

"Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a government's ability to provide basic services, feeding inequality and injustice, and discouraging foreign investment and aid."

Kofi A. Annan: Former U.N. Secretary-General

Goal

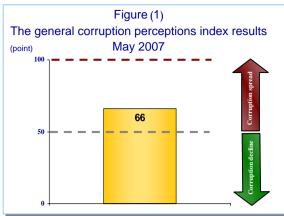
- The corruption perceptions index in Egypt intends to evaluate the current level of corruption perception and its prevalence in public institutions according to the citizen's perception. Also, to assess their personal experiences by being exposed to one of the corruption forms in question. (Bribery, Gifts and Gratuities, the official employee disposing public funds for his personal benefits relatives favoritism and the reliance on personal relations to facilitate governmental procedures stealing public funds).
- The index depends on a telephone poll for a representative sample of the 26 governorates separately, in addition to Luxor city. The sample was not including less than 10800 adult respondents (18 years+) in order to:
- •Arranging governorates according to the level of their inhabitants perception of corruption.
- Arranging sectors according to the level of corruption prevalence.
- •Identifying the most corrupted governorates and sectors from the citizens point of view, which helps guiding and supporting decision makers to adopt policies and procedures necessary to combat the phenomenon.

Important results

- The general corruption perceptions index reached 66 points nationwide during May 2007. Since the index ranges from zero to 100 points, with a maximum value "100 points", referring to the maximum levels of corruption, while the value of "0" refers to the absence of corruption.
- The inhabitants of Qalyubiya, Gharbyah, Red Sea, Cairo and Suez were the most inhabitants perceiving corruptions, while Menia, El Behaira, South Sinai, Damietta and Kafr El Sheikh inhabitants were the least.
- "All Government Authorities". were considered to have the highest corruption index, followed by , "Education", "Local Authorities", "Ministry of Interior" and "Health" were the most sectors suffering from corruption, while "National Council For Youth", "Airport/Customs", "Ministry Manpower and Immigration", "Procurement offices" and Ministry of Petroleum" were the least sectors suffering from corruption.

The General Corruption Perceptions Index:

• The general corruption perceptions index reached 66 points nationwide during May 2007, exceeding the neutral level (50 points) by 16 points.

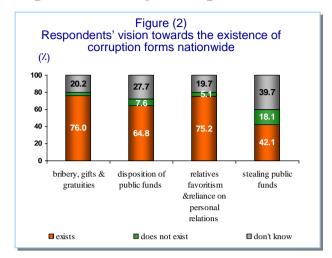


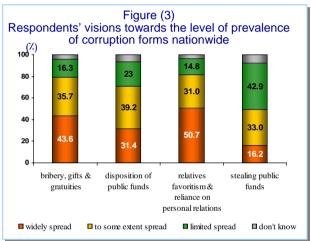
Methodological Notes

- The index is a composite index between corruption perception and exposure. The corruption perception is at its minimum and increases by the spread of the phenomenon reaching its peak when the respondent or one of his family members is exposed to any corruption form.
- The index depended on a telephone poll designed especially for this goal. A representative sample of 300 units was drawn for a pre-test: 20% urban governorates, 45% lower Egypt and 35% upper Egypt.
- The index was based on citizens responses (18 years+) who have a home telephone allover Egypt's governorates. A random sample was drawn from each governorate. The poll was then implemented on each sample separately and then data is compiled and relative weights were computed. The distribution of adult citizens (18 years+) in the sample CONFORMS with population distribution all over Egypt according to some main demographic characteristics.
- Actual responses reached 14224 responses, and the refusal percentage was 19%.
- The index was composed using "Factor Analysis" technique on 12 variables reflecting the four forms of corruption (bribery, gifts and gratuities, the disposition of public funds for the government officials personal benefits, relatives favoritism and the reliance on personal relations to facilitate governmental procedures, stealing public funds). This was achieved through three dimensions (does this form exist, is it prevalent, were you or one of your family members exposed to it?)
- Accordingly, the index was computed for each governorate separately, while standardization of the index value ranging from "zero" (absence of corruption perception) to "100" (maximum corruption perception and exposure in society) was done on all governorates collectively not separately.
- The weights of the variables used in composing the index for each governorate separately- reflected the proportional variations among perception, prevalence and perception accompanied by exposure. This shouldn't conflict with the logic behind the contribution of these variables in constructing the index.
- For achieving a representative sample, the governorates index was weighted by population (Egypt's households were distributed according to the preliminary results of 2006 population and establishments census).

