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Adverse Effects of Corruption in East Africa

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Abstract

The thesis is aimed at investigating the adverse effects of corruption in East Africa. The study focused on three countries namely: Kenya, Uganda, and Tanzania which formed the East Africa Community in 1999. The study used descriptive research design to examine the adverse effects of corruption in East Africa. A questionnaire structured with both open-ended and closed ended questions was the fundamental research instrument for data collection. A sample of 50 respondents representing Kenya, Uganda, and Tanzania were selected to participate in the study. Data collected were analyzed using the Statistical Package for the Social Sciences. The study established economic, social and political effects of corruption in East Africa. Economic effects of corruption included increased unemployment, higher taxation, unhealthy business environment, decrease in foreign investment and decreased household spending. The social effects were higher poverty levels, ethnicity, and emigration while political impacts of corruption were poor governance, impunity and stalled government projects.
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1 Introduction

Corruption is a notorious phenomenon that is frequently talked about in contemporary society. Corruption is the abuse of power for personal advantage or inducement to wrong activities through unlawful means such as bribes (Leys, 2017). According to the Kenya Anticorruption and Economic Crimes Act, corruption encompasses fraud, bribery and abuse of office. There is different form of corruption which involves embezzlement of public funds, bribery and fraud (The Anti-Corruption and Economic Crimes Act, 2011:3). Corruption is practiced in government ministries, schools, churches and private sectors. Triggers of corruption include weak political systems, demographic characteristics, government regulations and bureaucratic incentives. Countries have highlighted corruption as a national enemy because of its immense negative effects. Engagement in corruption exposes the society to economic, political and social impacts that inhibit growth.

The East African community has immense natural and human resources. Additionally, ministries in the three governments are allocated budgets to ensure they function effectively but that has not been the case. Most of the population in Kenya, Uganda and Tanzania is poverty stricken beside the inadequate government support and provided investments that are supposed to lift people residing in these regions. Corruption has undermined the development of East Africa. There are studies which have highlighted the perception of the East Africans on corruption, but they have not carried out empirical studies on the effects of corruption. This study will be significant for the policies or legislation to draft policies which will manage the effects of corruption across East Africa. The legislation will provide an opportunity for reforms which will aid in mitigating the effects of corruption.

The aim of the study was to answer the following research question: What are the adverse effects of corruption in East Africa?

To answer this question, I briefly reviewed existing literature reviews on concepts of corruption, manifestation and its adverse economic, social and political effects to build up the thesis logical framework. Then, I identified the research methodologies that are
essential in collection of data from the target population. I presented the findings and discussions based on the logical framework that I had created.

## 2 Background study

Corruption is an international problem that is dominant in developing countries. European countries such as Italy still record higher levels of corruption. For instance, although European countries have established institutions that aim at prevention and control of corruption, countries like Romania and Italy are still prone to corruption. The Italian government loses 236 billion euros, which has resulted into increased social problems in Italy. Romania is another country which loses 15.65 of its GDP to corruption (Thelocal.it, 2018). Corruption index ranks African countries which experience civil unrest, political instability, weak political systems as most corrupt (Wraith and Simpkins, 2010). The most troubled regions with a higher corruption index are West, Central and East Africa. Countries in these regions have experienced adverse effects of corruption particularly in the government ministries where the resources are diverted into personal interests or gain. Corruption has subjected African countries to insecurity, tax evasions, poor infrastructure, stalled government projects, and unattractive investment environments.

### 2.1 Precolonial periods

African societies were established in the precolonial periods and there were limited corruption incidents. The community had established systems which defined adverse consequences for members who tried to indulge in corruption. For instance, when individuals used shared resources for private interest they risked being cursed, killed or disen-gaged from the society. The arrival of the Portuguese and Indian traders at the coast of East Africa who engaged in trade with the local communities enhanced corruption related practices. The demand for goods and slaves from East Africa inland was fundamental in the rise of bribery where the African communities attacked their neighbors to get slaves for silver and cloth (Blundo et al., 2013). Arab and Portuguese traders exchanged silver, gold and demand for slaves and resources resulted in the selling of community resources by influential leaders for personal interest.
2.2 Colonial period

During the colonial period, the colonial masters started exporting resources such as raw minerals to industrial producers in Europe and America for their personal benefits. Independent states inherited governing institutions but lacked a legal framework, regulations of civil servants, management of resources and skilled personnel for provision of services in the institutions. Management of the human resources, operations and services in these organizations were difficult to control, therefore, corruption incidents started rising rapidly during employment, provision of administrative and business services (Blundo et al., 2013). Corruption has since encroached on government and private institutions across African countries, yet there are limited studies on the social, economic and political impacts of corruption in these countries. Therefore, the present thesis examines the adverse effects of corruption in East Africa.

3 East Africa

The East Africa Community (EAC) was formed by the three countries which include Kenya, Tanzania and Uganda, with its headquarters in Arusha, Tanzania. In the recent past, South Sudan, Rwanda and Burundi have been incorporated into the community. The three founders of East Africa Community share the same demographic characteristics, social features and borrowed cultures. Geographically the three countries share Lake Victoria. The region is composed of Bantus and Nilotic speakers and Kiswahili is an official language in the three countries. East Africa is an economic hub in Africa because of the highlands which provide favourable conditions for tea, coffee, maize, pyrethrum and wheat (Caplan, 2018). The region is attractive for tourists because of wildlife sceneries and natural resources like Mount Kenya and Kilimanjaro. There are immense resources exported to Europe and across the world. Therefore, the countries receive greater income and investment.

Corruption is the biggest challenge for the three administration since cases of corruption have been rampant. For instance, Kenya is facing a lot of corruption scandals which involves elite politicians. The new USA ambassador to Kenya Kyle McCarter has announced USA intentions in helping the country to fight corruption as a key priority. Tanzania president John Pombe Magufuli has spent resources in the first year of presidency
to fight corruption while the Museveni government in Uganda has frequently been mentioned in corruption scandals (Okech, 2016).

Figure 1. East Africa map

Corruption cases in East Africa countries revolve around networks of politicians, business moguls, security departments, private and bureaucrats. There are establishment of the Anti-corruption commissions in Kenya, Uganda and Tanzania but they have been rendered ineffective and are effectively a waste of the public resources. Some of the factors which have contributed to corruption in East Africa include ineffective legislations and policies on corruption, and weakened state institutions, which are easily controlled by the elite politicians (Kaluya and Elliott, 2018). For example, Yoweri Museveni has ruled Uganda for more than 29 years while the Kenyatta family has ruled Kenya for more than 15 years. These elite families have converted government resources into family assets, and they control most activities in their countries.
4 Problem statement

Corruption cases are immense in East Africa countries and are promoted by the weak enforcement of the anti-corruption legislation and creation of a culture of impunity. According to the corruption index of 2018 by Transparency International, Tanzania is ranked 99 out of 180 most corrupt countries with a score of 26%, Kenya is ranked 144 out of 180 with a score of 27%, and Uganda is ranked 149 out of 180 with a score of 26%, therefore, becoming the most corrupt in East Africa. Government officials in Tanzania, Kenya and Uganda have pending cases where they are implicated in mega-corruption scandals. The editor generals in the three countries have identified the massive loss of money whose effect has been undermining development in the East Africa region and the unequal distribution of wealth (Kirunda, 2014).

