

TOWARDS A COMMON UNDERSTANDING OF CORRUPTION IN AFRICA

**Draft Speech for Minister Fraser-Moleketi to be presented at the African
Forum on Anti-Corruption 28 February 2007**

Your Excellency, Deputy Prime Minister of Namibia

Commissioner Joiner

Ministers

Your Excellencies, Ambassadors and High Commissioners

Distinguished Guests

Ladies and Gentlemen

All protocols observed

Corruption takes place at the interface between the public and private sectors. It is essential to recognize this in developing a common understanding and approach to corruption. The corollary of this argument is that effective anti-corruption strategies must be designed to both enhance democracy in the political sphere as well as corporate governance in the private sector.

Is William Butler Yeats referring to corruption in his poem "The Second Coming" when he writes:

*Turning and turning in the widening gyre
The falcon cannot hear the falconer
Things fall apart, the centre cannot hold
Mere anarchy is loosed upon the world.*

Chinua Achebe in his novel *Things Fall Apart* does in fact ask us whether corruption has led to things falling apart and the erosion of the centre. Corruption is anarchy that has been loosed upon the world in which we live. Achebe and many other writers in Africa including Ngugi WaThiongo and Ousmane Sembene all point to the importance of fighting corruption because it erodes the common fabric, undermines community and perpetuates poverty, inequality and underdevelopment. For these reasons alone, we must be resolute and steadfast in our fight against corruption in all spheres of society.

Corruption has been manifest in all historical epochs. As we reflect on the root causes of corruption in the contemporary era we can trace corruption back to the era of colonialism, but equally importantly we can acknowledge systemic corruption in the Cold War era.

In an effort to fight the Cold War through proxy nations in the South, the global superpowers overthrew many democratically elected regimes in Africa, Asia and Latin America and often replaced them with malleable regimes. We are now dealing with the legacy of the Cold War. At the same time, this legacy has created an environment for the forces of Globalisation, which are supra-national in character to once again exploit the vulnerabilities of nation states.

By situating corruption in its historical context and by linking it to the unregulated and regulated markets of capitalism, nationally and globally, we are asserting that corruption is more than the relationship between the bribe giver and the bribe taker. It has historical roots; it is systemic and goes beyond the individual to the structural and the institutional levels. By asserting that corruption is rooted in the unbridled forces of the market and in the pursuit of profitability we are in fact suggesting that corruption often seen as “the price of doing business” must not be viewed as an intrinsic element of the value system of democratic capitalism.

SEVEN PREMISES OF CORRUPTION

The first premise in our development of a common understanding of corruption is that while corruption manifests itself in the relationship between individuals and institutions, corruption as a practice is rooted in the operation of market forces, the pursuit of individual prosperity as opposed to the common good. Free market ideology has generated a rugged individualism that has led to the atomization of society and given rise to a rampant pursuit of individual gain. This possessive individualism has undermined the goals and objectives of national and community level development.

Underdeveloped capitalism has lacked an independent basis for accumulation within the economy, making access to the state and its levers critical for capital accumulation. A connection to the state has thus become a *sine qua non* for capitalist accumulation and the state connection has become a life and death struggle for the elite. This has undermined democracy and spawned networks of corruption that have pillaged public resources in the pursuit of personal wealth.

Our second premise is that corruption is fundamentally undemocratic; it undermines the legitimacy and credibility of democratically elected governments and of responsible and accountable civil servants.

The third premise is that corruption is about the interface of political and economic elites at a global, national and regional scale.

Our fourth premise is that the intentional preoccupation in the global corruption discourse with bribe takers and bribe givers and particularly with bribe takers is disingenuous, ideologically loaded, and simplistic and certainly serves other agendas that are not linked to developmental goals. This discourse needs to be challenged precisely because it overlooks the complexity of the social forces, systems, processes and structures which underpin acts of corruption. It also needs to be challenged because as democratic states in Africa continue to strengthen the fight against poverty and underdevelopment, this preoccupation detracts from the broad goals of development.

