

JOINT COLLOQUIUM HOSTED BY THE JOURNAL OF CONTEMPORARY AFRICAN STUDIES (JCAS), AND THE HUMAN SCIENCES RESEARCH COUNCIL (HSRC):

AFRICAN PERSPECTIVES ON GLOBAL CORRUPTION



PROGRAMME

22 AND 23 FEBRUARY 2017

VENUE: BIRCHWOOD HOTEL AND CONFERENCE CENTRE



22 FEBRUARY 2017

09:00 - 10:00	REGISTRATION		
10:00- 10:15	Welcome	Leikness Simbayi	Human Sciences Research Council
	Introduction	Fred Hendricks	JCAS, Rhodes University
10:15 - 11:30	NEOPATRIMONIALISM AND CORRUPTION: RESPONSES TO MKANDAWIRE		
	The International Dimensions of Corruption in Africa	Michael Chege	University of Nairobi
	A Response of Thandika Mkandawire's Paper: Neopatrimonialism and the Political Economy of Economic Performance in Africa	Shahida Elbaz	Arab Centre for African Studies, Cairo, Egypt
	Institutional Design Considerations for Revenue Collection and Reduction of Illicit Financial Flows from Africa	Claudious Chikozho	Africa Institute of South Africa, Human Sciences Research Council
11:30 - 12:00	TEA / COFFEE		
12:00 -13:15	NEOPATRIMONIALISM AND CORRUPTION: RESPONSES TO MKANDAWIRE		
	Techniques and subterfuge of neopatrimonial transnational corporate accumulation in 'post-settler colonial South Africa	Patrick Bond	University of Witwatersrand
	Beyond Exceptionalism in the Study of Corruption in Africa: An Engagement with Thandika Mkandawire	Godwin Murunga	University of Nairobi
	Looking through the Maze: Mobilizing Knowledge and Advocacy against Illicit Financial Flows from Africa	Tendai Murisa	Trust Africa, Dakar, Senegal
13:15 - 14:15	LUNCH (DELEGATES ONLY)		
14:15 - 15:30	NEOPATRIMONIALISM AND CORRUPTION: RESPONSES TO MKANDAWIRE		
	Beyond Afro-Pessimism: Notes on the Politics of Corruption and Development in Africa	Wale Adebani	University of California, Davis, USA
	Neoliberalism Oversold! Neopatrimonialism Oversold! Death to the Patron, Long Live the Patron!	Firoz Khan	University of Stellenbosch
	Does Economics have an 'African Problem'? Some data and preliminary thoughts	Grieve Chelwa	Harvard University, USA
15:30 - 16:00	TEA / COFFEE		

16:00 - 17:15 **MKANDAWIRE'S RESPONSE AND DISCUSSION****18:00** **DINNER (DELEGATES ONLY)**
Stanley Manong Dinner Time Talk: **THE ETHICS OF LIBERATION STRUGGLES****DAY 2: 23 FEBRUARY 2017****09:00- 10:30** **GLOBAL DIMENSIONS OF CORRUPTION**

Key Global Trends in the Fight Against Corruption	Cobus de Swardt	Transparency International
The Pitfalls of Governing through the Global War against 'Corruption'	William Martin	Binghamton University
Confronting global corruption: What are the mechanisms required to eradicate corruption, and is it truly possible?	Jay Kruise and Vanessa Mahila	Public Service Accountability Monitor
The 'Science' of Superiority	Steven Friedman	University of Johannesburg

10:30 - 11:00 **TEA / COFFEE****11:00 -12:30** **CORRUPTION IN AFRICA**

Corruption in Ghana and Electoral Outcomes	Kwesi Yankah	Central University, Ghana
The roots of 'state capture': From 'revolutionary' ethics to the erosion of the public good in Southern Africa	Wesley Seale and Robert van Niekerk	Rhodes University, Grahamstown, South Africa
The Public Protector's role in fighting corruption: A case study of South Africa	Narnia Bohler-Muller	Democracy, Governance and Service Delivery, Human Sciences Research Council
Pulling the Strings of the Puppeteer: Capital Wars and State Capture in South Africa	Ashwin Desai	University of Johannesburg