Uganda is at risk of increased corruption in the government ministries and business has been a critical challenge for investors who try to establish their brands in the country (Kaluya and Elliott, 2018). Although Kenya and Uganda have passed anti-corruption legislation and set up commissions, which are instrumental in dealing with the corruption offences, there elite individuals are not prosecuted. The Ugandan and Kenyan judicial systems have been labelled constraints in the prosecution of the corruption cases. Money siphoned from the two countries is banked in Europe to prevent government prosecutors from tracking the transactions resulting in delays in the prosecutions. Corruption cases which are prosecuted quickly involve citizens who lack strong legal representations and their convictions are used as an excuse in the war against corruption.

Political interferences have stalled the war against corruption in these two countries where the politicians politicize the war on corruption as a target on their tribe (Basheka, 2016). Most Kenyans have no belief in the judicial systems because indictment of some of the top judges of the Supreme Court in corruption cases. For instance, four out of five judges of the Supreme Court of Kenya are being investigated by the Judicial Service Commission for their involvement in corruption. Police have also stalled the war on corruption on the lack of evidence leading to postponement of the corruption cases until they lose relevance and are thrown out. Despite this high prevalence of corruption, are limited research are no studies on the effect of these practices on political, economic
and social organization in East Africa (East Africa: Corruption in the sector is stifling economic growth, 2012)

5 Limitation of the study

Some of the limitation for the study might include stalled cases of corruption which cannot be linked to the adverse effects. Lack of an established body within the East Africa Commission, therefore, makes accessing such information potentially difficult.

6 Literature review

6.1 Concepts of corruption

Embezzlement and bribery are terms which are often used when talking about corruption. Understanding these terms prevents confusion when examining corruption related cases. Embezzlement is misappropriation of funds placed under an individual control while fraud is dishonestly receiving payments through deceiving or taking advantage of an individual (The Anti-Corruption and Economic Crimes Act, 2011:3).

Principal agent and collective action theory are prominent frameworks that provide a profound understanding of corruption. According to the principal agent theory corruption is a series of those relationships which are formed within and the outside the public institutions. It is assumed that rational choices are involved during corruption. Individuals who engage in corruption understand what they are doing and have full responsibility for their actions (Friedrich, 2017). There is another perspective on corruption called the collective action theory which assumes that corruption is systematic instead of being based on individuals’ actions or behaviors.

The principal agent theory has widely been adopted in understanding the concepts of corruption across governmental institutions, private sectors and international agencies. Principal agent theory assumes that information asymmetry accelerates corruption as it creates power imbalance between individuals therefore, making one to comply in giving bribes (Friedrich, 2017). The perspective has been adopted to aid in understanding corruption in procurements, police and other service delivery units within the government
ministries. The essential part of the principal agent theory is that corruption is exclusively created by the agent who is an individual demanding a bribe and the principal who is the person requesting for a service and has limited authority therefore, he or she is compelled to give a bribe. In reference to the principal agent theory, government officials in the developing countries are likely to ask for bribes from the citizens requesting government services. The citizens have limited information on their rights therefore, they end up giving bribes for the services (Yeboah-Assiamah, Asamoah and Osei-kojo, 2014).

6.2 Corruption in the Public Sector

6.2.1 Bureaucratize incentives

There are incentives in the public sectors that regulate the bureaucratic behaviours, therefore influencing corruption. Compensations, rewards and different wage systems are components in the rewards in the bureaucratic system which promotes corruption. When employees in the public sector are not provided with the enough rewards and compensation, they become disengaged and are likely to engage in corruption (Rose-Ackerman and Truex, 2012). For instance, lower salaries promote demand and collection of bribes for federal services. Recruitment and selection of the employees into their areas of expertise and skills reduces the possibility of corruption. There are lower corruption levels when the employees are selected and deployed in the department of their interests where they have adequate skills and passion to perform their duties despite the salary associated that position (Rauch and Evans, 2000).

Low salaries of government officials are likely to promote corruption in the government institutions. State officials receive bribes to improve their financial capabilities. According to Allen et al. (2018), there is increased cases of corruption when government agencies underpay their employees. The governments of developing countries have challenges in managing corruption because civil servants are underpaid in reference to their country’s economic situation. Developing countries lack established tax revenues which can promote rewarding of employees and giving of bonuses.

6.2.2 Weak government institutions

Weak government institutions have accelerated corruption activities since they are the fundamental causes of embezzlement of government funds. Weak systems provide an avenue for corruption to thrive because there is no accountability in the provision of
services, satisfaction or quality of the services (Rose-Ackerman, 2017). Simplified government regulations measures decrease the corruption opportunities within the government. Some of the simple measures include the obtaining of the operation certificates from the relevant government authorities such as revenue authorities and stands operations. The simplest regulation measures promote the increase of the business opportunities therefore, increased employment.

Corrupt opportunities are always available in all the political system even in those countries where the citizen is empowered and are keen observers of political issues and the activities of legislatures are recorded according to their actions. There have been democratic legislatures who are corrupt all along the history and under different levels of government in the developed and developing countries. (Locatelli et al., 2017). Legislators are given bribes to return favours to businessmen in the awarding of government tenders and other special favours where the authority lies within their jurisdiction.

6.3 Factors which facilitate corruption

There is a range of social political and Economic factors which contribute to incidences of corruption. Corruption arises because of the interactions of emerging opportunities, strengths and weakness in the countries’ social political systems. The weakness in the social political system results in the closing of opportunities for private institutions and groups which rightly deserves to receive the services and products. The following factors contribute to increased corruption within a country.

6.3.1 Legal system

The legal system is significant in addressing corruption within a country. Lack of robust legislation results in increased corruption incidents. Deficient laws provide opportunities for people to receive and give bribes because there are no consequences for their actions. Ineffective actions on those accused in corruption scandals provides room for the spread of corrupt practices (Golden and Mahdavi, 2015). Developing countries have weak legal systems to prosecute corruption cases. Developing countries have limited resources such as few public prosecutors, judges and advocates to aid the anti-corruption agencies to investigate complex corruption cases.
6.3.2 Bureaucracy

Higher inefficiency in the government system promotes flourishing of corruption related activities. Bureaucracy provides the government officials with the highest power for decision making than the elected officials (Golden and Mahdavi, 2015). Bureaucracy promotes monopoly and authoritarianism since power is vested among few government officials whose actions determine the action of their junior employees. If the senior administrators are involved in the corruption therefore, their subordinates will likely receive bribes for exchange of government services.

6.3.3 Press and Economic Freedom

According to Transparency International, a free press is a recipe for integrity, transparency and good governance. A free press is present in those countries which are corruption free while those countries which oppress journalists are likely to engage in many corrupt practices (Enste, and Heldman, 2017). There is negative association between corruption and increased freedom within the country. Unrestricted access to the government resources contributes to an increase in corruption scandals (Graeff and Mehlikop, 2003). When there is a higher level of independence within a country and the government officials and those in the private resources have access to the limited resources, they can do what they wish resulting in increased corruption cases.

