

Draft Kenya: Governance and Business Environment

Pre-Interview Information

This part should be filled out by the surveyor before the interview.

- Code number: _____ (1)
- Date of survey: Month: _____ (2)
- Day: _____ (3)
- Start Time: ____: ____ (4)
- Interviewer ID: _____ (5)
- Location:
- Province _____ (6)
- District _____ (7)
- Constituency _____ (8)
- Ward _____ (9)
- CSA _____ (10)
- Standard Enumeration Area (SEA) _____ (11)
- Area: (1) (2)
(1) = Urban, (2) = Rural..... (12)

Introduction for Respondents

Good morning/afternoon.

I am, working with _____

We are conducting a survey on behalf of the Kenyan government that was launched by _____ on _____.

You have been selected and I would like to ask if you would work with us by answering a few questions. The purpose of this study is to help better understand constraints that hinder the development of Kenya private businesses like yours and ways to improve the quality of those public services. All information, which you offer, will be kept strictly confidential. It is extremely important for us to maintain the confidentiality of your answers. If you do not feel comfortable answering any of the questions, we would prefer that you not respond. Let me assure you again that your participation will not be revealed under any circumstances, nor will your name be printed or used in any documents.

The results from the data, which will be processed by the _____ will be used by Government, the World Bank and Civil Society for the design and integration of a national strategy to fight corruption and enhance good governance. We encourage you to be as candid as possible and to freely express your sincere opinions in answering the questions.

In the survey, many times we will ask you to answer using a scale from 1 to 5. The interpretation of the points on this scale will vary from question to question. One example is the following:

- 1 corresponds to “extremely unimportant”;
- 2 corresponds to “somewhat unimportant”;

- 3 corresponds to “indifferent
- 4 corresponds to “somewhat important”; and
- 5 corresponds to “extremely important”.

When we provide the meaning only to the end points, 1 and 5, please assume that 2, 3, and 4 have corresponding meanings as indicated above.

PART 1. GENERAL INFORMATION

1.1 Country: Kenya (13)

1.2 Company Size:

	Now	three years ago
Number of full-time employees	_____ (12)	_____ (13)
Number of part-time employees	_____ (14)	_____ (15)

1.3 Year of commencement: (14)

1.4 Industry: (15)

Manufacturing

- 1: If manufacturing, garment firm?
- 2: If manufacturing, agro-processing?
- 3: If manufacturing, heavy industry?(machine tools, chemicals, autos, etc.)
- 4: Other manufacturing

Services

- 5: If services, tourism, hotel, restaurant?
- 6: If services, transport and storage?
- 7: If services, communications
- 8: If services, financial institutions

Others

- 9: Commerce (Wholesale/Retail Trade)
- 10: Agriculture, hunting, fishing and forestry
- 11: Mining and quarrying
- 12: Electricity, and water
- 13: Construction
- 14: Others

1.5 Please specify your enterprise’s leading products or services (up to 3)..... (16) (17) (18)

1.6 Location of headquarters:..... (19)

- 1: City
- 2: Provincial center
- 3: District center

1.7 District name (20)

1.8 a) Does your company belong to business associations? 1. Yes 2. No.....(21)
(If answer is “No” skip to Q 1.9)

- b) Which one is the most important business association to which your company belongs?(22)
-
- 1.9 Please estimate the annual growth of your company's sales over the past three years. ____% (23)
(Record in negative numbers if the sales declined)
- 1.10 Please predict the growth of your company's sales over the next three years..... ____% (24)
(Record in negative numbers if the sales are estimated to decline)
- 1.11 For background purposes only (to compare your firm to others in our sample), please estimate
- (a) the value of your firm's total revenue in the last one year ____ Ksh (25)
 - (b) the value of your firm's fixed assets (land, building, equipment) ____ Ksh (26)
 - (c) the value of your firm's debts ____ Ksh (27)
- 1.12 Does any government agency or state body have a financial stake in the ownership of your firm?.. (28)
- 1: yes (specify % of total ownership) ____%
 - 2: no (zero %)
- 1.13 Does any foreign company or individual have a financial stake in the ownership of your firm? (29)
- 1: yes (specify % of total ownership) ____ % (30)
 - 2: no (zero %)
- 1.14 Does any Commercial Bank/Financial Institution have a stake in the ownership of your firm?..... (31)
1. Yes (please specify % of total ownership)
 2. No
- 1.15 If your firm has shareholders, what percent of your firm is held by the 3 largest shareholders, either directly or indirectly? ____% (32)
- 1.16 What is the legal status of your company? (33)
- 1: Single proprietorship
 - 2: Partnership
 - 3: Corporation, privately-held, not listed on a stock exchange
 - 4: Corporation listed on a stock exchange
 - 5: Cooperative society
 - 6: Others, specify
- 1.17 Does your firm have holdings or operations in other countries?..... (34)
- (1) yes
 - (2) no
- 1.18 How was your firm established (circle one)?..... (35)
- 1: Originally private firm
 - 2: Privatization of a state-owned firm
 - 3: Private subsidiary of a formerly state-owned firm
 - 4: joint venture, domestic and foreign private owners
- 1.19 What is your job title? (36)
- 5: Chief Executive
 - 6: Owner/proprietor
 - 7: Partner
 - 8: Director
 - 9: General Manager
 - 10: Manager
 - 11: Finance Officer/Accountant
 - 12: Other (Specify)

1.20 Please give us information about the most senior manager of your firm.

- (a) His/her highest level of education (37)
- 13: Primary
 - 14: Secondary
 - 15: College
 - 16: University
 - 17: Post-graduate studies
- (b) Has he/she worked in the government? (38)
- 1: Yes
 - 2: No
- (c) Gender (39)
- 1: Male
 - 2: Female
- (d) Which province does he/she come from? (40)
- 1: Nairobi
 - 2: Western
 - 3: Nyanza
 - 4: Rift Valley
 - 5: Eastern
 - 6: North Eastern
 - 7: Coast
 - 8: Central
 - 9: Other (specify) _____

