

# Security Risk and Private Sector Growth in Kenya

## A Survey Report

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## **SUMMARY AND RECOMMENDATIONS**

### **1. INTRODUCTION**

Crime is one of the major factors that define the investment climate or the enabling environment for private businesses to thrive. A favorable investment climate is crucial for private sector growth, as it reduces the cost of doing business. A good investment climate attracts private investment by assuring "business security". Security of both property and individuals influences the investment climate. Crime and insecurity in Nairobi and in Kenya as a whole has been on the increase over the years. Indeed, the recent upsurge in crime has been reported in the Economic Survey 2004. Furthermore, concerns about crime and insecurity have been widely broadcasted in the media and have been a subject for discussion in various fora, including parliament.

In the 1990s, Nairobi was rated by the United Nations (UN) as one of the most dangerous capital cities and was downgraded from class B to C in the UN security classification. The perceived insecurity in Kenya has also created a negative image of the country within the international community. The Government of Kenya has recognized the problem of crime and insecurity as a major hindrance to rapid economic recovery; as a result, the need for enhancing law and order was identified as one of the priority areas in the Economic Recovery Strategy for Wealth and Employment Creation.

Security risk affects performance of firms through various channels. Firms for example loose sales or face low turnover due to reduced demand/market scope, which is partly attributed to limited hours of doing business. Firms also loose sales due to inability to distribute products. However, a few firms, especially those providing security-related services benefit from a high level of insecurity, especially when the government machinery fails to provide adequate security. The competitiveness of firms is also lost due to either high prices of products in an effort to cover the costs of providing individual security or the disincentive to invest in technology that would see the products attain a competitive quality.

Security risk also affects investment decisions. Firms may for example be reluctant to undertake heavy and new investments especially if the investment decision is irreversible. Firms may also opt to postpone making investment decisions due to the feeling of insecurity. Insecurity also increases the cost of capital because it raises the risk-premium tagged on financial capital. New entrants into the market may also be discouraged. Therefore, insecurity slows down business growth and deters employment creation and poverty reduction.

The aim of this study is to establish the scope, threats and dynamics of crime and insecurity in Kenya. Specifically, the objectives of the study are to examine issues related to insecurity and crime in Nairobi, including the scope, trends and dynamics of insecurity and crime in Kenya; and to review the implications of crime and insecurity on the business environment especially in terms of private sector business operations and investment.

The study was conducted in Nairobi City in Kenya. The study mainly utilized a survey design covering households, businesses, individuals and security workers. Additional information was collected from private security firms, community-based organizations and key informants from the public and private sectors. In selection of study respondents, mapping of Nairobi City was carried out to establish spatial and socio-economic characteristics. The city was stratified into 22 clusters to ensure appropriate representation. Respondents were then selected based on predetermined quotas along the different aspects of the study.

## **2. THE SCOPE OF CRIME**

The rate of crime in Nairobi city is perceived to be high. Also, there is a heightened sense of insecurity. There was a perceived high level of insecurity in the period 2001/2002 despite the reported cases showing a decline in the period. Further, while the reported cases show a 10% increase in 2003, respondents perceived the level of crime to be lower. It is possible that with the political transition in 2003 people had positive expectations with the new government, which made them feel more secure. However, a big proportion (58%) of firms in Nairobi still felt unsafe when conducting their businesses while 84% felt that crime posed a threat to their business operations. For the non-business community, 54% felt unsafe when conducting activities in Nairobi.

**Criminal activities are dominated by violent robbery, mugging, burglary and carjacking.** Business community, individuals in the streets and households identified violent robbery, mugging, burglary and carjacking as the major types of crime affecting society. Mugging is the most common type of crime within the city center (49%), in the estates (35%) and outside the city center (32%). Whereas mugging is the most common crime in the streets, burglary and violent robberies are prevalent in households. Individuals conducting activities in the city are therefore struggling with petty crimes that can be contained. This may have led to the common view that police deal with large crimes and fail to concentrate on petty ones.

Crime has physical concentration. Insecurity is high and prevalent in Nairobi than in other urban centers and rural areas. It is also high among middle-income group than other social classes. River Road and Tom Mboya Street in Nairobi city are perceived as areas highly prone to crime because of dark alleys and overcrowding. Other areas considered insecure include Globe Cinema and Haile Selassie roundabouts; crowded bus-stops at Kencom House and Country-Bus station; shopping places such as Gikomba, an open air market with a high rate of pick-pocketing; Jack and Jill supermarket, located at a very congested area; leisure places such as Uhuru Park and Odeon Cinema; and banking areas such as Standard Bank, Moi Avenue and Kencom Bank.

Crime has a temporal concentration. Most criminal activities in the city take place any time. However, one is likely to fall victim of crime between 7.00 pm and 7.00 am in residential areas. There are more criminal activities during the weekend than during weekdays, during the end of the month and during the last quarter of the year.

Businesses are more at risk with criminal activities. Providers of security services indicated that the business community faces a much higher risk than any other social or economic group. Other categories at risk include motorists and pedestrians. This explains to a large extent the identified dominant crimes.

Exposed, portable and disposable goods/property increase vulnerability to theft. Goods and property with a high resale value, those with inadequate protection and those that are portable are highly vulnerable to theft. Vulnerability to theft can be reduced by providing adequate protection to commodities and also by discouraging the demand for stolen goods.

Victims of crime have a gender and age bias, which varies with the type of crime. More women than men are victims of mugging, conning in the streets and burglary in the homes. Men are mainly victims of violent robbery, pick pocketing and carjacking. Across age groups, mugging is more prevalent among those aged over 60 years and those between 31 and 40 years. Violent robbery is higher among those deemed to have accumulated wealth, and aged between 51 and 60 years, while carjacking is more prevalent among those aged between 41 and 50 years. The latter age group constitutes the largest proportion of the working class and therefore can afford to buy a car. Cases of petty theft are higher among casual workers because of the mode through which their wages are paid.

**Criminals can be characterized by their age, sex and occupation.** The survey established that 52% of criminals fall in the age group of 21-29 years. Further, more women are indulging in crime. Victims of crime indicated that 43% of the attackers were women. Further, 33% of the respondents perceived criminals to be unemployed secondary school graduates, which could be a manifestation of the consequences of maladjustment of the educational system to the needs of the labor market. Unemployed school leavers look for alternative means of survival, which may include indulging in criminal activities.

**The dynamics of crime indicate that crime is becoming more brutal, sophisticated and sadistic.** Criminals are becoming more violent, ruthless, sophisticated and sadistic in execution of criminal activities.

**Crime is a complex phenomenon.** All the respondents reported that poverty and unemployment is the major cause of rising criminal activities. In addition, criminal activities are defined by corruption in the police force and judiciary system. Criminals manipulate the police and the judicial system to get away with crime. Similarly, arrested criminals are released from the cells and courts after bribing the officers in charge and are therefore never prosecuted. Other factors attributed to crime include drug abuse by the youth, proliferation of sophisticated arms and escalating growth in urban population.

### **3. CHOICES, DECISION-MAKING AND COPING STRATEGIES**

**Security defines locality of both business and residence.** General security of the residence is rated as an important factor when settling in a new house. It was reported that 59% of households make security arrangements before settling in a new house while 68% view security infrastructure as important in choosing the place of residence. Results show that households and businesses change their locality due to insecurity.

Business firms prefer localities that ensure safety of their property and life. Although 54% of firms were indifferent on the issue of security, 32% felt unsafe. In terms of the type of firms, 37% of commercial firms felt unsafe in their current localities compared to 20% of manufacturing firms and 30% of service firms. In terms of firm size, 16% of firms with 5-10 employees felt unsafe, while 25% of the large firms (those with over 50 employees) felt unsafe.

**Security influences shopping behavior in terms of time, place, goods and services.** Security has affected shopping patterns. Most people prefer to shop at corner shops in the estates because they are nearer to their areas of residence and are convenient. They also prefer supermarkets to open markets because they feel safer. Open markets are considered unsafe due to overcrowding and congestion. The most preferred period of shopping is during the day rather than late in the evening or at night, which are considered to be very risky hours. Shopping is also characterized by small units/quantities that are easy to carry and do not attract attention. Shoppers also seek company of others for security reasons.

**Crime has conditioned daily routines in terms of when activities are carried out.** It is indicated that 13% of residents return home by 6.00 pm due to insecurity while 48% consider 5.00 am as the most unsafe hour to leave the house. Insecurity affects the number of hours businesses operate, with most businesses limited to operating for 8 hours between 8.00 am and 5.00 pm. A few services and commercial businesses extend their opening hours to 8.00 pm. This makes firms to incur an opportunity cost in terms of forgone income they could have earned if they were able to operate longer. Among the important factors influencing the opening of businesses are security of business and security of customers.

**Crime determines the production process adopted by business firms.** Insecurity affects the production process through acquisition of raw materials, acquisition of plant and machinery, the number of shifts operated by firms and therefore the hours of production. Most firms would ideally operate two shifts, but this is hampered by insecurity.



**Crime influences investment rate and therefore growth of firms.** A high proportion (68%) of business firms indicated that their investment decisions are influenced by the state of security. Insecurity increases uncertainty levels since firms cannot easily predict the future. For example, crime has made firms lag their investment by about two years, and has made some firms prefer renting business premises instead of building own premises, while some firms, especially the small firms, prefer secondhand equipment which lags behind the adoption of new technology. Furthermore, it is estimated that Kenya is losing 44% of investment due to insecurity.

**Crime inhibits firms from taking advantage of various opportunities that would reduce their costs of operations.** Security considerations in decision-making made firms to lose certain opportunities that would improve their performance. About 64% of firms missed the opportunity to reduce their operational costs especially because they could not take advantage of lower rent/business concession or locate near the customers.

**Insecurity constrains the market scope for business firms.** Insecurity impacts on accessibility to customers, which affects the level of customer demand and prices, as insecurity risk premium is included in the prices. A huge market share (11%) is lost due to loss of customers and high operating costs related to insecurity. Service industries seem most hit by loss of customers as compared to commercial and manufacturing firms.

**Insecurity affects accessibility to customers through constrained distribution,** where 41% of firms indicated that they have faced security problems in distributing goods/services. A majority of firms (94%) lost goods in transit through theft/robbery, 90% through attacks on personnel in distribution, while 88% lost due to delays caused by security checks. Manufacturing firms and large firms are the most affected through this channel.

**Rising costs of goods and services as prices are adjusted for insecurity risk premium.** The study established that average prices changed by 8.33% due to security problems. Firms indicating security risk premium is very important in assessing the impact of insecurity on firm had price changes with a mean of 12.46 compared to firms that thought the insecurity risk premium was not important (with a mean of 8.15). Change in the price of commodities due to insecurity also increases the price of raw materials, therefore increasing the cost of operations for the firm.

**Consumers of security services take measures to beef up security by making their own provision.** In coping with insecurity, consumers have taken to providing their own security services either in terms of infrastructure investment or by employing security guards. Investment in security infrastructure includes target-hardening measures like installing electric/special fences, improving alarm systems and other measures that make illicit entry more difficult (like putting windows and door grills). Consumers of security services have come together through neighborhood initiatives to provide their own security by sharing the costs of providing security.

**Consumers of security services take measures to reduce loss from criminal activities.** The measures taken include avoidance of risk, exercising caution, walking in company, concealing valuables and being observant. For example, 88% of respondents indicated that they avoid risk in order to cope with the high levels of insecurity while 76% avoid traveling during some hours. A lot of caution is exercised by 65% of consumers; 63% walk in company of others. Consumers have also insured property to cushion them from huge losses arising from crime.

**Insecurity has resulted into a shift towards use of plastic money.** In addition to minimizing their costs, consumers of security services avoid carrying excess money and in some cases prefer using credit cards.

#### 4. ECONOMIC COSTS OF CRIME

A rise in government expenditure is coupled with a rise in crime level. Government expenditure on public order and safety has increased in the last five years, rising from 1.76% of GDP in 1999/2000 to 2.46% of GDP in 2003/2004. This is coupled with a rise in the number of reported cases of crime from 74,990 in 1999 to 77,340 in 2003. This may reflect an ineffective deterrent mechanism or a weak criminal justice system. The respondents were of the view that the Government machinery charged with ensuring law and order was not operating efficiently. For example, 50% of the respondents rated the judicial system as inefficient and 48% rated the prisons as inefficient. This may explain the indicated increase in crime even as the government increased expenditure on public law and order.

A positive link is indicated between expenditure on crime, adequacy in provision of security services and perceived level of safety, which would imply that provision of adequate security services requires adequate expenditure. The high-income class that spends slightly higher (17% of total spending) in ensuring security feels safer compared to the low-income group, which is spending less (9%). This means that when delivery of service is effective, high expenditure translates to more security. Business firms, however, do not reflect this pattern. The commercial sector, which seems to be spending a significant amount of sales (9.5%) on security provision, has a higher rate of firms feeling unsafe (63%) as compared to manufacturing firms, which spend a lesser proportion (2.3%) and reports a lower number of firms feeling unsafe (54%).

Consumers of security services are spending exorbitantly on provision of security services. With the perceived inefficiency in provision of public security services, households and business firms have taken to providing security services on their own. This is costing households about 9% of their recurrent budget or Kshs 2,700 per month. This translates to about 1.5% of GDP or 60% of Government budget on public order and safety. Business firms are spending 7% of their total sales, or 11% of their total costs on both infrastructure and personnel. In addition, business firms are spending 4% of their total sales on insuring property and 2% on neighborhood initiatives.

Consumers of security services face huge costs when they fall victim to criminal activities. 56% of households and 78% of firms indicated that they have been victims of crime. Individuals (66%) interviewed in the streets reported a high level of injuries while households reported a rate of 10% and business firms 15.9%. Households and individuals spent on average Kshs 11,000 to attend to the injuries, which is equivalent to 8% of their total expenditure while firms spend about 1% of their total sales curing injuries of employees. Victims of crime are immobilized following injuries for an average of 5 productive days. This translates to about Kshs 2 million lost sales at the firm level. Victims indicated that in some cases, firm managers dictate on time-off in case of sickness.

Insecurity may curtail growth of firms and welfare improvement of the households. Firms spend about 1% of their sales in replacing damaged property and 2% to replace stolen property. Households lose an equivalent of 10% of their budget to damages through attacks and 35% for stolen items during the attacks. This means that it would take time to replace the damages and items. This type of expenditure curtails capital formation among firms and wealth accumulation among households, which means curtailed growth of the firm and failure to smoothen out consumption.

Firms are constrained from operating at optimal level of production. Firms cannot operate the maximum number of shifts due to insecurity and are therefore not utilizing the full capacity. On average, firms lose 0.2 times in terms of forgone shifts, which translates to an average of 1.63 hours lost and with an average loss of 83,000 sales.

Firm's market scope reduces due to high level of insecurity. Firms lose 9% of their market share to insecurity. This means that on average, firms lose Kshs 10 million due to reduced market scope.

High insecurity results in higher prices, which translate to higher cost of production and squeezed budget for consumers. In general, prices go up by about 8.3% for consumers of various products.

Insecurity results in loss of investment, therefore constraining growth of private sector and the economy in general. In the last five years, firms reported that their investment rate grew by 10% and they were expecting this to double if security risk is reduced. They also reported lags in investment, which means that investors are not able to take advantage of business opportunities due to insecurity. Further, it was reported that Kenya is losing on average 44% of foreign investment due to insecurity.

## **5. SOCIAL COST AND PSYCHOSOCIAL EFFECTS OF CRIME**

The prevalence of crime and heightened state of insecurity in Nairobi city has constrained social space that is important for meeting individual's socio-economic and cultural needs. Results show that a large section of Nairobi residents, including individuals, households and business people are experiencing increasing pressure in their choice of social places because of fear of crime. Crime has largely infiltrated entertainment and recreational places. The study also identified an emerging trend in avoidance behavior among individuals, which may further constrict the available opportunities for social expression.

Crime has exerted pressure on the available time for operation among individuals, households and business people. The survey finds a constraint on the safe time available for individuals to meet their social and emotional needs, especially after the busy working hours. About 58% of respondents indicated that the period after 5.00 pm is a risky time to conduct business or visit certain entertainment places within the city and in some estates. This may perhaps explain why most entertainment and social places like bars and discotheques have relocated from the city center to residential estates.

Existing massive and rigorous security checks especially in popular social and entertainment places infringe on personal and social rights, and individual freedoms of customers. Customers are subjected to inspection, which involves body search and questioning that arouses uncomfortable feelings and reactions from the public. While most customers prefer social places that are safe, they also prefer ease of entry and exit devoid of restrictions of enforcing security.

The high prevalence of crime and increased sense of insecurity among most Nairobi residents have elicited a behavioral response broadly described as *self-imposed curfew*. Individuals map out certain areas of their environments (town or residences) as no go zones at specific times. 60% of respondents indicated that they avoid carrying out any activity, whether valuable or not, that would expose them to the risks of crime. This behavior affects not only their economic lives but also social and emotional aspects.

Most Nairobi residents manifest certain coping strategies in the context of crime and insecurity that have made them captives in their own space and lives. Most residents, especially the upper and middle classes, have erected *barricades* and constructed *fortresses* exemplified by high walls, electrical fences, multiple grilled doors and multiple lock systems, etc. These structures have adverse social consequences in that they lock out individuals and families from the physical and social world. It creates a feeling of alienation and isolation, and also poses risks in case of accidental fire outbreaks, as it may be difficult to evacuate the occupants with ease.

Most Nairobi residents are in constant search of group security as a way of dealing with their intense feelings of fear of crime and criminals. Group behavior is seen as a way of minimizing chances of becoming a victim of crime. This behavior has forced Nairobi residents to adopt *herd-like behavior*, like a moving herd of wildlife faced with imminent threat.

The reluctance of most Nairobi residents to respond to calls of distress by victims of crime, especially street muggings, is an indication of erosion of social values and moral obligations as citizens mindful of each other's welfare. The study observes a state of apathy and resignation on members of public in as far as giving immediate assistance to crime victims mainly because of fear and a "don't care" attitude towards crime victims.

A considerable size of Nairobi residents have been subjected to *forced migrations* due to criminal attacks on their residence or members of their families. The social cost arising from forced migrations is severing of existing social networks and contacts that had been established in the previous residence and change of socialization environments, which mainly affects children following dislocation from familiar physical and the social environments. It also curtails and limits the frequency of social contacts due to increased distance arising from change of place of residence.

The high prevalence and heightened state of insecurity among Nairobi residents has inflicted chronic fear among individuals. This preoccupies their mind and emotions all the time and in most places. The study established that the high degree of fear is caused by a number of sources, including violence (painful injuries) and the ruthlessness with which criminals execute crime. Another source is the threats criminals use to intimidate victims in case of disclosure. The messages and violent crime scenes normally displayed by both print and electronic media also instill fear among the public.

**Rise in mob psychology.** The painful experiences of crime have made most Nairobi residents to resort to mob behavior whose consequences are usually mob executions and violence meted on suspected criminals.

Nairobi residents are held under psychological hostage where they become indecisive, confused and sometimes ever preoccupied with fear of crime. Public paranoia is exemplified in situations where excessive fear of crime is manifested through anger and mistrust among residents as they interact with each other, and a heightened sense of alertness and lack of calmness and inner peace.

The intense psychological fear inflicted by violent crime and criminal scenes has led into a state of psychological paralysis. Individuals become numb and fail to take action when confronted by crime, which spreads to other members of the public and finally leads to social paralysis. This is a social condition where individuals are overwhelmed by crime and therefore fail to report crime incidents. They equally decline to give assistance to victims of crime.

Victims of crime have been largely subjected to extreme trauma arising from violent and ruthless behavior of criminals in executing crime. The injuries are not only physical, but also largely psychological, arising from loss of material goods, physical harm and threats used by criminals.

## **6. RELATIONSHIP AMONG CONSUMERS AND PROVIDERS OF SECURITY SERVICES**

The security services sector has witnessed a diversity of providers of security services. Crime has made it imperative for consumers of security services to look for alternative provisions like private security companies and community security arrangements (CBOs). Inability of the state to provide adequate security, rampant inefficiencies in law enforcement agencies, expansion of property ownership (private) and dwindling public confidence with the police have contributed to the growth of private security providers.

Respondents are aware of the roles of various stakeholders in the fight against crime. The police have a major leading role in maintaining law and order. Other security providers should supplement and support the police system by sharing information and reporting incidents of crime. The media, community leaders and civil societies should foster closer cooperation between the public and the police and support community policing through public awareness. The public is expected to voluntarily divulge information on criminals living in their midst, while the wider private sector should participate in policy making to lobby government on their security needs. Local authorities are also expected to provide adequate support services to security providers.

Consumers of security services rated the state machinery, the police, city council, and provincial administration as ineffective and inefficient. Private security firms and community-based initiatives such as vigilante groups were viewed as highly effective. However, consumers are not convinced that private security providers are the best alternative source for security services. Reasons attributed to the inefficiencies in public security sector ranged from inadequate training and equipment for the police, and poor regulatory and institutional set up. Issues relating to officers getting involved in criminal activities, public loss of confidence with the police, and a corrupt criminal justice system were ranked as major problems within the police force. The police force is also thin on the ground.

Consumers of security services have very little confidence with the state machinery. There are very few people ready to collaborate with the police in arresting criminals or reporting crime. In fact, majority (95%) of security personnel believe that the number of crimes reported to the police only represents a small portion of witnessed crime. The main reasons given for loss of confidence include reluctance of the police to investigate, delays in receiving help from police, police involvement in crime, corruption in the pursuance of justice, minimal recovery, and lack of crime punishment.

There is a general feeling that a large section of the police force is colluding with criminals in committing crimes or participating in criminal activities and/or hiring out guns to criminals. Respondents noted that although the police system has "some very intelligent people" and "good strategies", impunity and corruption has downgraded their services. Private security providers attributed the challenges they face while conducting investigations, preventing crime and prosecuting criminals to involvement of security personnel (including police) in criminal activities.

The police have also been accused of only dealing with major offences, neglecting minor ones and therefore ignoring the long-term risks. For example, all the specialized units within the police are directed towards controlling major crimes: corruption, cattle rustling, and terrorism among others. This may result in cases where young criminals graduate into major crimes if they are left unchecked.

The criminal justice system in general, including the judicial and prison system, was seen to be inefficient in playing its vital role in management of crime. Respondents complained about the manner in which cases are handled, criminals are prosecuted and/or imprisoned. The judicial system was described as hostile, with a tendency to ensure the best artist gets justice. The approach in enforcement of law and order is militaristic, brutal and not suited to the needs of the people. The impervious nature of the criminal justice system and lack of accountability among the police have made people to view crime as a creation of the wealthy to punish the poor; poverty seems to have been criminalized.

The security personnel, including the police and private sector personnel, are de-motivated due to low salaries, limited benefits and poor equipment. They therefore do not take their work seriously and also tend to be heavily involved in corruption. It also emerged that senior police officers who assign duties to other officers demand payment from them. They are also accused of placing their friends in favourable places of work. This de-motivates hardworking policemen since promotion is not based on performance or merit, therefore creating an

environment of laxity within the police. Private security personnel also indicated that majority of them are de-motivated due to low pay, delays in payment, poor working conditions and overworking.

Respondents had divergent views on the availability and utilization of resources. Some said that the resources available to the police are scarce. Others argued that police have enough personnel and resources to do their work, with examples that the police are able to carry out major assignments such as guarding foreign dignitaries and cabinet ministers. The problem would therefore seem to be poor distribution of resources.

The legal and regulatory framework is considered inadequate for both the public and private providers. It does not allow the police to be accountable for their deeds. For example, a person with a complaint against a policeman reports the complaint to another policeman. The law does not protect the rights of the person who reports crime; it does not make the person feel safer. In addition, the regulatory framework does not allow private firms to perform their job effectively. As a result, most security guards are engaged in crime or collaborate by giving information to criminals because accountability is not clearly emphasized.

Private providers do not work alone; they collaborate with other providers. The collaboration should mainly be in investigations and making arrests, sharing security information and experiences and backup systems. CBOs collaborate with local authorities especially in creating awareness through public education and in provision of infrastructure, which is vital in the fight against crime. Business rivalries, lack of integration with police, inability of most organized associations to incorporate small operators (cater for large firms only), lack of trust, and infiltration by criminals have led to limited collaboration among providers of security services. Private firms are also seen as profit-oriented and mainly serving the rich.

The relationship between private providers and consumers is cordial. Consumers of security services rated the services of private security providers as highly efficient. The level of confidence with private providers was also perceived as high because they were seen to respond fast to alarm signals and to be more alert and less corrupt as compared to the police.

The relationship between the police and public was reported to be poor, uncooperative and sometimes hostile. There was general mutual mistrust. Both the police and the public view each other with mistrust and as enemies. This relationship is attributed to police harassment of the public and poor information management by the police. For example, the police do not always protect the identity of the person reporting crime. The information given to the police finds its way to criminals, therefore risking the lives of those who report crime. This is aggravated by weak follow up mechanism/feedback system, which creates a lot of anxiety. The police do not report back on the advances they have made on the crime reported.

The poor state of public telephone infrastructure constrains the collaboration. Access by the community to telephones would make it easier to report incidences of crime to the police. However, it was observed that even where access to telephone by the public is not a matter of concern, the reporting desks in police stations are rarely manned.

In response to increased criminal activities in Nairobi, some residents in the estates have established neighborhood watch groups and/or security committees. For example, owing to the high cost of hiring private security services, 55% of households reported that they have opted for neighborhood security initiatives, which include vigilante groups and youth patrols. Most initiatives began in the year 2000 while some have mushroomed in the year 2003.

## **7. MANAGING CRIME**

Respondents preferred a comprehensive and exhaustive strategy for dealing with crime. An exhaustive strategy in managing crime was seen as the best solution to managing crime. Such a strategy would focus on virtually all aspects of crime management and preservation of security and safety. This would include boosting economic growth so that poverty is reduced and employment generated, adequately equipping security personnel, sustaining their motivation to work, and reforming the enforcement of justice system. It also requires the state machinery to play its role efficiently and effectively. For example, local authorities are expected to contribute indirectly to management of crime by providing core services such as lighting the streets, ensuring proper planning to create space for police mobility, and opening up a liaison office to provide immediate response. The business community felt that it could play a major role in providing resources such as skills and information.

There is divided opinion on effectiveness of government initiatives. To deal with crime and insecurity, the government has undertaken several initiatives, including creation of specialized police units to deal with crimes such as corruption, terrorism, cattle rustling and organized crime. Respondents had a divided opinion on the effectiveness of these government initiatives. Equal proportions of respondents felt that the initiatives are ineffective, somewhat effective or effective in combating crime. However, the key informants were positive about the recent efforts to introduce community policing; it was viewed as a step in the right direction in involving the citizens in the fight against crime.

The government should portray a winning battle image against crime. With inefficient delivery of various services, majority (89%) of respondents in the business community felt that criminals are winning the fight against crime. There is therefore need to ensure that the police force maintains high professional standards, is better than the criminals, and is not part of criminal activities.

The respondents recognize the principle of community and partnership policing as an important strategy in the fight against crime. It was felt that such partnership would allow the community to work together with the police by informing them about criminal activities in the community. When community policing is practiced, people begin to feel more protected by the police. Some civil societies are reaching out to the public to address their security needs through the community-policing program. Some of the programs involving the civil society include Police Information Centers (PIC), Community Policing Forums (CPF), Community Policing Centre (CPC), police training in public relations (PR) and installation of closed camera televisions (CCTVs). Part of the civil society is doing some work on the influx of small arms with partners from the neighboring countries like Sudan, Ethiopia, Uganda and Somali. Such initiatives bring together local and regional leaders together in order to bring peace. Further, some residents have established neighborhood watch groups in the estates where respective residents volunteer to use their own vehicles to take the police on patrol in the estate. Faith-based organizations have programs that provide support to community initiatives in crime management, therefore winning back the public trust of the police and community policing.

**Rehabilitating would be criminals.** Faith-based organizations are actively involved in crime prevention. The programs in crime prevention include youth rehabilitation targeting mainly vigilante groups and involving moral education, community service, and training in micro business skills.

**Ensuring justice is done.** Some private organizations assist in combating crime by coordinating the witnesses and facilitating them to give evidence in court.

**Encouraging on-going initiatives to enhance security infrastructure.** Some private firms like in the banking sector are installing CCTVs. The banks are also being encouraged to erect high bullet resistant counter screens and to use armed police escort for cash in transit.

**Encouraging participation of the general public in crime management.** There is mushrooming of private security providers as a private solution to a public problem. However, these services can only be provided to a small group of the population, mostly the well to do. However, the weak regulatory framework for private providers constrains their operations.

There is optimism over the on-going reforms to improve the delivery of public security services. Although, in evaluating the institutional set up, the firms indicated that both the judicial and prison system were inefficient in playing their various roles such as prosecuting cases, and guarding and caring for prisoners, there was a strong feeling among respondents that the recent judicial reforms would go a long way in fighting crime in the country. There was consensus among security providers and consumers that strategies for maintenance of law and order proposed in the economic recovery strategy (ERS) are viable. However, some of the respondents were of the view that some of the policies would be difficult to implement because they entail significant budget allocations.

## **8. POLICY RECOMMENDATIONS**

**Enhance effectiveness in crime information management.** There is need for the Government and the media to come up with effective ways of managing information concerning crime and to empower the public to respond and participate in crime prevention efforts. Crime is an extremely sensitive issue that affects and has far reaching implications on business, individual lives and the image of the country. It has implications on public participation in crime prevention and management. Confidentiality and secrecy of the operations of security agencies should be reviewed and operations subjected to public scrutiny.

**Public education and sensitization** is vital in changing the passive public attitude about crime reporting, to allay fears and feeling of apathy and resignation among the public, and to create a proactive and security conscious public.

**Crime management policy** is important in providing a framework for cooperation and collaboration among the different stakeholders. Previous piecemeal initiatives do not seem to have been effective in combating crime.

**Efficient resource allocation and utilization.** The performance of the police is adversely affected by limited resource allocation and poor utilization. It is important that a careful evaluation is done to identify the security needs of the various sections of the population in order to ensure adequate coverage. Improving coordination with the various private sector initiatives can enhance police performance. Additional resources can be sourced/mobilized from all stakeholders particularly in the private sector.

**Review of regulatory framework.** The existing regulatory framework is inadequate for both public and private security providers. Private security providers are, furthermore, largely unregulated. The relationship between the different public security agents needs to be clearly defined.

**Proactive approach to crime and security.** Delays in responding to crime, in completion of investigations, in determination of cases, and inefficiency in the criminal justice system and lack of explicit effort towards prevention of crime have clear implications on security in Kenya.

**Community policing should be emphasized.** This approach encourages participation of the public in crime prevention and control, and also leads to a strong partnership with the police. Community policing could greatly contribute towards combating crime.

**Reforming the police force** is a viable strategy. However, the comprehensiveness of the reforms and the implementation of these reforms should be a matter of priority taking into consideration accountability and adoption of crime prevention strategies.



**Reforming the correction system.** Levels of recidivism are reportedly high and a strategy of ensuring effective rehabilitation of offenders would greatly contribute to crime control.

**Reforming the judicial system** is vital so that the public does not feel that criminals are winning.

**There is need to create security a conscious environment.** This should take into account physical planning, building and security installations, physical infrastructure and open spaces.

**There is an urgent need to address unemployment problem** in Kenya. Efforts towards creating income-generating activities should target the youth.

**Concerted efforts should be directed towards controlling violent crimes because they are the most threatening to both business and human life.** To achieve this, control and possession of illegal firearms should be a matter of priority. Control of illegal immigrants is also important.

**Research is an important source of knowledge in management of crime.** It helps in understanding the dynamics of criminal activities and in mapping criminal activities. This in turn enhances the efficiency and effectiveness in dealing with criminal activities. It is therefore important that the government supports research and development in the police department.

## 1. INTRODUCTION

A favorable investment climate is important for the private sector to thrive. A good investment climate attracts private investments by assuring "business security". Among the factors defining investment climate is security of both property and individuals. Recently, the issue of security has been highlighted as a major hindrance in doing business in Kenya. Table 1.1 shows trends in criminal activities for the period 1998-2003 while Table 1.2 reports the ICRG law and order ratings.

**Table 1.1: Kenya annual crime statistics (1998-2003) as reported to the police**

Offence	Year					
	1998	1999	2000	2001	2002	2003
Murder (including attempt)	1,637	1,625	1,807	1,688	1,661	1,395
Rape (including attempt)	1,329	1,465	1,675	1,987	2,005	2,308
Manslaughter	5	16	18	8	3	5
Assault	10,847	11,891	13,035	12,611	12,689	13,401
Other offences against the person	2,920	3,173	3,563	3,020	3,006	3,516
Robbery and allied offences	8,303	8,612	8,923	9,180	8,504	8,711
Break-ins	11,282	9,940	10,712	10,363	8,338	9,037
Theft of stock	2,333	2,278	2,906	2,327	2,087	2,291
General stealing	8,899	9,591	10,129	8,919	8,340	9,916
Theft of motor vehicle	1,081	1,004	896	960	1,043	803
Theft of motor vehicle parts	934	770	748	753	587	708
Theft from motor vehicles	624	526	569	558	420	339
Theft of bicycles	596	652	836	565	448	623
Theft by servant	3,230	3,075	3,221	2,757	2,371	2,957
Dangerous drugs	5,171	5,912	5,481	5,300	4,467	4,742
Handling stolen property	347	384	361	347	299	299
Corruption	145	43	42	23	76	50
Causing death by dangerous driving	304	259	346	301	298	295
Other offences against property	3,168	3,359	3,555	3,073	3,363	3,753
All other penal code offences	9,418	10,415	11,320	10,612	10,418	12,131
<b>TOTAL</b>	<b>73,673</b>	<b>74,990</b>	<b>80,143</b>	<b>75,352</b>	<b>70,423</b>	<b>77,340</b>

Source: Government of Kenya, Economic Survey 2004

**Table 1.2: Law and order (ICRG rating)**

Country	1998	1999	2000	2001	2002
Botswana	4.0	4.0	4.0	3.8	3.5
Egypt	4.0	4.0	4.0	4.0	4.0
Kenya	2.2	2.0	2.0	2.0	1.6
Nigeria	3.0	3.0	3.0	2.6	1.5
South Africa	2.6	2.3	2.0	2.0	1.8

Note: Law assesses the strength and impartiality of the legal system while Order assesses the popular observance of the law.

Table 1.1 shows crime reported to the police during the period and not the actual numbers of crimes committed. Victims either do not report some crime because there seems to be no chance of the police resolving the crime or because they do not believe that the police are competent enough to help them. Some studies have reported that victims suspected that police were colluding with criminals, or were corrupt and therefore turned a blind eye to particular crimes (UN-Habitat, 2002). There is an increase in reported crime in Kenya from 70,423 in the year 2002 to 77,340 in the year 2003, representing a 10% increase. It should be noted that in the 1990s, the

UN rated Nairobi as one of the world's most crime-ridden capital city and as a result downgraded Nairobi city from class B to C in security status.

Table 1.2 gives a comparison of the ICRG ratings of Law and Order for Kenya and other African countries. The rating assesses both the strength and impartiality of the legal system and the popular observance of the law, with a highest rating of 6 points showing a strong legal system and high observance of law while a low rating of 1 shows a weak legal system and a high crime rate. The rating shows that, in comparison to other African countries, Kenya has performed poorly in terms of strength and impartiality of the law and observance of law. Egypt had a constant rating over the period while the rate has fallen in the other countries, especially from the year 2000.

Security risk due to criminal activities or failure to maintain law and order affects performance of firms in various ways. Firms, for example, lose sales or face low turnover due to reduced demand/market scope as a result of limited hours of doing business. Firms also lose sales due to inability to distribute products due to security constraints. However, a few firms, especially those providing security-related services benefit from a high level of insecurity especially when the government machinery fails to provide adequate security. Firms also lose their competitiveness when they increase prices of products to cover the costs of providing individual security, or when they lack incentive to invest in technology that would make products competitive in the market.

Security risk also affects firm investment decision. For example, firms may refuse to undertake heavy and new investments especially if the decision is irreversible. Firms may also opt to postpone investment to the unknown future. Insecurity also increases the cost of capital by raising the risk-premium tagged on financial capital. New entrants into the market may also be discouraged. Insecurity therefore retards business growth in private firms, and retards employment creation and poverty reduction in the overall economy.

Issues of security and crime have featured prominently in discussions on economic and social development in Kenya, especially in the face of declining social economic growth and welfare indicators in the 1990s. Increased levels of insecurity and crime are both a cause and product of poor social economic development and the process of rapid social change taking place in society.

While it is evident from the literature and media that levels of crime and insecurity in Kenya have been rising at unprecedented rates, the complex web of processes and factors involved in generating and sustaining crime have not been clearly understood. Indeed, while it is generally accepted that poor socio-economic performance within any country precipitates high levels of crime and insecurity, the impact of crime and insecurity on economic performance and particularly investment growth are not easily quantified.