6.3.4 Ethnic diversity

Ethnic division within a country is likely to enhance corrupt practices. Most countries in Africa are characterized by ethnic division where those from the presidential backgrounds are likely to dominate the employment sector (Alango and Odoyo, 2013). When individuals from the similar ethnic tribe are given position in the government ministries, they are likely to employ those from their ethnic background. Ethnicity in the government institutions promotes favouritism in the government process such as employment and provision of tenders. There are increased cases of misuses of the government resources which are directed into the tribes or ethnic regions because their relatives are in the government ministries.
6.3.5 Urbanization

Urbanization has also been identified as contributing factor towards corruption. Urbanization promotes social networking that allows exchange of knowledge and skills. Urbanization promotes corruption through socialization where those who lack integrity are likely to pass their traits to those they meet at work, supermarkets and other social avenues (Goel and Nelson, 2010).

6.3.6 Political and economic environment of a country

The political and economic environment of a country have an influence on the level of corruption in that country. When a country’s economic activity is limited, there is higher authority in the government officials for decision making, therefore, creating the possibility of corruption because individuals look for ways to pay the government officials to avoid the restrictions which hinder them from achieving their goals. The amount or activities related to corruption in a country are affected by the state’s financial policies. According to Goel and Nelson (2010), there is a correlation between the possibilities of corruption and government financial policies. There are limited cases of corruption in those countries with the regulated financial system while there are prominent corrupt dealings in the country with unregulated financial sectors. A country with a higher degree of political and economic freedom is likely to experience a limited number of corrupt activities.

Corruption within countries is determined by the public efficiency level in that country (Dimant and Tosato, 2018). Efficiency in a country is anchored on the regulations, guidelines and laws which stipulate the code of conduct of the citizens. Unclear and ineffective regulations promote corruption in different ways. First, poorly drafted or non-existent laws promote monopoly and power becomes centred on individuals in the government who receive bribes because they are the final authority of decision making. Additionally, ineffective laws promote habituation thus, citizens choose to pay bribes to speed the government procedures.

The economy of the country depends on the country’s politics which projects the rule of law in that country. Most of the developing countries’ people provide bribes to secure employment in the government offices. Therefore, corruption has become part of their
culture, yet they do not consider dangers or effects associated with cases of corruption. Corruption starts at the higher level in the government ministries and triggers down to common citizens because citizens have lost trust in the rule of law (Wang and You, 2012). Openness and autonomy are essential addressing corruption. There should be openness in the feedback and services provided by the employees. The employees must also be provided with the autonomy to perform their duties effectively. In a country with openness and independence of the government offices, the government officials are accessed easily, and provision of the services becomes effective, therefore, limiting the incidents of corruption.

6.3.7 Professional ethics

When employees lack professional ethics, they engage in corruption. Integrity is one of the significant professional ethics that employees are supposed to show case. Lack of integrity promotes corruption scandals (Wang and You, 2012). When corruption is widespread, the employees are likely to lose their professional ethics because they become centred on the personal needs from the government procedures. Increased corruption promotes lack of transparency and therefore, control of the services in the institutions. Corruption flourishes in a non-transparent society.

6.3.8 Habits, customs and demography

Countries have developed varying attitudes and approaches towards corruption. For instance, in Europe some are very intolerant of corruption while elsewhere corruption has become a socially acceptable phenomenon (Osipian, 2009). There is difference in how corruption is handled in the former socialist countries and their capitalist counterparts in Europe. Most of former socialist countries’ corruption dominated for long and become part of those countries’ traditions. Corruption is embedded in many forms such as social security. In some countries corruption prevails among the family lineage to take care of the family members’ interests (Osipian, 2009). Informal social security measures prevail in the developing countries where family members have a strong influence and control of the government resources and there is too weak legal system to prosecute corrupt individuals. In countries with robust family structures or patriarchates, such as Indonesia there are increased incidences of patronage, nepotism and cronyism which derails the government and business environment, therefore accelerating corruption incidences
Demographics is another significant factor that affects corruption. Patriarchal societies are more exposed to incidences of corruption. Different studies have explored the corruption level of men and women according to their demographic characteristics (Osipian, 2009). Men participated in corruption in those cultures which subject them to material success, competitiveness and ambitiousness. In those regions where gender equality has been promoted, there are less chances of men and women engaging in corrupt dealings. Those societies that are patriarchal are likely to experience significant cases of corruption. Several researchers have identified the extent to which men and women are involved in corruption. Some of the researchers have established that higher number of women in the governmental position has resulted in less incidents of corruption while men are associated with immense corruption cases. According to a study by the World Bank, women are more reliable than men in the management of the government resources. And other researchers have affirmed that an increase in the number of women in the government institutions will aid the fight against corruption. Women have been found to be less susceptible to corrupt activities in those cultures which promote equality and healthy competition between women and men (World Bank, 2018).

6.4 Economic impact of Corruption

6.4.1 Microeconomic effects of corruption

The debate is whether corruption greases or sands the nation’s wheels of growth. There are two schools of thought or perspectives in these scenarios. The first argument projects that corruption promotes trade among the corrupt individuals (Aidt, 2009). PropONENTS of corruption argue that corruption promotes efficiency in trade as it saves time in the operation of the business in the governments which do not have robust systems to promote business activities (Méon and Weill, 2010). The second argument describes corruption as a sand which prevents growth of a country. Corruption introduces payments to the government services that are supposed to be provided for free, thereby creating business uncertainty that pushes away investors and slowing down the growth of the country’s economy (Méon and Weill, 2010). Increased corruption in the country results in the reduction of its GDP. Developing countries with low income economies and
higher numbers of corruption cases have lower growth rates. Business Environment (Méon and Weill, 2010)

Corruption has a negative influence in the working environment of business. Increased corruption promotes inefficiency in the operation of business since investors and entrepreneurs are solicited for funds to register their companies and operating licenses. Corruption promotes unhealthy working conditions and competition. Those companies that value integrity will find it hard to effectively compete with businesses offering and receiving bribes. An unhealthy business environment influences the investment opportunities and economic growth of the country. Inefficiency in public investment affects the productivity of the country and leads to misappropriation of government resources. Corruption results in limited development of infrastructure such as roads, hospital and schools that are essential for the development for the country (Aidt, 2009). Funds allocated for the development of these infrastructures are awarded to the political brokers who end up delivering shoddy jobs and engage in embezzlement of the funds for development. Biased communities, reflecting polarization between different social groups, reduce the willingness of the citizens to participate in government projects and collaboration to enhance economic stability.

6.4.2 Trade imbalance

Corruption results in a deficit in the trade ratio. Countries affected by corruption often have inefficient control measures on the business operations. Therefore, manufacturing their goods is not regulated according to the market standards. Lack of control systems provides an opportunity for the produce of the cheap goods which are flooded in the market while quality standard goods are not allowed access to distribution networks, therefore resulting in trade deficit and imbalance (Wieneke and Gries, 2011). Corrupt countries have poor regulations on their imports and exports do not meet the standard threshold for the international markets such as the United States or Europe. Minimization of corruption will reduce import and export deficit in those countries where corruption is currently dominant. Corruption contributes to increased fiscal public sector budget deficit since it reduces household income and increases public expenditure on the basic commodities. Those states that were highly corrupted had less bond ratings and corruption therefore contributed to deviation in the public spending (Oto-Peralías et al, 2013).
6.4.3 Decrease in foreign investment

Corruption has promoted decrease in foreign investment in the developing countries. Investors are always willing to invest resources in the developing countries because of adequate resources and open markets but the unhealthy corrupt business environment drives the investor away (Mathur and Singh, 2013). Heavy corruption in the governing bodies in the developing countries can have adverse impacts on foreign investors reputations and the environment does not align with the international market standards preferred by the foreign investors. Corruption in developing countries has resulted in the loss of the benefits associated with foreign investment such as increased employment opportunities, and reduced disparity between costs and revenues. Government projects in the developing countries stall because the contractors quit along the way because of the corruption, whereas the project would have been completely effective if it was assigned to foreign investors.

