

FIGHTING CORRUPTION IN THE SADC AND SUB-SAHARAN AFRICA

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Introduction

Taking corruption as the abuse both of power and of discretion and involving a monopoly of resources, one can perceive corruption throughout history in all countries. Certainly corruption was present in all of the colonised countries prior to their independence and in non-democratic regimes such as South Africa and countries in Eastern Europe prior to the advent of democracy. The extent of the practice was a corollary of the extent of the power which was available to corruptible persons whether members of the public or private sector.

Here it is worth mentioning that governments and their administrations generally do not bribe, at least not extensively within their own ranks. By and large they are bribed by the private sector. The often-practised focus on the state and its various enterprises alone, is therefore anomalous except in so far as state enterprises in developing countries generally represent the largest enterprises, examples abound. These represent the best market for corruption for reasons we will examine next.

Industrial growth in developed countries has moved further and further away from primary production such as coal mining and steel making into the high technology “clean” industries. These of themselves require enormous capital costs in developmental research -pharmaceuticals are an excellent example. But of course generally they require less and less labour –witness the development of mechanical / electronic robots in the car manufacturing industry.

The huge costs of such development can be sustained only by the larger corporations. This in turn lends itself very well to the growth of monopolies or oligopolies. The two industries cited above namely, pharmaceuticals and motor car manufacturing, are again excellent examples.

That this in turn can lead to the serious abuse of power has been most recently well demonstrated by developments in genetic engineering. One asks who is to ensure that termination genes will not be introduced - dramatically increasing the profitability [it is assuredly hoped] of the few global major seed producing companies and impoverishing millions in developing countries.

Developed countries have managed to achieve satisfactory curbs on inflation for some time now. In turn this has curbed growth in wage increase demands for the majority of workers in those countries. Yet it certainly seems clear that the quality of life (world-wide) is sustained, improved and measured by more and more costly access to health, education and other social services. For most countries the high standards once attained seem to have become non-affordable - witness the cuts being made in Europe.

Further this takes no account of the universal practice of consumerism - if you want it now then have it now. Buy whether you can truly afford to do so or not. Yet despite all this there exists what is termed structural unemployment in developed countries, running into two figure percentages in some cases.

A major motivating factor in the promotion of the free trade / open market system has undoubtedly been the protection of employment in industrialised countries. What this does to developing countries and their economies is markedly different, however.

Take the practical experience of Zimbabwe. With import controls and severe foreign currency curbs in place, manufacturing industry had achieved a 27% level of contribution to G.D.P. - the highest in Africa South of the Sahara. Structural Adjustment was prescribed, indeed it became essential since on the export side primary products, mostly in their absolute raw state, totally dominate. The country has no control whatsoever over the prices of these commodities such as tobacco, gold, asbestos – this despite being the largest exporter of quality tobacco in the world. The foreign currency shortages then persist particularly as commodity prices tend to go down rather than up. The introduction of ESAP requires that import controls be dropped and the first category which is liberalised are consumer goods.

This usefully assists the export market growth of industrialised countries - as the chief providers of funds to the IMF and World Bank. That is to say when they pay their dues!

The impact of all this in Zimbabwe has been to reduce manufacturing industry's contribution to G.D.P. to 15%, to dramatically reduce employment within industry and to reduce exports albeit marginally. Of equal significance is that this inevitably leads to greater import dependency which in the absence of available foreign currency leads in turn to increased borrowings from the international organisations such as the IMF and the World Bank. Because the country is now an accessible market the opportunities for corruption increase significantly.

The next step in any structural adjustment programme is the privatisation of state enterprises – justifiably required since a combination of mismanagement and corruption inevitably have rendered these unprofitable. This usually affords opportunity for a new spate of corruption as commercialisation requires procurement. Procurement means private wealth for some particularly when the imports are high-cost / high-technology.

Meantime import dependency has led to worsening balance of payments position and this takes the country into a debt trap as the currency devalues and inflation soars.

The South African context

We wish to first make the following crucial observations as well as ask some difficult questions:

Where was this anti-corruption drive during the years of apartheid? What would its position have been during those years? Would TI-SA's anti-corruption activists also have been harassed?