The *Economic Recovery Strategy for Wealth and Employment Creation 2003-2007* observes that "the contribution of the efficient enforcement of law, the maintenance of public safety and the guaranteeing of law and order to economic growth, and the improvement of quality of life cannot be overemphasized". This clearly points to the importance placed on improving security as a precondition for economic growth and improvement of life of Kenyans. In reference to the law enforcement sector, the *Economic Recovery Strategy* observes that "the failure of the sector to deal effectively with the pervasive governance issues, the existence of unacceptably high levels of crime, and delays in determination of court cases have all served to reduce the competitiveness of Kenya as a destination for investment".

Crime and security in Kenya have been linked to problems of rapid urbanization, high population growth, poor governance and political instability, weakening of family structures, increased individualism, and alienation and weakening of key institutions such as the school and law enforcement systems. Further, crime and insecurity have been associated with problems of inequalities characterized by unemployment, poverty and social exclusion, and

lack of welfare systems in society. Crime has acquired complex dimensions with the heightened pace of globalization, which has not only compounded existing inequalities but has also enabled crime and insecurity and their impact and consequences to permeate national borders.

Understanding the dynamic interaction between factors mentioned in generating crime and insecurity and the impact this has on investment and growth requires systematic analysis of the processes that produce and sustain criminal behavior, and the choices and decisions people make in response to insecurity.

## 2. CONCEPTUAL FRAMEWORK

Crime may be explained from both the social and economic perspective.

### 2.1 Social Perspective in Understanding Crime

There are various theories that attempt to explain crime rational choice, psychological, structure and organization, biological and culture. Rational choice theory argues that criminals evaluate the risks of apprehension, the seriousness of expected punishment and the potential value or gains one is likely to derive from engaging in criminal activities (Siegel, 1995; Cornish and Clarke, 1986). Therefore, the decision to commit a crime is a matter of personal choice based on weighing of the available opportunities and risks. It therefore follows that if criminal behavior is rational, then imposing heavy penalties and making it difficult to commit crime can control it (Siegel, 1995).

The psychological perspective attributes criminality to inner conflict, emotional problems and conscious feelings of inadequacy and insecurity (Martin and Lewis, 1971). In contrast, the behavioral view is that people are not born violent. They learn aggressive behavior from the actions of others by observing and watching them being rewarded for aggressive behavior when violence is exhibited within the family, in the social environment and in the mass media (Siegel, 1995). For example, Edwin Sutherland (1972) has argued that learning criminal behavior includes learning techniques of committing a crime, the direction of motives, including rationalizations. He also observes that a person becomes delinquent because of excess definitions favorable to violation of law over definitions favorable to conformity with it. Therefore, criminal behavior is learnt through association with criminals and exclusion from anti-criminal forces.

The structural and organizational perspective views crime as a product of social change and its influence on human behavior in specific cultural, political, economic and social contexts (Stavrou *et al*, 2002). For example, forces existing in the deteriorated conditions of living for the lower classes in society may push many of their members into criminal behavior, resulting in increase in crime rates. Social ecologists have examined such aspects as community level disorder, poverty, alienation, fear of crime and how these explain the levels of crime. They have, for example, argued that communities with high percentages of people living in poverty, and high numbers of unstable families have experienced high crime rates. They relate high levels of unemployment to crime and argue that disorganized neighborhoods suffer social and physical manifestations of disorder, such as rowdy youth, trash, litter, abandoned business houses, strangers, vagabonds, prostitutes and congestion. Crime has also been viewed as a function of a mismatch between goals that people have and the means available for legally obtaining them. It is argued that whereas social and economic goals are common to people in all economic strata, the ability to realize them is largely dependent on social class. For example, when members of a class are unable to achieve their goals to a level that is generally accepted as successful within conventional means, they experience anger, frustration and resentment, which are referred to as strain (Siegel, 1995). If individuals experiencing strain are unable to accept their condition, or if the state of anomie prevails, they can choose alternative means of success outside conventionally accepted methods, which may predispose them to criminal behavior.

The cultural perspective views delinquent behavior in groups among the lower classes as protest against the norms and values of the upper classes. Since some lower class individuals are unable to achieve success legitimately, they experience a cultural conflict, which is also referred to as status frustration, and often join together in gangs and engage in behavior that is legally non-conformist. Therefore, crime has been viewed as a sub-culture among certain groups that represent a value system directly opposed to that of the larger society.

## **2.2 Economic Perspective of Understanding Crime**

Economic analysis of crime considers crime as an economic activity that involves an investment (time, instruments) and is associated with a return (stolen goods). However, crime has a risk associated with the probability of being caught and punished. Therefore, the decision to commit a crime can be seen as a utility maximization problem. In essence, committing a crime is as a result of rational choice calculus where an individual carefully evaluates the costs and expected returns. If the costs of committing crime are relatively low and returns are high (compared to the next best alternative), then it is expected that criminal activities will increase.

Individuals engage in criminal activities because they expect to reap higher returns from this action than from the next best alternative. The returns to crime include property, money and non-pecuniary benefits. The non-pecuniary benefits may explain activities such as rape and also torture from which criminals apparently seem to gain satisfaction.

The supply of criminal activities depends on the availability of opportunity. For example, crowded places, dark alleys and streets provide good opportunities for committing crime. Likewise, there is a time element where the probability of being caught is lower for night robberies as compared to daytime robberies. In addition, because in some cases criminals dispose stolen property, having a vibrant market for stolen commodities creates the demand for such activities.

Committing crime involves various costs. First is the investment in capital to commit crime. This investment could include guns and other instruments used to commit crime. As can be expected, availability of guns at low cost lowers the costs of committing crime. Inflows of guns into the country as has been the case recently can then be expected to contribute to supply of criminal activities. Therefore, increasing the investment costs may constrain criminal activities, especially the increasing violent crime, and also ensure that criminals are not better equipped than security officers.

The other major cost of engaging in criminal activities is the probability of being apprehended while committing crime, coupled with the severity of punishment if convicted. The probability of being apprehended largely depends on the quality of law enforcement and the involvement of communities in reporting crime. Efficient law enforcement implies that the probability of success in committing crime is low and therefore reduces the supply of such activities. The size of the police force and also how well equipped they are to fight crime largely determines the probability of criminals being apprehended.

Criminals may still engage in criminal activities even when the probability of apprehension is high if they consider the punishment associated with the crime not adequately severe. Where punishment for crimes is light and if the criminals can bribe their way such that they avoid conviction, then supply of crime is expected to be high. In other words, the supply of criminal activities largely depends on the quality of the criminal justice system. Therefore, corruption within the police force and the criminal courts can influence the supply of crime by lowering the probability of conviction or reducing the severity of punishment.

The other important aspect of the cost of crime is the opportunity cost. Individuals will engage in crime if the risk adjusted rate of return from crime is higher than that of the next best alternative. For many individuals who are unemployed or in low wage jobs, crime is an attractive economic opportunity. The rising crime in Kenya could be seen as partly an outcome of decreasing alternative economic activities. This is particularly true for individuals who were previously involved in productive activities but have seen such opportunities disappear with the general decline of the economy.

The supply of crime also depends on the cost of organizing the "criminal firm". While individuals on their own execute many crimes, many require some form of organization. Such firms range from single-owner criminal enterprise to organized crime. With the single-owner criminal enterprise, an individual, such as a pickpocket is working alone. This has limited

capital investment and limited specialization. The criminal gang is a loosely organized group of investors/shareholders who work together in committing crimes. A gang requires some organizational structure; at least a head of the organization that directs activities. The gang may invest in capital necessary for various criminal activities. Organized crime involves a well-structured business enterprise with a head and even some officials, and probably a profit sharing formula. It is important to note that the lower the cost of organizing the criminal firm, the more such firms are likely to emerge and therefore the higher the level of crime. The survival of such firms depends on the collective action problems such as members of the public leaking information to law enforcement officials for personal gain.

### **2.3 Crime and Society**

The previous discussion focused on crime from the individual point of view. We noted that an individual contemplating committing a crime evaluates the costs and benefits and commits the crime if the expected benefits exceed the expected costs. From a society point of view, crime imposes large economic and social costs. Some of the direct costs of crime are those that are borne by the victims as a result of the crime, such as loss of life, injuries, or loss and destruction of property.

But crime entails other costs. The first of these costs involves those expenditures and investments that households, individuals and businesses undertake to prevent crime. These include building security walls and installation of strong doors and windows, employment of security guards, installation of alarms, etc. These investments remove resources from other productive activities and lower the consumption of other goods and services.

The second category of costs involves the change in behavior as a result of crime. Households and individuals may alter their place of resident, their regular place of shopping, or even the shopping times because of crime. On the other hand, businesses relocate to safer locations and also reduce the hours they do business. Likewise, businesses may lower their investments, for example by avoiding new capital equipment. Firms contemplating entering the market also evaluate the costs of crime and incorporate these costs in their decision-making. At the margin, high crime rates act as entry deterrence to new firms. All these outcomes involve costs to society.

Looked at from the society's point of view, crime imposes large costs of doing business and therefore lowers the returns to investment and therefore the overall level of economic activities. It is through this channel that crime impacts adversely on economic growth. Because of the large costs, there is a clear justification for Government to invest in fighting crime.

### **3. SAMPLING AND DATA COLLECTION**

#### **3.1 Site Description**

The study on security and private sector growth was conducted in Nairobi city in Kenya. Nairobi is the capital city of Kenya and headquarters of both Government and majority of private sector corporations. Nairobi is also the headquarters of many international organizations and foreign missions operating in Kenya and in the region. It is the largest city in Kenya, with a population of approximately 2,143,254, comprising 1,153,828 males and 989,426 females. Nairobi has eight (8) political divisions namely: Dagorretti, Kasarani, Makadara, Westlands, Starehe, Langata, Kamukunji and Embakasi. The City is also sub-divided into eight administrative divisions namely: Central, Makadara, Kasarani, Embakasi, Pumwani, Westlands, Dagorretti, and Kibera. Nairobi covers an area of 696 square kilometers with an estimated population density of 49 persons per square kilometer.

The population of Nairobi city can be divided into four socioeconomic strata, namely: upper class, middle class, lower class and lower-lower class, based on incomes and other socio-economic variables. The upper class is found in western, northern and southern parts of the city while the middle class is spread all over the city. The lower and lower-lower class mainly resides in what is normally referred to as the Eastlands. These are areas East of Uhuru Highway, which cuts across the middle of the city. The Eastlands sprawl towards the eastern, north-eastern and south-eastern suburbs bordering Kiambu, Thika and Machakos districts.

Nairobi, like many cities in the developing world, is characterized by a majority of the population (estimated at 60%) living in non-formal settlements. Poverty among the city population is rampant, reflecting the country's absolute poverty levels where approximately 50% of the population lives below the absolute poverty line of less than one US dollar a day. According to the 1997 Welfare Monitoring Survey, about 50% of the population of Nairobi was falling below the absolute poverty line of Ksh 2,648 per month.

The 1997 Welfare Monitoring Survey indicates that 75% of Nairobi's poor are concentrated in five divisions namely: Makadara, Embakasi, Kasarani, Dagorretti and Kibera. Poverty in the population varies in distribution from 32% in Westlands to a high of 58.5 % in Makadara Division. In Nairobi's Central Division, the poor range from 17% in Ngara Location to 54% in Huruma Location. In the Central Division, 83% of the poor are concentrated in Mathare and Huruma locations. Viwandani Location houses 37% of the poor in Makadara Division while Korogocho, Kariobangi and Ruaraka locations house about 65% of the poor in Kasarani Division. Embakasi Division has 82% of the poor concentrated in Dandora, Kayole, Mukuru Kwa Njenga and Umoja locations. Westlands has 58.5% of the poor concentrated in Kangemi Location while Kawangware and Riruta locations hold 69.4% of the poor in Dagorretti Division. Importantly, Kibera division's poor (81%) are concentrated in three locations namely: Sare Ngo'mbe, Kibera and Laini Saba. The high levels of poverty, coupled with poor physical and social service infrastructure, generate conditions of deprivation, social exclusion and despair among the majority of the city's population.

The City has a fairly large business sector comprising of manufacturing, service and merchandising, which include large medium and small-scale enterprises. The formal sector coexists with a large non-formal sector, which employs the majority of city residents. This is in addition to public and voluntary service sectors, which employ quite a large section of the city's population. An estimated 600,000 people were formally employed, while approximately 800,000 were in the non-formal sector by the year 2000. Nairobi city borders Kiambu and Thika districts in Central Province to the North, Machakos District in Eastern Province to the East and Kajiado District in Rift Valley Province to the South.

Nairobi was purposively selected for this study because of its role as the commercial hub of Kenya and also because it has a high incidence of crime prevalence in the Province. Nairobi has



all the characteristics of urban populations in other urban centers and provides a strategic entry point for raising security issues for follow up. Resource limitations also contributed in limiting the coverage of the study to Nairobi city.

### 3.2 Study Design

The study utilized the survey method in collecting data. Survey interviews were administered to respondents drawn from four main survey samples comprising of households, businesses, individuals and security workers. Further, information from the four main survey components was supplemented with data gathered from three mini samples of management of public security agencies, security firms and community based organizations dealing with security issues.

Respondents were targeted with varied interview questions on their perceptions of and experiences with insecurity and crime, the choices they make in dealing with crime, their interaction with security service providers, their perceptions on the management of crime, and gaps and effective strategies they would want put in place to address the problem of insecurity.

The main study survey targeted a sample of 3,498 respondents. These included 840 from household survey, 934 from business survey, 950 from individual survey, 528 security workers, 72 private security firms, 64 Community Based Organizations (CBOs) and 50 managers of public security agencies, mainly the police. To ensure that policy issues were exhaustively addressed, a qualitative sample of key informant respondents was also built into the study design. A total of 60 key informants were targeted in the study.

A total of 3,138 respondents were interviewed including 13 key informants as indicated in Table 3.1. The study accomplished 89.7% of the targeted coverage.

Table 3.1: Sample size

Sample component	Targeted interviews	Actually interviewed
Household	840	845
Business	934	854
Individuals	950	800
Security workers	528	531
Police officers	50	0
Private security firms	72	46
CBOs	64	49
Key informants	60	13
<b>Total</b>	<b>3, 498</b>	<b>3, 138</b>

#### 3.2.1 Household survey

A total of 845 households were interviewed for the household survey. In selecting the respondents from the households, Nairobi was divided into 22 area clusters each comprising of upper, medium, low and very low-income households from which the study respondents were drawn. Before the selection of respondents, mapping of the area clusters was conducted and important socio-economic variations and physical arrangements, including number of estates noted. For each of the area cluster, quotas of respondents, mainly heads of households from which data was gathered were allocated. Each of the 22 area clusters was allocated 40 respondents. Selection of the respondents within the area cluster was stratified to reflect socio-economic and population density variations within the cluster. From the respondents, information was gathered on perceptions of households on crime and insecurity, their experiences with crime, costs of crime, crime choice and decision-making and management.

#### 3.2.2 Business survey

A total of 854 interviews were conducted with either entrepreneurs or key managers of business firms in Nairobi. To ensure representation of the different types of businesses and spread,

Nairobi was divided into 22 area clusters from which respondents for the business survey questionnaire were drawn.

Mapping of the area clusters was done before sample selection to establish the different categories of businesses existing within the clusters. From the mapping, concentration points for specific categories of businesses within the area clusters were also identified.

Using the information gathered through the cluster area mapping, 16 categories of business types were developed. The businesses were stratified based on the business categories. From each of the strata, quotas of numbers of businesses to be interviewed were allocated based on their concentration within the strata and across the clusters. The business survey respondents were selected from the following strata: electrical, hardware, hotels, manufacturing, information technology, finance, health, education, transport, petrol stations, wholesalers and retailing outlets including supermarkets.

For the manufacturing sector, a list of all the manufacturing establishments was available from KIPPRA Regional Program on Enterprise Development (RPED) study carried out in 2001. A sampling frame was constructed from the list, and this was then used to select manufacturing firms from which respondents based on the predetermined quota were selected using a systematic random sampling technique. A total of 100 manufacturing firms were selected altogether.

A slightly different approach was used in selecting respondents for the business survey from the Nairobi Central Business District (NCBD), which served as one of the area clusters, due to the high concentration of business enterprises in the area. The NCBD was divided into 4 transects almost equal in size in terms of coverage and business enterprise concentration. Information gathered through mapping of the whole area cluster was utilized in allocating quotas of respondents for the area cluster and also the 4 transects following the 16 stratas of business types identified. Allocation of quotas of respondents within each of the stratas took into account the concentration of businesses in each category. A total of 136 respondents representing businesses were targeted in the NCBD.

Respondents to the business survey questionnaire answered questions on their perceptions about insecurity, costs of insecurity, consumer choices and decision-making in relation to crime, impact of crime on investment choice, effectiveness and efficiency of security agencies, gaps in policies, and recommendations for improving the security situation in the country.

### *3.2.3 Individuals survey*

In the individual survey, a sample of 800 individuals was interviewed using the individual survey questionnaire. The individual respondents were selected from the 22 area clusters. Each cluster was allocated a proportionate quota of respondents based on the sample size total of 920 respondents. Except for the Nairobi Central Business District, which was allocated a higher number of respondents because of the high concentration of people in the cluster, all the other clusters were allocated an equal number of respondents.

Within the area clusters, an attempt was made to ensure that respondents were distributed in all different areas covered using information gathered from the mapping exercise. This was achieved by ensuring that the area quota of respondents was as much as possible, spread evenly along streets, roads and pathways within the area of the cluster. Following a structured questionnaire, individuals targeted by the survey were interviewed on their perceptions and knowledge on crime and security, their experience with crime, their perception about criminals, their views and experiences with security service providers and the mechanisms they put in place to deal with crime.

### *3.2.4 Security workers survey*

The security workers survey targeted lower cadre personnel charged with providing security both in the public and private agencies. The personnel targeted in the survey included company

guards, watchmen and police constables. A total of 528 security workers were sampled altogether.

Selection of respondents for the security workers survey followed the same pattern as in the other surveys. Within each of the area clusters, selection of security workers for the interviews was done purposively, taking into account the variations within the cluster as noted during mapping. These variations included differences such as residential estates, different companies and individual watchmen represented in the area. Nairobi Central Business District was however allocated a higher number of respondents from this sample because of the perceived high concentration of establishments with security workers. A total of 192 security workers interviews were conducted in the Central Business District. This category of respondents were interviewed on their perceptions and experiences with crime, their preparedness in ensuring security is maintained, and the general problems they encounter in preventing and managing crime.

### *3.2.5 Supplementary surveys*

Other than the four main surveys, supplementary survey interviews were conducted with different groups of security service providers, including the police, managers of private security firms, and community-based organizations. These small sub-samples sought to provide information to be used in understanding the organization of public, private and community security services, their effectiveness, experiences and the major challenges they faced in providing security.

#### *Police survey*

A mini survey of the police management in Nairobi area was planned, targeting a small sample size of 50 respondents. These were to include Officers Commanding Police Divisions and Stations as well as crime investigation heads in the respective police areas in the 22 area clusters. This level of security management staff were to be interviewed on the experiences of the police in managing crime, trends in criminal activities, distribution of crime, problems in ensuring security, and ways in which security in Nairobi can be improved. However, none was interviewed.

#### *Security firms' survey*

A total of 72 managers of private security firms were targeted for interviews within this mini sample. Because the list of all security firms was available from Security and Allied Workers Union, a sampling frame of all security firms was prepared for this category of firms. Stratification of the firms was then done based on their types. Allocation of quotas of respondents for the 22 area clusters was done based on a predetermined sample size of 72 firms in the whole sample. This survey targeted management of private security firms in generating information on their perceptions and experiences with crime, costs of crime and insecurity and the challenges they faced in providing security.

#### *Community-based Organizations (CBOs)*

A total of 49 community-based organizations, including representatives of some professional associations were interviewed in this sample component. These organizations' representatives were interviewed on the role of the public and communities in providing security, the costs they incurred in ensuring safety of their members, their views and experiences with insecurity, and their interaction with public security providers. The study also focused on the challenges they faced and their recommendations for improving the security situation. Within each cluster, the tracer method was utilized in identifying CBOs and professional associations, and eventually the respondents for the study.

### *Key informant interviews*

Key informant interviews were conducted with individuals from different sectors. 60 key informant discussions were targeted altogether but only 13 were interviewed. Key informants were selected purposively based on their role and knowledge on key issues of the study subject. Many of the key informant interviews conducted were with policy makers and other people in positions of authority in public sector and civil society. Key informant discussions covered key themes, among them crime trends, costs, policy, management and recommendations for action in improving the security situation in Kenya.

### **3.3 Mapping of the Study Area**

The study selected respondents from catchments areas of police administration. Police posts and divisions acted as the bases for identifying the 22 clusters (Appendix 1). This was based on the notion that the police have the primary responsibility of providing security services. Other initiatives that have come up in the different areas reflect the response of the community to the provided police services. The response has implications on the demands for security services in specific areas, and the resource needs in providing security services. Given that crime is attributed to various factors, it was important to link the experiences in specific areas with the socio-economic and physical characteristics, and distribution and types of economic activities.

A checklist of issues guided the mapping exercise. Among the issues covered in the cluster areas included physical environment characteristics and landscaping, local community characteristics, settlement patterns, and spatial arrangements including unoccupied space. Walkways, extent of planning of settlements, and demographic aspects including general human density were also considered. Security infrastructure and installations, security service providers and distribution of residential estates and commercial activities were also examined during mapping.

The mapping exercise also took into consideration the distribution of social amenities (educational, health and leisure facilities) and existing physical infrastructure (roads, streets and pathways) as they related to accessibility of both residential areas and commercial places. An attempt was made to observe socio-economic aspects, including type and condition of housing, and general characteristics of neighborhoods (vehicles, fences, and sanitation and waste disposal). Finally, crime prone points within each of the clusters were identified and a sketch map of each of the area clusters done taking note of the middle point drawn.

A total of 182 residential neighborhoods were identified in the mapping, except for Nairobi Central Business District. Of the identified neighborhoods, 28 were classified as upper class, 92 as middle class (including upper and lower middle) and 62 as lower class. From the mapping, large sections of the City were reported to comprise of unplanned residences. Majority of the unplanned residences constituted lower class and lower-middle class neighborhoods. Many of the upper middle class and upper class residences are well planned and well served with social amenities (including shopping centers, leisure facilities and physical infrastructure such as roads and sewerage). Overcrowding, congestion, poor sanitation, and inadequate sewerage infrastructure were key characteristics of lower income class residences. Human density in lower class residences was high. Lack of planning was epitomized by high presence of informal sector commercial activities alongside residential neighborhoods, including open markets, kiosks, hawking activities, garages, tailoring and hair dressing shops.

Interestingly, lower class neighborhoods bordered many of the upper and middle class residential areas in majority of the area clusters. Therefore, there is no clear demarcation between areas where high-income residents live except as marked by roads and the differences manifested by spatial and physical aspects of the two types of residences. However, majority of the low and middle class residences are situated in the Eastern part of the city and sprawling towards the Northern and North Eastern suburbs bordering Kiambu and Thika Districts and also towards the South and South Eastern parts of the city bordering Machakos District. Large

low class residences also exist within the Western side of the city side by side with upper class residences. These include estates such as Kawangware, Riruta, Kangemi, and Uthiru all of which are found in the city west of Uhuru Highway.

Whereas housing in the upper and middle class residences was largely made of permanent materials, majority of the low-income residences had semi permanent and temporary structures largely made of iron sheets, mud and even carton. However, some of the low-income residences were built of stone and bricks and some were rapidly transforming into lower middle class residences, judging from the type of housing emerging. In many neighborhoods, empty spaces, including unoccupied buildings and un-cleared bushes were identified. Within the lower middle class residences, the empty spaces acted as garbage disposal sites. Heaps of uncollected garbage characterized lower-middle and lower class residences across the city.

Accessibility in terms of roads was provided for in all upper class residences. In fact, in many of the upper class residences, roads are finely finished and sometimes barricaded against public vehicles. Security personnel, particularly company guards, man some main roads used to access upper class estates. Accessibility of middle class residences was also reported to be fair albeit with poorly maintained road infrastructure. However, in some middle class estates, feeder roads leading to the main roads were very poor and almost impassable during rainy seasons. This was particularly the case in majority of the lower middle class neighborhoods. Accessibility of low income residences, particularly non-formal settlements beyond the main roads, was very poor because of very narrow pathways, garbage heaps, open sewerage trenches and the fact that roads were not provided for within the slum settlements due to lack of planning.

In terms of security, upper class residences were the most catered for, followed by upper middle class residences. From the mapping, it emerged that majority of the upper class residences were literally barricaded, for security reasons. High stonewalls and live fences, high and reinforced gates, company security guards and guarded entrances on the main roads leading to the estates, and police patrols were a common characteristic. The areas also have fewer commercial activities and fewer people idling. The middle class residences, particularly the upper middle class category, also had a marked presence of security installations, mainly live fences with stonewalls, gates manned by private company guards, and in some cases watchmen. However, from the mapping, it was evident that security infrastructure was not as strong as in the upper class residences. There were aspects of cooperation among upper middle class residents in providing security in their neighborhoods, with some reporting that they jointly pay the guards and provide some of the security infrastructure. Very few security arrangements were observed in the lower middle and lower income residences. Security infrastructure is weak in the lower middle class residential areas and totally lacking in the lower class income residences, including in non-formal settlements. High presence of industries was reported largely in two area clusters, namely Ruaraka and Industrial Area. Industrial establishments were highly secured as opposed to neighboring residences. One or more police stations are found in each of the area clusters, and many CBOs were reported to be involved in issues of security, particularly in the lower class income residences.

Some crime prone points were identified during mapping. These include Kibera, Kangemi, Uthiru, Ruaraka (particularly Ngomongo and Korogocho), Githurai Kimbo, Soweto, Githurai 45, Kamukunji, Gikomba, Kirinyaga Road, Globe Cinema roundabout, California, Majengo, and Forest Road. Other areas identified as crime prone zones include Mlango Kubwa, Ziwani, Kimathi Estate, Uhuru Park, Racecourse Road, Mukuru Kwa Njenga, River Road, Tom Mboya Street, Wakulima Market and OTC bus stage.

Information generated from the mapping exercise was used to inform sampling of survey respondents within the 22 area clusters in Nairobi. The information was also useful in generating further issues to be included in the study instruments after pre-testing of the study questionnaires.

For the clusters in the Nairobi Central Business District (NCBD), the area was divided into four transects following Kenyatta Avenue, Tom Mboya Street and Accra Road. The first transect was east of Tom Mboya Street and north of Accra Road. The second transect was the area east of Tom Mboya Street and south of Accra Road. The other two transects were the area west of Tom Mboya Street divided by Kenyatta Avenue. The sub-samples of individuals, businesses and security workers were distributed evenly within the four transects from the quota that was allocated for NCBD cluster in the study sample. The selection of the sample of businesses within each transect took into account the concentration of the different types and streets, roads, and avenues within the transect to ensure maximum coverage of the study area. Interviewers were assigned on the basis of businesses in each category.

### **3.4 Methods of Data Collection**

The study utilized various techniques in data collection.

#### **3.4.1 Structured interviews**

Four types of questionnaires, based on the four main surveys, were prepared following the themes of the study. The questionnaires, carrying both open and closed-ended questions were used to interview the four main categories of respondents (businesses, households, individuals and security workers). A different type of questionnaire was administered to each different group of respondents in the main survey sample. Except for the guide used in discussing with key informants for the study, different types of questionnaires were developed to interview the respondents for the mini samples, including CBOs, police management and private security firms. The questionnaires had open and closed-ended questionnaires based on issues of concern to each category. Trained enumerators administered the questionnaires after the questionnaires were pre-tested and corrected appropriately.

#### **3.4.2 Key informant interviews**

A key informant interview guide with themes on crime, insecurity and the business environment was developed. Issues for probing were identified and incorporated into the guide. The guide was used to discuss issues of insecurity, crime and the business environment with people who play a strategic role in formulation and implementation of policies and programs. To ensure all issues were picked and effective interaction achieved during the discussions, principle researchers conducted the key informant discussions assisted by research assistants in the research project.

#### **3.4.3 Simple observation**

This technique was used particularly during mapping of Nairobi and in selecting the 22 area clusters. Important features and land marks that indicated cluster and residential borders, important physical arrangements that influenced crime, and crime concentration points based on public perceptions in the city were identified using this method.

#### **3.4.4 Review and content analysis of secondary data**

Document review and content analysis was done to generate secondary data on crime and the business environment in Nairobi. Documents reviewed include books, journals, conference papers, research reports, government policy documents and media reports. Review of secondary data and information sources was important in identifying key issues on crime management in Kenya, establishing trends, identifying issues raised by past studies and also identifying policy issues and gaps.

#### **3.4.5 Conferencing**

Conferencing technique was used largely to generate issues from policy makers, service providers, private sector and other players on the concerns of insecurity and the business environment in Kenya. Importantly, conferencing helped create awareness on the study, provide feedback to stakeholders and also validate issues raised in the study. One stakeholders'

conference was held at the launch of fieldwork. Conferencing was also a useful technique in disseminating findings of the study to the public and to stakeholders.

### **3.5 Characteristics of the Sample**

#### *3.5.1 Characteristics of individuals interviewed*

Out of the total individuals interviewed, 60% were males and 40% were females. Majority of the respondents, constituting 40% of the sub-sample, was aged between 21 and 30 years while the 31-40-age category was next, comprising 34% of all sub-sample respondents. Put together, respondents aged between 21 and 50 years constituted 74% of the total sample. The least represented was the over-50 year age category, which constituted 8% of the total sample.

Majority of the respondents interviewed were of Kenyan nationality. These comprised 98% of the total sample. The remaining 2% were of other nationalities including German, American, Indian and Ethiopian citizenry.

The level of education attained among the sub-sample respondents was significantly high with 52% of all sample respondents having attained college education and above. The representation of individuals with college education and secondary school education almost tied at 29% and 32%, respectively. Whereas secondary education attainment was reported by 32% of all individuals interviewed, only 13%, slightly less than half of those who reported secondary school education mentioned having attained only primary education. A smaller proportion (2.5%) reported having attained no education. More females than males reported having no education while the vice versa was true as one went up the education ladder.

Majority of respondents (52%) were married while 43% were single. Only 7% of the sample respondents reported to be widowed, separated or divorced. Full time employment was the most common form of occupation with 36% of respondents reporting to be full time employed. Self-employment as an occupation was reported by 32% of respondents while casual or part time employment was reported by 13% of respondents. Only 13% of respondents reported having no type of occupation while 6% reported being students, working on contract, or on voluntary basis.

Average monthly expenditure for majority of the respondents (74%) was reported to be below Ksh 20,000 per month. Those spending between Ksh 20,000 and 40,000 per month were 20% of the total sample. Only a small proportion of the sample respondents (6%) reported having a monthly expenditure above Ksh 40,000. This includes those who reported spending over Ksh 60,000 on a monthly basis.

#### *3.5.2 Characteristics of the business sample*

The study interviewed 854 firms distributed across different business activity categories in the city. A total of 100 firms interviewed were involved in manufacturing, 349 were providing services and 405 were commercial enterprises. Majority of the firms totaling 475 were small in size, employing below 5 workers, while 261 were medium-sized, employing between 10 and 50 workers. Only 96 of all the firms interviewed were large-sized, employing more than 50 workers.

A proportion of 70% of the firms had operated for a period of 5 to 10 years while 39% had operated for a period of less than 5 years. A proportion of 23% of the firms indicated that they had changed their locality mainly because of security reasons while 32% had changed their locality because of expanding the size of the firm. A majority 44% of firms indicated that they had changed their locality to increase access to the market. Demographic characteristics of the respondents were not available for this sample category.

#### *3.5.3 Characteristics of the household sample*

Of the 845 respondents interviewed in the household survey, 63% were males while 37% were females. Majority of respondents (99%) were of Kenyan nationality while only 3% were of other

nationalities. A proportion of 17% of the respondents indicated belonging to upper class income households, 45% middle class income and 59% lower class income.

A majority (44%) reported living in Eastlands, 16% in Westlands and Southlands and 8% in Northlands. A minority 6% reported their households being situated in non-formal settlement and a similar proportion reported being situated in other settlements.

Equal proportions of 33% of respondents had attained secondary school education and college education. Those who had attained primary education comprised 14%, slightly less than the 19% that reported having attained university education. Majority of household respondents (42%) was employed on a full time basis while a proportion of 35% reported to be self-employed. Only 9% and 8 % of all respondents reported to be casual workers and unemployed, respectively.

A large proportion of the respondents (70%) were married while 24% were single. Only 6% of the respondents reported being widowed, divorced or separated. Majority of the households (44%) had two adults staying in the house while 21% reported three adults staying in the house. A smaller proportion (14%) reported having four adults in the house. Only 13% reported staying alone in their house. Majority of the households (78%) reported having 1-3 children living in the house while only 22% reported having more than three children living in the house. A smaller proportion (5%) reported not living with children in their houses. A proportion comprising 38% was spending less than Ksh 10,000 a month while 29% were spending between Ksh 10,000 and 19,000. Another 14% reported spending between Ksh 20,000 and Ksh 30,000 on a monthly basis. Some 19% of all household respondents reported spending above Ksh 30,000 per month.

#### *3.5.4 Characteristics of the security workers sample*

A total of 531 security workers were sampled in the security workers survey. Majority of the respondents in the survey (55%) of the sample were employed in private security companies while 23% were working in private non-security companies mainly dealing with merchandising of security equipment. 6% of the sample worked for public non-security institutions while 5% worked for vigilante groups or community-based organizations. The NCBD cluster accounted for 24% of the total number of respondents in the sample while the other cluster outside the NCBD accounted for 76%.

Of the total sample, 89% were guards, 5% were supervisors within security firms and only 2% reported to be constables. Some 5% reported to hold other positions in the establishments they worked for. A majority (43%) worked on the streets while 38% worked in a residence or office. Most (46%) had worked for over three years. Those who had worked for 1-3 years were 35%. A small population (20%) reported having worked for less than one year.

#### *3.5.5 Characteristics of private security firms sample*

A total of 46 security firms representing private security providers were interviewed. This sample targeted management of private security providers as opposed to security workers. Majority of those interviewed (69%) was in the guarding sector while 28% were commercial establishments dealing with security hardware. Only 3% were involved in investigation and risk management.

Majority of the respondents was drawn from medium firms. These represented 46% of the sample and had more than 50 employees. Those from large-scale firms with between 11-50 employees represented 41% of sampled security firms. Small-scale firms constituted 12% of the sample respondents. Majority of the firms (74%) had been in operation for less than 15 years. These included 46% of the respondents who reported their firms having operated for between 10-15 years and 28% who reported their firms having operated for less than 5 years. Another 26% reported their firms to have operated for a period exceeding 15 years. These included 21%



who reported their firms having operated since the period between 1980 and 1999 and 5% who reported their firms operating for a period exceeding 25 years.

### *3.5.6 Community-based organizations*

A total of 49 community-based organizations were interviewed in the sub-sample. Of all the CBOs represented in the sample, 38 organizations constituting 77% were community based organizations, 10% were business organizations, 6% vigilante groups and another 6% belonged to other categories. A total of 98% of all the organizations represented in the sample were operating as welfare organizations, with majority (47%) being medium-sized (with between 11-50 members). The rest, comprising 41%, were large scale with a membership exceeding 50 members. A small proportion (12%) was small scale, having a membership of between 5 and 10 members.

Majority of the associations (82%) constituting 40 organizations was involved in maintaining security while some 32% reported also engaging in welfare activities. Only 4% of the organizations in the sample reported being involved in solving disputes. Many of the associations interviewed (20%) were also involved in environmental clean up and an equal proportion was also involved in income generating activities.

Majority of the associations interviewed (54%) had been in existence between 10 and 15 years while another 40% were less than 5 years old. Only 6% reported having been around for more than 10 years. Majority of the associations (80%) had been formed to address society problems while another 69% had been formed to also address welfare concerns. Some 35% of all the organizations also reported having been formed to address provision of utilities. Majority of the organizations (92%) reported also engaging in other activities, which were not indicated.

### *3.5.7 Key informants*

Out of the targeted 60 key informants, only 13 were actually interviewed. Key informants were mainly drawn from government departments and civil society (mainly individuals at the policy making level). Among the institutions and groups represented in the key informants sample included the police department, business, and religious associations. The key informants discussed themes related to the magnitude and spread of crime, costs of crime and insecurity, causes, options for reforms in security management and recommendations for action at policy and institutional levels.

