University of Malawi

Centre for Social Research

FINAL REPORT

GORVERNANCE AND CORRUPTION SURVEY 2010

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ABBREVIATIONS

ACB	Anti-Corruption Bureau
ADMARC	Agricultural Development and Marketing Corporation
ADR	Alternative Dispute Resolution
AIDS	Acquired Immuno deficiency Syndrome
CSR	Centre for Social Research
EA	Enumeration Area
ESCOM	Electricity Supply of Malawi
IFES	International Federation of Electoral Systems
IMF	International Monetary Fund
ISIC	International Standard Industrial Classification
MANEB	Malawi National Examination Board
MARDEF	Malawi Rural Development Fund
MASAF	Malawi Social Action Fund
MBC	Malawi Broadcasting Corporation
MCG	Millennium Consulting Group
MHC	Malawi Housing Corporation
MPs	Members of Parliament MRA
	Malawi Revenue Authority
MRFC	Malawi Rural Finance Company
NSO	National Statistical Office
ODPP	Office of the Director of Public Procurement
PPS	Probability Proportional to Size
SAFC	Southern Africa Forum against Corruption
SPSS	Statistical Package for Social Scientists
TA	Traditional Authority
YEDF	Youth Enterprise Development Fund

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EXECUTIVE SUMMARY

Introduction

The Malawi Governance and Corruption Survey 2010 was carried out as a follow up to the baseline carried out in 2006. The baseline survey formed the benchmark for monitoring the patterns and trends of governance and corruption by the Anti-Corruption Bureau as part and parcel of concerted anticorruption efforts. The 2010 survey was therefore carried out as an integral part of the efforts of monitoring patterns and trends of governance and corruption since the inaugural survey was conducted in 2006.

It was envisaged that the survey results would provide the basis for assessing the overall efficacy of the Government's anticorruption initiatives as well as identifying sectors with serious problems of corruption. These results would therefore provide the basis for formulating and implementing policies and programmes to improve governance as a strategic framework for controlling, if not curbing corruption altogether. The patterns and trends of governance and corruption discerned in the survey are expected to inform and guide systematic efforts to curb corruption.

Methodology

The governance and corruption survey is composed of three modules, namely: Household, Business Enterprise and Public Officials. These modules overlap a great deal in terms of the questions that are posed to the respondents while there are at the same time a set of questions specific to each module. In the 2010, the Household Survey comprised of 1120 respondents, the Business Enterprise Survey 562 respondents and the Public Officials Survey 517 respondents.

These modules were initially developed by the World Bank but they have been systematically customized to the local conditions and circumstances as a means of domesticating the anticorruption initiatives that would be informed by the resultant patterns and trends of governance and corruption. In selecting the respondents in all the modules, rigorous statistical procedures were followed to ensure that the samples were representative enough and the results valid and reliable.

The data was collected by a team of 30 Research Assistants who were highly trained in the survey protocols of each of the three modules for a period of 10 days facilitated by the Principal Investigators. In addition, the training of the Research Assistants included pre-testing of the survey instruments to ensure that any misunderstandings and anomalies were ironed out before embarking on the main phase of the survey work.

The data from the three modules was captured using s CSPro 3.3 programme which was later imported into SPSS version 16 for preliminary analysis. This facilitated the identification of errors which were corrected accordingly. Both SPSS and Excel were used to produce graphs and tables modeled as much as possible on the 2006 baseline survey report.

Findings

Service Quality, Performance and Integrity of Public Institutions

Both households and businesses rated the quality of services of key public agencies as generally low as was the case in 2006. There were, however, some interesting overlaps between households and businesses in their evaluation of the performance of the public agencies. They both rated Immigration Department, Administrator General and Traffic Police among the five least performing public agencies whereas Malawi Postal Services and the Malawi Social Action Fund (MASAF) were rated amongst the top five performing public agencies.

There has generally been some improvement in the rating of public agencies among businesses compared to the 2006 survey results. While in 2006 only 5 out of 28 institutions evaluated by businesses registered an overall positive rating, the number has increased to 20 in 2010. There has not been any change on the part of households. Out of the 24 institutions evaluated, 16 received an overall positive rating just as was the case in 2006.

There has not been any significant change in households' and businesses' rating in terms of honesty and integrity. In both surveys, households and businesses have consistently rated Political Parties, Members of Parliament (MPs) and Traffic Police as the least honest. It is, however, important to note that the Electricity Supply Commission of Malawi (ESCOM) is amongst one of the five least performing institutions when in 2006 it was amongst the fairly honest institutions. The most honest institution among both households and businesses include the Malawi Postal Services. There is thus limited overlap between households and businesses in their assessment of public institutions in 2010 than was the case in 2006.

However, overall, there are significant improvements in the rating of the degree of honesty and integrity of public institutions between the two surveys. Out of the 37 public institutions assessed, households rated 30 of them positively in 2010 compared to 22 out of 32 in 2006. The magnitude on improvement has been quite substantial for businesses. Out of 32 public institutions evaluated in 2006, only 14 were rated positively compared to 30 out of 38 in 2010. This demonstrates that public institutions are progressively reclaiming the confidence of the public in their conduct, image and operations.

Just as in the 2006 survey, there is a positive correlation between the level of integrity of public institutions and their performance. This means that those institutions with higher levels of integrity have also higher levels of performance and vice versa. According to the results, ESCOM, Traffic Police, Immigration Department, Lands Department and Internal Procurement Committees are the least performers with corresponding levels of honesty and integrity. The Traffic Police and Immigration Department were in the same category in the 2006 survey.

Corruption and Development

Corruption is widely acknowledged as one of the major obstacles to development just as was the case in the 2006 survey. There is equally no difference between urban and rural residents. Up to 79% of the households cited corruption as a major constraint to development compared to 59% in 2006. There is basically consensus across the two surveys that corruption is one of the major constraints to the country's development.

Overall, corruption is considered as the major obstacle affecting the operation and growth of business in the country. Whereas in 2006 public sector corruption was ranked as the seventh obstacle at 23%, it has become the second most important obstacle at 39% in 2010. Furthermore, more than a quarter of the respondents (28.7%) consider private sector corruption as an obstacle affecting the operation and growth of businesses in Malawi. In the final analysis, therefore, 67% of businesses consider corruption as an obstacle affecting the operation and growth of businesses compared to 44% in 2006.

There is a total turnaround in the 2010 survey about households' perception of the impact of various corrupt acts on the welfare of their respective households. While in 2006 none of the corrupt acts were deemed to have significant impact on household welfare, the situation is entirely different in 2010. While all corrupt acts are considered detrimental to household wellbeing, nepotism in public institutions is considered as the corrupt act with the most significant impact with 77% of the respondents citing it; while contributions to political parties or campaigns ranked the least with 55% of the respondents worrying about it.

Public Officials just as in the 2006 survey stipulate a close relationship between corrupt acts and the overall health of the economy. The order of ranking of the impact of corrupt activities on the health of the economy has essentially remained the same although it is worth noting that nepotism in public institutions has moved from third to second in 2010. The Reserve Bank mishandling of funds was not an issue at all in 2006 but it is considered as the third most corrupt act undermining the health of the economy.

Seriousness and Frequency of Corruption

There is a slight decline in the perception of the seriousness and frequency of corruption among ordinary citizens today compared to 2006. While in 2006, 89% or 9 out of every 10 people believed that corruption was a serious problem, the proportion of such people has declined to 83% or 8 out of every 10 people. There is, however, a substantial decline in the proportion of people who believe the problem of corruption has worsened over the last ten years before the survey. In 2006, up to 70% of the households believed that the problem of corruption had worsened in the ten year period preceding the survey. This has declined to 52% in 2010. Thus while 7 out of every 10 people in 2006 believed that the problem of corruption had worsened, only 5 out of every 10 people believe so in 2010.

There is a significant improvement in the proportion of people who believe that the corruption situation has progressively become better. In 2006, only 2% felt that the situation had become better compared to 46% in 2010. The majority of the households (54%) feel that corruption is mostly perpetrated by public officials.

Slightly a quarter of businesses (27%) believe it is common to pay some gratification in order to get things done. The proportion of such businesses has essentially remained the same between 2006 and 2010. Just as was the case in 2006, businesses that have made sales to the public sector over the past two years were more likely to pay gratification in order to get things done than those who did not. The proportion of such businesses has essentially remained the same between 2006 and 2010 at 33%.

While delayed payment remains the most severe obstacle to doing businesses as established in 2006, there has been a complete turnaround of the rest of the factors. It is striking to note that the requirement for gratification has been displaced from the second to the fourth most important obstacle. The percentage of firms citing the requirement of gratification as a major obstacle to doing business with government has declined from 40% in 2006 to 25% in 2010.

Up to 78% of public officials believe that corruption was prevalent in government ten years ago compared to only 27% now. With reference to their particular organizations, 15% of the public officials believe that corruption was prevalent three years ago compared to 7% now. In both cases, there are some improvements compared to the baselines in 2006. The proportion of public officials with the perception that corruption was prevalent in government ten years before the survey has declined from 84% to 78% whereas the proportion of public officials with the perception about the incidence of corruption in their respective organizations three years before the survey has marginally declined from 30% to 27%. The proportions of public officials who believed that corruption was and is still prevalent have been halved in both cases. In 2006, the proportion of public officials who felt that corruption was prevalent in their respective organizations three years before the survey stood at 30% while those who felt so at the time of the survey stood at 13%.

The average percentage of salary that gratification represents for public officials in their respective organizations has increased from 23% in 2006 to 28% in 2010. There is, however, a great of variation in terms of the proportions of salary that represents gratification across the public sector organizations falling within the 18-43% range. This represents an increase in the practice of gratification since 2006 when the range for salary percentage for gratification represented was between 0 and 30%. Those working in the Malawi Revenue Authority (MRA) have a higher average estimate for the percentage of salary gratification at 43%.

The survey shows that on average 26% of the gratification is shared with superiors, 30% with colleagues and 15% with politicians or political party agents. The pattern of distribution of gratification is essentially the same as established in the 2006 survey. There is just a slight drop in the proportion of the gratification that is shared. In the 2006 survey, it was estimated that 73% of the gratification is shared out which has declined to 71% in 2010.

There is a noticeable decline in the proportion of public officials that feel jobs are obtained through gratification. While in 2006, 4 out of every 10 public officials felt that jobs were obtainable through gratification those feeling the same has declined to 2 out of every 10 public officials. This is further underscored by the fact that 66% of the public sector officials felt that the most qualified always or usually get the job. This is a huge change compared to the 2006 survey results. Only 44% felt that the most qualified applicants always or usually get the job. The improvement notwithstanding, the recruitment of less qualified personnel through gratification has significant implications for the performance and professionalism of the public officials.

Sources and Patterns of Corruption

While in most cases citizens and businesses believe that public officials ask for gratification, public officials indicated that households or businesses take the initiative to offer gratification for public services. There are some noticeable changes compared to the 2006 survey results. In this survey, citizens and public officials indicated that it was public officials who, in most cases, ask for gratification.

However, the major difference with the results of the 2006 survey is in terms of the perceptions of businesses. In 2006 about 30% of businesses felt households or businesses offer gratification to public officials compared to 20% in 2010. Most businesses estimated at 30% felt it is public officials who ask for gratification. The 2010 survey results may suggest changes in the perception about corruption as an integral part of public service transactions. The 2006 results implied that both businesses and public officials were proactive in creating an environment in which corruption thrived.

There are significant differences between the trends reported in the 2006 and 2010 surveys particularly in terms of proportions of businesses' interaction with public institutions that lead to requests for gratification. In the 2006 survey, it was only the postal corporation that reported less than 5% of its interaction with businesses leading to public officials requesting for gratification. Nearly half of the institutions surveyed reported contacts with businesses leading to requests for gratification in the range of 15-55%. In the 2010 survey, it is only three institutions reporting contacts with businesses leading to requests for gratification at 15% or above. The range has declined from 0 to 55% to 0 to 33%.

The top five institutions requesting gratification include Internal Procurement Committees, Traffic Police, General Police, Lands Department and the Road Traffic Commission. The list has essentially remained the same as in 2006 but even for these institutions the proportion of contacts leading to requests for gratification has substantially declined. The institutions associated with low or no requests for gratification include Malawi Bureau of Standards, Telephone Providers, Malawi Postal Corporation, MBC and National Roads Authority. It is important to note that contacts with Internal Procurement Committees are the major source of gratification with 33% of the businesses reporting that contacts with International Procurement Committees lead to requests for gratification.

Businesses are prepared to pay a mean percentage of additional taxes of 12% in order to eliminate corruption. The mean percentage is higher for registered businesses at 13% compared to unregistered businesses at 3%. Firms that have business relationships with the state are much more willing to pay higher additional taxes as a percentage of their revenue in order to eliminate corruption than those that do not. The mean average for average for firms with business relations with the state is 14% compared to 10% for those without. The pattern of the results is essentially the same between the 2006 and 2010 surveys. The major difference is that the mean averages are consistently higher across all the variables than they were in 2006.

When the 2010 results are compared to the 2006 results, there have been noticeable changes in the ranking of the factors which perpetuate corruption in the public sector. It is, however, important to note that low salaries and lack of effective incentive mechanisms have remained amongst the top three most important factors that perpetuate corruption in the public sector. In the 2006, low salaries and lack of effective incentive mechanisms were cited by 92% and 87% of public officials respectively. In the 2010 survey, low salaries and lack of effective incentive mechanisms were cited by 86.2% and 78.6% of the public officials respectively. This is further underlined by the fact that public officials are clearly dissatisfied with the public system reward system for outstanding professional achievements. While there is some improvement compared to 2006, still a fairly significant proportion of the public officials (49%) feel that they are not rewarded for excellent professional achievement.

The Judicial and Legal System

There has been tremendous improvement in the degree of satisfaction among businesses with the level of information on laws and regulations impacting them and the consistency in the application of these laws and regulations. A large proportion (63%) of business owners felt that it is very or somewhat easy to obtain laws and regulations affecting their businesses compared to only 38% in 2006 who indicated that this information was very or somewhat easy to obtain.

There is equally an improvement in the predictability of changes in rules and regulations affecting businesses. Up to 55% of the businesses indicated that their operative environment was completely or somewhat predictable up from 42% in 2006. There is further improvement in the businesses' perceptions of the consistency of general laws and regulations and interpretations affecting them. While in 2006 only 40% felt that the laws and their interpretation were consistently applied, the proportion reporting the same in 2010 has jumped to 70%. Thus, overall, the results show that when compared to the 2006 baselines, Malawi has made fairly significant progress in relation to easiness to obtain information on laws and regulations affecting businesses, predictability of changes in business rules and regulations, and consistency in the application and interpretation thereof of general business laws and regulations.

There has not been any improvement in the citizens' and registered businesses' access to the court system. Overall, the major obstacles to the use of the court system have not significantly changed for both citizens and registered businesses in the period between 2006 and 2010. In 2006, too long process, too high official costs and corruption were the top three obstacles for registered businesses which have essentially remained the same in 2010. The same can be said for citizens. The only difference is that unofficial costs were the main obstacle in 2006 while official costs are the main obstacle in 2010.

Registered businesses and ordinary citizens share similar views regarding Alternative Dispute Resolution (ADR) mechanisms. There was no significant difference between registered businesses (38%) and citizens (32%) in the use of ADR according to the 2010 survey results. This is different from the 2006 survey when the difference was significantly huge in which 13% of the citizens and 56% of registered businesses reported using ADR in resolving conflicts respectively. This, inter alia, shows that more ordinary people are now opting for ADR while an increasing number of businesses are ignoring it.

Education and Health Care

The majority of Malawians feel that the schools that their children attend are good or very good (68%). This shows an improvement in schools since the 2006 survey showed that Malawians were split on the quality of schools which their children attended. Similarly, irrespective of the type of school being referred to, the same proportion of respondents felt that the schools their children were attending were of good or very good quality. However, those who send their children to private and mission schools were more satisfied (82% and 75% respectively) than government schools (67%).

In general, the perception of households is that the education sector in Malawi, irrespective of whether it is private, mission or government has improved when compared to the 2006 survey results. The main negative observation, which needs close attention, is that the percentage of those paying gratification has increased from around 1% to 7%.

The comparison between the 2006 and 2010 survey results show that government, mission and private hospitals have been positively evaluated. Nonetheless, private and mission hospitals have been highly evaluated than government facilities. It is worth noting that private health facilities have shown a major improvement in the area of quality of medical staff from 71% in 2006 up to 90% in 2010.

The variations notwithstanding, the 2010 survey results show that Malawians in general are putting more confidence in the health sector in relation to quality of medical staff and facilities and more importantly gratification remains more or less non-existent in the health sector.

Public Utilities

Access to public utilities remains low in Malawi. Only 2% of the rural households are connected to electricity, 4% are connected to water supply and 0.3% have fixed telephone line. The situation is not significantly different in urban areas.

Unlike the 2006 survey results which showed a sizeable number of households that got connected to public utilities using unofficial channels, in 2010 there has been a significant reduction in the level of unofficial connections for both water and electricity. While in 2006, 30%

and 14% reported to have unofficially connected to electricity and water respectively, the proportions have been reduced to 3% and 0.9% respectively in 2010.

There has been a great decline in the degree of satisfaction with public utilities. Satisfaction with reliability of electricity supply has gone down from 82% in 2006 to 29% in 2010. Although the respondents were satisfied with the reliability of water supply, it too has gone down from 87% in 2006 to 77% in 2010. Overall, the satisfaction with the reliability of major public utilities has gone down as compared to the 2006 survey.

The unreliability of electricity supply is further underscored by the fact that 40% of the businesses own generators compared to 9% in 2006. While the average amount spent annually by businesses on generators in 2006 stood at MK 273, 342.00, the cost has significantly gone up in 2010 to MK 793, 747.36

Fighting Corruption

There is a strong belief among both ordinary citizens and public officials about government's genuine commitment to fight corruption generally and in specific public institutions.

However, there is rather a general sense of loss of confidence in the government's anticorruption strategy. While as high as 75% of the respondents felt that the anticorruption strategy was effective in 2006 only 59% felt so in 2010. This notwithstanding, the number of Malawians against corrupt practices is growing as evidenced by the proportion of respondents that disagreed with the statement that "corruption is a natural occurrence and a part of our daily lives, so denouncing it is unnecessary". In 2006, 72% of the respondents disagreed with this statement while it has risen to 86% in 2010.

Institutions that were highly rated in helping to combat corruption were Media (74%), Anti-Corruption Bureau (73%) and Religious Bodies (72%) while those poorly rated include Parliament (40%), Police (36%) and Academics/Teachers (30%). Overall, however, public agencies have been fairly rated compared to 2006 as helping to combat corruption. In 2006, only five public agencies had a 50% or above rating but in 2010 ten agencies have a more than 50% rating.

There has generally been no improvement is as far as reporting corruption is concerned between 2006 and 2010. A sizeable number of citizens (25%) and public officials (22%) observed corrupt acts but did not report them. This compares with the state of affairs in 2006 when 23% of the citizens and 28% of public officials observed corrupt practices but did not report them.

The main reasons for citizen's failure to report were that they did not know where to report corruption or were concerned about potential harassment while most public officials felt the cases could not be proved or the process was too long and complex.

Recommendations

Most of the recommendations that were made in the 2006 baseline are still relevant to the cause of fighting corruption in the country. The 2010 survey results are generally mixed. There are some areas where substantial progress has been made, some areas where there has not been any progress and in some areas where there have been slippages. However, overall, it can be asserted that there has been notable progress in the concerted efforts to curb corruption in the country. There is thus need to build on and consolidate the achievements, work on the areas that have essentially been static and design specific interventions for areas where there have been slippages. The following general and specific recommendations are therefore proposed.

General Recommendations

- Promote a citizenry that does not tolerate corruption through socialization and various forms of civic education programmes emphasizing on values of honesty, hard work and positive completion among many others.

- Cultivate strong political will to fight corruption among political and non-political leadership at all levels of society. Leaders in all spheres of life should not condone corruption.

- Promote ethos of transparency, accountability and responsiveness in public institutions through the enactment or enforcement of anti corruption laws, policies, codes, practices, ethics and standards at least consistently.

- Make corruption very costly by making officials pay heavily for their acts of commission or omission.

- Regular training programmes for public officers based on needs assessment partly to remove the bad habits acquired early in through the socialization process.

- Identify and respond to the major challenges in service delivery since poor service delivery is one of the key triggers of fraud and corruption.

- Promote the simplification of procedures such as setting clear guidelines for the transparent conduct of public affairs and eliminate red-tape and bureaucratic obstacles to innovation

- Promote good corporate governance including paying great attention to recruitment of staff at all levels of the hierarchy.

