

CORRUPTION IN AFRICA: CULTURAL, ECONOMIC AND POLITICAL FACTORS  
WHICH IMPACT CORRUPTION AND POTENTIAL SOLUTIONS

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## ABSTRACT OF THE THESIS

### CORRUPTION IN AFRICA: CULTURAL, ECONOMIC AND POLITICAL FACTORS WHICH IMPACT CORRUPTION AND POTENTIAL SOLUTIONS

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Thesis: An examination into corruption within Africa reveals that certain factors make it different than those shown in Europe, and particularly those countries that rely on one or two major sources of natural resources such as Nigeria and the Democratic Republic of the Congo, tend to exacerbate corruption within those nations. There are several solutions, such as political which have the potential to reduce corruption, however economic development and the creation of a stable middle class holds the best promise to mitigate the worst effects.

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# Corruption in Africa: Cultural, Economic and Political Factors Which Impact Corruption and Potential Solutions

by

Robert M. Kelly

## **Introduction**

Africa is saddled with many challenges. It is a continent blessed with resources and cursed with political and economic greed. Its ethnic diversity and rich cultural heritage, often misunderstood in Western capitals, impact and drive actors to protect their kin whilst thwarting enemies. Historically, the impact of colonialism has unfortunately set the environment for poor governance. Set in the backdrop of all this is the rampant corruption that exists within African societies. This institutional corruption has three main elements: cultural, economic and political. To examine the basis and explore potential solutions, one must take all three factors into consideration.

### **Corruption Defined: Cultural, Economic and Political**

Corruption as a concept is fairly well accepted in all societies as far as its existence. It is the political transaction akin to the human behavioral act of lying. We all know lying exists but the ethics of it and the “rightness” will be endlessly debated. Corruption, while in existence since mankind, is now being recognized as both a force for action and also a tangible item that can be quantified. “Transparency International (TI) has defined it as ‘the misuse of entrusted power for private benefits’”.<sup>1</sup>

But a more current understanding of corruption breaks this concept down into three components; corruption tied to the performance of the job or duty, corruption as a

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<sup>1</sup> Daniel Egiegba Agbibo, “Serving the Few, Starving the Many: How Corruption Underdevelops Nigeria and How There is an Alternative Perspective to Corruption Cleanups” Africa Today, Vol. 58 Issue 4, (Summer2012) p.114

form of exchange in economic terms, and corruption on a personal level as the way things get done in a societal setting.<sup>2</sup> Tied to all three components is the underlying motivation of using influence, or the payment in monetary form or reciprocal favors, for the sole purpose of getting something better. That ‘something’ can be an immediate act (not getting arrested by the police) or longer term (soliciting votes for a legislative proposal). Also, these examples mentioned (police, votes) can occur throughout all echelons of society from the lowest to the top rungs of power.

As pervasive as corruption is, it also intimately works within three main functions of society, namely within the political, economic and cultural/moral realms.

Political thinkers throughout history have proposed better forms of government, often as a result of the situation they currently face. Thomas Hobbes advocated a decisive powerful leader. Niccolo Machiavelli wrote his treatise as a blueprint for successful politicians, and he was clear that graft was essential to political survival for he stated, “unless he withdraws from that general equality a number of the boldest and most ambitious spirits, and makes gentlemen of them...by giving them castles and possessions, as well as money and subjects; so that surrounded by these he may be able to retain power.”<sup>3</sup>

The one main reason why corruption is so pervasive and why attempts to “combat” it are so difficult is that in the public sphere it becomes such a powerful force multiplier in politics. Those who reject any form of corruption in their duties are at a disadvantage to those who do. “Successful leaders must place the urge to do good deeds a

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<sup>2</sup> Daniel Egiegba Agbiboa, “Serving the Few, Starving the Many: How Corruption Underdevelops Nigeria and How There is an Alternative Perspective to Corruption Cleanups” Africa Today, Vol. 58 Issue 4, (Summer2012) p.115

<sup>3</sup> Bruce Bueno De Mesquita and Alastair Smith, The Dictator’s Handbook: Why Bad Behavior is Almost Always Good Politics, (New York: Public Affairs 2011), p.XX

distant third behind their own political survival and their degree of discretionary control.”

<sup>4</sup> Despite all the aims of political thinkers to establish a more perfect political society, those who run them will not be able to execute the machine of government, much less stay in office to do so, with the backing of influential supporters, and this applies to democracies as well as dictatorships.

With nations that do not have a strong democracy, free and fair elections and an independent judicial system, rule by force is often the norm. We see these types of governments in many of the Less Developed world, particularly in Africa. The pattern of dictatorships is such that seizure of assets by force is necessary in order to reward the loyalty of political clients or supporters. Typically, this expropriation is broken down into three categories: land, natural resources and bank/financial institutions. Of these, seizure of natural resources typically does not threaten the previous elite class since most of the companies operating within this sector tend to be foreign owned. <sup>5</sup>

Even in those Less Developed Countries that have some semblance of freedom of expression (i.e. a fairly free and open press), and “civic participation are insufficient to produce genuine political representativeness and protection of individual rights.”<sup>6</sup> In addition, “the contemporary data clearly confirm the long-standing reality that political and civil rights, regulatory efficiency and public integrity are particularly weak in mineral-rich African countries.”<sup>7</sup>

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<sup>4</sup> Bruce Bueno De Mesquita and Alastair Smith, *The Dictator’s Handbook: Why Bad Behavior is Almost Always Good Politics*, (New York: Public Affairs 2011), p.128

<sup>5</sup> Michael Albertus and Victor Menaldo, “If You’re Against Them You’re With Us: The Effect of Expropriation on Autocratic Survival”, *Comparative Political Studies.*, Vol. 45 Issue 8 (Aug2012): pp.982-984

<sup>6</sup> Hazel M McFerson. “Governance and Hyper Corruption in Africa”. *Third World Quarterly*, Vol. 30 Issue 8, (Dec2009): p.1531

<sup>7</sup> *Ibid*, p.1532

Finally, studies have shown that where there are weak federal institutions, particularly in the enforcement of laws and regulations, it seems to invite shadow governments and functions that operate in their own best interests and not necessarily of that of the nation as a whole.<sup>8</sup> Politically, either actually controlling the means of production or having enough influence over such resources as a politician means power, or this access to power ensures political survival. And this applies to democracies as well as dictatorships. For as “Lord Acton’s adage, ‘Power tends to corrupt, absolute power corrupts absolutely,’ holds generally true – however it doesn’t quite capture the causality. The casual ties run both ways: power leads to corruption and corruption leads to power.”<sup>9</sup>

In regards to the second dimension of corruption, namely the economic sense and how it affects the political will of the society, one first needs to turn to the theory proposed by political economist William Forster Lloyd who, in 1832, examined the situation whereas cattle that grazed on common land were not as fully developed as those on private property. The reasoning behind this, and which is tied to political corruption, is of mankind’s self-interest. For according to Lloyd, on a common property there is no motivation for a farmer to withhold his cattle from grazing in order to better serve another farmer. Once another farmer or farmers decide that while the long-term damage of over-grazing is collectively bad, they know in the short-run if they withhold they lose the competitive advantage to their neighbor. This “Tragedy of the Commons” theory

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<sup>8</sup> Dmitry Gorenburg. “Corruption in Russia”, *Russian Politics & Law.*, Vol. 51 Issue 4, (Jul/Aug2013): pp. 4-5

<sup>9</sup> Bruce Bueno De Mesquita and Alastair Smith, *The Dictator’s Handbook: Why Bad Behavior is Almost Always Good Politics*, (New York: Public Affairs 2011): p.128

holds that once one party takes a self-interested advantage, others would be doing themselves a severe disservice if they held off “for the common good”.<sup>10</sup>

Of course, in terms of corruption, if bribes and kickbacks are not effectively punished, or even encouraged, one who refuses to participate in the practice based on moral grounds will eventually find themselves politically and/or economically at a disadvantage in relations to their peers.