6.4.4 Uneven demographic growth

Corruption results in slow growth and developments in the different regions in a country. Industries relocate to those demographics that are efficient in their business operations and are regulated according to the operation standards and procedures. Corrupt regions in the developing countries have poor roads, lack of adequate water, poor electricity and housing, which are basic infrastructural factors that determine the establishment of industries (Wieneke and Gries, 2011). Manufacturing and processing industries require a lot of water and consume large quantities of power to run the machines. Companies are forced to relocate to countries with stable electricity, therefore the progress of those corrupt regions slows down.

6.4.5 Lower revenue generation

Corruption reduces the tax generated by governments through compromised tax collection systems. Collected taxes end in the accounts of the corrupt revenue authority officers. Corruption in the developed countries is anchored in their large projects, which provide loopholes for theft of the public resources. In corrupt countries there is selective taxation based on those products that are likely to generate a lot of money to the corrupt officials. Lack of collection of adequate revenues for the government creates a financial
deficit in the country. According to the United Nations special report on government expenditures and corruption index, Afghanistan lost $3.9 billion in 2012 to corruption. Transparency International also reported that corruption resulted in a loss of $15 billion in Indonesia and $5 billion in Nigeria (Ben Ali and Sassi, 2016). According to the World Bank even the developed countries are exposed to immense corruption (Ben Ali and Sassi, 2016).

6.4.6 Excessive expenditure

Corruption reduces the ability of a government to achieve collection of revenue and use it effectively in the implementation of policy. Corruption results in the shift of the government expenditures from essential government operations such as education and health to the unnecessary projects that provide opportunity for the embezzlement of the government funds (Grechyna, 2012). Corruption has greater effects on the government spending, affecting especially the education and health ministries. Most corrupt countries spend on the purchase of military resources at the expense of educational and health resources. Higher expenditure on military activities reduces the growth of the country’s economy.

6.4.7 Distortions

Corruption promotes inefficiency through creation of distortions. Corruption results in the increase in the prices of goods since the government increases the cost of services and goods to include the costs associated with corruption practices. Corrupt government officers do not steal the money directly, but they involve convoluted procedures so that they cannot be detected by the authorities. The convoluted procedures create inefficiency, which has significant effects such as waste of government resources and disruptions of services. Distortion promotes under provisions of government services because the government does not anticipate the effects since it relies on wrong data. For instance, the villages can detect corruption dealings and the officials hide corruption dealings through deflating quantities of the government resources such as building of the roads. They are allocated resources to construct a road which is 20cm thick but end up constructing 15cm which can only be detected by the engineers and such deflation causes big inefficiencies (Olken, 2009).
6.4.8 Unequal distribution of resources

According to Monteiro and Ferraz, (2010), corruption results in cost inefficiency. Their study was conducted on the students in the Brazilian municipalities and projected that those students in the areas where corruption was rampant had lower scores and higher dropout rates than those students in the areas that were not affected by corruption. Higher corruption in institutions promotes the distribution of resources such as books in lower quantities. Less of the resources in the corruption-hit areas resulted in the students receiving less pedagogical instructions and training therefore, they end up performing poorly compared to students in other municipalities with adequate resources.

Corruption is often kept a secret and the distortion results in underfunding of some government projects. Corrupt officials underestimate or inflict costs according to their preferences. In some cases, they substitute the services and products so that they can keep the corrupt dealings secretive. According to Haider et al., (2018) those companies that are politically connected with the ruling parties receive higher loan amounts and tenders from the government ministries and government banks. The politically connected firms’ documents are easily approved, and they can receive the loans they quote from such ministries. The firms are listed with higher defaulting rates because the large loans they receive are not accounted for since they are deeply connected with the control of the government activities. Most of them take the loans for personal use instead of the activities contracted by the government. The higher default rates are the amount for taxpayers which would have been channelled into constructive government projects.

6.4.9 Effects of corruption on firms

Corruption affects the marginal tax rate through reduction of the effective tax rates. According to a study by Reinikka and Svensson (2005) on the bribe cases in Uganda, corruption increases the profits of the firms through tax avoidance. Corruption affects the firm’s behaviour in the provision of the services to the citizens. Corruption increase the costs associated with the government procedures and activities. Corruption results in the loss of government resources, therefore an increase in the price of the commodity (Wang and You, 2012).
6.4.10 Impacts of corruption in the economy

Corruption promotes public investment over private investment. Government officials will advocate for investment in the public sector because it provides a wider venue for manipulation of finances. Expenditures in the public sector enable corrupt officials to inflict themselves on government projects and demand bribes for government tenders. (Grechyna, 2012). Corruption redirects the components of public expenditure where the government officials turn on the projects and focus on maintenance programs because they provide opportunities to manipulate government resources. The government officials focus on those projects that have commissions. Corruption promotes foreign borrowing, therefore widening the debt crisis of the developing countries. Many developing countries borrow large sums of money from countries like China and end up spending on corrupt officials’ personal gain, therefore resulting in deeper financial crisis because they cannot raise enough money to clear the debts (Gjeci and Marinc, 2018). Corrupt individuals are innovative in creating ways to escape being arrested in their corrupt dealings (Gjeci and Marinc, 2018).

6.5 Political Impact of Corruption

6.5.1 Promotion of poor governance

Good governance is essential for the development of the nation. Thus, corruption is a negative tool for development of the country (Hopper, 2017). Governance factors that indirectly affect the level of corruption and growth of the country include: Effective rule of law and obedience of the laws have resulted in development among the developed countries. Regulatory qualities promote engagement in the non-corruption cases, therefore resulting in the growth of business. Leadership factors that minimize the effects of corruption include political stability and accountability. Poor governance is a result of rooted corruption within the system that promotes ethnicity or other grounds for favours in government appointments.

6.5.2 Corruption influences the legitimacy of the country

According to the research by the European Commission corruption affects the primary indicators of the country such the growth domestic product, foreign investment, the
implementation of the government projects and the employment which are significant for the government ratings and performance (Wieneke and Gries, 2011). Most African countries have poor development rates because of increased corruption which has resulted in lower trust in the government process. Corrupt regimes often face demonstrations and popular discontent, therefore losing legitimacy in some cases.

6.5.3 Promotion of bureaucracy

Corruption promotes bureaucratic inefficiency since those government officials participating or benefiting from corruption will not change the system or streamline it to eliminate the corruption cases, but they increase the corruption cases as it triggers down into other employees therefore, making corruption a vicious cycle (Wroe, Allen and Birch, 2013). Higher corruption levels slow down government services such as the issuing of the operating license to the small and medium enterprises that are essential in the development of the country’s economy.

