

## **Corruption and Infrastructure in Africa: Challenges for Integrated Sustainable Development**

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### **Abstract**

**T**his paper revealed the corrosive effect of corruption in the infrastructural sector and challenges that the infrastructure sector has on sustainable development in African countries. The focus group (eminent scholars, researchers, senior Political Scientist and journalist) and personal interviews method was used in generating primary data for the study. The study also adopted literature survey sources method. Data were elicited from textbooks, journals and other informed opinion. The concept clarification was done on all the study variables such as corruption infrastructure and sustainable development. Conclusion was drawn, while recommendation was made based on the findings of the study.

**Keywords:** *Corruption, Infrastructure, Challenges, Sustainable development*

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### **Background to the Study**

Efficient and functioning infrastructure sectors, i.e. water and sewages, waste, telecommunication, energy and transport are imperative for an integrated sustainable development because they are very fundamental for people's daily life. The absence of basic infrastructure in a society-particularly roads network, transportation, electricity and water-no doubt is seen as defining characteristics of poverty Narayan and Destesh, (2002).

The importance of infrastructure in the promotion of sustainable development growth and international competitiveness of a nation cannot be over-emphasized. The World Bank landmark study on infrastructure World Bank, (1994) highlighted the critical role of infrastructure in the development process of a nation. The evidence in the World Bank repeats on the vital role of infrastructure on economic growth and sustainable development has been reinforced by subsequent studies Estache and Fray, (1995); Narayan and Dwetesh, (2002); Jerome, (2006); Kenny, (2007) and Sorunke, (2013).

Corruption, i.e. the abuse of entrusted power for private benefits, comprising a wide variety of practices such as bribes, fraud embezzlement, extortion and collusion has undermined the efficient delivery of these sectors in many African countries. Although corruption exist throughout the world, in industrialized and developing countries alike, but the impact on daily life is much painful in African continent than the other part of the world. The African continent presents a typical case of countries in the world whose development has been undermined and retarded by the menace of corrupt practices.

In many African countries today, the issue of absence of sustainable infrastructure, and inability to maintain existing infrastructure as a result of corruption in the public sector is a topical issue that need to be brought in front of burner of academic discourse. Hence, the primary objective of this paper is to provide an overview of corruption in infrastructure sector and its corrosive effects on sustainable development in African nations and societies. It also discusses measures which have to be implemented at reducing the acts and consequences towards achieving a desired integrated sustainable development.

### **Objectives of the Study**

1. The study sets to achieve the following objective. To find out if corruptions in the infrastructure sector actually pose any serious threat or challenges to integrated sustainable development in African continent.
2. To find out why incident of corruption is still rampant in the infrastructure sector in the African continent inspite of various policy recommendations by the, World Bank, Transparency International, and Regional Groupings.

### **Methodology**

Focus group and personal interview method was used in generating primary data for the study, the focus group consists of eminent scholars, researchers, senior political scientists and journalists. The study also adopted literature survey sources method. Data were elicited from textbooks, journals and other informed opinion. The concept clarification was done in all the study variables such as corruption, infrastructure and sustainable development. Conclusion was drawn, while recommendation was made based on the findings of the study.

## **Conceptual Literature**

### **Concept of Infrastructure**

Infrastructure (“infra” stems from the Latin Language, meaning below, thus “infrastructure” can be taken to express foundation). The American Heritage Dictionary, defines the term “infrastructure” as the basic facilities, services and installation needed for the functioning of a community or society such as transportation and communication systems, water and power, lines and public institutions including schools, post office and prisons.

According to Vaughan and Pollard (1984) infrastructure is defined as a wide array of public facilities and equipment required to provide social services and support private sector economic activity. These include roads, bridges, water and sewer systems, airports, ports and public buildings such as schools, health facilities, jail, recreation facilities, electric power production, fire safety, waste disposal and communication services.

World Development Report (1994) divides infrastructure stock into economic or physical infrastructure and social infrastructure. Former includes services such as electricity, transport, road, water system, communication, irrigation etc. while later include education and health facilities. Other forms of infrastructure may be identified as institutional infrastructure such as banking and Civil Administration.

In the field of Economic, Tinbergen (1962) introduces the distinction between infrastructure (for example road and education) and superstructure (comprising manufacturing, agricultural and mining activities). However, in recent time, NijKamp (2000) speaks about infrastructure as materials public capital (road, railway, airports, ports, pipelines etc.) and superstructure meaning immaterial public capital (knowledge networks, communication culture etc.). This definition however and others like it, are broad and subject to interpretation. As a practical matter, what is considered to be infrastructure depends heavily upon the content in which the term is used.

In the context of this paper, infrastructure is defined as the physical framework of facilities through which goods and services are provided to the public. The impact/linkages of infrastructure to a nation economy cannot be over-emphasized, as they are multiple and complex. According to Deepkia (2002), it affects production and consumption directly, creates positive and negative spillover effects and involves large inflow of expenditure. In a nutshell, the impact of infrastructure on sustainable economic development cannot be over-emphasized.