This theory is also reflected in the corruption of civil servants and government property. Since government property is viewed as owned by “the state” or “the people” and not private property, there is less direct damage if assets were used for civil servants best interest. “One is, therefore, free to illegally take and use as desired. This attitude and practice lead to lack of care for government property, excessive embezzlement, and civic irresponsibility.”<sup>11</sup>

In economic terms for Less Developed Countries, corruption is a necessary means to an end when dealing with nations with very weak political institutions, or a series of unpredictable leadership. This uncertainty and fear of an unknown future is a large motivator for those who seek to steal what they can, when they can. “Every government official in African countries feels insecure about the long lasting quality of life. This fear is translated into diabolical economic rent-seeking behaviors as evidenced by Embezzlement, Bribery and Corruption.”<sup>12</sup> Therefore, civil servants steal because they don’t know who will be in power next, and whether they’ll have the opportunity to advance their economic well-being.

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<sup>10</sup> Garrett Hardin, “Tragedy of the Commons”. *Science*, Vol 162, No.3859 (13 December 1968) pp.143-144

<sup>11</sup> Senyo Adjibolosoo, “Economic Underdevelopment in Africa: The Validity of the Corruption Argument” *Review of Human Factor Studies*, Vol. 11 Issue 1, (Jun2005): p.96

<sup>12</sup> *Ibid*, p.95



The correlation of political impacts on economic development took a renewed look in the mid-Twentieth Century. Social scientists saw a need to examine the traditional methods of economic models and how political systems, notably the effects of various laws and institutions had on development. “In the early 1960s, Gordon Tullock and James M. Buchanan, who had been studying the political dimension of wealth creation and economic growth, introduced the public choice model as a more effective and intellectually satisfying paradigm for the analysis of public policy.”<sup>13</sup> In this theory, a person makes their economic decisions not in a political vacuum, but with the considerations of how the structures, regulations and influences of power have on income generation. Taken further, those who operate within the mechanisms of government, from civil servants, special interest groups and elected officials feel not only the opportunity but the need to use their position to advance their own status. These public choice scholars, recognizing the self-interest of people saw that the only way to keep rampant corruption and rent-seeking was the effective checks and laws against this activity. However, the problem comes apparent when those who enforce the laws are also those who write (or abridge) the same legal framework. In addition, this theory has challenges when dealing with countries that have weak political institutions. “Poorly constructed, inappropriate, and nonviable institutional arrangements are responsible for a significant level of the opportunism that has pervaded African economies during the last 50 or so years.”<sup>14</sup>

The third dimension of corruption in society concerns how it is rooted within the cultural norms and morality codes. It is argued that some societies tend to be more

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<sup>13</sup> John Mukum Mbaku, “Corruption Cleanups in Africa: Lessons from Public Choice Theory.” *Journal of Asian & African Studies* (Sage Publications, Ltd.), Vol. 43 Issue 4, (Aug2008): p.429

<sup>14</sup> *Ibid*, p.430

corrupt because their culture is more forgiving of this behavior, or that it is somehow ingrained in their power sharing methods. Less Developed Countries often get attributed to this stigma by more developed nations, but as we'll see, corruption exists fairly regularly in all countries, albeit in different forms.

As stated by Transparency International, “For many in Europe, corruption is assumed to exist only in other countries, particularly in the developing world. This has meant that corruption prevention has not been a political priority in many countries of the region.”<sup>15</sup> According to Transparency International’s ‘Corruptions Perceptions Index’ for 2013, of the 177 countries surveyed the following results show the stigma of corruption according to region: 12 of the bottom 25 nations in terms of heavily corrupt were in Africa while also having zero of the top 25 least corrupt. In comparison, Europe had zero of the bottom 25 on the list but 13 of the top 25 least corrupt.<sup>16</sup>

Russia, which can be categorized as European is also a country with a high corruption perception. According to the TI ‘Corruptions Perceptions Index’ for 2013 it ranks 127 out of 177 countries. But for Russia, its corruption can not only be linked to weak political institutions but also endemic to its culture. “Vladimir Rimskii’s ‘Bribery as a Norm for Citizens Settling Problems in Government and Budget-Funded Organizations’ describes the results of a study that shows that bribery in Russia draws support from a system of norms and values that is deeply rooted in Russian society.”<sup>17</sup> According to the research, because corruption and graft have become so involved over the history of Russia, ordinary people accept the behavior as a functioning part of life. Russians recognize that corruption is a detriment, but realize that it has become an

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<sup>15</sup> Osei Boateng, “How corrupt is Europe?” *New African*, Issue 520, (Aug/Sep2012): p.28

<sup>16</sup> Transparency International, last modified 2013, <http://cpi.transparency.org/cpi2013/results/>

<sup>17</sup> Dmitry Gorenburg. “Corruption in Russia”. *Russian Politics & Law.*, Vol. 51 Issue 4, (Jul/Aug2013): p.3

essential facet of society, which begs the question of whether inefficient checks on weak political institutions breeds corruption and ingrains itself into a society's culture, or whether the cultural anthropological nature of a society allows corruption to fester within the political structures. The answer may lie in a combination of both. Again, within Russia it's argued that corruption is "a social institution that is based on a principal-agent relationship that allows for frequent violation of formal or informal rules."<sup>18</sup> Once this established manner of 'getting things done' becomes formalized, it becomes hard to extract as a practice because it's associated with a way of life. But this still does not overcome the moral stigma.

Whether it is paying a policeman to avoid a ticket or accepting campaign contributions to influence votes, the act of corruption is still looked upon as immoral. "Most people in highly corrupt settings do not internalize corruption as something morally acceptable. On the contrary, even if they have to take part in corrupt practices to get by or even to survive, they usually identify the practices as morally wrong."<sup>19</sup> But it is a practice that exists in all societies as a necessary evil. A standard theory applied to corruption within a society is the "principal-agent" model. In this definition, while deemed immoral or criminal, the "principal" is summoned to offer a payment (monetary or otherwise) to usually a public servant (the agent) for a reward.<sup>20</sup> An ethical question is thus raised that is the agent violating the public trust by granting favors for their own benefit. Or, is it the fact the offer is given by the principal in the first place a temptation. It would seem, once again, that it becomes a combination of both, for political elites rely

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<sup>18</sup> Dmitry Gorenburg. "Corruption in Russia". *Russian Politics & Law.*, Vol. 51 Issue 4, (Jul/Aug2013): p.6

<sup>19</sup> Bo Rothstein, *The Quality of Government: Corruption, Social Trust, and Inequality in International Perspective*, (Chicago: University of Chicago Press, 2011), p.15

<sup>20</sup> *Ibid*, p.99

on corruption to keep themselves in power, whilst those in the general public employ this practice to “get by”. “In general, agents at the bottom of a corrupt system, such as the ‘street level’ tax bureaucrats or policemen, have no incentive to refrain from corrupt practices because even if they as individuals start behaving honestly, nothing will change.”<sup>21</sup> And this element echoes the economic principal stated in the “Tragedy of the Commons”.

### **Is Corruption a Necessary Evil?**

So, if corruption exists in all forms in all societies and is often stigmatized as immoral, can it still be classified as a necessary good? In Afghanistan, it is well established that American tax dollars have been used to prop up the Karzai government, but where the aid goes to is well documented to the political elites.<sup>22</sup> The question is then, has this money been well spent to aid a U.S. ally in an ongoing war, and has this largesse, albeit a shadowy side of corruption, been a positive thing for American diplomacy, or has it been propagating the inherent societal evil? On a macro-political level, the use of foreign aid is less of a desire to alleviate the societal problems than to “buy-off” foreign governments. “Aid is decidedly not given primarily to alleviate poverty or misery; it is given to make the constituents in donor states better off.”<sup>23</sup> If the question is “Does corruption, in the form of foreign aid, enable policy?” the answer is decidedly, yes. Whether this is “good” depends upon who has the larger pockets.