The fifth premise is that corruption is systemic, and the focus must therefore be on effects rather than intentions. The effect of corruption is that it undermines the value system, the norms and the very cohesion of society. It may not be the intention of the corrupter to engage in practices that undermine the values of the nation state and the values of community; but it has this effect, regardless of intent. Colonialism distorted and undermined the value systems of the colonized, often intentionally as a means of imposing its rule and its values. Clearly corruption has historical roots that were

exacerbated in the period of colonialism and apartheid and today we are dealing with the impact of this legacy. Corruption distorts and undermines the value systems of all societies and their peoples.

The sixth premise is that an anti-corruption strategy must be articulated by leaders in the political, economic and civil society spheres and must engage all sectors of society on the basis of a core set of leadership practices and values. If, as we have argued, corruption has a deep and lasting impact on the very core values of society, then an anti-corruption strategy must articulate an alternative ethos and value system.

The seventh premise is that corruption is a direct impediment to Africa's development. Corruption hurts the many and benefits the few. It inhibits the ability of government to respond to citizens' needs and to utilise scarce resources in the most efficient and effective manner. It takes away resources from priority areas such as health, social development and education. It also hampers the continent's efforts to instil sound political, socio-economic and corporate governance.

The discourses of both North and South need to be rethought in this light. One focuses on the corrupted, the other seeks to focus on the corrupter, but both ignore the complexity and nuance surrounding the structural relationships which are embedded in the political economic interface. *This is the political economy of corruption, wherein corruption is symptomatic of the current conjuncture of globalisation.* It is in this conjuncture that multinational corporations and individuals can take advantage of vulnerable states, eroding value systems and where possessive individualism overrides any sense of the common good.

Corruption engenders perverse political dependencies, lost political opportunities to improve the general well being of the citizenry and fosters a climate of mistrust particularly of public officials. The losses that accrue from a culture of permissiveness with respect to corruption include a loss of revenue, loss of trust, loss of values, loss of credibility and legitimacy and a loss of the

democratic ethos and impulse within institutions and organizations. A 2002 World Bank report on corruption puts the financial costs of corruption at \$148bn a year, and increases the costs of goods by as much as 20%. Certainly the beneficiaries are few and the victims are the many - and the report notes that the poor are the hardest hit.

The former secretary-general of the United Nations Kofi Annan, in his statement on the adoption of the UN Convention against Corruption noted that:

Corruption is found in all countries big and small, rich and poor but it is in the developing world that its effects are most destructive. 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 aid and investment. Corruption is a key element in economic under-performance and major obstacle to poverty alleviation and development.

It is critical for us to develop a common understanding of corruption based on a conception of the "common good". This derives from the state's special obligations rooted in what we call the "People's Contract". This binds the elites to the masses and lays the basis for leadership qualities that require the promotion and articulation of values and principles of professional ethics by leaders.

Under conditions of democracy, the state needs to take the lead in combating, preventing, managing and eliminating corruption. The political cost of corruption is that it undermines democracy, weakens the developmental state and undermines responsibility, accountability and legitimacy. In eroding the "People's Contract", corruption alienates citizens from the very officials they have elected and also alienates people from each other. Corruption weakens democratic processes, public order and undermines the ability to fight for reform. Corruption destroys trust and erodes both the sense of global

citizenship and the sense of shared responsibility as well as national citizenship and the sense of social cohesion.

The state has the responsibility for securing the conditions under which development takes place and security is ensured. Where states are undemocratic this proposition becomes problematic, as the ruling group frequently abuses state power in the interests of narrow sectional concerns. This promotes neither development nor security but creates the conditions under which corruption and so called predatory states flourish.

We have the opportunity at this Conference to share our experiences, our successes and our frustrations in dealing with the challenges of corruption. The theme of the Conference, "Towards a Common Understanding of Corruption" is also a call for us as Africans throughout the Continent to work together to tackle this scourge.

