsibility, and across the board corruption undermine both access to and nature of open administrations. Corruption is seen a serious and developing issue by residents, while the political will to deliver it is by all accounts lacking, representing a genuine test for the usage of proposed and vital changes. <sup>181</sup>Such techniques incorporate hostile to corruption organizations; public requests, investigator general frameworks, lawful and semi legitimate trials, protests methodology and open mindfulness campaigns.

As of late, the administration of Uganda has been vocal about battling corruption in the nation. A progression of laws and arrangements went for decreasing corruption and its inescapable impacts have been set up, yet the absence of usage and authorization of these

<sup>&</sup>lt;sup>179</sup>Fox etal. 2011. Is Informality Welfare-Enhancing Structural Transformation? Policy Research Working Paper 5866.

<sup>&</sup>lt;sup>180</sup> Blattman etal.. 2016. "The Returns to Microenterprisc Support among the Ultrapoor: A Field Experiment in Postwar Uganda", American Economic Journal: Applied Economics 2016, 8(2): 35-64.

<sup>&</sup>lt;sup>181</sup> Amundsen, 1., 2006. Corruption, lack of political will and the role of donors (in Uganda). CM

principles and approaches have raised questions about the carnestness of the administration endeavours and also of its political will to really change the circumstance in the nation. Such methodologies incorporate against corruption offices, open request, reviewer general frameworks, lawful and semi legitimate trials, objections techniques and public mindfulness campaign. 182

The Code requires the pioneer to pronounce his/her wage, resources and liabilities, to secure and protect public property and utilize it just for approved purposes. It accommodates the nature and measure of endowments that a pioneer may acknowledge and forbid any direct that is probably going to advance abuse of public property, undue impact and out of line favorable position by a pioneer from the despicable utilization of his or her office. LCA gives the general thought of the aim of the parliament at the season of passing the code. <sup>183</sup>

The direct barred by the area shows that parliament expected to enact against uncalled for utilization of authority positions with a specific end goal to acquire property; to debilitate and ban partiality or nepotism and the way of life of giving particular treatment; and to guarantee that public office is not mishandled by the general population who are chosen or designated to public positions. The Code likewise guarantees that the direct of public authority is not affected by desires or offers of work after the pioncer has left public office. In such manner, the code, along these lines, sets the base norms of conduct and

Nyqvist, M. 2012. "Income Shocks and Gender Gaps in Education: Evidence from Uganda." *Journal of Development Economics* 105 (2013): 237–253.

Johnson,: D. 2012. Professional Teaching Competencies across 17 African Countries - A Meta Analysis of Published Governmental Expectations. New York: World Bank.

direct that is adequate for anyone in public office to be straightforward and responsible. 184

Article 234 of the Constitution of Republic of Uganda gives the order to implement the initiative implicit rules to the IGG. The constitution of the Republic of Uganda presents on the IGG exceptional powers under Chapter Thirteen thereof which incorporates the ability to explore capture and indict in the promotion of its capacities. It is on the premise of the arrangements in the constitution that the IG started authorizing the code as right on time as January 1996, even without a formal change to the 1992 code that accommodated an initiative code council whose command of the IGG had not yet been recharged. The command of IG at long last turned out to be formally operational in 2002 with the death of the Leadership Code Act, 2002. <sup>185</sup> The LCA, 2002 commands the IG to actualize the initiative code by guaranteeing that pioneers pronounce their riches, hold fast to least standard of conduct and lead, and are responsible and that the securing of their benefits is not through corruption.

In every two years, the leader is supposed to make declarations according to the section 4(1) (b) of the constitution. <sup>186</sup> In the district of Arua, the report shows that since 2002 no declarations had been made by the leaders to the IGG though it had become operational

<sup>&</sup>lt;sup>184</sup> Gutierrez, E.: The Cases of the Republic of Korea and Uganda". Policy Research Working Paper; No. 6786. World Bank, Washington, DC. © World Bank.

Tumwesigye, M. (2000) 'Fighting Corruption in Uganda: The role of Inspector General of Government'. Kampala: Fountain Publishers.