## 4. THE SCOPE OF CRIME

### 4.1 Introduction

There is no clear definition of crime. In most cases, the level of crime is measured by the various types of criminal activities such as theft, fraud, mugging, murder, assault, robbery, and corruption, among others. This survey attempted to get a definition of crime from the respondents' perspective. The key informants defined crime as any act that offends society or any anti-social behavior that harms society. It is an act prejudicial to the interests of society, done against one's will or any wrongful thing done by a citizen to another without respect of law. Crime is an action that is intended to harass or punish a person. Crime in this perspective includes cheating or failure to fulfill a promise. In the absence of crime, people are able to conduct business freely without impediments caused by criminal activities. Crime disturbs security and necessarily provokes a situation of insecurity; security is broader than crime. Crime causes direct and indirect harm to the victim and is a major factor that disturbs security in society. Crime and insecurity have become central in economic, political and social development and this has necessitated a redefinition of the role of the state in relation to security provision. Rising insecurity in Kenya has further led to an explosion in growth of private security initiatives. Crime propagates lawlessness, which has a counter effect on the quality of life and impairs the development of the private sector and the economy at large.

### 4.2 Perception/opinion on Crime

Recent statistics indicate that there is an increase in the level of crime in Kenya. This study sought the views of consumers and providers of security services on the issue of crime both at country and city level.

#### 4.2.1 Security situation in Kenya

Most respondents were of the opinion that insecurity is a major policy issue in Kenya and particularly in Nairobi city and its suburbs. Insecurity in Kenya has reached an alarming rate. This opinion was strongly held by the business community, ordinary people conducting various activities in the city, households, security workers and security providers. Relating the level of security to the level of safety perceived when conducting activities, most of the respondents described the security situation as unsafe. Table 4.1 show that respondents perceived a high level of insecurity between the period 2000 and 2003. Police records also show the year 2000 as having the highest criminal offences, declining in the subsequent years but again increasing in the year 2003. The high perception of insecurity in year 2002 may have been due to political uncertainty given that it was an election year. Table 4.1 further reveals that with a political transition in 2003, people have built expectations with the new government, such that they feel safer than before in the hope that the previous state of insecurity would be corrected with time. Interestingly, the period when the crime rate is high is characterized by declining/very low economic growth rate and involuntary unemployment. In fact, the 2003 Economic Survey attributed the high rate of crime to poverty and unemployment.

Table 4.1: Perceptions on the security situation (%)

	Firms		Community-based organization		Households	
	Very high	High	Very high	High	Very high	High
1999	18.0	46.6	34.9	37.2	16.0	45.0
2000	17.9	52.9	23.3	46.5	16.0	51.0
2001	20.8	56.1	23.3	44.2	18.0	55.0
2002	27.4	53.3	44.2	34.9	25.0	51.0
2003	30.0	39.3	37.2	20.9	20.0	32.0

There seems to be a consensus that urban areas are prone to high levels of crime compared to other regions. For example, 64 percent of individuals interviewed rated crime as high in the whole country with 83 percent perceiving it to be very severe in urban centers. Only 21 percent felt that crime rate was high in the rural areas. Security workers (guards) indicated a similar pattern with 47 percent rating crime in the country as high while 41 percent rated crime as high in urban areas and 16 percent in the rural areas. In Nairobi, 66 percent of the respondents perceived crime rate to be high in residential suburbs while 89 percent saw higher in the streets.

Table 4.2: Perception of crime in the country (%)

	Whole country		Urban centers in Nairobi		Rural areas		Residential suburbs		Streets of Nairobi (city center)	
	Individuals	Security workers	Individuals	Security workers	Individuals	Security workers	Individuals	Security workers	Individuals	Security workers
Very high	16.27	12	38.60	45	3.63	2.7	22.86	9.1	62.55	46.1
High	47.93	47	44.36	40.6	17.02	15.7	43.22	26.3	26.23	35.5
Moderate	29.54	34	14.91	12.2	37.92	31.9	26.26	38.4	8.07	16.2
Low	5.01	6.3	1.50	2.1	32.42	35.8	6.41	19.7	2.02	1.8
Very low	1.25	1.0	0.63	0.2	9.01	14.0	1.26	6.6	1.13	0.4

Respondents felt that Nairobi had a high rate of crime, and this translated to a feeling of insecurity (Table 4.2). For example, 58 percent of firms in Nairobi indicated that they feel unsafe when conducting their businesses while 84 percent feel that crime poses a threat to their businesses. At the cluster level, the regions that seem to be most unsafe are Shauri Moyo (73%), Kayole (66%) and Kasarani (52%). On whether crime poses a threat to business, majority (over 75%) of firms in almost all cluster areas perceived crime as a threat to their business, with the exception of Jogoo road (50%), Langata (58%) and Kileleshwa (74%). Asked when they started feeling threatened by crime, 14% of the firms mentioned year 1999, 21% said year 2000, 20% year 2001, 23 percent year 2001 and 22 percent in year 2003 (Appendix 2). This is a pointer of rising perception of insecurity due to crime. Table 4.3 shows the relationship between type of firms and size and security perception. The commercial type of businesses and small-scale firms (5-10 employees) feel unsafe than other firms when conducting business. However, small firms of less than five employees feel a bit safe. Although manufacturing and large-scale firms are more threatened than the rest, all firms were unanimous that crime poses a threat to their businesses.

**Table 4.3: Perception of crime at the firm level (%)**

		Type of business			Size of the business			
		Manufacturing	Services	Commercial	Large scale (over 50 employees)	Medium scale (10-50 employees)	Small scale (5-10 employees)	Less than 5 employees
How do you feel when conducting your business	Very safe		0.9	1.2	0	0.4	1.5	
	Safe	12.1	14.0	11.9	14.6	13.5	11.1	42.1
	Somewhat safe	33.3	31.5	23.0	38.5	26.6	26.6	26.3
	Somewhat unsafe	34.3	24.1	26.5	21.9	25.5	28.7	15.8
	Unsafe	18.2	24.4	30.2	22.9	28.2	27.4	5.3
	Very unsafe	2.0	5.2	7.2	2.1	6.2	6.2	10.5
Does crime pose a threat to your business	Yes	90.9	82.8	83.9	90.6	84.6	83.5	63.2
	No	9.1	17.2	16.1	9.4	15.4	16.5	36.8

The situation is similar at the household level. Most households feel unsafe when conducting activities in the city of Nairobi but there was a higher level of perceived safety at home, although crime was equally affecting residential places. About 60% of those interviewed indicated that crime had become a norm, implying that people have adapted to living with crime. Table 4.4 shows that the middle and low-income classes feel more threatened by crime than the upper income class.

Table 4.4: Relationship between social stratification and safety perception by household (%)

		Upper income class	Middle income class	Low income class
General level of crime in the estate	Very high	7.9	21.6	19.9
	High	27.1	43.2	49.7
	Low	51.4	28.8	23.9
	Very low	12.9	5.3	6.1
	Moderate	0.7	1.1	0.3
Safety while at home	Very safe	21.0	10.7	5.9
	Safe	60.1	47.2	48.3
	Unsafe	17.4	36.3	42.7
	Very unsafe	1.4	5.9	3.1
Perception of insecurity while carrying out activities in Nairobi city	Very safe	3.5	1.3	2.2
	Safe	12.1	13.0	14.5
	Slightly safe	40.4	28.5	26.5
	Unsafe	35.5	46.3	48.1
	Very unsafe	8.5	10.9	8.6

At cluster level, a significant number of residents in Langata, Kileleshwa, Pangani and Kabete/Runda feel safe. However, Riruta residents feel quite unsafe in their homes as reported by 89% of respondents (Appendix 3).

In summary, there is perceived high rate of crime in the city as compared to other parts of the country. This may reflect the consequences of rural-urban drift where people are increasingly moving to urban centers in search of employment. The rural-urban migration, however, greatly exceeds the rates of urban job creation and greatly surpasses the capacity of both industry and urban social services to absorb this labor effectively. Those unable to find employment do not return to the rural areas but remain in the city, therefore aggravating the employment problem. When employment is not forthcoming, city residents are bound to result to various survival tactics such as indulging in criminal activities to earn a living.

All businesses regardless of their size and type are threatened by crime, but firms in commercial business and small in scale feel unsafe. Although the upper income groups perceive the general level of crime as high in the estates, the middle and the lower income groups feel more threatened by crime while at home and when conducting activities in the city.

#### 4.2.2 Types of criminal activities

From the previous section, respondents indicated a rise in incidents of crime. This section looks at the type of crimes characterizing the indicated trend. All respondents agree that violent robbery, car jacking and corruption are the major crimes. However, police records indicate assault and theft as the major crimes in Kenya. This is probably due to the nature of reporting where most violent crimes go unreported, probably for fear of reprimand by criminals.

Table 4.5: Perception of crimes affecting the country (%)

	Business		CBO's		Private security firms	
	Major problem	Severe problem	Major problem	Severe problem	Major problem	Severe problem
General disorder	21.2	4.1	23.1	2.6	28.2	12.8
Vandalism	27.4	6.1	-	-	-	-
Petty theft	45.1	17.8	45.2	40.5	53.5	23.3
Violent robbery	48.5	38.9	41.9	48.8	46.5	51.2
Car jacking	45.9	38.0	37.2	55.8	39.5	53.5
Illegal strikes	13.3	3.6	-	-	-	-
Ethnic tension	10.2	2.6	7.5	5.0	25.6	17.9
Corruption	38.6	43.9	27.5	65.0	40.5	35.7
Terrorism	14.2	4.9	-	-	23.1	5.1
Neighboring countries	28.2	6.2	-	-	40.0	10.0

Mugging is the most common type of crime in the city center (49%), in the estates (35%) and outside the city center (32%). The second highest crime in the city center is pickpocketing (29%) followed by violent robbery (10%). Violent robbery is however higher in the estates (25%) and outside the city center (25%) compared to the rate in the city center. This may be attributed to the extra security measures put in place at the city center, together with the presence of police while there is laxity and few police patrols outside the city center. Burglary is the third most common crime in the estates (14%), while car jacking is the third most common crime outside the city center (11%). There is an observation that the police tend to put very little energy on such petty crimes as mugging and pickpocketing, which makes them rampant.

Table 4.6: Most common types of crime in different areas (percentage)

Type of Crime	City center	Estates	Outside city center
Petty theft	5.45	2.49	3.45
Mugging	49.12	34.96	32.18
Violent robbery	9.82	24.91	24.52
Pick pocketing	29.47	4.89	7.66
Murder	0.58	4.98	6.13
Fraud	0.39	0.74	1.92
Car jacking	2.72	9.32	11.49
Physical aggression/vandalism	0.19	2.03	0.77
Rape	0.97	0.92	1.92
Drugs, prostitution, etc	0.49	0.37	1.15
Arsons	0.19	0.18	0.00
Burglary	0.58	13.84	8.81
Kidnapping	0.00	0.37	0.00

### 4.3 Victimization rates

Table 4.7 shows the crimes affecting business growth, residential homes and members of the public on transit or conducting activities in the city. Survey findings indicate that whereas mugging is the dominant crime in the business and street areas, violent robbery and burglary are the most common crimes in residential homes.

Table 4.7: Types of crime encountered at the victimization level (% rating)

Criminal activity	Households	Individuals in the city streets	Businesses
Petty theft	23.7	9.2	
Mugging	10.3	37.4	25.9
Violent robbery	28.3	15.8	15.2
Pick pocketing	0.6	18.3	
Murder	0.6	0.2	1.8
Arson			1.3
Fraud		0.9	13.9
Carjacking- vehicles	3.4	10.1	10.6
Carjacking-employees			5.5
Vandalism	2.9	1.7	
Burglary	28.3	5.9	20.3
Assault	0.3		
Rape/sexual harassment		0.6	
Kidnapping			1.2
Arson	1.1		
Assassination			0.12
Terrorism			1.2

#### 4.3.1 Households

A good number of household respondents (56%) have not been victims of attack at home. Those who have been victims of crime also reported a high of unsuccessful attempts. This gives a strong correlation between having encountered an unsuccessful attempt and being a victim subsequently. This means that criminals are persistent and keep on trying until they are successful. Table 4.8 shows the relationship between being victim of crime and perception of the security in the area. It shows that those who actually report to have been victims rated the level of crime to be generally high and their homes to be unsafe. Those who have had unsuccessful attempts indicate the general level of crime in the estate to be high.

Further, considering the rate of victimization as they go about their economic activities, 53% of respondents indicated that they have not had any security problems in the city while 76% indicated that they have not been victims of attack during shopping.

Across the income groups, Table 4.9 shows that the middle and lower income groups are more vulnerable to crime than the higher income class. However, across the stratum the middle income is more affected than any other category. The marginal propensity to consume is normally higher in the middle income than other income groups. They will therefore more likely fall victim to crime as they shop or during entertainment.

Table 4.8: Relationship between victimization and crime perception at home and in estates (%)

	Whether the household has been a victim of crime		Whether there has been unsuccessful criminal attempt		
		Yes	No	Yes	No
General level of crime in the estate	Very high	23.0	15.5	6.7	14.5
	High	45.4	40.9	49.2	50
	Low	26.0	34.5	38.2	33
	Very low	5.2	8.3	5.9	2.5
	Moderate	0.5	0.8	19.3	15.1
Safety while at home	Very safe	5.5	14.3	49.2	40.5
	Safe	42.7	55.4	25.6	35.7
	Unsafe	45.2	28.1	4.6	8.5
	Very unsafe	6.6	2.1	1.3	0.3

Table 4.9: Relationship between incidence of crime, unsuccessful attempts and social class (%)

		Social stratification		
		Upper income class	Middle income class	Low income class
Number of incidents of crime in the household	1	47	151	136
	2	7	15	12
	3	1	7	4
	4	0	0	1
	5	1	1	1
	6	0	1	0
	7	1	2	0
Number of unsuccessful attempts	1	16	69	39
	2	8	22	23
	3	3	14	5
	4	1	2	2
	5		2	2
	7		1	
	15			1
	18		1	
	23		1	
	24	1		
	28			1
40	1			

The highest number of unsuccessful attempts has been on middle-income groups. At cluster level, Kabete/Runda had the highest number of unsuccessful attempts as reported by 71% of the cases while Hardy had the lowest at 8%. At the victimization level, Riruta cluster has recorded the highest number of victims of crime as reported by 65% of households while Karen had the lowest number of victims at 11%. Karen is an area with advanced community security initiatives and also collaborates very closely with the police.

In addition, the study also tried to find out whether respondents have witnessed any crime. Results show that 60% of households have witnessed crime take place in the neighborhood. However, low-income households have witnessed crime more than other income classes, at 46%, middle income at 43% while 11% from the upper income class have witnessed crime.



Mugging is the most common crime witnessed, as reported by 37% of respondents followed by robbery with violence. Table 4.10 indicates high levels of robbery with violence both from the perspective of those who have witnessed the act and those who have been victims. Burglary is quite high at the household level (28%). As they force their way in, criminals break gates or doors, which explains why doors account for the highest number of property damaged. Most households have fallen victim of attacks at night as reported by 59% of the cases interviewed. Table 4.10 relates the type of crime to the income class. The middle-income group is targeted by nearly all criminal activities. This class dominates in terms of the working elite and therefore more prone to criminal attacks. Security is also not as high among middle and low income groups as in the upper income group. Mugging is higher among the low-income group while assaults are most common among the high-income class. Carjacking is also quite high among the middle and the upper income groups as majority of these can afford a vehicle. Conning is very common among the low-income groups.

At the cluster level, Riruta reported a higher concentration of robbery with violence while Kamukunji reported a high level of mugging incidents. Burglary was quite high in the Muthaiga cluster.

Table 4.10: Relationship between type of crime and the social class

		Social stratification (%)			Total percentage
		Upper income class	Middle income class	Low income class	
Type of crime that has targeted the household	Robbery with violence	14	51	35	28.3
	Mugging	6	42	53	10.3
	Theft	11	39	50	23.7
	Pickpocketing	0	50	50	0.6
	Vandalism	10	50	40	2.9
	Murder	0	50	50	0.6
	Burglary	13	54	33	28.3
	Arson	25	0	75	1.1
	Fraud	0	100	0	0.1
	Assault	100	0	0	0.3
	Carjacking	50	50	0	3.4

#### 4.3.2 Businesses

The business community felt that everyone is at risk of being victim of crime. It is also felt that the security problem has major impact on various economic decisions, including investment, consumption, attracting foreign investments, and has budgetary implications on taxpayers. The major crimes encountered by firms include burglary of company property, violent robbery, street mugging of employees, and carjacking of company and employees' vehicles. Table 4.11 shows the dynamics in incidence of crime targeting businesses. The last five years indicate a general increase in various types of crimes. The total values show that crime increased to higher levels in the year 2003 than the previous years. The findings indicate that muggings targeting workers at different firms have been on the increase, reaching a peak in year 2003. A look at the distribution given for the years shows a general trend of increase in crime with an increasing percentage of the businesses saying crime started to be a threat to them in the 2000s.

Table 4.11: Incidents of crime at firm level (%)

Year	Petty theft	Street mugging	Violent robbery	Car jacking	Burglary
1999	0.12	1.19	2.14	1.42	1.90
2000	0.12	0.95	2.37	0.95	3.44
2001	0.12	1.90	3.91	2.25	3.32
2002	1.18	5.10	4.98	2.14	5.10
2003	2.60	12.46	7.35	5.69	9.85
2004	0.47	2.97	1.07	1.78	1.78
Number of incidents	1.68	2.55	1.61	1.47	1.48
Number of reported crimes	.80	1.49	1.60	1.39	1.38

The survey sought to find out the relationship between the various types of crimes, the size of firms and type of firms. At the type and size of firm level, the study reveals that there is a lot of mugging of employees across the firms regardless of type or size of the firm. Burglary is however the most prevalent crime in the manufacturing sector. Robbery with violence is more prevalent among the firms in the commercial sector and the small-scale size (5-10 employees) businesses. There is a higher probability of a firm in service business encountering carjacking of company and employee vehicles, burglary, and mugging of employees.

Table 4.12: Relationship between crimes, type of firms and size of firms (%)

	Type of firms (percent)			Size of the firms (%)				Total crime rating (%)
	Manufacturing	Services	Commercial	Large scale (over 50 employees)	Medium scale (10-50 employees)	Small scale (5-10 employees)	Less than 5 employees	
Robbery with violence	15.5	14.1	15.5	13.4	16.3	14.6	8.3	15.25
Carjacking of company vehicles	17.0	9.1	9.0	15.8	12.2	6.2	0.0	10.64
Carjacking of employee vehicles	11.0	9.9	5.4	14.0	9.9	4.1	0.0	8.49
Burglary	20.8	19.0	20.3	16.1	20.5	21.2	25.0	20.3
Mugging of employees	17.0	27.1	27.0	17.9	22.3	31.4	41.7	25.89
Murder	2.5	1.3	2.0	2.7	1.6	1.4	0.0	1.78
Arson	1.8	1.1	1.2	1.5	1.0	1.4	0.0	1.29
Kidnapping	0.7	1.7	0.8	2.1	1.1	0.7	0.0	1.17
Assassination	0.4	0.1	0.0	0.6	0.0	0.0	0.0	0.12
Terrorism threat	0.7	1.4	1.1	1.5	1.1	1.0	0.0	1.17
Fraud	11.7	12.4	15.7	13.4	12.2	14.9	8.3	13.9
Petty theft/conning	1.1	2.7	2.1	0.9	1.8	2.9	16.7	-
Rape	-	0.1	-	-	-	-	-	-

#### 4.3.3 Individuals in the city streets

Survey results show that 86% of individuals interviewed have at one time or another witnessed crime while 66% have been victims of crime at different times within the city. In addition, 80% of

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those interviewed reported that their friends/ relatives/colleagues have been victims of crime while walking, resting or conducting business in Nairobi.

At victimization level, individuals along the streets indicated that they are more exposed to mugging and pickpocketing. Pickpocketing is quite prevalent particularly at bus stops.

**4.3.4 Private security firms**

Majority (98%) of private security firms echoed other private firms' feelings that crime inhibits business operations in Nairobi. Considering the prevalence of crime among their clients, 86% of the firms reported that most of their clients experienced rising incidents of crime during the last five years. Households and the service industry were reported as the most affected, followed by the manufacturing industry. Table 4.13 shows private security firms encounter with criminal activities at the different levels of clientele.

**Table 4.13: Experience with crime (percent)**

Client(s)	Years				
	1999	2000	2001	2002	2003
Household	40.9	27.8	50	33.3	52
Manufacturer	9.1	16.7	4.5	19.0	-
Service industry	31.8	44.4	36.4	33.3	36
Businesses	13.6	5.6	4.5	9.5	12
Motorists	4.5	5.6	4.5	4.8	-

The incidents have been fluctuating with 1999 and 2003 recording the highest numbers. The most common/frequent types of crimes encountered are burglary, robbery with violence and car jacking. Shoplifting, fraud, arson, assault and vandalism were least reported. Table 4.14 shows that robbery with violence has been on the increase. It also reveals that burglary is the most dominant crime targeting households and businesses. Violent robbery, burglary and carjacking were at peak in year 2003. This corroborates earlier findings that crime reached alarming rates in year 2003. 48% of private firms encountered burglary in year 2003 while 35% report to have encountered robbery with violence.

**Table 4.14: Type of crimes experienced by major clients (%)**

Criminal activities	1999	2000	2001	2002	2003
Robbery with violence	24.0	23.8	30.8	29.6	34.5
Theft	8.0	4.8	7.7	18.5	3.4
Burglary	44.0	42.9	34.6	33.3	48.3
Arson	4.0	4.8	3.8	3.7	3.4
Fraud	4.0	4.8			
Car jacking	16.0	19	15.4	7.4	10.3
Assault			3.8		
Shoplifting				3.7	
Vandalism			3.8	3.7	

**4.3.5 Security workers**

In order to establish the category of security workers more prone to criminal attacks, security workers were asked the nature of their shifts and employer. About 60% day guards and 72% night guards report to have encountered criminal activities during the last one year. Among these, 22% of the guards were from private security companies, 19% from non-security public institutions, 19% watchmen, 20% vigilante groups and 20% private security (non-security firms).

The most common types of crime encountered are muggings, theft, robbery with violence, burglary, vandalism, fraud, carjacking and shoplifting. Table 4.15 shows the number of incidents, by type of crime experienced, reported and directly encountered at workplace. The survey established that certain crimes are more encountered by day guards than night guards. Assault, shopliftings, fraud, arson, and vandalism occur more during the day than during the night. Other crimes such as carjacking, burglary, murder, and theft occur mostly at night.

**Table 4.15: Type of crimes encountered by security workers**

Type of crime	Day guard (%)	Night guard (%)	No of incidents (%)	Direct encounters at place of work (%)
Car jacking	38	62	8.8	9.6
Robbery with violence	47	53	13.4	15.9
Mugging	43	57	31.4	24.0
Theft	45	55	16.1	17.9
Vandalism	57	43	6.3	6.5
Arson	75	25	0.2	0.7
Murder	38	62	1.2	2.2
Burglary	33	67	8.7	11.3
Fraud	57	43	4.3	6.5
Shoplifting	58	42	6.3	5.0
Assault	58	42	3.3	0.4

#### 4.4 Concentration of Criminal Activities

The study sought to establish which areas in the city, in residential estates and away from the city are viewed as insecure. Table 4.16 shows areas in the city, estates and away from the city center viewed as insecure. Respondents reported that Tom Mboya Street has the highest crime rate in the city, followed by River Road. These streets are characterized by dark alleys and overcrowding, creating a conducive environment for criminal activities, especially mugging. As a result, 26% of respondents indicated that they avoid River Road because of dark alleys, corners and short streets joining, adjacent or behind the road, while 36% of the respondents indicated that they avoid River Road and 19% avoid Ronald Ngala Street because it is congested with a lot of human traffic and activities.

Across the estates, Dandora is perceived to be the most insecure estate in the residential areas followed closely by Kayole. In fact, considering the most avoided public service vehicle, Route 19/60, which goes to Kayole through Komarock is indicated as unsafe. For the slums, respondents indicated that they avoid Mathare slums due to the high prevalence of crime followed by Kibera. Overcrowding, poor living conditions and general sense of hopelessness characterize the slums. Mugging is the most dominant crime in slum areas followed by violent robbery.

Away from the city, Thika Road together with some of its small towns including Githurai and Ruiru have a high level of violent robbery.

Table 4.16: Specific areas viewed as insecure

		Most common crimes (%)							
	Specific Areas	Mugging	Petty Theft	Violent Robbery	Pick Pocketing	Carjacking	Fraud	Murder	Burglary
In the city	Tom Mboya	56	3	8	32	1	-	-	-
	River Road	49	6	10	31	3	-	-	-
	Ronald Ngala Street	46	9	9	35	-	-	1	-
	Moi Avenue	35	-	18	32	7	-	-	-
In the estates	Dandora	39	-	22	7	3	-	-	21
	Eastleigh	28	-	28	8	13	-	-	8
	Githurai	20	-	30	-	-	-	10	23
	Huruma	32	-	31	-	7	-	5	19
	Kayole	38	6	26	4	-	-	-	-
Outside the city	Thika Road	-	10	30	10	30	-	10	-
	Kiambu Road	14	-	29	-	29	-	7	7
	Githurai	29	-	14	14	-	-	29	14
	Ruiru	20	-	60	-	-	-	-	20

Other areas that are avoided because of insecurity include roundabouts such as Globe Cinema and Haile Selassie where mugging is reported as the dominant crime (Appendix 4). Globe Cinema roundabout is close to Nairobi River and is conducive to criminals. After mugging or after any other crime has been committed, the perpetrators flee through the vast thicket across the river. Crowded bus stops such as Kencom and Country-Bus station where pickpocketing is the most prevalent criminal activity are also avoided. Criminals take advantage of overcrowding/congestion at these terminuses.

Shopping places such as Gikomba, which is an open-air market, have a high rate of pickpocketing. Congestion/overcrowding, general disorder and little police presence or no patrols characterize the market. Mugging dominates the area around Jack and Jill Supermarket. The supermarket is located at a very congested area adjacent to upcountry buses, away from the central business district where majority of other supermarkets are located. People coming from the supermarket with shopping items or even boarding the buses often fall victim to attacks.

Among leisure places, mugging is prevalent at Uhuru Park. Idlers who have no jobs resort to mugging of unsuspecting people resting in the park because of little or no police presence. Another common spot for mugging is Florida Night Club along Koinange Street and also Odeon Cinema.

Finally, the survey findings show concentration of crime around Standard Bank on Moi Avenue and around Kencom House. These points are close to bus terminus characterized by overcrowding. Mugging and pick pocketing are dominant in these areas.

#### 4.5 Time of Occurrence of Crime

Most crimes in the city take place anytime, as reported by 40% of respondents. However, outside the city center, one is more likely to fall victim of attack at night between 7.00 pm and 7.00 am. This is due to the fact that criminals are aware that people have returned or are on their way back from work to their homes. Streets in the estates are deserted/isolated and poorly lit at night, making it easier for criminals to attack. Similarly, 59% of respondents indicated that the most risky hour of conducting activities in the city is after 5 pm.

Table 4.17: Time of occurrence of crime in different places

	City center	Estates	Outside city center	Most risky hour of conducting activity in the city
	(%)	(%)	(%)	(%)
Early in the morning before 8 am	3.21	3.41	4.21	14.73
Between 8 am-5 pm	21.71	7.64	9.58	6.37
After 5 pm	20.74	14.22	11.88	58.93
Any time	40.02	31.14	31.80	3.75
7.00 pm-7.00 am	14.31	43.60	42.53	16.23

There are more criminal activities at night than during the day at the household level as reported in Table 4.18. Isolation and darkness makes it very conducive for criminals to execute their plans more precisely than would be during daylight. The situation is not much different at the micro or household level. There seems to be concentration of crimes in different periods of the day. Carjacking, burglary, murder, and theft occur mostly at night.

Table 4.18: Time when crime is occurring

	Morning (%)	Afternoon (%)	Evening (%)	Night (%)
Robbery with violence	1	22	28	49
Mugging	23	20	27	30
Theft	22	23	25	30
Vandalism	19	16	19	45
Arson	21	16	10	53
Murder	26	9	16	49
Burglary	22	20	20	38
Assault	21	23	26	30
Carjacking	17	24	26	33

Table 4.19 shows that there are more criminal activities during the weekend than during weekdays. There are more criminal activities during the end of the month, when most employees have received their salaries. Criminal activities also increase during the last quarter of the year.

Table 4.19: Time of occurrence of crime (seasons)

	Year			Month			Week		Day			
	Early	Levels	End year	Beginning	Levels	End month	Week days	Weekends	Morning	Afternoon	Evening	Night
	28.4	11.3	72.5	22.2	18.6	77.6	38.4	52.9	24.3	7.7	35.8	54.6
Reasons												
Christmas festivities	√		√									
Reopening of schools	√	√										
Security is not tight	√		√					√	√	√	√	√
Congestion/over-crowding in the city			√	√		√	√	√	√		√	
People stay late at night/working late			√	√		√		√			√	√
People have money/are shopping				√		√	√					
People are very busy with businesses				√		√						
Advance pay					√							
People are out of their houses							√					
People are shopping				√		√		√				

#### 4.6 Target of Crime

The study probed on who and what is the target of crime. Table 4.20 shows that across the spectrum, businesses people, motorists, households and individuals in the streets are the most targeted category of people, while a small percentage holds the view that expatriates are targeted. Most respondents were unanimous that in businesses, criminals mostly target retail shops, wholesales, supermarkets, service industry and manufacturing.

Table 4.20: Likely targets of criminal activities (%)

	High at risk		
	Private security firms	CBO's	Security workers
Business	71.1	58.1	58.1
Household	37.8	44.2	30.6
Motorists	46.7	44.2	27.2
Pedestrians	22.2	27.9	38
Tourists	11.1	4.9	21.8
Expatriates	4.4	2.9	
Vulnerable groups	24.4	25.9	13.8

Looking at results of targets of crime, more females than males have been mugged (39.5%), conned (10.9%), raped and their homes burgled (8.2%). More males than females have been robbed violently (16.7%), pickpocketed (19.7%) and carjacked (11.8%). Cases of mugging are higher in the age group of 31-40 years. This constitutes the largest working group. Violent robbery is higher among those who are presumed to have accumulated wealth (51-60 years age bracket). Carjacking is higher in the 41-50 years age bracket, which constitutes the largest group of the working group and who are likely to have a vehicle. Cases of petty theft are higher among casual workers than other categories. Mugging is more prevalent among students and retirees. Violent robbery is more common among the self-employed while retirees are the most targeted in by carjackers.

Individuals and businesses are pre-disposed to criminal activities if any or all of the following circumstance prevail: If goods are highly valued; there is inadequate protection of persons and property; firearms are easily available, making execution of crime easier; when there is collusion

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with residents/employees; and business is very profitable, and goods are easy to transport and dispose. Other factors include late hours of business operation, crowding, locality (crime zone areas) and mode of dressing (individuals wearing expensive attires/jewelleries are likely to be victimized). It therefore implies that the victim can prevent crime from happening by ensuring adequate protection of self and goods by either installing security infrastructure in the residential and business premises or by hiring security. It also implies that the victim should avoid keeping highly valued goods in circumstances that would attract criminals.



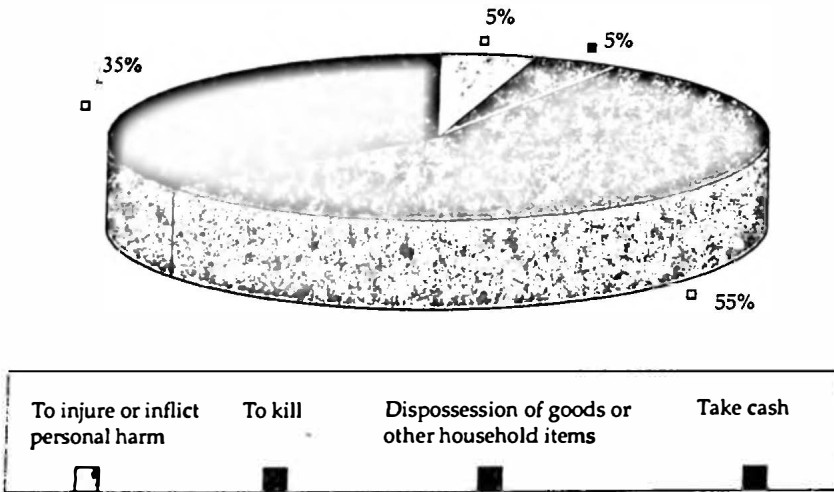


Table 4.22: Factors predisposing individuals and businesses to criminal activities

	Percentage rating				
	Very likely	Likely	Moderate	Unlikely	Very unlikely
If residents and goods inadequately protected	71.1	15.6	13.3		
If goods are easy to transport	30.2	39.5	27.9	2.3	
High value goods	77.3	13.6	4.5	2.3	2.3
If victims reside with the offenders	29.5	20.5	31.8	9.1	9.1
If alcohol drugs are involved	23.2	41.9	18.6	9.3	7.0
If there are collusions between criminals and residents/employees	54.5	36.4	9.1		
If the business is doing well, that is if it is very profitable	44.2	27.9	18.6	9.3	
If firearms are available	62.8	25.6	9.3	2.3	

There is a correlation between factors predisposing victims to crime and the motivation behind criminal attacks. Chart 1 shows that the main motive of attacking households is dispossession of goods or other household items. Criminals go for goods that are of high value and are inadequately protected. This is done with an intention of selling the stolen items to make money. Goods that are on high demand and with a resale value, such as electronics, are highly targeted. Another significant motivation driving criminals is cash money. In most cases, criminals will opt for other items when they fail to get cash in the homes. The motive to kill or injure a person is least significant implying that unless victims refuse to cooperate or criminals have been hired to accomplish a mission to kill, they will not execute the act.

Chart 1: Motive of attacking households



In addition, criminals target cash/cheques, mobile phones, consumable goods, merchandise goods, auto spares, cars and computers. Table 4.23 shows types of items targeted by criminals from different types of businesses. Money is the most valuable item targeted, followed by both goods and cash. Service industries are targeted more perhaps because they maintain high liquidity than the rest.

Table 4.23: Items targeted at the firm level

Items targeted	Types of businesses (percent)				
	R/shops	W/sales	Supermarkets	Service businesses	Manufacturing
Cash/cheque	56.2	66.3	62.2	78.9	42.5
Consumable goods	4.0	1.5	4.4	0.0	5.0
Shop merchandise	3.1	1.5	1.2	1.0	9.4
Electronics/ electricals	1.8	1.5	0.4	2.4	0.0
Other valuable items	1.3	0.0	4.0	0.5	1.3
Both cash and goods	33.6	29.2	27.7	17.2	41.9
Total	100.0	100.0	100.0	100.0	100.0

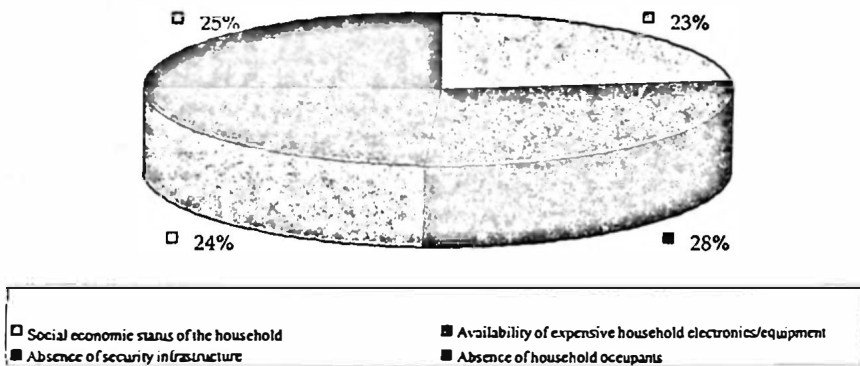
Table 4.24 shows that the most stolen item among the high-income households is a car and other machinery. Such items are targeted because they have a resale value. While the low-income group lose clothing, household items and money, the middle income are targeted more so because of proximity with the low-income groups. They cannot afford to secure up-market residential areas or hire private security.

Table 4.24: Relationship between type of items stolen and income group

	Social stratification					
	Upper income class		Middle income class		Low income class	
	Count	%	Count	%	Count	%
Electronics	31	56.4	84	49.1	56	37.6
Livestock and chicken	0	0.0	1	0.6	1	0.7
Household items	2	3.6	18	10.5	21	14.1
Money	5	9.1	30	17.5	35	23.5
Mobile phone	1	1.8	9	5.3	7	4.7
Clothes	2	3.6	10	5.8	23	15.4
Car	8	14.5	7	4.1	1	0.7
Shop stock	0	0.0	2	1.2	1	0.7
Vehicle parts	4	7.3	6	3.5		0.0
None	1	1.8	3	1.8	3	2.0
Other machinery	1	1.8	1	0.6	1	0.7
Total (%)	55	100	171	100	149	100.0

Criminals identify target households by availability of expensive items in the house, such as electronics. Presence of these items in a household defines the income class of the target household. The high-income group is targeted because it is believed to possess expensive items. Such items are later resold at a lower price. Criminals will therefore target goods that have a price inelastic demand. Absence of security infrastructure implies that it is easy to enter and execute crime while to some extent collusion between criminals and insiders and some residents will facilitate crime at the household level.