PART 2. PERCEPTION OF THE NATIONAL SITUATION

2.1 Please state how serious the following are as problems affecting the operational growth of your business. *Show Card #22.*

Factors influencing operations and growth of your business	1= A very serious problem 2= A serious problem 3= Not a very serious problem 4= Not a serious problem 5= Not a problem at all 9= DK/NS	
1. Financing	1 2 3 4 5 9	(41)
2. Infrastructure (e.g. telephone, electricity, water, roads)	1 2 3 4 5 9	(42)
3. Availability and price of input (including raw materials, spare parts, equipment)	1 2 3 4 5 9	(43)
4. Availability and price of skilled workers/managers	1 2 3 4 5 9	(44)
5. Cost of labor	1 2 3 4 5 9	(45)
6. Insufficient/unstable demand	1 2 3 4 5 9	(46)
7. Taxes and Regulations	1 2 3 4 5 9	(47)
8. Political Uncertainty/ Instability	1 2 3 4 5 9	(48)
9. Inflation	1 2 3 4 5 9	(49)
10. Exchange Rate	1 2 3 4 5 9	(50)
11. Functioning of the judiciary	1 2 3 4 5 9	(51)

12. Corruption in the public sector	1	2	3	4	5	9	(52)
13. Corruption in the private sector	1	2	3	4	5	9	(53)
14. Crime/theft/disorder	1	2	3	4	5	9	(54)
15. Money laundering	1	2	3	4	5	9	(55)

- 2.2 (a) From the above list of obstacles,
- (i) Which one is the most important? (Please indicate the number)..... (56)
- (ii) Which one is the second most important? (Please indicate the number) (57)
- (b) Please describe the nature of the problem for the most important obstacle you selected above. Why did you select it as the most important obstacle? (58)

- (c) Please describe the nature of the problem for the second most important obstacles you selected above. (59)

- 2.3 (a) How much time each week does your Administrative staff/consultants spend dealing with bureaucracy in general? (60)
1. None 2. 1-5 hrs. 3. 6-10 hrs. 4. 11-15 hrs. 5. 16-20 hrs. 6. Above 20 hrs. 9. DK/NS

1	2	3	4	5	6	9
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- (b) In the last three years, to what extent has this amount of time increased or decreased? (61)
1. Decreased greatly 2. Decreased moderately 3. Remained the same
4. Increased moderately 5. Increased greatly 9. DK/NS

1	2	3	4	5	9
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- (c) At what public institution was the greatest amount of time spent? (62)

- 2.4 (a) How much in additional taxes would you be prepared to pay, as a percent of your revenues, to contribute to the elimination of corruption? ___% of your revenues (63)
- (9 if answer is zero/nothing).....

- (b) If (a) is 0%, why? (64)
1. Because my company's income is too small
2. Corruption cannot be eliminated in Kenya
3. Because those who are to blame should pay
3. Others (please specify).....

- 2.5 Thinking about public services, would you say the following statement is always, usually, frequently, seldom or never true?

“It is common for citizens to have to pay some irregular “additional payments” to”.
SHOW CARD (65)

Card #11

Get utilities connection (water, electricity, or telephone)	Always 1 Mostly 2 Frequently 3 Seldom 4 Never 5 Don't know 9
Getting government documents such as a construction permit, citizen id card or voter registration	
Getting tax services such as a clarification for a document or copy of a tax document	
Get a public official to resolve a legitimate error? Such as a wrong address, parking fine, mistake in pension payment or social benefit payment etc?	
Get a legal issue resolved such as a copy of a court document or to get a trial scheduled. (specify that this is not referring to paying for a legal decision)	

Get a property matter resolved – such as getting a deed or property tax procedure
Get Car registration or drivers license

2.6 How often is the following statement true? “If a government agent acts against the rules I can usually go to another official or to his superior and get the correct treatment without recourse to unofficial payments.” SHOW CARD (66)

Card #12

Always	1
Mostly	2
Frequently	3
Seldom	
Never	5
Don't Know	9

2.7 (a) How would you rate the business climate for your company today? (67)

1: very bad
 2: bad
 3: fair
 4: good
 5: very good

(b) Compared to 3 years ago?..... (68)

1: Much worse now
 2: Worse now
 3: About the same
 4: Somewhat better now
 5: Much better now

PART 3. IMPORTS/EXPORTS

3.1 Does your firm import goods and/or materials (including goods for re-export)?

6: yes (specify % of total sales) (41)
 7: no (record zero %) (42)

Total 100 %

If the firm does not import, skip to Q2.3.

(e) If you import, how long does it typically take from the time your goods arrive at the point of entry (e.g. port, airport) until the time you claim them from customs? days (70)

(f) For imports, how many days does the pre-shipment inspection process take, from the time you submit the goods until the time they are released? days (71)

(g) What percentage of your total imported input cost is official fees from duties or other unofficial costs that are habitually associated with importation (over the C.I.F. cost)? ____ % (72)

3.2 What percent of goods do you loose in shipping, due to

(1) Breakage.....%
(2) Theft.....%
(3) Others? (please specify) % (73)

- 3.3 (a) Was your firm exporting 3 years ago?..... (74)
- 1: yes (specify % of total sales)
 - 2: no (record zero %)
- (b) Does your firm export today?..... (75)
- (1) Yes (specify % of total sales)%
 - (2) No (zero %)

PART 4. QUALITY AND TRANSPARENCY OF VARIOUS PUBLIC SERVICES

4.1 We would like to ask about quality, transparency and complaint process of various public services. Use a scale from 1 to 5, as applicable. **[Please ask all the questions for each public service. In other words, ask questions going across, not going down, the table].**