6.5.4 Credibility of the state

Corruption affects the credibility of the country. Fighting corruption requires a country to have a credible and robust political system. Increased levels of corruption result in decreased government ratings (Wroe, Allen and Birch, 2013). Corruption within countries erodes the public and international confidence in such a country and when there is no trust in the government there are increased cases of crime. When the police system is corrupt those supposed to uphold the law can collaborate with criminals and accused to promote denial of justice.

6.6 Social Impact of Corruption

6.6.1 Corruption promotes inequality

Corruption promotes economic inequality, affecting the poor disproportionately. In the lower level income countries, there are many incidents provision of bribes for services, evading taxation and misappropriation of the government resources resulting in economic instability. Higher corruption levels promote lower literacy levels and higher mortality rates because the funds of the government are diverted for other personal gains.
Corruption increases inequality in the country through limiting growth of the economy and exacerbating unequal distribution the public resources. The marginalized areas or regions are left behind while the urban areas continue to grow. This leaves those people in the remote regions to continue experiencing higher cases of inefficiency (Ariely, and Uslaner. 2017)

Corruption promotes increased poverty levels within the country. Corruption in the recent past has impacted the living standards of the people in the developing and developed countries. Poverty has also advanced in the developed countries because of the unreported cases of corruption. Increase in poverty is attributed to decrease in the growth developing production (Montes and Paschoal, 2016). A decrease in the GDP in the developing and developed resulted in corruption incidents. Poor people are vulnerable and unsafe in the countries affected by corruption because of lack of social safety. There is high correlation between administrative corruption and poverty (Montes and Paschoal, 2016). Developing countries have limited resources that can be deployed to aid in the monitoring and oversight of the government activities. Corruption results in slow economic growth, weakening factors which promote growth of the business sector, therefore resulting in increased poverty levels

Corruption results in poor government and company services to customers. A corrupt system does not value the quality of services provided to the people. Poor services in the developing countries are witnessed in the government municipalities, immigration departments and police. Corruption in the education system and employment results in discrimination and the qualified candidates are denied the positions. The unqualified individual is awarded the opportunity because of their tribe, region, colour or race, therefore they end up providing low quality services in their assigned departments because they are working in the areas in which they have not specialized and have limited knowledge and skills in the operation guidelines of such departments. Therefore, they end up providing poor services to the clients. Corruption promotes incompetence in both the public and private sectors resulting in the provision of poor services (Grechyna, 2012).
6.6.2 Promotion of injustice

Corruption has promoted injustices in diverse communities. Judicial systems comprised of corrupt judges and court registrars and lawyers promotes the suffering of the victims who seek justice in the judicial system. Criminal cases presented in the judicial system are sometimes dismissed on the lack of evidence or the evidence is not satisfactory to the judges who might have received bribes to rule in the favour of the accused. Corruption in the police system has resulted in the disappearance of the files that contain the statements and evidence that are critical in the prosecution of the accused. Lack of files often leads to postponement of the cases and later the case is dismissed. In some cases, the witness is bribed to record false accusations which results in innocent imprisonment. The delay in the witness coming forward makes the cases stall for long periods providing an opportunity for the culprit to interfere with the evidences (Ceva, 2018).

6.6.3 Pollution

Corrupt institutions have increased the pollution of the environment. The environment commissions are bribed to provide operating license to companies that do not incorporate safety environmental measures affecting either air, water or land pollution. Transport commissions that are corrupt provide an operating mandate to vehicles and other locomotives which pollute air. Additionally, the manufacturing regulators allow industrial exhaust and other emissions in the water resulting in water pollution. Pollution of the environment is dangerous to people since it exposes them to fatal infections including occupational hazards like cancer. The untreated industrial waste results in the loss of lives of aquatic animals. Elimination of corruption promotes the treatment of the industrial wastes and therefore the release of harmless wastes which are recycled for agriculture and manufacturing of plastic utensils (Candau and Dienesch, 2017).

6.6.4 Increased emigration

Corruption promotes increased brain drain since it contributes to loss and lack of jobs, therefore encouraging migration. The unfavourable environment created by corruption forces the citizens who are educated and skilled to seek better employment opportunities and working conditions in those countries less affected by corruption. According to Di-
mant et al. (2013), when there are limited returns in employment, the educated individuals have no option but to pursue other ways in how they can generate income for their services.

7 Methodology

This chapter presents tools and techniques that are essential in the systematic collection, management, analysis and presentation of both qualitative and quantitative data. Quantitative research techniques were effective in answering the research questions and objectives identified by the study since the study involved the collection of quantifiable data and performing statistical analysis. The section was divided into research design, sampling techniques, target population, data collection, analysis, presentation and the ethical issues in data collection.

7.1 Research design

The present study used descriptive research design to identify the adverse effects of corruption in Kenya, Uganda and Tanzania. I used quantitative approaches for statistical data and qualitative approaches for non-statistical data. A questionnaire was effective in the collection of both the quantitative and qualitative data for analysis.

7.2 Target population

The target population are those individuals profiled by the researcher to aid in the generation of the findings according to the topic of study. The target for study included residents in the three countries, namely Kenya, Uganda and Tanzania. The target population was directly affected by corruption because some of them live there while others were members of the East Africa community working and studying in Finland. I selected the participants because they understood economic, social and political activities in East Africa. Additionally, they had directly been affected by corruption in their country in different levels, since they are frequent recipients of the government services in Kenya, Uganda and Tanzania.
7.3 Sampling

Purposive sampling is the non-probability method for selecting samples for the study, which aims at the objectives of the study and the features of the population under study. Advantages of purposive sampling include the ability to generalize about the sample. It aids the researcher to focus on the characteristics of the target population. The present study adopted purposive sampling where the variables for the study were selected according to the purpose and objectives of the study. The purpose was to identify residents from East Africa affected by corruption so that they can document how corruption influences their political, social and economic practices. A sample of 50 participants was selected to participate in the study. Among the participants, 20 were members of the East Africa community studying and working in Finland while other were residents in East Africa selected from different WhatsApp group forums.

7.4 Data collection

A questionnaire was the instrumental data collection instrument for the study. I chose to use a questionnaire because its ability to collect the large data from the participants in response to the study objectives. Qualitative data from the questionnaire are essential in the comparing and contrasting of different variables. The questionnaire comprised closed ended and open-ended questions. Additionally, it was divided into four parts, where part A was demographic characteristics, part B highlighted the economic effects of corruption, part C highlighted questions on social effects of corruption while part D highlighted questions on political effects corruption.

7.5 Data Analysis

Data analysis encompassed different methods that were used in the cleaning of data and production of the statistical measures. Data collected was quantitative data, therefore it provided an opportunity for statistical analysis. Cleaning of data was significant to ensure consistency, relevancy and completeness. Statistical package for social science (SPSS) and Microsoft Excel were essential in carrying out the statistical analysis.
7.6 Ethical Considerations

I obtained permission from the participants through a written consent before sending a questionnaire. I explained the need for the study to the respondents and the benefits of participation in the research. During the study, I observed all the five principles of ethics. I ensured that the study does not harm the participants, and I confirmed to them I will not share their personal information.