Chart 2: How criminals identify target households



#### 4.7 Characteristics of Criminals and Execution of Crime

The study asked respondents to indicate whom they perceive to be a criminal. Results show that criminals are perceived to be violent and are mostly secondary school graduates. Majority of criminals are unemployed. Poverty, which is a consequence of unemployment, is the driving force of crime. Most criminals are violent and have no mercy while executing atrocities. When asked the characteristics of their attackers, most respondents indicated that criminals who attacked them were between 21-29 years old. To conceal identity from the public and law enforcers, most criminals dress normally while a significant number masquerade as police. Victims of crime indicate to have been attacked by more male criminals (57%) than women criminals (43%). More women are therefore indulging in crime. There have been significant changes in criminal activities in the estates (neighborhood) in the last 5 years as reported by 74% of households. Table 4.25 shows that incidence of crime, violence in execution, and ruthlessness has increased since 2003. However, sophistication in execution in crime increased more in the year 2000. Most of the changes in the dynamics of crime execution observed relate to the post-election period after a new government took power. These are perhaps spillover effects of the drastic reforms initiated by the new government, which include banning of militia/hit squads, particularly Mungiki and Kamjesh/Taliban (particularly those formerly manning matatu/bus terminuses) and the fight against corruption. This has led to too many idlers who must look for alternative means of survival.

Table 4.25: Execution of crime over time

Aspect of criminal activities	Increased (%)	Decreased (%)	Year
Incidence	63	37	2003
Sophistication in execution	72	28	2000
Violence in execution	69	31	2003
Ruthlessness	66	34	2003

The study further sought to establish the dynamics and style of execution of crime over time as indicated in Appendix 5. The study established that:

- Incidence, violence in execution, ruthlessness of crime has been on the rise in Buruburu (83%), Gigiri (89%) and Ruaraka (97%) since 1999.
- Incidence of crime has gone down in Embakasi (61% in 2003), Hardy (67% in 2003), Kabete/Runda (53% in 2000), Muthaiga (62% in 2003) and Kamukunji (81% in 2003).
- Whereas sophistication in execution has remained constant at 50 percent in Kasarani since 2003, it has gone up in all other clusters.
- Violence in execution has gone down in Karen (71%), Kamukunji (81%) and Embakasi (55%) while it has remained constant in Muthaiga (50% since 2003), and in Pangani (56% since 2002).
- Ruthlessness has decreased in Embakasi (64% in 2001), Muthaiga (55% in 2003), Kamukunji (78% in 2003) while remaining constant in Hardy (2000), Jogoo road (2000), Kasarani (2003), Ruaraka (1999) at 50%.
- Shauri Moyo has registered the highest increase in all the aspects of criminal activities as reported by 92% of the cases, followed closely by Gigiri (86%), Kilimani (83%) and Buruburu (83%).

This corroborates earlier findings in the business clusters where Shauri Moyo and Kilimani were perceived as the most dangerous to carry out business activities. The survey went further to establish the style and degree of crime execution at the macro level. A good number of respondents reported that there have been changes in various aspects of crime namely:

- The magnitude and incidence of crime has increased.
- Crime has become more sophisticated or complex.
- Crime has become more violent.
- Crime has become more ruthless in execution.

There is unanimity in the observations made by respondents that criminals are now more violent, more sophisticated, and more ruthless, more organized and are collaborating more and more with law enforcement agents. This explains the low levels of resistance by victims. There is need therefore for security providers to tighten law and order by providing security workers, particularly the police, with modern weapons and specialized training on fighting crime and enacting appropriate laws for dealing with modern crimes.

#### **4.8 Causes of crime**

All the respondents unanimously reported that poverty and unemployment is the main determinant of rising criminal activities. Squatting by the landless and unemployed has led to mushrooming of criminal activities within neighborhoods. These are the consequences of the inability of most people to secure employment in the formal or informal sector. The widespread and rising unemployment has been perpetuated by maladjustment of the educational system to the needs of the labor market, drastic reforms in the transport industry and other sectors of the economy, among other reforms. For example, all the key informants reported that the youth, who complete university education, are idle without jobs and therefore get tempted to engage in crime to meet their basic needs. Most respondents indicated that criminals who have attacked them seem well educated, at least with secondary school education. The criminals are also reported to be violent and merciless, a sign of despondency and hopelessness. The key informants further report that poverty, which is a consequence of involuntary unemployment, also contributes to

increase in crime. Also, the gap between the rich and the poor is very wide. Economic policies do not allow wealth to trickle down to the poor.

High level of corruption in the police force and the judiciary was reported as the second major contributing factor to crime. The public seems to be losing confidence with the police force and the judicial system. Table 4.26 shows that across the clusters, corruption in the police force is the second major determinant of crime in Buruburu (12%), Embakasi (9%), Kamukunji (11%), Makongeni (12%), Riruta (13%), Ruaraka (22%), Kayole (17%) and Spring Valley (10%). Police are known to collude with criminals and share stolen property and money with criminals. Criminals easily manipulate the police or the judiciary to get away with crime. Similarly, arrested criminals are released from the cells and courts after bribing the officers in charge and are therefore never prosecuted. All the respondents and particularly the business community share this view. For example, the key informants indicated that the consequences of corruption is lack of law and order, implying that when a person commits a crime and the law does not catch up, others are encouraged to commit crime because of low chances of being punished.

A significant percentage of respondents shared the view that the level of drug abuse and trafficking has also contributed to increase in crime. The number of high school and college students taking and peddling drugs has been rising. The key informants particularly pointed out that idle and unemployed youth engage in drugs, to overcome frustrations. Under the influence of drugs the youth have a tendency to commit various crimes.

Other significant causes of crime reported by the respondents include proliferation of sophisticated arms at minimum costs, brought through the borders by illegal immigrants and even by citizens, therefore complicating police efforts in fighting crime. This has led to increase in violent crime, especially robberies. One informant gave details of how guns are sold by refugees in Dadaab Refugee Camp. These guns find their way into the city where they are used to commit crime.

Most households attribute causes of crime in the residential areas to the escalating growth in urban population. These are the consequences of rural urban migration in search of employment, culminating in mushrooming of slums or other non-formal settlements. A small proportion of households attribute insecurity to demotivation in the police force, and insufficient number of police officers.

High cases of fraud are attributed to collusion between employees and criminals. For example, the key informants reported that the increase in crime in the banking sector was attributed to advancement in information technology and employment of high-qualified staff who are capable of manipulating the bank's system. Leakage of information by unfaithful bank employees or private security companies employed to escort cash in transit contributes to robbery of such cash. The leaked information is very specific about the amount of money and time of transit.

#### **4.9 Conclusion**

The period after the 2002 elections witnessed some wide ranging reforms aimed at reviving the Kenyan economy in order to create more jobs, and reforms to ensure public law and order. Among the key reforms included improvement of security in the country. However, some of these economic reforms have had debilitating effects on employment creation, and consequently worsening the security situation. There is an urgent need to address the involuntary unemployment in the country in order to arrest rising crime. This calls for pro-poor policies aimed at creating meaningful employment.

Crime has both temporal and physical concentration. Dark alleys and crowded places are conducive for criminal activities. It also has time element where estates, for example are prone to crime between 7 pm and 7 am and the city center during the day.

Table 4.26: Causes of crime across clusters

	Buruburu	Embakasi	Hardy	Gigiri	Industrial Area	Jogoo Road	Kabete/Runda	Kamukunji	Karen	Kasarani	Kayole
Poverty and unemployment	12.7	10	15	22	14	9	9	15	12.6	54	23
Insufficient number of police officers	5.4	8	8	8	10	7	9	7	9.8	4	3
Ill-equipped police	4.1	6	8	2	5	7	8	5	4.6	4	1
Misallocation of resources with few devoted to fight terrorism and drug trafficking	0.3	3	2	1	2	6	4	5	2.1	0	0
A non pro-active police force	6.5	8	7	6	6	8	7	11	10.7	5	7
A demotivated police force	6.6	7	4	9	7	7	6	8	6.2	5	3
Loss of confidence in police by the public	7.5	8	8	6	7	9	9	6	8.1	4	8
High level of corruption in the police force	11.7	9	4	9	8	9	9	11	0.4	8	17
High level of corruption and inefficiency in the judiciary	10.2	6	6	5	7	7	9	5	5.1	4	12
The escalating growth in urban population	6.6	9	9	9	12	8	8	10	11.2	4	5
Drug abuse and trafficking	8.2	9	10	11	8	9	7	7	10.5	2	5
Proliferation of sophisticated arms at minimum cost	10.2	10	9	7	9	7	8	9	7.7	5	14
Changing social life styles	10.2	7	9	6	4	7	7	3	11.2	4	2

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	Langata	Makongeni	Muthaiga	Pangani	Riruta	Ruaraka	Shauri Moyo	Spring Valley	Kileleshwa	Kilimani
Poverty and unemployment	13	14	28	16	23	23	8.4	16.6	17	10
Insufficient number of police officers	12	7	7	6	3	4	7.9	7.1	5	9
Ill-equipped police	5	6	6	4	1	2	6.9	6.5	5	6
Misallocation of resources with few devoted to fight terrorism and drug trafficking	1	4	2	2	0	0	4.4	2.2	5	4
A non pro-active police force	14	10	6	3	5	2	8.2	5.5	7	8
A demotivated police force	11	9	5	6	5	7	8.2	8.7	4	8
Loss of confidence in police by the public	6	10	6	5	10	1	7.9	6.5	9	8
High level of corruption in the police force	5	12	6	7	13	22	8.4	9.9	9	8
High level of corruption and inefficiency in the judiciary	4	6	4	5	9	11	7.9	4.9	8	7
The escalating growth in urban population	8	4	6	13	5	7	8.2	8.7	8	8
Drug abuse and trafficking	7	8	12	13	6	10	7.5	8.7	6	8
Proliferation of sophisticated arms at minimum cost	12	5	6	10	13	9	8.2	8.3	10	7
Changing social life styles	4	5	7	9	6	2	7.9	6.5	10	8



## **5. CHOICES, DECISION-MAKING AND COPING STRATEGIES**

### **5.1 Introduction**

The security situation in Kenya has deteriorated, as shown by the results of the survey on perceptions of the security situation. Faced with an insecurity risk, households, firms and individuals make choices on whether to make extra security provision as a precaution against the risk. The level of exposure to crime determines the actions economic agents make in terms of locality, market place, consumption, and investment. Crime influences the social and behavioral processes, psychological aspects, and economic decisions. Decision making (in this case making a choice) where there are no definite alternatives/options leads to some deprivation, such that there is an opportunity cost involved.

### **5.2 Choices and Decision-making among Consumers**

Making a choice involves making decisions in a situation where there are options. In event of feeling insecure, firms/businesses, households and individuals have to make various choices.

#### **5.2.1 Locality**

Households would want to choose residential areas where there is safety of their life and property. Property and therefore wealth define the consumption pattern of consumers. Consumers will therefore choose a locality where they minimize the risk of insecurity. Consumers are unlikely to accumulate wealth in insecure environments, and their utility is therefore constrained.

Households make a choice on where to reside based on security of the place of residence, among other factors. Increase in insecurity in a specific estate/area makes people shift or try to adapt to that kind of inconvenience. The results of the survey show that 53% of Nairobi residents have shifted/changed areas of residence at different periods under different circumstances. The middle-income class and the lower income class have changed residence more than the upper income class. Most of the upper income class people live in permanent homes. Majority of households changed residence in the year 2002. This year was characterized by ethnic tension within residential estates, occasioned by ethnic militia groups that were politically instigated. This culminated in tribal clashes in parts of Kibera, Kariobangi, Githurai, Embakasi and Dandora mainly involving Kamjesh, Mungiki and Taliban militia groups. This is likely to have had a spill over effect in most parts of Nairobi.

Most households change residence due to insecurity, as reported by 27% of the respondents. Other factors that make them change residence are change in occupation (16%), moving to a spacious residence (15%), moving to own residence (9%), among others. About 59% of respondents said they make security arrangements before settling in new houses. Table 5.1 shows that 90% of households rate general security of the residence as important when settling to a new house. The physical planning of the area of residence is also important (as indicated by 62% of respondents) in considering the location of residence. About 68% also say that security installations in the house are important in considering the choice of residence.

Table 5.1: Security considerations and choice of residence (%)

	Most important	Important	Least important	Not important
Ability to pay private security guards	17	21	20	41
Neighborhood initiatives	16	31	17	36
Physical planning	22	40	13	25
Security installations in the house	33	35	9	24
General security status of the residence	52	38	4	5
No security considerations	??	25	5	48

Households feel that crime rate is still high in their current place of residence as indicated by 62% of the respondents. Across the social class, crime rate is still seen as high in the middle income (65%) and low-income (69%) residential areas, while most of the high-income group view crime as low (64%) in their place of residence. This may be because of the extra security measures involving constant surveillance by guards and barricades adopted in the high-income areas. Majority of those in the high income areas feel that they are either safe (60%) or very safe (21%) at home, which is higher than the overall feeling of 50% for safe and 11% for very safe for the entire household sample (Table 5.2). A higher proportion of the low income class feel unsafe or very unsafe at home as shown by 46% of the respondents, while the proportion of those in the middle income group who feel unsafe or very unsafe is 42%.

Table 5.2: Level of crime and safety in current place of residence (%)

	Overall	High income	Middle income	Low income
<i>General crime in the area</i>				
Very high	18.6	7.9	21.6	19.9
High	43.0	27.1	43.2	49.7
Moderate	0.7	0.7	1.1	0.3
Low	30.8	51.4	28.8	23.9
Very low	6.9	12.9	5.3	6.1
<i>Safety at home</i>				
Very safe	10.5	21.0	10.7	5.9
Safe	49.7	60.1	47.2	48.3
Unsafe	35.7	17.4	36.3	42.7
Very unsafe	4.1	1.4	5.9	3.1

Individuals may tend to avoid certain locations/areas that they perceive to be crime prone, so as to reduce the risk of victimization, and only visit such places if they have no option. Certain areas within and outside the city are perceived to be crime prone. These areas include areas along Tom Mboya Street (24%), River Road (22%), Ronald Ngala Street (9%), Kirinyaga Road (7%), and Moi Avenue (6%). The estates they perceived as most crime prone are Dandora followed by Kayole, while other areas include Country Bus Station and Thika Road. Some individuals therefore limit their activities in these regions or totally avoid them, therefore affecting activities in these areas.

Table 5.3: Areas considered as most crime prone (%)

In the city		Estates		Outside the city	
Tom Mboya	24	Dandora	10	Country Bus Station	7
River Road	22	Kayole	8	Thika Road	5
Ronald Ngala	9	Huruma	6	Kiambu Town	5
Kirinyaga Road	7	Eastleigh	5	Githurai	3
Moi Avenue	6	Githurai	4	Ruiru	2

5.2.2 Market place

The number of incidents and prevalence of crime is a determinant of where people do their shopping and even put their investments. Table 5.4 shows the preferred places of shopping and perception of insecurity. Majority of households shop in corner shops in the estate mainly because it is near and convenient. One would therefore avoid carrying items from the city since this can attract the attention of criminals. This explains the mushrooming of kiosks in the estates. In terms of insecurity, survey results show that most people opt to shop in a supermarket (as reported by 78% of respondents who consider supermarkets as safe). This is due to the fact that they are well guarded/have security checks. Kiosks in the estate are viewed to be moderately safe. Those who prefer the kiosks and shopping centers in the estate do so for being near residential homes/houses. Open markets are considered unsafe due to overcrowding and congestion and therefore poor security.

Table 5.4: Choice and perception of market place (%)

Shopping places	Frequency				Reasons
	Very often	Often	Rarely	Never	
Corner shops in the estate	43	30	20	7	Near and convenient
Shopping center	28	41	23	8	Near
Open markets	20	38	34	8	Prices are low
Supermarkets	34	38	25	3	Variety of commodities
	Rating of insecurity at various shopping points				
	Very safe	Safe	Slightly safe	Unsafe	Very unsafe
Kiosks in the estate	15	44	23	14	4
Shopping centers in the estate	7	48	28	15	2
Corner shops in the estate	11	46	23	17	4
Open markets	3	22	32	37	6
Supermarkets	23	55	12	7	2

Most households reported that criminal activities against them have affected their shopping habits in terms of choices they make. Most prefer to shop in the estates instead of carrying shopping items from the city. Those who were previously shopping in the evening now shop during the day, therefore affecting their convenience. The distance covered to go and shop is now reduced. Those who used to travel far now shop near home. Households that previously bought items in large quantities now buy in small units since this does not attract attention. Those who could not seek company of others while shopping now seek company. However, the issue of hiring security has remained unchanged. Most households who previously had not considered hiring security now consider such services. This has not been factored in the household budget since the cost of provision of security is prohibitive to most people.

Households indicated that they also avoid specific places due to insecurity. Most of the places are avoided during the night and in the evening (Table 5.5). This shows that people become economically and socially inactive at night, therefore affecting businesses operation hours.

**Table 5.5: Places avoided in the city due to insecurity (% of responses)**

Places	Time			
	Morning	Afternoon	Evening	Night
Parks	12	6	36	46
Open markets	18	20	29	32
Entertainment places	8	9	20	63
Supermarkets	7	5	25	63
Banks	9	9	28	53
Streets	21	18	25	35
Foot paths	20	12	28	40
Roads/highways	22	14	24	40
Specific estates	20	20	26	34
Other places	18	13	24	45

### 5.2.3 Time of engaging in economic activities

Most people (21%) leave their houses at 7 am to attend to job requirements. A significant number of respondents leave home early to avoid traffic jam (with about 22% leaving by 6 am). Majority of respondents (31%) return home by 6 pm due to insecurity and the nature of work/job requirements, while 13% return home by 6 pm due to insecurity. Most households (48%) consider 5 am as the most-unsafe hour to leave the house due to general insecurity. It is unsafe to return home after 9 pm due to general level of insecurity at night. It is equally unsafe to walk within the estates after 9 pm. The situation varies at the micro level (across the clusters) as shown in Table 5.6 below.

Most of Shauri Moyo residents delay leaving the house in the morning due to insecurity, compared to other clusters. It is quite unsafe for residents to return home late if one is from Kamukunji, Riruta and even Shauri Moyo clusters. Walking within the estates after 9 pm is particularly risky in low-income estates/clusters. This means that residents have to condition themselves to operate within the safe time, hence they may have to willingly deny themselves certain opportunities for social interaction just to ensure their safety.

Table 5.6: When to leave or return home (%)

Clusters	Time of departure in the morning/am	Those who depart home late due to insecurity (%)	Time of returning to the house in the evening/pm	Those who return home early due to insecurity (%)	Unsafe hours to leave home	Unsafe hours to return home	Unsafe hours within the estate
Buruburu	6	9	8	47	Before 6 am	After 9 pm	After 9 pm
Embakasi	7	4	7	14	Before 6 am	After 9 pm	After 9 pm
Hardy	7	13	6	16	Before 6 am	After 7 pm	After 8 pm
Gigiri	7	8	6	13	Before 6 am	After 8 pm	After 9 pm
Industrial Area	6	24	6	39	Before 6 am	After 9 pm	After 9 pm
Jogoo Road	6	10	7	24	Before 5 am	After 7 pm	After 7 pm
Kabete/Runda	7	17	8	36	Before 6 am	After 8 pm	After 9 pm
Kamukunji	7.3	32	6	57	Before 6 am	After 9 pm	After 9 pm
Karen	7.3	14	7	32	Before 6 am	After 8 pm	After 9 pm
Kasarani	7	2	6.3	30	Before 5 am	After 8 pm	After 9 pm
Kayole	6	0	6	12	Before 6 am	After 10 pm	After 7 pm
Kileleshwa	8	4	6	4	Before 5 am	After 11 pm	After 11 pm
Kilimani	6	22	6	36	Before 5 am	After 9 pm	After 8 pm
Langata	7	2	6	16	4 am	10 pm	10 pm
Makongeni	8	13	5	32	Before 4 am	After 8 pm	After 6 pm
Muthaiga	6	8	6	5	5 am	11 pm	After 10 pm
Pangani	7	14	6	33	5 am	11 pm	Midnight
Riruta	6	35	6	57	Before 6 am	After 9 pm	9 pm
Ruaraka	6	19	7	33	5 am	9 pm	9 pm
Shauri Moyo	7	46	6	54	5 am	After 10 pm	After 9 pm
Spring Valley	8	3	7	19	Before 5 am	After 10 pm	10 pm

### 5.3 Choices and Decision-making among Business Firms

Firms target to maximize their profit and an environment that threatens their objective will not be an option to take. They want to continue with their production process without any interference, access the market with their products without any hindrances, and invest for growth of their business. These options are available only if the environment is safe; that is there is security for their property and lives.

Businesses felt that the security problem impacts on investment decisions and consumption habits, which have implications on the business operations. There was also indication that businesses are indirectly affected by the budgetary implications of having to finance the provision of security by the government through taxation, which is a cost to them (Table 5.7). Insecurity also has a major impact on investment decisions, attraction of foreign investments, and consumption habits as indicated by 63%, 54% and 39% of the respondents, respectively.

Table 5.7: Impact of security problem on various areas (%)

	Investment decisions	Consumption habits	Attracting foreign investors	Budgetary implications on tax payers
No impact	1.06	4.86	1.06	4.74
Minor impact	3.64	15.07	3.66	12.88
Moderate impact	11.28	32.27	8.50	25.39
Major impact	62.63	38.67	53.60	44.35
Decisive impact	21.39	9.13	33.18	12.64

Various channels are identified as important in analyzing the impact of security problem on business. CBOs felt that the security problem has an impact on business operations, especially because of the reduced hours of operation and the disrupted market share due to reduced market demand.

Table 5.8: Impact of insecurity

	Reduced market demand	Reduced hours	Limited distribution of goods and services	High cost production	High price of goods and services
Decisive impact	21.4	26.2	11.9	11.9	14.3
Major impact	61.9	54.8	47.6	42.9	52.4
Moderate impact	11.9	19.0	38.1	33.3	21.4
Minor impact	4.8	--	2.4	4.8	7.1
No impact	--	--	--	7.1	4.8

These factors are in return influenced by the security status. For example, 52% of the business community indicated that their customers have been victims of crime and this has impacted on their shopping behavior by changing their shopping time and sites. Further, a significant proportion (41%) of the firms indicate that they have experienced theft and robbery of goods on transit, which is ranked second to the poor infrastructure as a constraint to distribution of goods and services.

### 5.3.1 Location of business

Businesses prefer locating in areas that are easily accessible to the market, near other establishments, where raw materials are easily available, or near distribution points. The level of insecurity in a region may affect the decision made by businesses in terms of where to locate; they may therefore chose to locate where they can reduce the risk of crime. Businesses located on industrial estates next to or close to a large housing estate where crime is high are highly vulnerable to attack. Most businesses felt that security is a major determinant of the location of the firm (Table 5.11).

Most businesses gave various reasons for changing locations, with the most important factors being acquisition of new business (11%), expansion (10%) and accessibility of the market (9%). Security is also among the major factors that a firm considered in changing locations, with a greater proportion of manufacturing firms (about 18%) taking security into consideration compared to 7% in the commercial sector. Across the size of firms, 10% of firms employing between 10 to 50 employees took security consideration when shifting, compared to 7% and 4% of firms with between 5 to 10 and over 50 employees, respectively.

Table 5.9: Reasons for change of location of business across type and size of firm

Reasons	All firms	Type of firm			Size of firm			
		Manufacturing	Services	Commercial	Over 50	10 to 50	5 to 10	Less than 5
Safety of customers	5.0	14.0	3.7	4.0	5.2	6.9	4.2	--
Safety of employer/employees	4.7	14.0	4.0	3.0	4.2	7.3	3.6	--
Security of the firm	7.3	18.0	4.9	6.7	4.2	9.6	6.9	--
Access to raw materials	2.5	12.0	0.3	2.0	3.1	4.2	1.3	5.3
Accessibility of the market	9.4	9.0	5.2	13.1	1.0	9.2	10.7	21.1
Acquisition of new plant/machinery	2.1	10.0	0.6	1.5	3.1	4.2	0.8	--
Acquisition of new business premises	11.1	20.0	7.4	12.1	10.4	14.6	9.7	5.3
Expansion of the firm operations	10.0	18.0	8.0	9.6	15.6	10.7	8.4	10.5
Disputes; competition	0.5	--	--	1.0	--	--	0.8	--
Disputes; landlord vs tenant	0.2	--	0.3	0.2	--	0.4	0.2	--

Most firms are not satisfied with the localities they are in, with most of them saying they are indifferent of the level of safety in these localities. A substantial proportion of firms (54%) feel either somewhat safe or somewhat unsafe in their localities, while 32% felt unsafe. Across the type of firms, 37% of commercial firms feel unsafe in their current localities compared to 20% of the manufacturing and 30% of service firms. Across the size of firms, the level of being unsafe is high among firms with 10 to 50 employees at 34%. 16% of firms with 5-10 employees felt unsafe while 25% of firms with over 50 employees felt unsafe. Small firms seem to target the places where they locate since a high proportion (42%) of them feel safe where they are located. The number of firms facing security problems is high across all firms as reported by 78% of firms. Manufacturing firms are the most affected with 88% saying they face security problems compared to services and commercial firms at 77% and 76%, respectively. A higher proportion of large firms face security problems (89%) compared to medium and small firms, bringing out the fact that the bigger the firm, the higher the chances of having a security problem. This may be because of the type of assets the firms have, which attract offenders, and due to the big number of employees they have, which increases internal risks. Firms may therefore control their sizes by not expanding so as to limit the security problems they may face.

Table 5.10: How firms feel while conducting business and whether they face security problem

	All firms	Type of firm			Size of firm			
		Manufacturing	Services	Commercial	Over 50	10 to 50	5 to 10	Less than 5
Very safe	0.94	-	0.90	1.24	-	0.38	1.48	-
Safe	12.79	12.12	14.00	11.88	14.60	13.46	10.97	42.10
Somewhat safe	27.70	33.33	31.50	23.02	38.50	26.54	26.16	26.30
Somewhat unsafe	26.41	34.34	24.10	26.49	21.90	25.38	28.27	15.80
Unsafe	26.41	18.18	24.40	30.20	22.90	28.08	27.00	5.30
Very unsafe	5.75	2.02	5.20	7.18	2.10	6.15	6.12	10.50
Firm faces a security problem	77.82	88.00	76.66	76.30	88.50	80.77	74.89	52.60

### 5.3.2 Production process

A substantial proportion of the business community (68%) indicated that investment decisions are influenced by security problems. It is estimated that Kenya is losing 43.5% of investment due

to insecurity. Firms may be forced to locate in areas that are far from the source of raw materials, change the distribution pattern of the goods, change the number and hours of shifts, and may also redesign their packaging as a strategy against insecurity risk. Faced with insecurity, some firms opt for smaller businesses while others postpone their investment decision for even two years. Other business ventures prefer renting premises instead of building own premises.

**Table 5.11: Channels through which security affects production process/investment decisions**

	Severe	Major	Moderate	Minor	No impact
Acquisition of raw materials	45	127	104	127	104
Acquisition of plant and machinery	28	137	121	103	113
Location of a plant/factory	93	206	92	71	68
Workers operations	102	224	107	70	48

Looking at the firms that rated the impact of the various channels as either major or severe, overall insecurity impacts mostly through the operations of workers (59%) and location of a plant/factory (56%). Across the type of firms, insecurity impacts more through workers operations in manufacturing firms (60%) and service firms (61%) while for commercial firms, greater impact is through location of plant/factory at 61%. Across the size of firms, insecurity impacts more on large and medium sized firms through workers' operations, but for small firms with less than 5 employees, the greatest impact is through location of a plant/factory at 80%.

**Table 5.12: Channels through which insecurity affects production process/investment (% of major and severe impact)**

	All firms	Type of firm			Size of firm			
		Manufacturing	Services	Commercial	Over 50	10 to 50	5 to 10	Less than 5
Acquisition of raw materials	33.93	34.72	32.24	35.29	33.33	31.10	36.47	18.18
Acquisition of plant and equipment	32.87	33.33	32.87	32.71	32.81	32.34	33.98	11.11
Location of a plant/factory	56.42	49.30	53.39	61.34	55.56	52.84	57.91	80.00
Workers' operations	59.17	60.27	61.47	56.68	71.21	57.87	58.70	27.27

Security also affects the number of shifts operated by firms and therefore the hours of business. About 45% of manufacturing firms indicated that the number of shifts they operate is affected by the security situation of their locality. For services and commercial firms, the proportion is 32% and 33%, respectively. Across the size of firms, firms employing 10 to 50 employees are the most affected at 36%, though all firms seem to be equally affected by security except small firms since they operate only one shift. Most of the firms would ideally operate two shifts, but this is hampered by the security situation. This affects the production process and output capacity and therefore makes firms to operate below capacity.



**Table 5.13: Number of shifts and whether security in the locality affects number of shifts/hours of business (number and %)**

	Type of firm			Size of firm			
	Manufacturing	Services	Commercial	Over 50	10 to 50	5 to 10	Less 5
Number of shifts operated	1.40	1.27	1.11	1.56	1.32	1.09	1
Proportion of firms where security affects shifts/hours of business (%)	45.00	32.10	32.75	30.20	35.70	33.90	0.00
Number of shifts firms would ideally operate	1.83	1.5	1.24	1.77	1.62	1.24	1

### 5.3.3 Investment decisions

Insecurity affects investment decisions by affecting the size of the market, costs of borrowing, and increasing uncertainty in the investment channel. 68% of firms indicated that their investment decisions are influenced by security status. The cost of borrowing is increased due to increase in the risk of default where the firm loses its investment due to crime. Financial institutions therefore put adverse selection criteria to reduce the rates of default. Uncertainty levels are also increased due to the fact that it is hard for firms to predict the future with precision. Firms therefore may decide to lag their investment or invest gradually depending on the state of insecurity. This deprives the country of investment and therefore has a direct effect on economic performance. At certain situations, firms may be forced to suspend or entirely abandon their investments where the cost of risk is higher.

Relating investment decision to criminal activities, results show that crime-related problems take a high priority as an important factor influencing investment decision. Apart from market size and infrastructure, criminal activities, property rights and government policy stand out to be the major factors influencing investment decision. The criminal justice system is also important as it scores highly at 55%. Property rights and market size also come out strongly as important factors influencing investment decision, scoring 70% and 90%, respectively.

**Table 5.14: Factors influencing investment decision**

	Not important	Somewhat unimportant	Somewhat important	Important	Very important
Criminal activities	9.24	5.41	12.96	45.14	27.25
Criminal justice	15.32	8.44	20.74	38.00	17.49
Property rights	8.24	6.30	15.62	47.09	22.76
Market size	3.22	1.31	4.30	33.57	57.59
Political risk	18.71	15.44	22.72	28.19	14.94
Availability of raw materials	18.62	7.14	9.70	37.62	26.91
Infrastructure	4.42	3.10	8.35	46.66	37.47
Human resources	12.72	9.48	15.61	41.66	20.53
Government policy	6.02	6.61	18.78	43.92	24.67

Security considerations made firms to make business decisions that made them lose certain opportunities. For example, operational costs for firms generally increased with a higher percentage of firms indicating that they missed reducing their operational costs due to security considerations in their decision making process. Of the overall sample, 64% missed opportunities that could have reduced their operational costs, with the greatest loss for this item being experienced by manufacturing firms (81%) and firms with 10 to 50 employees (74%). This class of firms also lost subsidized rent/business concession with a proportion of 55% respectively for

those classes. Some firms also lost the opportunity of being near their customers. The firms mostly missing this opportunity are in the services sector at 58% and mostly those having 10 to 50 employees at 46%. The lost opportunities are costs to the firms and if these are factored in the overall costs, then the profits of the firms are significantly affected.

The loss in opportunities is reflected in the investment decisions firms make. Though most firms did not lag their investments, security issues affected the type of business investment adopted and the scale of business. The effect on the type of business investment spreads almost equally across all types and sizes of firms while the scale of business affected mostly the commercial firms (44%) and firms employing between 5 to 10 employees (50%). It took an average of two years for firms that wanted to invest to start their investment, while it took about three(3) years for manufacturing firms and firms with 10 to 50 employees.

Table 5.15: Opportunities lost, investment decisions made and time taken to put investment

	All firms	Type of firm			Size of firm			
		Manufacturing	Services	Commercial	Over 50	10 to 50	5 to 10	Less 5
Opportunities missed/lost for considering security (%)								
Nearness to customers	41.9	47.2	54.8	38.2	31.2	46.2	42.8	6.7
Subsidized rent/business concession	49.1	55.1	49.3	47.0	39.5	55.0	48.9	20.0
Reduced operational costs	64.4	81.1	60.9	62.9	71.4	73.8	59.2	40.0
Investment decisions made considering security (%)								
Timing of investment	19.5	11.1	19.6	21.5	10.8	18	22.3	10.5
Type of business investment	29.3	27.3	27.4	31.1	33.3	28.6	29.2	26.3
Scale of business	40.3	35.4	37.4	43.9	31.2	43.9	49.5	52.6
Type of technology	14.6	13.1	9.6	12.0	20.4	13.7	14.6	0.0
How long it took to finally put investment (years)	1.99	2.55	1.65	2.2	1.8	2.94	1.59	2.5

In an effort to make 'rational' decisions on business investment/technology while considering security, firms had varying preferences. A substantial proportion of manufacturing firms preferred renting business premises rather than building their own premises, as indicated by 71% of the respondents who rent premises as opposed to 42% who built premises. The same is also evident among the services and commercial sectors. Across the size of firms, very big firms with employees of over 50 and small firms with less than 5 employees prefer building their own premises rather than renting. This is because for the large firms, the economies of scale reduce the costs by having own premises rather than renting, while for small firms, the cost of renting premises takes a substantial proportion of their total costs; they are therefore better off building premises rather than renting. Across the type of firms, all the firms prefer purchasing their own equipment, mostly modern, rather than hiring or purchasing secondhand equipment.

Table 5.16: The type of business investment/technology the firms preferred (%)

	All firms	Type of firm			Size of firm			
		Manufacturing	Services	Commercial	Over 50	10 to 50	5 to 10	Less than 5
Purchase of equipment	70.0	58.2	60.9	53.0	58.6	64.8	54.2	33.3
Building premises	50.0	42.3	40.2	42.1	56.7	44.9	38.3	25.0
Hiring equipment	12.9	21.2	19.6	24.8	24.1	19.3	22.3	0.0
Renting business premises	54.8	70.9	67.2	78.1	48.3	64.8	78.8	0.0
Purchase modern equipment	59.4	54.0	58.8	47.9	73.3	62.9	45.0	33.3
Purchase second hand equipment	29.2	27.8	30.3	27.0	18.5	27.1	30.1	66.7

Across the size of firms, all classes of firms prefer purchasing equipment but large and medium-sized firms go for modern equipment. Small firms go for secondhand equipment because it is cheaper. Since most small firms do not have long term plans, they are better off going for secondhand rather than new equipment.

The investment trend shows that there has been a general increase in the rate of investment across the firms from year 1999 to 2003, though low levels were recorded in year 2001 and 2002. This decline may be attributed to political reasons, since year 2002 was an election year. Firms may have withheld their investment decisions to await the outcome of the political situation, therefore depriving the country of investment during this period. Insecurity may therefore lead to great loss in investment or in making an investment decision. The overall loss experienced by firms is 44% though across the type of firms, the largest loss in investment is in manufacturing, reporting about 45%. Across the size of firms, largest losses are recorded in large firms and small firms, but generally the loss due to security is almost proportional across all categories of firms.

Table 5.17: Growth in investment across firms and proportion of investment lost due to security (%)

	All firms	Type of firm			Size of firm			
		Manufacturing	Services	Commercial	Over 50	10 to 50	5 to 10	Less than 5
Growth in investment								
1999	10.4	8.6	11.9	9.6	8.3	10.5	11.0	12.5
2000	10.9	10.3	12.9	9.3	10.0	10.6	11.4	8.0
2001	9.7	7.3	11.6	8.7	8.4	10.3	9.7	7.0
2002	9.3	7.8	11.0	8.2	11.1	10.1	8.6	7.5
2003	11.9	11.2	13.2	11.0	15.4	12.3	11.2	10.9
Expected 2004	17.0	16.8	19.1	15.2	19.1	17.2	16.7	15.2
Expected 2005	21.9	21.5	24.4	19.7	12.5	22.2	21.9	19.3
Percentage of investment lost due to security	43.5	45.0	43.5	43.1	45.3	43.1	43.3	44.5

Investment levels are also affected by other factors apart from security. Investment level is determined by the prevailing investment climate, which depends on the level of infrastructure development, political stability, bureaucratic quality, governance, law and order, and the level of economic performance. Other factors determining investment are the sales, cost of inputs and the market size of the economy.

