

URBAN GOVERNANCE

CORRUPTION



Privatizing Services in Africa

Paying public servants proper wages is an essential step in fighting corruption. Personal expropriation of services is widespread in many African cities, permeating health services, basic education, police, revenue collection and public procurement. In many African countries, wages are far too low to finance daily necessities, and for the majority of public employees, the balance comes from the use of public office for private gain. The inefficiency of public institutions is a result. To the extent that real wages fall short, public officials can be expected to use public office to raise the remainder. When this 'rent seeking' behaviour penetrates police and administrative services, the problem develops into a 'crisis of governance'.

What it is and how it works

Corruption is a trump card in the game of governance. It comes last in this chapter because, where it exists, it always has the final word, flouting norms of social behaviour and subverting hard won democratic decisions. It is a crime perpetrated by officials who misuse public office for private gain, and, at an aggregate scale, denies citizens their right to self-determination. At its worst, it is a crime that kills. There is no culture or society that condones the misuse of public office or misappropriation of the commons. Yet, corruption exists everywhere: causing great harm to the public interest by its predatory nature, and damaging developing countries and the urban poor especially. By ensuring selective access to economic opportunities, corruption stifles private initiative and enterprise. By transferring public resources to private hands without due process, corruption

deprives nations and their cities of capital for much-needed services. By misallocating resources, as in hiring practices that favor sectarian, tribal or clan groups, corruption leads to inefficiency of operations and societal breakdown.

The Medium of Exchange

Money is usually a major factor, but anything of value may be the medium of exchange. Natural resources are often the object of corruption as are land for development, transport franchises, vending concessions and other publicly controlled urban functions that may be given out to private interests. The private sector is often implicated in corruption, as profit margins increase for the firm that can externalize its production costs. Polluting industries, for example, may resort to bribery to flout environmental laws, placing the cost of pollution upon the public. Not only is the public purse hit hard by corruption, but so also are public health, safety and general welfare. Where substandard construction is approved or overlooked by inspectors who are bribed to do so, injury and death from natural disasters may be multiplied. Statistics show that high levels of human development depend upon low levels of corruption.

$$c = (m + d - a) / e$$

According to the formula, $c = m + d - a$, corruption is often found where an official has monopoly power, discretionary authority and lack of accountability. Corruption can be reduced through systemic changes in these variables: separating government

"The mutually corrupt relations among construction companies, inspection teams and government authorities continued, with inspectors overlooking the improper construction, until a young inspector was found dead at the site. This incident moved me to reveal the truth. The press downgraded my revelation to a 'mere happening'."

Local building inspector in an Asian NGO report (2000)

The traditional media can be corrupted. Important issues, for example, may not be covered because reporters are not "excited" - meaning that journalists prefer being assigned to cover politicians who pay them. Recent undercover Internet journalism in India exposed top officials in bribery schemes. The Internet has emerged as a watchdog, reminding the rest of the media what they have forgotten. It has allowed changes to two basic aspects of news gathering - cutting costs and slashing through media bureaucracy.

Nairobi, The Daily Nation, 16 March 2001

tal branches, installing checks and balances, fostering competition, defining roles and responsibilities more clearly, undertaking independent audits, and the compulsory disclosure of interests by public officials.

Even more can be done by introducing legal instruments to enforce behavioural norms. While this may be effective in stopping specific acts of corruption in the short term, it may not completely stifle the individual urge to seek personal advantage through public position. Human ingenuity remains active, seeking ways to circumvent laws and regulations for personal gain. The general failure of legal systems to defeat corruption suggests that the existing formula is incomplete, and what is missing is the sense of community and a concern for the commons. A modified formula would look like this:

$$c = (m + d - a) / e$$

The denominator 'e' is the ethical ambience - the societal norms relating to the public interest and common wealth - that tug and pull the individual into line with collective definitions of good behaviour. It is the 'good' in good governance.²

The modified formula implies that strong ethical systems reduce the potential for corruption, even where there are monopolies, discretionary authority, and lack of accountability. Placing legal barriers in the path of corruption is not enough: the temptations of public office in larger-scale urban societies must also be regulated by an inherent sense of ethical responsibility, the hallmark of the good public servant, as well as a high degree of civic engagement. Urban societies everywhere are in need of inclusive definitions of 'public', to strengthen ethical systems against the pull of tribal and family obligations.