- Support the establishment of autonomous and neutral research and analysis centres that could help monitor and assess public accountability and transparency and the progress of democratic experience.

Specific Recommendations

- Implement special intervention programmes for those public institutions that were not rated positively in terms of quality of service, performance and integrity paying particular attention to those that have consistently been rated lowly across the two surveys.

- Target in a special way the procurement processes and systems in government institutions. The survey has shown that high levels of corruption are associated with those firms that have business contacts with the public sector. This was further borne out by the fact that contacts with Internal Procurement Committees lead in terms of creating conditions for gratification.

- Promote good remuneration arrangements and systems in which contribution is measured and rewarded, and payment is based on performance rather than mere occupation of an office since low salaries and weak incentive mechanisms have consistently emerged as some of the key factors perpetuating corruption in the public sector.

- Facilitate a culture of reporting corrupt activities by both citizens and public officials by widely publicizing the authorities to which the activities can be reported to as well as the procedures involved. The protection of the whistle blowers should be at least be guaranteed.

1. SETTING THE CONTEXT

Corruption is one of the commonest problems in both developed and developing countries. Although corruption is a problem for all countries, Africa is regarded as least able to bear its cost in view of the continent's deep and severe poverty as well as collapsing economies. In some African states, corruption has reached a crisis point. Transparency and accountability are some of the characteristics of good governance. Consequently, corruption has become one of the central issues in governance discourse especially in Africa. In a complete departure from past practices whereby donors ignored the issue of corruption in their development prescriptions, the current development debate always takes on board the corruption factor.

Scholars and development specialists have long acknowledged that corruption is a serious enemy of poverty reduction initiatives and is, in some cases, rated in the same category as the AIDS epidemic. In this regard, dealing with corruption implies progress towards achievement of a country's development. Prospective investors from within and outside the country avoid investing their resources in a country with high levels of corruption. The effect of this is to make domestic savings and private investment difficult if not impossible. Some economic gains and prospects of sustained development have systematically been wiped off by an extensive and institutionalized corruption.

The prevalence of corruption in a country signifies a more serious problem with or within its governance systems, institutions and structures. Consequently, in order to curb the problem, efforts are also directed at reforming or creating of special institutions. In the public sector, at international and national level, vigorous efforts are also being made to ensure that the sector is free of corruption. For instance, at the international level, some of the efforts made include establishment of anti-corruption conventions and agreements such as Anti-Bribery Convention of the Southern African Forum against Corruption (SAFAC). Similarly, International Organizations such as the World Bank, the International Monetary Fund (IMF) and Transparency International have taken a leading role in the fight against corruption at international level by monitoring the trends and patterns of corruption at the global level.

This zeal has also been manifested at national level with governments coming up with various public reforms, passing relevant pieces of legislation and the establishment of special agencies or watchdog organizations. The establishment of the Anti-Corruption Bureau (ACB) in 1995 and the enactment of the Corrupt Practices Act (1995) in Malawi is part of this national initiative. The main task of these agencies has been to act as enforcement bodies of anti-corruption legislation, with specific powers to detect and deter corruption. The effectiveness of these agencies varies mainly in relation to the environment in which they are operating. According to recent Transparency International perception index, Malawi has risen by 26 places, moving from position 115 in 2008 to 89 this year out of 180 countries in the world suggesting that the work of ACB in the fight against corruption is proving effective.

In order to sustain this achievement and make further progress, it is critical that the causes or sources of corruption are dealt with and a mechanism of periodic corruption monitoring is established. Monitoring ensures that the zeal to fight against corruption should be unrelenting and ultimately a corrupt free society is embraced with all its associated values and norms. For proper implementation and effectiveness, it is critical that the monitoring tools should be relevant to the immediate community. It is well acknowledged that despite several similarities, each state is unique in the way it runs its affairs. In other words, each state has its own unique psychological, ideological, external, economic, political, social, cultural and technological factors that significantly affect the way it acts or reacts to certain interventions.

The causes of corruption can only be understood in a societal context. They are deeply embedded in its cultural norms, politics and economics. In this regard, corruption monitoring tools should reflect this reality if they are to be relevant to a country. It is for this reason that this assignment built on the Benchmark Governance and Corruption Survey that was carried out by the ACB in 2006. Overtime, the trends are expected to further inform and guide the systematic efforts to curb corruption as progress will be monitored accordingly using domestically relevant instruments.

The Malawi Government, through the Anti-Corruption Bureau (ACB), contracted the Centre for Social Research (CSR) which is a research institution within the Faculty of Social Science of the University of Malawi in Zomba to conduct this "Governance and Corruption Survey" in the year 2010. The survey was conducted from March to September 2010. The actual data collection started on 7 June and was completed on 18 August 2010.

The purpose of the 2010 survey was to obtain empirical data, the results of which would be used to evaluate the same against a similar survey that was conducted by the Millennium Consulting Group Limited (MCG) in association with International Federation for Electoral Systems (IFES) of the United States of America in the year 2006. The data collected in the survey of 2006 by the MCG was to act as the basis or benchmark upon which the data collected in the survey conducted by the CSR in the year 2010 was to be evaluated.

In addition, the survey conducted by the CSR, was intended to be used in the analysis of governance and corruption trends and patterns and to assist in assessing the effectiveness of the Government's anti-corruption initiatives and in identifying sectors with serious problems of corruption. It was understood that this initiative would provide a basis for formulating and implementing policies and programs to improve governance and thereby reduce corrupt practices. The survey conducted by the CSR was also meant to assist in updating indicators on governance and corruption for subsequent follow up surveys.

2. METHODOLOGY AND SAMPLE DESIGN

The 2010 Governance and Corruption Survey involved the execution of sample surveys in three distinct populations namely: Households, Business Enterprises and Public Officials with focus on corruption and such other elements of governance such as service delivery. The modules used in the survey were those developed by the World Bank. These survey instruments were further adapted to Malawian conditions before and after the training of the data collectors as further elaborated below.

Specifically, the household survey component drew lessons on what citizens thought and experienced about public services and the level of services they received when going through required procedures. The business enterprise survey component provided a better understanding of the reasons that prevented or limited the development of businesses in Malawi. It specifically looked at the impact of the diverse modalities of corruption in development of the private sector. The survey was undertaken in order to make recommendations that allowed the elimination – or, at least, significant reduction of – the sources of corruption that limited competition and increased costs, and that, therefore, weakened the possibilities for business growth. The public officials' survey component identified the practices that have developed within the public institutions related to access, quality and distribution of public services. Some of the questions and responses related to the actual experiences, not perceptions, of these stakeholders.

2.1 The Household Survey Sample Size

The household survey involved a national sample of 1,120 respondents of which 980 (87.5%) were interviewed in the rural areas while 140 (12.5%) were interviewed in the urban areas. The urban areas in this survey were defined as all the four cities that existed in the country at the time of the survey. One respondent, preferably the household head or his/her spouse, was interviewed. This was because some questions in the household survey questionnaire required extensive knowledge of the issues taking place at the household level. A single member answered the questions for the household, hence, the number of respondents interviewed were equal to the number of households. As a consequence, our sampling for the respondents utilized the household approach.

Utilizing the fact that information collected in the household survey was likely to be expressed as the proportion of households sharing a particular view about corruption or governance and that such views were many, the expected precision of our results after the data were analyzed was derived from the formula for the calculation of sample size for a proportion as given by Bradley (1981). To achieve this, our results were assumed to have proportion of households sharing a given view of 50% in order to capture the highest variance given the following conditions: a design effect equal to 4, and a national sample size of 1,120. With these assumptions, the level of precision of our results at the national level was calculated to be plus or minus 6% with 95% confidence.

The formula that was used to calculate the expected level of precision of our results at national level is as given below:

{e**2} = {p(1-p)(1.96)(1.96)de}/{n}

where:

• e was the level of precision or absolute margin of error

• p was the proportion of respondents responding in a given manner to an issue relating to corruption or governance (this was assumed to be at 0.5)

• 1.96 was the z score corresponding to the 95% level of confidence

• de was the design effect assumed equal to 4

• n was the sample size (1,120)

Before the sample was drawn, all the districts in the country except Likoma Island were each treated as a stratum. In addition, each of the four cities was treated as a stratum as well. This implied that each district and each city was represented in the sample. The sample was drawn in two stages. The first stage involved the selection of enumeration areas whilst the second stage involved the selection of households within each selected enumeration area.

The number of enumeration areas covered in a given region was allocated to each stratum in the region in proportion to the population of households each stratum had. This implied that strata with large populations had a relatively larger number of sample enumeration areas allocated to them. Ten households were interviewed in each enumeration area. The number of households selected per enumeration area was reduced in order to maximize on the number of enumeration areas since it was expected that there was a much larger variability of the indicators between enumeration areas than there was within enumeration areas. This gave a total of 112 enumeration areas that were spread proportionately within each one of the strata in a given region. The distribution of sample enumeration areas to strata in the study was as given in Table 1 below.

Table 1: Distribution of Sample Enumeration Areas

Area	HH Popln	Sample EAs		Area	HH Popln	Sample EAs
Northern Region	**343,732**	**22**		**Southern Region**	**1,388,362**	**50**
Chitipa	37,780	2		Mangochi	185,915	6
Karonga	57,808	4		Machinga	115,136	4
Nkhatabay	42,269	3		Zomba Rural	142,394	5
Rumphi	36,037	2		Chiradzulu	71,560	2
Mzimba Rural	142,980	9		Blantyre Rural	80,879	3
Mzuzu City	26,858	2		Mwanza	22,018	2
				Thyolo	142,039	4
Central Region	**1,221,565**	**40**		Mulanje	127,417	4
Kasungu	127,265	4		Phalombe	76,679	3
Nkhotakota	62,468	2		Chikwawa	98,035	3
Ntchisi	47,428	2		Nsanje	52,600	2
Dowa	121,884	4		Balaka	75,656	3

Salima	77,531	3		Neno	25,415	2
Lilongwe Rural	275,194	8		Zomba City	19,041	2
Mchinji	97,209	3		Blantyre City	153,578	5
Dedza	145,078	5				
Ntcheu	113, 791	4		**Malawi**	**2,953,659**	**112**
Lilongwe City	153,717	5				

2.2 The Household Sampling Frame

The sampling frame for the first stage units comprised a list of enumeration areas in each of the cities and districts in the country. These were areas that were demarcated following physical features such as roads/paths, rivers/streams and galleys. They were demarcated in such a way that, during a Population Census, a Research Assistant would interview all the households in the area within a period of 21 days. Each area was estimated to contain an average of 300 households.

The enumeration areas used were those that were demarcated in preparation for the most recent Population and Housing Census that was conducted by the National Statistical Office (NSO) in the year 2008. Each of the 31 strata contained a list of these enumeration areas together with each enumeration area's household population. The implicit stratification of enumeration areas by Traditional Authority in the districts and by Wards in the cities as provided by the NSO was not disturbed so as to maintain the geographical arrangement of the enumeration areas. There were, therefore, a total of 31 frames, one covering each of the 27 districts and 1 covering each of the 4 cities in the country. Maps showing non-overlapping enumeration areas in Traditional Authorities in the districts and Wards in the cities were available.

2.3 Household Sampling Procedures

The first stage involved the selection of Enumeration Areas (EAs) to represent each district/city. These EAs were selected within each stratum with Probability Proportional to Size (PPS) where the measure of size was the household population of each of the EAs within the stratum. Before selection, the EAs were listed within each district/city by Traditional Authority (TA)/Ward. As discussed above, this implicit stratification of EAs by TA/Ward within each district as arranged in the Census was not disturbed so as to maintain the geographical arrangement of the enumeration areas.

The second and final stage involved a systematic sampling of 10 households in each of the selected enumeration areas. Malawi, just like many other developing countries, does not have a frame of households from which a sample can be drawn. In order to build up such a frame, a household listing exercise has normally been done. Household listing can be time consuming and costly especially in surveys as large as this one. Hence, with the knowledge of the total number of households in selected enumeration areas and the required sample size, a systematic sample was drawn on the ground by field personnel without bothering about listing. This was done on the assumption that the total number of households in respective enumeration areas had not changed significantly since the last population census was conducted only two years (2008) prior to the survey.

To accomplish this, an enumeration team utilizing a map, traveled to the selected EA and got acquainted with the boundaries as given on the map. This was to avoid the collection of data from any parts outside the EA or leave some parts of it uncovered. After having acquainted themselves with the boundaries, the team assembled at the middle of the EA where the supervisor spun a bottle for each of his team members. This was done to determine the direction in which each enumerator would move in the selection and getting information from the sample households. The first household which the enumerator got to when moving in the direction dictated by the Supervisor through the spinning of the bottle was the first household to be interviewed. After that, the Research Assistant collected data from every 5th household from the one he/she interviewed earlier until he/she finished collecting the data from all households allocated to him/her.

2.4 The Enterprise Survey

A total of 562 directors/managers/owners of businesses were interviewed for the enterprise survey utilizing a questionnaire designed by the World Bank but adapted to local conditions. The sampling frame for the enterprises was obtained from the National Statistical Office (NSO). At the time of compilation, the frame was almost complete though some businesses had not yet mailed back the questionnaire to the NSO for inclusion of their details in the frame. However, the existing NSO frame contained many more businesses than the 562 that were needed for sampling, hence, though not exhaustive, it was quite large enough for the purpose of the business enterprise sampling.

The NSO uses the International Standard Industrial Classification (ISIC) which classifies industries into 9 groups. These groups are namely: Agriculture; Construction; Transport; Mining; Manufacturing; Wholesale and Retail; Electricity and Water; Forestry; and Services. This being the case, the frame comprised a list of these enterprises in each of the 31 strata. The existing businesses in the frame were sorted by labor force within each stratum and those enterprises with a labor force of less than 10 were removed from the frame including those that were too far from the stratum Bomas or had no clear physical addresses especially Estates. This was done to reduce the cost of travel. Effort was put to list these enterprises by type of activity in each of the 31 strata and it was noted that that quite a number of strata did not contain all the 9 ISIC types of business classifications.

About 18 business enterprises were systematically selected in each of the 31 strata after arranging the enterprises in increasing order of size (where size was determined by the labor force). This systematic selection was done after sorting the business enterprises in each stratum by available ISIC groups. The frames of some rural strata either contained none or did not contain enough businesses at the Bomas to achieve the sample of 18. This was compensated by over sampling in the Cities in the region to which such strata belonged. In the end, 562 business enterprises were interviewed of which 239 (45.5%) were Rural and 323 (57.5%) were Urban where urban is defined as the four cities in Malawi. In addition, 532 (94.7%) were Registered businesses while 30 (5.3%) were Unregistered.

2.5 Public Officials Survey

The Public Officials survey acquired information from 517 public officials from the following categories:

- Members of Parliament
- The Executive; (Ministers)
- Civil Servants working in Lilongwe City
- Representatives of the Judiciary
- Malawi Revenue Authority

- District, Town and City Council
- Civil Servants outside in Lilongwe City

The sampling for this component was done by Research Assistants in the field. Where appropriate, the personnel in each of the above categories were divided into policy makers, program managers and support staff. About 93 employees, who translated to 3 members of staff in each of the 31 strata except Lilongwe City, were planned to be interviewed from each of the following 3 categories: Civil Servants not working in Lilongwe City; Town and City Assemblies; and the Judiciary.

The decision to interview Civil Servants not working in Lilongwe City came later soon after the survey had already started when it was found out that the questions in the Public Official questionnaire were almost completely irrelevant to the members of the District Development Committee as far as their duties were concerned. The District Development Committee was the initial category planned to be interviewed and was substituted in the course of the survey.

There were about 43 employees that constituted the Executive. Nine of them, selected at random, were interviewed in this study. In addition, there are 193 Members of Parliament and 10 of these were interviewed, as well as 10 employees from the Malawi Revenue Authority in Blantyre.

There are about 135,000 Civil Servants in Malawi, belonging to a total of 22 ministries. The Civil Service is predominantly based in Lilongwe City. The frame of Civil Servants in Lilongwe City was obtained from the respective Ministries at the time the field teams visited the area. About 10 Civil Servants by status category in each of the 22 ministries were selected and interviewed depending on availability. It was decided to interview more Civil Servants that work in Lilongwe City due to the fact that, at the time of the survey, a significant proportion of civil servants worked in this urban area. This gave a total of 222 civil servants that worked in Lilongwe City. The selection of the Civil Servants to be interviewed was not necessarily random but depended on availability and willingness of the employee to spare his time with the enumerator. To summarize, these respondents were distributed as follows:

Table 2: Distribution of Interviewed Public Officials

	Region			
	North	Centre	South	Total
Civil Servants working in Lilongwe City	0	222	0	222
Civil Servants working outside Lilongwe City	19	19	44	82
District Assemblies	18	33	48	99
Representatives of the Judiciary	18	28	39	85
The Executive and MPs	0	19	0	19
Malawi Revenue Authority	0	0	10	10
Total	55	321	141	517

The interviews of all the three surveys were done concurrently except those involving Civil Servants in Lilongwe City. These were done by all the teams at the end of the data collection for the household and enterprise surveys. In the final analysis, the 2010 Governance and Corruption Survey covered a total of 2199 respondents comprising 562 Business Enterprises, 517 Public Officials and 1120 Household Members.

2.6 Training

A total of 28 Research Assistants and 5 Supervisors were recruited on 10th May 2010.Three additional Research Assistants were recruited as reserves in case some dropped out. As envisaged, 2 Research Assistants dropped out while training was in progress whilst 1 failed to report for training. The training was conducted at Gynkhana Club in Zomba from the 17th May to 26th of May taking a period of 10 days. Led by the Team Leader, the Principal Investigators took turns to cover various parts of the training (See Appendix I).

The training schedule included a description of the survey, going through and making sure they understood what each question in each one of the three modules meant including the information that it was intended to collect, the design of the study and map reading (See Appendix II). In addition, all the Supervisors and Research Assistants conducted mock interviews in groups of two and thereafter the whole group took turns to discuss anomalies on how the interviews were conducted. This ensured that there is a common understanding of every question. This part of the training took 4 days.

Guided extensive experience in survey work at the Centre for Social Research (CSR), a pre-test of the survey instruments was an integral part of the training for the field survey teams. The pretest was carried out in the rural and urban areas of Zomba and Blantyre districts. The pretest covered 25 households, 25 Business Enterprises and 25 public officials. The pretest period covered 3 days.

The field teams and the trainers discussed the results of the pre-test where difficulties in interpreting some of the questions and misplaced skip rules were noted. These discussions led to the additional modifications of the survey instruments. Mock discussions were held utilizing a Household questionnaire that was translated into Chichewa. This was done mainly to keep the meanings of the questions uniform as they were asked in the Household component of the survey. The Household questionnaire was planned to be administered in Chichewa since a significant proportion of the expected respondents to this questionnaire were not expected to be able to speak or understand English. These discussions and mock interviews took another 3 days and marked the end the end of the training.

2.7 Data Collection

The 30 temporary staff members were divided into 5 mobile teams each comprising 5 Research Assistants 1 Supervisor and a Driver. These personnel were responsible for the field collection of the data from Households, Business Enterprises and Public Officials. One of the teams was responsible for the collection of data in the Northern Region, 2 teams were assigned to the Southern Region and the other 2 teams were assigned to the Central Region (See Appendix III). Collection of all the data took, on average, 66 days. This period was broken down into 46 days for the household survey, 10 days for the enterprise survey and 10 days for the public officials' survey. This included traveling time from district to district, traveling between EAs as well as days of rest. These teams were supervised by Dr. B. Chinsinga, Mr. H. Kayuni and Mr. S. Konyani.

2.8 Data Editing, Entry and Analysis

Data entry commenced after editing all the three modules of the survey immediately after the completion of data collection. The data editing mainly involved checking and correction of the identification part of several questionnaires whose identification was not clear. This was done in the presence of the team Supervisors who provided information of the strata to which the questionnaires in question were collected. The identification coding mistakes were more common with the Business Enterprise questionnaire especially in their classification on whether they originated from the rural or urban sector. This problem arose due to a misunderstanding of some teams who considered the District Bomas as urban areas when in fact only the four cities in the country at the time of the survey were the only ones to be classified as urban.

Three temporary data entry clerks were recruited to key in the data onto the computer. A CSPro 3.3 data entry package was used to program three data entry templates that were used by the data entry clerks to key in the information from each one of the three modules of the questionnaires. Data entry started with the Household Questionnaire, the Business Questionnaire was second and the last was the Public Officials Questionnaire. This captured data was later converted to the Statistical Package for Social Scientists (SPSS).