CORRUPTION AND DEVELOPMENT

Developmental states are about the interface between the political, economic and the bureaucratic elites. Democracy keeps politicians honest and accountable while sound corporate governance and systems of accountability keep the economic and bureaucratic elites honest. Central to the developmental state is the strong interface between key state actors, institutions, business and civil society. As the developmental infrastructure is created, the interface intensifies, and there must be requisite levels of trust to ensure that public goods and resources are well managed and not squandered. The critical interfaces between politics, economics and the bureaucracy must be kept clean.

Critical to this is firstly reclaiming a value system that sees the individual as part of a broader community. In the South African context we talk about *ubuntu*. In kiSwahili we talk about *ujamaa*, the values that relate to neighbourliness and *utu*, possessing the values of a human being, humanity and cooperation. The word *ubuntu* comes from the Zulu and Xhosa

languages. A rough translation in English could be "humanity towards others." *Ubuntu* also means "I am what I am because of who we all are". The Zulu maxim is umuntu ngumuntu ngabantu ("a person is a person through other persons"). *Ubuntu* is "The belief in a universal bond of sharing that connects all humanity."

If we take the second meaning of *Ubuntu* we realize that if one in our community or our society is corrupt, then we are all affected. If one is in need we are all in need.

So by combining the many complementary meanings of *Ubuntu*, we are in fact saying that we are human by virtue of doing for others and not just ourselves. This must be the essence of a value system that underpins our commitment to anti-corruption. This is the spirit we must continue to encourage in all sectors of our society. This is the spirit that is necessary for the creation of a socially cohesive and inclusive Africa.

Secondly, we need strong robust democracies where all sectors of society including the media and organizations of civil society, private sector, trade unions and faith based organisations have a responsibility to educate and promote the values of *ubuntu* and anti-corruption.

Thirdly, there is the need for the establishment of a professional meritocratic public service that is able to uphold the values and principles of democracy, good governance and *ubuntu*.

Government intervention in the economy to promote development implies extensive interaction between politicians, bureaucrats and business people. The interaction could take the form of collaboration, collusion and corruption, or all of these. The experience of developmental states across the globe has problematised the close relationship between government and business. It can be seen as benign collaboration or crony capitalism or corruption. In pursuing a development agenda the collaboration between government and business is critical, because information exchange is a prerequisite for

effective policy formation and implementation. A professional, meritocratic bureaucracy is a key condition for preventing collaboration from degenerating into collusion and corruption. But the bureaucracy itself must also be steeped in a strong code of conduct and a code of ethics. These codes need to be implemented and rigorously enforced. Similar codes must be established, implemented and rigorously enforced for elected officials and for the corporate sector.

Corruption undermines growth and development by diverting resources away from development programmes thus increasing poverty, inequality and underdevelopment. Corruption is therefore a critical channel through which inequality undermines economic growth.

It is important to note however, that developmentalism and state intervention do not necessarily lead to increases in corruption, although some forms of state intervention may lead to corruption. The sale of state properties, extensive ownership by the state of large corporations, the favoring big conglomerates, and the manner in which some huge tenders are awarded to national and or international bidders has led to corruption in some developmental states. Nevertheless, linking the extent of state intervention or the scale of state participation in the economy to corruption is highly problematic.

There are objective factors which determine the levels of corruption beyond the simplistic notions that state intervention in economic development produces corruption. Corruption is more likely to be found under conditions where policy failures have increased redistributive pressures to address inequality than where development policies have been successfully implemented by a meritocratic bureaucracy, thus decreasing inequality. The deepening of democratic institutions is likely to reduce corruption due to enhanced monitoring and accountability mechanisms. These are critical elements of National Integrity systems that link values and principles of good governance with the institutional structures and practices that give effect to these values.

NATIONALITY INTEGRITY SYSTEMS

Good governance is a prerequisite of preventing and combating corruption, while the scourge of corruption undermines good governance. Corruption can therefore be viewed as a governance challenge. The concept of a National Integrity System is fundamental to the development of an anti-corruption discourse. It comprises the building blocks necessary for the long-term fight against corruption and other forms of unethical and anti-social behaviour. Its core elements are constituted by a society's value system.