Respondents' vision towards existence and prevalence of corruption:

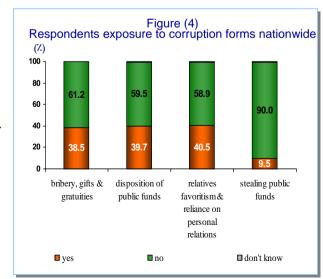
- About 76% of total respondents pointed for the existence of bribes, gifts and gratuities as one of corruption forms in the Egyptian society.
- 43.6% of those respondents mentioned that the previous corruption forms are widely spread in the Egyptian society.
- 64.8% of total respondents nationwide declared that, the unwise behavior of disposition of the public fund, as a form of corruption. Moreover, about one third of those respondents declared that this phenomenon is widely spread.
- 75.2% of total respondents indicated that relatives favoritism and the reliance on personal relations to facilitate governmental procedures exist in the Egyptian society and about half of those respondents believe that it is widely spread in the society.
- 42.1% of total respondents stated the existence of stealing public funds as one of the corruption forms in the Egyptian society and about 42.9% of them believes that it is not widely spread.





Respondents' Exposure to the Corruption (*):

- Generally, the percentages of the respondents' exposure to the four corruption forms is low compared to the percentages of respondents non exposure to these forms of corruption.
- More than one third of the respondents (38.5%) indicated that they- or one of their family members - were exposed to bribery, gifts and gratuities.
- 39.7% of total respondents declared that they were exposed or one of their family members to the disposition of public funds for the government officials personal benefits as a one of the corruption forms in the society.
- 40.5% of total respondents declared that they were exposed to the form of relatives favoritism and reliance on personal relations to facilitate governmental procedures.
- The vast majority of the respondents indicated that they were not exposed to the phenomenon of stealing public funds as one of corruption forms.

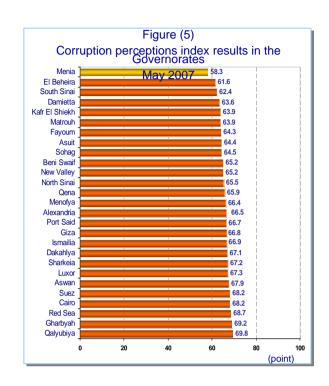


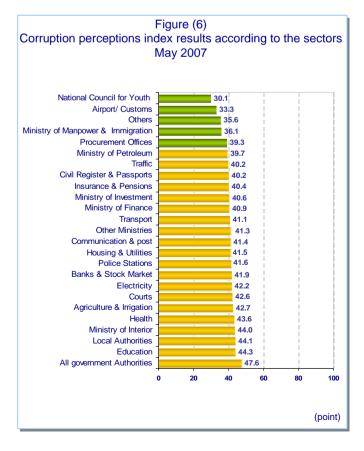
Geographical variations:

- Qalyubiya recorded the highest value of corruption perceptions index among all governorates, as it reached about 69.8 points
- Next came Gharbyah, Red Sea, Cairo and Suez as the most governorates suffering from prevalence of corruption phenomenon.
- Menia, El Behaira, South Sinai, Damietta and Kafr El Sheikh are the least governorates suffering from the prevalence of corruption. Menia had recorded the least value of corruption perceptions index among all governorates, it reached about 58.3 point.

Sectoral Distinctions:

- "All Government Authorities" recorded the highest value of corruption perceptions index during May 2007. This indicates the widespread of the corruption phenomenon in almost all government sectors from the respondents' point of view.
- The Education Sector was the most corrupted sector from the respondents point of view, as its index recorded about 44.3 point during May 2007.
- "Local Authorities", "Ministry of Interior" and "Health" were the next most corrupted sectors, according to the index results.
- On the other hand, "National Council for Youth" recorded the least value of the corruption perceptions index that reached 30.1 points.
- "Airport/Customs", "Ministry of Manpower and Immigration", "Procurement Offices" and Ministry of Petroleum" were the least sectors suffering from corruption.

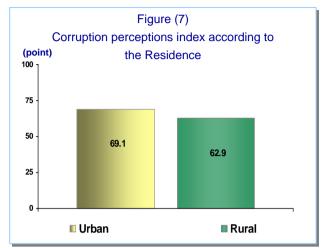




Disparities in Perceiving Corruption According to Demographic Characteristics:

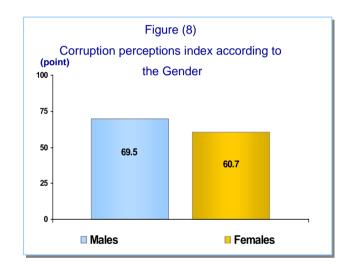
•According to the Residence (Urban/Rural)

- The corruption perceptions index during May 2007showed that the urban residents perception for corruption is higher compared to that of rural residents.
- The corruption perceptions index in urban areas reached 69.1 points during May 2007 which is higher than that of the rural areas by 6.2 points.