A preliminary statistical analysis, involving frequency tabulations as well as cross tabulations, was done on each one of the variables of the data sets from the three modules respectively using SPSS version 16. This was done to find out if there existed any data entry mistakes. Mistakes found were corrected by going back to the questionnaire concerned and making corrections as they appeared on the questionnaire. Identification numbers were used to locate the questionnaires in question.

The final analysis involved the production of graphs and tables which were similar to the ones produced in the 2006 Baseline Survey and followed almost similar numbering of the graphs. In addition the arrangement of the graphs and section headings of the report remained the same as given in the previous report. This was done to allow comparison of the results as was required. The SPSS and Excel were used in the final analysis.

2.9 Problems and Challenges

There were several problems and challenges that were encountered in the course of executing the survey. However, overall, these problems and challenges did not significantly affect the integrity of the results of the 2010 Governance and Corruption Survey. The major problems and challenges included the following:

- Most respondents to almost all the questionnaires complained that they found the questionnaires rather too long and time consuming. However, given the good rapport that the Research Assistants had established with them, a negligible amount of respondents refused to be interviewed or ended the interview prematurely. Refusing to be interviewed or ending an interview prematurely was common among business enterprise owners as well as a few public officials.

- Most respondents queried the research teams about the possibility of getting feedback on the outcomes of the surveys. They emphasized that it would be in their interest to get feedback and would encourage them to be involved in future surveys otherwise most respondents construed their involvement in surveys of this nature as a waste of time.

- During the sampling of business enterprises, those businesses with less than 10 personnel were left out. However, it was found out that in quite a number of cases the situation had changed since the business had registered with the NSO to the extent that a number of sampled businesses had less than 10 personnel. This also happened to be the case where some sampled businesses had closed down and it was not easy to find substitutes that were exact matches in terms of size.

3. PERCEPTIONS AND EXPERIENCES OF GOVERNANCE AND CORRUPTION: EVIDENCE FROM CITIZENS AND BUSINESSES

3.1 Users' Views of Public Agencies' Performance: Public Service Efficiency and Quality

The quality of service offered by government institutions is one of the key elements of good governance. The quality of service provision denotes, inter alia, the degree of efficiency, effectiveness and responsiveness of public institutions in service delivery. Consequently, the users (households and businesses) of public services were asked to rate the performance of various public institutions in terms of quality and efficiency of service provision on a scale of 1 (very poor) to 4 (very good). The mean rankings for each of the institutions surveyed are presented in Figures 1 and 2 below.

Figure 1: Citizen's Evaluation of the Performance of Public Institutions

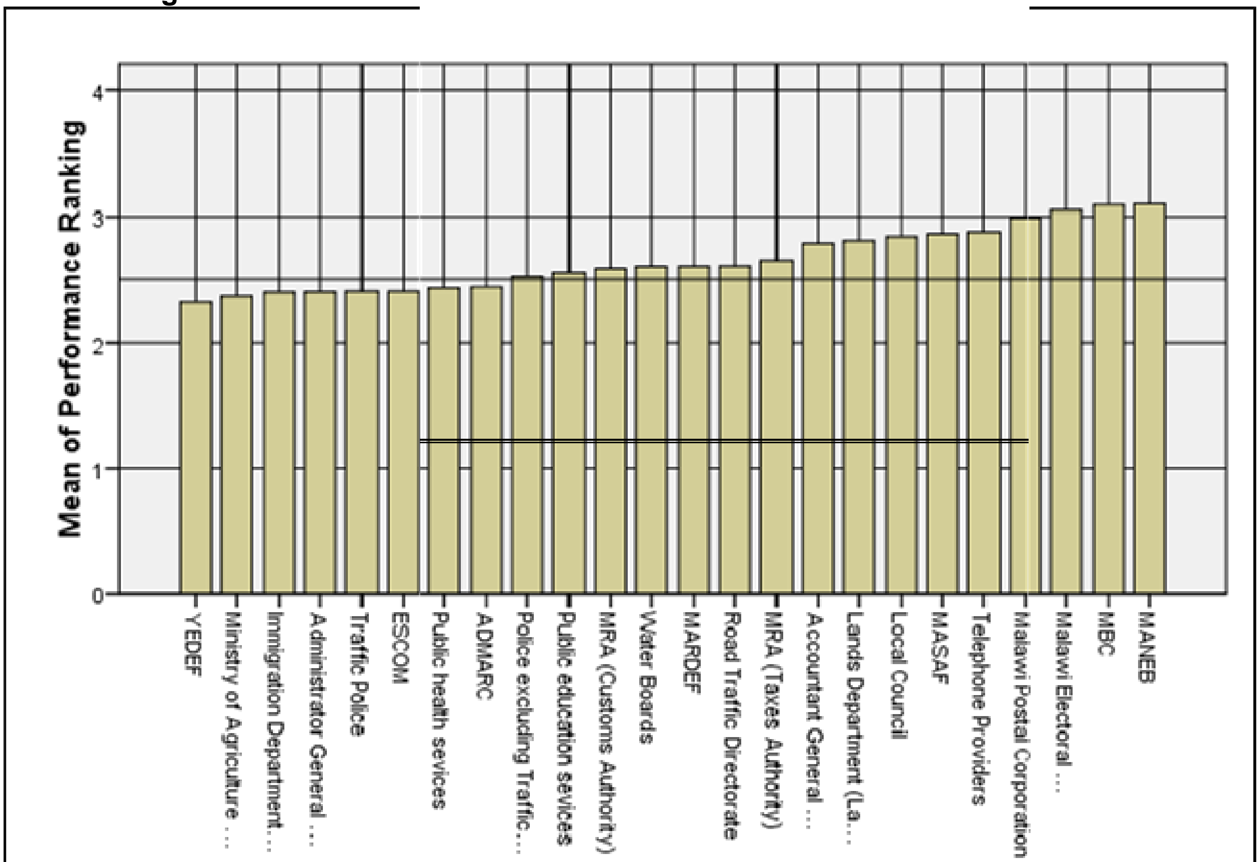
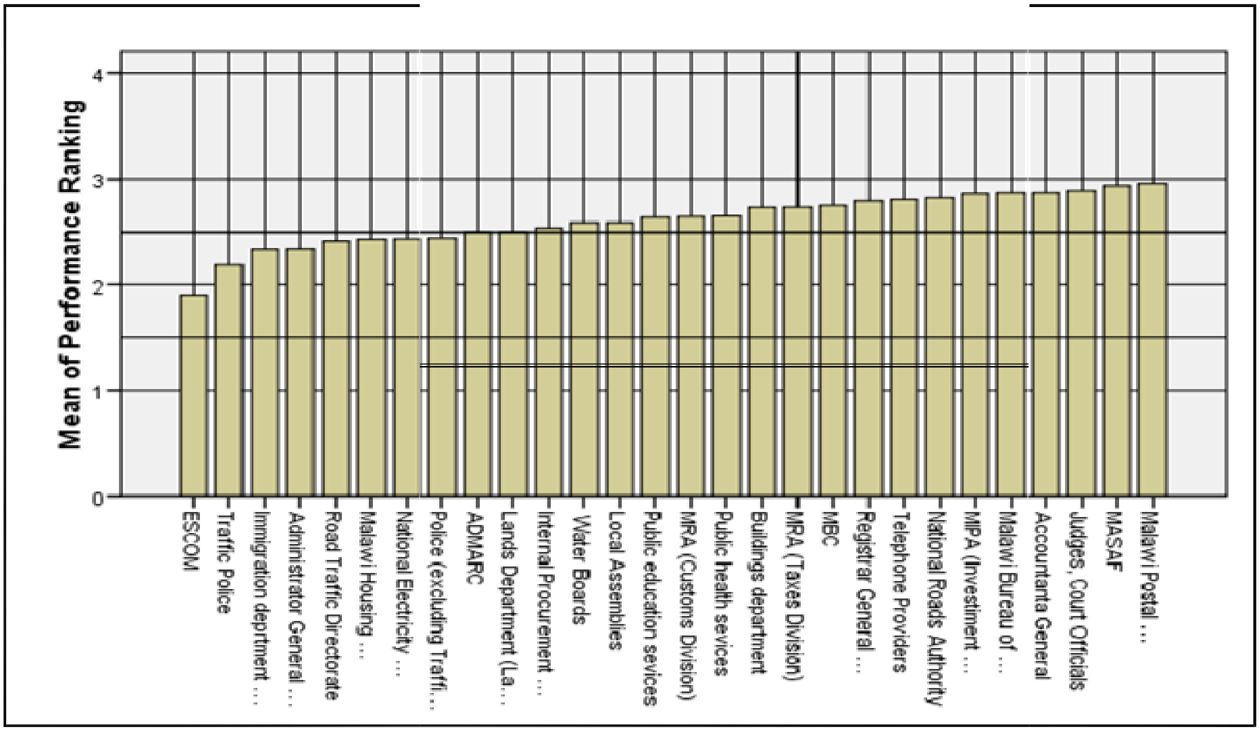


Figure 2: Private Sector's Evaluation of Public Institutions Performance



There are no significant differences in the users' evaluation of the performance of public services between the 2006 and 2010 surveys. Both households and business enterprises rated the quality of services of key public institutions as generally low. According to the rating scale used, a rating of 3.0 denotes 'somewhat good performance' whereas the rating of 2.50 is a neutral rating. This means an institution is neither doing a poor nor good job whilst any value below the 2.50 threshold denotes an overall negative rating of the institution concerned. Likewise, any value above the 2.50 threshold denotes an overall positive rating of an institution's performance.

There are some interesting overlaps between households and businesses in their evaluation of the five least performing public institutions. These included ***Immigration Department***, ***Administrator General*** and ***Traffic Police***. There have been some changes in the lineup of the five least performing institutions from the perspective of both households and businesses even though some institutions have remained in this category. In 2006, the least performing institutions included ***Agricultural Development and Marketing Corporation (ADMARC***), ***Administrator General***, ***Malawi Rural Finance Company (MRFC), Immigration Department*** and ***Accountant General*** from the households' perspective. The lineup in 2010 has changed to ***Youth Enterprise Development Fund (YEDF***), ***Ministry of Agriculture***, ***Immigration Department***, ***Administrator General*** and ***Traffic Police***. For businesses, the least performing public institutions in 2006 included ***Immigration Department***, ***Director of Public Procurement***, ***Administrator General***, ***Road Traffic Directorate*** and ***Public Health***. In 2010, the list has changed to ***ESCOM, Traffic Police, Immigration Department, Administrator General*** and ***Road Traffic Directorate***.

There have also been changes in the top five performing institutions between 2006 and 2010. From the households' perspective, the top five performing institutions in 2006 included the ***Malawi Social Action Fund (MASAF), Malawi National Examination Board (MANEB),***

Malawi Postal services and ***National Roads Authority*** whereas for businesses the five top performers included MBC, Malawi Postal Services, Judges and Water Boards. In 2010, the top five performers for households include ***MANEB, Malawi Broadcasting Corporation (MBC), Malawi Electoral Commission, Malawi Postal Services*** and ***Telephone Providers*** whereas for businesses the top five performers are ***Malawi Postal Services, MASAF, Judges, Accountant General*** and ***Malawi Bureau of Standards***.

There has generally been an improvement in the overall performance rating of public institutions by both households and business enterprises. In 2006, only MASAF registered a rating of 3 among households. The number of institutions registering a rating of 3 or above has increased to 4 in 2010. None of the institutions has received a rating of 3 among businesses just as was the case in 2006. However, there has been significant improvement in the overall rating of performance of the public institutions among businesses. While in 2006, only 5 out of 28 institutions evaluated registered an overall positive rating, the number has increased to 20 in 2010. There has not been any change on the part of households. Out of the 24 institutions evaluated, 16 received an overall positive rating just as was the case in 2006.

Overall, these results demonstrate that there have been some improvements in the performance of public institutions but there is clearly still significant room for improvement. Most of the institutions have just crossed the 2.50 threshold which basically denotes satisfaction of the basic minimum standard of performance. The results further imply that institutions that rank as the five least performers require specific attention to improve their performance especially those that have shown no improvement between the two surveys.

3.2 Honesty and Integrity of Public Institutions

Just like quality, honesty and integrity are key elements of good governance that have significant bearing on public service delivery. These are important because the institutional trust and confidence, creates a culture that fosters high standards of ethics, promotes ethical behaviour, and demonstrates a sense of corporate responsibility and commitment to public service. This implies that public employees have an additional duty to discern, understand and meet the needs of their fellow citizens by ensuring integrity in the products and services they provide, as well as provide fair and equitable access to them.

Both households and businesses rated the honesty and integrity of public institutions on a scale of 1 (very dishonest) to 4 (very honest). The results of the survey are presented in Figures 3 and 4 respectively.

Figure 3: Citizens Assessment of the Integrity of Public Institutions

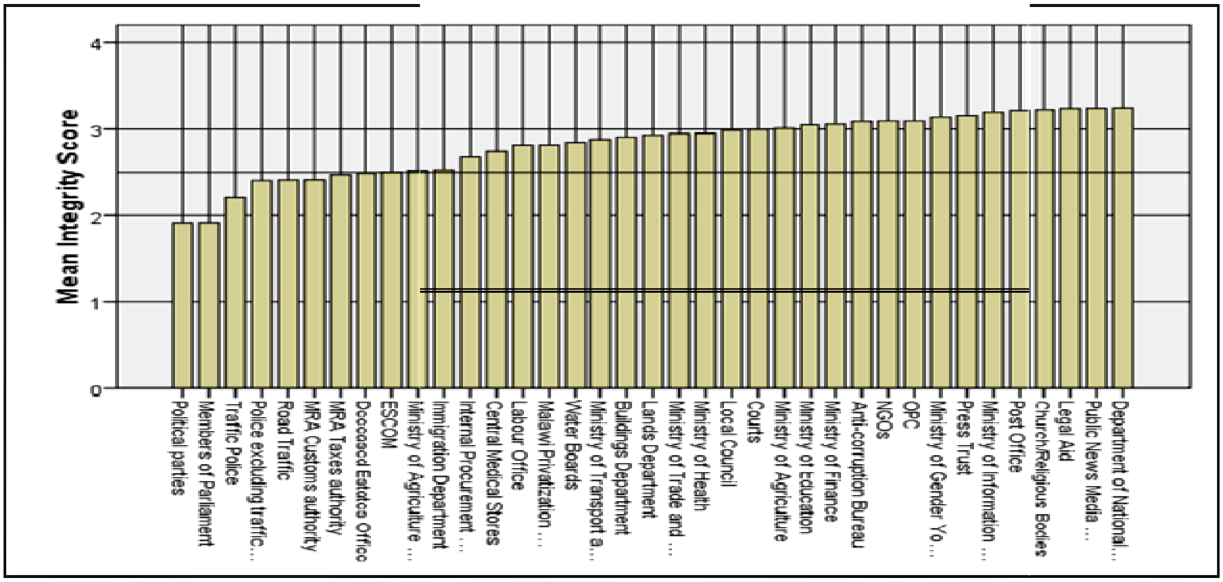
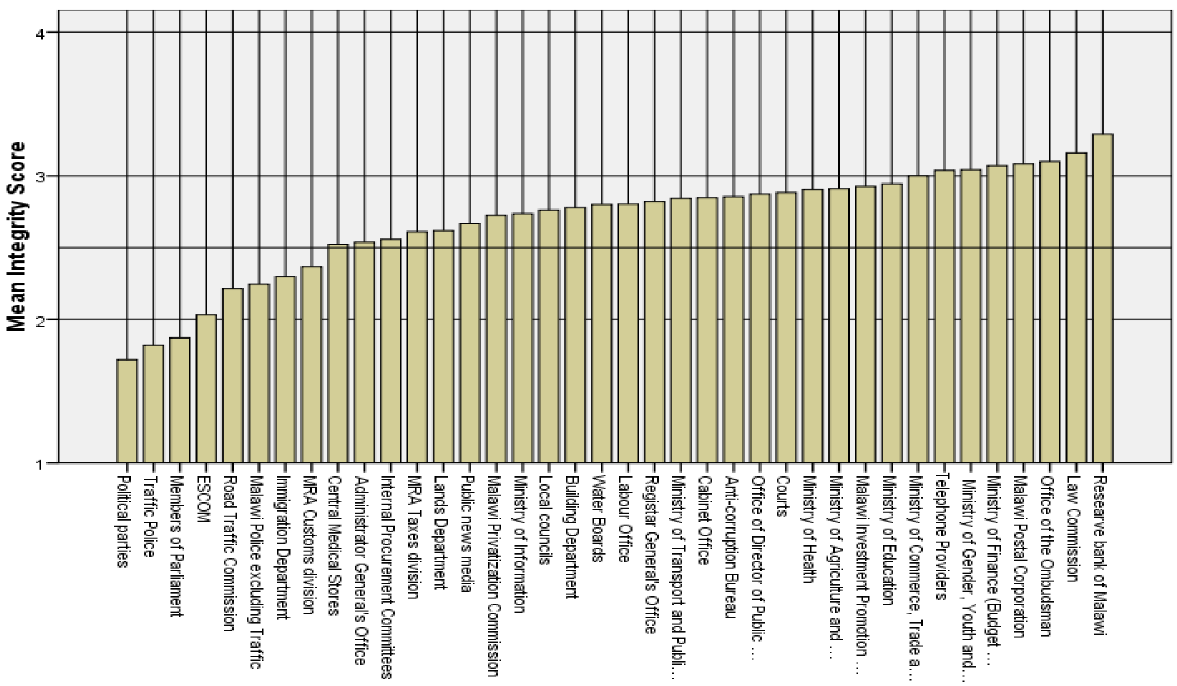


Figure 4: Private Sector's Assessment of the Integrity of Public Institutions



There have not been significant changes in the households' and businesses' assessment of honesty and integrity of public institutions particularly for those at the bottom of the log. In 2006, the five least honest institutions for households included ***Political Parties***, ***Members of Parliament (MPs), Traffic Police, Immigration Department*** and ***Malawi Revenue Authority (MRA) (Customs Authority)***. The list in 2010 includes ***Political Parties, MPs, Traffic Police, Police excluding Traffic*** and ***Road Traffic***. For business enterprises, the five least honest institutions in 2006 included ***Political Parties, MPs, Traffic Police, Immigration Department*** and ***Administrator General***. The list has essentially remained the same in 2010. It includes

Political Parties, Traffic Police, MPs, Electricity Supply Commission of Malawi (ESCOM) and ***Road Traffic***. The overlaps between households and businesses evaluations are quite striking particularly since some institutions such as ***Political Parties, MPs*** and ***Traffic Police*** have been consistently lowly ranked across the two surveys.

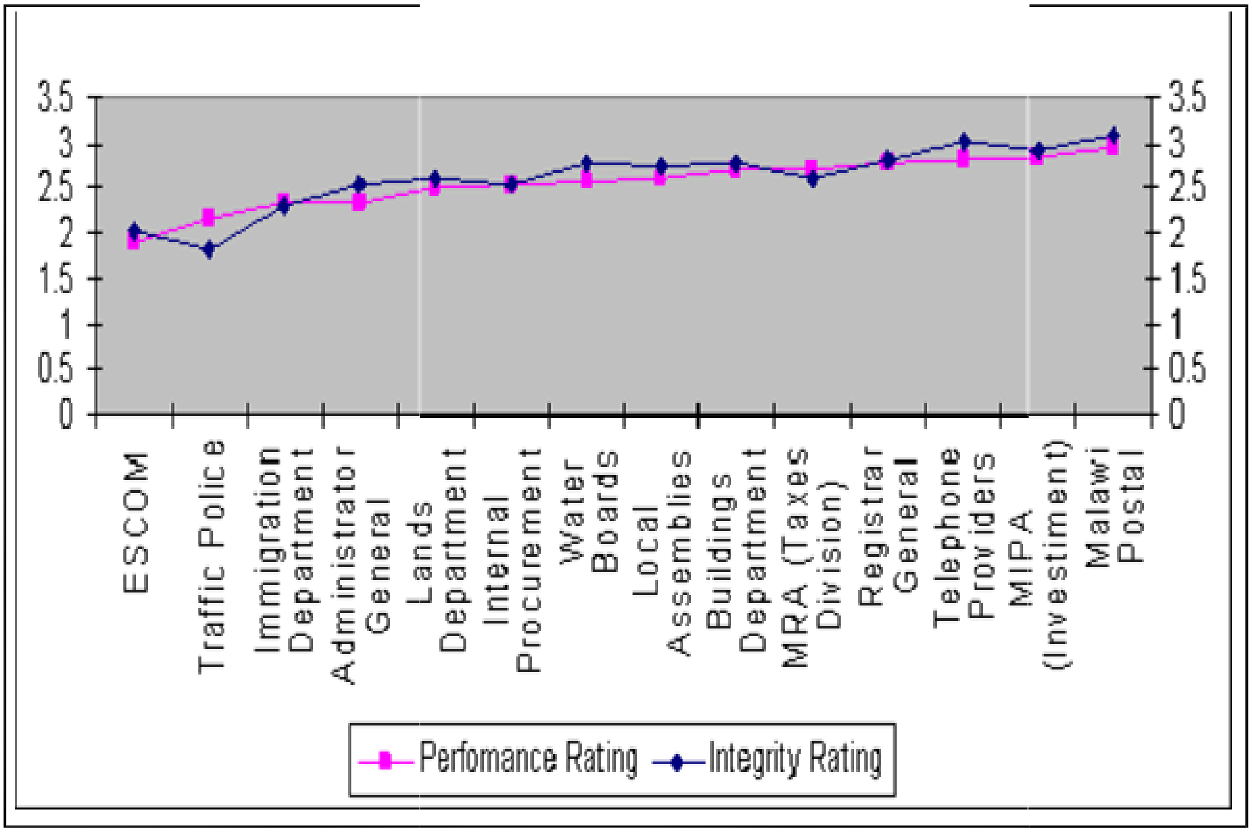
In the 2006 survey, the most honest institutions from the households' perspective included ***Malawi Telecommunications, Water Boards, Ministry of Information and Civic Education, Public News Media*** and ***ESCOM***. The list for businesses included ***Post Office, Malawi Telecommunications, Public News Media, Water Boards*** and ***Ministry of Finance***. There were thus some overlaps between households and businesses in their assessment of the honesty and integrity of the public institutions. While some institutions have been retained among the five most honest ones, there have been some changes in 2010. For households, the most honest public institutions include the ***Department of National Parks and Wildlife, Public News Media, Legal Aid, Churches/Religious Bodies*** and ***Post Office*** whereas for businesses the list include ***Reserve Bank of Malawi, Law Commission, Office of the Ombudsman, Malawi Postal Corporation*** and ***Ministry of Finance***.