12:30 - 13:30 **LUNCH (DELEGATES ONLY)****13:30 - 14:30** **CASE STUDIES OF CORRUPTION**

When are experiments corrupt?	Nimi Hoffmann	Institute of Social and Economic Research, Rhodes University
Consolidating Ethics Architecture: An experiment for Zimbabwe's Urban Councils	Modimowabarwa Kanyane and Edson Paul Mutema	Midlands State University
Natural Resources, Development Corruption and Violent Conflict: Evidence from the Field	Sylvester Bongani Maphosa	Africa Institute of South Africa, Human Sciences Research Council
Public procurement and experiments in transparency; How not to profit from the poor	Gary Pienaar	Democracy, Governance and Service Delivery, Human Sciences Research Council

PROFILES AND ABSTRACTS



BEYOND AFRO-PESSIMISM: NOTES ON THE POLITICS OF CORRUPTION AND DEVELOPMENT IN AFRICA

WALE ADEBANWI

University of California, Davis USA

Thankida Mkandawire, in his important essay on the neo-patrimonial school in African studies, argues that “in some places, neopatrimonialism and the formation of a capitalist class have occurred simultaneously, while in others it has not, depending on the socioeconomic conditions at the time,” adding that the “management of [public governance] may be corrupt or clientelistic, but neither corruption nor clientelism represent their origins or *raison d’être*” (2015: 578, 591). This response uses the example of the Western Nigeria Region Government in late colonial and early postcolonial periods to complement and complicate Mkandawire’ argument about the limitations or inadequacy of the neo-patrimonial school in accounting for the complexity and multiplicity of the African experience. The paper argues that the experience of neopatrimonialism in tandem with the formation of a capitalist class does not depend as much on “socioeconomic conditions” as it does on the nature and ideology of the ruling political elite, particularly as it relates to development. The paper shows how the discourses and practices of ‘corruption’ are deployed as part of the struggle for power, even against developmentalist agendas in Africa. The core argument is not that such agendas may not entail corruption. Rather, following Mkandawire, the paper argues that to dismiss such agendas as neo-patrimonial and clientelistic and thus essentially corrupt and corrupting is to totally miss some genuine ideas-based and ideological commitment to the creation of developmentalist states in specific contexts in Africa.

THE PUBLIC PROTECTOR’S ROLE IN FIGHTING CORRUPTION: A CASE STUDY OF SOUTH AFRICA

PROF NARNIA BOHLER-MULLER

Executive Director, Democracy, Governance and Service Delivery, HSRC

Adjunct Professor, Nelson Mandela School of Law, UFH

This contribution will begin by analysing the powers and functions of the Office of the Public Protector (OPP) in South Africa as elucidated in Chapter 9 the Constitution, enabling legislation and the jurisprudence of the Constitutional Court. Poverty, inequality and unemployment plague South Africa and within this politically, economically and socially unstable environment there is a very low tolerance for corruption. South Africans want to see public resources used wisely to improve their lives as the Constitution promises, and the abuse of state power and funding creates enormous tensions. The Public Protector’s office is there to address corruption, maladministration and patronage, which threatens our constitutional democracy, the rule of law and the legitimacy of the State. Sections 181 to 183 of the Constitution of the Republic of

South Africa provide for the establishment of the Office of the Public Protector. In *Economic Freedom Fighters v Speaker of the National Assembly and Others, Democratic Alliance v Speaker of the National Assembly and Others* [2016] ZACC 11 the Constitutional Court held that the recommendations of the Public Protector are legally binding, finally clarifying the scope of the powers of the Office of the Public Protector. The Public Protector Act 23 of 1994 (as amended) clearly lays out the jurisdiction of the Public Protector. One of the main challenges, faced by most other Chapter 9 Institutions, is a lack of resources. Broadly speaking, the most complaints that reach the office are around pensions, social grants and municipal services. They tend to relate to the waste of public resources, corruption and patronage. Although many complaints come from individuals and communities, there are also “high profile” cases that focus attention on the PP and show that power cannot be exercised with impunity. Besides Nkandla (March 2015), a few of these high profile cases include: Sarafina II (1995); the Arms Deal (1999); “Oil Gate”/ PetroSA (2009). More recently the OPP has investigated the SABC, where an irrational appointment was made. The Office itself is also subject to the law and can be held accountable through a system of checks and balances. Good practice shows that institutions that develop “networks of integrity” in protecting democracy and holding the public administration to account are more sustainable and effective. The OPP is moving in this direction. This will ensure its sustainability and not render it vulnerable to arbitrary political winds of change.