Card #4

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	During the last year has anyone in your company attempted to obtain the following public service? Yes = 1; No = 2; DK/NS = 9 If yes, go to (b)-(d) If no skip to (f)	<i>[If Yes]</i> Was it easy to find information about how to obtain the service, where to go and how much the fee was? 1= "Very difficult", 2= "Quite difficult", 3= "Fairly difficult but doable" 4= "Easy", 5= "Very easy", 9 = "DK/NS"	Please evaluate the overall quality of the service. 1= "Very poor" 2= "Poor" 3= "Fairly good" 4= "Good" 5= "Very good" 9 = "DK/NS"	Was your company asked to pay gratification or a bribe? Yes = 1; No = 2; DK/NS = 9	[If yes in (d)] On average, how much did you have to pay as gratification/ bribe in Ksh? (in equivalent value if it took the form of gift or other favour)	During the last year did your company have any reason to make a complaint about any of the public services? 1= "Yes" 2="No" <i>[If No]</i> Ask for next public service.	If you made a complaint, how effective was it? 1= "No effect" 2= "Little effect" 3= "Moderate effect" 4= "Significant effect" 5= "Full Effect" 8= "N/A" 9= "DK/NS"
National Registration Office	1 2 9 (76)	1 2 3 4 5 9 (77)	1 2 3 4 5 9 (77)	1 2 9 (78)	_____ Ksh each case (79)	1 2 (80)	1 2 3 8 9 (81)
Traffic Police	1 2 9 (82)	1 2 3 4 5 9 (83)	1 2 3 4 5 9 (83)	1 2 9 (84)	_____ Ksh each case (85)	2 2 (86)	1 2 3 8 9 (87)
Police excluding traffic Police	1 2 9 (88)	1 2 3 4 5 9 (89)	1 2 3 4 5 9 (89)	1 2 9 (90)	_____ Ksh each case (91)	3 2 (92)	1 2 3 8 9 (93)
Registrar of Companies	1 2 9 (94)	1 2 3 4 5 9 (94)	1 2 3 4 5 9 (94)	1 2 9 (361)	_____ Ksh each case (362)	4 2 (95)	1 2 3 8 9 (97)
Registrar of Societies	1 2 9 (363)	1 2 3 4 5 9 (99)	1 2 3 4 5 9 (99)	1 2 9 (364)	_____ Ksh each case (365)	5 2 (100)	1 2 3 8 9 (102)

Customs Department	1 2 9 (366)	1 2 3 4 5 9 (103)	1 2 3 4 5 9 (103)	1 2 9 (367)	_____ Ksh each case (368)	6 2 (104)	1 2 3 8 9 (106)
Income Tax Department	1 2 9 (369)	1 2 3 4 5 9 (107)	1 2 3 4 5 9 (107)	1 2 9 (370)	_____ Ksh each case (321)	7 2 (108)	1 2 3 8 9 (110)
VAT Department	1 2 9 (372)	1 2 3 4 5 9 (111)	1 2 3 4 5 9 (111)	1 2 9 (373)	_____ Ksh each case (374)	8 2 (112)	1 2 3 8 9 (114)
Judges/Court officials	1 2 9 (384)	1 2 3 4 5 9 (127)	1 2 3 4 5 9 (127)	1 2 9 (385)	_____ Ksh each case (386)	9 2 (128)	1 2 3 8 9 (130)
Water & Sewerage	1 2 9 (390)	1 2 3 4 5 9 (135)	1 2 3 4 5 9 (135)	1 2 9 (391)	_____ Ksh each case (392)	10 2 (136)	1 2 3 8 9 (138)
Kenya Power & Lighting Company	1 2 9 (393)	1 2 3 4 5 9 (139)	1 2 3 4 5 9 (139)	1 2 9 (394)	_____ Ksh each case (395)	11 2 (140)	1 2 3 8 9 (142)
Mobile Telephone Companies	1 2 9 (396)	1 2 3 4 5 9 (143)	1 2 3 4 5 9 (143)	1 2 9 (397)	_____ Ksh each case (398)	12 2 (144)	1 2 3 8 9 (146)
Telcom Kenya Ltd	1 2 9 (399)	1 2 3 4 5 9 (147)	1 2 3 4 5 9 (147)	1 2 9 (400)	_____ Ksh each case (401)	13 2 (148)	1 2 3 8 9 (150)
Postal Services	1 2 9 (402)	1 2 3 4 5 9 (151)	1 2 3 4 5 9 (151)	1 2 9 (403)	_____ Ksh each case (404)	14 2 (152)	1 2 3 8 9 (154)
Tender Boards	1 2 9 (405)	1 2 3 4 5 9 (155)	1 2 3 4 5 9 (155)	1 2 9 (406)	_____ Ksh each case (407)	15 2 (156)	1 2 3 8 9 (158)
Kenya Commercial Bank	1 2 9 (408)	1 2 3 4 5 9 (159)	1 2 3 4 5 9 (159)	1 2 9 (409)	_____ Ksh each case (410)	16 2 (160)	1 2 3 8 9 (162)
National bank of Kenya	1 2 9 (4111)	1 2 3 4 5 9 (163)	1 2 3 4 5 9 (163)	1 2 9 (412)	_____ Ksh each case (413)	17 2 (164)	1 2 3 8 9 (166)