<sup>&</sup>lt;sup>186</sup> Carletto, G., Slay, and A. Winters. 2015. "From Guesstimates to GPStimates: Land Area Measurement and Implications for Agricultural Analysis." *Journal of African Economies* 24 (5): 593-628.

till 2006 and in 2008, only 21 leaders made the declarations to the IGG. <sup>187</sup> After the leaders had made the declarations, the IGG then verifies the results, resources and the liabilities of the leaders. Since 2002 no declarations had been made by the leaders to the IGG though it had become operational till 2006 and in 2008, only 21 leaders made the declarations to the IGG. <sup>188</sup>

So as to ensure the code of implementation is successful, the inspectorate is allowed to delegate his powers to any authority as per Section 3(3) of the Leadership Code. If the code was implemented, then this provision showed the human resource problem that the IGG would face. Only 130 staffs are from the IG out of the 280 human resource structure. 189 This shows that the IG faces challenges in its human resource and nothing has been by the government inspector to ensure this issue is dealt with. The Code makes it a rupture of the Code for a pioneer to be found possessing resources and salary which is unbalanced to the known source of pay of the pioneer. In such a case, segment 35(1) of the LCA gives a punishment of reallocation or relinquishment to government any extra or undeclared property. 190

<sup>&</sup>lt;sup>187</sup> Ferrone, L. Etal. Educational Attainment: The Case of Uganda." IZA Discussion Paper Series No. 8927, IZA.

<sup>&</sup>lt;sup>188</sup>Inspectorate of Government (2009) 'Inspectorate of Government Report to the Parliament' No 045. Kampala

Beegle, et al. 2011. "Migration and Economic Mobility in Tanzania: Evidence from a Tracking Survey." Review of Economics and Statistics 93 (3): 1010-33.

Ali etal; 2015. "Investigating the Gender Gap in Agricultural Productivity: Evidence from Uganda." Policy Research Working Paper, No. WPS 7262, Washington, DC.

Declaration to the public-section 7 of the Code makes the substance of the assertion made under the Code to be made available to individual from the public. <sup>191</sup> This is watered by the necessity to make an application to the IGG in a recommended shape before one can get to the particular revelation in spite of the way that Article 41 of the constitution accommodates access to data in the ownership of the state or whatever other organization and the way that there is access to Information Act<sup>192</sup>. The data on the advantages and salary of pioneers is not data for which a man ought to be required to fill any shape since the IGG is not required to reveal to whom and why the data is discharged, and regardless, the IGG is commanded to check its rightness before utilizing it to negate the pioneer his or declarations. <sup>193</sup>.

National Anti-Corruption Strategy (NACS) is also another framework established to fight corruption. <sup>194</sup>This body was launched in 2008 launched in 2008. This strategy is a 'five-year arrange intended to have a major effect on building the nature of responsibility and diminishing corruption levels in Uganda'. It centres around government structures and frameworks, as well as on individuals and on revamping a culture of honesty. <sup>195</sup>The Directorate of Ethics and Integrity (DEI) inside the Office of the Presidency is in charge of planning the administration's endeavours in the battle against corruption and for

<sup>&</sup>lt;sup>191</sup>Arthur H. . (2015). The Economy of Kenya: The Kenyatta Era. Oxford University Press.

<sup>&</sup>lt;sup>192</sup>Anassi, P. Corruption in Africa: The Kenyan Experience (Victoria: Trafford, Nairobi: Dialnet, 2015).

Ndege. O. (2015). Health, State, and Society in Kenya: Faces of ContAct and Change. Western and traditional medicine in Kenya, 224pp.

MoFPED. 2014. "Poverty Status Report: Structural change and poverty reduction in Uganda", Economic Development Policy and Research Department.

<sup>&</sup>lt;sup>195</sup> Directorate of Ethics and Integrity, 2008. National Strategy to Fight Corruption and Rebuild Ethics and Integrity in Uganda.

building up a respectability framework that advances great administration over the organization. Inside this system, the Directorate is executing the National Anti-Corruption Strategy 2008-2013. The directorate likewise keeps up an asset focus on corruption accessible to the public.<sup>196</sup>

The Directorate is additionally the seat of the Inter Agency Forum (IAF), which is a gathering entrusted with guaranteeing the viable coordination among all organizations entrusted with battling corruption in the nation. It accommodates a stage where distinctive government organizations can trade data and lessons learned as to the plan and execution of against corruption techniques. Nonetheless, as indicated by specialists counselled for this Helpdesk reply, an absence of financing and limit has compelled its viability. <sup>197</sup>

The DEI was additionally settled in 1986 with a view to organizing government endeavours against corruption through the Inter Agency Forum. Inside its order, DEI has gained impressive assets and materials on morals and corruption in Uganda and has built up an asset focus. <sup>198</sup>In June 2004, it propelled a four year technique to battle corruption and remake honesty in public office, going for enhancing the coordination of existing laws and at including the public in anticorruption endeavours. There is additionally the Inter Agency Forum which is led by the DEI and is made out of Uganda's significant hostile to corruption organizations, including the legal and the police. It has been built up

<sup>&</sup>lt;sup>196</sup> Ndege O.. (2015). Health, State, and Society in Kenya: Faces of ContAct and Change. Western and traditional medicine in Kenya, 224pp.