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<sup>21</sup> Bo Rothstein, *The Quality of Government: Corruption, Social Trust, and Inequality in International Perspective*, (Chicago: University of Chicago Press, 2011), p.99

<sup>22</sup> The New York Times on-line, last modified 2012, [http://www.nytimes.com/2012/03/08/world/asia/corruption-remains-intractable-in-afghanistan-under-karzai-government.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2012/03/08/world/asia/corruption-remains-intractable-in-afghanistan-under-karzai-government.html?pagewanted=all&_r=0)

<sup>23</sup> Bruce Bueno De Mesquita and Alastair Smith, *The Dictator’s Handbook: Why Bad Behavior is Almost Always Good Politics*, (New York: Public Affairs 2011): p.166

“Historically, most societies that have possessed a sufficient amount of permanent public authority to be deemed a state have also been governed by other principles of authority based on patronage and clientage systems,”<sup>24</sup> The use of position and office to further the officeholder’s situation as well as to advance the agent, is just an extension of the patronage system built throughout history, from the Roman Empire to modern-day Afghanistan and Africa. According to this argument, those who hold office are obliged to reward those who have backed them, and in return the officeholder develops a network of patrons. Bribes and corruption are necessary as an informal system to make sure “things get done”. In addition, those who recognize corruption’s benefits also argue that money and favors tend to transcend across religious and ethnic boundaries. One example brought forth is India, with its myriad of ethnic groups, sub-groups and religious divisions. “One of the few positive consequences of this system is that the Indian state has always been able to deploy its vast reservoir of patronage powers and status to bind to it those who would otherwise be potential opponents of its existence.”<sup>25</sup>

Another argument made to justify the practice of corruption is that it supplements, in many cases, situations where the political and social support is lacking or non-existent. This is especially true in Africa where the political structures are weak and there exists little if no planned national welfare and social security programs. In this situation, one must use whatever influences and position to secure the wealth needed for themselves and their immediate and extended family.<sup>26</sup>

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<sup>24</sup> Vivek S Sharma, “Give Corruption a Chance”, *National Interest*, Issue 128, (Nov/Dec2013): p.41

<sup>25</sup> *Ibid*, p.43

<sup>26</sup> Senyo Adjibolosoo, “Economic Underdevelopment in Africa: The Validity of the Corruption Argument” *Review of Human Factor Studies*, Vol. 11 Issue 1, (Jun2005): p.95

But returning to Transparency International's oft-repeated definition of corruption as the abuse of position for personal gain, we come back to the crux of the examination of this practice and its impact on societies. When dealing in strictly private enterprise, the use of favors, either in the form of diverting business or awarding contracts, or for monetary rewards is essentially a combination of economic and sociological gain for the individual or his network. In fact, this is not often viewed as "corruption" but in fact the nature of "doing business". However, when an individual is using the commodity of government power to benefit them it breaches the ethics of public trust. "Corruption occurs in both the public and private sectors, and public sector corruption may be both bureaucratic and political. Whichever way one views it, however, corruption is endemically rooted in human societies, especially those with weak institutions. Corruption in particular and maladministration generally are antithetical to societal progress and development. They breed inequality, undermine societal development, and retard progress."<sup>27</sup>

As we have seen, corruption at the lower levels of society exists in all societies and is impossible to eliminate due to its tie to human behavior. But when corruption extends to the higher branches of office it not only becomes more institutionalized but also affects the nation as a whole on a grander scale. In addition, corruption at the "top" of the political society is amplified because it is now not only taking more resources from more people, but affects the public policy of the nation.

### **Elementary Factors of Corruption in Africa and Nigeria**

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<sup>27</sup> Mojeed Olujinmi Alabi, "Extra-Territorial Approach to Anti-Corruption, Integrity and Public Service Ethics in Africa: A Review of Frameworks and Implementation Challenges." *Journal of Alternative Perspectives in the Social Sciences*, Vol. 2 Issue 2, (Dec2010): p.498

On a macro level, there are certain factors which seem to be major contributing factors to systemic corruption within governments; two of these are weak political institutions and economic reliance for revenue from one or two main natural resources. In many respects these factors are invariably intertwined. The one area of the world which typifies the blend of all of the above named factors is Africa. The seeds of the creation of the current situation of highly corrupt African nations can be attributed to the imperialism of European nations over a hundred years ago. “Africa’s post independence social, political, and economic (mal)formations are a direct consequence of the state-building and economic integration processes begun under colonial rule”<sup>28</sup> European powers looked to Africa, among other parts of the world, for critical resources for their own economic development as well as an expanding market for their products.

Once the colonial powers left, or were removed from the country under independence movements, African nations were divided up (much like the Middle East) by arbitrary borders that often didn’t take into effect tribal lands and ethnic groupings. In addition, “African countries have themselves determined not to tamper with the colonial borders, for fear that this might spark new conflicts rather than end old ones.”<sup>29</sup> But one legacy of the colonial powers has been the political institutions inherited from their European masters. Most former British colonies from Kenya to South Africa have adopted the parliamentary style of democracy along with the legal and judiciary system. In many instances this ‘Procrustes bed’ did not fit the tribal and cultural makeup of the African people.

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<sup>28</sup> Daniel Egigba Agbiboa, “Serving the Few, Starving the Many: How Corruption Underdevelops Nigeria and How There is an Alternative Perspective to Corruption Cleanups” *Africa Today*, Vol. 58 Issue 4, (Summer2012) p.113

<sup>29</sup> Robert Guest, *The Shackled Continent: Power, Corruption and African Lives*, (Washington DC: Smithsonian Books, 2004), p.10

One part of this European legal legacy that was handed down was the weak anti-corruption laws. For the most part, corruption exists in all nations but the blatant bribery and embezzlement on a grand scale is atypical of western democracies. Instead, according to Transparency International, most European nations today practice “legal corruption” which “includes influence peddling, for example, the excessive and undue influence of lobbyists in the corridors of power in Europe, a trend which is promoted through opaque lobbying rules and the existence of revolving doors between the public and private sectors.”<sup>30</sup> But in Africa, any ‘anti-corruption’ laws inherited from European legal systems were inadequate to deal with the local dynamics. “Some of these laws, which are still in operation in their original or amended forms, contain provisions relating to public service ethics and anti-corruption, although they were not specifically designated ‘anti-corruption’ legislations.”<sup>31</sup> These laws failed to keep up with the evolving political situations in Africa and contributed to the weak legal enforcement.

Within Nigeria, efforts to strengthen the rule of law were in fact misguided. After the fall of the military rule in 1999, Nigeria’s president of the presiding Fourth Republic, Olusegun Obasanjo, enacted a constitution in an effort to return to democratic rule. However, the reforms intended never fully materialized while the “present constitution allows the executive branch of government to exert significant influence on the judiciary through the former’s control of judiciary funding.”<sup>32</sup> The president therefore has significant powers to influence and intimidate the judiciary branch and more importantly

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<sup>30</sup> Osei Boateng, “How corrupt is Europe?” *New African*, Issue 520, (Aug/Sep2012): p.27

<sup>31</sup> Mojeed Olujinmi Alabi, “Extra-Territorial Approach to Anti-Corruption, Integrity and Public Service Ethics in Africa: A Review of Frameworks and Implementation Challenges.” *Journal of Alternative Perspectives in the Social Sciences*, Vol. 2 Issue 2, (Dec2010): p.500

<sup>32</sup> John Mukum Mbaku, “Corruption Cleanups in Africa: Lessons from Public Choice Theory.” *Journal of Asian & African Studies* (Sage Publications, Ltd.), Vol. 43 Issue 4, (Aug2008): p.443



the prosecution efforts of anyone in the Executive Branch. Without having the independent authority that typically exists in developed countries, the judiciary branch is often powerless to enforce laws that specifically target the ruling powers. This creates a system whereas corruption laws are selectively enforced, often with political motives; usually involving tax evasion and fraud. Russia's oligarch Mikhail Khodorkovsky is a prime example of this type of tactic.

But for an example within Nigeria, one needs to look no further than the case of Nuhu Ribadu, Nigeria's anticorruption commissioner who after successfully prosecuting 10 national public figures including nine governors was exiled in 2008 after several assassination attempts. His most famous case was against James Ibori, the governor of an oil-rich state in southern Nigeria who fled Nigeria to the United Kingdom with hundreds of millions of dollars. "In 2007 Mr. Ibori was arrested. Ultimately the charges did not stick — the governor was acquitted by a Nigerian court... a country Colin L. Powell once called a nation of 'marvelous scammers'"<sup>33</sup>

Overall, taking into effect the strong influence of the Executive Branch, Nigeria's judiciary is often caught up in the perception of corruption by even ordinary Nigerians. "The common, and largely correct, view is that, far from holding the rich and powerful in check, the judiciary actively colludes with them. In so doing, it legitimizes and facilitates their corruption and abuses of office."<sup>34</sup> But even within the Nigerian judicial system, there are perceptions that some are more corrupt than others. For example, according to a United Nations sponsored anti-corruption project in 2000, in conjunction with

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<sup>33</sup> New York Times online, March 8, 2012, "Intractable Afghan Graft Hampering U.S. Strategy", Matthew Rosenberg and Graham Bowley, published March 7, 2012

<sup>34</sup> Hill, JNC. Third World Quarterly. Oct2010, Vol. 31 Issue 7, p1161-1179. 19p. "Corruption in the Courts: the Achilles' heel of Nigeria's regulatory framework?" p.1172

Transparency International, a survey was conducted for the participants and by a slight margin, it was learned that Nigerians considered judges as less of “highly corrupt” than police<sup>35</sup>, indicating that while corruption is endemic, the graft is more blatant and institutionalized at the lower levels.