### **Concept of Corruption**

The word “Corruption” is originally from Latin verb “rumpere” which means to break (Abdul-Ismael n.d). Hence, corruption can simply be defined as the breaking of certain code or conduct for personal gains or benefits of the perpetrator. Corruption is generally understood as the abuse of public office for private gain. Corruption is the outcome of a systemic decay of state of institution (Ndikumana, 2006). In other words, corruption is a symptom of something gone wrong in the management of the state (UNOP, 1997).

Corruption covers various forms of illegitimate interactions between public sector officials and other agents. Sometimes, money is involved, such as in bribery or kickbacks for public infrastructure contracts. In other cases, private gain can be non-monetary as in cases of

patronage or nepotism. This definition also covers acts where there is no interaction with external agents, or where external agents are not explicitly implicated, such as the embezzlement of Government funds or the sales of misuses of Government property. Corruption consists of the subordination of public interest to private aims involving a violation of the norms of duty and welfare, accompanied by secrecy, betrayal, deception and a callous disregard for any consequence, suffered by the public Atlas (1968).

According to Charap and Harm (2002), corruption is the natural result of efficient predatory behaviour in a lawless world. While corruption may be harmful to society as a whole, it is beneficial to the individuals who perpetrate it. Therefore, corruption is not a behavioural pathology Ndikumana, (2006). In a nutshell, its corrosive effect in the sustainable development of a nation is very overwhelming.

### **Concept of Sustainable Development**

The concept of sustainable development has captured the public and political interest more than any issue in recent times. The concept according to Pearce and Atkinson (1998) is intended to embrace the idea of ensuring that future generations inherit an earth which will support their livelihoods in such a way that they are no worse off than generation today. While there are numerous precursors (see example, Barry 1977: Page 1977), the most celebrate formulation of the concept is that given by the World Commission on Environment and Development (the Brundtland Commission) in 1987: which defined sustainable development as “development that meets the needs of the present without compromising the need of the future generation to meet their own needs” WCED, (1987).

In the words of Robert Solow “if sustainability is anything more than a slogan or expression of emotion it must amount to an injunction to preserve productive capacity for indefinite future” Slow, (1999). The concept is intended to embrace the idea of ensuring that future generations inherit an earth which will support their livelihoods in such a way that they are no worst of than generations today Pearce and Atkinson, (1998). Some previous studies have suggested a set of common views about sustainable development. The idea is that sustainability is about preserving and enhancing the opportunities, available to people in country around the world, and that these opportunities: the stock of produced capital, the stock of natural capital, and the stock of human capital.

The World Commission's definition of sustainable development made it clear that the emphasis on future generation was only part of the story: concern with the poor now also important, indeed the highest priority Pearce and Atkinson, (1998). For their well-being to be improved, then they must secure better education, better technology, better infrastructure, more man-made capital better environment and a guarantee that development will be sustainable.

### **Corruption and Infrastructure in Africa**

As alluded earlier, corruption is a multi-sectorial problem that can be found virtually in all sectors of the economy; however, the infrastructure sector is often regarded as the most devastating. A World Bank paper entitled “Setting Standard for Communication and Governance: The Example of Infrastructure Projects” Characteristic corruption in the infrastructure sector as a supply and demand-driven problem. According to the paper supply represents the behaviour and motivations of a supplier (who offers or pays a bribe) a demander (who requests or is willing to accept a bribe).

The World Bank also notes there are various points within the infrastructure project cycle at which vulnerability to corruption is higher. Consistent with global research findings, corruption in African nations' infrastructure are related to irregular practices during procurement processes by means of bid rigging and kickbacks.

According to Sorunke (2013) in a survey in the economic and social implications of corruption on infrastructural development in Nigeria, it was discovered that to get infrastructural project contract in Nigeria, the contractor or senior member of the bidding firm must be a card carrying member of the ruling party or major financier of the party programmes. This is so because according to Simon (2010) political considerations in the most predominate determinate in the contractor's selection process in many African countries.

Where the contractor/the bidding firms are not party loyalist, between 30-45 percent of contract value are paid as bribe to top Government officials to secure such Sorunke, (2013). These findings were given credence by Agwu (2006) who declared that competence based competition and merit were discarded on the fundamental criteria for the award of public contracts. The scenario above is not peculiar to Nigeria alone; it is a common practice in many African countries. For example in Tanzania, a large power supply contract signed in 1995 between the IPTL Company and the Government is a celebrated case of grand political corruption in the infrastructure sector in Africa. IPTL was a Malaysian Consortium backed by Tanzanians well connected with the CCM (the ruling party) competing with it was a company called Songas, who offered a cheaper supply price to the Tanzanian Electricity Supplier (TENESCO). From the evidence reported in Cooksey (2002), it is clear that despite the fact that is soon emerged that the agreement was clearly not in the economic interests of the country and despite the facts that other competitors with better offers were available, the top leadership were not able to override the networks within the party who supported the deal. The eventual outcome was that Tanzanian now has one of the highest electricity tariffs in Africa.