TECHNIQUES AND SUBTERFUGE OF NEOPATRIMONIAL TRANSNATIONAL CORPORATE ACCUMULATION IN ‘POST-SETTLER COLONIAL’ SOUTH AFRICA

PATRICK BOND

University of Johannesburg (UJ)

The Mkandawire thesis is properly critical of the way Northern mainstream development economists blame African elites for dysfunctional trade policies, hyperinflation, economic stagnation, low investment in infrastructure, urban bias, and, the lack of economic development in Africa. The liberal economic order is, in fact, responsible for many such maladies. These techniques of blame-shifting are nowhere more advanced than South Africa, where the well-substantiated ‘state capture’ of Pretoria politicians and (mainly-) Johannesburg State-Owned Enterprises is the subject of extensive public commentary, mostly associated with Gupta family connections. Rebuttals from the pro-government camp often turn to the debilitating role of ‘white monopoly capital’ (and sometimes to the specific Stellenbosch-based power structure of the Ruperts and their allies). But scholarship and commentary have mainly ignored the most extensive forms of neopatrimonial transnational corporate accumulation in what (after Ibbo Mandaza) can be termed ‘post-settler colonial’ South Africa. This accumulation occurs through Illicit Financial Flows, licit payments of profits and dividends, exchange control liberalisation, rapidly-declining corporate tax rates, systematic overcharging by corporations of 35 percent on state procurement, state subsidisation of mega-projects and other pro-corporate (and pro-rich) systems, the application of Washington Consensus economic policies (e.g. high interest rates), speculative financial markets (e.g. the Johannesburg Stock Exchange), the restructured and re-segregating urban form, and many other features of power over the neopatrimonial state that allowed the country’s ‘one percent’ to increase their share of Gross National Income from 11 percent in 1994 to nearly 20 percent two decades later (the highest such rise recorded by the World Bank). The idea of neopatrimonial accumulation should therefore be redefined, not rejected, based on the extreme case of South Africa.



THE INTERNATIONAL DIMENSIONS OF CORRUPTION IN AFRICA

MICHAEL CHEGE

University of Nairobi

In his now-classical 1965 article on corruption, Colin Leys emphasized the need to generate objective, substantive knowledge on corruption--as opposed to a moralizing rhetoric--followed by a factual examination of the diversity of ways in which it is perpetrated and the economic and political results thereof. The article took objection to typecasting Africa as exceptionally corrupt, citing non-African cases and concluding that a rising African middle class in government would gradually counteract corruption. Given the time it was written, it did not refer to international networks of corruption or their antidote. Subsequently, corruption in Africa was seen as the ineluctable pivot of the “neopatrimonial” machinery of governance, and a perverse African culture that underpins it. Without discounting the local origins of corruption in Africa, this article makes the case for an investigation of the international dimensions of corruption in Africa, its domestic connections and the remedies that such a wider frame of evidence calls for. Among the most recent sources on the international aspects such evidence that this article will call in are the widespread abuse of “transfer mispricing” that lies behind illicit transfers in Africa brought out by the Thabo Mbeki-led High Level Panel under the AU and UNECA. Others include evidence from open sources on the local-international corruption nexus in the resource extraction sectors, defence contracts and organized crime that has come out from Wikileaks, the Panama Papers and investigative journalism. It concludes with an indictment of the naiveté of the cultural and patrimonial origins of corruption in Africa.

DOES ECONOMICS HAVE AN ‘AFRICA PROBLEM’? SOME DATA AND PRELIMINARY THOUGHTS

GRIEVE CHELWA

Harvard University, USA.

There has been increasing interest (particularly on online forums) on the apparent underrepresentation of African-based scholars in economics scholarship on Africa. Much of this debate, however, proceeds with little by way of evidence in demonstrating whether such an underrepresentation actually exists in the first place. In this essay, I look at the patterns of authorship over the period 2005 to 2015 in “leading” economics journals that publish regularly on Africa. I find that, on average, only 25% of the 1,518 journal articles published on Africa had at-least one African-based author over this period. Further, I find that whereas the journals I consider dedicate about 30% of their content on Africa, only 3% of their editorial boards are based on the continent. I conclude the essay by discussing implications for economics scholarship and economic policy of the patterns of underrepresentation uncovered in the essay.