<sup>197</sup> Transparency International. Uganda: Overview of Corruption and Anti- Corruption

<sup>198</sup> Kleemans, M. 2015. Migration Choice under Risk and Liquidity Constraints. Washington, DC: World Bank.

to guarantee successful coordination of organizations on corruption issues and has permitted between office exchange in the plan and usage of national hostile to corruption methodologies. In any case, an absence of financing and limit has compelled its adequacy. 199

The Public Procurement and Disposal of Public Assets Authority (PPDA) also has a part in the battle against corruption. <sup>200</sup>The PPDA is a free office set up in 2003 that sets the tenets and controls for acquisition. Open local offering techniques is the management and sole sourcing is lawfully constrained. <sup>201</sup>The PPDA distributes acquirement rules, open doors, contract grants and other related data on its site, gives counsel, direction and limit preparing, while likewise observing and assessing consistence. It has the ability to boycott degenerate suppliers and keeps up a rundown of suspended suppliers. An enlist of suppliers has been set up to guarantee that information is accessible and open to all partners required in acquisition forms. The PPDA has likewise presented a grumblings instrument. Notwithstanding its far reaching command, the PPDA, in the same way as other government foundations, is both under-staffed and under-resourced. As indicated by Global Integrity 2007, boycotted organizations have now and then possessed the

<sup>199</sup> Stark, O. and David E. (2015). "The New Economics of Labor Migration." The American Economic Review 173-78.

Baell, K. (2015)The finding for Preventing Corruption of Public Servant(Scoul: The Policy Analysis Society Journal 5(1),

<sup>&</sup>lt;sup>201</sup> George O. Ndege. (2015). Health, State, and Society in Kenya: Faces of ContAct and Change. Western and traditional medicine in Kenya, 224pp.

capacity to go around disciplinary measures, including by remunerating their way into offering forms.<sup>202</sup>

In spite of fears that late political advancements prompting to the race of President Museveni for his third command may confine the right to speak freely, constrain public cooperation openings, and risk public responsibility and straightforwardness, non-administrative on-screen characters have responded to the call of countering corruption in Uganda.<sup>203</sup> The privilege of affiliation is ensured by the constitution and Uganda has a dynamic common society that locations politically touchy issues. As indicated by the Bertelsmann Foundation report from 2008, however, thoughtful society organizations are defenceless against legitimate confinements, for example, the control of enrolment necessities or to arrangements that can be utilized to translate CSO exercises as inconvenient to state security and interests. Numerous common society organizations are included in anticorruption work.<sup>204</sup>

Uganda (ACCU) is an umbrella group of around 70 CSOs looking to check corruption and destroy poverty. The ACCU sorts out a hostile to corruption week consistently in December and started in 2008 the "Name and Shame" book, where government workers

<sup>&</sup>lt;sup>202</sup> Muto, M. 2012. "The Impacts of Mobile Phones and Personal Networks on Rural-to-Urban Migration: Evidence from Uganda." *Journal of African Economies* 21 (5): 787–807.

Deininger, K. and Okidi J. 2003. "Growth and Poverty Reduction in Uganda: 1999-2000: Panel Data Evidence", Development Policy Review 21(4): 481-509.