- Is the current anti-corruption drive not perhaps part of a white agenda now that there is a majority black and democratically elected government in place?
- Is TI-SA addressing the legacy of a system of corruption and acts of corruption or only dealing with corruption under the new government?
- Does TI-SA acknowledge apartheid as an example of systemic corruption in terms of the political process, the economy, culture, education, social services etc?
- What is the position of TI-SA on gross acts of corruption emerging from the hearings of the Truth and Reconciliation Commission? What measures are being put in place to recover what the nation lost in defence of a violent and corrupt political system?
- Why is the new government (perceived to be) soft on corruption?
- Why is there not a comprehensive anti-corruption strategy in place?

- Why do government irregularities seem to receive more attention in the press than, for instance, irregularities in business and in organs of civil society both locally and internationally?
- To whom are big international and multinational companies and international financial institutions accountable?
- Why would there be such an international (mainly Northern) push towards political democratisation of countries in the South whilst the big players in the global market (OECD countries, the G7, multinational companies, international financial institutions) are seemingly not accountable to the world's population and to the environment in terms of economic democratisation of the global economy?
- Does the Multilateral Agreement Investment (MAI) not make a mockery of political democracy and national autonomy long fought for?
- How democratic and accountable is the dominant (read: free market) economic system in the world today, as championed by many economically powerful countries and powerful economic players and beneficiaries?
- Why is there no drive from these quarters to democratise the (global) economy as well?
- Should the drive towards good governance and the idea of reinventing government not also be directly related to a question of governance in the economy and the quest for rethinking (reinventing?) the economy to be transparent, accountable, equitable, and fair at least to the majority of the people?
- Are the inequitable global economic situations and dynamics not in themselves epitomising grand corruption and systemic corruption on a scale never seen and experienced in the history of the world before? Is this not global economic apartheid?
- What are the parameters for understanding corruption? Is everything unethical necessarily corruption? How must we understand the politics of corruption locally and internationally?

Given the South African history and the challenges faced by those who wish to combat corruption in South Africa these questions need to be taken seriously and an adequate response needs to be presented. More than that, a responsible platform needs to be set for addressing these and other questions both locally and internationally. A responsible, well-informed and constructive public debate should be conducted beyond emotive and point-scoring levels of discourse. The South African history of apartheid and the struggle against apartheid provide valuable insights and direction in broadening and deepening the understanding of corruption. The problem is that the dominant understanding of and approaches to corruption are not very helpful in addressing the issue and politics of corruption in the country.

The North-South Dynamic

There is growing uneasiness in countries of the South on being perceived as corrupt in comparison to the North. This unease will probably more and more play its role in TI and the rest of international anti-corruption efforts.

There should be no doubt that anti-corruption activists in the South are appalled by the level and extent of corruption particularly in the public sector within their respective countries. Neither should anyone have to

explain the difficulties related to the actions of the local elite and local economic giants. There is also no excuse or mitigation towards that. However the continued and powerful perceptions of corruption as a public sector-specific problem in the main promoted from the North justifiably intensifies the discourse and unfortunately clouds a broader view and more wider ranging strategies on corruption. In fact, it is often said that the issue of corruption even becomes a power tool in maintaining the disparities between the North and the South.

Countries and economies of the North and the powerful players in the global economy based in the North must exercise much more introspection in realisation of their being part and parcel of the global phenomenon of corruption. The growing disparities between the South and the North force us to rethink the meaning of expressions such as *grand corruption* and *systemic corruption*.

Broadening our understanding of corruption

The following are suggested issues to be considered in understanding and addressing corruption.

Power and power relations

All or most corruption theories, definitions and formulas refer to the issue of *power* and *power relations*. This means that **corruption should primarily be understood as an issue related to power and power relations**, be that personal-, gender-, political-, financial-, economic-, cultural-, military-, technological-, information power and power relations.

Public power

Of particular significance is the reference to and use of the term *public power* whenever the issue of corruption is raised. Issues such as the following need careful consideration:

Who is “the public”? The term “*public*” should generally be understood as referring to a variety of stakeholders when public power is exercised. In this case stakeholders are those who are **involved** in, have an **interest** in and who are **affected** by the exercising of public power. Stakeholders or publics could range from an individual, to society at large (local and international), sections or sectors thereof (big and small), future generations and the environment. Public is therefore not only the “clients” of the public sector as tax payers and voters.

An essential element **of public power is to be in a position of responsibility** in taking decisions and embark on actions affecting a specific public or a number of publics.

A basic moral aspect of public power is **who should benefit of profit from exercising public power?** It is generally understood that public power be exercised to the benefit of all or at least to the benefit of the majority of publics.