Cooperative Bank of Kenya	1 2 9 (414)	1 2 3 4 5 9 (167)	1 2 3 4 5 9 (167)	1 2 9 (415)	_____Ksh each case (416)	18 2 (168)	1 2 3 8 9 (170)
Councils	1 2 9 (417)	1 2 3 4 5 9 (171)	1 2 3 4 5 9 (171)	1 2 9 (418)	_____Ksh each case (419)	19 2 (172)	1 2 3 8 9 (174)
Land registry	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	20 2 (180)	1 2 3 8 9 (182)
Motor Vehicle Registration Department	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	21 2 (180)	1 2 3 8 9 (182)
Weight bridges	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	22 2 23 (180)	1 2 3 8 9 (182)
Provincial Administration	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	24 2 (180)	1 2 3 8 9 (182)
National Assembly	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	25 2 (180)	1 2 3 8 9 (182)
Government Auditors	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	26 2 (180)	1 2 3 8 9 (182)
Agricultural extension Services	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	27 2 (180)	1 2 3 8 9 (182)
Supplies Offices	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	28 2 (180)	1 2 3 8 9 (182)
Local Government Authorities(Municipal, County, Urban, Town Council)	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	29 2 (180)	1 2 3 8 9 (182)
Labor Unions	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	30 2 (180)	1 2 3 8 9 (182)

Ministry of labor	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	31 2 (180)	1 2 3 8 9 (182)
Court Prosecutions	1 2 9 (417)	1 2 3 4 5 9 (179)	1 2 3 4 5 9 (179)	1 2 9 (418)	_____Ksh each case (419)	32 2 (180)	1 2 3 8 9 (182)

4.2 Public Electricity Supply (Kenya Power and Lighting Company), Water Supply and Telephone Service (Telecom Kenya)

	Public Electricity Supply	Water Supply	Telephone Service
Is your firm connected to ...?	1 yes (code 0 if not)	1 yes (code 0 if not)	1 yes (code 0 if not)
On average, how many hours in a day does your firm suffer from service interruption?	Hours/day	Hours/day	Hours/day
Does your firm own a generator, a water pump because of unreliable or fluctuating supply?	_1 yes (code 0 if not)	1 yes (code 0 if not)	_1 yes (code 0 if not)
During the past year, how much did your firms spend on operating electricity generators?	_____ Ksh	_____ Ksh	_____ Ksh
On a scale from 1 to 5, where 1 means never; 2 seldom; 3 sometimes; 4 most times and 5 always, how often do households, like yours, get connected unofficially to...?	1,2,3,4,5,9	1,2,3,4,5,9	1,2,3,4,5,9
On a scale from 1 to 5, where 1 means never; 2 seldom; 3 sometimes; 4 most times and 5 always, how often do households, like yours, pay their bills through unofficial channels?	1,2,3,4,5,9	1,2,3,4,5,9	1,2,3,4,5,9
How reliable is the supply? 1. Very unreliable 2. Unreliable 3. Somewhat reliable 4. Reliable 5. Very reliable	1,2,3,4,5,9	1,2,3,4,5,9	1,2,3,4,5,9
Does the payment of gratification guarantee reliability of service?	_1 yes (code 0 if not)	1 yes (code 0 if not)	_1 yes (code 0 if not)
Can you have your bills reduced through payment of gratification?	_1 yes (code 0 if not)	1 yes (code 0 if not)	_1 yes (code 0 if not)
How much on average do you pay per month on gratifications?	_____ Ksh	_____ Ksh	_____ Ksh

4.3 (a) Does your firm use mobile phones (167)
1: YES
2: NO ⇒ skip to (e)

(b) If yes, please state the primary reason: (168)
3: No public service available
4: More convenient than land phone
5: More reliable than land phone
6: Other

4.4 Does your firm have internet access? (169)
1: YES
2: NO

PART 5. RULES AND REGULATIONS

5.1 How difficult is it in general, to obtain information on the laws and regulations affecting your firm? (170)
 1. Extremely difficult to obtain 2. Difficult to obtain 3. Fairly easy to obtain 4. Easy to obtain or 5. Extremely easy to obtain 9. DK/NS

1	2	3	4	5	9
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5.2 “In general, laws and regulations affecting my firm, and their interpretation, are (171)
 1 Extremely inconsistent 2 Inconsistent, 3 Fairly consistent 4 Consistent, 5. Extremely Consistent? 9 DK/NS

1	2	3	4	5	9
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5.3 (a) Changes in rules, laws and regulations affecting your business are (172)
 1. Extremely unpredictable 2. Unpredictable 3. Fairly predictable 4 Predictable **OR** 5. Extremely predictable? 9 DK/NS

1	2	3	4	5	9
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(b) In the last three years, policies affecting your business have become (173)
1: much less predictable
2: somewhat less predictable
3: unchanged
4: somewhat more predictable
5: much more predictable
 9: I do not know

PART 6. LEGAL SYSTEM

6.1 The following are statements that people make about the judicial system in Kenya. Please tell me where your opinion lies? (If you agree more with the statement on the left, choose 1 or 2; if you agree more with the statement on the right, choose 4 or 5, where 2 and 4 mean “agree”, and 1 and 5 mean “completely agree”. If you do not agree with any of the statements, choose 3, which means “indifferent”. (INTERVIEWER MAKE SURE YOU ARE UNDERSTOOD AND HAND OUT CARD 6)

Card # 6

01. The judicial system does not deserve any trust	1 2 3 4 5 (174)	The judicial system deserves complete trust
02. The judicial system is totally dependent on the government	1 2 3 4 5 (175)	The judicial system is totally independent from the government
03. Laws in Kenya are applied only for poor people	1 2 3 4 5 (176)	Laws in Kenya are applied equally for everyone , rich or poor.
04. The judicial system is quite unfair .	1 2 3 4 5 (177)	The judicial system is quite fair .
05. The judicial system is <i>manipulated</i> by economic interests/	1 2 3 4 5 (178)	The judicial system is totally independent of economic interests.
06. The judicial system is more corrupt than the government.	1 2 3 4 5 (179)	The judicial system is less corrupt than the government.

6.2

- (a) Has your firm initiated a lawsuit against anyone in the last 3 years? (180)
- 1: YES
- 2: NO ⇒ skip to Q5.3
- 3:

- (b) Did you or anyone in your firm receive any indication that your firm was expected to make gratification (to a judge, prosecutor, enforcement officials or any other official involved in the case) in order to get a favourable decision in the case? (185)
- 1: Yes
- 2: No

For each case on average, how much did your firm have to pay to the following types of officials?
And of this payment how much was for gratification?