There have, however, been significant improvements in the overall rating of the degree of honesty and integrity of public institutions between the two surveys. The number of institutions getting a rating of 3 and above has greatly improved among both households and businesses. From none among households in 2006, 16 institutions registered a rating of 3 or above which denotes above average levels of honesty and integrity. The number of institutions registering a rating of 3 or above on honesty and integrity among businesses has increased to 8 from just one in 2006. Out of 37 public institutions assessed, households rated 30 of them positively in 2010 compared to 22 out of 32 in 2006. The scale of improvement has been quite substantial for businesses. Out of 32 public institutions evaluated only 14 were rated positively in 2006 compared to 30 out of 38 in 2010. These results demonstrate that most public institutions have been able to progressively inspire confidence in the citizens and therefore win some trust among the public. There is, however, still a long way to go before most public institutions can in word and deed demonstrate integrity and honesty and build trust among the public through reliability and authenticity.

3.3 Institutional Performance and Integrity

The analysis reveals that there is a positive correlation between performance and the level of integrity of an institution. This is to say that the higher the level of integrity, the higher the level of performance of an institution and vice versa. This trend was equally established in the 2006 survey. Figure 5 below depicts the relationship between institutional performance and integrity.

Figure 5: Relationship between Integrity and Performance



The graph clearly shows that the performance evaluation of an institution improves as the level of integrity improves. While the least performing institutions have essentially remained the same between the two periods, the fate of ESCOM deserves specific mention. In the 2006 survey, ESCOM was amongst the reasonably performing institutions but the 2010 survey shows that its integrity and performance have plummeted to the lowest possible level during this period. It is the least honest and least performing public institution. This suggests that ESCOM requires particular attention in order to improve its standing in the eyes of the public. There must be something fundamentally wrong that has impacted negatively on ESCOM's performance.

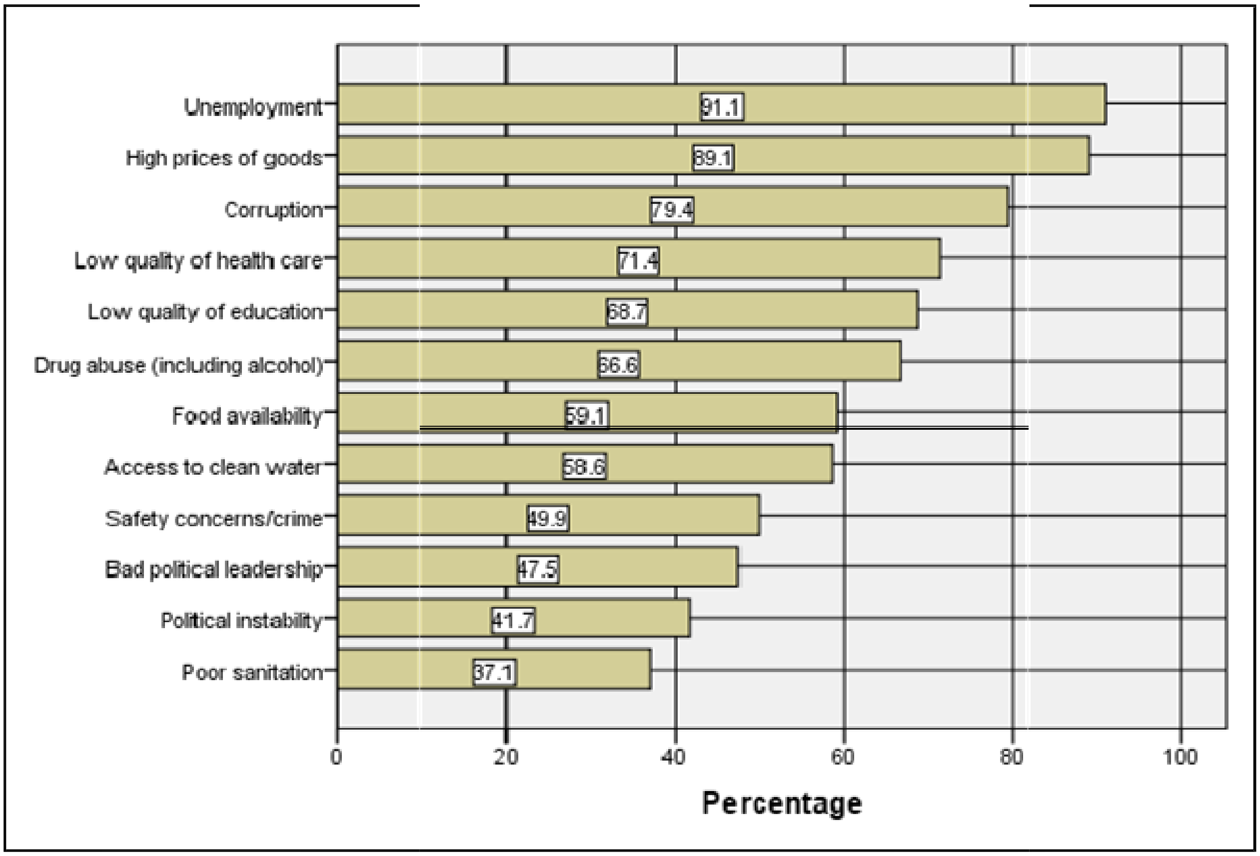
3.4 Corruption and Development

There is a close relationship between corruption and development. Corruption negatively affects development because it takes away resources that should have been used for development purposes for private personal gain. Thus by diverting scarce resources towards non-priority areas, corruption contributes to ensuring that fundamental needs such as food, health and education are not adequately met. The survey assessed the views of both households and businesses about corruption as a key constraint to development in Malawi. In this assessment, respondents were asked to indicate what they consider as major constraints affecting development in the country.

3.4.1 Views of Households

Households identified corruption as one of the major constraints affecting development in the country as depicted in Figure 6 below besides several other impediments.

Figure 6: Key Constraints to Development Recognized by Malawians



Corruption was identified as the third major factor affecting the development of the country at 79% alongside other factors such as unemployment (91%), high price of goods (89%), low quality of health care (71%) and low quality of education (69%). There are two major changes in the households' views about the major development constraints in the country compared to the 2006 survey. Corruption was the fourth most important constraint at 59% but it has now moved to the third place at 79% and unemployment at 91% has replaced food availability as the most significant constraint to the country's development. In the 2006 survey, food availability at 71%, was the most significant constraint to the country's development efforts. It has since dropped to the seventh position at 59%.

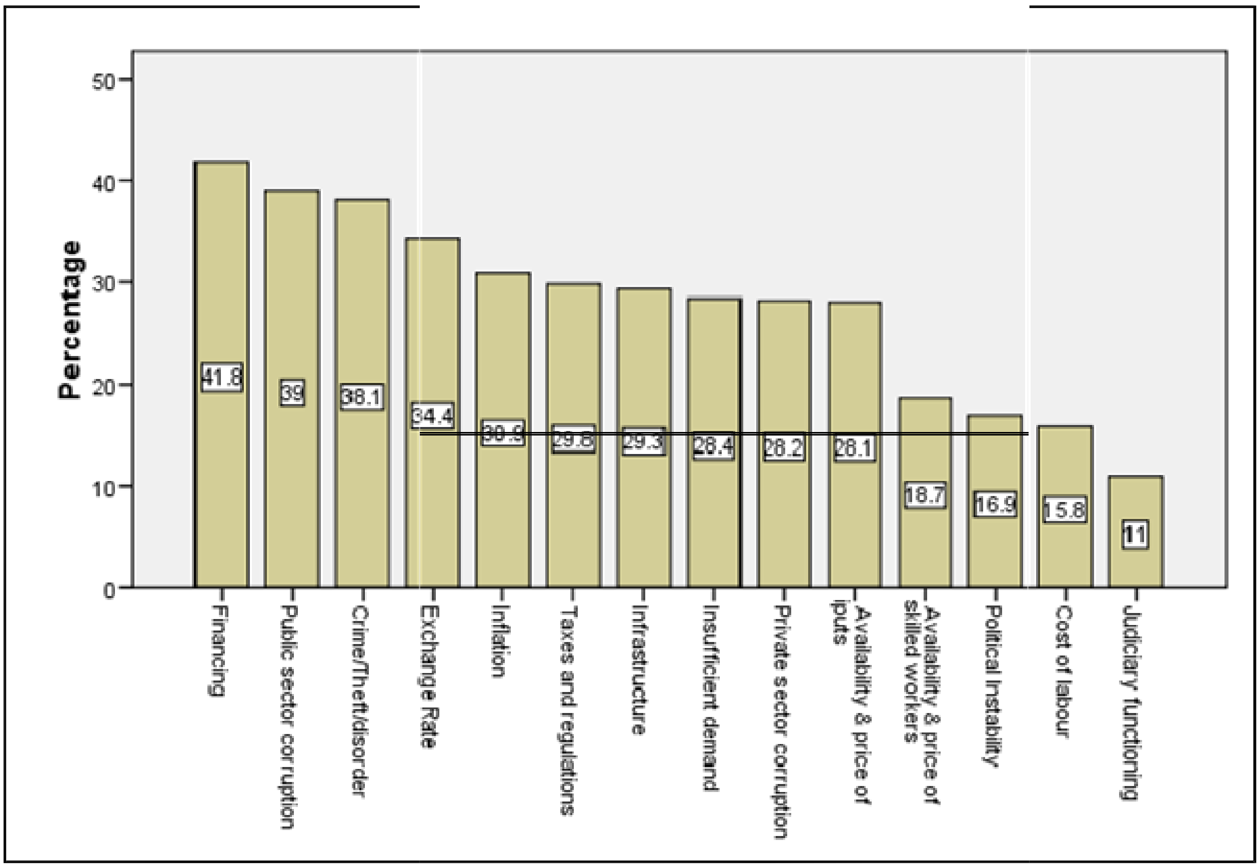
The decline can be attributed to the success of the fertilizer subsidy programme that the country has implemented since the 2005/06 growing season. In the 2006 survey, it was not surprising that food availability was considered as the most serious constraint, since the country experienced a devastating hunger crisis during which close to a million people risked starvation.

There is a striking similarity in the views of people in urban and rural areas about the factors that are considered as constraints to the country's development. The top five constraints are essentially the same in rural and urban areas and more or less similarly rated. The top five constraints in rural areas include unemployment (91%), high prices of goods (89%), corruption (79%), low quality of health care (73%) and low quality of education (70%). The list is essentially the same in the urban areas except that local quality of health care is substituted with drug abuse (including alcohol) as the fourth significant constraint to development. The urban-rural divide was quite pronounced in the 2006 survey. For instance, as many as 72% of the people in rural areas indicated food availability as the most serious problem compared to 38% of their urban counterparts. However, there is consensus between urban and rural residents across the two surveys that corruption is one of the major constraints to the country's development.

3.4.2 Views of Businesses

There have been somewhat significant changes in the perceptions of businesses about the important obstacles affecting the operation and growth of business in the country between 2006 and 2010. While financing remains the most important obstacle, its severity has substantially diminished. In 2006, it was as high as 64% but it has come down to 42% in 2010. This implies that businesses are, relatively speaking, less constrained by access to financing compared to the situation four years ago. The other constraints include public sector corruption, crime/theft/disorder, exchange rate and inflation. These obstacles or constraints are depicted in Figure 7 below.

Figure 7: Business Enterprise Views on Leading Constraints to Operation and Growth



There have been some notable changes in the five top most obstacles affecting the operation and growth of businesses in Malawi between 2006 and 2010. In 2006, the five top most obstacles included ***financing, inflation, crime, infrastructure*** and ***political instability***. The list of these obstacles in 2010 includes financing, public sector corruption, crime, exchange rate and inflation. ***Political instability*** and ***infrastructure*** are no longer considered as serious obstacles. They have been replaced by ***public sector corruption*** and ***the exchange rate***.

The main concern is that, overall, corruption is considered as the major obstacle affecting the operation and growth of business in the country. Whereas in 2006 public sector corruption was ranked as the seventh obstacle at 23%, it has now become the second most important obstacle at 39%. Furthermore, more than a quarter of the respondents (28.2%) consider private sector corruption as an obstacle affecting the operation and growth of businesses in Malawi. Overall, therefore, 67% of businesses consider corruption as an obstacle affecting the operation and growth of business in the country compared to 44% in 2006. This is a cause of concern since there is a perception among business enterprises that both public and private sector corruption are on the increase. This raises some questions about the efficacy of the anticorruption interventions with regard to the business sector. However, this situation is rather paradoxical since compared to 2006, businesses, overall, rated the performance and integrity of public institutions much more positively.

It is worth noting that ***political instability*** and ***infrastructure*** are no longer regarded as key obstacles to business activities. These factors play an important role in creating a favourable atmosphere for the growth and prosperity of businesses. It is, however, a cause of concern that crime remains one of the key obstacles for business operations. It was considered as a constraint by 38% of the businesses compared to 32% in 2006. The improvement in perception of financing and inflation as obstacles affecting the operations and growth of businesses in the country is a reflection of the improvements in the country's macroeconomic fundamentals. The economy has stabilized following years of volatility, lack of fiscal discipline and mismanagement.

3.5 Understanding the Impact of Corruption

Both household and public official surveys were designed to assess their perception of the impact of corruption. The focus of the assessment was, however, slightly different between households and public officials. In the household survey, the respondents were asked whether corrupt acts had a very significant impact, significant impact, minor impact, or no impact on their household's wellbeing; whereas the focus in the public officials' survey was on whether corrupt acts have a very significant impact, minor impact, or no impact on the economy. The assessment in both surveys was based on the following list of corrupt activities.

- Sale of parliamentary votes on laws to private interests
- Sale of decisions of courts in criminal cases
- Bribes to public officials to avoid taxes and regulations
- Public officials hiring their friends and relatives into official positions
- Contributions by private interests to political parties and elections campaigns

3.5.1 Views of Citizens

There is a total turnaround in the 2010 survey about the households' perception of the impact of various corrupt acts on the welfare of their households. While in 2006 none of the corrupt activities were deemed to have significant impact on household welfare, the situation is different in 2010. All the corrupt acts cited above are deemed to have quite significant impact on household welfare as shown in Figure 8 below.

Figure 8: Impact of Corrupt Acts on Household Well-being

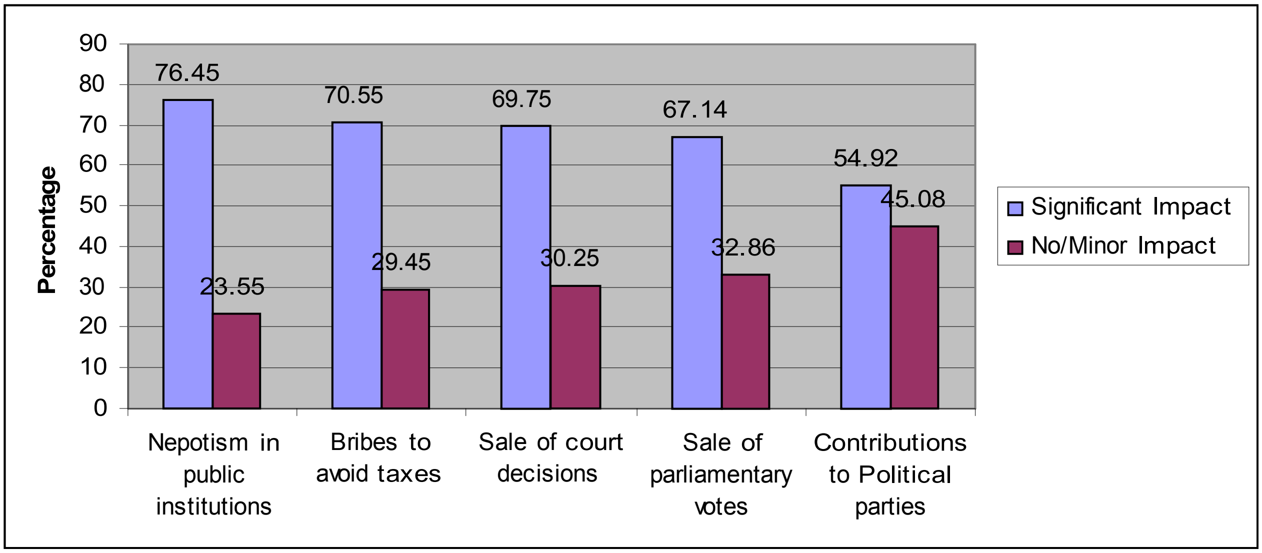
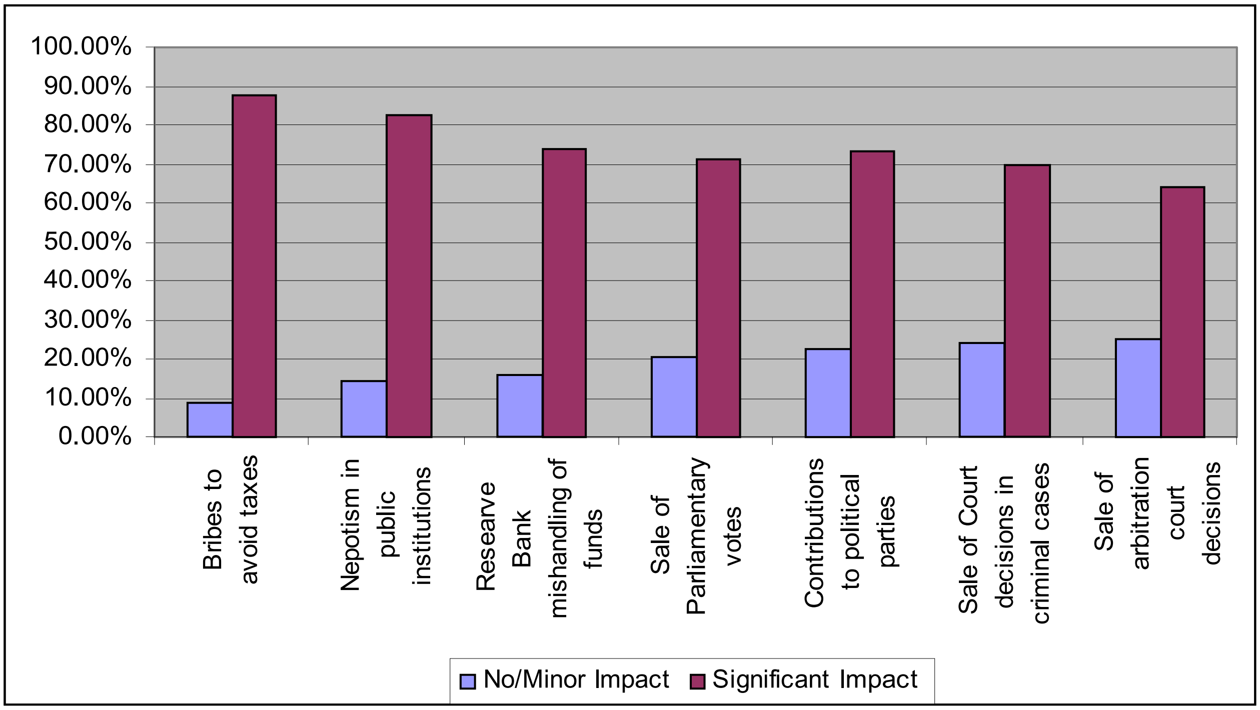


Figure 8 illustrates that households feel the impact of the corrupt acts on their wellbeing. While all the corrupt acts are considered detrimental to household wellbeing, nepotism in public institutions is considered as the corrupt act with the most significant impact on the welfare of households with 77% of the respondents citing it; while contributions to political parties or campaigns ranked the least with 55% of the respondents worrying about it. The complete turnaround in the perceptions of households about the impact of corrupt acts on the welfare of their households may be attributed to improvements in the efficacy of the civic education efforts in raising awareness about corruption. This suggests that ordinary Malawians now understand much better the link between corruption and its detrimental effects on their welfare.

