Bureaucratic corruption in African continent

The African countries need to reform their laws with specific objectives to weaken the links or the relationship between the government and the economy, writes M Azizur Rahman

BUREAUCRATIC corruption in the context of African continent is an opportunistic (rent-seeking) behaviour. It is related to, or associated with, the scope and extent of laws and regulations relating to economic activities. Mere corruption cleanup programmes are unlikely to succeed. Analysts have discussed how to advance the public-choice approach as the most effective and intellectually satisfying framework to curb corruption.

In Africa, compensation or the salary structure for the civil servants is substantially low. This is true for many other developing countries, too. Public servants prefer to be compensated for their low salary package through some deviated ways and means. The best way they choose is the corruption. How do they do it? Bureaucrats do it by lobbying with lawmakers and politicians. They also engage in other activities to influence the political system and maximise their benefits.

Many civil servants do illegally earn some money to increase their compensation by providing services to various interest groups and businessmen who seek favours from the government or the party in power. Some politicians who would like to, or who are engaged, in obtaining benefits by re-distributing income, also bribe the civil servants. Because civil servants are in a position to implement the rules and regulations and the development programmes.

If bureaucrats understand that they can earn more income by providing services to the interest groups, they will do that. In such cases, they will pay more attention to meet the demands of such interest groups by manipulating the rules and regulations in their favour. They will then tend to pay relatively less attention to their regular job.

Once again, it is assumed that compensation package for the bureaucrats in many developing countries including the African ones are relatively low. It is also noteworthy that people are selfish and ambitious by nature. If this scribe has an opportunity to earn more, why should he stop here? He will take this opportunity to increase his total earnings. Therefore, a significant part of the public service employees' formal and informal total compensation packages may be derived from their involvement in 'outside' activities. This results in a significant increase in the bureaucratic corruption.

The rules and regulations in African countries substantially influence their socio-political developments. Socio-political relations have a major impact on the ability of civil service personnel to seek and earn some legal and illegal income from external sources.

In non-democratic or some relatively autocratic societies in Africa, bureaucrats face fewer restrictions, in areas of utilisation of public resource. They utilise such resources to lobby legislators and influence the related people who are vested with the responsibility of determining the level of compensation packages for the public sector. In such countries, most civil service personnel are the members of the ruling political party or group. This membership provides them with a significant influence over the allocation of resources.

Under such circumstances in Africa, the bureaucrats behave as if they are a separate interest group in the society. In an effort to distribute and redistribute income and wealth to themselves, the bureaucratic personnel put pressure on the political system. In many countries in Africa, rules and regulations are poorly constructed and are not as efficient as expected. Constitutional rules are not also self-enforcing.

In this environment of weak and confused law, opportunistic behaviour, including the rent-seeking attitude, exists. In such countries, socio-political relations did not succeed to adequately put effective and appropriate restraints on the arbitrary powers of the government. As a result, the state intervention in private sector activities is also pervasive. Most regulations are rigid and not flexible. Excessive regulation of economic activities creates many opportunities for rent-seeking including corruption. In the post-independent Africa, some attention has been paid to the problem of corruption and its cleanup but that is still inadequate.

Bureaucratic corruption is indulged in, by the civil servants, when they try to enrich themselves through illegal means. Political corruption is committed by maintaining a monopoly on power. This includes vote rigging, registration of unqualified, even dead or non existent voters, purchase and sale of votes and doctoring of electoral results. Expansive corruption includes the activities that impact the competitiveness and flexibility of the market. The extent of corruption including payment of bribe-money to judges, politicians and bureaucrats by private individuals is enormous. This has been taking place to compromise the rigidity of the rules and help widen economic participation.

Arbitrary laws and regulations do also limit the opportunities for productive or socially beneficial economic activities. Corruption does not benefit an efficient producer. It protects the incompetent entrepreneurs. It facilitates the old and more established groups to dominate and monopolise the market. Many civil servants are responsible for formulating and implementing national development policies in Africa. They are also responsible for enforcement of the state regulations and protection of Private Property Right (PPR).