	Total payment to each type of officials	of the total payment, gratification?		
Bailiffs	_____ Ksh	_____ Ksh	(186)	(187)
Court clerks	_____ Ksh	_____ Ksh	(188)	(189)
Judges	_____ Ksh	_____ Ksh	(190)	(191)
Magistrates	_____ Ksh	_____ Ksh	(192)	(193)
Public Prosecutors	_____ Ksh	_____ Ksh	(194)	(195)
Legal Aid personnel	_____ Ksh	_____ Ksh	(196)	(197)
Local Court Justices	_____ Ksh	_____ Ksh	(198)	(199)
Messengers	_____ Ksh	_____ Ksh	(200)	(201)
Law enforcement officers	_____ Ksh	_____ Ksh	(202)	(203)

- (c) On average how long did the cases take to resolve? _____ months
(204)

- (d) How long did it take to resolve the worst case? _____ months
(205)

- (e) Based on your experience, are you likely to sue again?

1. Extremely unlikely 2. Unlikely 3. Fairly Likely, 4. Likely 5. Extremely likely 9.

DK/NS (206)

1	2	3	4	5	9
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6.3 (a) Please evaluate how important the following are as obstacles to using courts in Kenya. Please use a scale from 1 to 5 where 1 means “Not important at all”, (2) “Not so important”, (3) “Fairly important”, (4) “Important” and (5) “Extremely important”. 9 = DK/NS

	Not important at all	Not so important	Fairly important	Important	Extremely important	DK/NS
1. Too high official cost (207)	1	2	3	4	5	9
2. Too high unofficial cost (215)	1	2	3	4	5	9
3. Court decisions influenced by corruption (208)	1	2	3	4	5	9
4. Incompetent judges (209)	1	2	3	4	5	9
5. Too long process (210)	1	2	3	4	5	9
6. Too complex process (211)	1	2	3	4	5	9
7. Lack of effective enforcement of court decision (212)	1	2	3	4	5	9
8. Courts are too far (213)	1	2	3	4	5	9
9. other; specify _____ (214)	1	2	3	4	5	9

During the past three years, has your firm ever felt the need to use the court system, but decided not to?

- 1: Yes
- 2: No

6.4

(a) During the past three years, has your firm solved an important dispute without going to formal courts (for example, using traditional leaders or a mediator, etc.)?

- 1: YES
- 2: NO ⇒ Skip to Q7.1

(b) If yes, please indicate whether you used any of the following methods.

- Lawyer without going to court 1: YES 2: NO .. (217)
- Formal Mediator/ Arbitrator 1: YES 2: NO .. (218)
- Traditional leaders 1: YES 2: NO (219)
- Friend/family 1: YES 2: NO .. (220)
- Government Official 1: YES 2: NO .. (221)
- Respected member of business community 1: YES 2: NO (222)
- Other respected member of society 1: YES 2: NO (223)
- Security firm 1: YES 2: NO .. (224)
- Member of my business association or chamber 1: YES 2: NO (225)
- (X) Others; specify (226)

PART 7. FINANCIAL SECTOR SERVICES AND CORPORATE GOVERNANCE

7.1 Below is a list of sources of financing business enterprises. Please identify the three main financing sources' share (percentage) of your firm's financing over the last year

- (a) The main financing source.....1 2 3 4 5 6 7 8 9 10 11 12 _____% (227) (228)
- (b) The second main financing source.....1 2 3 4 5 6 7 8 9 10 11 12 _____% (229) (230)
- (c) The third main financing source1 2 3 4 5 6 7 8 9 10 11 12 _____% (231) (232)

Card # 19

- 1: Internal funds/Retained earnings
- 2: Own money
- 3: Local commercial banks
- 4: Foreign banks
- 5: Family/friends
- 6: Moneylenders, traditional or informal sources
- 7: Supplier credit
- 8: Leasing arrangement
- 9: Equity, sale of stock
- 10: Investment Funds/Special Development Finance
- 11: Other State Sources
- 12: Other (specify):

7.2 How often does your firm use bank accounts (rather than cash) for business transactions?..... (233)

- 1: never
- 2: seldom
- 3: frequently
- 4: most of the times
- 5: always
- 6:

7.3 How long does the government take to pay its dues?
 _____ months (241)

7.4 Can a firm like yours facilitate/ expedite this process by paying a gratification?. (242)

- 1: YES (how much?)
- 2: NO

7.5 Does your firm use international accounting standards (IAS)? (243)

- 1: YES
- 2: NO

7.6 Does your firm provide its shareholders with annual financial statements that have been audited by an external auditor? (244)

- 1: YES
- 2: NO

7.7 Recognizing the difficulties many enterprises face in fully complying with taxes and regulations, what percentage of total sales would you estimate the typical firm in your area of activity reports for tax purposes? _____%

7.8 Have you been asked to make an illegal payment in order to expedite tax payments? (247)

- 1: YES (% of the tax amount).....
- 2: NO

PART 8. GOVERNMENT BUREAUCRACY

8.1 In operating your business today, which government requirements are the most difficult to meet? (249) (250)

- #1 _____
- #2 _____

8.2 (a) Do you use any facilitators (accountant, tax advisor, lawyer, agent, etc.) to assist you with government regulations? (251)

- 3: YES
- 4: NO ⇒ skip to Q7.4

(b) If yes, what is the annual cost of using these facilitators?..... _____ Ksh (252)

8.3 What percentage of senior management’s time per month is spent in dealing with government officials about the application and interpretation of laws and regulations? (253)

- 1. None 2. 1-5% 3. 6-10% 4. 11-20% 5. Above 20%; 9 I do not know

1	2	3	4	5	9
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8.4 What is the average cost that your firm paid for security per month during the last year? (254)