### 5.3.4 Market access

The security problem interferes with the market for commodities of the firms as indicated by 60% of the firms. This is clearly depicted in the way firms evaluate the channels of impact of security to the market. Insecurity impacts positively through the channels and is rated as important or very important by most of the firms. The level of effect of insecurity on firms is also manifested by the victimization of the customers, with 52.4% of the firms indicating that their customers have been victims of crime. The high level of customer victimization may make customers to change their shopping habits and only visit outlets they perceive to be safe. Therefore, outlets in areas perceived as insecure are alienated, and this may make business in these locations not viable.

**Table 5.18: Firms' evaluation of the channels of impact of security to the market (%)**

	Access to customers through distribution	Level of customer demand due to changes in tastes and preferences	Prices of commodities when insecurity premium is incorporated
Not so important	16.91	16.98	15.43
Somewhat unimportant	4.38	7.97	11.42
Somewhat important	17.95	21.38	23.26
Important	39.04	37.53	26.85
Very important	21.71	16.14	23.04

Looking at the market lost due to insecurity, results show that a huge loss of 11% is made due to loss of customers and high operating costs related to insecurity, respectively. Sales growth and profitability are affected by loss of market share resulting from insecurity. Service industries show a higher loss in all cases as compared to commercial and industrial sector firms. Insecurity increases operating costs and leads to more losses in manufacturing and big firms than the rest. Reduction in business hours leads to more loss in the service sector firms with 5 to 10 employees.

**Table 5.19: Channels through which insecurity affects the firm (%)**

	Inability to access the market.	Loss of customers	Reduced business hours	High operating costs due to insecurity
1999	8.1	11.1	8.2	9.1
2000	9.3	11.7	9.3	12.4
2001	9.7	9.7	7.4	11.1
2002	10.6	11.2	8.5	11.1
2003	9.3	12.0	11.0	9.7
Average	9.4	11.1	8.9	10.7
<b>Sector</b>				
Manufacturing	7.6	13.6	3.0	14.8
Services	13.2	13.4	11.3	12.3
Commercial	7.7	9.3	8.3	10.8
<b>Size</b>				
Over 50	9.5	12.6	5.4	55.5
10-50	9.7	13.1	8.0	13.3
5-10	9.7	9.4	10.3	9.3
Below 5	9.6	10.0	5.0	17.5

*Duration the business operates*

The number of hours that business is transacted could also impact on a firm’s performance. For example, most businesses operate for 8 hours between 8 am and 5 pm. A big number of service and commercial businesses extend their opening hours to 8 pm.

Individuals were asked about the most risky time in conducting business in town. They indicated it is very risky to transact business after 5 pm. This implies that customers are more likely to avoid shopping or engaging in expensive transactions after 5 pm. This means loss of business opportunities and revenue loss to the country.

**Table 5.20: Most risky hours of conducting activities in Nairobi city**

Hours	Frequency	Percentage
Early in the morning before 8 am	117	14.6
Between 8 am and 5 pm	51	6.4
After 5 pm	471	59.0
7 pm and 7 am	130	16.3
All the above	29	3.6
Total	798	100.0

Among the factors indicated to influence the opening of business are ranked in Table 5.21. Security of business and security of customers rank first and second, respectively, as important factors influencing the hours of business operation. Reduction in the hours of business operation makes firms not to explore the full potential of the market. This constrains expansion of investment.

**Table 5.21: Factors influencing opening businesses (%)**

Ranking	1	2	3	4
Security of business	49.81	34.91	13.12	2.16
Security of customer	13.47	41.02	37.18	8.33
Market size	38.76	19.25	38.37	3.62
Municipal by-laws	1.85	4.36	9.13	84.66

The limited hours of business directly affects economic activity because it affects production and also purchase. Limitation on production time reduces output levels while limitation on the time to purchase affects consumption patterns, and consequently production. At the macro level, all these lead to reduced national output.

*Distribution of commodities*

Insecurity affects distribution and therefore the availability of goods at consumption points. 41% of firms indicated that they have faced security problems in distributing goods/services. The firms mostly affected in distribution are manufacturing firms where 73% of the firms indicated they faced a security problem. This proportion is higher than the overall sample proportion of 41%. The proportions affected in the services and commercial sector are slightly low at 37% and 38%, respectively. Across the size of firms, large firms are affected most, compared to other firms. This may be because large firms have high production capacity and therefore need to distribute their goods/services widely so that they can maintain their market share. The impact of insecurity on distribution is evidenced by the problems encountered during distribution. Across

the board, a greater proportion of firms lost goods in transit through theft/robbery (94%), attack of personnel during distribution (90%), delays due to security checks (88%) and poor infrastructure (98%). The proportion of small firms affected is low in all cases because most of the small firms are outlet points and do not engage in distribution.

Table 5.22: Security problems encountered in distribution of goods/services (%)

	All firms	Type of firm			Size of firm			
		Manufacturing	Services	Commercial	Over 50	10 to 50	5 to 10	Less than 5
Firms that have faced security problems in distributing goods/services	40.60	73.47	36.98	37.69	65.26	46.27	35.21	10.50
Theft/robbery of goods on transit	93.60	97.67	95.45	90.00	42.71	94.64	87.72	10.50
Attack of personnel during distribution	90.40	34.00	90.00	84.31	96.53	91.53	84.44	5.30
Delay due to security checks/bureaucracies	87.60	96.43	85.29	82.86	96.43	88.57	78.13	5.30
Poor infrastructure	98.20	65.00	97.80	97.39	97.96	98.92	97.64	5.30

*Shifting security risk to consumer prices*

Faced with the cost of security risk, firms to some extent have to share the same with the consumers. It is indicated that prices on average changed by 8.33% due to security problems. In fact, firms that indicated that the price of commodities rises to reflect the importance of security risk premium on firm operations had higher price change with a mean of 12.46 compared to firms that thought security was not critical to their operations, with a mean of 8.15. Change in the price of commodities due to insecurity means a change in the price of raw materials, and a change in the cost of production. Insecurity therefore makes the country lose potential investors to neighboring countries that may be more secure. Firms may shift the increase in price due to security risk premium to consumers, in order to distribute the burden. This makes goods/services to be more costly, therefore affecting demand and consequently the market share of the firm. This also makes firms to reduce production mainly due to unsold stocks, therefore affecting the general output levels.

Table 5.23: Relating price of commodities with change in price due to insecurity

	Mean
Not so important	8.15
Somewhat unimportant	4.84
Somewhat important	9.83
Important	11.26
Very important	12.48

Relating price change due to security with sales and profitability, results show a positive relationship for both, though insignificant for profitability. This shows that a price change due to insecurity does not necessarily lead to increase in profits since the firm may be forced to bear the burden of the price change to protect its market share.

Table 5.24: Relationship between sales and profit growth and change in price

	MEANSALE	MEANPROF
MEANSALE	1	
MEANPROF	0.5072(0.0000)	1
% Change in price due to security	0.1528(0.0077)	0.0089(0.8786)

#### 5.4 Decisions on how to Reduce Security Risk

Private security firms noted that individuals and business are likely to be predisposed to criminal activities if the residents and goods are inadequately protected (rated 87%), goods are of high value and/or are easy to dispose (91%) or if goods are easily transported (rated 70%). The level of risk is also likely to be higher when criminals have inside information, for example when criminals collude with workers or residents (rated 91%). Other factors that predispose businesses and individual to criminal activities include availability of firearms (rated 88%), high profitability of businesses (rated 71% - businesses that make more profits and attract many customers are more vulnerable), when use/abuse of alcohol or drugs is involved (rated 65%), or if they live with the offenders (rated 49%). Table 5.25 shows how respondents rated the various factors.

Table 5.25: Factors predisposing individuals and businesses to criminal activities

	Very likely	Likely	Moderate	Unlikely	Very unlikely
If residents and goods inadequately protected	71.1	15.6	13.3		
If goods are easy to transport	30.2	39.5	27.9	2.3	
High value goods	77.3	13.6	4.5	2.3	2.3
If victims reside with the offenders	29.5	20.5	31.8	9.1	9.1
If alcohol or such substance are involved	23.2	41.9	18.6	9.3	7.0
If there are collusions between criminals and residents/employees	54.5	36.4	9.1		
If the business is doing well i.e. if it is very profitable	44.2	27.9	18.6	9.3	
If firearms are available	62.8	25.6	9.3	2.3	

Based on these factors, individuals, households and businesses have to adopt coping strategies to reduce the risks of falling victim to crime. They have to make a decision on what kind of goods to purchase/trade on, which residential neighborhood/premise to live in/do business, which kind of employees to have, etc. However, if they decide to carryout their operations within these predisposing factors, then they have to choose what security installations to make and prepare to meet the costs thereof. The way to reduce crime is to reduce the opportunity for crime to occur. This can be achieved by increasing the perceived effort, increasing the perceived risk, or reducing the anticipated rewards for the offenders. The coping strategies adopted seem to reflect this kind of argument.

##### 5.4.1 Business firms

Businesses look for ways of dealing with the crime, since crime increases their operating costs and affects profitability. Most businesses have taken to providing their own security services either in terms of infrastructure investment or in terms of insuring property and employing security guards. Actually, most firms invested in security infrastructure because of the insecurity witnessed in the 1990s and 2000s. Investing in security infrastructure includes target-hardening measures like installing electric/special fences, putting in place grills, improving alarm systems, and other measures that make illicit entry more difficult. Employing security guards is part of internal surveillance systems used to deal with external threats.

Table 5.26: Coping strategy across firms (%)

	Total	Manufacturing	Services	Commercial	Over 50	10-50	5-10
Opening late and closing early	14.4	11.8	12.8	16.5	9.1	11.1	18.1
Neighborhood collaboration	16.7	9.2	10.9	10.8	7.0	9.7	12.1
Offering updated security tips	7.8	8.5	7.9	7.4	8.1	7.4	7.6
Investing in security infrastructure	21.0	20.5	20.6	21.2	21.2	21.3	20.6
Properly insured their property	14.4	20.0	14.4	12.6	21.0	17.6	11.5
Employed security guards	23.7	22.1	24.4	23.4	24.7	25.2	22.6
Concealing valuable goods	7.9	7.8	8.9	8.0	8.9	7.8	7.5

*Security infrastructure*

Table 5.27 reports the trends in purchase of security infrastructure items. It shows consistent diversity over time. Firms have increased their investment in extra security lights, windows and door grilles and have put in place electrical fences. These investments are taken against insecurity. It means that firms divert funds from productive investment to ‘precautionary’ investments by either postponing or suspending their expansions/new investment.

Table 5.27: Trends in purchase of security infrastructure items (numbers)

	Electrical fence	Surveillance cameras	Extra security lights	Windows and door grilles	Patrol cars	Alarms	Perimeter walls
Before 1989	10	3	36	51	6	11	0
1990-1998	34	35	124	188	18	36	6
1999	9	5	45	57	1	6	2
2000	11	9	68	91	13	22	2
2001	9	14	54	74	8	12	0
2002	11	12	44	65	8	7	1
2003	14	7	66	96	5	17	1
2004	3	2	4	10	1	4	0

*Employment of security guards*

Results show that firms tend to employ an average of four security guards from security firms and three as their own employees. A negative relationship is indicated between employment of non-firm and security firm personnel. Manufacturing firms and large firms employ a higher number of security firm personnel. Insecurity makes firms to divert funds that could have been used in other areas to ensure security provision.

Table 5.28: Number of guards employed across type and size of firms (mean values)

	Manufacturing	Services	Commercial	Over 50	10-50	5-10	Below 5
Self-employed	2.5	2.74	1.77	5.27	2.52	1.48	1.00
Security firms	6.04	3.65	2.49	12.99	2.35	1.29	0.33

5.4.2 *Individuals*

Individuals have taken various steps to cope with high rates of crime. They for example avoid high risky areas and traveling in risky hours or periods. Risk avoidance affects consumption



patterns of consumers by constraining their activities. About 88% of respondents indicated that they avoid risk so as to cope with high levels of insecurity, and to reduce their exposure to crime. 76% of individuals avoid traveling some hours, 65% exercise a lot of caution while 63% walk in company. The need to walk in the company of others may be aimed at distributing risk and to get some form of protection. Individuals also have to be observant of what they put on to reduce the risk of falling victim, as indicated by 43% of individuals who said they dress cautiously as caution, and also of the way they carry around their valuables (58% conceal their valuables to avoid falling victim to crime).

Table 5.29: Coping with crime by individuals (%)

	General
Avoidance of risk	87.9
Arming themselves	4.1
Walk in company of others	63.0
Exercise caution	64.9
Avoid traveling some hours	76.0
Dressing cautiously	42.8
Concealing their valuables	57.8

More specifically, individuals indicated that they take specific measures to attend to their entertainment needs. They exercise caution so that they do not fall victim to crime. For example, they ensure that they do not visit hidden places, go to places that are familiar to majority of the public, and where security services are available. Time factor is also highly prioritized where individuals tend to be home early and therefore tend to attend to their leisure and entertainment in daytime. Individuals also prefer to do things in company of their friends and avoid crowded areas, and areas that are poorly lit. The mode of dressing is dictated by the security situation. They avoid dressing expensively and with jewellery to avoid attracting criminals. In addition, they avoid carrying excess money and in some cases use credit cards.

Table 5.30: Coping strategies in shopping and entertainment (%)

	Entertainment/leisure	Personal shopping
Accompanied	22.1	9.2
Avoid	9.3	3.7
Caution	28.4	8.8
Dress	2.4	1.9
Money	5.9	28.2
Time	28.2	
Transport	3.7	2.3
Shopping place		40.6
Conceal the items		1.0
Type of purchases		4.7

### 5.4.3 Households

Households also take initiatives for their own security and have adopted security precautions (Table 5.31). Survey results show that most people avoid risky places. Most households will stay with both gates and doors closed while remaining alert to incidents of criminal activity. Most members of households keep doors locked while driving so that they may not easily fall victim to criminals. Members of households also have to go home early, and walk in the company of others. A high proportion of households keep security systems activated.

Table 5.31: Observed security precautions by households (%)

	Most important	Important	Least important	Not important
Stay with gates closed	48	39	9	4
Both doors and gates locked	40	42	13	5
Come home early	39	47	9	5
Walk in the company of others	15	45	27	14
Avoid risky places	55	38	5	2
Activate security system	34	42	12	13
Drive with doors locked	35	43	10	12
Remain alert to insecurity risk	42	48	6	3
Not carrying valuable items	18	43	24	15

From the survey, it was found that 93% of households have taken insurance cover for security. The cost of insurance premium is quite high to majority of households who do not treat security provision as a necessity. The few who have taken an insurance cover have opted for life insurance rather than insuring against crime risk.

### 5.5. Conclusion

Insecurity affects the way individuals carry out their daily activities, and conditions the consumption pattern and way of life. Due to insecurity, there is no free will on where to locate, where to shop, when to shop, and what to shop for. For business firms, insecurity creates uncertainty that affects the production process, investment decisions, distribution channels and constraints the market scope for products. Insecurity risk premium increases the prices of commodities, therefore increasing both the costs of input and output. Agents have therefore taken various steps to cope with crime. Most of them restrict their movements in terms of places they visit for shopping and entertainment, what they put on, and the amount and type of purchases they make. They take safety measures at home by putting in place grills, burglar proofs and barriers in their residence. Business firms have put in place target hardening measures. They time/lag their investment, locate in places they consider safe, and insure their property against risk. Firms prefer to rent rather than build premises, while others go for secondhand equipment rather than adopt modern technology to reduce the risk due to loss in an insecure situation. Firms also hire their own private guards instead of relying on public security provision. Insecurity risk, therefore, affects the supply of products in the market by impacting on production and distribution, and also affects the demand by changing tastes and preferences, through budget allocation and by affecting prices. Insecurity is a big drawback on investment and output growth of firms.

## **6. ECONOMIC COSTS OF CRIME**

### **6.1 Introduction**

Economic costs of crime include both direct and indirect costs associated with criminal activities. When the authority responsible fails to provide adequate security, consumers of such services are made to make their own provisions. In doing so, consumers take various measures to guard against criminal activities. As victims of crime, consumers of security services incur various costs, including cost of curing injuries, cost of replacing destroyed and stolen property, and cost of lost time and opportunity. As such, crime has implications on business operations and consumption habits.

Business operations are constrained by insecure environments arising from incidents of criminal activities. Consequently, businesses are unable to penetrate the market with their products, face limited time of business transaction, and lack motivation to make further investment. Business growth is therefore curtailed by insecurity. Firms may also find themselves faced with additional taxation costs as the government raises funds to finance the delivery of security services.

The non-business community also changes consumption habits when faced with unsafe environments arising from criminal activities. This ultimately constrains the achievement of the desired utility level. Although expenditure on crime increases individual satisfaction as safety is maintained, it makes consumers forgo consumption of other products to finance security services. This makes consumers settle for a lower utility level. Victims of crime may also lose property, which has implications on their ability to accumulate wealth. Further, as expenditure on security increases, the level of savings goes down.

At macro-level, rising crime implies increased expenditure by the government, which has the responsibility of providing security services. It also means that the economy loses in terms of economic growth.

### **6.2 Cost of Security Provision by the Government**

The government has the primary role of ensuring security of property and life. Table 6.1 traces government expenditure on security services. It shows that the government spends on average 2% of GDP or 5% of total expenditure on security services. There is a rise in government expenditure on public order and safety in the last five years from 1.8% of GDP in 1999/2000 to 2.5% of GDP in 2003/2004. However, the rise does not seem to have led to reduction in criminal activity. Indeed, increase in expenditure is coupled with an increase in the number of crimes reported. However, it is possible that the recorded increase in reported crime is due to expectations arising from political change and the promise of enforcement of law and order. It is also possible that increased expenditure without strong institutional set-up may not reduce criminal activities. An ineffective deterrent mechanism or weak criminal justice system, for example, weakens the enforcement of law and order. Respondents rated the state machinery dealing with crime, including the judiciary and prisons, as inefficient and ineffective. Half of respondents rated the judicial system as inefficient, and 48% rated prisons as inefficient.

Table 6.1: Kenya government expenditure on selected services (Ksh million)

	1999/00	2000/01	2001/02*	2002/03*	2003/04+
<b>General public administration (Ksh million)</b>					
Public order and safety	13,088.6	16,839.7	19,072.1	21,208.3	26,905.4
Defense	10,427.3	14,261.1	16,268.2	17,603.0	19,921.1
<b>As % of GDP</b>					
Public order and safety	1.76	2.11	2.17	2.20	2.46
Defense	1.40	1.79	1.85	1.83	1.82
<b>As a % of total expenditure</b>					
Public order and safety	5.79	6.27	6.20	6.97	6.92
Defense	4.61	5.31	5.29	5.79	5.13
<b>As a % of total population (per capita expenditure)</b>					
Public order and safety	0.44	0.56	0.62	0.67	0.84
Defense	0.35	0.47	0.53	0.56	0.62
<b>As a percentage of total reported cases</b>					
Public order and safety	175	210	253	301	348

Source: Calculated using data from Economic Survey 2003 and 2004

### 6.3 Households and Individuals as Consumers of Security Services

Non-business consumers of security service make provision for security services and also incur costs arising from injuries, and replace stolen and damaged property arising from criminal activities. Table 6.2 summarizes the costs of crime at household level.

#### 6.3.1 Household budget allocations

The monthly recurrent expenditure data indicate that households allocate a proportion of their budget to provision of security. Results from the study indicate that households spend on average Ksh 2,660 per month for security services. This is about 9% of total household budget. A positive relationship exists between monthly expenditures and income levels of households. High-income areas spend about 17% of total monthly budget on security and related services, the middle income 11% while the small income group spends 9%. As a result 81% of the higher income groups feel safe while at home compared to 58% and 54% for the middle and low-income groups, respectively (Table 6.3). The proportion of those who feel unsafe is also higher in the low-income group at 46% compared to 19% in the high-income group. These results imply that the high-income group is able to meet various security service related costs with ease as compared to low-income households. Expenditure on security is higher than the average monthly expenditure for clothing and for electricity and lighting, but lower than that for rent, household items and transport. The highest expenditure for households goes to paying rent.

Table 6.2: Costs of crime at household level

Items	Overall	High income	Middle income	Low income
Monthly recurrent expenditure on security	2,662	5,785	2,031	656
Monthly recurrent expenditure on rent	6,574	17,813	6,198	2,470
Monthly recurrent expenditure on transport	3,097	6,492	3,342	1,405
Monthly recurrent expenditure on clothing	1,526	2,266	1,786	1,073
Monthly recurrent expenditure on household items	2,831	3,281	3,228	2,172
Monthly recurrent expenditure on electricity and lighting	1,590	3,705	1,295	818
Total monthly recurrent expenditure	16,881	33,988	17,766	7,306
Neighborhood security initiatives (monthly)	728	1,636	580	250
Value of property damaged during attacks	13,345	44,168	11,064	6,272
Value of stolen items during attacks	45,556	70,005	53,747	27,052
Cost of insurance cover (per year)	195,000	358,857	124,057	38,333
Cost of obtaining P3 form from the police (per incidence)	1,536	300	2,820	550
Cost of medication (per incidence)	13,000	1,000	100,000	—
Cost of shifting due to security	8,000	7,577	12,494	2,750
Cost of hiring taxi when late in town	537	627	597	404
Cost of calling for a company car	368	388	408	50
Cost of hiring a room when outside late	595	1,250	647	380
<i>During shopping</i>				
Cash stolen during shopping	10,000	31,262	8,803	3,825
Cost of medication after attack	4,000	1,000	6,855	769
<i>After shopping</i>				
Cash stolen after shopping	25,000	143,944	6,467	3,269
Cost of medication after attack	1,700	1,783	1,720	1,652

Table 6.3: Safety while at home (%)

	Upper income class	Middle income	Lower income
Very safe	21	11	6
Safe	60	47	48
Unsafe	17	36	43
Very unsafe	2	6	3

The results also imply that it requires more financing to ensure that safety is maintained at high levels. This has implications on the allocations of government security services. It can be argued that low-income households need more security interventions to curb criminal activities because their ability to meet the costs is very minimal.

The average household expenditure translates, at macro level to 1.5% of GDP and per capita of Ksh 540 per month. This implies that consumers of security services are spending more than the government in provision of security service. Comparing this with the resources available by the government implies that households are actually subsidizing heavily in provision of security services. This means that households are squeezing their budget by about 9%.

### 6.3.2 Cost of preventing crime

Safety has utility because it indirectly allows one to earn income that would be used for the purchase of goods and services. Directly, it implies an expanded basket of goods, assuming all

other things equal. Safety of property allows households to accumulate wealth, assuming that no consumption is forgone. Some households (18.3%) hire guards from security firms while others do it at communal level.

The cost of hiring private security guards is on average Ksh 3,344 per month, which is way above the reach of most households who subsist on less than 1 dollar per day. Comparing the cost of hiring a guard with the salary of a police constable, it means that three households could pay for the salary of two constables (a constable was earning Ksh 4,645) while with the improved police pay package (of Ksh 10,000) three households can pay for the salary of one constable. This means that with better organization and coordination, households can come together and communally contribute to provision of their security by paying for the services of a constable. This will subsidize the work of the government in security provision since the government can then look into offering better training and equipment.

The high cost of hiring guards may explain the mushrooming of neighborhood security initiatives, which cost households an average of Ksh 728 per month. The proportion of neighborhood initiative to the total recurrent security service provision is higher among the low-income group (30%) as compared to 28% spent by the high-income and middle-income group. The money mobilized through neighborhood initiative is used to erect barriers, install security lights, fencing, hiring guards, and establishing police posts. In some areas like Karen, there are regular patrol services using the community member cars and the police.

Households also take insurance cover against security-related risks. Across the income groups, there are variations on the cover taken. For example, among the upper income group 21.3% of respondents had taken the cover as compared to 7.7% among the middle and 0.9% among the low-income group. The amount of insurance premium also varies with the income group as indicated in Table 6.4. The upper income group spends more on insurance cover with an average of Ksh 358,857 per annum compared to Ksh 124,057 and Ksh 38,333 for the middle and low-income classes, respectively. With an indicated positive relationship between the premium and the value of items damaged, the high-income group loses goods that are highly valuable as compared to the low-income group.

**Table 6.4: Proportion of households covered and the premiums**

Income groups	Percentage of households who have taken an insurance cover	Insurance premium (Ksh)
Upper	21.3	358,857
Middle	7.7	124,057
Lower	0.9	38,333
The correlation between the value of damaged property and insurance cover		
		Cost of the insurance cover (in KShs.)
Value of property damaged in the household during the crime		0.1257(0.0047)*
Value of the property stolen		0.0097(0.8151)

\*Correlation is significant at the 0.01 level (2-tailed).

Note: Values in brackets are the significance levels

Results in the previous section show that 53% of respondents have changed their residence with a high level of such mobility among the middle and low-income class. The cost of shifting averages Ksh 8,000, which is used to hire transport and putting a deposit in the new residence. The costs are very low among the high-income group who experience minimal shifts as compared to the middle-income group.

Finally, there are costs of being in situations that expose you to risk. Some respondents indicated that they hire taxis or result to hiring a hotel room when they find that they are within the crime-prone hours. The average cost of hiring a taxi is Ksh 537 while the cost of hiring a room and spending the night is Ksh 595.

### *6.3.3 Costs of being a victim*

Victims of crime may experience damage or loss of property, or could sustain injuries or lose life in the attack. Either way there are cost implications. The cost of injuries not only affects the victim but also the government in provision of health services. The higher the crime rate the more the pressure that is added to the health system.

#### *Curing injuries*

The injured incur medical costs and are also immobilized from productive activity, which is a production loss. The injured are expected to process a P3 form to facilitate claims for compensation. This is a legal document provided by the police department. It is supposed to accompany the treatment and it is very vital for justice. Although the P3 form is meant to be free, individuals spend on average Ksh 1,500 to acquire it due to corruption and other governance problems. Because of the high costs and the time it takes to get the P3 form, majority (93%) do not take the document with them for treatment. This in some cases causes delays in receiving treatment and it also means that the victim has no evidence in making claims for compensation. It is necessary to make processing of P3 forms easier and faster for crime victims to get justice.

It is indicated that 56% of households and 66% of individuals have fallen victim to crime. A high level of injuries is reported among those in the streets (66%) as compared to households (10%). The cost of injuries is on average Ksh 13,000 among households as compared to Ksh 10,500 among individual respondents. For households, it means spending an equivalent of 8% of their total expenditure in curing injuries.

#### *Replacement of lost and damaged property*

It would cost households an average of between Ksh 13,000 and 45,000 to replace damaged property and stolen items, assuming that prices are constant. This translates to an equivalent of 10% and 35% of average household total expenditure. The value of lost and damaged items varies by the type of crime. For example, most (63%) of individuals involved in carjacking lose items worth more than Ksh 100,000 while most (69%) involved in violent robberies lose items worth more than Ksh 40,000. This is in comparison to petty crime and mugging where a high proportion lose items worth less than Ksh 10,000. Fewer households (31%) involved in carjacking lose items worth more than Ksh 100,000 compared to individuals, while 82% of households involved in violent robbery lose items worth more than Ksh 40,000 (Table 6.5). Burglary loss is also high among households with 40% of households losing more than Ksh 40,000. Average loss across crimes experienced by individuals and households is high in carjacking and violent robbery, with carjacking having the highest loss in both cases.

Table 6.5: Relationship between crime and value of items stolen

	Petty	Mugging	Violent robbery	Murder	Carjacking	Burglary	Vandalism	Others
Less 5,000	9.1 (43.8)	73.5 (14.3)	9.1 (12.6)	0.0 (0.0)	2.3 (2.0)	3.0 (14.3)	1.5 (2.0)	1.5 (10.9)
5,001-10,000	10.0 (18.2)	61.4 (11.5)	17.1 (28.2)	0.7 (0.0)	5.7 (0.0)	2.1 (25.5)	1.4 (6.4)	1.4 (10.2)
10,001-20,000	3.7 (25.2)	51.4 (3.1)	13.8 (33.8)	2.8 (0.0)	17.4 (0.0)	10.1 (36.2)	0.9 (1.6)	0.0 (0.0)
20,001-40,000	10.0 (19.7)	27.5 (1.8)	22.5 (20.6)	0.0 (0.0)	20.0 (3.6)	15.0 (36.7)	2.5 (17.7)	2.5 (0.0)
40,001-100,000	3.8 (31.4)	15.4 (0.0)	46.2 (44.7)	0.0 (0.0)	15.4 (2.6)	15.4 (18.7)	0.0 (2.6)	3.8 (0.0)
Over 100,000	2.0 (14.6)	2.0 (0.0)	23.5 (37.4)	0.0 (0.0)	62.7 (30.5)	5.9 (17.5)	0.0 (0.0)	2.0 (0.0)
Average values in Ksh	1,760 (17,941)	5,005 (5,063)	130,597 (80,528)	13,500 (0)	255,805 (1,074,292)	1,967 (41,340)	20,013 (26,313)	6,016 (3,833)

Note: The values in brackets are for households while the others are for individuals

Across households, households involved in robbery with violence and burglary incur greatest loss, though carjacking also results in substantial cost to households. For damage to property, greatest loss is incurred in robbery with violence followed by burglary. Carjacking does not involve very high losses since it mostly leads to loss of the car rather than damage. The same also applies to mugging, where the property is taken away. Arson records lower losses in terms of property damaged and this may be because arson is not very common across households.

67% of households lose over Ksh 100,000 while 33% lose the same amount due to burglary. For losses of over Ksh 100,000 by individuals, 50% are due to robbery with violence while 38% are a result of carjacking (Table 6.5). Losses of between Ksh 40,000 and Ksh 100,000 are high for robbery with violence cases and for carjacking. Generally, most losses occur due to involvement in robbery with violence and burglary for both individuals and households.

Table 6.5: Relationship between crime and value of items damaged

	Type of crime that has targeted the household						
	Robbery with violence	Mugging	Theft	Vandalism	Burglary	Arson	Carjacking
Less than 5,000	28.8(13.8)	0.0(44.1)	18.9(7.3)	2.7(11.7)	45.0(14.5)	0.0(0.0)	1.8(8.6)
5,001-10,000	40.9(22.1)	2.7(15.7)	13.6(7.8)	0.0(0.0)	36.4(42.7)	9.1(0.0)	0.0(11.8)
10,001-20,000	25.0(30.9)	0.0(24.7)	25.0(18.5)	0.0(0.0)	50.0(17.6)	0.0(0.0)	0.0(8.2)
20,001-40,000	25.0(71.4)	0.0(14.3)	0.0(0.0)	0.0(0.0)	75.0(14.3)	0.0(0.0)	0.0(0.0)
40,001-100,000	30.0(66.6)	0.0(0.0)	10.0(0.0)	10.0(0.0)	10.0(11.1)	20.0(0.0)	20.0(22.2)
Over 100,000	66.7(50.0)	0.0(12.5)	0.0(0.0)	0.0(0.0)	33.3(0.0)	0.0(0.0)	0.0(37.5)

Note: Values in brackets are for individuals while the rest are for the households

A positive relationship exists between the value of stolen and damaged property and the income group as indicated in Table 6.6. Further, there is a positive relationship between monthly expenditure and losses emanating from criminal attacks. This implies that household expenditure goes up as victims replace damaged and stolen property. This has adverse effect on wealth accumulation. It could also have implications on consumption habits as consumers of security service avoid huge loss by having a proportionately lower expenditure on high valued items.



**Table 6.6: Correlation between the % monthly expenditure on security and losses**

	Monthly household expenditure (Ksh)
Value of property damaged in the household during the crime	0.1386(0.0004)
Value of property stolen during household attack	0.1640(0.0000)
Value of goods stolen during shopping	0.0955(0.0075)
Value of goods stolen after shopping	0.0282(0.4280)

Note: Values in brackets are significance levels

It is important to note that at the society level, stolen property does not account as loss although at individual level it is a loss. Damaged property is however a loss.

*Lost productive time*

Individuals lose productive time from injuries. Most crime victims take about five days to resume work as reported by 69% of respondents. The number of days that the victim takes to resume work is however not determined by the severity of the injury but by the type of employer, some of who disregard workman’s compensation.

**6.4 Business Firms**

Firms aim to maximize their profits. Any risk factor that interferes with this objective impacts on the operations of the firm. Firms cannot generate enough revenue if they have no access to the market, nor can they expand their market if demand for their products is low, as consumers change their consumption habits to cope with crime. Market scope could also be limited by the security risk premium factored in the price levels. Firms charge a premium to cushion their profits. Limited hours of business transactions is a lost opportunity for firms in terms of capturing the market and employment generation in terms of the number of shifts that firms operate. In addition, firms’ growth may be affected by reluctance to spend on investment as the firm faces high investment risk. Similarly, expansion of private sector is constrained as new entrants to the market adopt a wait and see attitude. The cost of production also go up as firms engage in putting up security infrastructure, hiring security guards, and when firms are not able to locate near customers or near raw materials for security reasons. Raw materials may also become expensive due to the security risk premium factored in prices. Table 6.7 shows the costs of insecurity to firms as measured by the expenditure on preventive measures and replacement costs.

**6.4.1 Prevention costs**

There are differences across the type of industry on the level of expenditure that goes to security infrastructure as indicated in Table 6.7. Firms spend an average of 7.08% of the total sales or 10.69% of the total costs in provision of security services (infrastructure and personnel). Interestingly, small firms spend more on security personnel but not on security infrastructure, which may be explained by the ownership of premises and the huge costs of security infrastructure. In addition, firms spend 4% of their total sales on property insurance and 2% on neighborhood security initiatives.

There are indicated variations across the sectors. For example, the manufacturing sector is spending less in security infrastructure and personnel compared to other sectors, which may reflect on the type of items in such sectors. Most small firms do not take insurance cover.

Table 6.7: Security expenditure by type of firm

Expenditure as a percentage of sales							
	Type of firm				Size of the firm		
	Manufacturing	Services	Commercial	Over 50	10 to 50	5 to 10	Less than 5
Security infrastructure	0.52	3.97	3.62	1.23	2.97	4.20	-
Security personnel	1.73	5.50	5.89	3.16	4.46	6.05	5.12
Replacing stolen property	1.05	2.35	2.46	1.33	1.93	2.66	-
Repairing damaged property	0.19	1.95	0.91	0.48	1.17	1.65	-
Curing injuries	0.18	2.21	0.68	0.16	2.87	0.41	-
Property insurance cover	2.84	4.19	4.95	4.88	4.21	3.79	-
Neighborhood initiative	0.10	2.01	2.60	0.09	1.13	3.16	-
Expenditure as a percentage of total cost							
	Manufacturing	Services	Commercial	Over 50	10 to 50	5 to 10	Less than 5
Security infrastructure	2.84	6.33	4.19	1.54	5.64	5.39	-
Security personnel	3.32	7.30	8.09	4.43	6.47	8.15	15.25
Replacing stolen property	1.96	3.09	3.53	2.08	2.78	3.67	-
Repairing damaged property	0.46	2.12	1.44	0.61	1.74	1.85	-
Curing injuries	0.58	1.65	1.09	0.46	2.23	0.75	-
Property insurance cover	4.50	5.40	6.85	6.57	5.66	5.44	-
Neighborhood initiative	0.12	3.11	3.67	0.47	1.38	4.44	-

#### 6.4.2 Dealing with losses from crime

Losses from crime include repairing damages, replacing stolen properties and curing injuries. The services sector experiences high costs arising from losses from crime. The commercial sector has the highest proportion in replacement of lost items. The services sector also has a high proportion of cost for damaged property.

Table 6.8 shows that expenditure on replacing stolen property is negatively related to both investment and profits, but only significant for mean profit. This shows that losses from insecurity divert funds that firms could otherwise have used to expand their investments. Expenditure on repairing damaged property on the other hand has a positive relationship to investment and profits though insignificant.

Table 6.8: Relationship between cost of replacing and repairing with investment rate and profitability

	Expenditure on replacing stolen property	Expenditure on repairing damaged property	Investment growth (2003)	Profit growth (2003)
Expenditure on replacing stolen property	1			
Expenditure on repairing damaged property	0.4259(0.0000)	1		
Investment growth (2003)	-0.0378(0.6575)	0.0712(0.4188)	1	
Profit growth (2003)	-0.0845(0.3244)	0.0619(0.4910)	0.5964(0.0000)	1
MEANPROF	-0.0448(0.0448)	0.0297(0.7825)	0.3503(0.0000)	0.6594(0.0000)

Note: Values in brackets are significance levels

6.4.3 Market place

Insecurity makes firms lose customers because of limited hours of opening and because of problems of accessing the market. This leads to loss of profitability.