The National Integrity System's values must permeate the structures, practices and principles of the state, the corporate sector and civil society. These values include accountability, transparency, equity, efficiency, developmentalism, and fundamental rights and freedoms including freedom of speech, access to information, democracy and participation.

The successful practice and implementation of a National Integrity System is predicated on strong leadership and the ability of leaders to set a vision, based on the values of the society. Governments can create a National Integrity System infrastructure with laws systems and structures, but ultimately there needs to be on the part of leadership, a voluntary submission to a higher code of probity, which goes beyond strictly legal prescriptions. This submission to a moral code ensures that institutions do not become vacuous without direction or purpose. Ethical behaviour, while highly desirable, respected and valued, cannot be assumed. This is why specific measures and institutions to safeguard integrity and to promote ethics are necessary. The lack of these measures and institutions, or their ineffective implementation and functioning, opens the way for all manner of unethical behaviour, including corruption.

The values expressed in the National Integrity System need to permeate all institutions of state, the corporate sector and civil society and specific measures or actions relating to anti-corruption need to be identified within

particular institutions. A National Integrity System therefore provides both the institutional and philosophical basis for both enforcement and preventive action against corruption.

TOWARDS A BROADER DEFINITION OF CORRUPTION

Thus far, corruption has largely been perceived as an African and “developing south” phenomenon. Definitions of the problem have often been limited to the abuse or misuse of public power or resources for private benefit, thus focusing on the behaviour of politicians and those in the public service. Corruption and bribery have also frequently been used interchangeably and in a manner that conceals that bribery is a two way transaction involving both bribe givers and bribe takers. There has also been a projection of particular societies or people as endemically corrupt, so that an outsider is required to pay bribes in order to conduct legitimate business.

There has also been a tendency to propose solutions and strategies for combating corruption as apolitical, largely legalistic and technocratic, devoid of ideology and values, while ignoring the value laden definitions and perspectives of those who defined the problem and prescribed the solutions.

The result of this approach is that the role of the private sector is rarely addressed, and the prevalence of corruption in the developed north, if noticed at all, is perceived as an aberration or deviation from the norm.

Yet our experience has been that corruption is prevalent in both developed and developing countries. People occupying the highest political offices have abused their offices for private gain or to further their own personal or political party’s ambitions. Many corruptors have been exposed. Legal action by governments, including that of Lesotho, has led to international corporations being found guilty of paying bribes.

There is a long list of northern politicians, CEOs, lawyers, lobbyists, accountants, public and private officials who have abused their fiduciary

responsibilities and professional codes and duties by engaging in activities that are corrupt. This does not absolve Africa from the responsibility of addressing corruption on the continent.

Globally we have witnessed the abuse of political power and resources for personal benefit and for ruling elites, at the expense of ordinary citizens, including shareholders, private clients, workers and the poor. We have also seen abuse by the rich and militarily strong countries that promote their own ideology, and impose leaders on others. This is done in pursuit of their own national interests at the expense of the populations of entire countries and regions while in the process weakening multilateral co-operation and institutions.

South Africa understands corruption to be a societal problem, which affects all sectors of society differentially. Over and above our common colonial experience, the experience of apartheid exposed us to the reality of systemic corruption, which infused the entire society and was used to sustain those in power. *The collusion of the elite with the ruling party amounted to a takeover of the state.* The security of the state and protection of the rulers shaped the institutions as well as policies of governance and conditioned the behaviour of politicians, diplomats, business people and the security services.

Apartheid was a criminal system and was maintained by criminal means, with scant regard for public or private morality, or respect for human life. The activities of agents of the state were unconstrained, institutions lost their legitimacy, and growing numbers of citizens abandoned previously accepted norms of behaviour as they were required to condone, rationalise and legitimize injustice and oppression.

Repositioning the discourse on corruption requires us to go beyond the simple corrupter-corrupted relationship. Current discourses privilege one or the other and focus on the perceptions of one or the other. It is far more useful in developing a common understanding to focus on the interface between

politics and economics. It is the premises identified earlier that provide the basis for a far more rigorous conception of corruption.