Stapenhurst, R. and Shahrzad S. "Introduction: An Overview of the Costs of Corruption and Strategies to Deal with It" in Rick S. and Sahr J. (eds.) Curbing Corruption: Toward a Model for Building National Integrity (Washington, D.C.: The World Bank, 2011).

sentenced for corruption are named. <sup>205</sup> Transparency International has a part in Uganda, which is dynamic in backing around the execution of against corruption laws and traditions, public approach checking, and the association of trainings and workshops. The Uganda Debt Network (UDN) is a coalition of NGOs, establishments and people framed in 1998. It concentrates on campaigning obligation help and promotion for star poor strategies. It additionally screens utilization of public assets and guarantees obtained and national assets are overseen in an open, responsible way. With respect to flexibility of affiliation, the right to speak freely and opportunity of the press, these are ensured by the constitution. An autonomous print media is, now and again, exceedingly incredulous of government. As of late, in any case, the legislature has hinted at developing narrow mindedness towards autonomous media and has upheld enactment confining press flexibility. There have likewise been examples where columnists have been specifically pestered while restricting NRM authorities. The Worldwide Press Freedom Index 2008 positions Uganda 112th out of 195 nations and alludes to the media scene as "mostly free". <sup>206</sup>

Regardless of some positive parts of its lawful and institutional structure, late corruption cases and political improvements in Uganda demonstrate an absence of political sponsorship for the execution of anticorruption changes. <sup>207</sup> Protected changes that permitted the third presidential command, corruption challenges in the guard part,

Reinikka, R., and J. Svensson. 2015. "Fighting Corruption to Improve Schooling: Evidence from a Newspaper Campaign in Uganda." Journal of the European Economic Association 3 (2/3): 259-67.

Massey etal. 2013. "Theories of International Migration: A Review and Appraisal." Population and Development Review 19 (3): 431-66.

Ferrone L. etal,i. 2015. "Household Migration and Child Educational Attainment: The Case of Uganda." IZA Discussion Paper Series No. 8927, IZA.

uncertainty in the north of the nation, and additionally a few uncertain instances of political corruption are viewed as indications of the administration's declining responsibility to hostile to corruption changes. Political choices have, now and again. been made in clear disagreement of existing hostile to corruption approaches. <sup>208</sup> In 2003, for instance, the IGG prescribed sacking a presidential guide on political issues for declining to proclaim his riches under the 2002 Leadership Code Act. The last indicted the matter and got the president to swear an affirmation in his support. <sup>209</sup>The case was taken more distant than to the president. The high court at long last invalidated the IGG choice on this record, undermining its forces to request or prescribe to the president disciplinary measures.

#### 4.5 Conclusions

In this chapter, the measures put in place to fight corruption in Kenya and Uganda have been analysed. As it has clearly come out, the fight against corruption is global requiring global effort. The global organization like United Nation Convention Against Corruption and regional organizations like the African Union Convention on Prevention and Combating Corruption and the East African Association of Anti-Corruption Authorities have joined hands to fight corruption. Comparatively, the policies and strategies applied in both Kenya and Uganda are the same

<sup>&</sup>lt;sup>208</sup> Bold, T. and Yanagizawa D. 2015. "Low Quality, Low Returns, Low Adoption: Evidence from the Market for Fertilizer and Hybrid Seed in Uganda", Harvard Kennedy School WP.

Simon A. 2014. "Regional or National Poverty Lines? The Case of Uganda in the 1990s," Journal of African Economies, Centre for the Study of African Economies (CSAE), vol. 12(4), pages 598-624.

It is also clear that the two countries have no short of anti-corruption institutional frameworks and policies. They are plenty and meanwhile more than enough but they are not implemented. It is also noted that the very people who are supposed to implement them are the very individuals who are implicated in the graft cases. As the theory used in this study implies, the poor who is bearing the burden of corrupt decision and policy makers will ever live in a cycle of poverty due to lack of good education, presentable housing, luck of good health care and good and sufficient food.

#### **CHAPTER FIVE**

#### CONCLUSION

#### 5.1 Summary

The analyses in chapter three and four indicate a relationship between corruption and poverty. Moreover, the interview guide and literature analysed showed that the people who are most affected by corruption and bribery are the poor as they are more vulnerable. The results of corruption and poverty greatly affect government quality, investments, basic services which affect the poor population the most as they mostly depend on them for survival. <sup>210</sup> The future of Uganda and Kenya is being greatly undermined by corruption. The provision of government services, the economic growth and security are greatly threatened by corruption. <sup>211</sup>Citizens do not get the advantage of the taxes they pay as most of it goes to the corrupt officials pockets. The countries development is slow as the money to develop roads and health care does not go to the intended service.

Therefore by affecting development outcomes, corruption affects the ability of developing countries which Kenya and Uganda are ranked to reach their desired goals of eradicating poverty. From the on-going child mortality rates in both countries as a result of high levels of corruption are about one third higher than in countries with low

MoFPED. 2014. "Poverty Status Report: Structural change and poverty reduction in Uganda", Economic Development Policy and Research Department.