3.5.2 Views of Public Officials

Just like in the 2006 survey, public officials established a close connection between corrupt acts and the overall health of an economy. In the 2010 survey, public officials equally felt that corrupt acts have a significant impact on the health of the economy as depicted in Figure 9 below:

Figure 9: Impact of Corrupt Acts on the Economy



The order of ranking of the impact of corrupt activities on the health of the economy has essentially remained the same although it is worth noting that nepotism in public institutions has moved from third to second in 2010. The Reserve Bank mishandling of funds was not an issue at all in 2006 but it is considered as the third most important corrupt activity undermining the health of the economy. For households, nepotism in public institutions ranks as the most serious corrupt act affecting the status of the economy followed by the rest of the activities.

These observations need a caveat, however. The survey was carried out at a time when issues of nepotism were topical in political circles, in the media and general public discourse. There have been concerns that specific sections of the society are being favoured when it comes to appointments to senior positions in the public service. The survey was also carried out at a time when the country is grappling with foreign exchange shortages which has negatively affected most businesses that rely almost exclusively on imported goods and materials. This could partly explain why the Reserve Bank mishandling of funds is considered to have significant impact on the overall health of the economy.

4. THE PREVALENCE AND TRENDS OF CORRUPTION

4.1 Seriousness and Frequency of Corruption

There is a slight decline in the perception of the seriousness and frequency of corruption among ordinary citizens today compared to 2006. While in 2006 89% or 9 out of every 10 people believed that corruption was a serious problem, the proportion of such people has declined to 83% or 8 out of every 10 people in 2010. There is, however, a substantial decline in the proportion of people who believe that the problem of corruption has worsened over the last ten years before the survey. In 2006, as high as 70% of the households believed that problem of corruption had gotten worse. This has declined to 52% in 2010. Thus while 7 out of every 10 people in 2006 believed that the problem of corruption had worsened, only 5 out of every 10 people believe so in 2010.

Actually, there is a significant improvement in the proportion of people who believe that the corruption situation has become better. In 2006, only 2% felt the situation had become better compared to 46% in 2010. This, *inter alia*, demonstrates that there has been some progress in the fight against corruption. The majority of the households (54%) feel that corruption is mostly perpetrated by public officials while the other actors, namely, citizens, businesses and politicians are essentially at the same level.

Slightly a quarter of businesses (27%) believe it is common to pay some gratification in order to get things done. The proportion of such businesses has essentially remained the same between 2006 and 2010. Just as was the case in 2006, businesses that have made sales to the public sector over the past two years are more likely to pay gratification in order to get things done than those who have not. The proportion of such businesses has essentially remained the same between 2006 and 2010 at 33%. This, in a way, further supports the perception that corruption is mostly perpetrated by public officials.

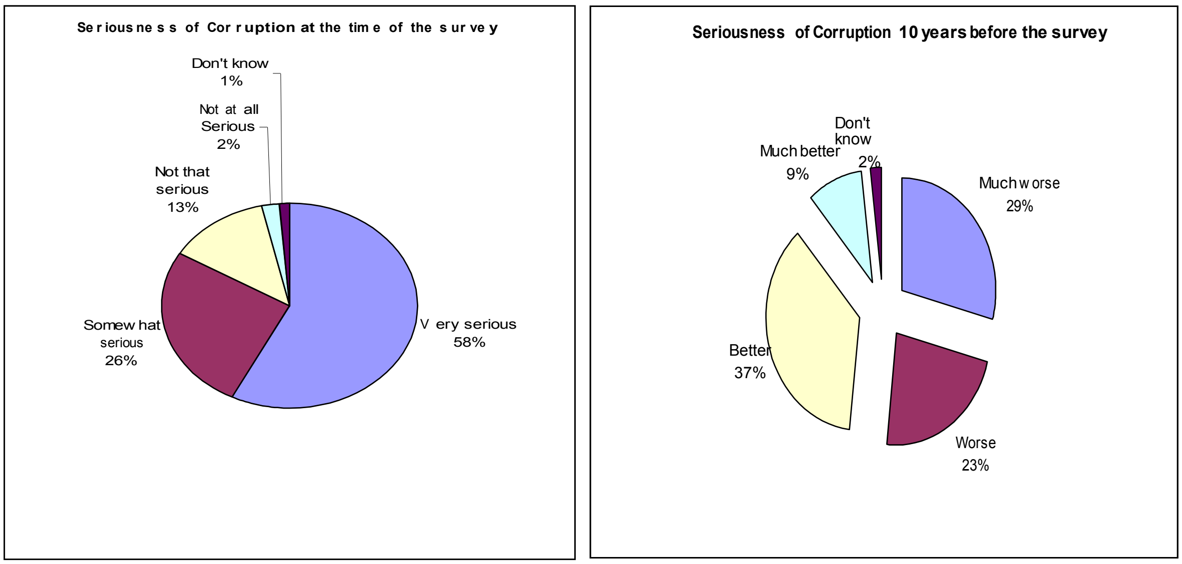
Up to 78% of public officials believe that corruption was prevalent in government ten years ago compared to only 27% now. With reference to their particular organizations, 15% of the public officials believe that corruption was prevalent three years ago compared to 7% now. In both cases, there are some improvements compared to the baselines in 2006. The proportion of public officials with the perception that corruption was prevalent in government ten years before the survey has declined from 84% to 78% whereas the proportion of public officials with the perception about the incidence of corruption in their respective organizations three years before the survey has marginally declined from 30% to 27%. The proportions of public officials who believed that corruption was and is prevalent have been halved in both cases. In 2006, the proportion of public officials who felt that corruption was prevalent in their organizations three years before the survey stood at 30% while those who felt so at the time of the survey stood at 13%. These improvements could be a further indication of the positive effects of concerted efforts to fight corruption.

4.1.1 Views of Citizens

Figure 10 below shows the seriousness of the problem of corruption among ordinary citizens. As observed above, 85% of the citizens rated corruption as a serious problem in the country. This is a combination of those respondents that rated corruption as very serious (58%) and somewhat serious (26%). Overall, this demonstrated a slight decline in the seriousness of the problem of corruption. In 2006, 89% of the ordinary citizens rated corruption as a serious problem.

There is some notable improvement in the proportion of citizens who believe that corruption has worsened over the past ten years. While in 2006 nearly 7 in every 10 ordinary citizens believed that the problem of corruption had gotten worse the situation is different in 2010. Only 5 out of every 10 ordinary citizens believe that corruption has gotten worse in the last 10 years. A significant proportion of ordinary citizens that feel that the corruption situation has gotten better compared to ten years ago. While only 2% felt the situation had gotten better in 2006, the proportion of citizens with such a perception is as high as 46% in 2010. As observed above, the changes underpin tremendous progress in concerted efforts to raise awareness about corruption as well as to curb it altogether.

Figure 10: Views of Citizens on Seriousness of Corruption at the Time of the Survey



There is, however, a paradox just as was the case in 2006. Ordinary citizens do not generally regard corruption as a common occurrence even though they regard corruption as a serious phenomenon. When asked whether it is common for citizens to always, frequently, sometimes or never pay gratification to public officials to get things done, 20% of the respondents say that this always happens, 24% think this frequently happens, 39% say sometimes and 13% say never. Thus about 44% think that gratification to public officials is at least a frequent occurrence compared to 51% who think this seldom or never occurs. There is, nonetheless, some change in terms of the proportions between 2006 and 2010 although these changes have not necessarily affected the overall conclusions. In 2006, only 38% thought gratification to public officials to get things done is at least a frequent occurrence in Malawi.

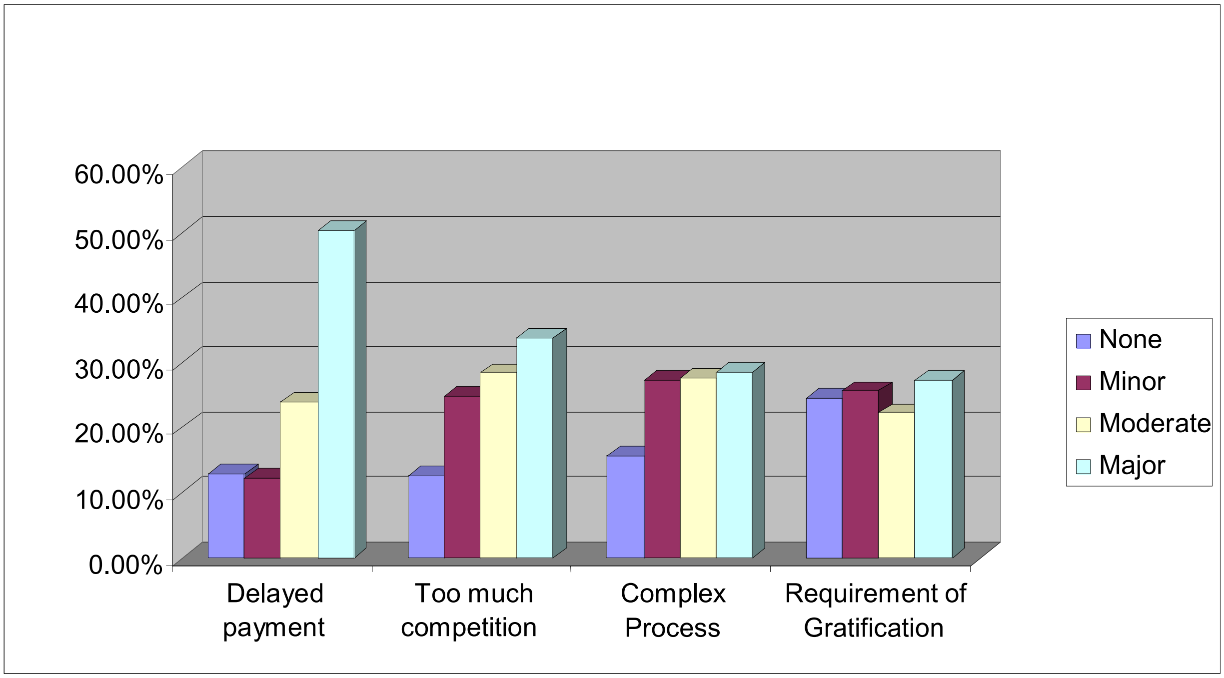
There is, however, a turnaround in the perception of those respondents who think that corruption is a serious problem regarding its pervasiveness. In 2006, 56% of the respondents who described corruption as a very serious problem felt that citizens sometimes or never pay gratification to public officials to get things done. In 2010, up 51% of ordinary citizens that described the problem of corruption as very serious felt that gratification to public officials to get things done is at least a frequent occurrence in Malawi compared to 46% who felt that this seldom or never happens. This would suggest that there is now increased awareness among the ordinary citizens about the dynamics of corruption in the country.

4.1.2 Views of Businesses

The results of the survey show that corruption is not widespread in the business sector. The results in 2010 are not any significantly different from those obtained in 2006. When asked how common it is for firms in their respective line of business to pay gratification to get things done, 27% of the businesses indicated that it is common up from 23% in 2006. The majority of the businesses just as was the case in 2006 indicated that it is very rare for business to pay gratification in order to get things done. However, the proportion of businesses indicating that it is very rare to pay gratification has declined to 53% in 2010 from 64% in 2006. There is no difference at all between firms located in rural and urban areas in their experiences with corruption. In both cases, 27% of the firms indicated that it is common for firms in their respective line of business to pay gratification in order to get things done. Just as was the case in 2006, businesses that have made sales to the public sector over the past two years are more likely to say that it is common to pay gratification (32%) than those that have not made sales to the state sector.

Businesses were further asked to identify key obstacles to doing business with the government in the country. The businesses were required to provide their opinions on four different aspects, namely: delayed payment, too much competition, complexity of processes and requirement of gratification. The businesses were required to state whether these factors were major, moderate, minor or not obstacles at all. The results are shown in Figure 11 below.

Figure 11: Severity of Obstacles when Conducting Business with Government



While delayed payment remains the most severe obstacle to doing business as established in 2006, there has been a complete turnaround of the rest of the factors. In fact, there not been any change in terms of the magnitude of the impact of delayed payments between the two surveys. It was cited by about 50% of the businesses just as was the case in 2006. It is striking to note that the requirement for gratification has been displaced from being the second to the fourth most important obstacle while too much competition has become the second most important obstacle while complexity of processes has moved from fourth to third. The percentage of firms citing the requirement of gratification as a major obstacle to doing business with government has declined from 40% in 2006 to 25% in 2010. This again denotes the success in the concerted efforts to raise awareness about corruption and to curb it altogether.

4.1.3 Views of Public Officials

Public officials were asked for their opinions on the prevalence of corruption in government generally and with particular reference to their organizations now and ten years ago. For both the government generally (27%) and their organizations specifically (7%), less than the majority of public officials say that corruption is prevalent. In the case of government generally, 57% say corruption is a moderate problem whereas 31% say the same for their own respective organizations. Just as in 2006, the proportion of public officials who felt corruption is rare or non-existent in their own organizations has remained at 57%.

The survey results indicate that the majority of public officials feel that the corruption situation has improved quite significantly over the last ten years. While 27% of the public officials felt that corruption is prevalent in government now, up to 79% felt it was prevalent ten years ago. The perception of the prevalence rate of corruption of corruption in their respective organizations has declined from 15% three years ago to 7% currently. This is, indeed, true even when the public officials surveyed are broken down according to different categories. The summary results are presented in Tables 3 and 4 below.

Table 3: Prevalence of Corruption in Government

Category of Public Officials	Corruption 10 Years Ago (%)	Corruption Now (%)
Civil Servants in Lilongwe City	78	25
Civil Servants outside Lilongwe City	79	31
District Councils	80	21
Representatives of the Judiciary	73	37
The Executive and MPs	94	17
Malawi Revenue Authority	100	40

Table 4: Prevalence of Corruption is Specific Organizations

Category of Public Officials	Corruption 3 Years Ago (%)	Corruption Now (%)
Civil Servants in Lilongwe City	12	7
Civil Servants outside Lilongwe City	17	7
District Councils	14	7
Representatives of the Judiciary	14	5
The Executive and MPs	39	17
Malawi Revenue Authority	10	10

The average percentage of salary that gratification represents for public officials in their respective organizations has increased from 23% in 2006 to 28% in 2010. There is a great deal of variation in terms of the proportions of salary that represents gratification across the public sector organizations falling within the 18-43% range. This represents an increase in the practice of gratification since 2006 when the range for salary percentage that gratification represented was between 0 and 30%. Those working in the Malawi Revenue Authority have a higher average estimate for the percentage of salary gratification at 43%. In the survey, public officials working in the legal sector had a higher average estimate while those working in the services ministries such as education and health had the least estimate at less than 23%. In 2010, it is public officials working in district councils that have the least estimate at 18%.

The survey further assessed the extent to which gratification is shared with others and in what percentages. The results show that those who engage in corruption share on average 26% with their superiors; 30% with their colleagues; and 15% with politicians or political party agents. The pattern of the distribution of the gratification is essentially the same as established in the 2006 survey. There is just as a slight drop in the proportion of the gratification is shared. In the 2006 survey, it was estimated that 73% of the gratification is shared out which has declined to 71% in 2010. These patterns, even though not necessarily accurate, may point to the existence of gratification cells in the public sector.

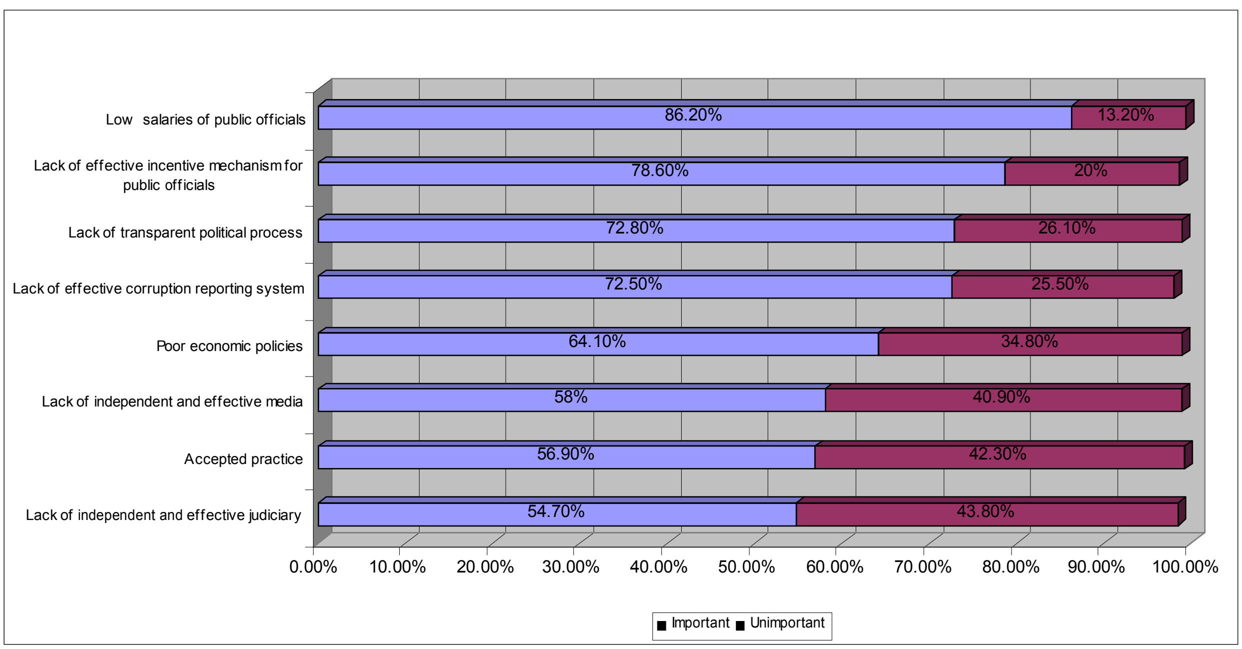
In addition, the survey enquired whether gratification is an issue in recruitment nor not. In this regard, public officials were asked to indicate how often jobs in their organization are obtained through gratification. There is a noticeable decline in the proportion of public officials that feel jobs are obtained through gratification. While in 2006, 4 out of every 10 public officials felt that jobs were obtainable through gratification those feeling the same have declined to 2 out of every 10 public officials. This suggests that there is some positive impact of the anti-corruption efforts in not only raising awareness about corruption but also to effectively control it.

While there is some noticeable decline in instances of people getting public sector jobs through gratification, the problem has not been rooted out completely. There are still cases in which jobs in the public sector are not filled by applicants who are not necessarily the most qualified. The decline in instances of gratification for people to get jobs in the public sector is further underscored by the fact that 66% of the public sector officials felt that the most qualified applicants always or usually get the job. This is a huge change compared to the 2006 survey results. Only 44% felt that the most qualified applicants always or usually get the job. The improvement notwithstanding, the recruitment of less qualified personnel through gratification has significant implications for the performance and professionalism of the public officials.

Public officials are clearly dissatisfied with the fact that they are not rewarded for their efforts in their respective professional undertakings. While there is some improvement compared to 2006, still a fairly significant proportion of the public officials (49%) feel that they are not rewarded for excellent professional achievement. The proportion saying the same was estimated at 54% in 2006. The proportion of public officials who feel that their organizations reward excellent performance only sometimes has remained at 37% between these two periods. Only about 10% felt that their organizations reward excellent performance often or always. Seldom recognition of excellent performance often acts as a disincentive which, in turn, affects employees' motivation to contribute to an organization's goals efficiently and effectively. Lack of proper motivation risks prompting employees to indulge in corrupt activities in flagrant disregard of professional ethics and standards.