According to Transparency International’s 2013 Corruption Perception Index (CPI), Nigeria ranks it 144 out of 175 nations as most corrupt. Yet Nigeria stands as one of the most potentially economically strong nations of Africa. As an OPEC member it has more vast proven oil reserves than the United States (37,139 m/b vs. 23,267 m/b).<sup>36</sup> However, according to the World Bank “about 80 percent of Nigeria’s oil and natural gas revenues accrue to one percent of the country’s population...leaving Nigeria with the lowest per capita oil export earning put at \$212 per person in 2004.”<sup>37</sup>

### **Corruption and the “Resource Curse”**

Besides weak political institutions and enforcement, another factor that bedevils African states towards corruption is what is called the “Resource Curse”. This is “the phenomena whereby a country with an export-driven, natural resources sector, generating large revenues for government, leads paradoxically to economic stagnation and instability”<sup>38</sup> Having one or two major sources of revenue becomes too tempting for leaders to not want to control this ‘Golden Goose’ of profits, and to enrich and solidify their position on power. Machiavelli would demand political office holders to secure this

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<sup>35</sup> Michael, Bryane. Social Policy & Administration. Aug2004, Vol. 38 Issue 4, p320-345. 26p. “What Do African Donor-sponsored Anti-corruption Programmes Teach Us about International Development in Africa?” p.334

<sup>36</sup> OPEC Annual Statistical Bulletin – 2013, last modified 2013, [http://www.opec.org/opec\\_web/static\\_files\\_project/media/downloads/publications/ASB2013.pdf](http://www.opec.org/opec_web/static_files_project/media/downloads/publications/ASB2013.pdf), p.22

<sup>37</sup> Daniel Egigba Agbiboa, “Serving the Few, Starving the Many: How Corruption Underdevelops Nigeria and How There is an Alternative Perspective to Corruption Cleanups” Africa Today, Vol. 58 Issue 4, (Summer2012) p.112

<sup>38</sup> United Nations Development Programme, Bureau of Resources and Strategic Partnerships, “Meeting the Challenge of the ‘Resource Curse’”, Jan 2006, p.9

means of production. “The resource curse enables autocrats to massively reward their supporters and accumulate enormous wealth...Yet to make sure the people cannot coordinate, rebel, and take control of the state, leaders endeavor to keep those outside the coalition poor, ignorant, and unorganized”<sup>39</sup>

The other aspect to the Resource Curse is that governments that can rely on a main source of revenue (i.e. commodity) don't have to rely on systematic taxation of its people, which requires a degree of political accountability. An autocrat can have a high degree of taxation, or “rents”, and at the same time be repressive. However, this also requires an extensive police state which can be costly, both in monetary support to the clients as well as the constant threat of being challenged by opponents. Richard Auty also stressed this reliance on natural resources in his “rent cycling theory” by explaining that “economic growth requires recycling rents via markets rather than via patronage. In high-rent countries the natural resource elicits a political contest to capture ownership, whereas in low-rent countries the government must motivate people to create wealth, for example by pursuing comparative advantage, promoting equality, and fostering civil society.”<sup>40</sup>

The Resource Curse not only fosters an environment whereas leaders can be autocratic, but it also creates the situation where poverty is aggravated. One example of this is Angola, which according to the United Nations Development Program, “68 percent of Angola's population lives below the poverty line, more than a quarter of children die before their fifth birthday, and male life expectancy is below forty-five years.”<sup>41</sup> The

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<sup>39</sup> Bruce Bueno De Mesquita and Alastair Smith, *The Dictator's Handbook: Why Bad Behavior is Almost Always Good Politics*, (New York: Public Affairs 2011), p.91

<sup>40</sup> Jeffrey A. Frankel, “The Natural Resource Curse: A Survey”, National Bureau of Economic Research, March 2010, <http://www.nber.org/papers/w15836>, pp.16-17

<sup>41</sup> Bruce Bueno De Mesquita and Alastair Smith, *The Dictator's Handbook: Why Bad Behavior is Almost Always Good Politics*, (New York: Public Affairs 2011), p.91

income disparity because of the Resource Curse and the reliance on oil for government revenue is evident whereas “the poorest 20 percent of the population have only 2 percent of the wealth. Angola is ranked 143 out of 182 nations in terms of overall human development.”<sup>42</sup>

Surely, not all countries that rely on a main resource for revenue are autocratic, and not all autocratic states have the Resource Curse. But the correlation between those countries rich in oil or other natural resources shows a low rate of economic growth, according to a study by Jeffrey Sachs and Andrew Warner in 1995. And not surprisingly, most of the countries on the bottom of the economic development scale are those in Africa which rely on a main source of natural resource for income. Reliance not only creates lower economic growth but also inhibits development into other industries, for “societies are subject to impediments to innovation from special-interest groups, and that these groups are especially powerful when they can obtain government revenues from easily-taxed natural resources. Therefore innovation tends to be impeded in natural resource-abundant societies.”<sup>43</sup>

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<sup>42</sup> Bruce Bueno De Mesquita and Alastair Smith, *The Dictator’s Handbook: Why Bad Behavior is Almost Always Good Politics*, (New York: Public Affairs 2011), p.91

<sup>43</sup> Jeffrey D. Sachs and Andrew M. Warner, “Natural Resource Abundance and Economic Growth” Harvard Institute for International Development, Harvard University, Nov 1997, p.9

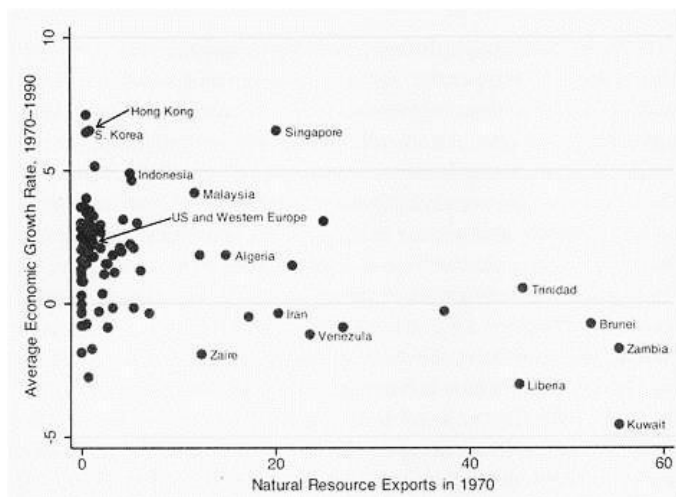


Figure 1 – Growth and Natural Resource Abundance, 1970-1990<sup>44</sup>

Corruption is linked to these Resource Curse nations due to the fact that without other powerful industries, political participation and with a wide disparity in incomes, the transparency of political operation is withheld. Resource Curse brings a level of autocracy, which in effect enables corruption. “Since most rent-seeking activities and to a large extent, corruption, are linked to the effectiveness of institutions,” those nations with efficient institutions and a series of checks on government, along with transparency keep widespread corruption at bay. “Poorly constructed, inappropriate, and nonviable institutional arrangements are responsible for a significant level of the opportunism that has pervaded African economies during the last 50 or so years.”<sup>45</sup>

### **Congo’s “Curse”**

A country like Nigeria, a former British colony, and while overwhelmingly corrupt, has one main export – namely oil – and a semi-functioning government. While this government has switched hands between military juntas and constitutionally elected

<sup>44</sup> Bruce Bueno De Mesquita and Alastair Smith, *The Dictator’s Handbook: Why Bad Behavior is Almost Always Good Politics*, (New York: Public Affairs 2011), p.90

<sup>45</sup> John Mukum Mbaku, “Corruption Cleanups in Africa: Lessons from Public Choice Theory”, *Journal of Asian & African Studies* (Sage Publications, Ltd.), Vol. 43 Issue 4, (Aug2008): p.430

officials is seemingly stable in comparison to another ‘Resource Curse’ nation, namely the Democratic Republic of Congo (DRC).