INSTITUTIONAL DESIGN CONSIDERATIONS FOR REVENUE COLLECTION AND REDUCTION OF ILLICIT FINANCIAL FLOWS FROM AFRICA

CLAUDIOUS CHIKOZHO

Africa Institute of South Africa, Human Sciences Research Council

The need to strengthen revenue collection systems and reduce illicit financial flows from Africa and other parts of the developing world remains a subject of interest and intense debate in both policy and practice. This paper reviews the published literature to explore the mining revenue collection terrain in Africa and articulate some emerging pointers towards key institutional design considerations for reducing illicit financial flows from the continent. The paper establishes that the majority of countries in Africa often formulate mining fiscal policies with clear investment attraction and revenue collection objectives, but rarely with adequate consideration of the administrative skills, systems, and processes necessary for governments to effectively and efficiently administer mining revenues collection. In this terrain, a number of tax malpractices and injustices are evident and identifiable not only in Africa but also in other parts of the world. These malpractices may directly and indirectly lead to various revenue leakages and failure of the system to fully capture proceeds from the mining sector. Frequent scenarios of malpractices include tax avoidance and evasion through underpricing, overpricing, mis-invoicing and making completely fake transactions, often between subsidiaries of the same multinational company, bank transfers to offshore accounts from high street banks offering offshore accounts, and companies formed offshore to keep property out of the sight of the tax collectors. Effective measures for countering the malpractices include establishing tax administration agencies that are adequately funded, resourced, and skilled to undertake the tasks assigned to them; adequate and regular monitoring and auditing of company financial statements undertaken by suitably experienced, independent, and certified auditors; clear, proportionate, and progressive penalties for non-compliance, including appropriate penalties for tax understatements, and interest chargeable on all tax paid late for any reason attributable to the mining companies; and policies and procedures that are openly available, easily accessed, and understandable by the taxpayer and other stakeholders. Overall, these aspects of mining administration suggest the need for robust national policy, sound regulatory and legal frameworks, transparency in how decisions on the exploitation of resources are taken, and the revenues distributed, and effective capacitation of mining revenue collection agencies.

PULLING THE STRINGS OF THE PUPPETEER: CAPITAL WARS AND STATE CAPTURE IN SOUTH AFRICA

ASHWIN DESAI

University of Johannesburg

The Gupta family has made headlines over the last few years with persistent allegations that they have “captured” government officials, including Ministers, to gain contracts from State Owned Enterprises (SOE’s). Alongside this, the Gupta and wider Zuma family’s personal and business relationships appear to be facilitate the Gupta’s alleged significant influence within state decision-making, even giving rise to the epithet, Zupta’s, signalling an intertwining of interests between the two families. In a vigorous defence against the imputation that the relationship with the Zuma family is in any way untoward, the Gupta’s have been portrayed as advancing the interests of Black capital who have therefore have become victims of the machinations of white capital. In similar vein President Zuma, it is argued, is persecuted because the geo-



political alliances he has formed threatens Western imperialist interests, in particular by South Africa aligning with new economic institutions created by Brics. This paper seeks to get to the heart of this debate. The paper will use former Public Protector Thuli Madonsela's report on "state capture" by private interests as a starting point, arguing that as much as the Report is marked by insightful revelations of the micro-dynamics of state-capital relations, it is silent on the dynamics of the broader political conjuncture marked by a Black elite desperate to break into the circuits of (white) capital accumulation using their leverage over SOE's. The paper will also elaborate upon the term 'state capture', considering its usefulness in describing political and economic processes beyond merely the Gupta and Zuma family.

KEY GLOBAL TRENDS IN THE FIGHT AGAINST CORRUPTION

COBUS DE SWARDT

Managing Director, Transparency International

Corruption networks are getting more complex, driven by loopholes in the global financial systems, allowing corrupt elites to fleece nations and hide away ill-gotten wealth through multiple layers of companies with un-named beneficial owners, registered in suspicious off-shore centres, with the help of sophisticated services of professionals like lawyers, accountants, bankers and real-estate agents. Around the world, communities that are already burdened by poverty continue to suffer the most from the effects of corruption. Ironically, many of these communities are in countries with a substantial wealth of national resources. On a global scale - for every dollar in aid flowing to developing countries, 7 dollars flows back out, in the form of illicit funds being transferred abroad to wealthy countries, global financial centres and offshore havens. These resources become unavailable to support development goals in the poor economies and instead serve to enrich the corrupt and often benefit wealthy countries, furthering the wealth stripping of Africa and increasing global inequality.