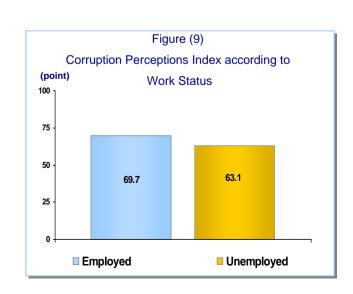
•According to Gender:

- Males perceive corruption more than females,
 and this is evident in the corruption
 perceptions index results according to gender.
- The corruption perceptions index for males reached 69.5 points during May 2007, where it reached 60.7 points for females.



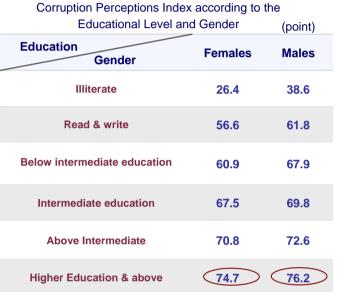
•According to Work Status:

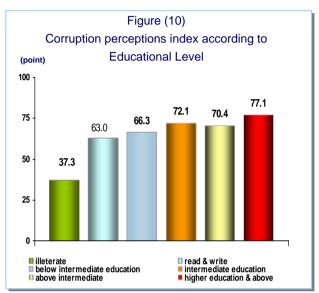
• Employed people strongly perceive corruption phenomenon. Since The corruption perceptions index for employed people reached 69.7 point during May 2007, which is higher than that of the unemployed people by 6.6 points.



Disparities in Perceiving corruption according to Demographic Characteristics (cont'd.): •According to Educational Level

- Highly educated people and above have the highest corruption perceptions index value compared with those of other educational levels; since their index value reached 77.1 point during May 2007.
- Corruption perception increases when educational level is higher, this appears in the results for both males and females, with slight increase for males.

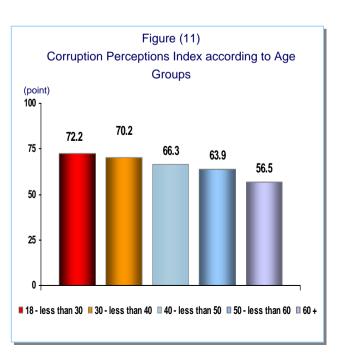




- According to Age Oroup.
- Youth highly perceive corruption compared with older age groups, as their corruption perceptions index(18 less than30) reached about 72.2 point.
- Corruption perceptions index increases when both Educational Level and Age increase.

Corruption Perceptions Index according to the Educational Level and Age Group (point) **Education** 18-30-40-50-60 +<30 <40 < 50 < 60 Age **Illiterate** 32.2 29.5 29.7 24.8 26.5 Read & write 61.8 58.1 59.9 56.3 60.8 **Below intermediate** 62.7 64.5 64.5 65.8 62.7 education Intermediate 67.8 68.7 69.4 70.4 72.8 education Above intermediate 71.4 71.2 72.3 74.9 71.5 **Higher education &** 78.2 74.9 76.6 75.8 75.6 above

Table (2)

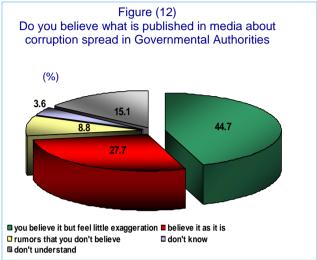


Public Opinions Attitudes Towards Corruption & Government Role in Combating it:

•Media Credibility in disseminating Corruption Cases from the respondents' Views:

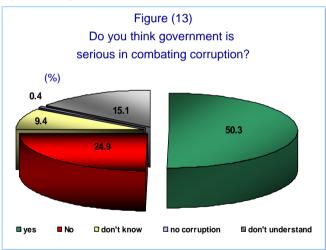
• 44.7% of respondents believe in the media publishments about corruption cases, though they feel a little exaggeration, while 27.7% of respondents nationwide believe in no exaggeration in what is published.

- 57.2% of respondents in North-Sinai believe what the media publishes about corruption cases, but they feel a little exaggeration, and this percentage exceeds the overall average of the Republic followed by Suez (52.1%) and Cairo (50.9%).
- Cairo came on top of all governorates concerning the percentage of respondents who believe what is published about corruption cases exactly as it is, where it reached about (35.1%).
- On the other hand Beni-Swaif came in the forefront of governorates whose residents don't believe what is published in media about corruption, as they consider it as rumors (18%).



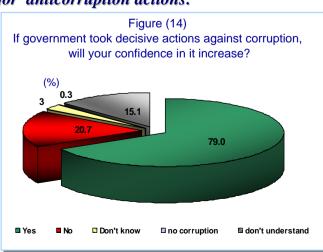
•Seriousness of the Government in Combating Corruption:

- About half of the respondents nationwide declared that the government is really serious in combating corruption, while about a quarter of them indicated that it is not serious.
- 71.5% of Sohag's respondents, 71.3% of Qalyubiya's respondents and 70.9% of Luxor's respondents believe that the government is really serious in combating the corruption phenomenon.
- On the other hand, 81.2% of Beni-Swaif's respondents, 80.2% of Qena's respondents and about 87.8% of el Sharqya respondents believe that the government is not serious in combating corruption nowadays.