The DRC, like most African nations, was prized by colonial powers for its resources. As a former Belgium colony it was never brought along or allowed to mature as a nation-state, in part due to the sudden changes at the turn of the 20<sup>th</sup> Century. “Yet, unlike broad movements in the period, the Belgians were slow to consider independence for this Central African holding; however, when they did decide to decamp, they did so with immediacy.”<sup>46</sup> And what the Democratic Republic of Congo has to offer the world as a resource is tantalizing. “Congoese soil is studded with diamonds and streaked with ores of gold, cobalt, and tantalum. So there is much to steal, and it is easy for any semi-professional fighting force to steal it.”<sup>47</sup>

But as we have seen with countries with the ‘Resource Curse’, relying mostly on natural resources instead of other industries such as manufacturing or service oriented, not only do the majority of the economic spoils become siphoned off at the top of the political order, but that because the extraction of resources mostly requires foreign companies (with the technology and capabilities), Multi-National Corporations usually end up with an equally large share of the profits. Using history as an example, uranium from mines in the Katanga region of the Democratic Republic of Congo was used by America to help build the nuclear bombs developed for and used against Imperial Japan. “The Americans paid Belgium through the cancellation of its war debts rather than payment to Congo. Overall, Congoese mineral commodity circuits were almost entirely

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<sup>46</sup> Christopher W. Mullinsa and Dawn L. Rotheb, “Gold, diamonds and blood: International state-corporate crime in the Democratic Republic of the Congo”, *Contemporary Justice Review*, Vol. 11, No. 2, (June 2008): p.89

<sup>47</sup> Robert Guest, *The Shackled Continent: Power, Corruption and African Lives*, (Washington DC: Smithsonian Books, 2004), p.156

in the hands of foreigners, and in effect pre-empted the Congolese people from realising virtually any of the value from their mineral wealth.”<sup>48</sup>

The counter-argument against the effects of colonialism’s plunder of resources in Africa and its continuing strain on the economies is that “along with the rise of OPEC in the 1970s, the bigger oil producers in Africa began wrestling a greater share of revenue from the oil companies, and now these countries receive, on average, more than 50 percent of the value of their oil as state revenue.”<sup>49</sup> So while nations are getting a larger share of the revenue as compared to pre-independence days, it still flows mainly to the top one percent of the government, exacerbating the income disparity and thus creating the environment for wide-scale corruption. Furthermore, the money that does generate within a resource-driven African nation such as Nigeria or the Democratic Republic of Congo rarely stays within the borders and gets re-developed. Too often the money gets transferred to western banks in the developed world for personal protection (i.e. James Ibori of Nigeria). “African economies are starved of scarce financial resources they require for ongoing economic growth and human-centered development. The practice of the transfer of embezzled financial resources abroad provides investment funds for investors in the Developed Countries.”<sup>50</sup> In addition, “by the time Mobutu Sese Seko was overthrown in the DRC in 1997, he had accumulated \$8 billion in personal wealth, much of it coming from looting natural resources such as diamonds.”<sup>51</sup> It can be safe to

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<sup>48</sup> Patience Kabamba, “A tale of two cities: urban transformation in gold-centred Butembo and diamond-rich Mbuji-Mayi, Democratic Republic of the Congo”, *Journal of Contemporary African Studies* Vol. 30, No. 4, (October 2012): pp.674-675

<sup>49</sup> Nicholas Shaxson, “Oil, Corruption and the Resource Curse”. *International Affairs.*, Vol. 83 Issue 6, (Nov2007): p.1125

<sup>50</sup> Senyo Adjibolosoo, “Economic Underdevelopment in Africa: The Validity of the Corruption Argument”, *Review of Human Factor Studies*, Vol. 11 Issue 1,(Jun2005): p.105

<sup>51</sup> Sumanth G Reddy, Doug Henry and Joseph R. Oppong, “Conflict, Diamonds and the Political Economy of Instability in Africa”, *African Geographical Review*, Vol. 24, (2005): p.52

say that a large majority of the \$8 billion was not re-invested into DRC's local economy. In fact, this transfer of wealth by corruption and embezzlement from African countries to western banks, and by extension western hedge funds and stock markets creates in Africa "a vicious cycle of capital de-accumulation. Through the practice of EBC (Embezzlement, Corruption, Bribery) African leaders deplete their natural treasures."<sup>52</sup>

### **Examining Corruption Through Cultural Lenses**

When discussing corruption in Africa, the narrative is usually about the wide-scale and blatant abuse of power by ruling elites to bankrupt their nations whilst enriching their overseas bank accounts. As mentioned before, the global organization Transparency International ranks most African countries at the bottom of their corruption index. One argument adopted by scholars is that in a cultural anthropological sense, even the basis of measurement used by groups such as TI are founded on the western scientific principle that rejects non-western models of thinking. In this argument, even TI's corruption index is based on 'perception', usually by international organizations unconnected with the governments they report on. "Not only is the CPI (Corruption Perception Index) epistemologically flawed, it is also a trouble-making index able to be used for the purposes of political opportunism."<sup>53</sup> Some argue that Africa's culture plays an important part in the vast patronage system that breeds corruption.

As one example, western society places a strong separation between private realms, namely the matters dealing with family and the bonds built by the community, and that of the public realm which is the governance of a society – in effect making the

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<sup>52</sup> Senyo Adjibolosoo, "Economic Underdevelopment in Africa: The Validity of the Corruption Argument", *Review of Human Factor Studies*, Vol. 11 Issue 1, (Jun2005): p.105

<sup>53</sup> William De Maria, "Why is the president of Malawi angry? Towards an ethnography of corruption". *Culture & Organization*, Vol. 16 Issue 2, (Jun2010): p.148



‘trains run on time’. Some have argued that the ethnography of Africa is such that there is no separation between tribal groups and the civic duties, since those in public office have a moral duty to assist their kinship. “Life in the primordial public (e.g. life in post-colonial tribal-familial clusters) is a life full of obligations to the larger group and concern for its welfare and continuity. In other writings, this crucial behavior is known as the ‘economy of affection’”.<sup>54</sup> Specifically, we see this principle at work in Nigeria, where 250 ethnic groups and various religious affiliations are all united in one state. While Nigerians abhor corruption officially, they realize it is crucial for their own tribal survival. “Most Nigerians feel far stronger loyalty to their tribe than to the state. Big Men (leaders) are therefore expected to use their power to help their kith and kin.”<sup>55</sup>

### **Economic Factors of African Corruption**

Another important factor when addressing corruption in Africa is the disenfranchisement of ordinary Africans from their government. First, in many developing countries of Africa social welfare and retirement programs, while in place in a majority of countries, is uneven and often unreliable to most people. “In Africa, social welfare programmes were originally developed in the 1950s and 1960s as a safety net for white workers. Employer-based contributory pensions were the dominant model. Still today, these pensions primarily serve the wealthiest workers who live in urban areas and have secure careers in the public sector.”<sup>56</sup> In addition, these programs were “provided first to government employees and military personnel, then to workers in industry and

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<sup>54</sup> William De Maria, “Why is the president of Malawi angry? Towards an ethnography of corruption”. *Culture & Organization*, Vol. 16 Issue 2, (Jun2010): p.153

<sup>55</sup> Robert Guest, *The Shackled Continent: Power, Corruption and African Lives*, (Washington DC: Smithsonian Books, 2004), p.121

<sup>56</sup> Dr. Candace Miller, “Social Welfare in Africa: Meeting the needs of households caring for orphans and affected by AIDS”, For UNICEF by Center for International Health and Development, Boston University School of Public Health, p.3

commerce, and eventually extended to the vast majority of wage earners and salaried employees through a general system.”<sup>57</sup> This unevenness creates uncertainty, and extends throughout the entire social welfare system; from retirement, unemployment and workman’s compensation. “To avert this untoward plight, most government officials embezzle and save the financial booty they looted in foreign banks for the assurance of their secure future.”<sup>58</sup>