This is further confirmed by the public officials' perceptions when they were asked to evaluate various factors that may play an important role in the perpetuation of corruption in public sector institutions. The two most important factors are low salaries of public officials and lack of effective incentive mechanisms for public officials. Figure 12 below shows the importance attached to various factors that may cause corruption.

Figure 12: Importance of Causes of Public Sector Corruption



When the 2010 results are compared to the 2006 results, there have been noticeable changes in the ranking of the factors which perpetuate corruption in the public sector. It is, however, important to note low salaries and lack of effective incentive mechanisms have remained amongst the top three most important factors that perpetuate corruption in the public sector. In 2006, low salaries and lack of effective incentive mechanisms were cited by 92% and 87% of public officials respectively. In the 2010 survey, low salaries and lack of effective incentive mechanisms were cited by 86.2% and 78.6% of the public officials respectively. Although the differences are not that significant, they nonetheless reflect the positive impact of the government's efforts to progressively improve the working conditions of the public officials in recent years.

However, just as in the 2006 survey, corruption as an accepted practice is not deemed as a significant factor in perpetuating corruption in the public sector. It was, in fact, cited as being important by 57% of the public officials. The dominance of low salaries and lack of effective incentive mechanisms in both surveys suggest that the development of interventions that address these two factors may help address the question of pervasive corruption in the public sector.

4.5 Measuring Corruption

The costs of corruption can be crudely measured by asking businesses how much additional tax they would be willing to pay in order to eliminate corruption. Just as in the 2006 survey, the results demonstrate that, overall, corruption is a concern for businesses in the country and imposes costs and constraints on their day to day operations.

The results show that businesses surveyed are prepared to pay a mean percentage of additional taxes of 12% in order to eliminate corruption. The mean percentage is higher for registered businesses at 13% compared to unregistered businesses at 3%. Generally smaller businesses are much more willing to pay higher taxes than bigger ones in order to eliminate corruption. Businesses with 0 to 10 employees are willing to pay an average of 12% in additional taxes as a percentage of their revenue to eliminate corruption whereas those with 11 to 50 employees have a slightly higher mean percentage at 13%. However, businesses with over 50 employees are only willing to pay on average 8% additional taxes as a proportion of their revenue in order to eliminate corruption.

It is further important to note that firms that have business relationships with the state are much more willing to pay higher additional taxes as a percentage of their revenues in order to eliminate corruption than those that do not. The mean average for firms with business relations with the state is 14% compared to 10% for those without. There is no any difference on the basis of where the firms are located. The mean average for firms' willingness to pay additional taxes is estimated at 12% in both rural and urban areas.

The patterns of the results are essentially the same between the 2006 and 2010 surveys. However, the major difference is that the mean averages are consistently higher across all variables than they were in 2006. Businesses are now much more willing to pay higher mean averages of their revenue as additional tax in order to curb corruption. This, inter alia, demonstrates increased level of awareness of the negative effects of corruption by the business community which could be attributed to the concerted efforts to increase awareness about the effects of corruption on the integrity of the economy and the importance of controlling corruption.

The public officials were further asked to estimate the percentage of procurement contracts that involve gratification in their respective organizations. The mean estimate is that 9% of the procurement contracts involve some kind of gratification while the mean estimate of the contract value that must be offered in gratification in order to secure contracts is 7%. This is slightly higher than it was in the 2006 survey which was estimated at 4%. Businesses were further asked to estimate the proportion of invoice processes in which they have gratification in order to secure payment for their contracts. The mean estimate is 8% which is roughly the same as the estimate for gratification needed to secure contracts. The mean value of invoices that must be forfeited for firms to secure payments was estimated at 6% slightly higher than in the 2006 survey in which it was estimated at 45%.

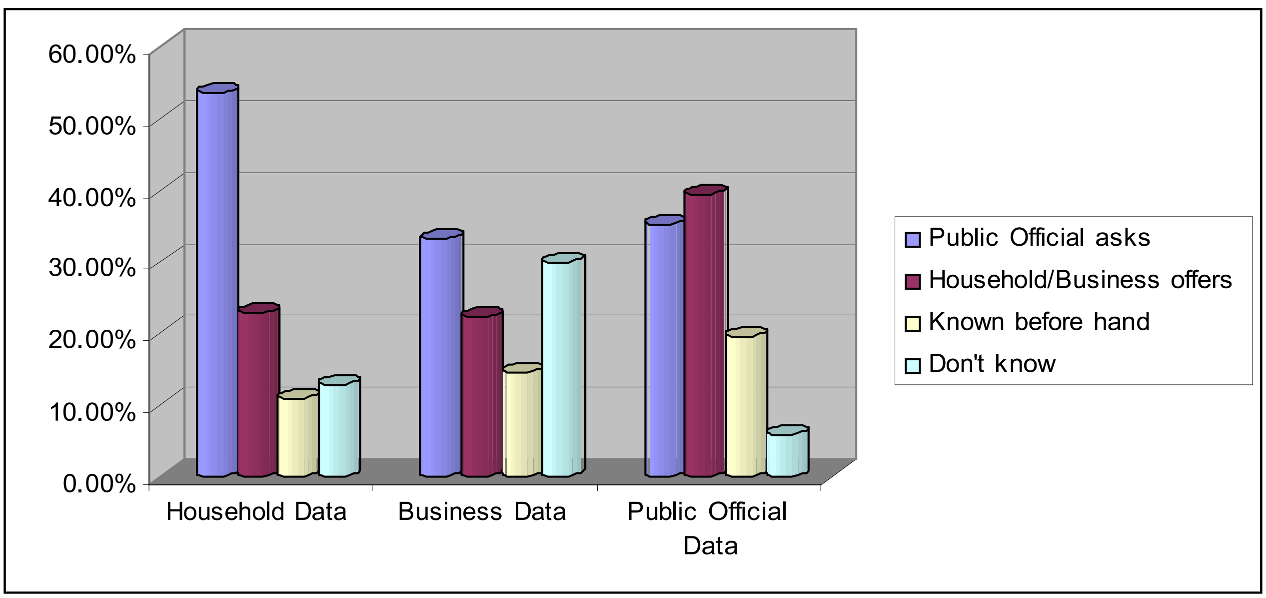
Comparatively, firms that make sales to the state sector have a higher mean estimate of invoices (9%) for which they have to pay gratification in order to secure payment than those that do not (6%). These results suggest that firms seeking to do businesses with the state sector must pay an average gratification tax of 14% in order to secure contracts and payments thereof. The average gratification tax has doubled since the 2006 survey. The implication of the gratification tax for firms doing business with the state sector is that they factor these gratifications in their pricing function. This, in turn, inflates the costs for the government to maximize efficiency and effectiveness in its activities. Consequently valuable resources that could have been committed elsewhere are lost in unwarranted gratification taxes.

4.3 Sources of Corruption

4.3.1 Typical Patterns of Corruption

The main interest was to establish who are the perpetrators or instigators of corrupt practices. In this regard, respondents in all the three surveys were asked about what typically happens when gratification is paid to public officials; whether the public officials ask for gratification, whether the businesses or citizens offer gratification or whether it is known beforehand how much gratification should be paid. The results are shown in Figure 13 below:

Figure 13: Typical Pattern of Corruption

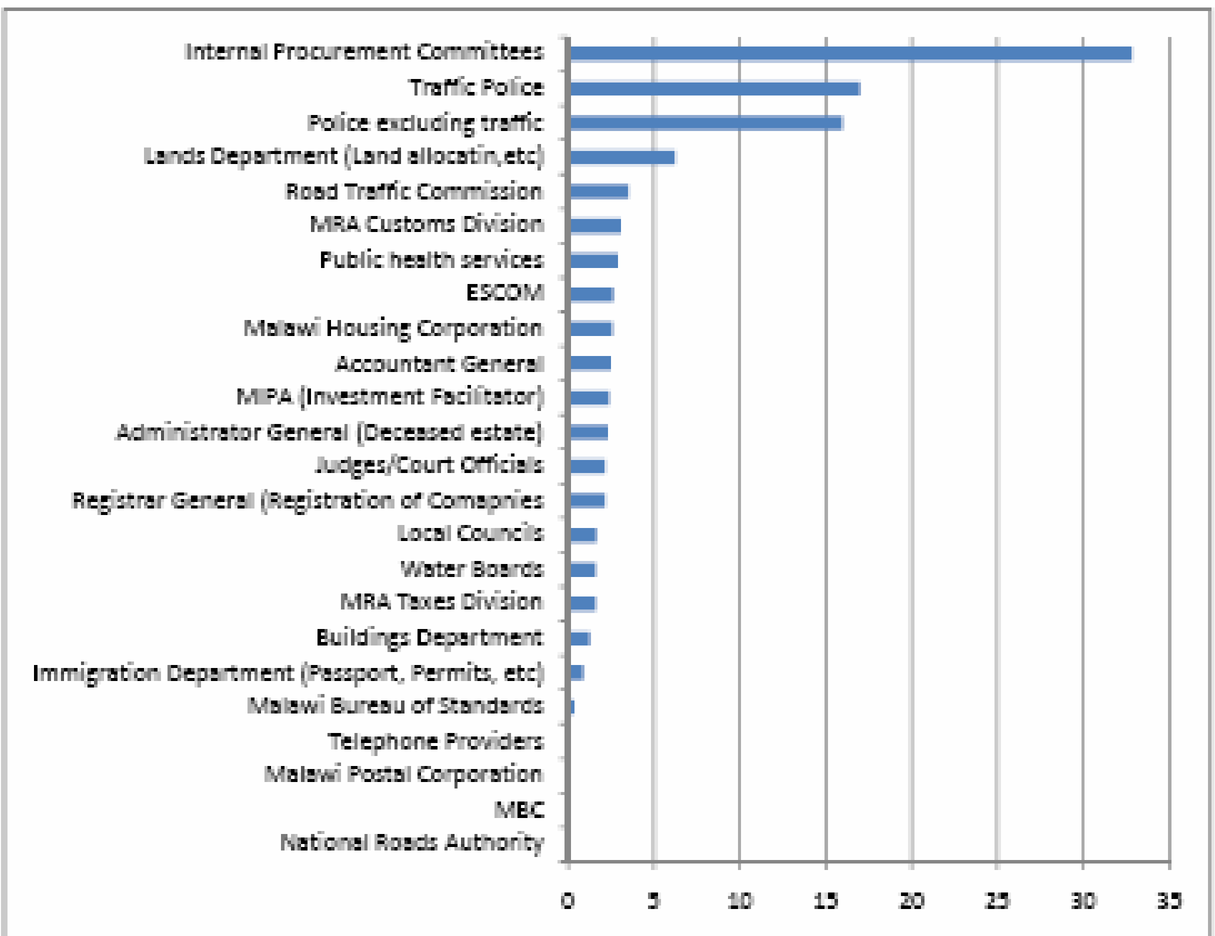


While in most cases citizens and businesses believe that public officials ask for gratification, public officials themselves indicated that households or businesses take the initiative to offer gratification for services. There are some noticeable changes compared to the 2006 survey results. In this survey, citizens and public officials indicated that it was public officials, who in most cases, ask for gratification. Although most public officials felt that households or businesses offer gratification, there is not any significant difference with those who felt they are the ones who ask for gratification. The major difference with the findings of the 2006 survey is therefore in terms of the perceptions of businesses. In 2006 about 30% of businesses felt households or businesses offer gratification to public officials compared to 20% in 2010. Most businesses, estimated at 30%, felt it is public officials who ask for gratification. The 2010 results may suggest changes in the perception about corruption as an integral part of public service transactions. In cases of both businesses and public officials, the 2006 results implied that they were proactive in creating an environment in which corruption thrived. It is now different according to the 2010 survey results. There is, at least, an attempt to push the blame to other parties in the transactions which suggests that corruption is not generally condoned.

4.3.2 Users' Experiences with Public Institutions

In the business survey, respondents were asked about their firm's experience with several public institutions with a focus on corrupt behaviours in those experiences. The firms were asked for the number of times their firm had contact with each of the public institutions over the past year as well as an estimate of the number of times they were asked for gratification by a public official at these institutions. The results are shown in Figure 14 below.

Figure 14: Percentage of Contacts Leading to Request for Gratification



There are significant differences between the trends reported in the 2006 and 2010 surveys particularly in terms of proportions of businesses' interactions with public institutions that lead to requests for gratification. In the 2006 survey, it was only the postal corporation that reported less than 5% of its interaction with businesses leading to the request for gratification. Nearly half of the institutions surveyed reported contacts with businesses leading to requests for gratification in the range of 15-55%. In the 2010 survey, it is only three institutions reporting contacts with business leading to requests for gratification at 15% or above. The range has declined from 0 to 55% to 0 to 33%. This is a clear indication that there has been some significant decline in the incidence of corruption across public sector institutions in the country.

The top five institutions have essentially remained the same with the exception of the Malawi Housing Corporation and the Immigration Department. They are both outside the top five reporting less than 5% of contacts leading to requests for gratification down from 45% and 37% in the 2006 survey respectively. However, even among the top five institutions, the proportion of contacts leading to the requests for gratification has substantially declined. The top five institutions include ***Internal Procurement Committees***, ***Traffic Police***, ***General Police***, ***Lands Department*** and the ***Road Traffic Commission***. The institutions that are associated with low or no requests for gratification include ***Malawi Bureau of Standards***, ***Telephone Providers***, ***Malawi Postal Corporation***, ***MBC*** and ***National Roads Authority***. There is a somewhat positive correlation between an institution's level of integrity and the likelihood of contacts with businesses leading to request for gratification.

Overall, the 2010 survey results show that there is generally a decline in the incidence of corruption. However, it is important to note that businesses' interaction with Internal Procurement Committees is a major source for gratification with 33% of the businesses reporting that contacts with Internal Procurement Committees led to requests for gratification. The perception established in the 2006 survey that the Office of the Director of Public Procurement (ODPP) is the most corrupt may therefore not have been necessarily accurate.

5. GOVERNANCE AND CORRUPTION IN KEY SECTORS

5.1 The Legal and Judicial Sector

The legal and judicial sector plays a critical role in the fight against corruption by providing one of the most reliable and effective institutional framework that deals with criminal activities in any country. Consequently, if the legal and judicial framework is not effective, the whole fight against corruption is unlikely to make any meaningful headway. In this regard, the performance of the legal and judicial sector is one of the key indicators in the evaluation of a country's management of the fight against corruption.

5.1.1 Concerns of Business Enterprises over Laws and Regulations

Some of the essential components of a viable business environment are predictability, transparency and consistency of the country's relevant laws and regulations. Among other factors, these legal components help business to make meaningful decisions on new investments as well as ably thrive under a normal competitive environment. To some extent, Malawi seems to be making some progress in this regard. A large proportion (63%) of business enterprise owners feel that it is very or somewhat easy to obtain laws and regulations affecting their firms. Only 34% indicated that the information is very or somewhat difficult to obtain. This is a major improvement compared to the 2006 survey results when only 38% indicated that this information is very or somewhat easy to obtain.

When comparing registered and unregistered businesses, it was found that there were no significant differences amongst them in relation to obtaining laws and regulations affecting their business. Specifically, 63% of registered businesses said that it is easy to obtain the laws and regulations while 60% of the unregistered also indicated the same. In relation to those who felt that is was difficult to obtain the laws and regulations, 33% were from registered businesses while 40% were from unregistered firms. Compared to the 2006 survey results, there is also a significant improvement as 45% and 55% of registered and unregistered firms respectively indicated that it was difficult to obtain laws and regulations affecting their businesses. However, it still remains that it is unregistered businesses that are more likely to say that it is difficult to obtain the information.

Asked about the predictability of changes in rules and regulations affecting their businesses, a majority (55%) of respondents in the business sample indicated that the environment was completely or somewhat predictable. This is again a major improvement as compared to 2006 when only 42% completely or somewhat felt that the changes were predictable. The percentage of those who believe that the changes are completely or somewhat unpredictable is 40% and this figure has not changed as compared to the 2006 survey which stood at 39%. When asked to reflect *over the past three years*, 34% of the business firms feel that changes in the laws, policies or regulations affecting their business have become much more or somewhat more predictable. In 2006 only 19% indicated that there was more predictability over the past three years.

This entails a significant improvement of about 15% in the number of those who believe that the changes in the laws, policies or regulations have become more predictable over the past three years. An almost similar number of firms (31%) feel that it has become much less or somewhat less predictable over the past three years while 27% indicated that the situation has remained the same. In 2006, 32% felt that the laws, policies or regulations have become less predictable over the past three years while 29% felt that the situation had not changed.

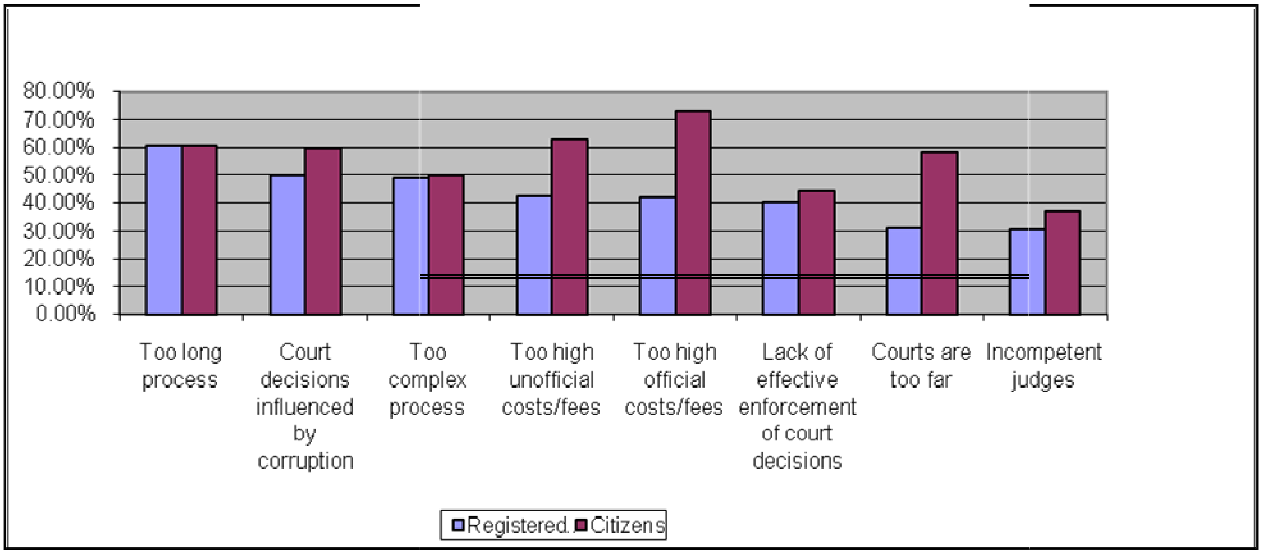
In relation to consistency of general laws and regulations and their interpretations affecting their firms, 70% indicated very or somewhat consistent and only 26% indicated very or somewhat inconsistent. Again there is a huge improvement in those indicating constituency when compared to the 2006 survey which indicated that only 41% felt that the laws and their interpretations were consistently applied. At 70% and 67% there is no significant difference between registered and unregistered businesses respectively, in relation to the extent to which they feel there is consistency of application and interpretation of general laws affecting their businesses. In 2006, 55% of registered and 27% of unregistered businesses believed that the laws and regulations were consistently applied.

Overall, the data shows that when compared to the 2006 survey, Malawi has made significant progress in relation to easiness to obtain laws and regulations affecting firms, predictability of changes in business rules and regulations, and consistency of general business laws and regulations and their interpretations. Although reflecting over the past three years data on changes in the laws affecting business shows that the business environment has become more predictable, the improvement (at 34% of sampled businesses) is not adequate. There is a need for further improvement in this area so as to boost confidence to the business sector.

5.1.2 Access to the Court System

Households and registered business firms were provided with several statements representing possible obstacles to the use of the court system in Malawi. Businesses and households were then asked to indicate whether these obstacles were minor, moderate or major in nature. Unregistered firms were not asked these questions because it was established that due to their nature of operation, it is unlikely that they could take legal action. Figure 15 shows percentage of household and registered business enterprise respondents who believe that each of the obstacles is major in nature.

Figure 15: Obstacles to Using Court System



The common response for both ordinary citizens and registered businesses is that the court system involves a 'too long process' (60%). Another common response is in relation to complexity of the court process. Half (50%) of ordinary citizens and almost half (49%) of businesses believe that the courts have a 'too complex process'. In 2006, the common concern (60%) was that courts are influenced by corruption. What is notable is that the view of the ordinary citizens regarding corruption in the court system has not changed since 2006 while for businesses it has come down from 60% to 50%. However this reduction is not significant enough. Overall, the major obstacles to use of court system have not significantly changed for citizens and registered businesses in the period 2006 and 2010. In 2006, too long process, too high official costs/fees and corrupt practices were the top three obstacles for registered businesses. In 2010, the top three obstacles for businesses have almost remained the same.

