

Corruption in Africa

Agenda for Africa's Economic Renewal, which was reviewed by Hiroyuki Hino in the March 1997 issue of *Finance & Development*, should interest anyone who desires the economic emancipation of Africa. However, better results would be achieved by identifying and tackling the root of the problem, which is to be found in pervasive corruption.

Corruption is not unique to Africa but its institutionalization and glorification in some African countries are phenomenal and serve as the force behind the gross mismanagement too often witnessed today. In fact, corruption is central to the economic woes of the continent. For example:

- Some African governments have come up with good economic policies and programs. However, implementation has foundered because of corruption within the system. Programs that would benefit the majority are too often sacrificed to someone's personal interest.

- A government official who benefits from importing agricultural machines and working with powerful businessmen can ensure that a program for the local fabrication of machinery fails totally. He is interested only in huge profits from inflated invoices at the expense of a program that would best benefit the agricultural sector. Also, contracts for agricultural infrastructure (such as feeder roads and storage facilities) are often abandoned before they are finished—but government records show them as having been satisfactorily com-

pleted. It is likely that contractors have "settled" with the officials in charge.

- Government policies and programs are administered by civil servants, some of whom are corrupt or unmotivated. They know that many of their superiors take bribes, inflate contract prices, receive kickbacks, and the like. Every official transaction thus provides an avenue to amass wealth, which leads to poor service and failed government programs.

- Public corporations are supposed to provide quality services to the public that are vital to economic development and growth, but corruption has taken center stage. For instance, in Nigeria electricity is a luxury affordable only by the elite, and some areas remain in darkness for months. The power company's position is that the equipment is in dire need of repair or replacement, even though the government insists a lot of money has been spent on it. The real problem is corruption and lack of transparency.

- The genesis of Africa's external debt burden is wide and multifaceted. But most of these debts and loans were never accounted for or of any real value to the people of the countries involved. Rather, the loans provided a gold mine for government officials. The selection of the few projects financed with these loans was not based on sound economic parameters but on the whims of power brokers in the government.

- It is unlikely that international financial aid will be properly accounted

for in a setting viewed as corrupt. Aid is seen by officials as a source of self-enrichment since hard currencies are involved. Officials in donor countries cooperate with their counterparts in recipient countries to divert aid into their own pockets so that aid exists only on paper.

- Leadership in Africa, with a few exceptions, is seen as an opportunity to get rich rather than serve the people.

- Corruption is most likely to thrive in societies where relatives and friends routinely expect preferential treatment, as is the case in most African communities. These societies, if they also lack transparency and accountability, are prone to corruption.

This scenario is, of course, not typical of all African countries. In the final analysis, I'm not writing to praise or discredit any country but rather in an attempt to highlight the dimension of corruption so that the causes, rather than the symptoms, of Africa's economic diseases may be treated.

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Credits

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