



Corruption and the Distortion of Technology Transfer and Marketing Processes: An Insight into Africa' Economic Malaise and the Decadence of Its Social Fabric

Ernest Kadembo

Department of Marketing, the Business School, University Centre Oldham

Oldham Business Centre, Oldham, OL1 1BB, England, UK

Tel: 0161 213 5049 E-mail: e.m.kadembo@hud.ac.uk

Abstract

Corruption is an economic and social cancer afflicting industry and society at large the world over and is a major drawback to economic and social prosperity. It is the contention of this paper that corruption is a devastating form of social and economic injustice that has devastated the prospects for the dark continent of Africa. The root cause of corruption is the greediness of the leadership. Unfortunately corruption breeds corruption across the social divide as the leadership seeks to consolidate and protect themselves in the various facets of the economy, business and society. The solution to the corruption menace lies in changing the leadership which is entrenched in power and would be unwilling to vacate the powerful influential positions. Economic prosperity is largely driven by government policy that creates a conducive business environment, technology transfer, marketing activities which shape needs and demand patterns for economies. Corruption tends to distort marketing process and thereby hinder economic prosperity. The free play of market forces is hampered, economic aid from the donor community becomes almost impossible to attract and international investors shun the corrupt environments to the detriment of the economies and communities of the respective countries. There are various tools that can be used to combat the corruption menace, but without the will power on the part of the leadership the process becomes a futile exercise. This paper recommends a fresh start for Africa but the problem is that the perpetrators of the corrupt practices are the people in positions of influence and are not least interested in seeing a genuine fight against corruption. It is not impossible though as countries like Botswana, South Africa, Zambia, Egypt have demonstrated that it is not impossible to tackle corruption.

Keywords: African economic and social development, Marketing, Corruption, Technology transfer

1. Introduction

"In response to this demand of the people, and in its desire to rid our country of the vice of corruption my government has adopted an attitude of zero tolerance of the scourge and has accordingly made the crusade against corruption a top priority."

Nevers Mumba, VP Zambia

Frisch (1996) boldly states that corruption is common across society's facets and has probably been around since the creation of mankind. Frisch further points out that in the last two decades corruption has been on the rise unabated. This view could not have been nearer the crux of the matter in respect of the phenomenon of corruption and the new order of business, politics and society. The phenomenon of corruption is part of the daily news but often goes unpunished to the detriment of the prosperity of the community at large. Meghji, (<http://www.asce.org/files/ppt/global/revisedrafikmeghi.ppt>, accessed 6.01.07) an engineer with the Tanzania Association of Engineers argued in a seminar paper that, in Africa there are two killers- aids and corruption and he goes on to equate aids with corruption, thus suggesting that they have a similar effect on the society.

The best brains in Africa flee from corruption, poverty and repression. The global call for internationalisation sounds like what they are responding to. The crisis in Africa is multifaceted, devoid of solutions and repulsive to informed criticism, incompatible with divine intervention and wholly enmeshed in disasters, war, hunger, political repression, pollution, environmental degradation, catastrophic epidemics, debt crisis, sloppy public services, tattered infrastructures and worse still outright wanton abuse of national resources for personal gain by the leadership. The democracy which

the fathers want to call African democracy is intolerant to voices of dissent and ready to institute permanent exclusion through elimination. The exploiters' club, that is the political leadership insists on the so-called African brotherhood all veiled in the naivety that criticism of other African leaders is tantamount to colonial mentality are instruments of protecting repression and corruption and subsequently protecting the chosen few at the expense of the poor majority. Much of Africa is enmeshed in a "crisis of development" which manifests itself in the general incapacity to generate a sustained improvement in the standard of living (Stein and Nissake, 1999). Economic crime and corruption are destructive ills which destroy both the social and economic fabrics of nations. In the main these ills militate against marketing processes which shape social and economic aspirations and thereby hamper development in the developing world to which Africa is the worst affected.

Forums throughout the world have been convened to address corruption not only in Africa but throughout the world. The focus of this article is to underpin the notion of corruption and its impact on the various facets of business, society and governance and further investigate how corruption has destroyed the momentum for marketing in Africa. If one was to reflect on the infrastructure which is dilapidated in Africa credit goes to the colonialists for putting it in place in the first instance, but the sons of the soil as they want to be called have blatantly destroyed it. In pointing out that Africans are destroying Africa is not equal to saying that Africans are less equal to other races. The custodians of governance in Africa have acted irresponsibly and subjected their people to abject poverty and dehumanised them through various instruments within their own countries and outwith, particularly in the developed world where they go as economic immigrants and face all kinds of abuses veiled in so-called immigration controls. Addressing the failure of privatisation in Sub-Saharan Africa (Stein and Nwanko, 2001) suggest that the implementation failures are rooted in two most pernicious prevalences: (first) absolute corruption and mismanagement, and (second) poverty absolute and unattended.