..... _____ Ksh

8.5 (a) During the last three years, did you decide not to make an investment in Kenya that you had planned? (255)

- 5: Yes
- 6: No

(b) If Yes, why? _____ ... (256)

8.6 Do firms in your line of business usually know in advance how much this ‘gratification’ is?. (262)

- 1. Never 2. Seldom 3. Frequently 4. Most times 5. Always 9. DK/NS

1	2	3	4	5	6	7	8	9
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8.7 “If a firm pays the required “gratification” is the service delivered as agreed.“ (263)

- 1. Never 2. Seldom 3. Frequently 4. Most times 5. Always 9. DK/NS

8.8 When gratification is required, which one of the following occurs most frequently?..... (264)

- 1: A government agent indicates or asks for payment
- 2: The enterprise offers a payment of its own accord
- 3: It is known beforehand how to pay but how much to pay is discussed
- 4: It is known beforehand how much to pay but how to pay is discussed.
- 5: It is known beforehand how to pay and how much to pay, but when to pay is discussed.
- 6: It is known before hand how to pay, how much to pay and when to pay, so it is not discussed.

8.9 In your opinion, how significant is the adverse effect of the following forms of corruption on the country's business environment?

	1= Completely insignificant; 2= Insignificant; 3= Fairly significant; 4= Significant; 5= Completely significant; 9= DN/NS
01. Bribes to Bank officials to ensure favourable treatment	1 2 3 4 5 9 (265)
02. Bribes to Parliamentarians to ensure specific interests are favoured by law	1 2 3 4 5 9 (266)
03. Bribes to public officials to ensure favourable executive decisions	1 2 3 4 5 9 (267)
04. Bribes to members of special regulatory Commissions to influence decisions for private interest	1 2 3 4 5 9 (268)
05. Bribes to authorities in departmental or municipal councils to favour private interests	1 2 3 4 5 9 (269)
06. Bribes to High Court authorities to distort judicial decisions for private interest.	1 2 3 4 5 9 (270)

8.10 How much influence/control do the following actors have over Government authorities to ensure favourable decisions for private interests?

	1= No influence; 2= Little influence; 3= Moderate influence; 4= Significant influence; 5= Complete influence; 9= DK/NS
01. Economic Groups	1 2 3 4 5 9 (271)
02. Workers' Unions	1 2 3 4 5 9 (272)
03. Civil Society Groups	1 2 3 4 5 9 (273)
04. Multi-national Companies	1 2 3 4 5 9 (274)
05. Drug Traffickers	1 2 3 4 5 9 (275)
06. Political Party Executives	1 2 3 4 5 9 (276)
08 Others (specify)	1 2 3 4 5 9 (277)

8.11 How frequently do you think they use illegal payments to influence decision-making?

	1= Never; 2= Seldom; 3= Sometimes; 4= Most times; 5= Always; 9= DK/NS
01. Economic Groups	1 2 3 4 5 9 (271)
02. Workers' Unions	1 2 3 4 5 9 (272)
03. Civil Society Groups	1 2 3 4 5 9 (273)
04. Multi-national Companies	1 2 3 4 5 9 (274)
05. Drug Traffickers	1 2 3 4 5 9 (275)
06. Political Party Executives	1 2 3 4 5 9 (276)
08 Others (specify)	1 2 3 4 5 9 (277)

8.12 How frequently do you think companies make provisions like political contributions to a party or movement during a political campaign?

1. Never 2. Seldom 3. Sometimes 4. Most times 5. Always 9. DK/NS (278)

1	2	3	4	5	9
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8.13 How important do you think making these contributions to the political system is for the growth of the private business?..... (279)

1. Not important at all 2. Somewhat unimportant 3. Fairly important 4. Important
5. Extremely important

1	2	3	4	5	9
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- 8.14 As far as you know, has your enterprise ever been required to contribute anything to the ruling political party or any other political party in order to receive favourable treatment?
- (a) In the last 6 years (370)
1. YES
2. NO
- (b) During the last election campaign..... (371)
1. YES
2. NO

PART 9. PUBLIC PROCUREMENT

9.1 How often are contracts relating to government procurement awarded in a clear and efficient manner. (364)

1. Never 2. Seldom 3. Sometimes 4. Most times 5. Always 9. DK/NS.....

1	2	3	4	5	9
---	---	---	---	---	---

9.2 Has your firm made sales to the state sector over the last three years ? (365)

1:Yes (specify % of total sales) % of total sale
2: No (record zero %)

9.3 How important are the following obstacles to doing business with the government:

	Not important at all = 1 Not so important = 2 Fairly important = 3 Important = 4 Completely important = 5 DK/NS = 9						
Too complex process	1	2	3	4	5	9	(364)
Too much competition	1	2	3	4	5	9	(365)
Requirement of gratification	1	2	3	4	5	9	(366)
Too much inefficiency	1	2	3	4	5	9	(366)
Other: specify _____	1	2	3	4	5	9	(367)

- 9.4 (a) When firms in your industry do business with the government, what proportion of procurement contracts involve any gratification? (366)
- % of procurement
- (b) How much of the contract value must they offer in addition or gratification to secure the contract? (367)
- % of the contract value
- (c) In many countries, it is common that in invoice process, firms make gratification to receive payments. What proportion of invoice processes involve this type of gratification?

3. poor economic policies, such as privatization.	1 2 3 4 5 9	(352)
4. low salary of public officials	1 2 3 4 5 9	(353)
5. lack of transparent and accountable political process	1 2 3 4 5 9	(354)
6. lack of independent and effective Judiciary	1 2 3 4 5 9	(355)
7. lack of independent and effective media	1 2 3 4 5 9	(356)
8. lack of effective corruption reporting system	1 2 3 4 5 9	(357)

10.3 Please indicate your views about the performance and integrity of various public institutions. Answer on a scale from 1 to 5, where 1 corresponds to “very inefficient” or “very dishonest” and 5 corresponds to “every efficient” and “very honest”. 9 is “I don’t know”.