•Confidence in the Government will rise due to major anticorruption actions:

- Most of the respondents nationwide declared that their confidence in the current government will increase when it takes decisive actions against corruption.
- 72.7% of Qalyubiya's respondents, 72.1% of Dakahlya's respondents and 71.9% of Qena's respondents indicated that their confidence in the current government will increase when it takes decisive actions against corruption.
- While 86.1% of Dakahlya, 83.8% of Sohag and 82.7% of Cairo indicated the opposite.

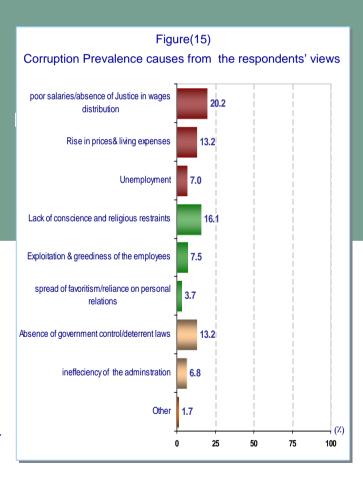


Causes of Corruption Prevalence according to the Respondents' Views

- Corruption spreads due to different causes which can be classified according to the respondents' views into three categories. First, the economic causes such as poor salaries, rise in prices, low living standards and unemployment. Second, the social and cultural causes such as spread of favoritism, mediation and reliance on personal relations. Third, the administrative causes such as the inefficiency of the administration and absence of deterrent laws and government control.
- The Economic Causes are considered the main cause in the proliferation of corruption in Egypt, as 20.2% of the respondents indicated that the poor salaries and absence of justice in wages distribution are the main causes, that force the citizens to take bribes and engage in corrupted businesses.
- 16.1% of the respondents indicated that the lack of conscience and religious restraints are the main causes of corruption.
- The Rise in prices and living expenses increase, were mentioned by 13.2% of respondents as a main cause of corruption.

 Also the absence of the government control and the deterrent rules were indicated with the same percent.
- Exploitation and greediness of the employees, high rates of unemployment, and inefficiency of the administration and relatives favoritism were indicated as the causes of corruption by few respondents with percentages ranging from 7.5% to 3.7% of respondents.



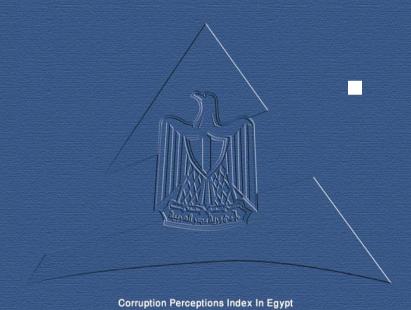


Appendices

Table (A)

List of Entities in Government Sectors included in the Corruption Perceptions Index

Sector	Authority
Education	Ministry of Education/ Higher Education (schools, universities & institutes)
Local Authorities	Ministry Of Local Development (local councils/ city councils/ governorates Divans/ local units/ local administrations)
Police Stations	Police stations
Health	Ministry of Health (hospitals, health units/ Health insurance)
Traffic	Traffic (policemen)
Civil Register and Passports	Civil Register and Passports
Communications/ Telephones/ Post	Ministry of Communication/ centrals/ Egypt telecom/ telephones/ National Postal Authority/ post offices
Electricity	Ministry of Electricity/ electricity companies
Housing/ Utilities	Ministry of Housing, Utilities and Urban Development/ water/ sanitation/getting apartments
Courts	Ministry of justice/ Real Estate Registration/ consultants offices/ courts and judicial entities
Insurance and Pensions	Ministry of Social Security/ insurance/ pensions/ Nasser bank
Agriculture and Irrigation	Ministry of Agriculture/ agricultural society/ engineering department and irrigation
Procurement Offices	Procurement offices/ bakers
Banks and Stock Market	Banks and stock market
Airport/Customs	Airport/customs
Ministry of Manpower and Immigration/ Employment Offices	Ministry of Manpower and Immigration/ employment offices
Ministry of Petroleum	Ministry of Petroleum/ gas companies
Transport	Ministry of Transport (railways/ metro/ buses/ ports/)
Ministry of Finance/ Taxes	Ministry of Finance/ taxes
National Council for Youth	National Council for Youth / youth clubs
Ministry of Investment/ Public and Holding Companies	Ministry of Investment/ public and holding companies



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