Corruption and Bribery as a Way of Life in Africa

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October 26th 2009

In his book *Africa—Altered States, Ordinary Miracles*, Richard Dowden quotes John Robertson, a Zimbabwean economist, on corruption. Robertson says: “We imagine corruption to be like a tick on a dog. There are some places in Africa where the tick is bigger than the dog.”

Transparency International’s 2009 Global Corruption Report (GCR) bears out Robertson’s insight. Yet, corruption in Africa does have its explanation. In her book *Dead Aid*, the Zambian economist Dambisa Moyo, writes: “Throughout the latter half of the twentieth century and up until the 1990s, the Cold War had provided richer countries with the political imperative to give aid monies even to the most corrupt and venal despots in Africa. One of the features of the Cold War was the West’s ability and eagerness to support, bankroll and prop up a swathe of pathological and downright dangerous dictators from Idi Amin… to Mobutu Sese Seko… to Samuel Doe. Bokassa’s coronation as Emperor of the Central African Republic in 1977 alone cost $22 million.” This view is augmented by a World Bank study which found that as much as 85 percent of aid flows were used for purposes other than that for which they were initially intended, often diverted to unproductive, if not grotesque ventures.

According to Transparency International, Mobutu is estimated to have looted Zaire of $5 billion. Roughly the same amount was stolen from Nigeria by President Sani Abacha and placed in Swiss private banks. In Africa, natural resources such as oil, minerals and high-quality wood provide unlimited opportunities for personal wealth accumulation.

Corruption happens at many different levels of bureaucracy, and has become a way of life. According to Transparency International, in Africa, the informal sector amounts to more than 40 percent of the economy in many countries, reaching well over 50 percent in Nigeria and Tanzania. The lack of legal protection and the desire to dodge regulations makes the informal sector easy prey for extortion and the solicitation of bribes by corrupt officials. According to a May 2008 study, 90 percent of entrepreneurs in Burundi think paying bribes is standard practice. The main reasons include reducing tax payments, advancing a file in the tax service and avoiding fines. But other reasons include “persuading” an official to retrieve a “lost file” urgently needed for business or immigration purposes, and avoiding the harassment of police for invented traffic offences.

In Morocco, integrity studies found that only 7 percent of Moroccan companies say they have attempted to act when faced with corruption. Companies were unsure if they would be vindicated for their actions or even feared reprisals if they reported corrupt activities. In the words of the Transparency International report: “corrupt practices constitute a destructive force that undermines fair competition, stifles economic growth and undercuts a businessman’s own existence.”
In the last two years alone, billions of dollars have been paid in fines due to corrupt practices. This brings about low staff morale, loss of trust among customers and prospective business partners. To paraphrase author Moyo: In a world where money is just for the taking, there is no need or incentive to trust your neighbor, and no need for your neighbor to trust you. Thus the essential fabric of trust that is needed between people in any functioning society is eroded.

A section of the Transparency International report is dedicated to regulations, procurement, transparency and undue influence. In Angola and Uganda, for example, the costs of starting a business surpass the average per capita income, putting formal status well beyond the means of many informal entrepreneurs. According to Ethiopia’s Central Statistical Agency, the urban informal sector of this overwhelmingly rural country comprised almost one million people in 2003, with an initial capital of $4 billion, despite the rapid growth of the formal sector.

Morocco experiences an annual loss of some $3.6 billion, owing to lack of transparency, a considerable portion of the $13.8 billion spent annually on public procurement.

Specifics abound. In 2006, the Tanzanian government contracted a U.S. firm to build and operate a power plant. Most of the contract negotiations were carried out in secret and ultimately the plant fell behind schedule, incurring great costs. An investigating committee issued a detailed report in 2007 alleging that high-ranking officials had influenced the decision to retain the U.S. firm despite objections made by the technicians. As a result the prime minister and the current and former ministers for energy and minerals resigned.

Transparency International’s report documents many cases of managers, majority shareholders and other actors inside corporations who abused power entrusted to them for personal gain. In developing and transition countries alone, companies colluding with corrupt politicians and government officials have supplied bribes estimated at up to $40 billion annually. Research shows that one half of the international business executives polled estimated that corruption raised project costs by at least 10 per cent. Ultimately it is the citizens who must pay.

The revolving doors between public office and the private sector, also documented in the report, provide a smooth path to deceitful public procurement deals where non-competitive bidding and opaque processes lead to immense waste and unreliable services and goods. Again, it is the ordinary man and woman who suffer the devastating consequences of corruption, through water and power shortages, exploitative work conditions, unsafe medicines, illegal logging, and poorly and illegally constructed buildings that collapse and kill.

But there are promising public and private sector developments. When Ghana began to facilitate and promote registration of informal businesses, entrepreneurs reported being exposed to less corruption. Ghana and Senegal have licensed or are considering licensing informal water vendors, and have established guidelines for tanker operators and independent entrepreneurs, in an effort to reduce exposure to abuse. And in Kenya, in 2007, a new licensing law eliminated over 140 different business licenses that had previously been necessary to open a business. These excessive regulatory requirements had bred widespread opportunities for bribery in order to avoid compliance. Almost 90 per cent of the top 200 businesses worldwide have adopted business codes, according to the Transparency International, but fewer than half report that they monitor compliance. This type of corporate ethics lip service is exactly why corruption in still one of Africa’s leading growth sectors.

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