A RESPONSE OF THANDIKA MKANDAWIRE'S PAPER NEOPATRIMONIALISM AND THE POLITICAL ECONOMY OF ECONOMIC PERFORMANCE IN AFRICA

SHAHIDA ELBAZ

Arab Centre for African Studies, Cairo, Egypt

The article reflects a strong and valid critique by the author towards what he called the Neopatrimonialism School, which is assumed by scholars on Africa to have the greatest impact on the failure of African economic development, and the spread of corruption. He argued extensively and efficiently to prove that their theorization is only partly relevant. However, while the author gave relevant answers and interpretations in his critique, he did not offer a clear theoretical analytical paradigm to support his arguments, and to raise the readers' awareness of other relevant interpretations.

Reading the paper myself, made me try another view point by looking at the factors that could have hampered the economic performance in African countries and held back their development, with corruption as part and parcel of socio-economic and political formations of African countries, in different forms and degrees. History was my first station. The historical formation of socio-economic underdevelopment in Africa took three phases:

1. The colonial phase, 17-18 century. African labour force, slave trade..etc.
2. The imperialist phase, 18-19 century. Africa's natural resources..etc.
3. After Second World War. Phase of national liberation, in which African countries ended as semi-colonized.

This situation sustained and empowered underdevelopment, which produced a system of corruption based on the contemporary world ethical system.

THE 'SCIENCE' OF SUPERIORITY

STEVEN FRIEDMAN

University of Johannesburg

The 'neopatrimonial school' whose pretensions to rigour are convincingly exposed by Mkandawire is best understood not as an isolated case but as one example of a pattern in which supposedly value-free academic categories clothe a claim to the political and cultural superiority of the global North. The 'democratic consolidation' paradigm assumes that Northern democracies are a perfected finished article and judges their Southern counterparts by their ability to reach this exalted state. Scholarship focussing on 'failed' and 'fragile' states assumes that states are deserving of the title only if they approximate an idealised notion of Northern state formation. Frequently used concepts such as 'good governance', 'social capital' and, in many cases, 'civil society' play a similar role. The common theme is the assumption of an idealised notion of Northern democratic form and practice to which the Southern equivalent is unfavourably compared and expected to seek to conform if it wishes to 'progress'. The effect is to misrepresent Northern and Southern reality, ignoring the former's flaws while imposing on the latter categories which distort reality. The framework through which politics in Africa and other areas of the South is understood is thus not a product of scholarly inquiry but an expression of colonial prejudice.

WHEN ARE EXPERIMENTS CORRUPT?

NIMI HOFFMANN

Institute of Social and Economic Research, Rhodes University

Randomised controlled trials (RCTs) or experiments are typically considered the gold standard for research on policy reforms in the global South. Since an experiment randomly allocates participants to two groups that differ only in their exposure to the treatment, it is thought to quantify precisely the results of an intervention. The idea that experiments can discover "what works" has been enthusiastically adopted by development economists working in education, healthcare, agriculture and social policy. In a recent paper, Angus Deaton and Nancy Cartwright warn against the paternalism of experiments, writing that "RCTs should not become yet another technical fix that is imposed on people by bureaucrats or foreigners ... most RCTs in economics have been carried out by rich people on poor people, and the fact should make us



especially sensitive to avoid charges of paternalism.” (2016) I am more interested to examine under what conditions such asymmetry of power may violate the empirical logic of experiments. To do so, I assess a large-scale experiment on Kenyan schools in 2011. Backed by an international development agency, it tested the effects of cutting teachers’ salaries and hiring them on short-term contracts. The experiment failed after sustained opposition from teacher unions and parent associations. This experiment, I argue, was conducted by an elite who were free to implement reforms without experiencing any of the consequences. In the resulting echo chamber, failure was interpreted as an outcome of political meddling by African elites. The appeal to “corruption” as an a priori explanation for the failed reform was subsequently used to motivate for outsourcing Liberian public schools to a for-profit American company backed by the same development agency. I end by considering the extent to which this experiment can be understood as an example of neopatrimonialism.