The question everyone of good intention would ask about the destiny of mother Africa within and beyond Africa is, *Is Africa's demise beyond redemption?* This question is largely centred around the issue of governance. It is the leadership that shapes the destiny of a country or an organisation. Equally the question might be put across as *Can African leadership in governance be redeemed to renew the fortunes of the highly resource endowed continent and banish the suffering of its people?* This question is not only intriguing but also dangerous particularly if one raised it within the lootocracy (the government of fraudsters) forum. The sensitivity of this matter cannot be over emphasized, journalist have met their deaths in mine shafts or tortured for the dead, eliminated in dubious road accidents or in drums of acid simply because they dared scratch the evil of the chosen few. The G8 Evian Summit at its June 2003 meeting put corruption high on the political agenda under the theme "Action on fighting corruption and improving transparency" (OECD, 2003). Hopefully this will see more pressure ratcheted on the leadership of Africa to be more accountable in their governance and resource utilisation.

Corruption, extortion and bribery are crimes, but very few politically powerful rarely get prosecuted for such crimes particularly in developing countries because the system of governance protects them. There appears to be two laws – one for the political leaders and their cronies and another for the ordinary people who are poor and defenceless. The law for the ordinary seems a lot fair because the emphasis is on the so-called rule of law- thoroughly investigated and prosecuted. The law for the rich seems to attract "lazy and tired" law enforcement agents. The same law is literally bent and straightened when it suits the "barons". This is serfdom reincarnated at its best. These practices make a mockery of all the sacrifices for majority rule in Africa, actually these diabolic acts by the leadership vindicate the heinous acts of colonialism. George Orwell's novel, *Animal Farm* is a true reflection of the case of Africa – African leaders are merely senior animals, the pigs, as the common saying goes – "All animals are equal but others are more equal than others".

1.1 The study objectives

The objectives of this paper are, to investigate the concepts behind the phenomenon of corruption, explore the extend it can become an acceptable way of life, raise arguments on how it distorts the marketing process, assess the cost of corruption to African nations and to suggest arguments on how to tackle the problem of corruption. Essentially the paper will take into account experiences from other continents and bring them into perspective in relation to Africa. There is no way this paper could be exhaustive in addressing the phenomenon of corruption. The extent of the enormity of corruption is huge and its impact on society and business is devastating. This discussion will cut an edge in that discussion by identifying the nature and bring into perspective how such practices have undermined development in the developing world with particular focus on Africa. The paper provides radical arguments about renewing Africa in the face of degradation which lies at the doorstep of its leadership in both the public and private sectors.

1.2 Research Methodology

The research is largely based on an in-depth study of data from diverse published sources in a comprehensive analytical manner. Sources of Information include the USA Information Department, Transparency International, World Bank Reports, UK government, national publications within Africa and beyond from the internet and other publications. The data used is both quantitative and qualitative. A lot of reference will be made to the works of various chapters of

Transparency International, an organisation whose work is focused on increasing accountability, transparency and integrity of governments.

The information gathered is analysed with a full understanding of the ramifications of renewing Africa. The Corruption Perception Index used by Transparency International will be used in trying to better understand the phenomenon of corruption and the extent to which it is embedded within the African democracy.

2. Defining the phenomenon of corruption and its causes

According to The World Bank corruption is the misuse of public office for private gain. This definition is not comprehensive as it only brings up two aspects, public office and private gain. At the same time the definition does not capture the diversity of corrupt activities.

Transparency International (TI) has defined it as “Corruption is an inappropriate or illegal behaviour of the public sector official (politician or public officer) by misusing the entrusted power for private gain of the person or related people.”

Corruption is an activity, outside the constitutional government process, involving the sale of publicly produced goods and by government employees for payments or “bribes” not sanctioned by the government and is vilified as it is indicative of government failing its chief function of reducing government transaction costs and its consequences are the retardation of economic development and inertia and is a problem particularly in developing countries (Goorha, 200).

Ultimately corruption is symptomatic of the intention to abuse absolute power without accountability. It is an issue of morals and greediness with blunt conscience about the suffering many whose crime is being powerless subjects who can only watch in total confusion as to why fate has had it that bad for them.

Having considered multitudes of perspectives on corruption I would like to advance my definition of corruption as – *Any act, intentional or unintentional, paid for financially or otherwise to gain an unfair advantage in influencing decisions for personal or group gain largely transacted for by political power, bottom power, financial stamina, authority or any other form of influence that can be used to arm twist or palm grease in one’s favour.*

For some nations whether in Africa or beyond corruption has become a way of life. Even for those whose duty is to act or perform specific functions would require, if not demand a direct inducement to act. Their wheels of motion can only be kick-started with the appropriate oiling, that is the payment for such services or otherwise. The higher the benefit the sharper and prompt will be the execution of the task.

Olowu (1999: p608) quotes the Botswana Directorate of Corruption and Economic Crime as suggesting the most important aspects of economic crime and corruption as bribery; conflict of interest; diversion of public revenue and possession of unexplained property (living above one's visible income). All these issues adversely affect the functions of government and industry at large and ultimately economic and social well-being for the community at large. This is the real menace of corruption, that is, its devastation of the innocent majority.