Despite reduction in relation to percentages, the views of the registered business sector on obstacles to access to courts such as too long processes and corruption have remained as the *main obstacle* in both 2006 and 2010. In the case of the views of citizens, in 2006 the three main obstacles were too high unofficial costs, corruption, and courts too far/too long processes/ too high official fees (at same level of 30%). Interestingly, in 2010, the main obstacle for citizens are too high official costs or fees, too high unofficial costs and corruption/too long process (at same level of 60%). This implies that for citizens, the main obstacles have remained the same over the 2006 and 2010 period. The only difference is that for citizens, unofficial costs were the main obstacle in 2006 while official costs have become the main obstacle in 2010, denoting at least a positive trend in transparency and accountability in the country's judicial system.

On the whole, as far as perception of registered businesses and ordinary citizens is concerned, there has not been any observable improvement to in the reduction of the major obstacles to the use of court systems in the country. Almost the same perceived obstacles that the ordinary and registered businesses were encountering in 2006 are still prevalent in 2010. In the registered business sample, some respondents mentioned that they had paid out gratification to court officials. On average, they had paid out more gratification to Sheriffs (K2, 380.95) followed by Judges (K658.46) and Court Clerks (K158.73). However, none of the respondents had ever paid out gratification to Magistrates, Public Prosecutors and Court Messengers. It should be mentioned that these gratification amounts are not necessarily alarming (implying low prevalence and less serious in nature) but they have the potential of denting the image of these key anti-corruption institutions.

The survey also wanted to know, through the household survey, if anybody in the respondent's household had initiated a legal action against anybody in the past three years. Similarly, through the business sample survey, registered businesses were also asked if they had initiated legal action against anybody in the past three years. The results show that only 8% of households stated that they had initiated a legal action against anyone in the last 3 years. Of the registered businesses interviewed, 18% had initiated a legal action in the last there years. In both cases there is slight improvement as compared to the 2006 survey results. For households and registered businesses in the 2006 survey, those who had initiated legal action were 6% and 13% respectively. Just like in 2006 among registered businesses, the likelihood of initiating a case rises with the size of the business. In relation to businesses that have employees in the range of 1-10, 9% had initiated a legal action in the past three years while 19% for those with employees in the range of 11-50 and 34% for those with 51 or more employees. However, the major difference with the 2006 survey is that there is a current (in 2010) sharp fall in the number of those who had initiated legal cases. In 2006 survey findings, registered businesses with 1-10 employees had 6% who had initiated legal action within the last three years, 26% of the businesses with 11-50 employees, and 46% of businesses with 51 or more employees.

In relation to those who had filed a case, when asked whether they received any indication that they were expected to pay some gratification to court personnel such as judges, lawyers, clerks, messengers, etc in order to get a favorable decision in the case, 36% and 27% of the citizens and businesses respectively agreed that they had received some indication that they were expected to pay. As compared to 2006 survey results, there is a huge increase for citizens while for businesses there has been no change. In 2006 only 14% of the citizens mentioned that they had received indications that they were expected to pay some gratification. Although the figures are not shocking it is clear that there has been no improvement in this area hence the need for concern. Courts should be perceived by the public as neutral and that the decisions made are objective. These figures have the potential of discrediting the integrity of court systems in the country.

On average businesses indicated that it took 11 months to resolve the most recent case and 4 months for citizens. Interestingly, while in the 2006 survey 74% of businesses who had initiated legal action said that their experience with court system would lead them to sue again (after being pleased with the system) only 48% indicated the same in 2010. This probably implies an increasing negative experience of the court system or processes by the business sector that needs special attention. This should be a cause of concern especially coming after the introduction of commercial courts that are expected to expedite the handling of cases involving business enterprises.

Unlike in the 2006 survey when 13% of ordinary citizens said that in the past two years, they or someone in their household felt the need to use the court system to resolve a dispute, but decided not to, 18% indicated the same in 2010; thus a 5% increase. As highlighted above this increase in the number of those deciding not to use the court system, even when they felt there was a need to do so probably imply a growing negative impression of the court system and its processes. In this regard there was a significant difference between rural and urban citizens with the urban citizens showing a greater likelihood (28%) of not using the court system as compared to the rural citizens (18%).

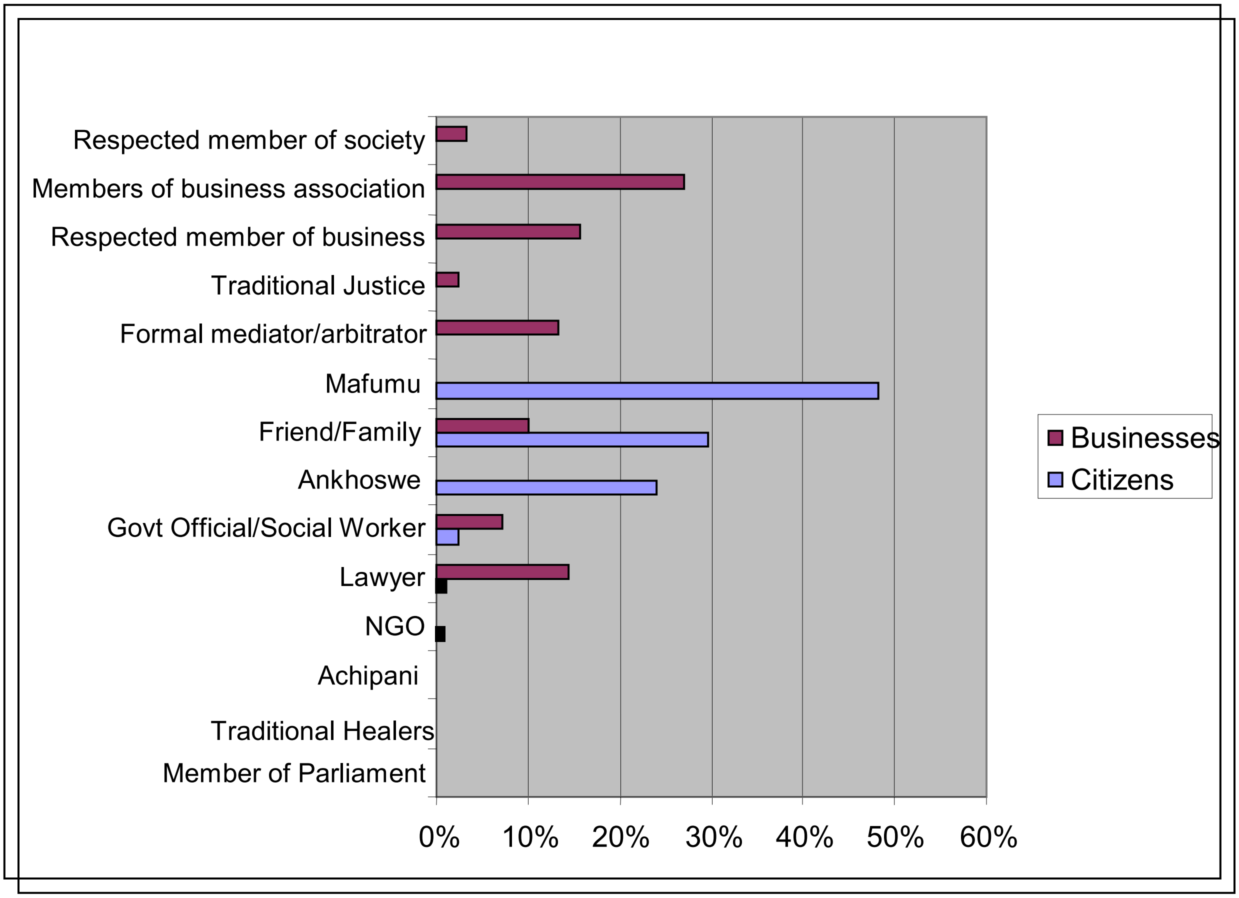
This is an interesting result because it is generally expected that the urban residents, who are close to courts (and may also probably afford the court related costs) should be more willing to use the courts. More importantly, several informal conflict resolution mechanisms exist in the rural as opposed to the urban areas. One explanation could be that urban residents are more aware or knowledgeable of the court processes and their related negative consequences as opposed to the rural residents. In this regard, urban residents have a more negative perception of the court processes as compared to the rural residents. In the 2006 survey, there was no difference between rural and urban citizens. As compared to the 2006 survey when 46% of registered business were likely to forgo courts to resolve disputes, in 2010 only 25% said that they would forgo the court system.

Registered businesses and ordinary citizens share similar views regarding Alternative Dispute Resolution (ADR). There was no significant difference between registered businesses (38%) and citizens (32%) in the use of ADR to resolve disputes according to the 2010 survey results. This is different from the 2006 survey when the difference was significantly huge in which 13% of the citizens and 56% of registered businesses reported using ADR in resolving conflicts respectively. In other words, more ordinary citizens are now opting for ADR while an increasing number of businesses are ignoring it.

It is not very clear why a sizeable number of registered businesses have decided to opt against ADR in order to resolve their conflicts. This is complicated by the fact that (as stated above) unlike in the 2006 survey when registered businesses that had initiated legal action were likely to sue again (based on their positive court experience), currently few are interested. So if businesses are ignoring ADR and court systems, the question that emerges is which alternatives they are currently pursuing to address their problem. This calls for a critical review of the court and ADR systems to make them attractive to business enterprises especially in view of some initiatives taken in regard, for instance, the introduction of commercial courts.

Registered businesses and household that used ADR were further asked to mention the persons or institutions they used to resolve their disputes. Figure 16 below sums up these persons or institutions used.

Figure 16: Alternative Dispute Mechanisms/Institutions Utilized



While registered businesses rely on formal arrangements of dispute settlement such as members of business association, respected member of business, households rely on traditional systems of *mafumu*, friend/family and *ankhoswe*. This was almost the same case in the 2006 survey. The major difference is that in the 2006 survey results, a significant percentage in each group used lawyers to settle disputes out of court while in 2010 survey results, extremely few households used lawyers.

5.2 Education Sector

All individuals in the household survey responded to the question on their experience with the education sector in the country. Of those interviewed, 9% of the households did not have a child attending school. Just like the 2006 survey results, 91% of the respondents in the 2010 survey say that the eldest school-age child in their household attends school. Of these eldest school-age children, 73% attend primary or nursery school, 23% secondary school, and 2% college or university. This is also almost the same as the 2006 survey results. In the 2010 survey, those that indicated that their eldest school-age child attends an educational institution, an overwhelming number attend government schools (82%) followed by private schools (10%), and mission schools (8%). The only difference with the 2006 survey results is that the percentage was much higher of those who attended private schools (14% in 2006) as compared to 2010. This entails that government continues to increase its role as the major provider of education in Malawi despite several efforts to increase the role of the private sector.

The number of children going to mission or private school is much higher in urban areas (41%) than in rural areas (14%). These results are similar to the 2006 survey results which indicated a 38% in the urban and 13% in the rural areas respectively. Urban residents are more capable of paying for such services as compared to those in the rural.

The mean/average fees paid by those sending their eldest school-age child to mission or private school was K12, 773.66 (minimum K30.00 and maximum K450, 000.00). However, the majority do not pay school fees because they attend government schools (70%). There is a sharp increase in the number of those not paying fees when compared to 2006 survey results whose figure was 58%. Those that pay fees, only 12% felt that the cost was somewhat or very expensive. Since the majority are not paying fees, and those that pay feel that it is not expensive, education in Malawi, from the view point, of households is not mainly obstructed by financial capabilities.

As compared to the 2006 survey when only slightly more than 1% of those whose households have their eldest school-age child in school said that they paid gratification on top of school fees, in the 2010 survey the figure rose to 7%. The median gratification paid was K150.00 which is slightly similar to that of 2006 survey results which was K100. As was the case in the judiciary, although the figure (of percentage of households who paid gratification) is not alarming on face value, it should raise concern because, among other things, the rate of increase itself is very high.

A majority of Malawians feel that the schools their children attend are good or very good (68%), and a relatively fewer percentage consider the schools poor or very poor (31%). This shows an improvement in schools as the 2006 survey showed that Malawians were split on the quality of schools which their children attend. Similarly, irrespective of the type of school being referred to, almost all respondents felt that the schools that their children were attending were of good or very good quality. However those who send their children to private and mission schools were more satisfied (82% and 75% respectively) than government schools (67%). Taking into consideration that the majority of household children attend government schools, attention needs to be paid to government schools so that they also come close to the quality offered in private and mission schools.

Households with school age going children were further asked to comment, over the past three years, on the overall quality of their child's school. According to the findings, 50% said that it is better or much better, 30% say stayed the same, 12% feel that it is worse. In the 2006 survey, 42% said that it is better or much better, 24% felt that it was the same, and 28% felt that it was worse. Respondents who had children in government schools 36% feel that their school is better compared to 13% who feel it is worse. Compared to the 2006 survey in relation to those whose children are in government schools, 39% felt that their school is better compared to 30% who felt it was worse.

In general, the perception of households is that the education sector in Malawi, irrespective of whether it is private/mission or government, has improved when compared to the 2006 survey results. The main negative observation, which needs close attention, is that the percentage of those paying gratification has increased from around 1% to 7%.

5.3 Health Care

In relation to their experience to obtain healthcare in the past 12 months, 80% stated that someone in their household had visited a health care facility such as a hospital, clinic, etc. to obtain care. This is a slight improvement (of 5%) because in the 2006 survey, 75% indicated that they had visited a health care facility. More urban area residents (86%) visited the healthcare facility than rural residents (79%) while in 2006, 84% of urban residents visited health care against 73% in the rural areas. In relation to the type of health facilities visited, urban residents are more likely to visit hospitals (68%) than rural residents (53%). Similarly, more rural residents visit clinics (41%) than urban residents (32%). Just like in 2006, urban residents are more likely to have visited mission or private hospitals than rural residents. The findings also show that less than 1% of the respondents ever paid gratification to health care officials.

Respondents were asked to evaluate the medical staff and facilities at each type of facility by the people who used those facilities. Table 5 presents the results of this evaluation compared to the 2006 survey results.

Table 5: Evaluation of Healthcare by Facility Used (2006 and 2010 results)

	Quality of Medical Staff							***Quality of Facilities***					
	Government		***Mission***		***Private***			***Government***		***Mission***		***Private***	
	2006	2010	2006	2010	2006	2010		2006	2010	2006	2010	2006	2010
Good/Very Good	68%	72%	83%	84%	71%	90%		68%	76%	86%	82%	87%	89%
Poor/Very Poor	31%	28%	15%	16%	17%	10%		26%	23%	10%	17%	10%	10%

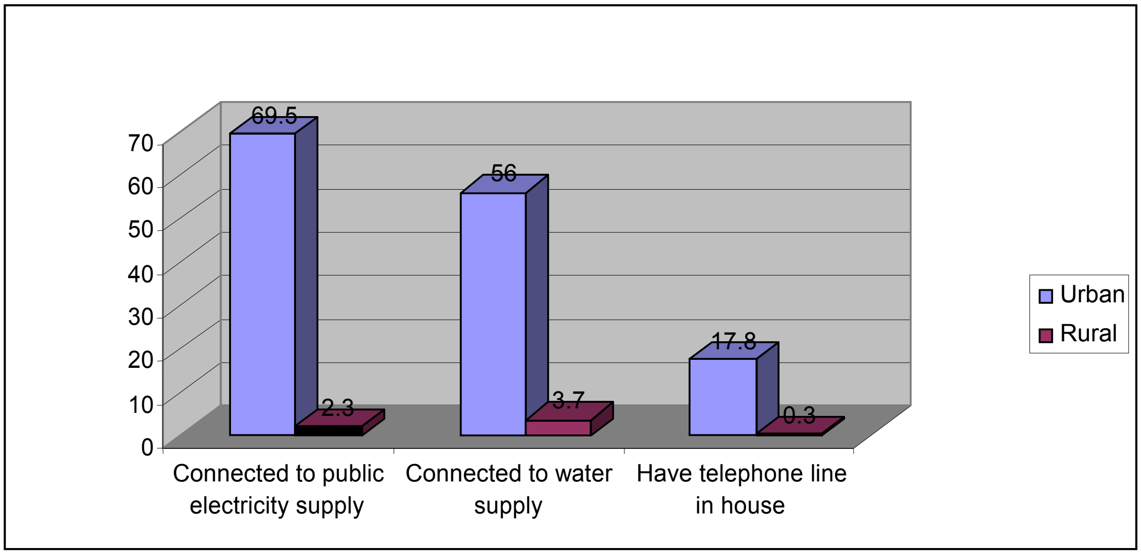
When the 2006 and 2010 results are compared, it is clear that all three types of facilities have been positively evaluated by Malawians. However, private and mission hospitals have been highly evaluated than government facilities. Private facilities have shown a major improvement in the area of quality of medical staff (from 71% in 2006 up to 90% in 2010).

All in all, despite some variations, a comparison of the 2006 and 2010 survey results show that Malawians in general, are putting more confidence in the health sector in relation to quality of medical staff and facilities- especially in the private sector. More importantly gratification payment remains very low in the sector.

5.4 Public Utilities

In the 2006 survey results, there was a stark difference between rural and urban residents in relation to access to public utilities such as connection to public electric supply, water supply and telephone lines. The situation in 2010 has almost remained the same.

Figure 17: Percent saying they have access to public utility



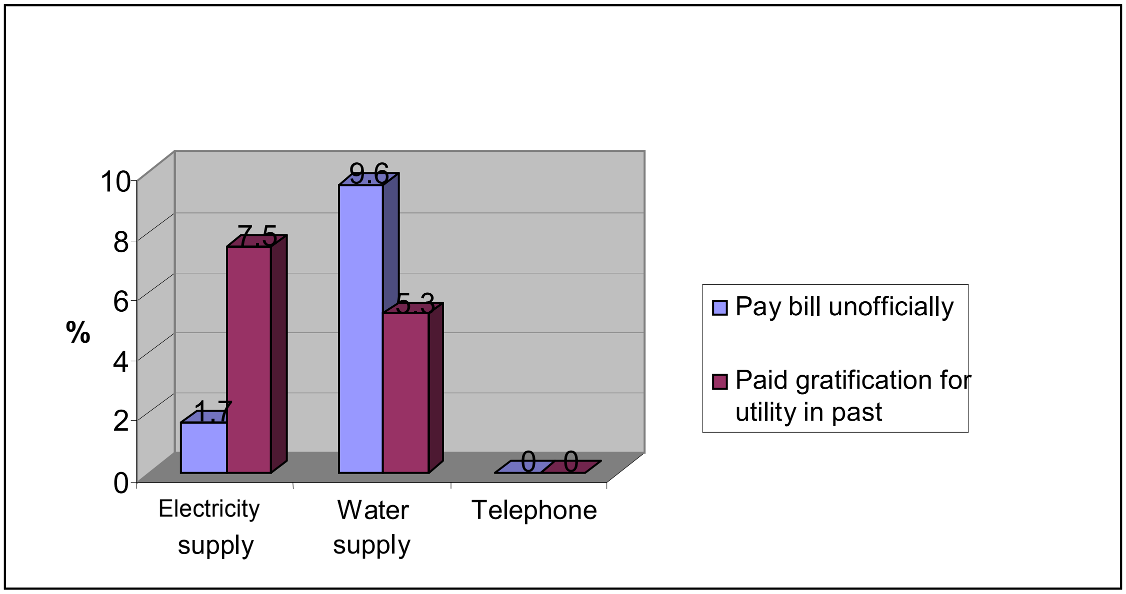
Only 2% of the rural households are connected to public electricity supply, 4% are connected to water supply and 0.3% have fixed telephone line. Although the differences between rural and urban are huge, even in urban areas those who are connected to these public utilities are few, especially water supply (56%) and telephone lines (17%). Despite the fact that there is a low number of households with connected fixed telephone lines, this doesn't necessarily imply that communication in this area is impeded as availability of mobile phone facilities have greatly lowered the need for fixed telephone lines.

Unlike the 2006 survey results which showed a sizeable number of households that got connected to public utilities using unofficial channels, in 2010 there has been a significant reduction in such cases. This could imply that the responsible public institutions have improved their systems so as to check on such anomalies. An interesting and notable improvement is in the area of telephone line and water supply connection which, based on the interviews of the respondents, did not have (or almost no) unofficial connection in 2010- against a background of 30% and 14% unofficial connections in 2006 for electricity and water supply respectively. For electricity supply, 97% said that they got connected officially while 3% were connected through unofficial channels. In the case of water supply, 99% mentioned that they had been connected officially while only 0.9% were connected unofficially. For telephone lines, impressively all respondents were connected officially. In 2006, 94% of those with public electricity supply said that they were connected officially while 5% said that they were connected through unofficial means; for water supply, 82% were connected officially while 14% were connected unofficially. In the case of telephone, 68% were connected officially.