CONSOLIDATING ETHICS ARCHITECTURE: AN EXPERIMENT FOR ZIMBABWE ‘S URBAN COUNCILS

MODIMOWABARWA KANYANE

Human Sciences Research Council

EDSON PAUL MUTEMA

Midlands State University

The paper recognises corruption first, as one of the main challenges affecting urban councils in Zimbabwe and second, as an ethical problem that need an ethical resolve. The ethics architecture is consolidated based on the findings of the study to offer multi-pronged legal, institutional and socialisation remedies against corruption. A qualitative methodology was employed to collect data from five cities – Gweru, Mutare, Bindura, Redcliff and Zvishavane through documentary reviews, interviews and observations. Data analysis involved a comparative thematic and cross analysis of the five cases studies of the urban councils. The study concludes that prevailing corruption in Zimbabwe’s urban councils needs consolidated ethics architecture from detection, investigation and prevention to resolution. The paper argues that legal, institutional and most importantly, socialisation as preventive remedial components of the ethics architecture are complementary to prevent the vice of corruption. To this end, the proposed ethics architecture is yet to be experimented through Integrity Management Office. This should be supported by exemplary ethical leadership, robust and balanced media platforms and active citizenry.

NEOLIBERALISM OVERSOLD! NEOPATRIMONIALISM OVERSOLD! DEATH TO THE PATRON, LONG LIVE THE PATRON!

FIROZ KHAN

University of Stellenbosch

A majestic, eloquent and masterly scribed piece that implodes the very foundations and structure of the 'institutionalized common sense' is the genius stroke of Thandika Mkandawire. Mkandawire's enduring passion for and drive to methodically decode and expose both the structural and everyday crimes of common sense, is, once again confirmed. Mkandawire demolishes the core pillars of the globalizing 'corruption and anti-corruption packages' and throws down the gauntlet: How to break the shackles of the 'ontological despair' relayed by neopatrimonialism and to see economic policy as a complex process that 'cannot be reductively derived from the logic of neopatrimonialism'? 'Africa's development effort requires serious work', especially in the beguiling period of post-truth morality and anti-epistemologies. Demanded here is a 'real grasp of the historically generated and limited situation'; a 'hard-nosed materialist realism' that calibrates the determined and the possible generated by the weight of history. This weight today rests on a frail bough not unrelated to the major fissures and fractures in the dominant common sense, orthodoxy and convention. What opportunities and prospects avail themselves, and how can a new common sense be thought of and imagined?

CONFRONTING GLOBAL CORRUPTION: WHAT ARE THE MECHANISMS REQUIRED TO ERADICATE CORRUPTION, AND IS IT TRULY POSSIBLE?

JAY KRUUSE

Director, Public Service Accountability Monitor

VANESSA MALILA

AIP Head, Public Service Accountability Monitor

Corruption in many African countries is not only a burden on macro-economic potential, but is sometimes ingrained in the culture of daily life to such an extent that very little can be done at the individual, organizational, institutional or governmental level without an element of corruption being part of the process. This paper aims to use examples of local, African and global corruption in order to suggest a number of mechanisms which are required to eradicate corruption, and suggests that without these mechanisms being effectively and efficiently implemented, corruption will continue to plague economic growth and service delivery. The first prerequisite is that the context requires a shared responsibility amongst stakeholders to the eradication of corruption, without which, one sees the problems currently being experienced in South Africa where the burden of oversight is being carried by the courts rather than other oversight bodies and organisations. The second is a strong link between transparency and accountability, or the tools in place to confront a resistance to transparency. In order to hold public officials or power holders accountable for their actions, and thereby curbing corruption, social accountability practice requires transparent processes and access to public resource management processes. In cases where this is not evident, one sees the rise of whistleblowers and an over dependence on alternative tools for accountability. The final, essential, mechanism which underpins the previous two is access to information. In order for stakeholders to effectively engage in public resource management processes, and for accountability to occur, access to

information is essential. This is particularly true in contexts where one sees a breakdown in one arm of government which allows for corrupt activity. The paper aims to argue that by implementing these three mechanisms one would see a significant reduction in corruption at the global level. In addition, the paper will discuss the impact of the digital age on public resource management and the tools that social accountability practitioners can use in their work to assist in further eradicating corruption.