The separation between what is public and what is private is often vague and difficult to determine. However in certain respects the division between public and private is or should be regarded as unacceptable in the sense that it is more than not a case of abuse of public power. The issue of power relations and public power involved in the very core issues around patterns and structures of consumption and production where public goods are involved is a good example to illustrate that future generations and the environment also form part of stakeholders or public in exercising public power.

Public power is gained either as a result of power being benevolently granted or power being assumed in a malevolent manner. Power could be **benevolently granted**, e.g. through fair voting, fair appointment, inherited power, formal contract, earned through fair competition and hard effort. Public power could be **assumed in a less benevolent manner** through unfair voting procedures, unfair competition, military

power, dishonest contracts, monopolistic power, underhand tactics, the power of information and unfair access to information.

Corruption as the abuse of public power

The key issue in understanding corruption and to distinguish it from other problems of power is namely the abuse of public power. The abuse of public power should be viewed as the malevolent, unaccountable, dishonest exercising of public power. **Corruption, therefore, essentially is the abuse of public power.**

The abuse of public power must be seen in a wider perspective than that of the public sector only. The abuse of public power could be seen on two inter-related dimensions: the behavioural (i.e. micro) dimension of corruption the systemic or structural (i.e. macro) dimensions of corruption

The micro dimension of corruption:

This dimension would refer to the behavioural aspects of corruption namely corrupt acts and attitudes. **Acts** of corruption are committed by individuals or groups through acts such as bribery, fraud, extortion etc. **Attitudes** refer to positive dispositions harboured and displayed by individuals or groups toward corruption. It should be noted that this dimension receives the bulk of attention in analyses and in anti-corruption strategies (esp. in judicial and administrative approaches). Very little (if any) attention is given to the larger societal problem of corruption.

Structural/systemic dimension of corruption

This dimension of corruption should be a reference to the social and economic structures and -processes of corruption. Systemic abuse of power refers to “the culture” or “the way things are”. This is how “the system” works or how “the system” allows things to happen, be that by design and/or by default.

Without exploring examples or manifestations of systemic corruption in different political, social and economic structures or systems, systemic abuse of power (systemic corruption) occurs in structures and systems such as:

The family structure (nuclear and extended), as a relatively small yet significant social system.
Organisations such as government departments, government agencies, businesses big and small, community based organisations, NGOs, religious bodies, sports organisations.

Social groups/groupings, such as cultural groups/groupings, national states, provinces, local communities, municipalities, districts, villages.

The inter-national community. This structure refers to the (power) relations and interaction between clearly defined nation states. Of particular significance here is i.a. the history and dynamics of colonialism and the economic benefits accrued from it and the resultant mainly economic chasm between “the North” and “the South”. The issue of “third world” debt is a matter to be considered within this context as well.

The trans-national reality which mainly refers to economic activities of trans-national or multi-national business organisations which transcend the boundaries of nation states and which are not defined in terms of national and international identities. **Cyber space**, regarded as “virtual reality”, but which has become part and parcel of the global social reality. It is not something that merely exists in computers. It is a place where people meet and a system to be used and abused.

The interaction between the behavioural and systemic dimensions of corruption is noted. Specific acts of corruption could take place in a situation, which could either be conducive or non-conducive to corrupt acts. Behaviour is therefore not only to be seen as the result of systemic corruption. Individuals make decisions. On the other hand propensity towards certain forms of corrupt behaviour, attitudes and mind sets form part of primary and secondary socialisation within certain contexts where the context naturally impacts on individual socialisation.

Given the current (over-) emphasis on behavioural aspects of corruption, systemic abuse of power (“grand corruption”) over a wide range of areas should be recognised and acknowledged as corruption in itself. Grand corruption must therefore be understood as much more than cross border bribery. “Grand apartheid” became the overarching issue in resistance to apartheid and not only specific and identifiable discriminatory acts, attitudes, laws etc. However, the importance of resisting and changing issues on micro level should never be underestimated.

The aims and victims of corruption

The immediate aim in the abuse of public power is to achieve exclusive (i.e. private or sectional) social, political and (in the main) economic gain. This illicit and unfair gain could be in the form of: money, capital assets, land, positions of power, etc. Viewed from a different angle corruption (behavioural and systemic) takes place when public power is exercised against the best interests and well-being of some (in most cases the majority of) stakeholders. These become the victims of corruption. Ultimately corruption is aimed against these publics. As a result, the aims and victims of corruption are packaged together.