As we have argued throughout, a broader conception and definition of corruption must recognize that corrupt practices take place in the interface between the public sector, the private sector and even the civil society sector. The African Development Bank (ADB) has gone a long way towards articulating a common definition of corruption by arguing that corruption is a cross-sectoral and cross-boundary activity, and involves practices such as theft, fraud, bribery, extortion, nepotism, patronage, and laundering of illicit proceeds. Private sector corruption is as serious as public sector corruption, and the costs are just as great. The ADB also points us to the reality of Grand Corruption, that stems from the interface between the private and public sectors.

It is also important to acknowledge that corruption is not restricted to purely commercial transactions but may also be present when citizens seek to access social services such as health, welfare and education services. A bribe may be demanded by a public official in order to deliver the service or grant access to the service to which the citizen is entitled, and which the public official is obliged to deliver. The failure to deliver leads to a culture where citizens feel forced to offer bribes in order to receive that to which they are entitled, hence strengthening a climate of corruption.

A more appropriate definition of corruption including these additional facets of the problem is proposed to enable African countries to individually and collectively develop targeted strategies and practices to combat corruption as it confronts us. Such a definition may see corruption as a transaction or attempt to secure illegitimate advantage for national interests or private benefit or enrichment, through subverting or suborning a public official or any person or entity from performing their proper functions with due diligence and probity.

We need to reflect on this definition in order to collectively as Africans build democracy in our respective countries and promote economic growth and development in order to create a better life for all our people. We need to understand how corruption flourished under colonialism as well as in the post-colonial period. We are now able to recognize that corruption has implications for the commercial gain and benefit of its protagonists while simultaneously undermining democracy. Corruption compromises democratic political process and generates apathy and disengagement amongst citizens.

In developing an African conception and understanding of corruption, we need to recognize the colonial legacy and its impact on the colonizer and colonized alike. Reflecting on the South African case, President Thabo Mbeki in delivering the Nelson Mandela memorial lecture in 2006 said:

Within the context of the development of capitalism in our country, individual acquisition of material wealth, produced through the oppression and exploitation of the black majority, became the defining social value in the organisation of white society...it entrenched in our society as a whole, including among the oppressed, the deep-seated understanding that personal wealth constituted the only true measure of individual and social success. The new order, born of the victory in 1994, inherited a well-entrenched value system that placed individual acquisition of wealth at the very centre of the value system of our society as a whole. In practice this meant that, provided this did not threaten overt social disorder, society assumed a tolerant or permissive attitude towards such crimes as theft and corruption, especially if these related to public property.

Whilst apartheid bequeathed us a value system that had injustice and materialism at its core, we had the opportunity to negotiate a new set of values for the democratic era in the process of the transition from apartheid to a democratic constitutional dispensation. As was the case in liberation struggles across the continent, our own liberation struggle in South Africa was

informed by a democratic, human rights culture. These values have now entered the mainstream of our society. Our much-lauded Constitution contains many of the fundamental principles and values that will help to refocus our society to sound communal values based on the African philosophical concept of “Ubuntu” (humanity).

The principles of democratic administration, transparency, accountability and the rule of law form the basis of a more comprehensive understanding of corruption. Within the public sector the South African ethos of *Batho Pele*, “citizens first”, is being progressively entrenched amongst public servants to ensure that they become service oriented and understand their role in providing essential services to the people of South Africa. Their efficiency and effectiveness in rendering these services is critical in giving substance to the expectations of the people, and enabling the state to promote the conditions for development that will eliminate inequality and alleviate the plight the poor.

The philosophy of *Ubuntu* as articulated in South Africa finds resonance across the Continent. This philosophy does not represent values that are exclusively South African. It contributes towards a definition of the common good at a broader continental level. Traditional African society was forged on the basis of communal values. This contrasts with the values of rampant free market capitalism under globalization which emphasise individual wealth acquisition.