<sup>&</sup>lt;sup>211</sup> Kleemans, M. 2015. Migration Choice under Risk and Liquidity Constraints. Washington, DC: World Bank.

corruption, and infant mortality rates are almost twice as high and student dropout rates are five times as high.<sup>212</sup>

## 5.2 Data Findings and Analysis

Overall, the literature reviewed as well as primary data collected through interview guide exhibits that corruption does worsen and advance poverty, however this example is mind boggling and directed by economic and administration elements. <sup>213</sup> In view of the discoveries; economic development is connected with poverty decrease, the weight of quick conservation falls most vigorously on poor people, corruption is connected with low economic development, corruption diminishes residential venture and outside direct speculation, corruption expands government consumptions, corruption lessens public sector efficiency, corruption reduces the arrangement of government, far from administrations straightforwardly useful to poor people and the development procedure, this comprises of education, health, and operation and support. <sup>214</sup>

Besides the study has found; that corruption reduces government revenues, corruption lowers the quality of public infrastructure, corruption lowers spending on social sectors. corruption builds wage disparity, corruption increases imbalance of component proprietorship, imbalance moderates development, corruption diminishes progressivity of

<sup>&</sup>lt;sup>212</sup>Simon A. 2014. "Regional or National Poverty Lines? The Case of Uganda in the 1990s," *Journal of African Economies, Centre for the Study of African Economies (CSAE)*, vol. 12(4), pages 598-624.

Tacoli, C. 2011. "Rural-Urban Interactions: A Guide to the Literature." Environment and Urbanization 10 (1): 147-66.

Kleemans, M. 2015. Migration Choice under Risk and Liquidity Constraints. Washington, DC: World Bank.

the assessment framework, corruption goes about as a backward duty, poor family units pay more in bribes as percent of wage, better administration, including lower join level, impacts economic development significantly and that corruption undermines trust (in government and different foundations) and consequently undermines social capital.<sup>215</sup>

Based on the above findings the study confirms the following null hypotheses; poverty levels in Africa has been on an increase trend, both Kenya and Uganda are victims of corruption and that corruption has contributed to the increase of poverty in Kenya and Uganda. However the study rejects the null hypothesis that the institutions and policy frameworks put in place to reduce poverty in Kenya and Uganda are adequate and accepts the alternate. This is as a result of the rampant increase of corruption despite the measures set to combat the vice.

## 5.3 Recommendations

# 5.3.1 Policy Makers

To fight corruption, multifaceted and multidisciplinary approaches are required together with strategies which aim at political, economic, legal, administrative, social and moral aspects. It is therefore important to ensure that coherent, consistent and broad based approaches with long term perspective are implemented. According of the findings fighting corruption is fundamentally about addressing poor governance.

Gutierrez, E. 2014. "Mobile Money Services Development: The Cases of the Republic of Korea and Uganda". Policy Research Working Paper; No. 6786. World Bank, Washington, DC. © World Bank.

One critical first step in addressing corruption in both countries studied is to closely examine how political influence can be managed in order to control the vice. Lack of transparency and accountability to the 'blind leadership' style that has become the norm among the ruling class breeding corruption, dishonesty and building a society based on relationships of patronage thus eroding the norms, values and practices of the broader society. It is noteworthy that both governments through their financial arm, engages in tendering for government contracts, bringing which are smeared with irregularities as it has happened to Kenya NYS and the MoH at Afya House in Kenya and pension scam looting of money allocated for health and roads in Uganda.

It is also recommended that that corruption has lopsided effect on the work of the poor since it undermines the delivery of public administrations (wellbeing, training, water. lodging et cetera), occupies financial and different assets (that could have been utilized for improvement, work creation and poverty easing), weakens the limit of the state to convey viable administrations similarly, undermines the validity of the popularity based strategy (nationals' trust in government and the run of law, government believability in seeking after changes in the more extensive public premium). Subsequently, it must be expressed undoubtedly that corruption has numerous victims, including the public, the vulnerable and voiceless individuals, establishments of administration and administration conveyance, and the development and thriving of a country and her people. It should also be expressed obviously that corruption is an infringement of human rights and an unspeakable against humanity.