8 Findings

This chapter presents the findings after administering the questionnaire to the participants. The questionnaire contained four section. The first part collected data on the demographic characteristics of the participants, second part highlighted the economic effects of corruption, the third part examined the social effects of corruption while the fourth section looked at the political effects of corruption.

8.1 Demographic Characteristics

Demographic characteristics highlighted personal information about the respondents. Some of the information include the gender, age and education level of the respondents.

8.1.1 Gender of the participants

According to the table below, 54% of the respondents were male while 46% of the respondents were female. Therefore, majority of the participants were male.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>27</td>
<td>54.0</td>
<td>54.0</td>
<td>54.0</td>
</tr>
<tr>
<td>Female</td>
<td>23</td>
<td>46.0</td>
<td>46.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Table 1. Gender

8.1.2 Age

According to Figure 2.0 below, 30% of the respondents were aged between 27-31 years, 26% were aged 32-36 years, 18% were aged 22-26 years while 12% were aged 46 and above years. Therefore, majority of the participants were aged 27-31 years.

Figure 2. Age

8.1.3 Level of education

According to Table 2 below, most of the participants had a degree, followed by diploma, postgraduate and certificate respectively.
<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Certificate</td>
<td>8</td>
<td>16.0</td>
<td>16.0</td>
<td>16.0</td>
</tr>
<tr>
<td>Diploma</td>
<td>13</td>
<td>26.0</td>
<td>26.0</td>
<td>42.0</td>
</tr>
<tr>
<td>Degree</td>
<td>20</td>
<td>40.0</td>
<td>40.0</td>
<td>82.0</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>9</td>
<td>18.0</td>
<td>18.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Level of Education

9 Adverse Effects of Corruption in East Africa

9.1 Section A. Economic Effects of Corruption

9.1.1 Unemployment

Corruption has increased unemployment rate
Most of the participants agreed that corruption increased the unemployment rate in East Africa. According to Figure 3.0, 64% of the respondents agreed while 14% strongly agreed, followed by neutral with 7%, whereas those who disagreed were 8%.
There is increased taxation because of corruption

According to Table 3 below, 40% of the participants agreed, 30% were neutral, 16% disagreed and 14% strongly agreed that corruption promoted increase in taxation. Therefore, most of the participants agreed that corruption increased taxation rates.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Disagree</td>
<td>8</td>
<td>16.0</td>
<td>16.0</td>
<td>16.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>15</td>
<td>30.0</td>
<td>30.0</td>
<td>46.0</td>
</tr>
<tr>
<td>Agree</td>
<td>20</td>
<td>40.0</td>
<td>40.0</td>
<td>86.0</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>7</td>
<td>14.0</td>
<td>14.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 3. Increased Taxation
9.1.3 Foreign borrowing

Foreign borrowing has increased because of corruption. Many of the respondents representing 52% agreed that their government increased foreign borrowing because of higher corruption rates in their countries. 26% were neutral, 12% disagreed while 10% strongly agreed. Figure 4.0 highlights their feedback.

![Increased Borrowing](image)

Figure 4. Increased Government borrowing

9.1.4 Foreign Investment

Corruption has contributed to decreased foreign investment. According to the table, 42% of the respondents agreed that corruption reduced foreign investment, 34% were neutral, 12% strongly agreed and disagreed respectively.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid</td>
<td>disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
</tr>
<tr>
<td>-------------</td>
<td>----------</td>
<td>---------</td>
<td>-------</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>17</td>
<td>21</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>12.0</td>
<td>34.0</td>
<td>42.0</td>
<td>12.0</td>
</tr>
<tr>
<td></td>
<td>12.0</td>
<td>46.0</td>
<td>88.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>12.0</td>
<td>46.0</td>
<td>88.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4. Foreign investment

9.1.5 Unhealthy Business Environment

Corruption has promoted an unhealthy business environment. Majority of participants representing 60% agreed that corruption contributed to an unhealthy business environment. 22% were neutral, 12% strongly agreed while 6% disagreed.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Disagree</td>
<td>3</td>
<td>6.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>11</td>
<td>22.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Agree</td>
<td>30</td>
<td>60.0</td>
<td>60.0</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>6</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 5. Unhealthy Business Environment

9.1.6 Additional Economic effects

Decreased household spending
Many of the respondents highlighted decreased household spending as another economic effect of corruption as highlighted in the table below.
<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>5</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>11</td>
<td>22.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Agree</td>
<td>29</td>
<td>58.0</td>
<td>58.0</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>5</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 6. Household Spending

9.2 Section B. Social Effects of Corruption

9.2.1 Increase in poverty levels

Poverty levels have increased because of corruption
According to Table 7, 40% of the respondents agreed that corruption promoted increased poverty. 30% were neutral, 14% strongly agreed and disagreed while 2% strongly disagreed.
9.2.2 Tribalism and Ethnic division.

Corruption has fuelled tribalism and ethnic division. According to Table 8, majority of the participants (48%) agreed that corruption promoted tribalism. Additionally, 12% strongly agreed, 185 were neutral. 12% disagreed while 4% strongly disagreed.

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>2</td>
<td>4.0</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
<td>12.0</td>
<td>12.0</td>
<td>16.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>9</td>
<td>18.0</td>
<td>18.0</td>
<td>34.0</td>
</tr>
<tr>
<td>Agree</td>
<td>24</td>
<td>48.0</td>
<td>48.0</td>
<td>82.0</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>9</td>
<td>18.0</td>
<td>18.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 8. Tribalism

9.2.3 Emigration

Corruption has promoted emigration. Most of the participants were neutral on the effects of corruption on emigration while 26% disagreed, 22% agreed and 6% strongly disagreed and strongly agreed respectively.

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>3</td>
<td>6.0</td>
<td>6.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
<td>26.0</td>
<td>26.0</td>
<td>32.0</td>
</tr>
</tbody>
</table>
Neutral | 20 | 40.0 | 40.0 | 72.0  
Agree   | 11 | 22.0 | 22.0 | 94.0  
Strongly agree | 3  | 6.0  | 6.0  | 100.0 
Total   | 50 | 100.0| 100.0|

Table 9. Emigration

9.2.4 Other social effects

Corruption has created circumstances conducive to disasters
According to Figure 5.0, 52% of the percipients were neutral on the effects of corruption on disasters while 30% and 18% agreed and strongly agreed to that corruption provided opportunity for disasters.