Bribes are given to public officials to obtain import and export licences, foreign exchange permits and investment production licences to start the business (which is called seed money). The cost minimisation factor encourages the businessmen to bribe for a favourable tax treatment. Subsidised goods and services can also be bought by bribing the government officials. Sometimes the government is responsible for widening the tentacles of corruption through moves to increase its revenues. In Bangladesh, the facility for whitening the money with payment of 10% taxes may be mentioned here as an example of corruption, induced by the government policy-move.

In Africa, the family, its members and also those of extended families, friends, neighbours and close associates put significant pressures on the civil servants and force them to engage in corrupt practices or nepotism. Bureaucrats, in turn, also tend to exploit their public position to generate benefits for themselves, their families, ethnic and social associates. The commitment to public service is absent in reality. This is true for most African countries and also for quite a few developing countries.

As has been found in Nigeria, the political coalition with the bureaucrats exists to acquire the state's power for income distribution or redistribution to transfer resources favouring those wielding power. Bureaucrats meddle in the socio-economic system. They tend to monopolise the pieces of legislation and thus do not let other people to participate in the allocation of resources. Such public servants in most African countries are the members of politically dominant groups. The businessmen and the 'locked-out' groups and other businessmen have to pay bribes to them to win favours in business operations.

South Africa is a market-oriented economy, where most administrative individuals are not black. Administrative officials there have been holding the income distribution power of the state to enrich themselves. At the same time, they have been subjecting others to a perpetual cycle of poverty and deprivation. The African bureaucrats are also assumed to be incompetent and inefficient. Resource allocation approach in many African countries ultimately has made governments as the major economic units.

As a result, the African governments are primary investors, exporters, importers as well as bankers. The state does the job of income distribution by itself through directly employing its own labour force. Income transfers from rural-to-urban sector involve taxing the rural-poor; subsidising the well-organised or politically volatile urban sector has exacerbated the problems of poverty. Individuals and groups, affected by regulations and rigidity and inflexibility, thus, create opportunities to extract bribes for the civil servants. One major determinant of corruption in Africa is related to the saying, "necessity knows no law", in the context of the continent's chronic poverty, material deprivations and unequal income distribution. The military administration and their disproportionate public budget are also contributing significantly to increase corruption, underdevelopment and pervasive poverty and deprivation.

In addition, defective cultural norms, behaviour and clash between traditional and modern concepts serve as a source of corruption. Foreign norms mean the laws that are in place, were framed by the foreign and colonial masters. They continue to discriminate against the local inhabitants in some African countries. According to many, this problem arises from modernisation and industrialisation. It is also important to take the relative strength of ethnic groups into consideration. The civil servants are, therefore, obliged to meet the demands of the dominant ethnic groups. This results in bureaucratic corruption. The latter is primarily related to government controls through its regulations and controls over the economic activities. Entrepreneurs would like to minimise the burden of state regulations. They would like to continue doing their business and in the process, the civil servants extort bribes from businesses.

Most Africans live in societies with weak, inefficient and poorly designed constitutional rules. They provide the governments with almost unlimited power to intervene in the private sector activities. In such economies, resource allocation is totally politicised and the civil servants have replaced the market as the principal instrument for the allocation of resources. The latter are aware that lucrative monopoly rights, created by government regulatory activities, provide their owners with enormous monopoly profits. As a result, they try to capture rents by extorting bribes from entrepreneurs who approach them for any favourable policy decision or action.

Where government regulations impose significant costs on businesses, the entrepreneurs try to minimise such costs by paying bribes to those who are involved in enforcement process. The bribe is expected to either exempt the businesses from the laws or to have the advantage for the individual enterprises to be taxed at a lower rate. If such restrictions on economic activities are eliminated, the bureaucrats would be unable to extort bribes from the entrepreneurs. Thus, bureaucratic corruption is primarily a rent-seeking behaviour. This is directly related to the level and extent of government activities in an economy.

About the traditional approach to dealing with corruption, the strategy here should be to embed societal, legal, market and political factors in the process. The societal strategy is related to human morality. Immoral behaviour can be measured as corruption. Bureaucratic behaviour is normally and effectively regulated by law. The judicial system can judge and punish the guilty. The market structure is also related to corruption.