Evans writing on corruption for Tearfund, a charity organisation suggests a definition of corruption that it is “the act by which ‘insiders’ profit at the expense of ‘outsiders’ ”. This leads to abuse of position where corruption equals monopoly plus discretion minus accountability ($C=M+D-A$), offending against relationships, and underhandedness.

Riley in Evans,

<http://tilz.tearfund.org/webdocs/Website/Campaigning/Policy%20and%20research/The%20cost%20of%20corruption.pdf>, accessed 7.01.07: p7, categorises corruption under three headings as follows:

“The first is *incidental corruption*. This is small-scale. It involves junior public officials, such as policemen or customs officers; it produces profound public alienation; it has little macro-economic cost, but it is often hard to curb.

Secondly, there is *systematic corruption*. This is corruption that affects, for example, a whole government department or parastatal. It can have a substantial effect on government revenues; it may divert trade and/or development; it can only be dealt with by sustained reform.

Thirdly, there is *systemic corruption*, that is, kleptocracy or government by theft. In this situation honesty becomes irrational, and there is a huge developmental impact.”

3. Is corruption a good business strategy

The fact that corruption is a practice that cuts across all cultures, business and nationalities it certainly goes without question that it has substantial benefits to the peddlers. The fact that businesses commit or lose millions to corruption is evidence that corruption is big business. Corruption is rooted in unfair means of obtaining resources or favours deriving from the influence of power or resources.

According to the submissions at the Roundtable discussion on corruption (OECD, 2003) there are four aspects of benefits from which arguments were advanced.

- 1) The collective interest of the business sector- organisations are looking for business opportunities and not corruption opportunities. If the organisation could access such opportunities without being corrupt then it serves them money not to be corrupt. In any case to enjoy the favours organisations have to pay.
- 2) Sectoral interests- if firms in a particular industry are seen to be corrupt this is then used to bracket all firms in that industry.
- 3) Individual employees in individual companies- while a decision to bribe could boost career prospects through gaining lucrative contracts and ultimately getting promoted, it tends to cost the organisation.
- 4) Corruption costs for companies are huge, even for those operating in environments where corruption is commonplace- once a company starts paying bribes, it may find itself subject to escalating pressures to pay more. On the other hand if an organisation starts by establishing a credible non-corrupt approach it will lower its vulnerability to extortion, and solicitation; improved positioning in the honest segments of the company's market.

Ng (2006: 822) quotes the World Bank arguing that corruption is "the single greatest obstacle to economic and social development. It undermines development by distorting the rule of law and weakening the institutional foundation on which economic growth depends". Ng (2006) further asserts that corruption is a serious social problem that adversely impacts on various aspects of society and is associated with a wide range of social and economic problems, including lower economic growth, foreign direct investment, infant mortality rate, and military spending.

From the foregoing it is clear that corruption is a menace to humanity in Africa where it is rampant and that is largely one of the main reasons for economic degradation and social decadence. It would sound logical to argue that corruption is a curse to humanity- a destructive virus capable of attacking the core of humanity, that is the resources and values for sustaining development particularly because it thrives if the leadership promote and practise it. While the impact of corruption is abuse of resources and the suffering of the majority, the business processes and marketing in particular are distorted and give way to the black markets but at the same time hamper the development of the economy.

3.1 Forms of corruption

The phenomenon of corruption is a complex issue embracing a diversity of practices all blended with the abuse of authority for some illegally obtained personal gain at the expense of the public.

Misappropriation is a typical case of theft often described as misdirecting resources. During the Great Depression, over the period 1932 – 1933 Franklin Delano governor of New York gave money for the poor to Tammany Hall officials who lined up their pockets and the city ended up overborrowing under the mayor, James T Walker who had to leave office.

The abuse of society through the exploitation of authority through sexual favours in return for promotion or a new job often associated with carpet interviews is corrosive to values and eats into the cultural fabric. Many senior positions have often been awarded to married women or single women through the so-called bottom power.

In purchasing high value items often the buyer demands a payback before they can place the order. Ultimately this tends to raise the cost of goods by 20% according the USA Department of Federal Trade. The cost of such paybacks is passed on to the ordinary people through increased taxes.

Nepotism is a practice where an official in the public or private sector favours his/ her own race or tribe or people he is related to. In a sense this is a very political act as it seeks to create a certain degree of security. Nepotism undermines productivity through employing unqualified people.

At the heart of the failure of Africa particularly in reforming institutions is the issue of government failure (Nwanko and Richards, 2001). The different government forms that essentially compliment the failures are split into three categories of outright military dictatorships, pseudo-military democracies and paternalistic democracies. Such types of governments essentially are bent on enriching the few at the expense of the public good.