Interviewer: Show card #8.

Card #8

	Performance 1=“very inefficient” 2= “modestly inefficient” 3= “fairly efficient” 4= “efficient” 5=“very efficient” 9= DK/NS	Integrity/honesty of the institutions 1=“very dishonest”; 2=modestly dishonest; 3= modestly honest; 4= honest; 5=“very honest” 9=“I don’t know”	
Public health services	1 2 3 4 5 9	1 2 3 4 5 9	(429)
Public education services	1 2 3 4 5 9	1 2 3 4 5 9	(330)
National Registration Office (?)	1 2 3 4 5 9	1 2 3 4 5 9	(334)
Traffic Police	1 2 3 4 5 9	1 2 3 4 5 9	(335)
Police excluding traffic Police	1 2 3 4 5 9	1 2 3 4 5 9	(336)
Registrar of Companies / Societes	1 2 3 4 5 9	1 2 3 4 5 9	(337)
Customs Department	1 2 3 4 5 9	1 2 3 4 5 9	(339)
IncomeTax Department	1 2 3 4 5 9	1 2 3 4 5 9	(340)
VAT Department	1 2 3 4 5 9	1 2 3 4 5 9	(341)
Immigration office	1 2 3 4 5 9	1 2 3 4 5 9	(342)
Judges/Court officials	1 2 3 4 5 9	1 2 3 4 5 9	(343)
Water & Sewerage	1 2 3 4 5 9	1 2 3 4 5 9	(344)
Kenya Power & Lighting Company	1 2 3 4 5 9	1 2 3 4 5 9	(345)
Mobile Telephone Companies	1 2 3 4 5 9	1 2 3 4 5 9	(346)
Telcom Kenya Ltd	1 2 3 4 5 9	1 2 3 4 5 9	(347)
Postal Services	1 2 3 4 5 9	1 2 3 4 5 9	(348)
Pensions	1 2 3 4 5 9	1 2 3 4 5 9	(349)
Tender Boards	1 2 3 4 5 9	1 2 3 4 5 9	(352)
Kenya Commercial Bank	1 2 3 4 5 9	1 2 3 4 5 9	(353)
National bank of Kenya	1 2 3 4 5 9	1 2 3 4 5 9	(354)
Cooperative Bank of Kenya	1 2 3 4 5 9	1 2 3 4 5 9	(355)
Department of Civil Registration	1 2 3 4 5 9	1 2 3 4 5 9	(356)
Land allocation	1 2 3 4 5 9	1 2 3 4 5 9	(358)
National Housing Corporation	1 2 3 4 5 9	1 2 3 4 5 9	(359)
Motor Vehicle Registration Department	1 2 3 4 5 9	1 2 3 4 5 9	(360)
Teachers Service Commission	1 2 3 4 5 9	1 2 3 4 5 9	(361)
Public Service Commission	1 2 3 4 5 9	1 2 3 4 5 9	(362)
Judicial Service Commission	1 2 3 4 5 9	1 2 3 4 5 9	(363)
Probation & After Care Department	1 2 3 4 5 9	1 2 3 4 5 9	(364)
Provincial Administration	1 2 3 4 5 9	1 2 3 4 5 9	(366)
National Assembly	1 2 3 4 5 9	1 2 3 4 5 9	(367)
Prisons Department	1 2 3 4 5 9	1 2 3 4 5 9	(368)
District Accountants	1 2 3 4 5 9	1 2 3 4 5 9	(369)

Government Auditors	1 2 3 4 5 9	1 2 3 4 5 9	(370)
Public Trusts	1 2 3 4 5 9	1 2 3 4 5 9	(371)
Agricultural extension Services	1 2 3 4 5 9	1 2 3 4 5 9	(372)
Supplies Offices	1 2 3 4 5 9	1 2 3 4 5 9	(373)
National Hospital Insurance Fund	1 2 3 4 5 9	1 2 3 4 5 9	(374)
National Social Security Fund	1 2 3 4 5 9	1 2 3 4 5 9	(375)
Non – Governmental Organizations	1 2 3 4 5 9	1 2 3 4 5 9	(375)
Local Government Authorities(Municipal, County, Urban, Town Council)	1 2 3 4 5 9	1 2 3 4 5 9	(375)
Churches/ Religious Bodies	1 2 3 4 5 9	1 2 3 4 5 9	(375)
Labour Unions	1 2 3 4 5 9	1 2 3 4 5 9	(375)
Ministry of labour	1 2 3 4 5 9	1 2 3 4 5 9	(375)
Court Prosecutions	1 2 3 4 5 9	1 2 3 4 5 9	(375)

10.4 Please tell me whether you think the public institutions listed below have helped in combating corruption in Kenya. Rate on a scale of 1 to 5, where 1 means, “not helped at all”, 5 means “helped a lot”; 9 means I do not know.

Card #9

	Contribution of public institutions to fighting crime: 1= not helped at all; 2=not helped; 3= helped a bit; 4= helped; 5= helped a lot; 9= I do not know
Courts	1 2 3 4 5 (377)
Members of Parliament	1 2 3 4 5 (378)
Anti-Corruption Commission	1 2 3 4 5 (379)
Police	1 2 3 4 5 (380)
Armed Forces/Military	1 2 3 4 5 (381)
Media (Print and TV)	1 2 3 4 5 (382)
Non-Government Organizations	1 2 3 4 5 (383)
Academics and Teachers	1 2 3 4 5 (384)
Churches/Religious bodies	1 2 3 4 5 (385)
Professional Associations Accountants, Lawyers, etc.)	1 2 3 4 5 (386)
Attorney-General	1 2 3 4 5 (387)
Auditor-General	1 2 3 4 5 (388)
Public Accounts Committee	1 2 3 4 5 (389)

Corruption reporting system.