NATURAL RESOURCES, DEVELOPMENT, CORRUPTION AND VIOLENT CONFLICT: EVIDENCE FROM THE FIELD

SYLVESTER BONGANI MAPHOSA

Human Sciences Research Council, AISA

The role of natural resources in fueling violent conflict and economic underdevelopment in developing countries has long been studied and has led to an extensive literature. The paradoxical finding by Corden and Neary (1982) that natural resource riches are a curse rather than a blessing was popularized by Sachs and Warner (1995), Gylfason (2001), Sachs and Warner (2001), and van der Ploeg (2008). While Homer-Dixon (1994), Le Billon (2001), Bannon and Collier (2003), and Collier and Hoeffler (2004) underscored natural resource scarcities and violent conflict; more recent analysis on resource curse have put forward the hypothesis that natural resource riches breed corruption, which, in turn, lower economic performance (Leite and Weidmann, 2002; Sala-i-Martin and Subramanian, 2003; Isham et al., 2005). Further related are postulations of political corruption under fragile institutions (Robinson et al, 2006); and, that natural resources lead to various forms of rent-seeking, which then lower economic performance (Tornell and Lane, 1999; Baland and Francois, 2000; Torvik, 2002), and natural resources with dictatorships (Jensen and Wantchekon, 2004). Leite and Weidmann (1999) and Ades and Di Tella (1999) performed some cross-country work linking natural resources to higher corruption. Coupled with Mauro (1995), who shows a negative effect of corruption on growth, this line of work conveys a full curse-through-corruption narrative. Recently, other naturally occurring micro frameworks have been explored to derive causes of corruption (Fisman, 2001; Duggan and Levitt, 2002; Fisman and Miguel, 2007). However, not much is clear about the empirical mechanisms of resource curse. Hence, the persistent question – how do natural resources affect the quality of political institutions and community security? This paper explores the relationship between resource abundance, corruption, development and violent conflict. Through review of literature and longitudinal data analysis, it finds that the wealth and announcement of titanium resource in Xolobeni community of Pondoland on South Africa's Wild Coast, undermine local political institutions by increasing the propensity for corruption, violent conflict and underdevelopment. The edict increased the value to local elites of being in power and private economic gain.

THE PITFALLS OF GOVERNING THROUGH THE GLOBAL WAR AGAINST “CORRUPTION”

WILLIAM MARTIN

Binghamton University

The call for this workshop poses a conundrum: the rich world’s campaign against the corruption of African elites and states is starkly counterpoised to African intergovernmental agencies’ demand for transparency on the part of the North and, in particular, the illicit and hidden financial flows from the North to the South. As Mkandawire in his writings has long reminded us, this is an unequal engagement, sustained not just by material power but by the very ability to frame and conceive of governance, the state, and “corruption”. This essay has a narrow aim: to delineate how institutional inequalities in international advocacy networks and the global production of knowledge have moved in parallel to shape the new global war against corruption. This is carried forward in two parts. The essay first charts the emergence of new global networks dedicated to the anti-corruption drive as they cohere around international NGOs, international financial institutions, and the governments of North America and Europe. This effort has rested, it is argued, upon the devolution of interstate power from the institutions of international governance and hegemony to NGOs and transnational advocacy networks—most notably, but not only, Transparency International. Embedded in these networks are, quite clearly, the unpleasant realities of unequal world power and resources. This new formation is then examined through an analysis of how Northern scholars have played a central role by defining, framing, and legitimizing conceptions of corruption, governance, and agency. Delineating the shifting correspondences among Northern Africanists and global institutions and networks reveals significant ruptures in this attempt to extend the stable North/South order we have known since 1944, particularly as seen from the United States of Trump. Projecting these developments forward calls into question common assertions that greater transparency and good governance, or even in opposition counterpoint, new developmental states, will deliver development and democracy. Periodising the emergence of global networks and campaigns also suggests a rupture in the present, as the primary axes of intellectual struggle and development increasingly rotate from north/south relationships to relationships within and among the South. Here East-West relationships and inequalities, so fundamentally at the root of corruption, may be expected to shift as they are exercised through Asian centres of power.

LOOKING THROUGH THE MAZE: ATTEMPTS AT MOBILIZING KNOWLEDGE AND ADVOCACY ENERGY AGAINST ILLICIT FINANCIAL FLOWS FROM AFRICA.