A bribe, a type of fraud, is a business transaction, albeit an illegal or unethical one, that has the effect of corrupting economic and governance systems as it bestows an unfair advantage upon those paying the bribe (Pacini, Swingen and Rogers, 2002). The bribes could be split into two categories of according-to-rule and against-the-rule in which case both aspects refer to the maneuvering of somebody for benefit.

The types of corruption in health

Transparency International suggests that corruption in the health sector can take the following forms:

Embezzlement and theft from the health budget or user-fee revenue. This can occur at central or local government level or at the point of allocation to a particular health authority or health centre. Medicines and medical supplies or equipment may be stolen for personal use, use in private practice or resale.

Corruption in procurement. Engaging in collusion, bribes and kickbacks in procurement results in overpayment for goods and contracted services, or in failure to enforce contractual standards for quality. In addition, hospital spending may include large investments in building construction and purchase of expensive technologies, areas of procurement that are particularly vulnerable to corruption.

Corruption in payment systems. Corrupt practices include waiving fees or falsifying insurance documents for particular patients or using hospital budgets to benefit particular favoured individuals; illegally billing insurance companies, government or patients for services that are not covered or services not actually provided, in order to maximise revenue; falsification of invoice records, receipt books or utilisation records, or creation of 'ghost' patients. Other forms of corruption that relate to payment structures are: buying business from physicians by creating financial incentives or offering kickbacks for referrals; physicians improperly referring public hospital patients to their private practice; and performing unnecessary medical interventions in order to maximise fee revenue.

Corruption in the pharmaceutical supply chain. Products can be diverted or stolen at various points in the distribution system; officials may demand 'fees' for approving products or facilities for clearing customs procedures or for setting prices; violations of industry marketing code practices may distort medical professionals' prescribing practices; demands for favours may be placed on suppliers as a condition for prescribing medicines; and counterfeit or other forms of sub-standard medicines may be allowed to circulate.

Corruption at the point of health service delivery can take many forms: extorting or accepting under-the-table payments for services that are supposed to be provided free of charge; soliciting payments in exchange for special privileges or treatment; and extorting or accepting bribes to influence hiring decisions and decisions on licensing, accreditation or certification of facilities.

Source: Transparency International, http://www.transparency.org/publications/gcr/download_gcr#download accessed 6.01.2007

The definitions of the different forms of corruption show that the majority of the people are powerless to extricate themselves from their demise.

4. The state of corruption in Africa

According to the site, (<http://www.u4.no/helpdesk/helpdesk/queries/query20.cfm>, accessed 6.01.2007) besides the financial costs of corruption, there is also the cost of the retarded development and increased inequalities - which are far less easy to quantify. The union estimated that corruption costs African economies in excess of 148bn dollars a year. The figure includes both direct and indirect costs of corruption, is thought to represent 25% of Africa's GDP and to increase the cost of goods by as much as 20% as reported by (BBC News, 18/09/02; The Economist, 19/09/02]. In 1996, it was estimated that up to 30bn dollars in aid for Africa found its way to private accounts in foreign banks, an amount equal to twice the annual GDP of Ghana, Kenya and Uganda as quoted from Celarier(1996) in an article, *The Cost of Corruption*..

The African Development Bank suggests that corruption leads to a loss of approximately 50% of tax revenue, which in some instances is a greater amount than a country's total foreign debt. The African Development Bank estimates that lower income households spend an average 2-3% of their income on bribes, while rich households spend an average of 0.9% of their income.

These figures demonstrate that there is a huge cost that comes with corruption. The cost impacts on society and business at large and hence the distortion of the pricing process in marketing which often pushes up the prices.

5. The impact of corruption on the marketing process

Kotler (1988) defines marketing as "... a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others."

The American Marketing Association defines marketing as:

"...the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to satisfy individual and organisational objectives."

Pride and Ferrell (1988) state that "Marketing consists of the individual and organisational activities that facilitate and expedite satisfying exchange relationships in a dynamic environment through the creation, distribution, promotion, pricing of goods, services, and ideas."

The central issue in the definition of marketing is the satisfaction of consumer needs and wants in a dynamic environment. However, it is important to note that if there are impediments in the environment the execution of the marketing function can be distorted. The different authors are agreed on marketing being a social process, so is the notion of corruption. Corruption takes place whenever the delivery of value is abused for gain. This is facilitated by the use of power, it be in business or in politics, that is, in governments.

Simkin (2000: p154) lists the common themes in most explanations of marketing as:

- 1) The ability to satisfy customers;
- 2) The exchange of product or service for payment or donation;
- 3) The need to create an edge over competitors;
- 4) The identification of favourable marketing opportunities;
- 5) Profits or financial surpluses to enable a viable future for the organisation;
- 6) That resources are utilised shrewdly to maximise a business's market position; and
- 7) The aim is to increase market share in priority target markets.

This set of variables is authentic and presumes a normal business environment with scope for the play of market forces. In the case of a business environment fraught with corruption such forces may be hampered. Competition the driver for marketing may be curtailed and so will international investment whose security against processes like expropriation and bribes may not be guaranteed.