The victims of corruption are generally assumed as being accounted for in corruption theories. It is, however, felt that the victims of corruption should not only receive explicit recognition in corruption theories and definitions, but need unpacking as well.

The victims of corruption are stakeholders directly and/or indirectly affected by the abuse of public power. As indicated before, these could range from individuals (e.g. an individual client), to groups or sections of society (locally and globally), to future generations and to the environment.

The fact that the issue of corruption is assuming more of a public profile and that the taboo on talking about corruption has generally disappeared is indeed gratifying.

It needs to be acknowledged that the issue of corruption is more complex than currently understood to be the case. A wider understanding of corruption could be referred to as: *the abuse of public power for exclusive and undue private or sectional gain, at the direct and indirect expense of some (the majority) stakeholders i.e. publics*. The prevailing limited understanding of corruption (even in TI) as, in the main, a government-specific issue must be regarded as suspect.

This understanding is theoretically suspect in the sense that it creates and maintains blind spots in seeing the problem. It is practically and strategically suspect in the sense that it provides undue *zones of comfort* to people and institutions to avoid being implicated as part of the problem.

The reasons for effectively creating such comfort zones could range from design to default. The creation of such comfort zones should be unpacked in greater detail. However, one thing is clear: corruption is a broad (local and global) social-economic problem. It hangs together with the broad profile of socio-economic injustices in our global village i.a. affecting the socio-economic rights of individuals and societies especially the poor. No sector of society and the economy could rightfully claim not to be part of the problem. All sectors of society create, in different ways and in different forms, victims to the abuse of public power. This happens within and through the respective sectors and/or through the interaction between sectors. Probably few individuals but definitely no sector could assume an attitude or position of being “holier than thou”.

It is useful to note that there is more and more recognition of a need for a wider understanding of the phenomenon of corruption and broader participation in anti-corruption strategies. More than anything it is the victims of corruption that should motivate and drive appropriate action and adequate understanding of corruption. Victims of corruption do not have the luxury to limit the nature and extent of corruption. The

understanding of corruption as well as the development and implementation of strategies to address it should therefore be victim oriented.

The strategic implications of such a broadened understanding of corruption should be part of the discussion on the nature and extent of corruption. A basic strategic decision should at least be to shift the focus from being government specific to a broader social and economic focus. Within this broader framework do-able and practical actions should be implemented.

The South African situation (both past and present) offers interesting, significant and relevant case study in understanding the presence and interaction of micro and macro issues (locally and internationally) in the distinction between “petty apartheid” and “grand apartheid”. The discourse and rhetoric on policies and strategies to dismantle a problem of such magnitude is, to say the least, informative. For South Africans this is the inescapable reality within which the issue of corruption will have to be addressed in developing comprehensive anti-corruption strategies.

Ultimately it is hoped that TI would take the courage to critically revisit its own understanding of corruption and its strategic approach to corruption. It would hopefully lead to a reformulating of our mission and strategy, revisiting the concept of systems of integrity and hopefully convince chapters in the North the integrity system workshops are not for countries in the South only.

Gender Dimensions of Corruption:

Gender permeates all aspects of human development and, because of this, it must be addressed systematically and constantly. It is imperative that both the State and civil society take up the reins and begin a forceful campaign of sensitisation with conviction. This is so because changing deep-rooted attitudes is a very difficult task that needs persuasive dissuasion. Culture plays a serious role in the gender dimensions of corruption in SSA and the SADC. It is obvious that women, for example, are subjected to virtually all the usual forms of corruption that men are. Then they are also subjected to kinds of corruption that men never need to face: the demand for sexual favours. In a region where the HIV/AIDS pandemic is spreading like wildfire, the gender dimensions of corruption are certainly fatalistic for both men and women. It is our view that the gender dimensions of corruption go way beyond mere sexual harassment of women by men.

It is imperative that countries that signed the convention on All Forms of Discrimination against women be compelled to ensure compliance.

Money Laundering:

With specific reference to Zambia, we note that the economic liberalization programme has made it possible for those engaged in the illicit drug trade to ‘cleanse’ their proceeds from narcotic drugs and psychotropic substances and ‘invest’ in clean business. Obviously drug lords and drug traffickers have taken advantage of the lack of control to launder their drug money and use the proceeds to set up all kinds of businesses.