This is why we need to reflect on the functioning of our national, regional and global political economies. In doing so we need to understand the objective social forces that shape our nation states, our regions and our continent and the material context in which corruption occurs. The purpose of this analysis is to enable us to design and implement appropriate structures and strategies to combat corruption, and not to shift the blame for corruption to external forces.

The market fundamentalism of contemporary global capitalism and its atomizing effect has created the conditions under which corruption flourishes. Self-interest has taken precedence over the collective good. Our people no

longer see themselves as an integral part of their communities with the attendant responsibilities that this entails.

The State has a critical role in counteracting these tendencies through democratic practice. At the core of defining the common good lies the need to bind the elite and the impoverished through the implementation of a People's Contract. The commitment to development, alleviation of poverty and the reduction of economic inequality lies at the heart of a contract between the government and its people. Corruption undermines the ability of the state to meet its development objectives. A people's contract must therefore contain effective regulatory frameworks and mechanisms for the creation of sound National Integrity Systems.

The state plays a central role in binding the political and economic elites to the masses of the people. This can be achieved through the articulation and agreement of a set on common goals for the common good. By creating the conditions for effective implementation of a programme of action for the common good the state must entrench the links between the elites and the masses.

There is an onus on leadership, to articulate and sketch a vision based on the values of a society and to design programmes to give meaning and content to this vision. Strong leadership in all sectors –political, economic, administrative and civil society- must be based on integrity and through example must give concrete expression to the codes of good practice contained within the National Integrity System.

There has been extensive debate on what needs to be done in order to tackle corruption and many initiatives have been taken at national, regional and continental levels. Sound frameworks are already in place. The time has now come for action and implementation: we need to focus on practical action and share our hard won experiences of best practice.

Our approach needs to be multi-faceted and it is important to put in place anti-corruption strategies that consist of a myriad of tools to fight corruption. The strategies must look at prevention, education and awareness as well as detection and the enhancement of capacity of the law enforcement agencies and other institutions fighting corruption.

We need to examine how to counter corruption more effectively through co-operation and co-ordination including cross border support. We need to operationalise our structures and lobby and pressure the countries of the developed world to support our initiatives in order to close the loopholes that may exist in their jurisdictions.

We must also take the opportunity of this gathering to develop a plan of action that will serve as a guide as we continue the fight against corruption. This plan of action must include developing a methodology to measure corruption more accurately than simply relying on the ‘perception’ indices that have dominated corruption and anti-corruption discourse. Once many low and middle income countries have been labeled and perceived as corrupt the “perception” is very difficult to dislodge and their efforts at development are significantly undermined either by failure to invest or by disinvestment. Surely this cannot be right and “perceptions” ought not to dominate the development trajectory of particular countries let alone the development discourse *writ large*.

CONCLUSION

We can all agree that corruption undermines democracy and negatively impacts on sustainable growth and development. The most effective antidote to corruption therefore has to be a strengthened National Integrity System that puts issues of good governance in all the spheres of society (the political sphere, the corporate sector and in civil society) at the very heart of the anti-corruption project. The perception discourse that focuses on the corrupted and the discourse of blame that focuses on the North do little to illuminate the complexities hidden beneath the surface. They are simplistic and glib and avoid a more holistic approach that is structural and systemic and looks at

social forces that are conjunctural. A structural approach to corruption is a far better point of entry into the debate for it locates corruption precisely at the interface between the public and private sectors and thus allows us to focus our attention more sharply on the critical issues that confront us in Africa today.

As we engage more rigorously in our analysis of corruption, let us as Africans imagine a world that exists without corruption. As Ben Okri has said, “The worst realities of our age are manufactured realities. It is therefore our task, as creative participants in the universe, to re dream our world. The fact of possessing imagination means that everything can be re dreamed. (www.thinkexist.com/quotes/ben_okri/). In this way, let us exercise leadership and judgement in the building of a world that rests on the principles of *ubuntu*. This is not an impossibility for as Okri continues: “The most authentic thing about us is our capacity to create, to overcome, to endure, to transform, to love and to be greater than our suffering.” (www.thinkexist.com/quotes/ben_okri/)

I thank you.