Number of hours traded

Most firms indicated that they operate on an average of 8 hours per day. A number of firms in the services and commercial sector are however able to operate up to eleven hours. The average level of sales per hour varies across firms. The manufacturing sector records the highest sales per hour of Ksh 229,146 followed by service sector with Ksh 16,997 per hour while the commercial sector records the lowest sales at Ksh 3,273 per hour. Table 6.9 shows that there are more gains in sales when the hours of operation are extended.

Market size

The market size a firm controls could be lost due to inability to access the market (9.4%), loss of customers (11.14%), reduced business hours (8.88%), and high operational costs due to insecurity (10.68%). On average, firms have lost 10% of their market share due to insecurity, which translates to loss of Ksh 10 million per year. From the Economic Survey (2004), the value of output per worker in the manufacturing sector is Ksh 3 million (as at 2003). Assuming all output is sold, then the number of jobs lost for a Ksh 10 million loss in market share per firm due to insecurity is four. This means that for about 1,000 firms, 4,000 jobs are lost per year due to 10% loss in market share. Across industries, there is more average loss for the services sector (12.5%) compared to manufacturing (9.75%) and the commercial sector (9.0%). Average loss is also lower for larger firms as reported in Table 6.10.

Table 6.9: Difference between the firms opening 8 hours and those opening for lesser hours (Ksh million)

	Sales	Average sales per hour	Cost due to crime
<i>Manufacturing sector</i>			
8 hours	608.5(395.1)	0.3(0.2)	0.8(0.2)
Less than 8 hours	362.2(193.2)	0.1(0.04)	0.8(0.3)
<i>Services sector</i>			
8 hours	76.1(54.0)	0.04(0.03)	11.1(9.9)
Less than 8 hours	8.1(1.9)	0.002(0.0005)	1.1(0.9)
<i>Commercial sector</i>			
8 hours	8.8(1.9)	0.004(0.001)	0.3(0.08)
Less than 8 hours	8.2(2.7)	0.002(0.0007)	0.47(0.2)

Table 6.10: Channels through which insecurity affects the firm (%)

	Inability to access the market	Loss of customers	Reduced business hours	High operating costs due to insecurity
1999	8.1	11.1	8.2	9.1
2000	9.3	11.7	9.3	12.4
2001	9.7	9.7	7.4	11.1
2002	10.6	11.2	8.5	11.1
2003	9.3	12.0	11.0	9.7
Average	9.4	11.14	8.88	10.68
<b>Sector</b>				
Manufacturing	7.56	13.64	2.99	14.81
Services	13.20	13.43	11.27	12.27
Commercial	7.70	9.31	8.34	10.83
<b>Size</b>				
Over 50	9.54	12.58	5.43	55.46
10-50	9.66	13.12	8.02	13.28
5-10	9.72	9.39	10.25	9.29
Below 5	9.63	10.00	5.00	17.50

### Prices of commodities

In some cases, firms pass on crime costs to the clients. However, this is done carefully so that firms are able to maximize profit and at the same time be able to keep the market share. On average, prices changed by 8.33% due to security problems. This means that households lose in real terms because they have to pay more for the same products when there is insecurity. Firms may also lose market share if the price level is too high.

#### 6.4.4 Production process

##### Number of shifts

Because of insecurity, firms are not able to operate the maximum number of shifts and utilize their full capacity. On average, firms lose 0.2 times in terms of shifts, which translates to an average of 1.63 hours lost and with an average of Ksh 83,000 loss in sales.

##### Investment growth

Firms reported that their investment rate grew by 10% in the last five years and they were expecting this to double if security risk is reduced. They also reported that there are lags in investment, which means that investors are not able to take advantage of investment opportunities due to insecurity. Further, it was reported that Kenya is losing on average 44% of foreign investment due to insecurity.

##### Lost production time

Victims of crime are immobilized following injuries for an average of 5 productive days. This translates to about Ksh 2 million in lost sales at firm level.

## 6.5 Conclusion

This section has analyzed the economic costs of insecurity, which has implications on business operations. From the demand side, firms are affected by the consumption patterns dictated by insecurity. Consumers cope with insecurity by changing their tastes and preferences and by reallocating their budget, which has implications on the composition of their basket of goods. On the supply side, firms' operations are affected by the inability to access the market, open business for long hours, operate optimal number of shifts and take advantage of opportunities in the market. Further, costs of production go up as firms provide for their own security infrastructure,

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replace damaged and lost property and also cure injuries of workers. Further, firms lose in terms of the production time lost when workers become victims of crime.

## **7. SOCIAL COSTS AND PSYCHOSOCIAL EFFECTS OF CRIME**

### **7.1 Introduction**

Crime occurs within the very structures that influence social interaction. The state and its institutions, and also individuals, respond to crime by adopting certain coping strategies that have direct social costs. Social costs in the context of crime can be largely understood as those foregone social desirables, opportunities and social preferences arising from encounter with crime or its perceived threats. In addition, society is forced to spend time and effort in responding to crime and also in maintaining law and order. Society is also forced to inculcate and constantly reinforce in its members the value of human life, private property, hard work and self-reliance, which makes organized life possible. The responses, reactions and coping strategies adopted by individuals to survive in the context of crime have effects that have direct social costs on individuals and the society at large as discussed in this section.

### **7.2 Social Costs of Crime**

#### **7.2.1 Constrained social space**

The prevalence of crime and heightened state of insecurity in Nairobi has constrained social space that is important for meeting individuals' socio-economic and even cultural needs. Social space refers to a physical, social and psychological environment in which individual interactions and freedom of movement and choice are safeguarded and enhanced.

It is evident from the study findings that a large section of Nairobi residents, including individuals, households and the business community experience a lot of pressure in choosing social places. They also feel insecure while conducting their activities because of fear of crime, which has infiltrated entertainment and recreational places. This has limited space for expressing and meeting individual and social needs. The constrained social space is a consequence of the various actions, responses and coping strategies that most individuals have adopted to survive within a crime prone environment.

Table 7.1 illustrates a number of coping strategies and reactive measures taken by individuals, households and even businesses that have limited and constrained the social space necessary for human interaction and for gratification. A total of 87% of households stay with gates closed while 82% of households reported that they usually stay with their doors and gates closed. Although they may be physically safe from criminal attacks, they are likely to feel emotionally and psychologically unstable, therefore affecting the level of interpersonal relationships.

Some of the respondents experience time constraints arising from fear of crime, which mitigates the personal constraints as reported by 28% of those who consider time as a determining factor in selecting entertainment and leisure activities, and by 76% of individuals who avoid traveling during certain times that they perceive as unsafe. About 22% of the individuals interviewed reported that they usually seek company of their friends when visiting various entertainment and leisure places mainly to minimize chances of becoming victims of crime. This behavior constricts the choices made by individuals while making decisions to engage in such social activities, mainly because of the cost implications of seeking and sustaining a company of friends in entertainment settings. This means that if the cost of sustaining such a group is high, individuals with limited resources will postpone gratification for their social and emotional needs. In other words, crime can largely influence when and where emotional and social needs can be gratified. The majority (63%) of individuals interviewed also reported that they usually seek company of their friends as they venture into various activities in the city. Another 9% of individuals reported that they often avoid social places that are unsafe and susceptible to crime and therefore felt constrained in terms of limited alternatives that are safe for social expression.

The above results point to an emerging trend in avoidance behavior among individuals, which may further constrict the available opportunities for social expression. This is further confirmed by a large section of individuals (87%), who reported that they often avoid risky places irrespective of their economic and social value as long as they are largely perceived as unsafe. In addition, a significant proportion of individuals interviewed reported that they exercise a high degree of caution and alertness in course of their varied activities. For example, 28% are highly cautious while at entertainment/leisure places and 65% are usually under a heightened state of alertness against crime in course of their various activities in the city. Preoccupation of individuals with caution and alertness especially in social places is not healthy for realizing emotional and social needs. People attend entertainment and leisure places mainly because they want to relax, interact, break monotony and renew their energies and ventilate their fears and anxieties of life. A heightened state of insecurity coupled by a high degree of alertness and caution usually defeats these social goals.

A large proportion of individuals also reported that they do not carry their valuables with them to social places and that some also conceal such valuables. This is a major social constrain in the sense that concealment or desertion of such valuables denies the owners the opportunity to signify their social status and possessions, if only for emotional satisfaction. Some of these valuables are largely referred to as status symbols (e.g. gold chains, watches, rings, etc) since they signify positions and even roles of members in the society. Also, about 43% indicated that they normally dress in a way that would not predispose them to criminals. This is achieved largely by avoiding expensive wear and adornments.

**Table 7.1: Security precautions, coping strategies and exposure to attack**

<i>Observed security precautions (households)</i>	Important	Least important
Stay with gates closed	87	9
Both doors and gates locked	82	13
Come home early	86	9
Walk in the company of others	60	27
Avoid risky places	93	5
Remain alert to insecurity risk	90	6
Not carrying valuable items	61	24
<i>Coping strategies in shopping and entertainment (individuals)</i>	Entertainment/Leisure	Personal shopping
Accompanied	22.1	9.2
Avoid	9.3	3.7
Caution	28.4	8.8
Dress	2.4	1.9
Money	5.9	28.2
Time	28.2	
Shopping place		40.6
<i>Coping strategies with crime by individuals</i>	Percentage	
Avoidance of risky places	87.9	
Arming themselves	4.1	
Walk in company	63.0	
Exercise caution	64.9	
Avoid traveling some hours	76.0	
Dressing cautiously	42.8	
Concealing their valuables	57.8	
<i>Factors exposing businesses to criminal attack (CBOs)</i>	High risk	Least at risk
High tur over and attracts more customers	88.1	7.2

### 7.2.2 Squeezed time of operation

Crime has exerted pressure on the time available among individuals, households and the business community to meet their needs. The time considered safe to meet social and emotional needs, especially after working hours, for both individuals and groups is limited. Majority of respondents (58 %) indicated that it was risky to conduct business or visit certain entertainment places within the city center and some estates after 5 pm. Some 13% of businesses in the service sector reported that they usually open late and close early due to the perceived risk of crime. Majority of entertainment and leisure places fall under this sector and are therefore highly affected. This perhaps explains why most entertainment and social places like bars and discotheques have relocated from the city center to residential estates where most people prefer attending in the evening mainly because they are more familiar and near their respective residential places.



Table 7.2: Coping strategies by business and time of occurrence of crime

Coping strategies by businesses	Total	Manufacturing	Services	Commercial
Opening late and closing early	14.4	11.8	12.8	16.5
Concealing valuable goods	7.9	7.8	8.9	8
Time of occurrence of crime in different places (%)	City center	Estates	Outside city center	Most risky hour of conducting activity in the city
Early in the morning before 8 am	3.21	3.41	4.21	14.73
Any time	40.02	31.14	31.8	3.75
Between 8 am-5 pm	21.71	7.64	9.58	6.37
After 5 pm	20.74	14.22	11.88	58.93
7 pm-7 am	14.31	43.6	42.53	16.23

Respondents in the household survey were asked to state the times they normally leave home and return in the evening and what influences their schedules. Majority of them reported that they usually leave home late in the morning and come back early in the evening mainly for security reasons. Majority of them reported that it is very unsafe to leave their houses before 6 am and also return after 9 pm. For example, 46% of those residing in Shauri Moyo estate reported that they usually leave their houses late in the morning due to insecurity problems and 54% return early for the same reason. A similar situation was reported in Riruta where 35% leave their houses late and 57% return to their houses early due to insecurity problems.

In general, therefore, one can argue that individuals are faced with squeezed time that does not allow the convenience to do what they like. This results into poor time management as people try to meet their social obligations and needs within a constrained environment. It also leads into overlaps where, for example, where people shop or go for entertainment when they should be working. The responses by business people, especially those in the social service and leisure/entertainment industry shows clear social costs in terms of constrained valuable time for social expression.

### 7.2.3 Individuals feel caged in security checks

Existing security checks in the city infringe on personal and social rights and individual freedoms. Individuals go through the inspection process, which sometimes involves body searches and questioning that may arouse uncomfortable feelings and reactions from those who value privacy and freedom. The service sector, where most social and entertainment places fall, has invested heavily on security infrastructure and security personnel with emphasis on checks and inspection before customers are ushered in. Most customers prefer places that are safe, with easy entry and exit, and devoid of restrictions on the basis of enforcing security. The presence of elaborate security checks discourages customers who often shy away from such restrictions and security checks.

Most businesses have employed security guards and erected a variety of physical and electrical barriers to check against infiltration by criminals to their premises. The security barriers and the presence of guards makes customers feel trapped in a security web, which often takes a lot of their time and infringes on their personal freedoms and privacy.

Table 7.3: Security installations in the estates

		Estates	Percentage
Estates	Percentage	Buruburu	15
Kabete/Runda	38	Cigiri	13
Shauri Moyo	27	Pangani	13
Spring Valley	31	Riruta	12
Jogoo Road	31	Kileleshwa	13
Kilimani	25	Embakasi	8
Industrial Area	23	Langata	7
Karen	22	Muthaiga	3
Hardy	22	Kasarani	3

Table 7.3 shows the widespread security installations in different areas in Nairobi. There is also some concentration of installation of security infrastructure, mainly security guards, in residences within the estates. These guards usually operate with certain routine instructions from the owners of the households and their employers. The instructions mainly involve searching and questioning persons entering the residence, whether on business, entertainment or just for a regular home visit. Many social places are currently located within residential estates and therefore the security personnel deployed at the gates usually conduct regular checks at the entrance. Some of these checks may not be quick and sensitive as they are expected and therefore most customers who would like to pay a casual visit may decline to do so and look for an alternative venue.

Table 7.4: Security measures put in place by various agencies

	Landlord	City council	Police	Other central government authorities
Restricted visitors	75	6	14	5
Restricted time of entry in the estate	77	5	14	5
Regulating operations of businesses	28	30	14	28
Organizing vigilantes	42	9	24	25
Conducting patrols	25	9	37	29
Investigating crime	19	5	44	32
Barring illegal activities	27	17	29	27
Arresting suspects	15	13	40	32

Other security measures as outlined in the table above infringe on personal privacy and individual freedom, especially when they amount to harassment of persons involved. Restrictions on time and visitors have, for example, clear social oversights since individuals normally aspire for unrestricted movements for entry and exits especially if they are paying for the services that brought them into such premises. Regulations on the hours of business operations are normally reinforced by tough orders and harassment by way of warnings by security personnel. This response may not augur well with customers who in most cases would like to interact and spend more time than prescribed. They normally take it as undue harassment when they are requested to leave. The existence of police patrols and by vigilantes is also a form of a meshing and caging especially when individuals are stopped and searched for a long time on or after their good time at social places.

7.2.4 Selective and curtailed movements

The high prevalence of crime and increased sense of insecurity among most Nairobi residents have largely elicited a behavioral response broadly described as *self-imposed curfew*. Individuals map out certain areas of their environments (town or residences) as no go zones at specific times. About 60% of respondents indicated that they often shy from undertaking any activity, whether valuable or not, if it would expose them to the risks of crime. This behavior affects not only their economic lives but also the social and emotional lives.

Some respondents indicated that they can not shop in certain points in town streets or go for entertainment in some places. This behavior curtails their movements by limiting choice of direction and even destinations. The study findings indicated that most Nairobi residents, including individuals, households, and business owners have encountered serious security risks and problems in certain places and at specific times as they conduct their activities within the city. They often respond by avoiding these places and restricting their activities to less risky hours. For example, 55% of households admitted that they often avoid risky social and entertainment places. 39% of households leave the city early for their homes. 10% of the individuals interviewed reported that they often avoid risky social places, while 28% of individuals leave the city center early for their homes. The findings also reflect a similar trend of avoidance behavior among customers and members of public even in the selection of areas for shopping and in their consumption patterns. For example, 40% of the individuals interviewed avoid risky shopping places and are often cautious of their own safety.

Table 7.5: Coping strategies in shopping and entertainment

	Entertainment/leisure	Personal shopping
Accompanied	22.1	9.2
Avoid	9.3	3.7
Caution	28.4	8.8
Dress	2.4	1.9
Money	5.9	28.2
Time	28.2	
Transport	3.7	2.3
Shopping place		40.6
Conceal the items		1.0
Type of purchases		4.7

7.2.5 Captives in their own space

Most Nairobi residents manifest certain coping strategies in the context of crime and insecurity that have made them captives in their own spaces and lives. The study findings indicate that most of them, especially among the upper and the middle classes have erected *barricades* and constructed *fortresses*. High walls, electrical fences, etc exemplify the barricades, while multiple grilled doors, multiple lock systems, and house bankers exemplify the fortresses. These structures also impact negatively on the occupants in the sense that it locks them out of the physical and social world, therefore driving them into social isolation. For instance, if young persons are left under such "bankers", they may experience a greater sense of alienation and may resort to anti-social behavior such as drug abuse to deal with the consequences and the suppressed needs for social interaction.

More significant is the risk that such structures pose. For example, in the event of accidental fire, it may be difficult to evacuate from a house or business premise that has several metallic doors with complex lock systems and stonewalls that often have small gates. In the event also of a criminal attack, it may be difficult for both occupants and the neighbors to realize that crime is being committed.

In general, therefore, individuals have erected barricades that give a false sense of security. Unfortunately, criminals seem to have a clever way of going around these barriers as soon as they are erected. Therefore, the real solution is to direct attention to other more objective ways of controlling crime.

Table 7.6: Security measures put in place by various agencies (%)

	Landlord	City Council	Police	Other central government authorities
Installed burglar proof devices	81	9	7	3
Installed security alarm system	90	8	0	3
Restricted visitors	75	6	14	5
Restricted time of entry in the estate	77	5	14	5
Demolition of illegal structures	33	32	17	18
Provision of lighting	41	38	13	8
Regulating operations of businesses	28	30	14	28
Organizing vigilantes	42	9	24	25
Educating members on security measures	29	10	30	31
Conducting patrols	25	9	37	29
Investigating crime	19	5	44	32
Barring illegal activities	27	17	29	27
Arresting suspects	15	13	40	32

### 7.2.6 Herd-like behavior

Most Nairobi residents are in constant search of group security as a way of dealing with their intense feelings of fear of crime and criminals, and as a way of minimizing chances of becoming a victim. This behavior has forced them to adopt a *herd-like behavior* as a way of coping with imminent security threats.

Some respondents reported that they often search for company in the group as a way of coping with crime and dealing with acute feeling of insecurity. The group context naturally provides a sense of security, both social and psychological and it is often regarded as an immediate alternative in cases where the state cannot provide security. Over-reliance on group security and group life leads to loss of the "person" through loss of personal independence and individual space. Individual space and a sense of self-determination is a key social need, especially where individuals would like to express their feeling and actualize their personal choices with free will and determination outside the group experience. The desperate attempt of individuals to seek group protection has created a "herd mentality" among residents of Nairobi. Some 60% of households reported that they often seek group security when confronted with fear or risk of crime. 22% and 10% of the individuals reported that they normally seek company of their friends or others when attending entertainment grounds and in the shopping places, respectively.

Prevalence of crime and the escalation of crime phobia have therefore robbed individuals of their natural justice for independence and self-determination. This may lead to a state of *anomie* or state of *normlessness* as individuals fight to reclaim their lost space and the need for self-determination.

Table 7.7: Observed security precautions by households

	Most important	Important	Least important	Not important
Stay with gates closed	48	39	9	4
Both doors and gates locked	40	42	13	5
Come home early	39	47	9	5
Walk in the company of others	15	45	27	14
Avoid risky places	55	38	5	2
Activate security system	34	42	12	13
Drive with doors locked	35	43	10	12
Remain alert to insecurity risk	42	48	6	3
Not carrying valuable items	18	43	24	15

### 7.2.7 Erosion of social values

The reluctance of most Nairobi residents to respond to calls of distress by victims of crime, especially street muggings, is an indication of erosion of social values and the moral obligation of being mindful of each other's welfare. The survey indicates a high level of public apathy and negligence in regard to the expected human response to distress calls, especially those from victims of crime. Majority of respondents agreed that Nairobi residents do not offer assistance to their neighbors when attacked by criminals.

Table 7.8: Respondents who feel people of Nairobi do not offer assistance to victims under attack

	Frequency	Percentage
Strongly agree	450	56.75
Agree	216	27.24
Somewhat agree	80	10.09
Somewhat disagree	23	2.90
Disagree	20	2.52
Strongly disagree	4	0.50
Total	793	100.00

The results indicate that over 56% of respondents confirmed that most Nairobi residents decline to give any immediate assistance to the victims of crime mainly because they fear that criminals may strike back at them even when they are not dangerously armed as reported by 62% of respondents. Some 19% indicated that most of them fail to respond out of apathy and insensitivity to distress calls. This illustrates the extent to which crime has eroded our social, cultural and national values towards each other.

Nearly 70% of individuals who had witnessed a scene of crime declined to give any immediate assistance to the victims because of various reasons. Some 56% said that they feared reprimand from criminals while 24% indicated that they did not have the time to attend to distress call by victims of crime.

Table 7.9: Reasons why assistance was not offered

Reasons for declining to assist	Percentage
Fear of reprimand by the criminals	55.52
Shying of the embarrassment	4.45
Crime is normal	1.60
Empathize with plight of criminals	12.63
Had no time	23.31
Was at a far distance	1.42
Has never witnessed crime scene	1.07

A logical deduction is that criminals constantly and systematically instill fear to the members of the public by using crude means of violence such as gun power, rape, and other forms of intimidation. This sets fear in the minds of the public to the extent that it leads to paralysis in the event of a criminal attack. This is a serious social precedence that requires intervention in the form of education and sensitization to reduce psychosocial fear and distress.

### 7.2.8 Nomadism in the city

A considerable size of Nairobi residents have been subjected to *forced migrations* mainly arising from criminal attacks against their residence or members of their families. The survey findings indicate that the middle class is highly affected. The social costs arising from forced migration include severing of existing social networks, loss of contacts, and change of socialization environment, which mainly affects children. It also curtails and limits the frequency of social contacts due to increased distance arising from changes in residence.

The high prevalence of crime and the heightened feeling of insecurity in the city have therefore created "*urban nomads*". Crime phobia has elicited a conscious search for safe zones by most city residents, especially the middle class. Social mobility with visible indicators often makes individuals susceptible to attacks by criminals. The study findings revealed that most criminals use some of these socio-economic indicators to select their targets for attack. When individuals within this description realize that they have become targets, they often respond by shifting to what they regard as *safer zones* or where it offers them a *social camouflage* as they live among their equals.

About 53% of Nairobi residents have changed residence from one place to another at different times. The middle-lower income classes have changed residence more than the upper class. Some of the households changed residence due to insecurity, as reported by 27% of the respondents. The majority of businesses (59%) make security arrangements before settling in new houses. About 90% of households rate general security of the residence as important as far a security is concerned when settling in a new house.

The survey findings indicate that who shifted their businesses from one location to another because of security reasons constituted 32%. This finding confirms the argument that crime is a major issue that determines the viability of business within a particular location. These movements may affect the choices individuals make regarding their shopping styles, therefore disrupting the type of social and economic interactions and relationships that had taken form in the previous location.

Table 7.10: Relationship between type of crime and the social class

		Social stratification		
		Upper income class	Middle income class	Low income class
Type of crime that has targeted the household	Robbery with violence	14	51	35
	Mugging	6	42	53
	Theft	11	39	50
	Pick pocketing	0	50	50
	Vandalism	10	50	40
	Murder	0	50	50
	Burglary	13	54	33
	Arson	25	0	75
	Fraud	0	100	0
	Assault	100	0	0
	Carjacking	50	50	0
	Conning	0	0	100

The table demonstrates that the middle class is highly targeted by many criminals across the various crimes that had been experienced. This probably explains why there were a lot of shifts and change of residence among the middle class.

### 7.3 Psychosocial effects of crime

The psychosocial effects of crime occur when the behavior of individuals is influenced by the psychological attributes of crime such as phobia (chronic fear of crime, mob psychology, etc) and heightened state of insecurity among members of society. Severe psychosocial effects posed by crime among a larger/significant section of the society may have adverse social costs on any society. The following are some of manifestations of the psychosocial effects of crime:

#### 7.3.1 Crime phobia

This is a psychological state exemplified by intense fear, distress, anxiety, acute sense of insecurity caused by crime or perceived threat of crime. The high prevalence and heightened state of insecurity among Nairobi residents has inflicted chronic fear among individuals that preoccupies their mind and emotions all the time and in most places. The study established that the high degree of fear is caused by a number of sources. These sources include violence (painful injuries) and ruthlessness with which criminals execute crime. Another source is the threats criminals use to intimidate victims into compliance, and violent crime scenes that are normally displayed by both print and electronic media.

Majority of individuals, households, businesses, and even security workers interviewed expressed a high level of feeling of insecurity in the streets, in their homes, while conducting businesses, and while on their duties. The perception of high level of insecurity heightens the level of fear, public apathy and paranoid reactions such as mob executions.

One of the main causes of heightened psychological fear is the pain, loss and the psychological trauma and emotional devastation inflicted directly by criminals. Another likely source of this fear is the threats, both verbal and symbolic, that are used by most criminals.

The experience of this nature tends to last for long in the mind and emotions of the victims and entrench a deep sense of insecurity and vulnerability. If these effects are not properly managed they sow a seed of social paralysis, public paranoia and mass hysteria. These psychosocial

pathologies spread from a single victim into the public arena through informal and formal communication channels such street talk, print and electronic media.

The messages and crime scenes and images communicated by the mass media are capable of influencing the perceptions of the general public and create feelings of fear and insecurity, therefore raising the fear and reactions among members of public. This calls for measures to manage crime information in a way that would minimize other collateral damages such as trauma.

The feeling of insecurity arising from a single incidence of crime may often last longer and would require strong reassurance to restore confidence in the victim. This explains why decline in the reported incidents of crime does not necessarily translate into feelings of safety among members of the public, and therefore does not automatically raise public confidence.

**Table 7.11: Nature of execution of crime**

Aspects of crime	Increased (%)	Decreased (%)	Year
Incidence	63	37	2003
Violence	72	28	2000
Ruthlessness	69	31	2003
Sophistication	66	34	2003

Table 7.11 shows the levels of perception of members of public on various aspects of crime in Nairobi. The results indicate that crime was increasingly becoming violent, ruthless and sophisticated over and above being high in incidence. The year 2003 was the most violent year as indicated by high perceptions among the public. These results correspond with the findings on prevalence of crime and feelings of insecurity, which was high in the year 2002 and 2003 as indicated by the households interviewed.

**Table 7.12: Prevalence of crime by the households**

Year	Percentage
1999	12
2000	16
2001	14
2002	25
2003	33

### 7.3.2 Mob psychology, public paranoia and mass hysteria

The painful experiences of crime have made most Nairobi residents to resort to mob behavior whose consequences are usually mob executions and violence meted on the suspected criminals. Severe manifestation of the consequences of the psychosocial impact of crime is exemplified in what is popularly known as *mob justice*. Mob justice arises from the fact that the reactions posed by crime may either be expressed with aggression/brutality or with resignation (passivity). Those who respond with aggression are mostly agents and perpetual advocates of mob psychology. They resort to excesses to punish criminals caught up while committing crime. Those who respond with passiveness engage in self-preservation behavior such as avoidance and being oversensitive to crime and criminals. This predisposes them to a psychological state referred to as mass hysteria (acute fear that has both physiological and psychological symptoms).



### 7.3.3 Frustration and aggression

The high prevalence of crime and state of insecurity makes Nairobi residents express their frustrations through aggressive behavior characterized by mob executions, public paranoia and sadism. Both members of the public and criminals manifest these characteristics.

Public paranoia is exemplified in situations where excessive fear of crime is manifested through anger and mistrust among residents as they interact with each other and a heightened sense of alertness. The source of this frustrations and aggression is mainly aroused by the crude and disheartening strategies used by criminals as illustrated in Table 7.13.

**Table 7.13: Strategies used by criminals**

Strategies	Percentage
Use of intimidation and threats	13
Surprise attacks	34
Wavlaying at strategic points	28
Colluding with the police	12
Surveilling the movements of police	13
Total	100

### 7.3.4 Social paralysis

The intense psychological fear inflicted by violent criminal and criminal scenes leads into a state of psychological paralysis in responding to crime, which occurs when individuals become numb and fail to take action once confronted by crime. This spreads to other members of public and it finally sets a situation for social paralysis. This is a social condition where individuals are overwhelmed by crime, fail to report incidents of crime, and also decline to give assistance to victims of crime.

An indication of social paralysis is evident by the level of apathy, and disinterest especially when people encounter incident of crime. Only 33% of the respondents reported at least to have given some assistance to the victims of crime.

Majority of respondents overwhelmingly confirmed the notion that most Nairobi residents do not give immediate assistance to the victims during attack and do not respond immediately to distress calls and usually opt to enquire after the victim has been dispossessed.

Majority of respondents agreed that they declined to give immediate assistance because they fear reprimand from criminals. Others largely, display resignation and apathetic attitude towards crime. Most residents of Nairobi (60%) who witness crime do not offer any assistance to victims (Table 7.14).

**Table 7.14: Relationship between witnessing and assisting a crime victim**

Ever witnessed a crime in the neighborhood	Any assistance offered to the victim		
	Yes	No	Total
Yes	40	60	100
No	5	95	100
Total	45	155	200

7.3.5 Psychological trauma

This refers to psychological damage caused by an abrupt, sudden and critical incident of crime such as car jacking, abduction, rape or gunshot. It is often painful, shocking and may cause emotional numbness, confusion and cognitive dissonance. Victims of crime have been largely subjected to extreme trauma arising from the violence and ruthlessness of criminals in the course of executing crime. The injuries are not only physical, but largely psychological, arising from loss of material goods, and physical harm. Most respondents interviewed (business, household, individuals, security workers, CBOs, key informants and security firms) reported that criminals are mostly violent, ruthless, sophisticated and sadistic in implementing crimes.

7.3.6 Sadism

Some criminals make an extra effort to inflict bodily and other physical harm to the victims even after they have surrendered all the material possessions. They seem to derive psychological pleasure by inflicting pain on their victims. This experience is reported by over 10% of households interviewed, who reported that some criminals went to the extreme of killing by inflicting personal harm to the victims. Criminals use this tactic to subdue victims and make them disclose more information and release concealed cash and goods. However, it is also manifestation of a psychosocial pathology that requires further analysis.

The study findings revealed that most criminals are influenced by material needs in planning and executing their criminal activities. This view was confirmed by 55% and 35% of the households interviewed who reported that most criminals either dispossess victims of their material goods such as electronic appliances, or cash, respectively.

A cross tabulation of the relationship between the motive of crime and the mode of executing crime shows a considerable proportion of households who reported that the motive of criminals was to inflict harm or injury on the victims for no apparent reasons (Table 7.15).

Table 7.15: Relationship between motive of criminals and mode of execution

How the attack was carried out	Motive of injuring and inflicting personal harm		Total
	Yes	No	
Physical attack	7	-	7
Rape/attempted rape	3	-	3
Beating/assault	7	-	7
Forced breaking	3	-	3

7.4 Conclusion

Crime has major social and physiological costs, which have adverse effects on individual well being and national development. The characteristic features of criminals reveal important psychosocial aspects that make them resort to crime either as a means of coping and succumbing to excessive peer influence. Most violent criminals are most likely unemployed and this could be a major source of frustration and aggression that is often ventilated through criminal activities. This would support the view that we can address the problem of criminal activities by provision of job opportunities and social prevention measures.

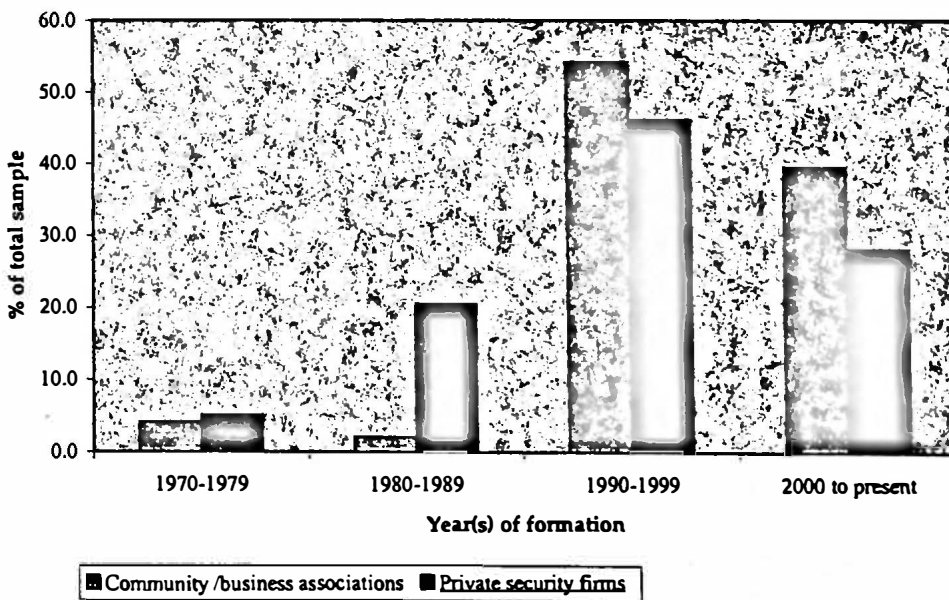
## 8. RELATIONSHIPS AMONG CONSUMERS AND PROVIDERS OF SECURITY SERVICES

### 8.1 Introduction

It requires the effort of all stakeholders, including consumers and providers of security services, to curb crime and therefore create a favorable investment climate. Although the government has the sole responsibility of ensuring law and order, it is evident that the government has faced various constraints over time, which has resulted to a rise in criminal activities. In response, the consumers together with private security service providers have taken various actions to ameliorate the situation.

The security service industry has witnessed a lot of dynamism. The industry, for example, has witnessed new entrants including growth in private security firms and community based organizations (CBOs) as demonstrated in figure 8.1. Most of CBOs and private security firms sampled started their operations in the 1990s. The government has also taken various steps in combating crime, including creation of specialized units within the police force, encouraging community policing forums and formation of partnerships among various players. A number of factors have contributed to growth in private security initiatives. These include: fear of crime and crime itself; inability of the state to provide adequate security; inefficiencies in law enforcement agencies; expansion of property ownership (private); and dwindling public confidence with the police. Crime is also seen as a business where increased trends in criminal activities have resulted in a flourishing business. Security workers view security provision as a business like any other; it allows businessmen to diversify their income and creates employment opportunities for Kenyans, especially majority of the retired policemen. It is also easy to start, as it is unregulated.

Figure 8.1: Growth of private security providers



The study takes into consideration the dynamism in the industry by looking at emerging relationships and how best the interactions can benefit the consumers of security services.

Understanding the interactions among the various players is an important policy issue. It helps in formulating policies that could reverse the security situation in Kenya. The study collected views of the various stakeholders in the industry, including the community-based organizations, private security providers, key informants (public institutions, civil societies, NGOs and religious bodies) and the consumers of security services including business firms and households.

## **8.2 Roles of Various Players**

In this section, we look at the core functions of the various players in curbing crime. These players include the police, members of the public, local authorities, the private sector, community security arrangements, civil societies and the media.

### *8.2.1 Police force*

Generally, the police is expected (as defined in the Police Act) to perform the following functions: to maintain law and order, preserve peace, protect life and property, prevent and detect crime, apprehend offenders, and enforce the law.

There was consensus among key informants that the police have a critical role in providing an enabling environment for the private sector to operate and grow. To perform this duty, the police have to arrest criminals and bring them to justice. One of the key informants felt that police should concentrate on maintenance of law and order, while the private sector focuses on crime prevention. Private providers view the role of the police as that of maintaining law and order, peace and security, combating and preventing crime, and enforcing law.

### *8.2.2 Members of the public*

There was consensus that the public has a major stake in security provision and therefore need to work closely with other stakeholders by divulging the necessary information that may be helpful in curbing crime. In addition, society is aware of the criminals in their midst (assumed to know almost 90 percent of the criminals) and therefore can be helpful in identifying criminals and exposing criminal activities. However, the role of the public seems to have diminished over time because they fear giving out the information to the police for fear of exposing themselves to criminals who are often left free by the law.

### *8.2.3 Private sector*

The role of private security firms was viewed as that of supplementing the police in security provision, maintaining peace and security, combating crime, and reporting incidents of crime to the police. However, some of the key informants noted that although security companies supplement the police, there ought to have been a reduction in the number of private firms if the police had done their work as expected. The larger private sector should participate in the policy making process to enlighten the government on their security needs. The private sector can also provide resources that can be used by the government in overcoming financial constraints faced by the government in combating crime.

### *8.2.4 Local authorities*

There was unanimous agreement among respondents that local authorities have a very important role to play in preventing crime. Their roles include enforcing the law (by-laws), supplementing the police in security provision, fostering closer cooperation between citizens and the police, provision of social services, public awareness, organizing the community in creating employment opportunities, and promoting community policing. In addition, local authorities have the responsibility to collect garbage, maintain roads, ensure that there are no illegal structures, and ensure adequate lighting for the city. Despite the fact that the City Council is a custodian for city development, it has not played its role effectively. The survey results indicated that consumers

have very low confidence with local authorities and rated them as very inefficient. Some respondents even wondered whether some officers in the council know the by-laws.