So as to ensure legislative gaps are tightened, state organs need to ensure that conventions are full domesticated. These measures have been effectively developed by

the developed countries therefore the developing countries need to put more effort. It is also important if the government ensures that the education, information, knowledge and engagements are well informed to the citizens. The government also needs to increase transparency, increase opportunities for governments' accountability which leads to great intervention. Accurate information helps in accessing of company and boards' performance information, sets targets and allocates capital efficiency.

Transparency is very crucial especially to the governmental departments, companies owned by the state and all agencies. Other activities for example the Private companies' and IFMIS, public servants, political parties and government departments must make all their activities public. This therefore gives opportunities to the general public to access in kind of information involving the public resources on corruption and other involving issues that affect them. The public affairs then improves transparency and accountability in all sectors.

The anti-corruption agencies in both Kenya and Uganda must be vested with responsibilities to conduct life style audits of public officers all members of parliament, all party leaders, and public servants so as to name and shame the corrupt, expose corruption to the public and boost public confidence in the fight against corruption. In addition, corrupt officials and politicians must be prohibited from employment in the public sector. Corrupt businesses and individuals must also be barred from doing business with the public sector. Civil society, trade unions, social movements and NGOs must also shame and put pressure on corrupt businesses, so that they can feel the reputational effects of corrupt activities.

Both Kenya and Uganda ought to present residents' or group discussions directly comparing with divisions to keep a watch over corruption and administration conveyance in offices and screen the advance of objections. In Kenya for instance, the Muslims for Human Rights (MUHURI), a group based association, screens the utilization of the financial plans given to MPs to convey as gifts to their bodies electorate. There must be a grassroots campaign against corruption: the masses must know the degree of corruption, the effect on public administration conveyance; and how to screen and report it, and the significance of holding their chosen pioneers and public hirelings more energetically to account.

## 5.3.2 Scholars/ Academics

Findings of this study form basis for further research which can be on the area of the impact of corruption in a state GDP. It is also recommended that a study can be done to cover a wide scope example in all the East African countries. Another study can be carried out in a duration of between five to ten years and compare the findings.

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**APPENDICES** 

Appendix I: Interview Guide

Impact of Corruption on Poverty in Africa: A Case Study of Kenya and Uganda. Data

**Collection Tool** 

May 2015

Patrick Githuka Muchai

I am conducting a Research on The Impact of Corruption on Poverty in Africa: A Case

Study of Kenya and Uganda towards attainment of Masters Degree in International

Relations from the Institute of Diplomacy and International Studies, University of

Nairobi.

Corruption and poverty are major problems facing most of the African countries and has

become so common that rarely a day passes without getting news from the media about

reported corrupt dealings in both public and private sectors. This study wishes to

establish the nature and extent of these phenomena and to establish whether it has any

connection with poverty in our societies. You are therefore requested to give honest

response to this questionnaire. The information you are giving will be treated with utmost

confidentiality and will strictly be used for this research only.

110

## Section A: Respondents Demographics

1. What is your country	of residence?			
Kenya []				
Uganda [ ]				
2. What is your current	occupation?			
Unemployed [ ]	Student	[]	Employee of private sector [ ]	
Trader, Jua Kali entre	epreneur	[]		
Professional (lawyer,	doctor, archite	ct, etc)	[]	
Manufacturer [ ]	Teacher	[]	Driver [ ]	
Civil Servant []	Parastatal sect	or empl	loyce [ ] Others (specify)	
Section B:State of Poverty	and corruption	ı in Ke	nya and Uganda	
3. How do you rate pove	erty in your cou	ıntry?		
	******************		•••••••••••••••••••••••••••••••••••••••	
	*******************	**********		•••
	•••••	•••••••	••••••	•••

4.	What is the state of corruption in your country?
	***************************************
	In your opinion, which factors contribute more to poverty in your country? Kindly explain each factor?
	#:
6.	Which are the key factors that enhance corruption in your country?
	***************************************
	How does corruption contributes to poverty in your country?
	•••••••••••••••••••••••••••••••••••••••

8.	Describe how anti-corruption laws put in place by the government are adequate in
	your country?
	•••••••••••••••••••••••••••••••••••••••
••••••	
9.	Which are some of the institutions and policy frameworks put in place to reduce
	poverty in your country in pursuit to fight corruption?
	***************************************
	. What slows down the fight against corruption in your country?
	***************************************
11.	Kindly suggest the most appropriate measure that the government can take to
	reduce poverty in your country?
	***************************************
	***************************************
	***************************************