Economically, another issue with Africans is the uncertainty over employment. African nations continue to have very high unemployment rates; Nigeria for example had 23.9% in 2013.<sup>59</sup> Even the nature of the “Resource Curse” has a doubly negative effect for Africa. “Currently, foreign direct investments in Africa mainly target mining and minerals, sectors that produce few jobs, according to the ECA (UN Economic Commission on Africa). The OECD (Organization for Economic Cooperation and Development) warns that natural resource–based economies such as ‘oil exporters Nigeria and Algeria, gold producers including South Africa and copper exporter Zambia’ therefore need to diversify into other activities or ‘be susceptible if the bubble bursts.’”<sup>60</sup> Not only with economic fear, but political instability also drives the uncertainty of many Africans. Due to political upheaval and war, governments have a tendency to be replaced, and the patronage system which may have benefitted some government workers could quickly be reversed with either a new political party in power, or even a new form of government altogether. “A change in government may lead to the loss of secure sources

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<sup>57</sup> Social Security Administration, “Social Security Programs Throughout the World: Africa, 2013”, Washington, DC 20254, (August 2013): p.4

<sup>58</sup> Senyo Adjibolosoo, “Economic Underdevelopment in Africa: The Validity of the Corruption Argument”, *Review of Human Factor Studies*, Vol. 11 Issue 1, (Jun2005): p.95

<sup>59</sup> “The World Factbook”, CIA Factbook online, accessed April 2014, <https://www.cia.gov/library/publications/the-world-factbook/fields/2129.html>

<sup>60</sup> Kingsley Ighobor, “Africa’s youth: a “ticking time bomb” or an opportunity?”, *Africa Renewal* online, (May 2013)

of income. To fight against an uncertain future civil servants and political leaders hedge against it by indulging in EBC (Embezzlement, Bribery and Corruption) activities.”<sup>61</sup>

In the backdrop of these economic uncertainties lies yet another factor, which is the historic condition of a lack of property rights that exist for most Africans. “Even in African countries where men with guns do not routinely plunder villages, property rights are rarely secure. Most African peasants do not own the land they cultivate.”<sup>62</sup> Much of the land is owned by the state, and even when individuals attempt to buy property, an overly bureaucratic system can sometimes require up to ten years for someone to get a deed. This is important because “lack of clear ownership means that poor Africans cannot use their property as collateral in order to obtain loans.”<sup>63</sup> This disenfranchisement due to economic insecurity due to a lack of adequate social welfare programs, high unemployment, political uncertainty and the lack of property rights creates such a scenario whereas corruption and graft may be the only secure thing.

Much of the capital that African nations generate on the whole comes from the exploitation of natural resources. The “Resource Curse” that can afflict nations due to over reliance of that source of revenue oftentimes sets up the autocratic rule and the embezzlement of funds by the powerful elite. But another dimension to the natural resources, especially critically valued items such as oil and diamonds is the conflict and wars that occur over those precious commodities. An examination into two types of resources, oil and diamonds, reveal similarities in the atmosphere that encourages

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<sup>61</sup> Senyo Adjibolosoo, “Economic Underdevelopment in Africa: The Validity of the Corruption Argument”, *Review of Human Factor Studies*, Vol. 11 Issue 1, (Jun2005): p.95

<sup>62</sup> Robert Guest, *The Shackled Continent: Power, Corruption and African Lives*, (Washington DC: Smithsonian Books, 2004), p.15

<sup>63</sup> *Ibid*, p.15

embezzlement and corruption, but also due to their nature differ in the transferability of these items.

“By 2010, a third of African countries were oil producers, and oil exploration was taking place in virtually every African country, including on-shore in Somalia.”<sup>64</sup> But with this also comes conflict. Oil revenue is not only used for embezzlement, but also to fund militias and insurgencies within the continent. In some cases, the fight over oil revenue that occurs within a state is especially aggravated when the oil lies in one predominately ethnic region, and the other ethnic group or groups fight over the share of the distribution, as is seen in Nigeria with the southern Delta region (where a majority of oil deposits exist) and the Muslim-dominant areas of the north. When oil is discovered, it leads to a period of instability, even government overthrow than once it becomes institutionalized and exploited. “Many oil-rich countries are in fact characterized by a high level of regime durability, a finding that holds for heads of state in African oil-producing countries – but would not apply to African countries relying on other mineral rents.”<sup>65</sup>

Much has been documented on the diamond trade within Africa, notably the “Blood Diamonds” due to the violence and extreme corruption associated with this network. “For millions of people in Angola, the Democratic Republic of Congo (DRC) and Sierra Leone, however, instead of being an asset for economic development, diamonds have contributed to poverty, rape, amputation, war and political instability.”<sup>66</sup> The wars associated with the diamond trade are increased as these valuable resources are

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<sup>64</sup> Philippe Billon, “Oil and Armed Conflicts in Africa”, *African Geographical Review*, Vol. 29 Issue 1, (2010): p.76

<sup>65</sup> *Ibid*, p.79

<sup>66</sup> Sumanth G Reddy, Doug Henry and Joseph R. Oppong, “Conflict, Diamonds and the Political Economy of Instability in Africa”, *African Geographical Review*, Vol. 24, (2005): p.51

funneled through various “patronage networks creating shadow states and warlords.”<sup>67</sup>

With conflicts drawn out over minerals such as diamonds, it creates a vacuum of government and public stability, and with this comes the lawlessness that invites rampant corruption and embezzlement.

### **Bad Politics Invites Bad Behavior**

When speaking about corruption in general, and highly corrupt nations in specific, we must understand that despite some arguments that rationalize the process most people agree that overall corruption tends to create bad governments, which in turn sets up the environment for systemic theft. Corruption exists in all forms in all countries: in the west it manifests itself in the political process as lobbying and kickbacks to politicians and their supporters. This type of corruption, like white-collar crime, tends to be slightly more morally inoffensive partially because the victim is less direct and less at physical risk. In other areas of the world corruption has a more violent nature with organized crime and drug cartels such as in Russia, Central Asia and Central/South America. But in Less Developed Countries such as Africa corruption has the stigma of overt embezzlement and thievery, particularly of wealth accumulated through the extraction of resources and strategic minerals. Stories of African dictators who funnel millions and billions of dollars in money to western banks while the vast majority live in abject squalor is all too often reported in the news. “What is most puzzling though is that while the Developed Countries do not seem to suffer from any negative economic implications of the practice

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<sup>67</sup> Sumanth G Reddy, Doug Henry and Joseph R. Oppong, “Conflict, Diamonds and the Political Economy of Instability in Africa”, *African Geographical Review*, Vol. 24, (2005): p.54

of EBC (Embezzlement, Corruption, and Bribery), the economies of African Countries suffer devastating consequences.”<sup>68</sup>

The effects of wide scale corruption within Africa are fairly well known as far as the consequences to the people: income disparity, lack of political freedoms and economic stagnation, to name just a few. And because those in power benefit the most from this system, any attempts to reform the process can only be met with resistance. Those within the nation, whistleblowers for example, are unfortunately at risk for trying to expose and reform the corruption. In Congo for example in 2009, journalist Bruno Ossebi, who wrote for the France-based Congolese online newspaper Mwindi died mysteriously in a fire. “Just four days before the fire, Ossébi wrote a story accusing officials with Congo’s national petroleum authority of improperly negotiating a loan with a French bank.”<sup>69</sup> Ossebi’s as it turns out was working with Transparency International to shed light on the corruption practices of the Democratic Republic of Congo’s leadership and its alliance with western financial institutions. Obviously, reform is not always favored by those who benefit the most from the current system.