In a study of the political economy of conflict in Burundi, Ngaruko and Nkurunziza (2000) showed that the allocation of public infrastructure was solely motivated by political interests and how corruption and patronage generated a skewed distribution of resources in favour of the Southern region that controlled power since independence. In Angola, since 1996, more than a billion of dollars of oil revenue earmarked for infrastructure development have disappeared. At the same time, one out of four a Angolan children dies before the age of five as a result of insufficient nutrition and health care. Similar cases of embezzlement are frequently identified in other oil rich African countries such as Republic of Congo and Equatorial Guinea La Moustique, November, (2005).

In 1995 the Government's Chief Executive for the Lesotho Highlands Water Project was prosecuted and found guilty for receiving up to two million pounds in bribes from multinational companies involved in the project. Some of these companies included British Corporations that has received up to 66 million pounds of loan guarantees from Export Credit Guarantee Department of the British Government New Statesman, 16 September, (2002).

Plundering of African resources is a tragedy to African sustainable development. While the continent hosts some of the most destitute household in the world, it also counts some of the wealthiest individuals on the planet. Former Zairian Dictator, Mobutu once held assets abroad that exceeded his country's external debt Ndikumana and Boyce, (1998). The Former Dictators

of Nigerian amassed wealth in several billion of dollars by milking the country's oil reserves in connivance with international oil corporations. The Anti-Corruption Commission in Kenya unmasked billions of dollars stashed abroad by former President Moi and his collaborators. Even when some of stolen money are uncovered, they are difficult to repatriate because of the complexity and complicity of western financial centres Ndikumana (2016).

### **Previous Efforts in Combating Corruption in African Infrastructure Sector**

Since about two decades ago, the United Nations, The African Union (AU) and subsequently NEPAD (the New Partnership for African Development) have taken a position on corruption, drawing attention to its corrosive impact on national economies; perhaps, most importantly the implementation of the African Peer Review Mechanism (APRM). The APRM is a voluntary exercise entered into by member states of the African Union as a form of self-monitoring. The blueprint for this exercise is the declaration of Democracy, political, economic and corporate Governance that sets out values, codes and standards in the sectors (NEPAD, 2003).

The World Bank paper “Setting Standards for Communication and Governance: The Example of Infrastructure Projects” propose an anti-corruption strategy revolving around communication, which it describes as “The Basis of Transparency, which is in the basis of Accountability, which in turn is the basis of Integrity.” The World Bank Publication note above references a number of anti-corruption tools proposed by Transparency International. These include the following:

**National Integrity Pacts (NIPs):** An approach in which all organizations involved in an infrastructure projects, including civil society work together to develop good governance practice to fight corruption.

**Business Principles for Counting Bribery (BPCB):** A tool in which the private sector agree to combat bribery on the basis that “integrity and a level playing field are good for business” For instances, in April 2006, eleven tater pipe manufacturers in Colombia signed a sectorial anti-bribery agreement, which led to a decrease of 30% in tender price.

**Integrity Pacts for Public Procurement (IPPP):** Agreement between a public entity and all bidders for a public contract. It is designed as a code of conduct, setting rights and obligations to the effect that neither side will: pay, offer, demand or accept bribes; collide with competitors to obtain the contract; or engage in such abuse while executing the contract. Transparency International has tested IPPP in more than fifteen countries.

For instance, an IPPP was agreed between the Karachi water and sewage board and the companies bidding for the Pakistan greater Karachi water supply scheme. The well managed procurement process led to a total cost that was 18.5% lower than the one estimated initially by the Pakistan Government.

### **Findings**

1. The importance of infrastructure in the socio-economic development of a nation cannot be over-emphasized.
2. Corruptions in the infrastructure sector in Africa pose a serious threat and challenges to integrated sustainable development of the continent.
3. Previous efforts did not yield the desired result because many African leaders play lip service in their so called fighting corruption.

4. Corruption fight in African countries is selective and biased.
5. The generations of leaders in many African countries are fantastically corrupt.
6. Some alien culture and practices such as plead bargain give room for corruption to thrive in the continent.
7. Several lacuna and lop holes exists in our existing laws, thus making it possible for many corrupt leaders to escape justice.
8. Corruption is a way of life in many African countries

### **Conclusion**

This paper has revealed the corrosive effect of corruption in the infrastructure sector and challenges that the infrastructure sector has on sustainable development in African countries. The bottom line is that corruption hurts economic performance by reducing private investment, by adversely affecting the quantity and quality of public infrastructure, deepen poverty by reducing human capital accumulation.

A wide range of approaches based on World Bank and Transparency International Suggestion/Mechanism to minimize corruption and its impacts in the infrastructure sector should be adopted across African continent. Nevertheless, in order to combat menace of corruption in the infrastructure sector in the African continent, any of these approaches will have to be implemented according to the particular socio-economic, cultural and ethic complexities of African Nation.

### **Recommendations**

1. There should be ethical re-orientation and attitudinal change across African continent, to commence from home, religious bodies, professional bodies, political parties and the society at large.
2. Heavy sanctions of corrupt public officials irrespective of political affiliation.
3. African leaders should show leadership by examples.
4. Some borrowed concept like plead barging should not be allowed in the continent of Africa as it only encourages corruption.
5. As a matter of policy any leader accused of corruption or related practices should step down from his/her exalted offices to give room for proper investigation and prosecution.

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