Figure 5. Corruption as a contributor to disasters
9.3 Section C. Political Effects of Corruption

9.3.1 Poor governance

Poor governance is a recipe of corruption

According to Table 10 below, 40% of the participants agreed that poor governance was a recipe for corruption, 26% were neutral, 22% disagreed, 10% strongly agreed while 2% strongly disagreed.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>1</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>11</td>
<td>22.0</td>
<td>22.0</td>
<td>24.0</td>
</tr>
<tr>
<td>neutral</td>
<td>20</td>
<td>26.0</td>
<td>40.0</td>
<td>64.0</td>
</tr>
<tr>
<td>Agree</td>
<td>13</td>
<td>40.0</td>
<td>26.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>5</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 10. Poor Governance

9.3.2 Stalled government projects

Corruption has attributed to stalled government projects

Respondents gave feedback on the effects of corruption on government projects. 42% strongly agreed that corruption has resulted in stalled government projects. 26% were neutral, 22% strongly disagreed, 8% strongly agreed while 2% strongly disagreed as represented in table.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Valid</td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
</tr>
<tr>
<td>-------</td>
<td>-------</td>
<td>-------------------</td>
<td>----------</td>
<td>---------</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>26.0</td>
<td>42.0</td>
<td>70.0</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>8.0</td>
<td>8.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 11. Stalled Projects

9.3.3 Impunity

Impunity has increased because higher bureaucratic corruption

According to Table 12 below, 40% of agreed that impunity increased with increase in corruption. 30% were neutral, 18% disagreed, while 6% strongly agreed and disagreed respectively.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>3</td>
<td>6.0</td>
<td>6.0</td>
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Table 12. Impunity
9.3.4 Other political effects

Participants highlighted that lack of credible political systems was another political effect of corruption in East Africa. Although 52% of the participants were neutral, 30% and 18% agreed and strongly agreed respectively.

![Credibility Chart]

Figure 6. Credibility

10 Discussions

This chapter provides a detailed examination of the findings on the adverse effects of corruption in East Africa. The chapter is structured into economic effects, social effects and political affects.

10.1 Economic effects of corruption in East Africa

10.1.1 Unemployment rate

According to most of the participants agreed that corruption resulted in increase in the unemployment rate. The unemployment rate in Kenya, Uganda and Tanzania is very high. The East Africa incumbents have been including employment opportunities for the
youths in their manifesto, but they have not accomplished that because of higher corruption rates. Recently, the president of Kenya appointed a Mr. Moody Awori, a 90 old former vice president to head a youth fund and cited increased corruption among the youths. Majority of the people faulted the decision and requested a young person to be considered for the position because of the higher unemployment rate among youths. According to Wienke and Gries (2011), most politicians give employment opportunities to their friends in the government ministries, thereby increasing inequality and unemployment rates. Most graduates have degrees and diplomas, but it has become difficult for them to be in employment in the public sector. Securing employment in East Africa government parastatals requires a network with someone in the ministries and if you are not lucky to know someone you are asked for a bribe in relation to employment. For instance, in Kenya, there have been complaints during recruitment for the police, army and general services where most of the potential recruits have reported cases of being conned out of major sums for employment. The process for employment in the government sector is not transparent and there are limited measures to prevent corruption incidences during employment.

10.1.2 Higher taxation

Most of the participants agreed that increased taxation promotes increased taxation. Revenue authorities in East Africa have often failed to realize their tax targets since some of the businesses collaborate with the tax administrators to evade payment of the taxes. Corruption affects the marginal tax rate through reduction of the effective tax rates (Svensson, 2003). The revenue authorities resolve in the increase of taxation to raise the revenues to meet the budgets, yet if there were no funds lost, they would have generated adequate revenues without increased taxes on fuel, imports and basic commodities for the citizens. According to the United Nations, there is selective taxation in developing countries based on those products which are likely to generate a lot of money to the corrupt officials. An increase in taxation has resulted in closing of small and medium business in Kenya and Uganda because retailers there are unable to pay for the higher customs for their imports. According to Olken (2009), corruption results in the increase in the prices of goods since the government increases the cost of services and goods to include the costs associated with corrupt practices.
10.1.3 Increased borrowing

Corruption has promoted increased borrowing

Many of the respondents representing 52% agreed that their government increased foreign borrowing because of higher corruption rates in their countries. Kenya and Tanzania have increased borrowing from China in the last three years. According to the International Monetary Fund, the higher loans are reaching levels where these countries cannot pay since, they cannot account for the money they have been borrowing. Most of the money borrowed in Kenya has been directed into personal interests and therefore, they must look for other loans to pay other loans and support government expenditure. The Kenya, Uganda and Tanzania debts are very big, yet they are still borrowing from China. For instance, Kenya borrowed $3.233 from China in the previous years and the recent request for another loan for extension of the standard railway to Kisumu was rejected (Onjala, 2018).

10.1.4 Decreased investment

Corruption in East Africa has resulted in decreased foreign investment in the region. According to the findings, 42% of the respondents agreed that corruption reduced foreign investment, while business have shifted from Tanzania, Kenya and Uganda to Southern and West Africa because the government officials in East Africa request bribes to provide operating licenses to foreigners. Investors are always willing to invest resources in the developing countries because of adequate resources and open markets but the unhealthy business environment which is characterized by corruption drives the investor away (Mathur and Singh, 2013). Samsung wanted to establish its plant in East Africa and chose Kenya because it was strategic, but they were asked for kickbacks, so they chose to invest in Ethiopia.

10.1.5 Unhealthy business environment

Many participants representing 60% agreed that corruption contributed to an unhealthy business environment. Corruption in East Africa has resulted in unfavourable conditions for opening and running of the business. The business environment is characterized by
increased taxation and political interferences since you must align to political ideologies to successfully operate your business. For instance, Uganda’s president has been in power for 37 years and his dictatorial leadership style has promoted inefficiency in the establishment of business. Organizations must tolerate the corrupt bureaucratic officials to successfully run their business. Those companies which value integrity will find it hard to effectively compete with businesses offering and receiving bribes (Aidt, 2009).

10.1.6 Household spending

Most of the respondents highlighted decreased household spending as another economic effect of corruption. Higher living costs across East Africa have made it difficult for the families to spend on the luxuries and basic commodities to satisfy their needs. Most of the families in Kenya, Uganda and Tanzania spend less than a dollar and they cannot buy basic commodities such as flour and cooking oil whose price fluctuates because of increased prices due to taxation. An increase in the taxes on fuel to raise funds for the government expenditure has limited spending in households with lower income. According to Monteiro and Ferraz, (2010), corruption results in cost inefficiency where lower income earners cannot pay for the increased prices on the goods and commodities.

10.2 Social impacts of Corruption

10.2.1 Poverty levels

Most of the participants agreed that corruption promoted an increase in the poverty levels. Poverty in East Africa is very high. According to the World Bank report on poverty, East Africa has a poverty index of rampant corruption in East Africa has contributed to the increased poverty because of the other effects of corruption such as unemployment rates, decrease in foreign employment, and higher taxation, which makes it difficult for generating of revenue. Lack of ability to generate revenue has driven most families into poverty. Increases in the state corruption promotes higher rates of corruption at the household level. For example, in a study carried out in Georgia, people confessed to have given bribe for the services. The corruption at the household level affects the income of such families, resulting into increased poverty levels (Onjala, 2018)
10.2.2 Tribalism and ethnic division

Corruption has promoted division based on ethnicity across East Africa. Most of the participants agreed that corruption has fuelled tribalism in their countries. In countries like Kenya, politicians who are accused of being involved in corruption scandals defend themselves against such allegations by turning to tribalism. Most of the politicians allege that their community is being targeted. For instance, regarding money lost in the dams in Kenya, politicians held a press conference to state that their tribe is being targeted in the war against corruption. Such measures have provided their followers who allege that their tribe is being profiled. Instead of being accountable for their actions, associating their tribes into their tribulations have promoted ethnic division and hatred. Some politicians favour members of their tribes when elected chairmen of parastatals and other government institutions (Wroe, Allen and Birch, 2013). Lack of representation from other tribes has promoted ethnicity because they feel they are neglected by the government. Kenya has started focusing on inclusivity to fight corruption and promote national healing.