#### *8.2.5 Community security arrangements*

Community security arrangements include community-based organizations, vigilante groups, and community leaders. These are expected to report incidents of crime to the police force, foster closer cooperation between citizens and the police, mobilize communities in supporting the fight against crime, and organize the community in creating employment opportunities. This role came out strongly from surveys of both private security firms and community-based associations. Community leaders are expected to take a leading role in creating public awareness on the need to take precaution.

#### *8.2.6 Civil societies*

The civil society is expected to engage in public awareness campaign by fostering closer cooperation between citizens and the police, organizing the community in creating employment opportunities, and promoting community policing. Other roles include formulation of crime prevention strategy, crime mapping, and sensitizing the public.

#### *8.2.7 Media*

The media has a very important role in preventing crime. This is achieved by informing the public through awareness creation and through wide exposure of criminal activities. However, the media has been accused of exaggerating insecurity and increasing fear of crime. It has been accused of alarmist reporting and sometimes giving an impression that criminals are winning while the police are losing in the fight against crime. Some media reports are sensational and sometimes do not reflect the reality on the ground. Respondents indicated that the media need to revisit the methods and style of reporting crime.

It emerged that respondents are aware of the roles of various stakeholders in the fight against crime. Table 8.1 shows a summary of the views of private security firms and community-based organizations (CBOs). It is evident that the police have a major leading role in maintaining law and order while other providers should supplement and support the police system by sharing information and reporting incidents of crime. The media, community leaders and civil societies should foster closer cooperation between the public and the police and support community policing through public awareness. The public is expected to voluntarily divulge information on criminals living in their midst while the wider private sector should participate in policy making to enlighten the government on their security needs. Local authorities should participate in the fight against crime by providing adequate support services.

Table 8.1: Views on roles of various stakeholders in preventing and combating crime

	Community based associations	Community security firms	Private security firms	Local authorities	Police	Vigilante Community leaders	Civil society
Community based associations							
Maintaining peace and security	5.3	15.1	2.0	28.5	5.8	6.6	1.9
Combating crime	5.3	20.4	2.0	30.9	11.6	3.3	1.0
Enforcing the law	1.5	5.4	9.2	26.8	2.3	1.6	1.0
Reporting incidences of crime to the police force	13.7	21.5	9.2	1.6	19.8	9.0	3.8
Complement the police in security provision	11.5	29.0	18.4	24.4	2.5	3.8	
Fostering closer collaboration between public and the police	8.4	4.3	4.1	4.9	5.8	12.3	8.6
Provision of social services	2.3	1.1	35.7	1.2	0.8	9.5	
Public awareness	10.7		9.2	1.6	2.3	19.7	23.8
Organize the community in creating employment opportunities	7.6		4.1		1.2	10.7	15.2
Promote community policing	19.1	3.2	6.1	5.7	17.4	18.0	12.4
Community mobilization	14.5				8.1	15.6	19.0
Private security firms							
Maintaining peace and security	4.3	11.5	2.8	28.5	3.7	5.3	4.7
Combating crime	2.6	16.2	3.8	27.8	6.3	2.6	2.8
Enforcing the law	4.3	4.6	11.4	27.1	2.5	1.8	2.8
Reporting incidents of crime to the police force	12.8	24.6	4.8	0.7	17.5	5.3	9.4
Complement the police in security provision	6.8	27.7	17.1	2.1	16.3	1.8	5.6
Fostering closer cooperation between citizens and the police	11.1	3.9	13.3	2.8	7.5	15.1	13.2
Provision of social services	11.1	4.6	13.3	4.2	7.5	16.8	22.7
Public awareness	10.3	3.1	9.5	0.0	5.0	14.2	13.2
Organize the community in creating employment opportunities	20.5	3.1	13.3	4.9	20.0	19.5	14.2
Promote community policing	16.2	0.8	10.5	2.1	13.8	17.7	11.3

8.3 Performance Security Service Providers

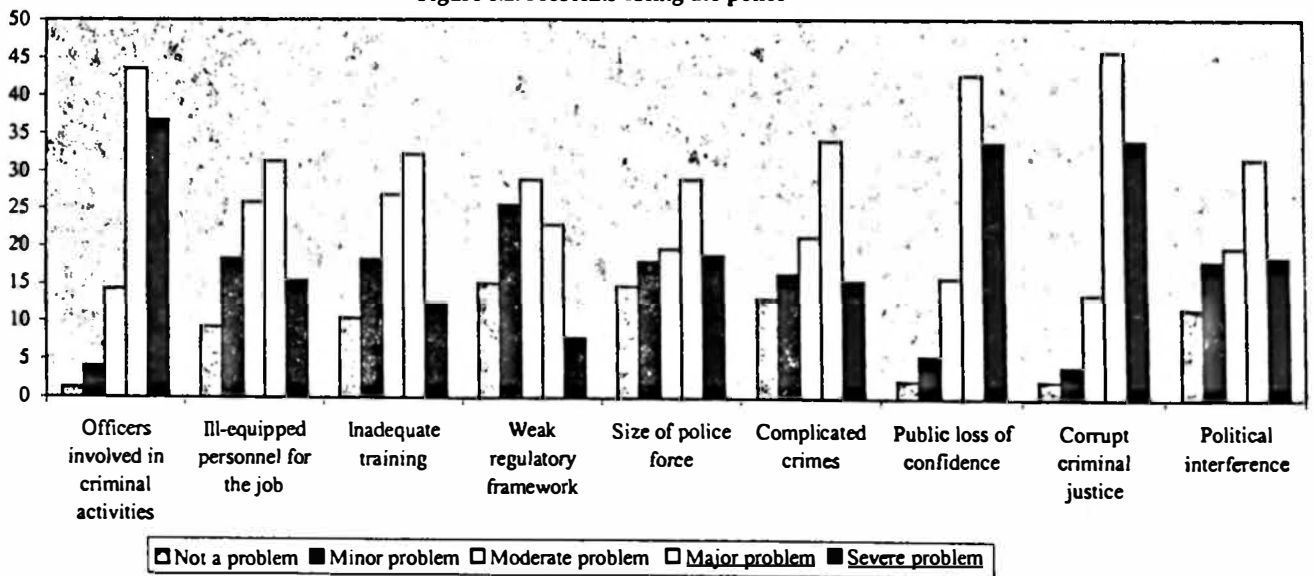
Consumers of security services have different views on security service providers. Table 8.2 shows the level and degree of confidence respondents have with various stakeholders in the industry. They rated the state machinery, the police, city council, and provincial administration as ineffective and inefficient. The key informants dissatisfied with the police thought "there is need to sack all the police officers, ask them to reapply and reemploy them on merit. There should be a clean up of the entire police force and nobody from the inside should help since there is a cartel within the police force. This has been done in Uganda and is possible in Kenya. The police should go through transitional justice where they are open on all the wrongs they did". Private security firms and community-based initiatives such as vigilante groups were viewed as highly effective. Nonetheless, consumers are not convinced that private security providers are the best alternative source for security services.

Table 8.2: Rating performance of various stakeholders (across consumers of security services)

Level of confidence	Stakeholder(s)								
	Police	City council	Provincial administration	Individual security personnel	Leaders	Vigilante groups	Private security company	Neighborhood watch groups"	Company employed guards
Very high	3.6	0.6	1.9	10.0	2.6	6.8	17.4	4.4	10.1
High	24.6	7.0	28.1	48.0	17.3	22.3	52.8	26.7	40.6
Moderate	35.9	7.2	1.0	3.0	2.0	7.6	16.4	36.3	28.8
Low	39.6	38.6	43.1	27.0	41.0	27.5	12.8	12.2	6.1
Very low	20.1	47.7	26.0	11.0	38.2	34.4	4.6	4.3	1.8
Degree of effectiveness									
Very efficient	2.7	0.9	3.3	9.4	2.2	8.1	13.2	10.5	6.6
Efficient	30.5	8.7	30.9	50.7	14.6	27.9	50.4	30.2	31.6
Moderate	9.8	12.5	0.2	0.8	0.3	5.4	6.1	7.3	6.2
Least effective	32.0	36.0	35.0	27.8	35.6	22.3	13.6	3.3	5.6
Very inefficient	22.8	46.7	30.4	11.3	46.8	27.3	4.8	3.7	2.3

Several reasons were attributed to the inefficiencies in the public security sector. These include inadequate training and equipment for the job, the size of the police force, and corruption in the criminal justice agencies. Other reasons include a weak regulatory framework and institutional set up. The police force was also said to be dealing with complicated crimes. There was consensus among respondents that with increased globalization, the police are dealing with complicated crimes (such in e-crimes, fraud and terrorism). The behavior of criminals and their mode of operation were also said to have changed during the last five years. As aforementioned, criminals are now more sophisticated, violent, sadistic, ruthless, organized and are colluding with criminal justice agencies. In addition, criminals, as reported by private security guards, are better armed than the police and other security service providers. Figure 8.2 shows the rating of the various problems facing the police by the business community. Issues relating to officers getting involved in criminal activities, public loss of confidence on the police, political interference, and corrupt criminal justice system were ranked as major problems within the police force.

Figure 8.2: Problems facing the police



Consumers of security services also have very little confidence with the state machinery as indicated in Table 8.2. Low level of public confidence with the state machinery in turn undermines their operations in that they receive little cooperation from the public. Consumers and private security providers rated low level of public confidence as a major problem facing the police.

### *8.3.1 Issues of concern with security providers*

Security service providers, police and private operators face various challenges that make them ineffective in making arrests, interrogating criminals and carrying out investigations. Appendix 8.5 provides a comparison of challenges faced by various security service providers as rated by private security guards. Sophistication of crime, including use of guns by criminals, poor pay and working environment and collusion between criminals and the police were rated major problems. Others challenges include training, equipment used and logistical problem were rated differently.

#### *The state machinery*

##### *a) Response of the police in time of need*

Members of the public are concerned about the long delays in getting responses from the police after criminal activities are reported (confirmed by 61.3% of security guards). In fact, majority of the private security personnel (65.2%) interviewed agree that it is a waste of time reporting crime to the police since they do not offer an immediate response and when they do, they take a lot of time to follow up with investigations or never at all. The police force was seen as slow in responding to crimes; they are often not even available on the 999 lines. For example, a respondent indicated that he had to call private security firms on Safaricom and Kencell 911 lines when attacked because nobody was responding on the police emergency number 999.

40 percent of households reported that getting help from police or any authority has been a problem after a crime has been reported. Their reasons ranged from reluctance in conducting investigations to delays in receiving help from police, and corruption in the pursuance of justice. Indeed, most victims sort support from neighbors where they experience very minimal problem. Most of the victims (households) who reported crime to police claim that the police never responded or took a lot of time to move to the scene of crime. The business survey shows that while the reporting rate per hour on petty theft is 86% the police response is 38% as compared to 30% reporting rate per hour for the burglary and a response rate of 67% (Table 8.3).



Table 8.3: Types of crimes reported, crimes experienced by the business community 1999-2004

	Petty theft	Street mugging	Violent robbery	Car jacking	Burglary
1999	0.12	1.19	2.14	1.42	1.90
2000	0.12	0.95	2.37	0.95	3.44
2001	0.12	1.90	3.91	2.25	3.32
2002	1.18	5.10	4.98	2.14	5.10
2003	2.60	12.46	7.35	5.69	9.85
2004	0.47	2.97	1.07	1.78	1.78
Number of incidences	1.68	2.55	1.61	1.47	1.48
Number of reported crimes	.80	1.49	1.60	1.39	1.38
Rate of reporting in one hour (%)	86	42	53	35	30
Rate of police response in one hour	37.5	19.4	41.5	30.0	66.7
<b>Comparison of outcomes for different types of crime (%)</b>					
Investigation conducted	15.22	14.83	25.43	19.26	25.25
Goods recovered	26.24	25.00	4.43	35.58	8.74
Criminal punished	78.27	0.00	11.30	0.00	10.43
Nothing done	21.38	34.00	19.92	1.89	22.81

The CBOs survey indicated that although there was high reporting, arrests and punishment were minimal. For example, over 50% of all cases in 1999 were reported but only a small number were resolved. However, the number of arrests increased in 2003. While reporting takes about one day, there is an improvement over the period on the response by the police, which is encouraging, taking about one day to respond to the criminal activity.

b) *Involvement of the police in crime*

There is a general feeling that a large section of the police force has been colluding with criminals in committing crimes or participating in criminal activities and/or hiring guns to criminals (reported by 66.5% of security guards and some key informants). Police are also seen to be reluctant in arresting and prosecuting criminals. Majority of business enterprises rated police complicity in crime a major problem. Private providers attributed the challenges they face while conducting investigations, preventing crimes and prosecuting criminals to involvement of security personnel (including police) in criminal activities. This undermines public confidence with the police force. Respondents, however, noted that the police system has "some very intelligent people" and "good strategies" but "impunity and corruption has brought them down". Table 8.4 shows the response of private security personnel to various issues. There was a consensus among security workers on various issues.

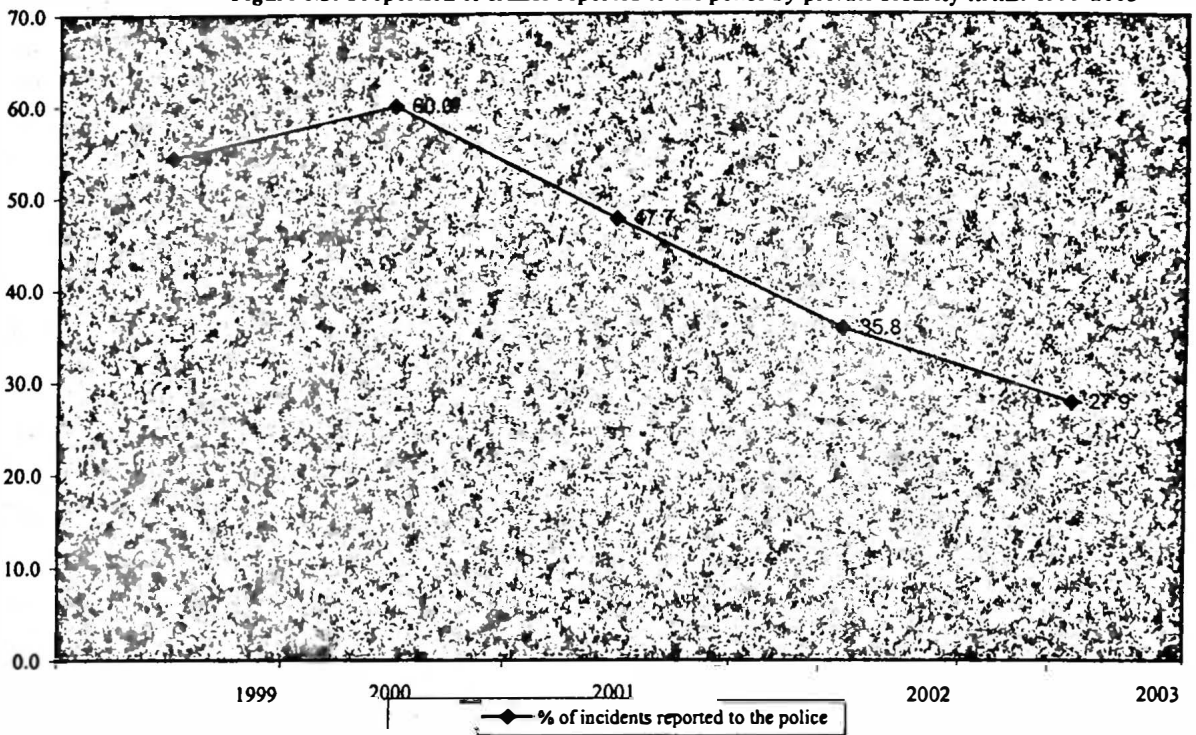
Table 8.4: Security workers views on public concerns

Concerns	Rating					
	Fully agree	Agree in most cases	Tend to agree	Tend to disagree	Disagree in most cases	Fully disagree
It is a waste of time reporting crime to the police	28.0	23.3	13.9	14.4	7.8	11.9
Police neglect minor offences	27.9	21.8	19.0	15.4	6.1	9.8
The number of crimes reported to the police a tip of an iceberg	51.3	28.9	14.0	3.1	1.4	1.4
Collusion of police with criminals	38.0	28.5	15.6	6.7	4.7	5.9
Low capacity to deal with sophisticated crimes	44.7	19.3	13.1	10.1	7.8	5.0
Crime is a booming business	28.3	22.4	19.3	10.2	9.9	9.9
Poor working conditions	80.8	11.6	3.1	1.1	0.6	2.8

c) Reporting of cases

There are very few people ready to collaborate with the police in arresting criminals. Majority (95%) of security personnel interviewed believe that the number of crimes reported to the police only represents a tip of the iceberg regarding the magnitude of crime in the country since many crimes are not reported to the police. This is affirmed by a survey of security firms, which shows a decline in the number of incidents reported to the police (by their major clients during the period 1997 to 2003) despite the rising trends in criminal activities. Figure 8.3 shows that the proportion of incidents reported to the police is declining over time. For example, in 1999, 54.4% of incidents were reported to the police and only 27.9% of the incidents were reported in 2003. There are variations on the crimes reported as indicated in the business survey (Table 8.3). Reporting rate is high with burglary, violent robbery and car jacking, which also seem to have a high rate of investigations conducted.

Figure 8.3: Proportion of crimes reported to the police by private security firms: 1999-2003



The low rate of reporting and/or non-reporting was attributable to: very low level of police aggression (they have lost confidence with the police); small economic value of the goods lost; long delays in getting police reports and in the determination of court cases; fear of retribution by the offender; and involvement of some security personnel (other than the police). These reasons also came out strongly in the business, CBOs and individual survey. Victims of crime (households) also reported that they did not seek assistance from the police because they believe police will not help. The business survey indicated that the outcome of reporting varies across various crimes and there was an indication of minimal recovery and criminal punishment. In most cases, police engage in investigation or do nothing. In fact, 61% of households reported to have never received any assistance from police or any other authority. Although reporting of

cases to police among CBOs seems common, there are situations when incidents of crime were not reported due to delay in police response and the time taken to resolve the problem.

Non-reporting and withdrawal of cases by some business entities, especially the banking sector, is also attributable to other factors. There are situations where businesses avoid publicity and/or feel that there is low likelihood of recovery of property stolen.

*d) Skewed concentration of police resources*

The police have also been accused of only dealing with major offences and neglecting minor ones. For example, all the specialized units within the police are directed towards controlling major crimes: corruption, cattle rustling, terrorism, among others. This could be either because major offences or cases offer a confirmed prosecution and /or investigations are costly and time-consuming. As a result, they are seen to ignore the long-term risks that such crimes could pose in the long term. For example, the business survey (Table 8.3) reveals that street muggings have the lowest rate of police response (19.4%). In addition, most (49.7%) of respondents said that nothing was done after incidents were reported to the police. Of all cases of crime where "nothing was done" after the incidents were reported (to the police), street muggings had the highest percentage (34%), followed by burglary (22.8%), petty theft (21.4%) and car jacking (19.9%). It was further noted that culprits of burglary and car jacking normally go unpunished. Of all cases of crime where investigations were conducted, street muggings and burglary were the least investigated crimes (14.8 % and 15.2% respectively). Again, either because the rate of police response is low or it is difficult to get evidence/witnesses or identify culprits, street mugging was also the least reported crime by security guards. The security workers' survey shows that although mugging was the most encountered crime, only 15% of the incidents were reported to the police (robbery with violence, fraud and car jacking were the most reported crimes). Failure to address minor crimes such as burglary and street muggings leads to greater public anxiety and allows young offenders to drift unchecked into criminal careers that often lead to serious violent crime (that is young criminals graduating into major crimes). This calls for greater commitment in policing focusing on crime, including minor crimes.

*e) Weak coordination and linkages in the criminal justice system*

The criminal justice system in general, including judicial and prison system, was seen to be inefficient in its vital role of managing crime. Table 8.5 shows the rating of respondents on government (the judiciary and the correction system). Respondents complained about the manner in which cases are handled, criminals are prosecuted and/or imprisoned. The process is also long. For example, you have to give statement at the police station, and give evidence at court. This often takes time, and eventually the person may be released.

The level of public confidence with the judicial system is also low. The judicial system was described as hostile, with a tendency to ensure that the best artists get justice. As a result, people prefer bribing the police than going to court. The approach in enforcement of law and order is militaristic, brutal and not intended to the needs of the people. The impervious nature of the criminal justice system and the unaccountability nature of the police force have made people to view crime as a creation of the wealthy to punish the poor, such that poverty seems to have been criminalized.

The coordination of activities in the police force is considered weak owing to the weak structure of the police force. Weak coordination and poor linkages among the criminal agencies hinder their efficiency. However, with the on-going reforms 56% of the firms sampled believe that the reforms would strengthen the institutional set up for crime management.

Table 8.5: Rating the efficiency of criminal justice institutions

	Very inefficient	Inefficient	Somewhat inefficient	Somewhat efficient	Efficient	Very efficient
Judicial	15.86	34.56	17.63	22.13	8.76	1.07
Prisons	18.86	31.08	16.49	22.18	9.61	1.78
Evaluating government machinery						
Clearing cases	16.09	37.40	21.30	19.17	5.68	0.71
Prosecuting criminals	10.20	35.94	24.20	22.42	7.35	0.59
Sentencing criminals	8.99	29.82	26.04	23.91	10.41	0.71
Imprisoning criminals	12.81	29.42	24.08	20.88	11.27	1.54

*f) Police force is thin on the ground*

In the Economic Recovery Strategy (ERS) it is indicated that there are plans to enhance the effectiveness of the police force by increasing the ratio of police to population ratio to 1:450 from its current of 1:850. The study asked the respondent if the present ratio is a problem in the operation of the police. There were mixed feelings among individuals as to whether the size of the police force is an issue. While some individuals disagreed others agreed that the small numbers of the police make them unavailable when/where they are required. For example, majority of the firms sampled ranked the small size of the police a major problem.

*g) Police have no motivation to work*

The police are de-motivated to work due to low salaries, limited benefits, and are ill equipped. Their poor living conditions affect performance and management of crime. They fail to take their work seriously and also tend to be involved heavily in corruption due to lack of motivation. It also emerged that senior police officers who assign duties to the other officers demand payment from them, or place their friends in favourable places of work. This demotivates hardworking policemen since promotion is not based on performance or merit, therefore creating an environment of laxity within the police. Political interference and patronage in the operations of police was also seen to have demotivated the hardworking policemen/women. As indicated in figure 8.2, the business community view political interference as one of the major factors affecting the efficiency of the police force.

*h) Availability and utilization of resources*

Some of the respondents thought that the resources available to the police are not adequate. Other respondents had divergent views, arguing that the police have enough personnel and resources to do their work, and that it is the resources that are not distributed effectively. Some of the key informants emphasized that police never lacked equipment, noting that they are able to carry out major assignments such as guarding foreign dignitaries. Therefore, the problem is misuse and poor distribution of resources, where excellent security services are only provided to senior government officers including, cabinet ministers, while ordinary citizens go with no security.

*i) Weak legal and regulatory framework*

The legal and regulatory framework is considered inadequate for the public security providers. The framework does not allow the police to be accountable for their deeds. For example, if one has a complaint against a policeman, he reports to another member of the police force. The law does not seem to protect the rights of the people who report crime, neither does it make them feel safer.

*Private security providers*

*a) Ill-equipped*

Private security firms are ill equipped to perform their duties. Further, the personnel is inadequately trained for the job. The equipment they use for their job is considered inferior to those of criminals, since the government does not allow security firms to import arms or to be armed. Security personnel actually indicated that they lack the right equipment for their job, adding that they face violent, well-sophisticated criminals who are better equipped. As a result, majority of security workers said that they are not adequately prepared while providing security to the public. Indeed 45.5% said that they are poorly prepared while 16.8% said that they were very poorly prepared. Only 9.7 percent of the respondents said that they are well prepared.

Security workers also indicated that poor equipment of the police force has repercussions on other categories of workers (private/community guards). While most (98.6%) police use firearms, most of the other security workers (security companies and guards of CBOs) use remote panic batons, clubs rungas/pangas, bows/arrows, alarm systems, and whistles. Only a small proportion of private guards (4%) and community based guards (1.3%) use firearms.

*b) Regulatory framework*

The legal and regulatory framework is considered inadequate to allow private firms perform their job effectively. For example, the regulatory framework does not allow them to be armed or import arms, which makes it difficult to face criminals who are well equipped. In addition, because of a weak regulatory framework for private providers, most of the guards engage in crime or collaborate with criminals by giving information. However, security workers argue that they are victims of crime and their employers/public fail to trust them such that they are always suspected when crime occurs in their areas. Despite all this, private firms supplement the work of the police.

Most CBOs were weary that criminals own some of the private security firms. They also argue that private companies are profit driven and may not be reliable or trusted to play their role efficiently. For this reason, the government should regulate the activities of private firms in order to win the battle against crime. Some key informants shared similar sentiments. Security workers also attributed growth of private security service providers to lack of a regulatory framework. They argue that the security business is easy to start because it is unregulated. Security firms are registered under the Company Act like any other business. There is no vetting of company owners and /or their employees and activities. Only a small proportion (only 20 firms, out of the over 400 security firms, are registered) have come together under the umbrella of Kenya Security Industry Association (KSIA), which regulates (self) the operations of its members by setting standards of security services/products and salaries/wages offered. The issue of regulation is therefore critical to moderate the industry.

*c) Security personnel are demotivated*

Security personnel observed that majority of them are demotivated due to low pay and delays in payment. Table 8.6 provides an overview of monthly pay of respondents by type of employer. The lowest paid guard receives Ksh 500 per month while the most highly paid receives slightly above Ksh 30,000 per month. It is apparent that security workers are poorly paid since 66.2% of security guards earn Ksh 5,000 or below per month. Only 5.8% of the respondents earned more than Ksh 10,000. Though none of community-based guards interviewed earned more than Ksh 10,000 per month, the salary/wages paid do not differ significantly for different types of employers.

Table 8.6 Security personnel monthly salary (in Ksh)

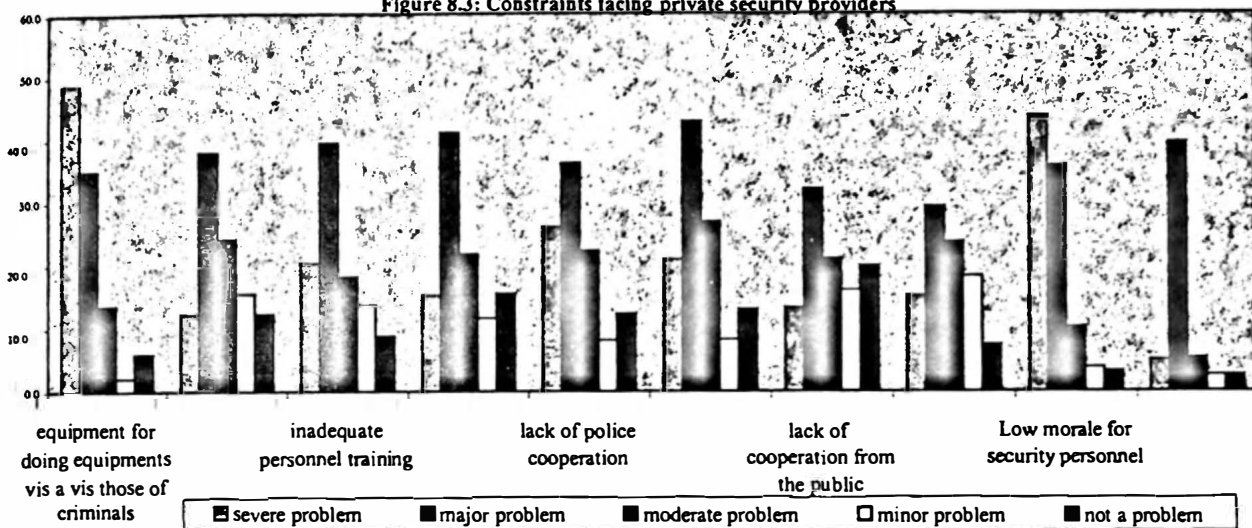
Type of employer	Respondent's current monthly pay in Ksh				Total
	Below 5000	5001-10000	10001-15000	Over 15000	
Private security company	146	73	7	9	235
Public institution (non security)	21	6	2	1	30
Private company (non security)	65	27	1	2	95
Vigilante or community based org.	15	8			23
Watchmen	35	7	1	2	45
Total	282	121	11	14	428
Percent	66.2	28.0	2.5	3.2	100.0
Cumulative percent	66.2	94.2	96.8	100.0	

In addition, the working conditions for most private security personnel are not favourable. They are overworked by being allocated various duties, they have no adequate time to take leave, work for long hours, and suffer from hunger while on duty (they are not given food). Majority (86.1%) of respondents perceive their workload as very high or high. Most of them work for 12 hours a day but there is a small proportion (5.3%) that works for more 12 hours a day. In terms of number of assignments per day, the majority (67%) had one assignment, 10.9% had 2 assignments per day and the remaining 12.1% had at least three (3) assignments per day. The workers are involved in various duties: guarding, supervision, surveillance, patrols and responding to emergency situations. The majority of the security workers (85.9%) interviewed were involved in guarding. Those who perceived their workload to be very high or high were also involved in supervision, patrols, surveillance and responding to emergencies. Those who perceived their workload to be satisfactory, light or very light were mainly involved in guarding.

d) *Logistical problems*

Other problems of concern to the private security are logistical problems, little or no cooperation from police and the public, poor urban planning limiting their mobility, and unfair competition because the industry is unregulated. Rating the challenges they face in providing public security, private providers rated inferior equipment and low morale as a severe problem. Other constraints were rated major. Figure 8.3 shows the rating of various constraints facing private security service providers. The business community rated these challenges similarly.

Figure 8.3: Constraints facing private security providers



e) High cost of hiring security services

The cost of hiring security services rendered by private companies is considered prohibitive. Most households cannot afford to hire security services from private security firms. Table 8.7 shows the percentages of households who have hired security firms. Kabete/Runda cluster has the highest percentages. On the contrary, most households in Ruaraka and Kayole clusters have not considered the option of hiring security guards. This cluster also has the lowest monthly household expenditure and therefore most households cannot afford to pay for private security services. This corroborates findings from the CBOs survey that private companies mainly serve the rich. Nonetheless, the results indicate that households would be better off with private security companies and individual security personnel than with the government security machinery, mainly because they are perceived to respond fast to distress calls and are less corrupt.

Table 8.7: Percent of households who have hired private security firms

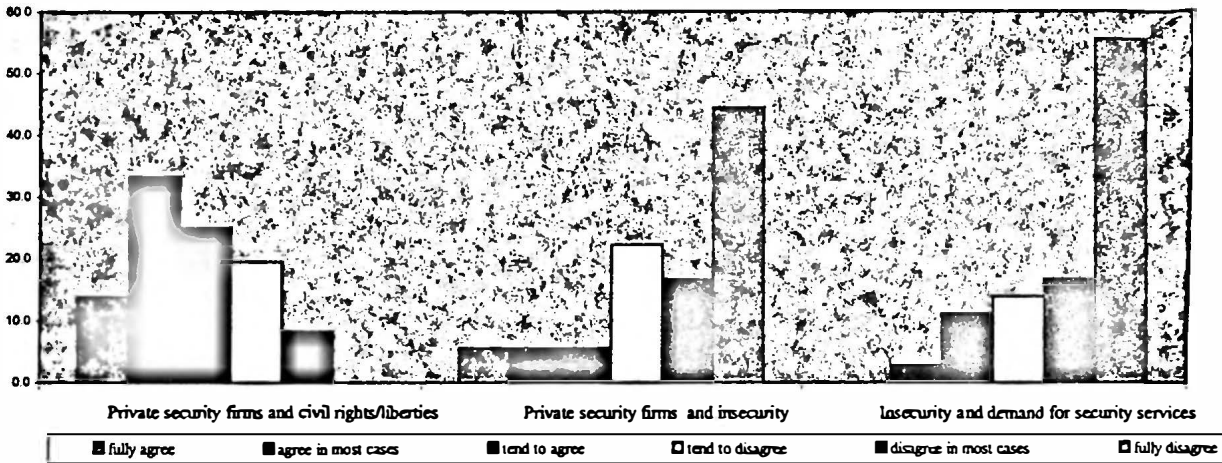
Cluster	Percent	Cluster	Percent	Cluster	Percent	Cluster	Percent	Cluster	Percent
Buruburu	15	Embakasi	8	Hardy	22	Kayole	0	Kileleshwa	13
Kabete/Runda	38	Kamukunji	2	Karen	22	Spring Valley	31	Shauri Moyo	27
Kilimani	25	Langata	7	Makongeni	3	Riruta	11	Pangani	12
Industrial Area	23	Jogoo Road	31	Ruaraka	0	Gigiri	13	Kasarani	3
Muthaiga	3								

f) Other issues

Despite the high rating by consumers, several concerns have been leveled against the mushrooming of security firms. For example, there are concerns that private security service providers may generate practices that violate civil rights and liberties if they are not regulated. Others have argued that private security firms may have a vested interest in maintaining insecurity so that there is an on going demand for their services given that they see insecurity as a business. As a result, some respondents attributed insecurity to the growth of private security providers. This study sort to get a reaction on these concerns (raised by the public) from private security firms by asking respondents to agree or disagree with the stated issues. Figure 8.4 shows

their response to some of the allegations leveled against them. Despite the fact that most respondents disagreed with these allegations, they concur that if unchecked private providers may generate practices that violate individual rights/liberties. The fact that a fairly large proportion seems to agree with the allegations shows that regulation of the industry is paramount.

**Figure 8.4: Response to allegations levelled against private security providers**



**8.4 Interaction**

In this section we look at the various interactions among players in the industry: interactions among providers, between consumers and providers, and among consumers.

**8.4.1 Interaction among providers**

*Private providers vs other stakeholders*

Private security firms collaborate with other providers. However, the level of collaboration ranges from very high, as is the case of police and other private firms, to low, as is the case of vigilante groups. Table 8.7 shows the levels of collaboration among security providers. Collaboration is in the area of investigations and making arrests, logistical support, maintaining security, sharing security information and experiences, adopting a standard operations manual (applies to private security firms), backup systems, giving security tips/reporting crimes, making patrols, providing advisory services, and educating the public on security matters. Security firms are also interconnected to police control rooms.



Table 8.7: Interactions between private security firms and other providers

	Other private security firms	Police force	Business association	Local authorities	Community security arrangements	Vigilante groups
Existence of collaborations	Yes (82.2)	Yes (86.7)	Yes (44.4)	Yes (35.6)	Yes (62.2)	Yes (26.7)
<i>Levels of collaborations</i>						
Very high	27.0	36.8	0.0	0.0	17.9	10.0
High	43.2	34.2	38.9	23.1	25.0	20.0
Moderate	27.0	10.5	27.8	38.5	35.7	30.0
Low	2.7	13.2	27.8	15.4	14.3	10.0
Very low	0.0	5.3	5.6	23.1	7.1	30.0
<i>Areas of collaborations</i>						
Giving security tips	√	√			√	√
Reporting crimes		√			√	
Investigation		√				
Making arrests		√				
Making patrols		√				
Logistical support	√	√				
Maintaining security	√	√	√	√	√	
Sharing security information and experiences	√	√	√	√	√	√
Alarm backup	√					
Providing advisory services	√		√		√	
Adopting a standard operations manual	√					

Business rivalries, lack of integration with police, inability of most organized associations to incorporate small operators (cater for large firms only), lack of trust, and infiltration by criminals are some of the reasons given for lack of collaboration with other providers. For example, vigilante groups are said to be violent and infiltrated by criminals. As a result, only 26.7% of respondents had any collaboration with vigilante groups.

*Community based organizations (CBOs) vs other stakeholders*

CBOs do not work alone; they collaborate with other providers. Table 8.8 shows the levels of collaborations. For example, there is a high level of collaboration with the police especially in reporting crimes, giving tips on security, and also in investigating and making arrests. Similarly, they collaborate with local authorities especially in creating awareness through public education and also in provision of infrastructure, which is vital in the fight against crime. There is minimal interaction with private firms mainly in sharing experiences and investigation. The CBOs felt that private firms are there to serve rich communities and not the common person, and this therefore reduces their interaction. They also feel that criminals own most private security companies. Inadequate training and equipment also limits the interaction of CBOs with other agents. In few cases, they interact with vigilante groups although there is a feeling that such groups are driven by thugs and not serving the common interest.