Other than a competitive market structure, monopolies, duopolies and oligopolies are found to be involved in taking recourse to major corruption. In economics, this is called market failure due to the interventions by the government. But this can again only be controlled by the government with the managed market mechanism. Government regulations should otherwise be aimed at increasing market competition, leading to a greater reliance on the market for allocation of resources. If some specific rules and regulations to eliminate corruption do not work, the policymakers will need to change those rules and regulations for their effective enforcement.

According to some, the centralisation of public sector is also a source of corruption. If the power is concentrated in the hands of few politicians and bureaucrats, it is hard to minimise the opportunities for corruption. In some African countries, anti-corruption campaign is simply a political move, just to show up that something is being done to curb graft. In the African continent or for that matter any other one, the outcome of such programmes largely depends on the police, the judiciary and the press.

However, this traditional approach to address the problems of corruption has not been working effectively. The corruption clean-up programmes under the public-choice approach is meant for minimising the public sector activities and maximising the role of the private sector. Ownership and Private Property Rights (PPR) under the approach are to work much more effectively to deal with corruption. The current rules and regulations in the African countries are inefficient and non-viable because they can be manipulated by making policies to help perpetuate the pernicious cycle of corruption.

The bureaucrats and policy-makers have to follow properly the bounds of law. Some bureaucrats are inherently corrupt individuals; they should be removed from jobs without any exception. Rules and regulations will not provide any scope for an incentive system; because the incentive system will make opportunities for rent-seeking activities very lucrative. So reforms of the rules and regulations and changes in the incentive system have to be undertaken. The national objectives here should be to minimise opportunism.

How is this to be done? The most important way here is self-enforcement of laws and regulations or constitutional laws. Self-enforcing laws can help control the opportunistic behaviour and will be effective to eliminate most opportunities for rent-seeking activities. For that matter, the constitutional laws have to be designed well to make the market both competitive and accessible to all members of the society. With the help of self-enforcing rules, the countries can be enabled to put proper restraints on the arbitrariness of actions by the government and to limit the existing excessive controls by a government agency. Here, a favourable political coalition will not be easy to be formed in order to engage in efficient redistribution. Finally, interest groups will not be interested to invest in areas that are rent-seeking operations. Briefly speaking, the traditional forms of behaviour must be minimised by reforming the existing rules and regulations to make them a strong anti-rent seeking one.

In post-independent African countries, it is hard for the people to have appropriate laws and regulations in place. The existing rules are not favoured by most members of the society. Even after independence, the European constitutional model operates some way or other in Africa, under which powerful political groups try to monopolise their power of all kinds. Once again, such rules were imposed by the Europeans during their colonised rule and were designed to satisfy their imperial goals and objectives. Once the colonial masters came to understand that they would have to quit Africa, they had a last-minute reform of constitutional laws, which were basically weak and potentially unstable.

Another weakness of constitutional law is a discrimination against the rural people or their being in favour of the urban people. So, their implementation has not been effective. In some African countries, the constitutional laws were suspended by the military rulers. For example, some African countries including Ghana, Zaire, Nigeria, Libya and Somalia have been ruled by the military elite for long. In most African countries, aspirations, desires and rural needs have not been adequately addressed under the constitutional laws. In South Africa (until-1994), participation in selection of rules was limited to the whites. In short, the total population did not agree with the rules and regulations. Some rules favour the dominant groups or other sections of the population or did go against the interests of the rest of the people in South Africa.

In most African countries, anti-corruption activities have become ineffective. The judiciary system, bureaucracy and police force in Africa are not then held in rein under the law. Most civil servants including even judges and police officers are themselves corrupt. An effective approach has to involve reforms of existing rules and subsequent selection and adoption of new rules which would be expected to generate the socially desirable outcome.

Because the current rules are related to those of the colonial masters, they are a major cause for corruption. Under the current system of rules, the businessmen try to lobby and bribe the politicians and civil servants in an effort to maximise profits. Once again, the politicians and the government including civil servants have to be properly held in check within the bounds of rule of law to make the economic environment free from corruption.

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The writer, Prof Dr M Azizur Rahman, is Vice-Chancellor, Uttara University.