Western businesses, and by extension western governments, have an incentive to reform the worst practices in Africa due to the high costs that bribery has on operating costs. “A 2002 World Bank report on corruption puts the financial costs of corruption at 148 billion USD a year, which increases the costs of goods by as much as 20%.”<sup>70</sup> Efforts led by the United Nations and the G20 finance group since 2010 have tried to make inroads into regulations identifying the worst corrupt practices and placing

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<sup>68</sup> Senyo Adjibolosoo, “Economic Underdevelopment in Africa: The Validity of the Corruption Argument”, *Review of Human Factor Studies*, Vol. 11 Issue 1, (Jun2005): p.104

<sup>69</sup> CPJ online, last modified 2009, <http://cpj.org/killed/2009/bruno-jacquet-ossebi.php>

<sup>70</sup> Geraldine Fraser-Moleketi, “Towards a common understanding of corruption in Africa.”, *International Journal of African Renaissance Studies*, Vol. 2 Issue 2, (Jun2007): p.241

restrictions on activities. In addition, “the International Corporate Governance Network brings together institutional investors with \$18 trillion under management. It scrutinizes companies for compliance with anti-corruption principles. So far 70 firms have signed up to the Extractive Industries Transparency Initiative, which aims to make natural-resource companies publish what they pay to governments.”<sup>71</sup>

Some more progressive countries see the need to diversify and invite western companies into their nation as a stabilizing effect, both politically and economically to address high unemployment. “In February 2013, Nigerian President Goodluck Jonathan stated...that the country was already diversifying its economy. He was trumpeting the decision by General Electric to invest \$1 billion in power generation and oil production in the country. ‘This will provide jobs for thousands with multiplier effect for tens of thousands,’ President Jonathan wrote.”<sup>72</sup>

### **Economic Solutions – False and Otherwise**

Another economic promise that was aimed at the poor in developing countries, particularly Africa, was ‘micro financing’, the concept initiated by Nobel laureate Muhammad Yunus that would create “access to microfinance through micro-credit and micro-savings...lead to increased investment in the short and the long term, including the acquisition of productive assets, health and nutrition improvements, and increased education for adult and child household members.”<sup>73</sup> The hope was that by providing money direct to those in need, it would empower those who have historically been

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<sup>71</sup> Economist online, <http://www.economist.com/news/international/21568356-global-anti-corruption-efforts-are-growing-scope-and-clout-year-set-be>

<sup>72</sup> Kingsley Ighobor, “Africa’s youth: a “ticking time bomb” or an opportunity?” Africa Renewal: May 2013, last modified 2013, <http://www.un.org/africarenewal/magazine/may-2013/africa%E2%80%99s-youth-%E2%80%9Cticking-time-bomb%E2%80%9D-or-opportunity>

<sup>73</sup> M. Korth, R. Stewart, C. Van Rooyan and T. De Wet, “Microfinance: Development Intervention or Just Another Bank?”, Journal of Agrarian Change, Vol. 12 No. 4, (October 2012): p.576

displaced and create the seeds for future economic activity. However, it turns out that “the actual evidence appears thin on the ground. The question of sustainability without either substantial donor subsidies or a shift toward less poor clients (i.e. from microenterprises to small businesses) has not been answered (at least in Africa).”<sup>74</sup> In addition, those entrepreneur businesspersons who should get start up money for investments typically would rely on kinsfolk for support – if they can’t get their tribal support from those that know him best, that should be an indicator that it shouldn’t be an enterprise worth pursuing.<sup>75</sup> Finally, there is the criticism that micro lending as witnessed in South Africa has created a “debt trap”, whereas recipients “simply cannot repay even a fraction of what they owe (estimates are that 40% of the South African workforce's income is spent on repaying debt), South Africa's poor are now caught in a micro debt-trap of unimaginable proportions.”<sup>76</sup> Micro financing as a concept that would bypass the bureaucracy and corruption and provide credit directly to the driving forces of society has certainly not lived up to the hype. It is a mixed solution, in that it hasn’t helped but also hasn’t hurt the endemic situation of disenfranchisement, displacement and discouragement of Africans of their situation.

Interestingly, an example of the ethnic influences of African society in economic terms is at play when examining the differences between two separate regions with the Democratic Republic of Congo, and factors in when approaching tentative solutions to the corruption problem. Just as ‘micro financing’ was addressed as a way to empower

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<sup>74</sup> Graeme Buckley, “Microfinance in Africa: Is it Either the Problem or the Solution?” *WorldDevelopment*, Vol.25, No.7, p.1081

<sup>75</sup> *Ibid*, p.1082

<sup>76</sup> The Guardian online, “Microcredit Has Been as Disaster for the Poorest in South Africa”, last modified November 2013, <http://www.theguardian.com/global-development-professionals-network/2013/nov/19/microcredit-south-africa-loans-disaster>



and ensure protection, we see in two regions, notably the Butembo area of eastern DRC (North Kivu) and the tribes of Mbuji-Mayi in south-central DRC, that cultural and political influences are obvious. In Butembo, Nande tribal members have a long tradition of mining gold and trading them to brokers who would sell them to European dealers. This rich tradition and strong kinship has enabled them to create a vibrant local economy, building bonds and enabling an infrastructure that allows development. This hasn't erased corruption, but has still created the stability necessary for economic and political development.<sup>77</sup>

On the other hand, the Luba tribal area of Mbuji-Mayi in the southern portion of the Democratic Republic of Congo is an example of displacement. "Despite being located in the region with the highest concentration of diamonds in the Congo and the site of the large-scale MIBA (Societe Miniere de Bakwanga) mine, Mbuji-Mayi is one of the least developed cities in the Congo with such important mineral extraction revenues."<sup>78</sup> Both Butembo and Mbuji-Mayi are rich with minerals for export, but the significant difference is that unlike the Nande tribe, the Luba never fully developed the necessary communal ties and the network linkage with regional traders. Some of this is due to the effects of colonialism, the slave trade, and the geographic proximity to more dominating countries. Specifically, "the Luba's social fragmentation in the aftermath of the slave trade created high levels of insecurity that pushed individuals to seek refuge and protection from external patronage... Eventually, during the Belgian colonial period, individual Luba sought security through education and employment in the Catholic missions, the

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<sup>77</sup> Patience Kabamba, "A tale of two cities: urban transformation in gold-centred Butembo and diamond-rich Mbuji-Mayi, Democratic Republic of the Congo", *Journal of Contemporary African Studies*, Vol. 30, No. 4 (October 2012): pp.676-677

<sup>78</sup> *Ibid*, p.681

administration and the mineral companies.”<sup>79</sup> This has eliminated any communal bonds necessary for development as is seen with the Nande in Butmebo.

With the changing nature of global economics comes the promise that corruption can be abated somewhat. Two key effects that have worked in tandem are transforming not only the global economy but also the politics of certain countries: namely technology and Globalization. The long history of corruption along with “incompetent governments, which singularly failed to prepare that continent for a competitive world. It is notable that Botswana, one of the few places in Africa to have a two-party democracy, has been growing almost as fast as the Asian tigers.”<sup>80</sup> Countries, like Cuba, that refuse to allow open markets and competition will see further stagnation, which translates into autocratic or failed political systems which are rife for corrupt activities.

Regarding telecommunications, “wireless technology is allowing the world’s poorest people to plug themselves into the global economy, with huge benefits to their standard of living.” Since most of Africa has outdated infrastructure, the use of cell-phones and other types of technology can by-pass or build over this type of communication networks resulting in more Africans having access to wireless, and with it an abundance of information. This information can assist in the effects of Globalization by opening up new markets and suppliers while breaking down some of the barriers that exist with corrupt business practices.<sup>81</sup>

### **Is Culture to Blame?**

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<sup>79</sup> Patience Kabamba, “A tale of two cities: urban transformation in gold-centred Butembo and diamond-rich Mbuji-Mayi, Democratic Republic of the Congo”, *Journal of Contemporary African Studies*, Vol. 30, No. 4 (October 2012): p.682

<sup>80</sup> John Micklethwait and Adrian Wooldridge, *A Future Perfect: The Challenge and Promise of Globalization*, (New York: Random House Trade Paperback, 2003), p.257

<sup>81</sup> *Ibid*, pp.42-43

Culture and ethnography plays a role but it is not the driving force that makes corruption in Africa so rampant. Corruption is not endemic to one particular race, for it exists in Russia, India, and Europe as well as in the United States. The difference between developed and developing countries lies more with the economic strength and income disparities. Corruption in developed economies such as Europe is more slighted towards political influence and lobbying vice embezzlement of state resources. Even a country like Norway, which ranks 5 out of 177 of the Transparency International's Corruption Perception Index<sup>82</sup> is not immune. The Norwegian government conducted a research published in 2006 which concluded that "the parliament had lost power to market forces; the mass media had become more dominated by the logic of the market, parties and major nationwide interest organizations functioned less well and recruited fewer members and activists."<sup>83</sup> Clearly, while corruption was not rampant in regards to theft of oil revenue, it still remains submerged in the political system. And we have seen that ethnography is a factor when looking at how some political servants siphon money and resources to protect their kinships, it is more on how strong of communal bonds those groups have that can result in greater economic benefits, as seen with the Nande and Luba tribes in the Democratic Republic of Congo.