- 10.5 Do you know what process to follow in reporting a corrupt act by a public official or another company?
 1 Yes 2 No..... (390)
- 10.6 During the past three years, have you ever observed a corrupt act? (391)
 1 Yes 2 No
- 10.7 During the past three years, have you or anyone in your company reported a corrupt act? ... (392)
 1 Yes 2 No
- 10.8 How would you evaluate the process of corruption reporting? Please answer on a scale of 1 to 5, where 1 corresponds to “completely disagree” and 5 corresponds to “completely agree”.

	Statements on corruption reporting process. 1=completely disagree; 2= disagree; 3= indifferent; 4= agree; and 5= completely agree.					
The process is very effective	1	2	3	4	5	(393)
The process is very simple	1	2	3	4	5	(394)
The reporter is well protected from potential harassment	1	2	3	4	5	(395)

10.9 Please tell me how much each one of the following reasons affects the decision not to report a case of corruption. Use the scale of 1 to 5, where *1 means it does not affect at all and 5 that it affects a lot.*

Interviewer: Show card #10.

	Does not affect at all	Affects a little	indifferent	Affects	Affects a lot
Not knowing where to report (396)	1	2	3	4	5
Cases cannot be proved (397)	1	2	3	4	5
The process is too complex and long (398)	1	2	3	4	5
Corruption is a custom (399)	1	2	3	4	5
Bribes can be justified under the current economic situation (400)	1	2	3	4	5
Investigations cannot be made about the report (401)	1	2	3	4	5
There would be no enforcement even if the decision is made (402)	1	2	3	4	5
Concern about potential harassment and reprisal (403)	1	2	3	4	5

10.10 Are you a member of a business organization or similar?

(406)

Yes
No

10.11 If yes, does your organization carry out activities in support of good governance?

Yes, please give some examples
No

10.12 In many of the countries in the world, there are known to be different actors and groups in the private sector that apply pressure on the government through the payment of bribes to further their own interests. Using a scale from 1 to 5, tell me to what extent the following forms of corruption have a significant impact on the business environment of this country:

Forms of Corruption	No influence 1: Insignificant influence = 2 Moderate influence = 3: Significant influence=4 Complete influence = 5 DK = 9
1. Bribes to employees of the Central Bank in order to ensure that their personal interests are favoured by bank decisions	1 2 3 4 5 9 (375)

2. Bribes to elected representatives to ensure that particular laws favour their interests	1	2	3	4	5	9	(376)
3. Bribes to public officials to ensure that presidential or ministerial decisions favour their interests	1	2	3	4	5	9	(377)
4. Bribes to regulatory commission officials or supervising agencies to ensure specific group interest	1	2	3	4	5	9	(378)
5. Bribes directed to the authorities to reverse a ruling or decision and benefit particular interests	1	2	3	4	5	9	(379)
6. Public officials hiring their friends and relatives into official positions	1	2	3	4	5	9	(380)

10.13 How many % points of your company's annual income would you be prepared to pay, to help:

- a) eliminate corruption? % Don't Know 9
- b) eliminate crime? % Don't Know 9
- c) eliminate excessive regulations? % Don't Know 9

PART 11. RESPONDENT'S VIEW OF PUBLIC SERVICE REFORMS

11.1 (a) How supportive would you be of the following types of public sector reforms? Please answer on a scale of 1 to 5, where 1 corresponds to "completely unsupportive"; 2 unsupportive; 3 fairly supportive; 4 supportive; 5 completely supportive; and 9 I do not know.

- (i) Establishing a living wage for public employees(1) (2) (3) (4) (5) (9) (419)
- (ii) Establishing personnel management system in the public sector, where compensation and promotions are specifically based on performance(1) (2) (3) (4) (5) (9) (420)
- (iii) Reduction in government workforce, if it allows an increase in salary and benefits for remaining government workers(1) (2) (3) (4) (5) (9) (421)
- (iv) Administrative decentralization of the state, delegating operative functions of the national government to local governments.....(1) (2) (3) (4) (5) (9) (422)
- (v) Privatization of public services, such as a setup of Joint Stock Company ..(1) (2) (3) (4) (5) (9) (423)
- (vi) Greater oversight of government functions by the general public and civil society(1) (2) (3) (4) (5) (9) (424)
- (vii) Regular declaration of assets of public officials(1) (2) (3) (4) (5) (9) (425)

- (b) Among the 7 reform measures above, which one would you prefer above others?..... (426)
- 1: living wage
 - 2: merit-based personnel management system
 - 3: reduction in government workforce combined with salary increase
 - 4: decentralization
 - 5: privatization of public service
 - 6: oversight by the public
 - 7: declaration of assets by public officials

11.2 In your view, does the government have the support of public officials and the general public in implementing public sector reforms? Please answer on a scale from 1 to 5, where 1 corresponds to “completely disagree”; 2 disagree; 3 indifferent; 4 agree; 5 corresponds to “completely agree”; and 9 I do not know.

- (a) full support from public officials(1) (2) (3) (4) (5) (9) (427)
- (b) full support from the general public(1) (2) (3) (4) (5) (9) (428)

11.3 If you were in a position of responsibility and you could do something to fight corruption in Kenya,

- (a) What would be the first thing you would do? (429)
- (b) To which institution will you give more power to fight corruption? (430)
- (c) To which institution will you give more power to fight corruption?.....(431)

11.4 Do you have any additional comments on this survey? (417)

Post-Interview Information

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

..... Finish Time: ____: ____
(551)

Overall, would you say that the respondent’s reaction to the interview was positive?
1=very negative 5=very positive (1) (2) (3) (4) (5) ... (552)

Overall, how sincere did the respondent seem to be in his/her answers?
1=very insincere 5=very sincere (1) (2) (3) (4) (5) ... (553)

THE SURVEY ENDS HERE. THANK YOU FOR YOUR COOPERATION.