Bathie and Sarkar (2001) provide a cycle of activities that epitomise the execution of the marketing function. The first stage of that process is the understanding of customer value requirements which may not be better analyzed if the marketing environment is distorted.

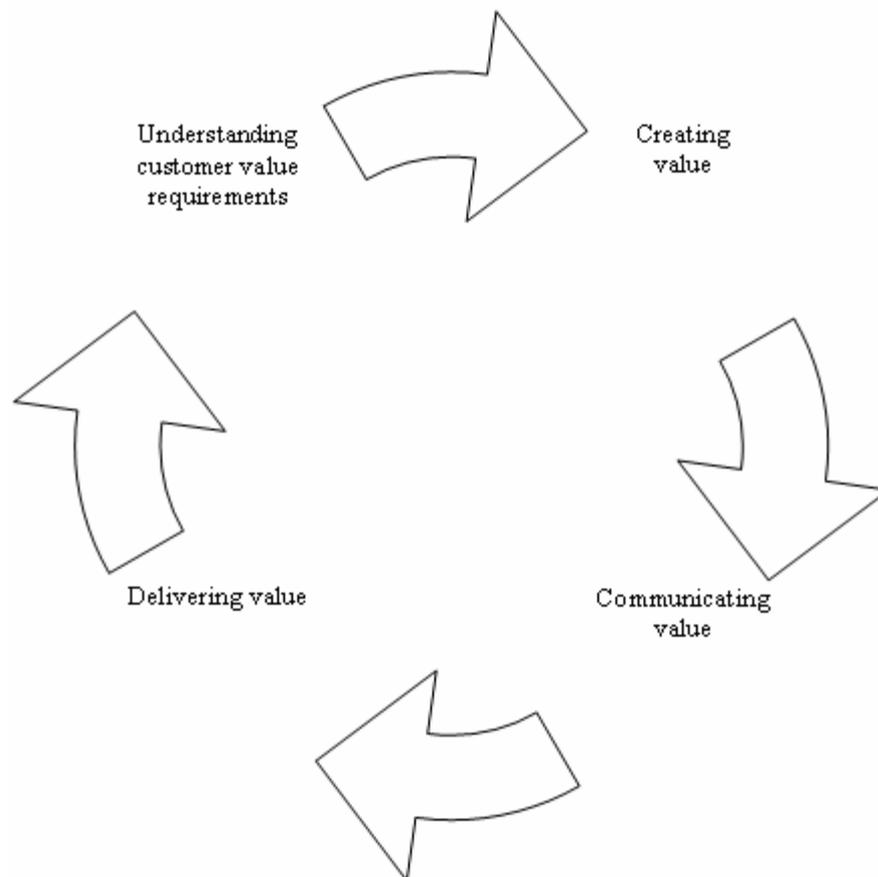


Figure 1. Customer Focused Exchange

(Source: Bathie and Sarkar 2002: p242)

According to Bathie and Sarker (2002: p241) presents factors required in the operationalisation of a marketing orientation as:

- 1) Recognise that organisational objectives are only achieved through exchanges with customers
- 2) Recognise the primacy of customers in the exchange process
- 3) Organise organisational activities around a focus on customers receiving value for exchange with the organisation

4) Create an exchange relationship with customers that are mutually beneficial as a basis for continued relationships.

In order to realise these circumstances the environment should be conducive for good business. However a corrupt environment is detrimental to good business. Despite the glaring impediments to development in a corrupt environment there are some pundits who would argue that such practices are good for development as they enable things which might either never happen or take too long to happen to take place much faster. But that argument does not address the cost of favouring the paying somebody and the cost to those who do not enjoy either political or economic power for abuse.

According to Appiah –Adu (1997) the main impediments to marketing in the developing world include the complex socio-cultural, poorly functioning governmental systems, laws, political and economic environments and other factors as poor growth, high inflation rates, rigid trade barriers, political instability and frequent changes in business laws, inadequate communications, sub-standard infrastructure and high political risk serve as barriers to development.

Frisch (1996) makes a number of pertinent observations in respect of the impact of corruption on the market as summarised below:

- 1) Bribes have become substantial (sometimes 20% of the transaction) in international transactions and this demonstrates how corrosive the practice is on the market and stalls the development process
- 2) While awareness on the devastating effects of corruption on markets, development and society at large there had been no sustained efforts to contain the menace, with the breakthrough coming in 1994 through the creation of Transparency International.
- 3) The process of tackling corruption is complicated by some practices of European Union member states whose laws directly support corruption by allowing tax deduction for bribes in international transacting and these practices distort competition and gives advantage to the corrupt players.
- 4) “Not only does corruption increase the cost of goods and services, and thus add to the receiving country’s debt, but all too often priorities are determined by crooked officials, resulting in projects which, instead of addressing real development needs end up in ‘white elephants’ graveyards”. Frisch (1996) available at (<http://www.europeanvoice.com/archive/article.asp?id=2731>, accessed 3.01.2007.)