Zambia has sought to enact an anti-money-laundering legislation, *The Prohibition and Prevention of Money Laundering Bill, 1998*. The Bill would provide for, among other things:

- The prohibition and prevention of money laundering;
- The constitution of the Money Laundering Authority and the Money Laundering Investigations Unit;

- The disclosure of information on suspicion of money laundering activities by Supervisory Authorities and regulated institutions;
- The forfeiture of property of persons convicted of money laundering;
- International co-operation in investigations, prosecution and other legal processes of prohibiting and preventing money laundering; and to provide for matters connected with or incidental to the foregoing.

The Bill, which has gone to Parliament on at least two occasions, was withdrawn from the legislation process during its last session in April 1999. There were no reasons furnished for the withdrawal.

Way Forward: Recommended Solutions:

The global economy has facilitated increases in cross border corruption and therefore our anti-corruption strategies must take a global angle. There is an urgent need to adopt co-operative arrangements at the regional and sub-regional levels to provide for an exchange of experiences, ideas and information.

- Effective **coalitions** bringing together governments, private businesses and civil society;
- Developing effective information-sharing and **networking** capacities;
- Holding **annual conventions** to review the past efforts and progress and map out strategies for the future;
- Where possible, there ought to be a harmonisation of the **legislative frameworks** in the region;
- There ought to be a network of anti-corruption institutions, there should be reciprocal obligations for the **extradition** of those accused or convicted of corruption.
- There is an urgent need to set up a **database** on corruption
- It is imperative that the public be aware of the income of public officials and politicians. There must be a **registry of assets** which is regularly filled in;
- The **arms trade** is probably the most corrupt of all legal international traders. There is a universal lack of transparency in the procurement of arms. Governments prefer to hide the structures and processes involved in arms procurement. There should be a balance between the need for military confidentiality for the purposes of national security as opposed to the need for public accountability.

We appreciate the stance of the Heads of State and Government of the Southern African Development Community (SADC) in their collective fight against illicit drug trafficking as expressed in the *Protocol on Combating Illicit Drug Trafficking in the Southern African Development Community (SADC) Region* signed at Maseru, Lesotho, on 24th August 1996. We strongly recommend that a further step be taken to include all other forms of corruption, and that a protocol to this effect be forged and ratified by all the member countries.

Corruption And The Arms And Drugs Industries

Arms

The public has the right to know why Z\$100 billion may be allocated to defence as opposed to Z\$2m which is set aside to improve health services. The government needs to justify its budget allocation.

The budget issued in parliament is published. It is important for the people of Zimbabwe to know how much is assigned to defence and further it is even more crucial to know how that budget is utilised.

There must be an accounting system explaining expenditure. It may well be that the government needs to spend more money on defence than the budget allocates. However, if these resources, whether meager or superfluous, are being funnelled to the private accounts of various individuals, it begs the question about national security. The public needs to be protected from such scenarios. The public cannot be in ignorance when waste, fraud and abuse of power continue to rise.

There is a total lack of transparency¹ where the arms industry is concerned. The affairs of the military must be guarded but there should not be an abuse of that secrecy. The military operates on a 'need to know' basis which is vital to its operations but this *modus operandi* often conflicts with the public's right to know.

Zimbabwe shares this problem with many states. Most governments are reticent about their military spending. Communist China is completely impenetrable whilst Japan prefers an open system based on public consensus. The aim is to strike a balance.

Military spending occupies a vast percentage of our national budget. The stakes are high and the system must become more open if the public is to be satisfied with arms trade procurement.

The system must allow opportunities for criticism. The public must have a say in military issues. If the public is of the perception that health services and education matters require more attention, the government must seriously consider public opinion.

Drugs:

The abuse of narcotic drugs substances is illegal in Zimbabwe and other SADC countries. What is of particular concern for this paper is the drug trade. It is difficult to quote exact statistics but it is apparent that the trade is a booming industry. The Colombian experience is an extreme case scenario but the progression of the trade needs to be curbed now. To avoid prosecution, drug dealers often bribe public officials. As a result, public officials are normally members of cartels. This clouds their objectivity and they fail to apprehend offenders. Corrupt officials are particularly dangerous as they often have inside information. This information is filtered to the cartels who remain elusive.

¹ Arms, Procurement Decision Making Vol. 1: China, India, Israel, Japan, South Korea and Thailand, Editor by Ravid Pal Singh