Economics plays a greater role in rampant corruption. While economic vibrancy and Gross Domestic Production levels provides the political strength, they alone are no immunity to highly corrupt activity, for even countries like South Africa, India and Mexico score 72, 94 and 106 respectively out of 177 for TI's CPI.<sup>84</sup> A more important

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<sup>82</sup> Transparency International, last accessed April 2014, <http://cpi.transparency.org/cpi2013/results/>

<sup>83</sup> Bo Rothstein, *The Quality of Government: Corruption, Social Trust, and Inequality in International Perspective*, (Chicago: University of Chicago Press, 2011), pp.82-83

<sup>84</sup> Transparency International, last accessed April 2014, <http://cpi.transparency.org/cpi2013/results/>

factor is the economic diversification for those countries that rely on oil or strategic minerals alone for revenue tend to be used by officials as a means to extract wealth for personal benefit. The “Resource Curse”, while disputed by some is still a significant factor for there is a strong correlation between resource-heavy nations and the levels of economic development, and corruption.

Diversification of markets is an important step, as is seen in Nigeria with the influx of western capital. The income disparities witnessed in most African states creates the alienation of the masses and strengthens the political power of the ruling elites. “According to the African Economic Outlook, on average, more than 70% of Africa’s youth live on less than US\$2 per day, the internationally defined poverty threshold.”<sup>85</sup> Attempts to alleviate poverty in Africa by loans through micro financing are certainly mixed. Providing capital to that in need is difficult, especially due to the tough bureaucratic requirements and the lack of property rights afforded to most Africans. Unemployment and underemployment are also factors in the development of the middle class, a sector so important in order to bring political stability. Bringing low-wage manufacturing jobs to Africa, from garment and textile factories as seen in south-east Asia, while morally reprehensible, is another potential solution to reducing unemployment.

### **Political Solutions**

The most significant solution to reducing corruption in Africa appears to be political. Ideally, “such strategies must look at prevention, education and awareness as well as detection, and at enhancing the capacity of law enforcement agencies and other

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<sup>85</sup> Kingsley Ighobor, “Africa’s youth: a “ticking time bomb” or an opportunity?” Africa Renewal: May 2013, last modified May 2013, <http://www.un.org/africarenewal/magazine/may-2013/africa%E2%80%99s-youth-%E2%80%9Cticking-time-bomb%E2%80%9D-or-opportunity>

institutions which fight corruption.”<sup>86</sup> However, the challenge in this is that expecting enforcement from within is naïve. Autocrats and political elites in most African nations benefit too much from rampant corruption to want to change the rules for altruistic purposes. However, change from outside has been addressed. In 2003 the United Nations General Assembly approved the United Nations Convention Against Corruption (UNCAC) “which is a product of intense negotiations by governments, non-governmental organizations and civil society organizations...for a global legal and institutional framework to strengthen anti-corruption efforts as well as tackle the menace of corruption at the international level.”<sup>87</sup> The UNCAC particularly addresses “private sector corruption, disallowance of tax deductibility of bribes of national/foreign officials, liabilities of companies and other legal personalities, recognition of longer periods of limitations for bringing prosecutions as well as the rights of victims of corrupt practices to initiate legal proceedings.”<sup>88</sup>

Unfortunately, the African Union (AU) has not followed the lead of the European Union in ratifying the UNCAC charter, but several African nations have independently adopted the UNCAC convention. In addition, the AU in 2006 created the AU Convention on Preventing and Combating Corruption which identifies and targets such practices as “bribery, diversion/misappropriation of public funds, trading in influence, illicit enrichment, money laundering and concealment of property both in the public and the private sectors.”<sup>89</sup> The AU Convention has been signed by 44 nations out of 53 African

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<sup>86</sup> Geraldine Fraser-Moleketi, “Towards a common understanding of corruption in Africa.”, *International Journal of African Renaissance Studies*, Vol. 2 Issue 2, (Jun2007): p.248

<sup>87</sup> Mojeed Olujinmi Alabi, “Extra-Territorial Approach to Anti-Corruption, Integrity and Public Service Ethics in Africa: A Review of Frameworks and Implementation Challenges.” *Journal of Alternative Perspectives in the Social Sciences*, Vol. 2 Issue 2, (Dec2010): p.502

<sup>88</sup> *Ibid*, p.503

<sup>89</sup> *Ibid*, p.504

countries, and it is a promising start for the eventual enforcement of nations. Binding legislation tends to be more effective the closer it impacts those who operate the levers of power. As an example, there are 190 nations who have signed the Chemical Weapons Convention banning the production and stockpiling of chemical munitions, and yet several nations have defied this treaty for their own strategic political benefit.<sup>90</sup> Signing treaties is one thing but enforcing it is another.

The advent of technology is addressed as another potential avenue to fight corruption in Africa. With the growing use of internet and cell phone coverage in Africa, information is more readily available not only for economic decisions but also to organize and provide an outlet for political expression. “In the 2011 “Arab Spring” protests, social media networks played an important role in the rapid disintegration of at least two regimes, Tunisia and Egypt, while also contributing to sociopolitical mobilization in Bahrain and Syria.”<sup>91</sup> These governments had large economic disparities and autocratic regimes which polarized the public encouraging dissent. Information and social media was merely the catalyst to mobilize this movement. In Africa, the rise of technology has this opportunity to bring information, as well as transparency of the political environment.

As a final example, we can see how political reformation was an important component in the transition of Ghana from an autocratic and economic stifled nation to a stable country nation. In 1992 President Rawlings adopted democratic principles, more from a survivalist perception to bring about economic recovery. “He did so because the

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<sup>90</sup> Organization for the Prohibition of Chemical Weapons, last accessed April 2014, <http://www.opcw.org/about-opcw/member-states/>

<sup>91</sup> Ekaterina Stepanova, “The Role of Information Communication Technologies in the “Arab Spring””: Implications Beyond the Region” PONARS Eurasia Policy Memo No. 159, (May 2011): p.1

ruinous economic policies associated with decades of dictatorship had driven Ghana's economy so far into the ground that he could no longer ensure even enough food for the people to have strength and the will to work to produce revenue for him.”<sup>92</sup> President Rawlings did this transition first with market reforms, in conjunction with an opening of political freedoms. He controlled the process along the way, ensuring his position was secure and not allowing political opposition or open rebellion to threaten his hold on power. Not every autocratic and economically challenged nation has the fortune to be guided towards a more stable path by a benevolent dictator, and this example parallels the path that China adopted from Deng Xiaoping to create a vibrant economy (and a stable middle class) whilst ensuring the ruling elite is not threatened politically from the people.

### **Conclusion**

Not every African country, especially those resource-laden, can expect a smooth transition to a functioning diverse economy and with it a more open and responsive government. The Democratic Republic of Congo remains divided politically, militarily and economically. The West may not have an overriding incentive to see a stable DRC, but African nations that continue to suffer from fractionalization and lawlessness, like the Democratic Republic of Congo and Somalia, harbor unrest and the environment that breeds terrorism and military conflict, of which ultimately affects the West. To mitigate the effects of rampant corruption in Africa requires a blend of technology (allowing greater information and political openness), economic development (not necessarily ‘eliminating poverty’ but to grow a middle class) and political oversight (UNCAC and AU measures as well as strengthening of a meritocratic civil servant class).

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<sup>92</sup> Bruce Bueno De Mesquita and Alastair Smith, *The Dictator's Handbook: Why Bad Behavior is Almost Always Good Politics*, (New York: Public Affairs 2011), p.274

Corruption is evident in all governments and societies, it just manifests in different formats. What is a concern in Africa is the rampant degree of embezzlement, bribery and corruption that suppresses economic and political development that causes a cycle of greed and lawlessness. Having resource “cursed” nations such as Nigeria and the Democratic Republic of the Congo evolve economically is important to create the stability needed for political reforms, and hopefully the changes necessary to mitigate the corruption that stifles development.



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