Contrasting the 2006 survey results, whereby most Malawians were fairly satisfied with the reliability of the service of all the major public utilities, satisfaction with reliability of electricity supply has gone down from 82% (in 2006) to 29% (in 2010). Although respondents were satisfied with reliability of water supply, it too has gone down from 87% (in 2006) to 77% in 2010. In the case of telephone lines, the figure is 89% (in 2006 it was 91%). In other words, the satisfaction with the reliability of major public utilities has gone down as compared to the 2006 data.

Just like in the area of unofficial connectivity, there is a significant reduction in the number of households that are involved in unofficial payments. In the 2006 survey, 11% said that they sometimes pay their electricity bills unofficially and another 29% said that they had paid gratification related to electric supply in the past. In 2010 however, only 2% said that they sometimes paid their bills unofficially while 8% had paid gratification related to electric supply. In case of water supply the percentages were 10% for those who unofficially paid bills and 5% for those who paid gratification (in 2006 the figures were 19% and 6% respectively). What is again notable is that for telephone utility none paid bills unofficially and also none paid gratification for utility. Figure 18 below summarizes these findings.

Figure 18: Percentage of Unofficial payments for public utilities



Unlike in 2006 when only 61% of the businesses in the business sample were connected to the public electric supply, in 2010 the percentage of those connected is very high (95%). Due to an increase in unreliability of electricity supply, 40% of the businesses said that they own a generator whereas in 2006 survey results those who owned generators were only 9%. While the average amount spent annually by these firms (in the 2006 survey) on the generators was K273, 342.00, the cost had significantly gone up in 2010 to MK793, 747.36.

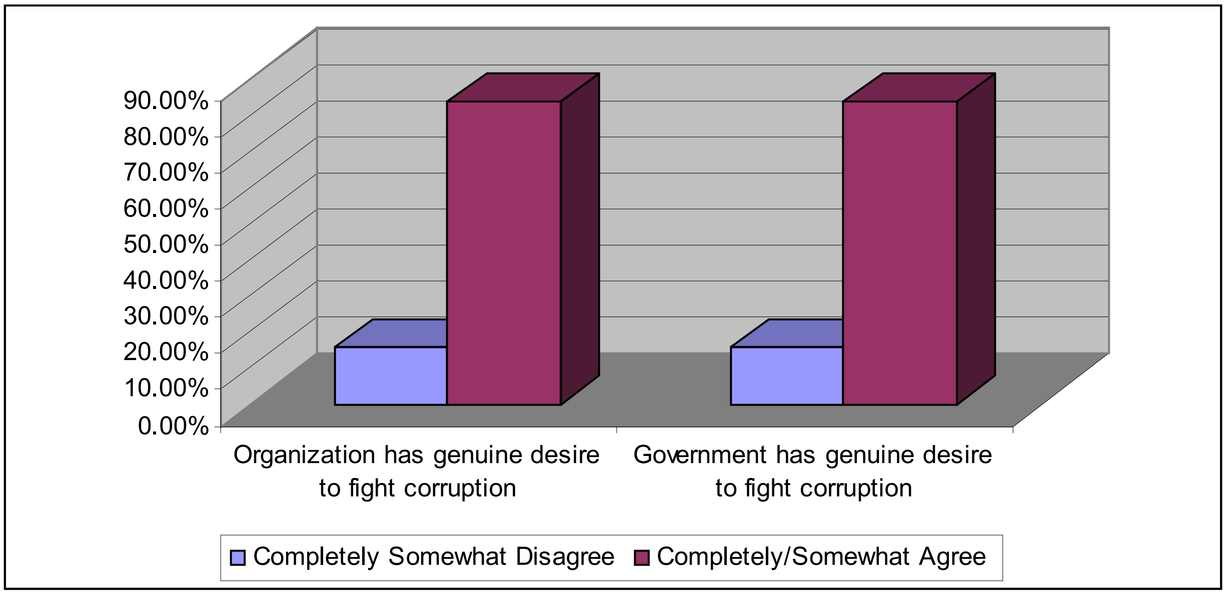
In the 2006 survey, 37% of firms reported being connected to the public telephone system but in 2010 there has been an improvement to the extent that 70% of the respondents in the business sample reported that they were connected. Despite this high connectivity, 86% of the firms mentioned that they use mobile phones (58% in 2006) and the main reason is that mobile phones are more convenient than regular phones.

6. FIGHTING CORRUPTION

6.1 Political Will

Identical to the 2006 survey, a clear encouraging result from the public officials' and household surveys is that these groups believe that the Malawian government has a genuine desire to fight corruption. Similarly, public officials also believe that there is a genuine desire to fight corruption in their own organizations. Figure 19 below summarizes these findings.

Figure 19: Public Officials Opinion on Political Will to Fight Corruption



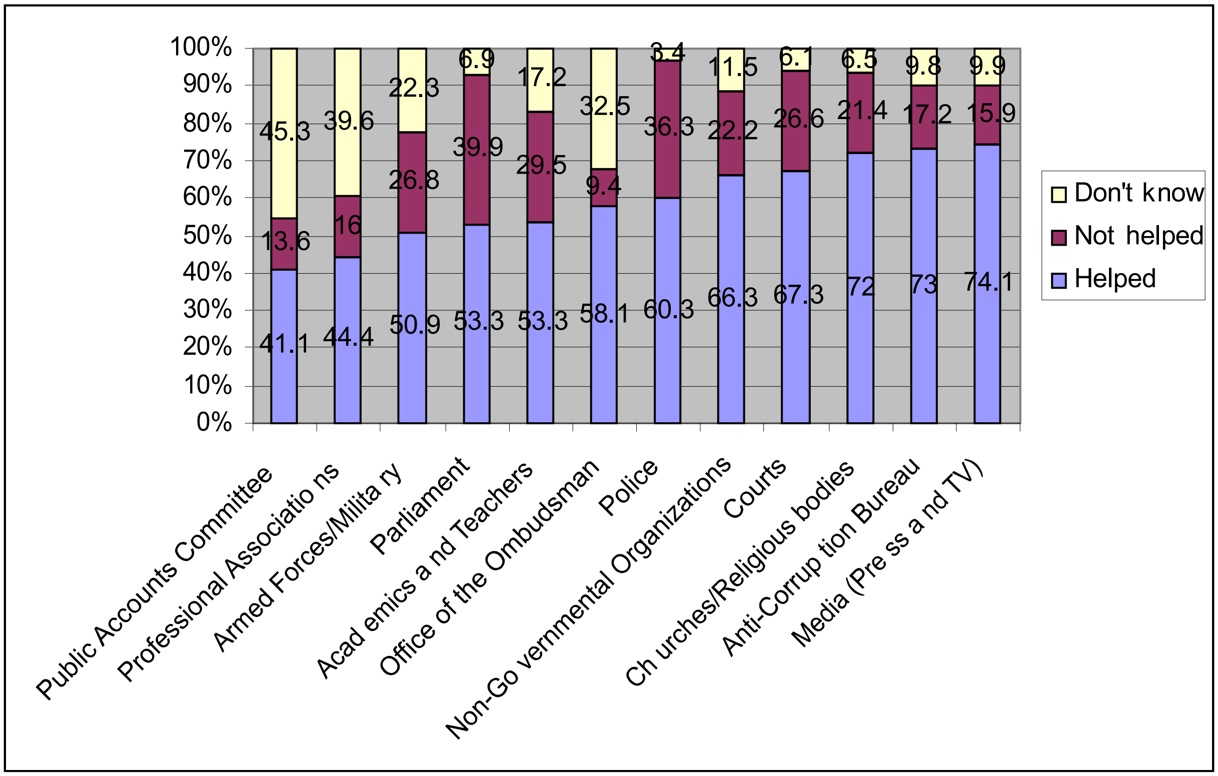
Just like the 2006 survey, household respondents were also asked to agree or disagree with the following statement: "Corruption is a natural occurrence and a part of our daily lives, so denouncing it is unnecessary." The results show that the majority of Malawians (86%) disagree with this statement while only 13% agree. Compared to the 2006 survey results, it is clear that the number of Malawians against corrupt practices is growing. For instance in 2006, 72% disagreed with this statement and 24% agreed.

In relation to effectiveness of the government's anti-corruption strategy, 59% said that it is effective while 36% believe that it is ineffective. As compared to the 2006 survey, there is a general loss of confidence in the current government's strategy because at that time 75% felt that the strategy was effective. Only 16% in 2006 believed that the strategy was ineffective.

6.2 Public Agencies in the Fight against Corruption

According to the household survey, institutions that were highly rated in helping to combat corruption were Media (74%), Anti-Corruption Bureau (73%), and Religious Bodies (72%). Those poorly rated as not having helped are Parliament (40%), Police (36%), and Academics/Teachers (30%). Overall, as compared to the 2006 survey, public agencies have been fairly rated as helping to combat corruption. For instance, in 2006, only five public agencies had a 50% or above but in 2010 ten agencies have a more than 50% rating as shown in Figure 20 below.

Figure 20: Citizens Assessments of Institutions Performance in Combating Corruption

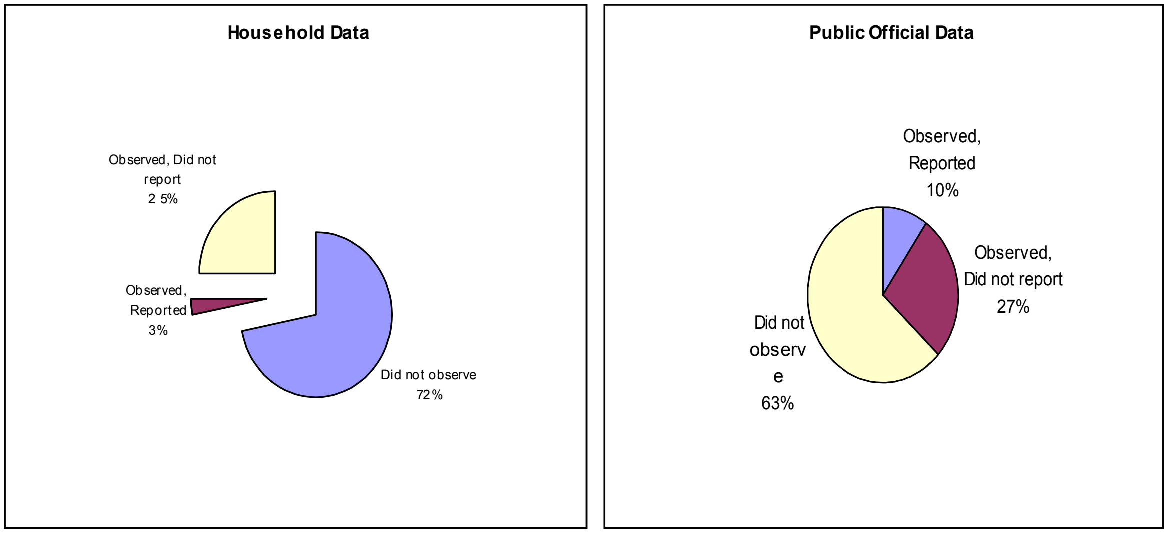


Religious Bodies which were highly rated at position one in 2006 are now at position three- swapping with the Media which is now at position one. The fall in position for Religious Bodies could be attributed to several financial scandals that occurred within these institutions over the years which eventually changed the perception of the public. Similarly, the Media has over the years ably unveiled several high profile corrupt practices by public officials hence gained some trust from the general public.

6.3 Reporting Official Corruption

As was the case in the 2006 survey, respondents for the both the household and public officials survey were asked whether they had observed any corrupt acts in the past two years by public officials. If the citizen or public official had observed a corrupt act, they were asked if they had reported the act. Results show that a sizeable number of citizens (25%) and public officials (27%) observed corrupt acts but did not report. In 2006 the figures were 23% and 28% respectively. This implies that there has been no improvement as far as reporting corrupt practices is concerned. Only 3% and 10% households and public officials respectively observed and reported the corrupt acts as depicted in Figure 21 below.

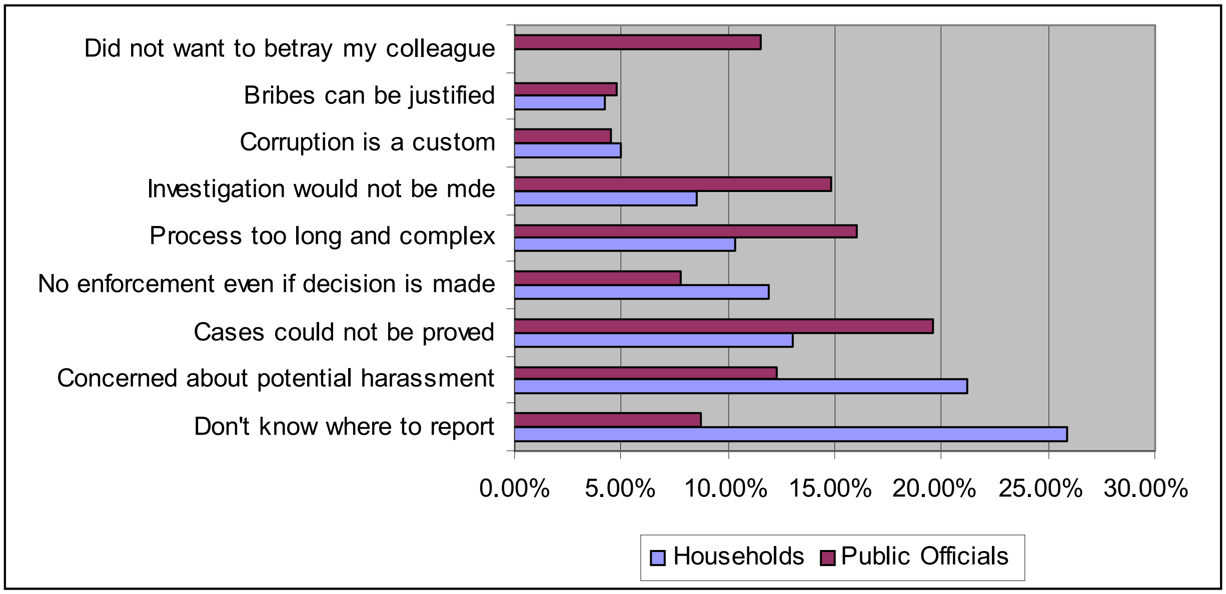
Figure 21: Observation and Report of Corrupt Acts



Citizens and public officials who reported the corruption were asked if the corruption reporting process was effective, simple, and whether it protected the one reporting from harassment. Results show that 70% of citizens thought the process was simple and 57% felt that it was effective. Few (33%) of the citizens did not agree that the reporting process protected the reporter from harassment. An overwhelming majority of public officials who reported corrupt acts felt that the process was simple (73%) and effective (77%). Three-quarters (75%) of public officials felt that the process provided the needed protection from harassment required for those reporting corrupt activities to authorities. These positive findings are strikingly identical to the results of the 2006 survey.

Figure 22 below shows reasons why some individuals did not report corrupt acts that they observed. For ordinary citizens, the reasons for not reporting were mainly that they did not know where to report or were concerned about potential harassment. For public officials, however, they felt that the cases could not be proved or the process was too long and complex. Other notable reasons amongst public officials include not wanting to betray a colleague, investigation would not be made, and concern about potential harassment.

Figure 22: Reasons for not Reporting Corrupt Acts



Interestingly, for ordinary citizens, the same main reasons provided in the 2006 survey for not reporting corrupt acts are reappearing. Unlike in the 2006 survey results, for public officials, not knowing where to report is not the main reason for not reporting the corrupt acts. It is not surprising therefore that 73% of public officials knew the process to follow in reporting a case of corruption while only 22% of ordinary citizens were aware.

In general there is a gap between ordinary citizens and public officials in relation to where and how to report corrupt practices. This entails that ACB and other anti-corruption activist should do more work in civic-educating the general public on how and where to report corruption. Based on these 2010 survey results, most of the recommendations provided in the 2006 study are still relevant; especially that incentives need to be provided so as to encourage more people to report on corruption. Similarly, there is a need to strengthen the development of a clear policy statement and guidance for reporting corruption for all government employees and citizens.

APPENDIX I: TEAM OF CONSULTANTS

Name	Position	Email
Blessings Chinsinga PhD	Team Leader and Principal Investigator	kchinsinga@yahoo.co.uk
Happy Kayuni MPA	Principal Investigator	hkayuni@yahoo.com
Sidon Konyani MSC	Principal Investigator	stkonyani@yahoo.com

APPENDIX II: TRAINING SCHEDULE

The training programme is targeted at 30 successful research assistants following the interviews that were held on 10th May 2010. Additional three candidates will also be involved in the training bringing the number to 33. These candidates will be placed on reserve just in case some of the research assistants drop out along the way due to unforeseen circumstances.

The training programme will be divided into three main parts. These are: 1) the preparatory training; 2) pretest of the survey instruments; and 3) discussions of the pretest experiences as the basis for possible fine-tuning the survey instruments to enhance reliability and validity. The entire training programme will last for ten days: four days of the preparatory training, three days for the pretest, and three days for the discussions of the pretest experiences.

Training Programme

Date	Time	Activities	Facilitator
17/05/10	8.30-10.00	Introductions Rules and regulation for the training Scope and focus of the survey Sharing research experiences among the research team Discussion of the survey research methodology	Principal Investigators
	10.00-10.30	**Tea Break**	
	10.30-12.30	Map reading in the identification of EAs Review of the Identification details on each of the three survey questionnaire Handling of questionnaires	Principal Investigators
	12.30-1.30	**Lunch Break**	
	1.30-3.00	Reflections on map reading from research assistants Reflections on the identification details from the research assistants	
	3.00-3.30	**Tea Break**	
	3.30-5.00	Review of the household questionnaire question by question	Principal investigators
18/05/10	8.30-10.00	Review of the household questionnaire continued	Principal investigators
	10.00-10.30	**Tea Break**	
	10.30-12.30	Review of the household questionnaire continued Mock interviews using the household questionnaires	Principal investigators

	12.30-1.30	**Tea Break**	
	1.30-3.00	Review of the business questionnaire survey	Principal investigators
	3.00-3.30	**Tea Break**	
	3.30-5.00	Review of the business questionnaire survey	Principal investigators
19/05/10	8.30-10.00	Mock interviews on the business questionnaire survey	Principal investigators
	10.00-10.30	**Tea Break**	
	10.30-12.30	Review of the public officials questionnaire survey	Principal investigators
	12.30-1.30	**Lunch Break**	
	1.30-3.00	Review of the public officials questionnaire survey	Principal investigators
	3.00-3.30	**Tea Break**	
	3.30-5.00	Mock interviews on the public officials survey questionnaire	Principal investigators
20/05/10	8.30-10.00	Review of the experiences with all the survey instruments	Principal investigators
	10.00-10.30	**Tea Break**	
	10.30-12.30	Review of the experiences with all survey instruments continued	Principal investigators
	12.30-1.30	**Lunch Break**	
	1.30-3.30	Pre-testing field logistics	Principal investigators and research teams
	3.30-5.00	Identification of pretest field teams Identification of field research team supervisors Briefing on roles and responsibilities of team members Briefing on field research ethics and logistics	Principal investigators
21/05/10		Pre-testing the business survey instrument	Field research teams
22/05/10		Pre-testing the public officials survey instrument	Field research teams
23/05/10		Pre-testing the household survey instrument	Field research teams

APPENDIX III: FIELD TEAMS

RA's NAME	TEAM	RA's NAME	TEAM
Abraham Kaunda	1	Ken Mpesi	2
John Shaba	1	Sympathy Namata	2
Charles Sisya	1	Nakari Chikhosi	2
Maria Mkwawira	1	Shadreck Mandala	2
William Nyirenda	1	Tobias Maunde	2
C. Nthenda	3	Dick Thomu	4
L. Master	3	Lennie Mulli	4
Eunice Nkhoma	3	Jones Samute	4
A. Chasukwa	3	Edward Governor	4
Harry Nkata	3	E. Kayere	4
F. Chilomba	5		
A. Mkaombe	5		
A. Nkhoma	5		
Emily Kam'mwamba	5		
Alex Milner	5		
SUPERVISORS		**DRIVER's NAME**	**TEAM**
Gift Sambo	1	M. Kazembe	1
Mwayiwao Phiri	2	K. Douglas (CLS)	2
MacLeod Nyanda	3	Msama (CERT)	3
Chikondi Kwalimba	4	L. Kalepa	4
Mike Partridge	5	D. Bikoko	5