10.2.3 Emigration

Corruption has promoted emigration across East Africa. Many of the participants agreed that corruption contributed to emigration into those countries with transparent systems which promote growth of businesses and have wider employment opportunities. Most of the educated people who do not find jobs, even though they have good qualifications, emigrate to Europe, America and Asia to look for lucrative employment opportunities. According to Dimant (2013), when there are limited returns in employment the educated individuals have no option but to pursue other ways of generating income for their services. Many empirical studies have linked migration to higher cases of corruption within a country.

10.2.4 Disasters

Respondents highlighted that corruption created conditions for disasters to thrive. Money meant for establishing mitigation measures for the disasters is not used for the purpose but rather taken into personal accounts because the disasters are not predictable. For
instance, accident rates in Kenya, Uganda and Tanzania are higher and have resulted in deaths of innocent civilians because corrupt police officers had received bribes to allow defective cars on the routes. Politicians in Kenya recently stole money meant for the construction of dams which in turn has promoted hunger where people have died in Baringo and Turkana counties while money for dams and irrigation was used by politicians.

10.3 Political effects of corruption

10.3.1 Poor governance

40% of the participants agreed that poor governance was a recipe for corruption. East African leadership is characteristic by family leaders which have dominated in the leadership position for longer periods because of corrupt government officials. Corrupt party officials award tickets for incumbents who provide opportunity for the looting of the public funds. For instance, Museveni has been provided with a ticket to rule for coming years, yet he has ruled for 37 years. There are a few individuals who maintain the status quo using corruption dealings therefore, retaining those leaders who are not transformative. Kenya’s corrupt system has seen election of poor leaders. During allegations of the importation of sugar with mercury, members of parliament were bribed 100usd to shut down the report which suggested prosecution of the sugar cartels. Good governance is essential for the development of the nation. Thus, corruption is a negative tool for development of the country (Pappa et al., 2015).

10.3.2 Impunity

Corruption has promoted impunity. Leaders use money to bribe other leaders in the judiciary and police and therefore they cannot be prosecuted. Impunity provides them with powers to do whatever they wish and feel because nothing will happen to them. The government officials manipulate government resources with the knowledge that they will be taken nowhere because they have control of the government structures and justice (Pappa et al., 2015). Judicial systems comprised of corrupt judges and court
registrars and lawyers promotes the suffering of the victims who seek justice in the judicial system.

10.3.3 Stalled government projects

Majority of the participants agreed that corruption has contributed to stalling of the government projects. Budgetary allocation to the various projects is not realized since influential ministers and businesspeople contracted to implement the projects are friends of politicians and end up using the finances for their personal gain. Most projects in Tanzania, Kenya and Uganda have stalled because lack of funds, contractors have not been paid, yet treasury offices in the three countries already released the money on time. Funds allocated for the development of these infrastructure projects are awarded to the political brokers who end up delivering shoddy jobs and embezzling the funds for development. Biased communities reduce the willingness of the citizens to participate in the government projects and collaboration to enhance economic stability (Wroe, Allen and Birch, 2013). Corruption results in the shift of the government expenditures from essential government operations such as education and health to the unnecessary projects which provide opportunity for the embezzlement of the government funds.

11 Conclusions

In conclusion, the study identified adverse economic, social and political effects of corruption in Kenya, Uganda and Tanzania. According to the findings, economic effects of corruption in East Africa include increased unemployment rate, higher taxation by the revenue authority, decreased foreign investment, unhealthy business environment and decreased household spending. For instance, senior government officials provide employment opportunities to their friends, tribesmen and relatives through corrupt dealings therefore, promoting higher unemployment. (Wieneke and Gries, 2011). The study also established some of the social effects of corruption in East Africa. The study identified increased poverty levels, emigration, ethnicity and tribalism as some of the adverse social effects of corruption in East Africa. Many people in Kenya, Uganda and Tanzania are living in abject poverty because of the higher cost of living and they lack employment opportunities because the system is corrupt. Politicians who steal from the government provoke the community members based on tribal identity therefore, promoting hatred.
and divisions. Those in leadership position prefers awarding employment opportunities and initiating government projects in their regions. Political effects of corruption include impunity, poor governance and stalled government projects.

12 Recommendation

The following recommendations are essential in mitigating the adverse effects of corruption in East Africa.

- There is need to amend the Anti-Corruption Act among the East Africa countries to ensure that those mentioned in the corruption scandals do not hold the public offices. The amendments should increase the jail term for those found guilty in fraud and bribery cases to reduce the prevalence level of corruption and its associated effects.
- The East Africa Community has a common parliament for the six nations but there is no ministry or committee to address corruption within the region. There is a need to establish a joint commission in the East Africa Assembly to investigate and prosecute corruption since it is the prominent problem in the region.
- Incumbents should advocate for inclusivity in employment opportunities, budgetary allocations across all communities to reduce marginalization, and empowered growth in all regions.
- Promote accountability in the government and awareness campaign on the effects of corruption. The elected officials should be compelled to declare their wealth before seeking elective position so that the public can hold them accountable in case there is loss of public funds.

13 References


Thelocal.it. (2018). *Italy has the highest levels of corruption in Europe, study shows.* [online] Available at: https://www.thelocal.it/20181207/italy-has-the-highest-levels-of-corruption-in-europe-study-shows [Accessed 25 May 2019].


**QUESTIONNAIRE**

Kindly respond to the highlighted questions by answering the blank spaces or by ticking (√) within the box appropriately.

**SECTION A: DEMOGRAPHIC CHARACTERISTICS**

Please fill out your personal information in the provided spaces. Kindly tick one response.

1. Gender Female: [ ] Male: [ ]
2. Age? 22-26 [ ] 27-31 [ ] 32-36 [ ] 37-41 [ ] 42 and above [ ]
3. Highest Level of education Certificate/Diploma [ ] Degree [ ] Postgraduate [ ]

**SECTION B: Adverse effects of corruption**

**PART 1: Economic effects of corruption**

(Place a check mark in the appropriate square bracket).

Strongly Agree (5) Agree (4) Neutral (3) Disagree (2) Strongly Disagree (1)

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<td>8. Corruption has promoted unhealthy business environment</td>
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| 9. Are there additional effects of economic effects of corruption in your country? If yes, explain.................................................................

**PART 2: Social Impacts of Corruption**

Kindly rate how corruption has affected the social settings in your country using a scale of 1-5. Strongly agree (5) Agree (4) Neutral (3) Disagree (2) strongly disagree (1)

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10. Poverty levels have increased because of corruption

11. Corruption has fueled tribalism and ethnic division

12. Corruption has promoted emigration

13. Corruption has provided opportunities for disasters

14. Highlight other effects of corruption in your country in your county

PART 3: Political impacts of corruption

Kindly rate the extent at which corruption has politically affected your country. using a scale of 1-5. Strongly agree (5) Agree (4) Neutral (3) Disagree (2) strongly disagree (1)

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17. Kindly highlight other political effects of corruption

Thank you for your participation.