From the foregoing it is very clear the development of the marketing discipline tends to flourish in environments where the play of market forces is dominant. Where market forces are constrained or inhibited that stifles innovation and the freedom to choose on the part of both the supplier and the customer. It is certainly an irony that the developing countries where marketing is needed most are rife with restrictive instruments that militate against the play of market forces while the developed world tends to be more liberal with innovation and boost the marketing function.

6. The cost of corruption to Africa

Olowu (1999) points out that corruption has come to centre stage of state reform and governance improvement programmes of many developing countries but largely more focused on African countries in particular in the 1990s because:

- 1) Its effects are as devastating as the AIDS epidemic or armed insurrection.
- 2) Africa is too dependent on other countries to sustain itself because of the continent's debilitating poverty and corruption tends to thrive.
- 3) Most of the programmes for economic, political and institutional reforms hinge on the integrity of the emerging political and administrative systems. Investment and aid resources are dependent on the transparency of the receiving countries making it difficult for corrupt states to get aid.
- 4) Most African countries are experiencing multiple dimensions of change, economically, socially and politically and that is providing a rich breeding ground for corrupt practices.

According to the Corruption Perception Index (June, 2001, October 2003) published by Transparency International, Bangladesh is the most corrupt country in the world. Only in October 2003 a US\$150 million project on Total Literacy Movement was abandoned as corruption took root. In Africa the most corrupt country is Nigeria followed by Angola as per the October 2003 Perception Index released in October 2003.

The International Monetary fund (IMF) has estimated that global monetary laundering is at between 2% and 5% of global gross domestic product. As of 1996 this stood at between US\$590 million and US\$1.5 trillion (Carlson, 2000).

A report by Elizabeth Blunt (2002) suggests that corruption costs Africa US\$150 bn per year a phenomenal amount which if contained could wipe out all the misery that abounds this poor continent. This serves to provide a clue about the cost of corruption. For a moment if one was take into account the cost of non-quantifiable elements in the form of

deaths resulting from abuse of resources, torture as an instrument for repression and thereby retain power the figure could treble.

The cost in monetary terms means very little in comparison to the total picture when health hazards created by abuse of power are taken into account, risks created through shoddy pieces of work as collapsing infrastructures, loss of incomes for multitudes of families and a multitude of lost opportunities are to be taken into account.

Overallly development is stalled because of corruption and the poor suffer. The dictators suck the sweat of the many and in the process create a whole legion of their own supporters to continue the culture of corrupt practices. To a large extent competent management, made insensitive by military or political connections, culminating in inefficient management, political manipulation and corruption have effectively turned state-owned enterprises into national liabilities (Stein and Nwanko, 2001).

False claims about the state of resources like in the case of Enron who misrepresented the state of their accounts and led to a major shake-up of the stock market is a case in point about the effects of corruption to the public good-shareholders, employees and the public lost out.

Mobutu consolidated his power by sharing the country's wealth with political allies, a system often described as a kleptocracy and is reported to have absconded with billions of dollars in Western aid and export earnings generated by the country's mineral wealth, and is said to have amassed a vast personal fortune, believed to have peaked at \$4 billion in the mid-1980s. Meanwhile a potentially wealthy country, plagued with corruption and mismanagement, suffered economic ruin (Fegley, <http://encarta.msn.com>, accessed 22.12.2003). The cost of the plundering of resources surpasses the estimated US\$4 billion when human suffering, torture and the lost opportunity for national advancement are taken into consideration, issues that cannot be easily quantified in monetary terms.

7. Towards a solution for the corruption crisis

The will to resolve the corruption crisis is far fetched. Corruption is so rooted in the culture that reducing it is dangerous and almost impossible given the powers that pedal it. The generations of regimes passing on power to the next seem to share the same philosophy that authority comes with non-accountability. There are various instruments that have been proposed by different institutions.

The government that can muster the destiny for a new Africa devoid of corruption must be "New" in all conceivable senses of the word in which case there has to be newness in composition, focus, orientation, and socio-economic emphasis (Stein and Nwanko, 2001). This is a mammoth task as it challenges the real fabric of African governance. It would appear the leadership in Africa is of the persuasion that the public owes it to them to survive. It is serfdom at its best. The leaders are untouchable and twist all arms of governance for their own good. They make laws to protect themselves when it suits them. The new era is far-fetched and obviously dangerous territory to tread on. The populations are naïve. They fear the powers of those in leadership. It is a reversal of the convention of government of the people by the people. It is a government of the leaders and their cronies who mortgage nations for their own good.

The framework for redressing failure in Sub-Saharan Africa may take the following dimensions (Gordon, 1996):

- 1) Changing the role of government and strengthening government capacity;
- 2) Enhancing political capacity for policy implementation
- 3) Nurturing civil society; and
- 4) Establishing the institutional foundations

While these are noble propositions the reality of it all is what comes into question. The governments are strangers to accountability and are resistant to accountability and diversity. The problem lies with the warped beliefs where leaders are seen as fathers of society whose powers cannot be challenged. Well intentioned as it may the leadership has simply found it worthwhile to abuse such values of the general African Society. Political leaders find it worthwhile to abuse all systems and stifle any divergent voices so that they remain unchallenged and unfortunately those who come through the ranks tend to come from the same school of leadership and continue to perpetrate the misery of the many people.