Table 8.8: Collaboration of CBOs with other providers

	Yes collaborate	Level of collaboration (%)				
		Very high	High	Moderate	Low	Very low
Private security firms	39.1	36.8	42.1	10.5	10.5	
The police force	87.0	20.0	37.5	17.5	17.5	7.5
Business associations	22.4	9.1	27.3	45.4	18.2	
Local authorities	63.0	3.6	46.4	25.0	17.9	7.5
Other community security arrangements	79.1	17.6	44.1	23.5	11.8	2.5
Vigilante groups	31.0	33.3	20.0	33.3		

8.4.2 Interaction between consumers and providers

Consumers and private providers

Security firms provide a wide range of security services and products to their clients. Their clientele range from individual households to business entities, including parastatals. Table 8.9 shows types of services provided by different clients. Banks, for example, employ private investigators (mostly ex-police officers) to handle investigations. These investigators handle the general security of the bank like fraud and physical security.

The relationship between private providers and consumers was found to be cordial. Consumers of security services rated the services of private security providers as highly efficient. The levels of confidence with private providers was also perceived as high because they were seen to respond fast to alarm signals and to be more alert and less corrupt as compared to the police. However, they are said to be expensive.

Table 8.9: Clients of security firms and services provided to each group of clients

Types of security services and products to different clients	Clients					
	Households	Financial institutions	Manufacturing companies	Service industry	Commercial enterprises	Total
Security guards	19.2	12.7	16.8	16.8	19.3	17.3
Patrol services	8.1	8.8	10.2	8.4	10.0	9.1
Private investigations	10.5	8.8	10.9	11.2	11.4	10.7
Dog training, breeding, kenneling and patrols	6.4	8.8	8.0	7.0	7.1	7.3
Guard training	12.8	10.8	12.4	12.6	14.3	12.7
Cash in transit	2.9	4.9	3.6	3.5	3.6	3.6
Cash and valuable storage	1.7	2.9	2.2	2.1	1.4	2.0
Security walling and fencing	11.6	11.8	10.2	11.9	10.0	11.1
Access control	8.7	9.8	8.0	9.1	7.9	8.6
Alarm system	8.7	10.8	8.8	9.1	7.9	8.9
Car security, identification and immobilization systems	3.5	2.9	1.5	2.1	2.1	2.4
Closed Circuit Television (CCTV)	5.8	6.9	7.3	6.3	5.0	6.2

### *Consumers and the police*

The relationship between the police and public was reported to be generally poor, uncooperative, and sometimes hostile. The public has very low confidence in the police. It was reported that the public view the police as an enemy and the police also view the public as enemy. There is therefore mutual mistrust between the police and the public. The public does not trust the police, as evidenced by the low rate of reporting cases to the police. Some respondents however argued that the public has basically demonized the police "they have never been able to feel that the police are able to prevent crime yet it could be due to inadequate facilities and equipment".

The poor relationship between the police and the public is attributable to police harassment and intimidation and poor information management.

Most respondents felt that the reason why people do not report incidents of crime to police is because they are treated like criminals and harassed by police. The identity of the person reporting is also not protected and the information may go back to the criminals, therefore risking the lives of those who report. They fear that criminals may return to revenge on them. This is aggravated by a weak follow up mechanism/feedback system. The police do not report back on the advances they have made on the crime reported. This therefore leaves doubt to the public on whether they acted to the report or not. It is important that the police report back so as to encourage the public that their efforts and contribution towards crime is important and useful.

Some respondents thought that the anti-social behavior of the police was because "they too live in fear and they view the society as cruel". Some informants were of the view that the mistrust and fear between the public and the police is because the force has operated as an agent of state power but not as a service organization. While collaboration between the police and the public is crucial, the current status of infrastructure constrains collaboration. They noted that improving infrastructure is not only a development issue but also a security issue. Further, they noted that access to telephones would make it easier to report crime to the police. However, it was observed that even where access to telephone by the public is not a matter of concern, there are complaints that nobody mans the reporting desk at the police station.

#### *8.4.3 Interaction between consumers*

Some residents in the estates have established neighborhood watch systems. Respective residents volunteer to use their own cars to take the police on patrol in the area. There are entry barriers in some roads that are manned by an *askari* 24 hours while in other areas there are dog patrols and electric fences. Residents have also introduced the idea of wardens who usually sensitize the community on security providers and also mobilize individuals to create a safe haven. Communication to the residents is usually done once or twice a month through a warden. Communities have also formed committees to counter crime.

The household survey reveals that because of the high cost of hiring security services from private companies, 55% of households have opted for neighborhood security initiatives which include vigilante groups and youth patrols. Most initiatives began in the year 2000 while a number mushroomed in 2003. The initiatives were started to improve security in the estates due to the high crime rates. An average of 74 households are served by neighborhood security initiatives. Delay in remitting/paying the security fee initiative is a major challenge facing the initiative and therefore a constraint to the provision of services.

The business community has also come together as consumers of security services. For example, the Kenya Bankers Association (an association of 62 banks in Kenya) has various sub-committees of which security committee is one of them. The security sub-committee incorporates the police, banking fraud department, among others, to discuss and understand crime. The Nairobi Central Business District Association (NCBDA) has also brought together businesses within the Central

Business District (CBD) to look at the security issue, among others. The NCBDA in turn collaborates with other players, the police, Nairobi City Council and the community.

**8.5 Improving Collaboration among Players**

Respondents observed that crime is dynamic and criminals change their tactics. This calls for a collaborative approach to fighting crime. There was overwhelming consensus that sharing information among participants, regular meetings, building trust and confidence among providers and with the public, joint patrols, improved training/equipping and better working condition for security personnel may go a long way in facilitating the interactions. The government should also involve the business community in the policy making process in order to understand their security needs. The private sector could complement government efforts by providing resources that can be used to beef security. The community can participate in vetting of guards, divulging information and enacting laws that can moderate the industry. Small players could be encouraged to form associations. Respondents also accentuated the need for strengthening and stimulating existing initiatives.

**Table 8.10: Recommendation on the collaborations among stakeholders (household survey)**

	Security guards and police	Business owners and public	Private guards and business owners	Government, public and private companies	Government and business owners
Sharing of information	49.1	61.7	44.5	44.8	29.1
Good/cordial relationship	8.9	13.2	28.8	13.3	7.9
Joint patrols	16.6				
Take action on reported crimes	14.5				
A department to enhance collaboration with guards and special telephone lines	7.2			5.9	4.2
Training of security workers	3.7	1.0	2.1	6.1	4.9
Community policing		1.4			
Help in installation of security devices		11.9			9.4
Provide good working environment		8.0	19.9	22.9	29.1
Vetting of guards		2.8	4.7		
Enact laws				7.5	2.3
Government should provide involve businesses in policy process on security issues					22.6

**8.6 Conclusion**

Security provision is one of the core functions of the state. However, due to increased insecurity and increasing public demand resulting from inadequate provision of public security services, the industry has witnessed entrance of new players. The 1990s was characterized by mushrooming of private security providers, including private security firms and community-based associations. Majority of security firms and CBOs sampled began their operations after 1989. Other reasons contributing to this trend include rampant corruption and inefficiencies in the criminal justice system, expansion of private property ownership and loss of public confidence with law enforcement agencies. The government has taken various initiatives to tackle rising crime. These initiatives include establishment of specialized units within the police force, encouraging community policing forums, and formation of partnerships among players.

Consumers of security services view the state machinery, including the police, local authorities and provincial administration as inefficient and ineffective. The level of confidence with state security is also low. Private security service providers, security firms, and community neighborhood initiatives were rated as highly effective. However, there was consensus that private providers are not the best alternative since they are driven by the profit motive and may not be trusted to provide adequate security. Therefore, the government has a prime responsibility of ensuring security for all.

Several reasons were given for the inefficiencies and low confidence with the state machinery. The police are inadequately trained to cope with modern crimes, are ill equipped and have low morale to work. Weak coordination and linkage in the criminal justice system, rampant corruption, weak legal and regulatory framework and the small size of the police also contribute to inefficiencies in the state security system. In addition, long delays in getting police response, police involvement in criminal activities, low level of recovery, reluctance in conducting investigations, and corruption in the pursuant of justice were seen to undermine public confidence.

Collaboration among providers of security services is high for the police and other providers, but low for vigilante groups. Areas of collaboration include sharing of security information, investigations and making arrests, in awareness creation through public education and in provision of infrastructure. Limited collaboration arises from business rivalries, lack of trust among players, while some providers felt that a few security agents are infiltrated with criminals. The relationship between private security providers and consumers of security is cordial while that of the police and consumers was described as poor, unfriendly and sometimes hostile. There is a general mutual mistrust between the police and members of the public. It is therefore central that ways to mend these gaps are sort in order to win the fight against crime. Consumers have also come together to form security committees and "neighborhood watch groups", including vigilantes and youth patrols within the estates.

9. MANAGING CRIME

9.1 Introduction

Management of crime has always been an issue of national interest but it has now become a major source of concern and fear in our society, particularly in Nairobi, because of the high incidence of crime. There is also growing realization that insecurity and crime adversely affect investment and general social life. The strong sense of insecurity and perceived increase in crime is reflected in some of the recent and initiatives to control crime and in the highly critical view on the way the government is managing crime. It is also reflected in some of the reforms that have been proposed for a better delivery of security services. Altogether, the data that was collected concerning management of crime underscored the primary need to maintain law and social order, which is clearly seen as a prerequisite for providing secure and safe environment protection of human life and property and promotion of investment for economic growth.

9.2 Strategies for Dealing with Crime

*A comprehensive strategy*

The respondents preferred a comprehensive and exhaustive strategy for dealing with crime given that crime is defined by various factors. Such a strategy should focus on virtually all aspects of crime management and preservation of security and safety. For example, in ranking various strategies for crime management, firms indicated that the best strategy would be to boost economic growth and adequately equip security personnel (Table 9.1). Sustaining motivation to work and reforming enforcement of justice also ranked highly as a strategy of managing crime. Boosting economic growth is likely to reduce poverty and correct the income inequality, therefore reducing the need to rely on crime as a source of livelihood. Adequately equipping the security personnel is likely to enable them tackle the more complicated crime. It was felt that lack of equipment and facilities for the police force has impacted negatively on crime prevention. Therefore, provision of modern and sophisticated equipment would reduce crime rates to manageable levels. Sustaining motivation and ensuring appropriate training of security personnel both in public and private sectors were also seen strategies for dealing with violent robberies and car jacking, which were identified as major crime activities. Crime can also be contained or managed through community policing. The idea is that households coexist with criminals in their neighborhood and can therefore collaborate with police in divulging information that would lead to the arrest of criminals.

Table 9.1: Best strategy in solving security problem (numbers of respondents)

Strategy	1	2	3	4	5	6	7	8	9	10
Adequately equipping security personnel	244	183	147	82	70	34	23	9	7	14
Sustaining motivation to work	87	191	175	133	74	61	30	26	16	9
Social prevention measures	24	40	51	94	86	90	81	83	90	132
Cultivating public confidence	33	72	99	126	114	93	96	73	42	35
Community initiatives	22	69	71	88	130	113	87	86	79	37
Reforming enforcement of justice	39	84	90	103	107	106	101	72	54	27
Regulating private security providers	4	9	16	36	52	80	113	184	146	117
Lighting the city	10	17	27	35	52	78	118	98	160	173
Penalizing trade in stolen goods	15	49	56	58	66	69	89	103	132	149
Boost economic growth	368	117	95	54	40	43	25	23	16	32

*Involvement of all relevant government machinery*

All branches of the state security system must be involved for successful management of crime. The Nairobi City Council, for example, has an indirect impact in management of crime if it can play its role effectively. Asked to rank the various efforts made by the Council, most businesses identified street lighting, proper planning to create space for police mobility, improving neighborhood safety and opening up a liaison office to provide immediate response as areas the Council can concentrate on in order to improve security. Improving neighborhood safety was generally considered an important step in combating crime.

Table 9.2: Ranking of efforts by local authorities in combating crime

Rank	1	2	3	4	5	6	7
Improving street lights	158	111	117	108	86	111	108
Proper planning to create space for police mobility	161	154	166	125	86	77	33
Improving neighborhood safety	199	184	164	129	78	34	18
Open up a liaison office to provide immediate response	126	180	137	133	138	67	23
Providing a metropolitan police service	125	93	113	119	136	112	86
Forming action groups to address institutional situations	46	57	98	141	165	209	83
Creating a one stop youth information center	22	42	31	63	93	153	376

*Enhance the effectiveness of government initiatives*

To deal with crime and insecurity, the government has undertaken several initiatives, including creation of specialized police units to deal with special crimes such as corruption, terrorism, cattle rustling and organized crime. Respondents from the business community had a divided opinion on the effectiveness of some of the government initiatives in combating crime. Almost equal proportions felt that the initiatives are ineffective, somewhat ineffective or effective. It is therefore important to re-evaluate these initiatives to reflect the dynamism in demand for security services. The key informants were positive about the recent efforts to introduce community policing. It was viewed as a step in the right direction in involving the citizens in the fight against crime

Table 9.3: Effectiveness of government measures (percentages)

	Very ineffective	Ineffective	Somewhat ineffective	Somewhat effective	Effective	Very effective
Police hotline	4.62	11.36	11.48	36.09	30.89	6.75
Community policing	7.12	7.71	7.24	32.62	39.62	11.15
Flying squad	2.49	9.13	9.25	34.40	33.93	11.15
Anti corruption unit	3.08	9.13	11.15	32.62	34.88	9.13
Information centers	4.39	10.56	10.79	38.91	26.57	1.90

*Criminals should not win the battle against crime*

The government should portray a winning image in the battle against crime. The majority (89%) of respondents in the business community felt that criminals are winning the battle against crime while over 84% agreed that the criminal justice system suppresses major crimes and neglect the minor ones. It is therefore imperative that the police force and other departments involved in managing crime are seen to be in control.

**Table 9.4: Views on delivery of security services by government**

Rating	Criminals winning		Suppressing major crimes and neglecting minor crimes	
	N	%	N	%
Fully agree	325	38.10	278	32.63
Agree in most cases	246	28.84	262	30.75
Tend to agree	180	21.10	179	21.01
Tend to disagree	58	6.80	78	9.15
Disagree in most cases	25	2.93	31	3.64
Fully disagree	19	2.23	24	2.82
Total	853	100.00	852	100.00

*Winning public trust and confidence*

There was also a felt need for the police force to regain public trust and confidence. This can be achieved if errant corrupt officers are properly disciplined. Among the methods put forward to regain lost public trust was to instill discipline in the police force (82%) and public awareness campaigns (67%). There is also need for collaboration between the police and other security providers as this is expected to give a front for tackling crime. Respondents also suggested that the working conditions of the police be improved in order to boost the morale of the force.

**Table 9.5: How the police force can regain lost public trust and confidence**

	Count	Percentage
Co-operation/collaboration with other providers	512	60.0
Public awareness campaign	571	66.9
Discipline the errant police officers	700	82.0
Better remuneration/working conditions	471	55.2
Other; be friendly to citizens	13	1.5

*Community policing*

The respondents recognized the concept of community and partnership policing as an important strategy in the fight against crime. It was felt that such partnership would allow the community to work together with the police by informing them about criminal activities in the community. It was noted that community policing makes people feel more protected by the police. Some civil societies are reaching out to the public in addressing their security needs through the community-policing program.

*Rehabilitating would be criminals*

Faith-based organizations are actively involved in crime prevention. The programs in crime prevention include youth rehabilitation, mainly targeting vigilante groups, and involve social education, community service and training in micro-business skills.

*Supporting justice*

There are some organizations in the private sector, which are actively involved in crime management. In the tourism industry, for example, victims of crime are assisted by coordinating the witnesses and facilitating them to give evidence in courts.



*Reforming the maintenance of law and order*

Almost all respondents were optimistic that the on going reforms to improve the delivery of public security services will bear fruits. An average of 94% of private security providers said that the government's policy measures to tighten the enforcement of law and order as stipulated in the ERS are viable. However, around 6% of the respondents said that some of the policies are hard to implement. They also feel that the existing legal and regulatory framework is adequate and only needs to be enforced to the letter, arguing that the economy is liberalized and therefore there is no need for regulation. Table 9.6 summarizes the responses to the proposed reforms in the delivery of security services as stipulated by the government in the Economic Recovery Strategy.

**Table 9.6: Views of security providers on government measures**

Measure	Percent
Increasing police/population ratio	91.1
Developing a public/police educational program	90.9
Enhance training programs of police force operations	95.6
Provision of modern equipment/technology	97.8
Improving working conditions/terms for the police force	100.0
Review/enactment of appropriate laws for dealing with modern day crime	95.5
Development/enforcement of a framework for cross border/territorial water policing	88.6
Establishing of a regulatory body for private security providers	95.6

### 9.3 Conclusion

In conclusion, it was observed that crime is dynamic and criminals change their tactics. There is therefore need for a collaborative approach in crime management. Further, given that crime is attributable to various problems, a comprehensive reform programme is necessary for effective management of crime. Moreover, all stakeholders have a role to play in combating crime in the country.

## 10. POLICY RECOMMENDATIONS

**Enhance effectiveness in crime information management.** There is need for the Government and the media to come up with effective ways of managing information concerning crime and to empower the public to respond and participate in crime prevention efforts. Crime is an extremely sensitive issue that affects and has far reaching implications on business, individual lives and the image of the country. It has implications on public participation in crime prevention and management. Confidentiality and secrecy of the operations of security agencies should be reviewed and operations subjected to public scrutiny.

**Public education and sensitization** is vital in changing the passive public attitude about crime reporting, to allay fears and feeling of apathy and resignation among the public, and to create a proactive and security conscious public.

**Crime management policy** is important in providing a framework for cooperation and collaboration among the different stakeholders. Previous piecemeal initiatives do not seem to have been effective in combating crime.

**Efficient resource allocation and utilization.** The performance of the police is adversely affected by limited resource allocation and poor utilization. It is important that a careful evaluation is done to identify the security needs of the various sections of the population in order to ensure adequate coverage. Improving coordination with the various private sector initiatives can enhance police performance. Additional resources can be sourced/mobilized from all stakeholders particularly in the private sector.

**Review of regulatory framework.** The existing regulatory framework is inadequate for both public and private security providers. Private security providers are, furthermore, largely unregulated. The relationship between the different public security agents needs to be clearly defined.

**Proactive approach to crime and security.** Delays in responding to crime, in completion of investigations, in determination of cases, and inefficiency in the criminal justice system and lack of explicit effort towards prevention of crime have clear implications on security in Kenya.

**Community policing should be emphasized.** This approach encourages participation of the public in crime prevention and control, and also leads to a strong partnership with the police. Community policing could greatly contribute towards combating crime.

**Reforming the police force** is a viable strategy. However, the comprehensiveness of the reforms and the implementation of these reforms should be a matter of priority taking into consideration accountability and adoption of crime prevention strategies.

**Reforming the correction system.** Levels of recidivism are reportedly high and a strategy of ensuring effective rehabilitation of offenders would greatly contribute to crime control.

**Reforming the judicial system** is vital so that the public does not feel that criminals are winning.

**There is need to create security a conscious environment.** This should take into account physical planning, building and security installations, physical infrastructure and open spaces.

**There is an urgent need to address unemployment problem** in Kenya. Efforts towards creating income-generating activities should target the youth.

**Concerted efforts should be directed towards controlling violent crimes** because they are the most threatening to both business and human life. To achieve this, control and possession of illegal firearms should be a matter of priority. Control of illegal immigrants is also important.

***Security risk and private sector growth in Kenya: A survey report***

Research is an important source of knowledge in management of crime. It helps in understanding the dynamics of criminal activities and in mapping criminal activities. This in turn enhances the efficiency and effectiveness in dealing with criminal activities. It is therefore important that the government supports research and development in the police department.

Appendix Table 1: Cluster areas

Cluster Area	Areas within the cluster
Buruburu	Buruburu Estate, Dohnholm Estate, Umoja I & II, Green Field Estate, Savanna Estate, Dandora Estate, Kariobangi, Outering, Uhuru Estate, Harambee Estate, Barawon, Sunrise, Luck Summer, Tena, Umoja Inner Core, Pioneer I & II, Jacarada, Kiambiu
Embakasi	Embakasi Village, Fedha Estate, Pipeline Staff Housing, Pipeline (Plot 10 builders) Estate, Baraka Estate, Nyayo Estate, Kwale Estate, Donholm, AP College, GSU College, GDU Army, Mukuru Kwa Njenga, Avenue Park, Tashia, Jua Kali, Mugoya Site, Plot Ten Builders
Hardy	Hardy Shopping Centre, Coop College, Bangladesh, VOK, Giraffe Centre
Gigiri	Muthaiga Estate, Gigiri Estate, Village Market, Gachie, New Muthaiga, Nyali, Ruaka Estate, Roselyne Estate
Industrial Area	Industrial Area, Mombasa Road from Railway Line to City Cabanas, Akiba, Government Quarters, Kapiti Estate, Mariakani Flats, South B Estate, NHF Quarters, Mukuru Slums (Kwa Njenga, Kayaba, London, Kwa Reuben, Fuata Nyayo), (Slums: Shimo la Tewa, Kisii Site, Hazina Village, Masai Village, Kabirila Village, Lunga Lunga Village, Commercial village), Industrial Area Prison, Kingstone Village, Kariba, Plainsview, Golden Gate 1, 2, & 3, Police Band, Hazina, Balози, River Bank
Jogoo	Maringo, Ofafa Maringo, Jericho, Bahati, Uhuru Market, Church Army, Mbotela, Kimanthi Estate, Jerusalem
Kabete/Runda	Wangige, Kabete, Kitisuru Estate, Kabete Campus, Runda Estate, Green Estate, Kithogoro Estate, Kibagare, Loresho, Mountain View, Kangemi, Uthuru Shopping Centre, Marry Leakey High School, Kabete Rehabilitation Centre
Kamukunji	Area South of Nairobi River from Ngara Foot Bridge to Gikomba, Area East of Tom Mboya Street, Area North of Railway Line from the Station up to Muthurwa Estate, Machakos Country Bus, Part of Gikomba Market, KBS, Land Mawe, Gorofani
Karen	Karen Shopping Centre, Cooperative College, KCB Management Centre, Karen Country Club, Karen Defense College, Bullbull, Kuwinda, Mbagathi Estate, Racecourse, Lenana, Part of Dagoretti Corner, KBC Transmitter, Sandaka, City Council Estate
Kasarani	Garden Estate, Ngumba Estate, Zimmerman, Githurai 44, Githurai 45, Kahawa West, Sports Complex, Njathaine, Mwiki Estate, Maziwa Estate, Marurui, Soweto Slums, Kahawa West, Thome Estate
Kayole	Kayole, Kommarock, Ruai, Njiru, Miang'o
Kileleshwa/Muthangari	Kileleshwa Estate, Caledonia, Chiromo, State House, UON (Halls), Old Lavington, ABC Place, Benards, Amboseli, New Lavington
Kilimani	Kilimani Estate, Hurlingham, KNH, Community, CID HQs, Uhuru Park, Upper Hill Estate, Kibera Slums, Ngumo Estate, Woodley Estate, Yaya Centre, Jamhuri Estate, Adams Arcade, Kenyatta Market, Nairobi Hospital, DOD, British High Commission, Nyayo Highrise Estate, Uchumi Hyper, Forces Memorial Hospital, Magiwa, Highview Estate
Langata	Nairobi West, Madaraka Estate, Wilson Airport, Bomas of Kenya, South C, Langata Shopping Centre, Dam Estate, Otiende Estate, Hima Gardens, Sky Blue, Ufunguo, Civil Servants, Jumbo, Akiba, Miller, Kogo Star, Kijiji, Ngei I & II, Southlands, Uhuru Gardens, Mugoya, CID Training School, Ramco Court, KWS HQs, Langata Barracks, Siwaka, Airport view, Onyonka
Makongeni	Makongeni Estate, Part of Industrial Area, City Stadium, Kaloleni, St Stephens Church, Makongeni Shopping Centre
Muthaiga	Muthaiga Residential, Mathare Area 1-4, Huruma Estate, Kiamaiko Slums, Ngei I & II, Greenview Estate, New Mathare, Madoya Slums, Majiwa, Huruma
Nairobi Central	UON (Adm/Lecture Halls), Globe Cinema Roundabout, Area South of Nairobi River, Area West of Accra Road, Area North of Tom Mboya Street, Area South of Uhuru Highway, KICC Building, Nairobi Law Courts, KICC Compound
Pangani	Eastleigh Estate, Mathare Kwa Mutisya, Pangani Estate, Ngara Estate, Kariokor, California Estate, Ziwani Estate, Kitui Slums, Kiambiu Village/Slums, Mathare 1-10
Riruta	Kawangware, Dangoretti Corner, Riruta
Ruaraka	Kamunde Road, Kariobangi Industries, Korogocho Slums, Lucky Summer Estate, Karia Ndundu, Mugure Slums, Kasabuni, Glu Cola, Baba Dogo, Ngomongo Estate, Riverside, Nyayo Estate, Kisumu Ndogo, Katherija
Shauri Moyo	Shauri Moyo, Gikomba, Ministry of Works Housing, Part of Eastleigh, Majengo, Biafra, Kitui Village, Burma Market, BAT Estate, Majengo Highrise, Kamukunji Grounds, Shauri Moyo shopping centre
Spring Valley/Parklands	Westlands, Peponi, Part of Kangemi, Spring Valley Estate, Parklands Area, Aga Khan, National Museum, Lakeview, Mishipi, Suswa, Kijiji Masai, Deep Sea, Kyuna, Kaumoni, Michigwi (slum), Holiday Inn, Loresho North, Loresho South, Highridge

**Appendix 2: Comparative analysis on business and crime across clusters**

Clusters	How do you feel when conducting your business (%)						Type of business (%)			Size of business (%)				Does crime pose a threat to your business (%)		The year crime started to be a serious threat to your business (absolute)				
	Very Safe	Safe	Some-what Safe	Some-what Unsafe	Unsafe	Very Unsafe	Manu- facturing	Services	Comm- ercial	Large scale (over50 employ ees)	Medium scale (10- 50 employ ees )	Small scale(5-10 employ ees )	Less than 5 employ ees	Yes	No	1999	2000	2001	2002	2003
Shauri Moyo		6.7		20	70	0.3		50	50			13	87	100		1	5	4	6	6
Kabete/Runda		24	12	16	44			28	72	8	32	20	60	87	13	5	5	2	2	1
Industrial Area	1.6	8.1	25.2	37.4	26		48.8	14.6	36.6	27.9	34.4	37.7		87.8	12.2	9	11	14	17	17
Kasarani		24.2	18.2	6.1	39.4	12.1	9.1	36.4	54.5	12.1	30.3	57.6		84.8	15.2		3	4	5	6
Spring Valley/ Parklands		18.9	37.8	29.7	13.5		5.4	62.2	32.4	16.2	37.8	45.9		75.7	24.3		6	3	5	4
Jogoo Road		23.3	36.7	16.7	23.3			30	70	6.7	20	73.3		50	50	3	3	2	1	1
City Centre	2.2	14	28.7	20.6	24.3	10.3	1.5	36.8	61.8	11.1	25.2	63.7		88.2	11.8	15	14	16	14	17
Karen	3.1	15.6	31.3	40.6	6.3	3.1		46.9	53.1		9.4	68.8	21.9	75	25	1	1	7	4	5
Buru Buru		2.4	38.1	33.3	21.4	4.8	7.1	59.5	33.3		40.5	59.5		95.2	4.8	2	2		1	2
Embakasi	2.7	24.3	43.2	16.2	8.1	5.4	29.7	29.7	40.5	8.1	29.7	32.4	29.7	75.7	24.3	4	5	7	6	2
Satellite/ Riruta		4	28	24	32	12		36	64		16	84		92	8	3	3	2	8	3
Hardy		25	30	15	20	10		60	40	10	45	40	5	75	25	1		2	5	3
Gigiri		14.7	35.3	38.2	8.8	2.9	5.9	38.2	55.9	8.8	32.4	58.8		91.2	8.8	4	7	1	3	3
Kamukunji		3.7	44.4	33.3	18.5		7.4	74.1	18.5		22.2	77.8		81.5	18.5	3	5	4		2
Kayole		3.4	6.9	24.1	48.3	17.2	3.4	24.1	72.4	6.9	20.7	72.4		93.1	6.9	1	12	3	5	4
Kileleshwa		8.7	26.1	30.4	26.1	8.7	4.3	47.8	47.8	9.1	45.5	45.5		73.9	26.1	1	3	2	5	2
Kilimanu		2.6	38.5	12.8	38.5	7.7		76.9	23.1	7.7	56.4	35.9		100		1	2	7	12	5
Langata		11.5	7.7	61.5	19.2			50	50	3.8	7.7	88.5		57.7	42.3	1		1		
Makongeni			20	26.7	33.3	20	12.5	12.5	75		18.8	81.2		87	13	3	3		2	2
Muthaiga	3.4	13.8	24.1	20.7	34.5	3.4	10.3	72.4	17.2	13.8	31	55.2		89.7	10.3	1	3	7	6	4
Pangani		27.6	27.6	24.1	20.7			44.8	55.2	6.9	69	24.1		58.6	41.4	3	2	4		1
Ruaraka		12.9	32.3	22.6	22.6	9.7	25.8	38.7	35.5	35.5	29	35.5		96.8	3.2	6	4	1	4	5

Appendix 3: Comparative analysis on household and crime across clusters

Clusters	Perception on insecurity while carrying out activities in Nairobi city (%)					Social stratification (%)			General level of crime in the estate (%)					Safety while at home (%)			
	Very safe	Safe	Slightly safe	Unsafe	Very unsafe	Upper income class	Middle income class	Low income class	Very high	High	Low	Very low	Moderate	Very safe	Safe	Unsafe	Very unsafe
Buruburu		8.5	12.8	68.1	10.6		63.8	36.2	8.5	76.6	10.6		4.3	6.4	66.0	27.7	
Embakasi	4.1	30.6	38.8	20.4	6.1	12.2	53.1	34.7		10.4	70.8	16.7	2.1	16.3	81.6	2.0	
Hardy	12.5	25.0	34.4	21.9	6.3	46.9	31.3	21.9	3.2	16.1	48.4	32.3		46.9	53.1		
Gigiri		12.5	47.5	27.5	12.5	12.5	82.5	5.0	30.0	40.0	30.0				70.0	27.5	2.5
Industrial Area		18.2	21.2	45.5	15.2	3.0	57.6	39.4	24.2	42.4	33.3			9.1	54.5	21.2	15.2
Jogoo Road		12.5	40.0	45.0	2.5		12.5	87.5	2.4	53.7	41.5	2.4			34.1	65.9	
Kabete/Runda		7.3	31.7	56.1	4.9	26.8	61.0	12.2	9.8	41.5	43.9	4.9		7.3	63.4	26.8	2.4
Kamukunji		4.5	22.7	59.1	13.6		20.5	79.5	25	52.3	20.5	0.3		2.3	52.3	40.9	4.5
Karen	5.6	13.9	30.6	44.4	5.6	8.1	78.4	13.5	2.7	54.1	35.1	8.1		2.7	45.9	51.4	
Kasarani	2.5	20.0	17.5	45.0	15.0	15.0	80.0	5.0	25.6	33.3	20.5	20.5		12.5	25.0	57.5	5
Kayole		14.6	24.4	53.7	7.3	12.2	39.0	48.8	51.2	39	2.4	7.3		2.9	35.3	55.9	5.9
Kileleshwa	7.4	18.5	37.0	37.0		66.7	25.9	7.4		25.9	59.9	22.2		14.8	59.3	22.2	
Kilimani	1.9	7.4	38.9	40.7	11.1	40.7	24.1	35.2	7.3	55.6	33.3	1.9		5.6	42.6	44.4	7.4
Langata	2.2	4.4	37.8	51.1	4.4	26.7	40.0	33.3	2.2	17.8	75.6	4.4		13.3	77.8	8.9	
Makongeni		5.3	3.6	50.0	13.2		13.2	86.8	44.7	47.4	7.9			2.6	50.0	39.5	7.9
Muthaiga	2.5	10.0	17.5	57.5	12.5	5.0	42.5	52.5	20	50	22.5	7.5			67.5	30.0	2.5
Pangani	2.4	28.6	35.7	26.2	7.1	16.7	71.4	11.9	26.2	50	19.0	4.8		47.6	28.6	21.4	2.4
Riruta		10.9	21.7	54.3	13.0		87.0	13.0	41.3	39.1	13.0	6.5		4.3	6.5	76.1	13
Ruaraka	5.6	8.3	30.6	44.4	11.1		16.7	83.3	25	58.3	13.9	2.8		2.8	25.0	63.9	8.3
Shauri Moyo			17.1	68.6	14.3		86	9.4	25.7	71.4	2.9				60.0	37.1	2.9
Spring Valley/Parklands		25.0	33.3	27.8	13.9	75.7	10.8	13.5	13.5	18.9	48.6	18.9		30.6	41.7	25.0	2.8

**Appendix 4: Places avoided in the city due to insecurity**

Specific points	% Rating	Dominant crimes							
		Petty Theft/Conning	Mugging	Violent Robbery	Pick Pocketing	Car Jacking	Fraud	Burglary	Murder
Dark Alleys		1	66	9	23	1			
River Road	26								
Kirinyaga Road	15								
Tom Mboya	11								
Mfangano Street	6								
Accra Road	3								
Crowded Streets		3	44	6	43				
River Road	36								
Ronald Ngala	19								
Moi Avenue	8								
Kirinyaga Road	9								
Accra Road	5								
Round About		3	62	5	22	8			
Globe Cinema	6								
Haille Selassie	6								
City Stadium	2								
Uhuru Highway	3								
Jogoo Road	2								
Matatus		2	9	5	63	21			
Route 19/60	8								
Route 46	4								
Railway Terminus	4								
Route 71	3								
Route 33	2								







**Appendix 5: Dynamics in the style of execution of crime over time**

Clusters	Incidence			Sophistication in execution			Violence in execution			Ruthlessness		
	Increased	Decreased	Year	Increased	Decreased	Year	Increased	Decreased	Year	Increased	Decreased	Year
Buruburu	83	17	1999	88	12	1999	73	27	1999	86	14	1999
Embakasi	39	61	2003	53	47	2003	45	55	2003	36	64	2001
Hardy	33	67	2003	62	38	2001	57	43	2000	50	50	2000
Gigiri	89	11	1999	83	17	1999	89	11	1999	83	17	1999
Industrial Area	65	35	2003	94	6	2003	71	29	2003	57	43	2003
Jogoo Road	72	28	2002	62	38	2002	62	38	2001	50	50	2000
Kabete/Runda	47	53	2000	67	33	2000	66	34	2003	77	23	2003
Kamukunji	19	81	2003	22	78	2003	19	81	2003	19	81	2003
Karen	54	46	2003	63	37	2000	29	71	2003	71	29	2002
Kasarani	61	39	2003	50	50	2003	59	41	2003	50	50	2003
Kayole	79	21	1999	92	8	2000	91	9	2000	95	5	2000
Kileleshwa	76	24	2003	75	25	2003	73	27	2003	60	40	2003
Kilimani	83	17	2002	85	15	2002	83	17	2002	83	17	2002
Langata	54	46	2000	96	4	2000	77	23	2000	78	22	2000
Makongeni	77	23	2003	75	25	2001	83	17	2001	93	7	2001
Muthaiga	38	62	2003	52	48	2003	50	50	2003	45	55	2003
Pangani	56	44	2003	69	31	2002	44	56	2002	40	60	2002
Riruta/Satellite	53	48	1999	87	13	2000	92	8	2000	90	10	2000
Ruaraka	97	3	1999	63	37	1999	84	16	2000	50	50	1999
Shauri Moyo	92	8	2000	92	8	2000	92	8	2000	92	8	2000
Spring Valley/Parklands	63	37	2003	89	11	2003	63	37	2002	63	37	2002

Appendix 6: Challenges facing security service providers

Challenges	Police				Private security firms guards				Community guards			
	Major	Moderate	Minor	Not a challenge	Major	Moderate	Minor	Not a challenge	Major	Moderate	Minor	Not a challenge
Ill equipped to fight crime	24.0	21.3	28.4	26.3	93.3	5.2	0.9	0.6	92.0	5.5	1.8	0.6
Minimal or no logistical support	21.3	34.1	23.6	21.0	66.4	25.0	4.0	4.6	79.6	15.5	5.0	
Sophistication of crime including use of guns by criminals	47.6	21.0	16.4	15.0	88.7	7.9	2.8	0.6	90.6	5.9	3.2	0.3
Poor pay and working environment	45.7	30.1	14.7	9.5	93.1	5.4	1.1	0.3	92.6	6.5	0.6	0.3
Collusion with criminals with police	47.7	22.8	17.3	12.1	58.7	19.7	12.5	9.1	64.0	18.0	8.0	10.0
Inadequate training	17.4	18.3	22.6	41.8	70.0	18.1	8.0	3.9	84.7	8.4	3.8	3.1

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