TENDAI MURISA

Trust Africa, Dakar, Senegal

BRIGGS BOMBA

Whilst there is indeed renewed optimism about Africa’s development path the continent faces a more debilitating challenge of the illicit movement of her finances out of the continent. It is estimated that approximately US\$854 billion has been moved out of Africa illicitly over a 39-year period and that annually Africa loses close to US\$60billion through several measures such as trade mis-invoicing, complex tax avoidance and evasion schemes. When inflows into and outflows out of Africa are computed, it turns out that the continent has turned into a net creditor to the world, losing more money than it gains through aid. Also, important to note is the fact during the period when Sub-Saharan Africa enjoyed its strongest



period of sustained economic growth, the pace of illicit flows from the region also accelerated relative to previous decades. The excitement around the phenomenon of illicit financial flows is relatively new and is yet to translate into comprehensive policy measures to stem the tide of the flows. Several reports have been commissioned and the most cited is the one written by Thabo Mbeki led AU/UNECA instituted panel on illicit financial flows out of Africa. At TrustAfrica we have since 2013 been engaged in a process of building a civil society movement against illicit financial flows. From the beginning, we realized that the discourse was being pushed from outside of the continent. We thus saw the need for a multi-faceted Pan-African based program to create awareness on the negative effects of illicit financial flows on Africa's structural transformation. We were alert to the fact that there were very few organisations whose work focused on illicit financial flows, indeed many other were seized with corruption in its broad sense. Our program focused on building Pan-African based advocacy against illicit financial flows. As a philanthropy institution, our toolkit included grants to civil society organisations, convenings of both non-state and state actors, knowledge generation and direct advocacy. In this paper, we discuss our earlier assumptions and review efforts undertaken to date in terms of their impact on the scourge of illicit financial flows.

PUBLIC PROCUREMENT AND EXPERIMENTS IN TRANSPARENCY: HOW NOT TO PROFIT FROM THE POOR

GARY PIENAAR

Democracy, Governance and Service Delivery Programme, HSRC

Many countries have struggled to effectively prevent or combat corruption in public procurement. Corruption takes many forms, from fronting, to contract price inflation, to the poor quality of goods and services delivered, to embezzlement and diversion of public funds. When those funds are extracted from a country's economy, the injury is compounded. Despite clear legislative frameworks, lack of effective oversight has allowed patronage networks to control large swathes of the interface between the public and private sectors. In South Africa, the problem has reached the scale and level of sophistication that has been described as 'state capture'. Losses from the public purse are massive, running into billions of Rands. Public resources intended to benefit the poorest citizens are diverted to old and new elites.

Countries and large cities are being forced to identify novel, cost-effective ways and mechanisms to prevent the waste of public resources. One category of such measures entails transparency at one or more stages of the procurement process. Thus, for example, some public bodies are using internet-based platforms to publicly announce tenders, to list all bidders, short-listed bidders and successful bidders. Some governments, departments or local entities, such as the Gauteng Provincial Government, go further, opening the bid adjudication process to public viewing. Some go as far as publishing the contents of contracts with the providers of goods and services. South Africa's outgoing Chief Procurement

Officer, Kenneth Brown, recently bluntly observed that well-worn arguments in favour of contract secrecy, usually based on supposed considerations of commercial confidentiality, are spurious nonsense. Other countries have established interactive online platforms that publicise and track details of the progress of large infrastructure projects. Here, the public is able to view disaggregated budget categories and payment schedules, service delivery intervals and supervisors' reports, as well as quantities and delivery schedules for the supply of materials. Innovative features include a standing invitation to members of the public and local communities to participate in monitoring the construction process, using increasingly widespread access to mobile phone technologies. Construction delays, theft of goods from a construction site, or diversions from a publicised route can be reported via text message, accompanied by a photograph capturing onsite reality. All reports are automatically posted on the website, encouraging multi-stakeholder monitoring and mutual accountability. Countries as diverse as Chile and the Ukraine are showing how to reintroduce integrity into public procurement. African countries like Nigeria and Ghana are taking bold new steps towards greater transparency in public procurement, and civil society groups in Kenya and Malawi are exploring their role in using transparency and public participation to ensure accountability for development. Global technologies can help reduce corruption by global corporations in both their home and host countries.

































