

Kenya School of Government

Corruption as a deterrent to Institutional Capacity



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'I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live up to what light I have.'

Abraham Lincoln

“Everyone has the right of equal
access to public
service in his country”

Article 21(2) of the
Universal Declaration of Human
Rights.

Article 25(1), of the Universal Declaration of Human Rights:

“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control”.

Institutional capacity

“The capability of an institution to set and achieve social and economic goals, through knowledge, skills, systems, and institutions”.

-United Nations Development Programme (UNDP) & United Nations Disaster Risk Reduction Offices (UNISDR)

Transparency International defines corruption as "abuse of entrusted power for private gain".

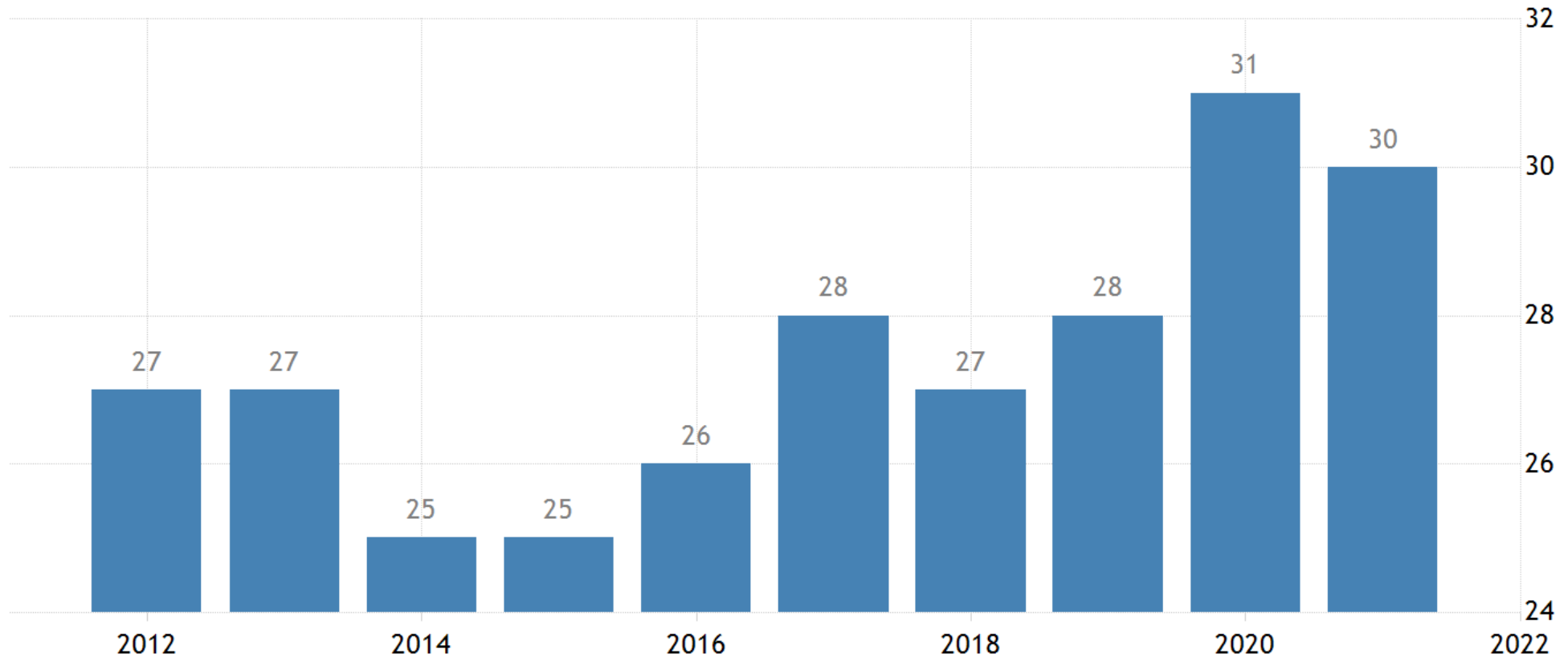
Corruption often leads to:

- a. Failures in the service delivery
- b. Breach of trust, violation of human rights
- c. Deteriorating democracy
- d. Slowed down economic growth
- e. Increased inequality in society
- f. Higher levels of poverty and disease
- g. Injustice and even death.