Activation of Ethical Systems

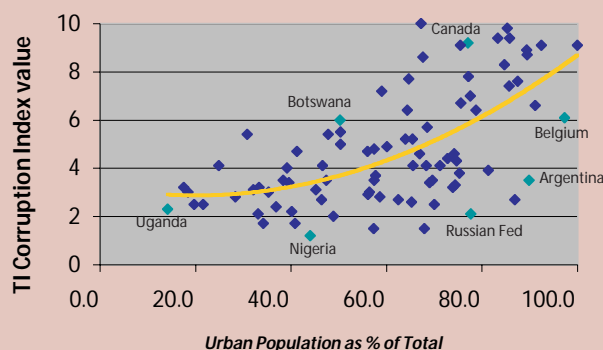
Ethical systems, articulated through community engagement processes, must also be *activated*. This can be done through leadership training, promotion of fiduciary principles, dissemination of good examples, reward for exemplary action, role playing activities, sensitization of the public to the problems caused by corruption, promotion of civic and community values, reference to ethics in schools, strengthening of a professional press, and establishing professional business standards. In any decentralization process, the establishment of local ethical standards must be an early priority, if a breakdown in governance is to be avoided later on.

Leadership and Followership

Corruption thrives on both poor leadership and poor 'followership.' If corruption is pervasive, its starting point is usually at the top of political and civil service systems. Where leaders are corrupt, middle-range civil servants and the police on the street are soon enlisted to make easy money. But, as a number of writers have pointed out - starting with Lincoln Steffens almost a century ago - corrupt officials, especially in a democratic environment, depend upon the tolerance, or acquiescence, of their constituents.³ Good democratic governance requires the body politic to be informed and vigilant in holding officials to high ethical account in the conduct of public business.

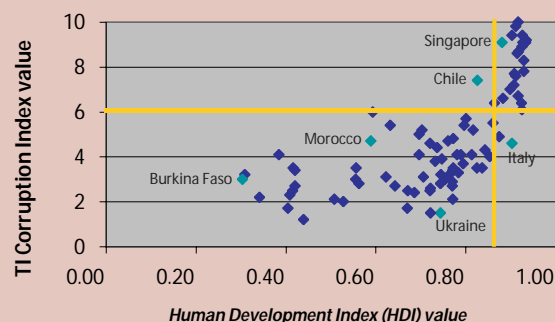
Transparency International's Corruption Perception Index 2000 draws on 16 surveys, from 8 independent institutions, to determine the levels of corruption, based on the perceptions of business people, risk analysts and the general public. A score of 10 means a country is perceived as highly clean; 0 means perceived as highly corrupt.

Corruption and urbanization



As countries urbanize, they tend to become less corrupt. The least urbanized countries have consistently low corruption indices (i.e., they are perceived as being relatively corrupt), while highly urbanized countries have a wider range of corruption index values. In no instance among a sample of 85 countries, does a country's corruption index rise above 6 unless it is at least fifty percent urban. Urbanized societies require more accountability, and more transparency of public officials.

Corruption and human development



Generally, higher levels of human development are associated with lower levels of corruption. Countries with the highest HDI have the lowest perception of corruption, but the breakthrough does not occur until the Corruption Index values reach 6 and the HDI values reach 0.85.

Sources: www.transparency.de/document/dpi/bps.html, UNDP, Human Development Report 2000, and UN Statistical Office, World Urbanization Prospects 1999.

bestpractices

www.bestpractices.org

Operation Firimbi (Blow the Whistle) Campaign, Kenya

Kenya initiated a project to curb rampant land grabbing and corruption. Operation *Firimbi* aimed at blowing the whistle on all forms of corruption and informing the authorities. The campaign also sought to bring Kenyans together, organizing to secure small, locally achievable solutions. These efforts took the form of *Firimbi* 'Local Chapters' or 'Vocal Points', and Kenyans are now 'blowing the whistle' in many instances of corrupt practice.

www.undp.org/dpa/publications/corruption/index.html
www.oneworld.net www.transparency.de
www1.worldbank.org/publicsector/anticorrupt/