Mupuchi (2003) refers to Nevers Mumba, then Vice President of Zambia as suggesting that the Zambian government has realised that the prevention of corruption is better than cure and that there would be zero tolerance of corruption. It is easier said than done to suggest a ruthless approach to dealing with corruption. Essentially this has become a political gimmick to try and woodwink the public into believing a serious commitment to vote winning ideals. The reality of the whole matter is that if this was real then all Africa will be without corruption for many have said it in the past to no avail.

The leadership code as a tool is meant to provide some kind of register for monitoring politicians' wealth. This is often abused by simply using fronts for investment. Legislation no matter how well intentioned is handled by corrupt judges, hence in Kenya only in October 2003 suspended a number of corrupt judges who were alleged to be corrupt.

Transparency International as an organ for accountability, transparency and integrity is inadequate as it is not entrenched in governance hence does not command much power. The World Bank and IMF can push for significant change by providing conditional loans. However, its main weakness lies in monitoring the usage of such loans as false claims can be made by the corrupt regimes over expenditure.

In the case of Slovakia for a common citizen, solving corruption cases and allegations relating to top positions would be a signal that there is a genuine will to address the issue and scandals as seen today can have a positive impact because they can create public pressure for systematic changes but at the moment nothing is happening to fix laws in big politics (Daniela Zemanovicova, 2003).

Skinner (2003) argues that to earn trust Shell is driven by the following activities

- 1) Engage with critics – Essentially for the leadership in Africa this should not amount to confrontation
- 2) Demonstrate clear principles- this should be driven by accountability and good intention in all dealings
- 3) Live up to commitments- In the case of politicians the multitudes made during electioneering are normally swept aside immediately after winning
- 4) Be transparent – In most cases information about governance is not readily available and nobody is accountable.
- 5) Communicate effectively – This should be a genuine effort to tell the truth about issues of common concern rather than mere spin to drum up propaganda.

Skinner further argues that profits must be linked with ethics and that the challenges for the future lie in economic trends, social responsibility and the environment. These values will go a long way if adopted by domestic, multinational companies, central and local governments in Africa.

Corruption is a containable national and international phenomenon with the extremely debilitating stand being that it is a common practice among the developing countries (Richards et al, 2003). The paradox of corruption is that the criminals are in charge – they shape the law, decide on who gets prosecuted, change the law when it suits them and decide on who gets sacrificed for daring to sniff principled governance and of cause the intensity of the punishment. It is obviously of utmost importance that workable recommendations are put forward without having to be wishful about how to end the tragedy of corruption. In actual fact the issue is not about ending corruption but reducing it because its so embedded in the cultures to a point that certain children grow up to accept that corruption is normal because they are nurtured in it.

8. Recommendations on tackling corruption

The real corruption crisis goes beyond mere legislation and operationalising instruments to curb corruption. Every recommendation put forward will be analysed for objectivity and practicality in meeting the desired result of curbing corruption.

The first recommendation is the creation of principled governments that respect the rule of law and are transparent in governance and accountability. This immediately calls on starting afresh. The only problem will be who and where to start, as all the powers that control the past and strongly positioned for the future are firmly imbedded in the systems. If the failing governments of Africa were to be cornered by international agencies they would always claim sovereignty and vehemently demand their independence over their internal affairs. Surprisingly the same states will clamour for aid to resolve crises to the same agencies which should not interfere with their sovereignty.

The second recommendation is the educations of the people so that they can be more organised and take up the challenge to question the leadership or demand accountability. The challenge for this recommendation is the resources and who picks up the initiative to educate the masses. There is scope for Transparency International but the question is the extent to which it can muster resources to drive this agenda forward.

The third recommendation is legislation and monitoring. This mechanism tends to deal with small levels of corruption and tends to spare the big fish because they tend to mustle their way through against the law.

The fourth recommendation is the call by well intentioned citizens of Africa to seek the support of the international community to make accountability and transparency a conditionality for accessing important aid. There is a limit to this as in most cases the whole accounting system is simply cooked up to meet the requirements of donor institutions.

Transparency International (2006) recommends the following instruments in fighting corruption within the pharmaceuticals industry,

- 1) Transparency
- 2) Codes of conduct
- 3) Civil society participation and oversight

- 4) Whistleblower protection
- 5) Reducing incentives for corruption
- 6) Conflict of interest rules
- 7) Integrity pacts and debarment
- 8) Rigorous prosecution

These suggestions are well founded and very effective provided the intention and authority are in place to ensure their execution. These tools have helped starve off corrupt activities in the developed countries because the implementation is genuine and thorough whereas in Africa its sanctioned by the big powers who are the main beneficiaries of the corrupt activities who make an effort to weaken the activities for fighting corruption.