Global Governance Indicators

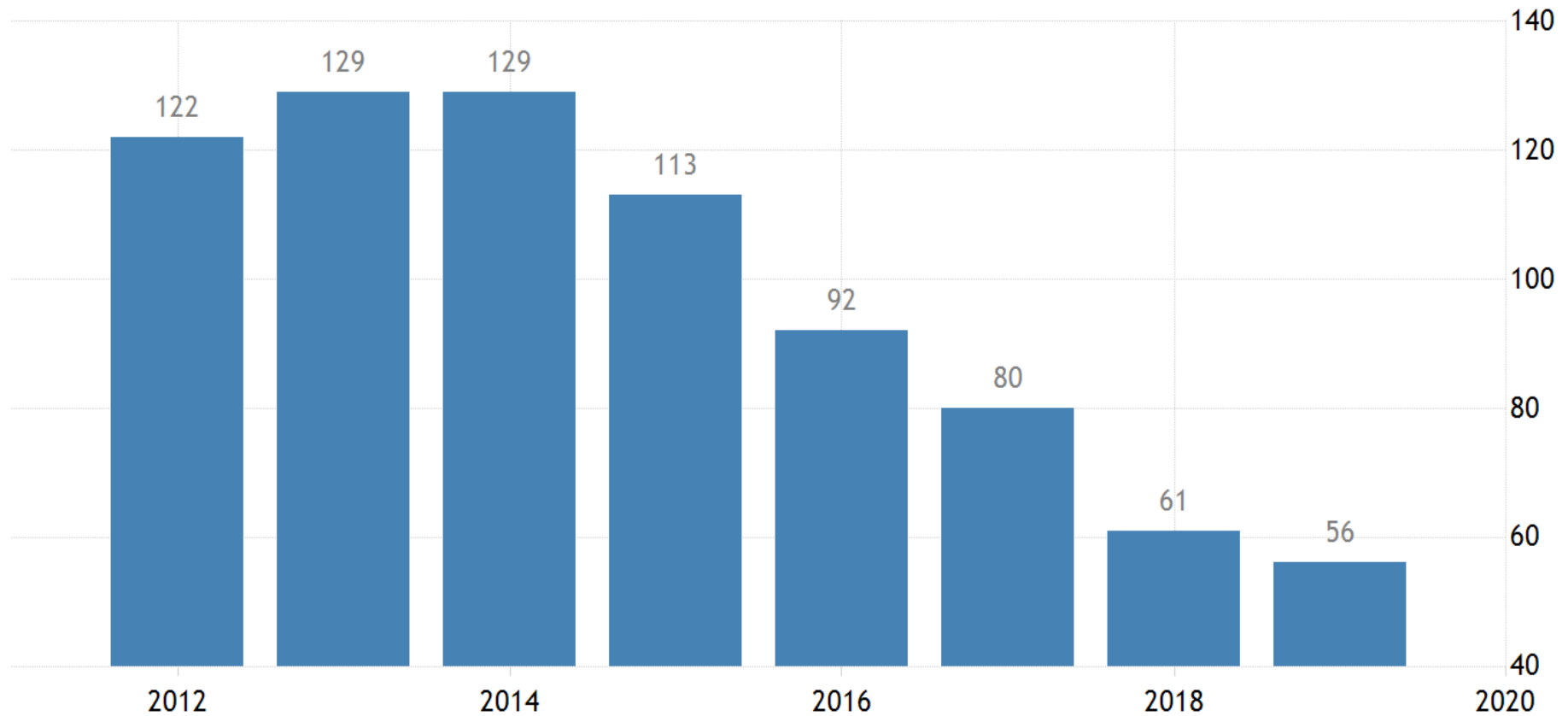
1. Global competitiveness
2. Ease of doing business
3. Transparency international ranking
4. Happiness index
5. Human development index
6. Country reports –EACC,CAJ,PSC, etc.

Kenya's 2021 Corruption perception index (TI) -30/100



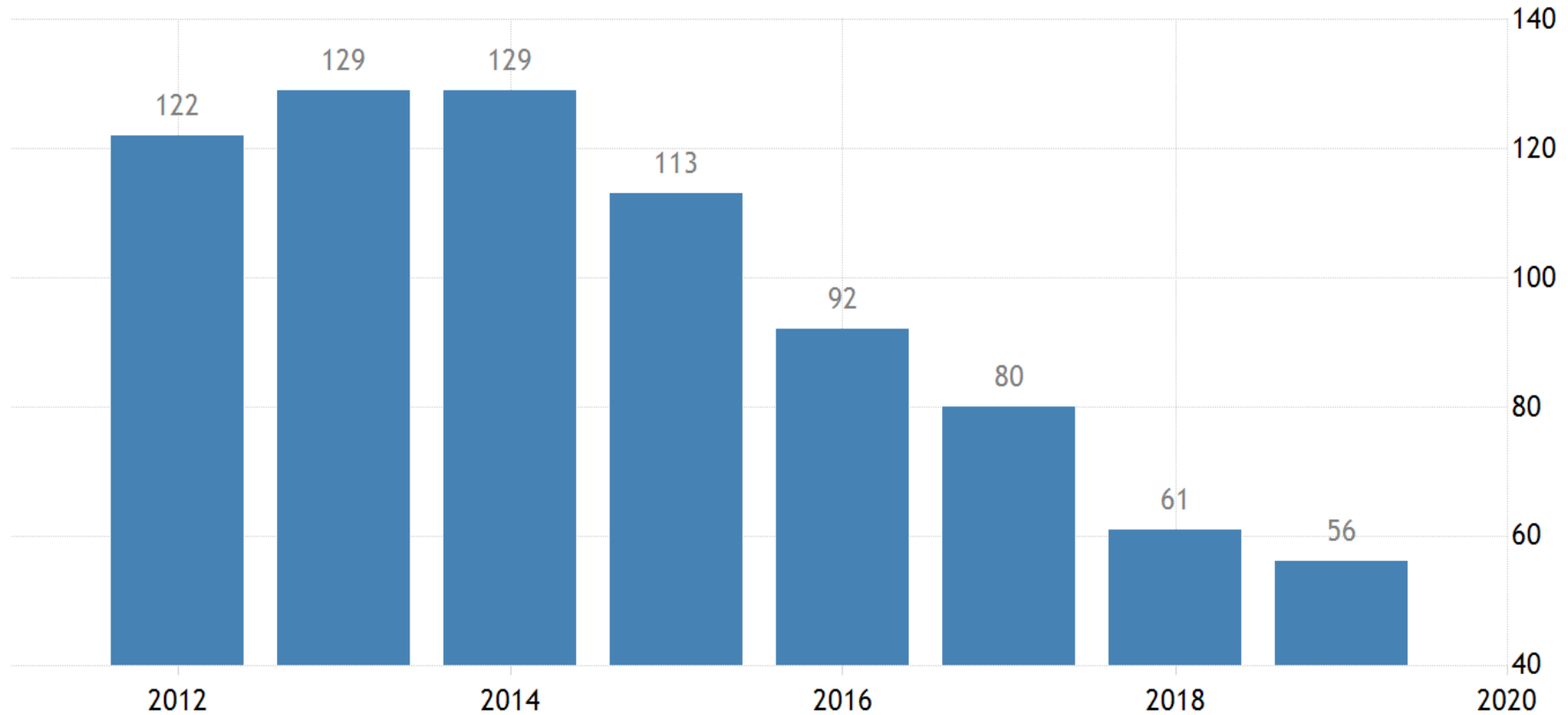
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Kenya's 2021 Ease of doing Business Index 56/100



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Kenya's 2019 Competitive Index (54.14/100)



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Principal-Agency Theory and corruption

Corrupt officials are likely to use their authority to maximize personal interests at the expense of those of their Principals.

SELF FULFILLING PROPHECY



*People tend to
behave as you
expect they will*

What do you think?

What do you think?

Consequences of corruption

Corruption has negative effects on the functioning, financing, motivating, monitoring, controlling in an organization

It affects human resource management, information management, financial resource management, capital (infrastructure) management

Consequences of corruption

Increased

1. Cost of external financing (cost of debt, cost of equity financing)
2. Disruption in business contracts
3. Losses from non-enforcement of financial contracts
4. Cost of doing business
5. Investor loss of confidence
6. Shrinks state revenues and reduces government ability to deliver on its mandate.

Why do we need ethical leaders?

They...

1. Model excellence
2. Create a sense of stability
3. Develop in staff a sense of trust, loyalty and belonging
4. Draw respect from staff and community
5. Motivate staff to give their best
6. Are reliable in times of crisis
7. Reduce organizational instability from scandals and financial loss.
8. Are the ethical barometer in an organization

How do we create ethical staff?

1. Make your values known to all.
2. Select ethical employees and business partners.
3. Agree on the desired employee behaviors and make them non-negotiable.
4. Set the pace-walk the talk.
5. Do not set employees up to fail. Set realistic targets.
6. Communicate and listen to them.
7. Involve them in decisions that affect their lives.

How do we create ethical staff?

1. Involve them in identifying any challenges and working out ways of dealing with them
2. Constantly discuss your organization's purpose and vision
3. Be a beacon, inspiring them to achieve
4. Deliberately shape your organizational culture to reflect expectations
5. Leverage on existing talent and diversity,
6. Hold meetings to engineer initiatives driving change and innovation.
7. Celebrate your achievements together.

United Nations Convention Against Corruption in a nutshell

1. Preventive measures
2. Criminalization and law enforcement
3. International cooperation
4. Asset recovery, and technical assistance and
5. Information exchange.

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UNCAC signed by 140 out of 195 countries in the world.

Thank you