9. Conclusion

The phenomenon of corruption in Africa is a disastrous cancer costing millions in lost resources that could have been utilised for the national good. The corruption crisis tends to have its roots at the echelons of power, whether in the public or private sector. Much of the disasters Africa faces are as a result of corruption which stalls development and hinder social and economic advancement thereby permanently mortgaging much of the citizens of Africa to permanent poverty and continued suffering.

It is important to note that this discussion does not suggest that there is no corruption in the developed world but that there are a number of instruments in place which minimise the adverse effects of corruption in the developed world. The various scandals which have been well publicised in the western world bear testimony to the existence of this disastrous cancer. However, it is the defacto legalisation of this menace in Africa which is an issue for concern as it allows the practice to flourish and destroy society and economies at large.

While so many progressive institutions have weighed their views on the corruption menace in Africa the solutions are far fetched as the leadership who should protect society from this menace are found wanting in this respect.

References

- Anonymous. (1985), AMA Approves a new Marketing Definition, *Marketing News*.
- Bathie, D. and Sarkar, J. (2002). *Total quality marketing (TQM)- a symbiosis*, *Management Audit Journal*, Volume 17, No 5, pp 241- 244.
- Goorha, P. (2000). "Corruption: theory and evidence through economies in transition", *International Journal of Social Economics*, 27,12; pp1180 – 1204.
- Kotler, P. (1988). *Marketing Management, Analysis, Planning, Implementation and Control*, Prentice-Hall International.
- Appiah-Adu, K. (1997). Marketing in emerging countries: evidence from a liberalized economy, *Marketing Intelligence & Planning*, Vol. 15, No 6, pp291–298.
- Nwanko S. and Richards D. C., "Privatisation: The myth of free market orthodoxy in sub-Saharan Africa", *The International Journal of Public Sector Management*, vol 14 no 2, 2001, pp 165 – 179.
- Nze C. F. and Nkamnebe A.D. (2003). Internalising effectiveness and accountability for the public good: strategic choices for public sector bureaucracies in Africa, *Management Decision*, Vol41 No 3, pp 281 – 286.
- Pacinin, C., swingen J. and Rogers H. (2002). The OECD Convention and bribery in international business transactions: implications for auditors, *Managerial Auditing Journal* Vol 17 No. 4, pp 205 – 215.
- Pride, O.C. and Ferrell, K. (1988). *Marketing, Concepts and Strategies*, Houghton Mifflin.
- Richards, D. et al. (2003). "Debt burden and corruption impacts: African market dynamism, *Management Decision*, Vol 41 No4, pp304 -310.
- OECD. (2003). *Roundtable on Corporate Responsibility: Enhancing the Role of Business in the fight against Corruption- Making the most of the OECD for Multinational Enterprises*.
- Simkin, L. (2000). *Marketing is marketing maybe!; Marketing Intelligence & Planning*, Volume 18, No. 3, pp 154-158
- Skinner P. (2003). "Shell's bid to build its reputation", *Strategic Direction*, Vol 19, November 7, pp 9-11.
- Olowu, B. (1999). Combatting corruption and economic crime in Africa: An evaluation of the Botswana Directorate of Corruption and Economic Crime; *The International Journal of Public Sector Management*, Vol. 12 No. 7, pp. 604-614.

World Bank. (1989). *Sub-Saharan Africa: From Crisis to Sustainable Growth*, World Bank, Washington, DC.

Electronic Sources

Evans R.M.,

<http://tilz.tearfund.org/webdocs/Website/Campaigning/Policy%20and%20research/The%20cost%20of%20corruption.pdf>, accessed 7.01.07

Frisch, D. (1996), Curbing international corruption; *European Voice* Vol. 2 No. 41, available on <http://www.europeanvoice.com/archive/article.asp?id=2731>, accessed 3.01.2007.

Meghji, M.R., <http://www.asce.org/files/ppt/global/revisedrafikmeghi.ppt>, accessed 6.01.07.

Mupuchi S., "Corruption has become a cancer, Says Mumba", *The Post*, www.allafriac.com/stories, Accessed 10.10.2003

Pisarova M., "Corruption keeps drinking society's blood", www.slovakspectator.sk/clanok.asap, Accessed 13/10/2003.

Randall Arlin, "Mobutu Sese Seko," *Microsoft Encarta Online Encyclopedia 2004*, <http://encarta.msn.com> 1997-2004 Microsoft Corporation. Accessed 22.12.2003

Transparency International, http://www.transparency.org/policy_research/surveys_indices/cpi/2006, accessed 6.01.2007.

Transparency International, http://www.transparency.org/publications/gcr/download_gcr#download accessed 6.01.2007

U4 Anti-Corruption Resource Centre (1996), <http://www.u4.no/helpdesk/helpdesk/queries/query20.cfm>, accessed 6.01.2007.