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Corrosive Effects of Corruption in Africa

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Aristotle



"All human actions have one or more of these seven causes: chance, nature, compulsions, habit, reason, passion, desire."

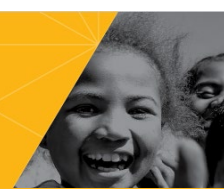
- **Corruption comes in different forms, but the costliest form in terms of overall impact on the economy and the social fabric of a country are bribery, state capture and trading in influence.**
- a) Bribery – stifles the delivery of goods and services.**
 - b) State capture - distorts how institutions work, and who controls them.**
 - c) Trading in influence (influence peddling).**

Some context

- **Africa is a wealthy continent.**
- **According to UNEP, Africa has 30% of the world's mineral reserves (some reserves up to 90%).**
- **8% of natural gas and 12% of oil reserves.**
- **65% of the world's arable land.**
- **In most countries, natural capital accounts for between 30% and 50% of total wealth.**

- According to the World Bank, Africa has a Gross National Income (GNI) of \$1.9 trillion.
- Estimates that the number of poor people in Africa has increased from 278 million in 1990 to over 413 million in 2015.
- If circumstances remain the same, global poverty will become increasingly African, rising from 55% in 2015 to 90% in 2030.
- Sub Saharan Africa currently holds total external debt of \$703 billion (excluding domestic debt).
- In ideal situation, this money is supposed to go to development priority areas: health, clean water, nutrition, education, electricity, etc. - or the World Bank's twin goals of eradicating extreme poverty and promoting shared prosperity.

The corrosive effects



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- **Africa loses about \$200 billion per year to corruption.**
- **Corruption increases the cost of providing services – heavily limits access.**
- **In many instances where services become accessible, there's often a problem - standards or quality.**
- **Evidence shows that the poor pay the highest percentage of their income in bribes (cementing the vicious circle of poverty).**
- **Corruption erodes trusts in governments and undermines the social contract.**

- **Corruption has been shown to fuel and perpetuate the inequalities and discontent that lead to fragility, conflict and violence.**
- **Corruption impedes investment which subsequently stifles growth and job creation .**
- **Corruption perpetuates:**
 - a) **poverty and inequality,**
 - b) **failure of infrastructure, and**
 - c) **promotes impunity and collapse in rule of law**

The corrosive effects

- **Corruption undermines the power of politics: for example, to the extent that bribery, trading in influence and state capture are widespread, political systems become incapable of addressing social problems whose resolution would threaten vested interests.**
- **The quality of goods and services decrease, and the process of obtaining them becomes more expensive, time consuming and unfair.**

- **Many governments are putting visible Anti-corruption efforts supported by viable political will:**
 - a) Effective legislation**
 - b) Independent institutions (including specialized Anti-corruption courts)**
 - c) Robust institutional realignment to avoid duplication of institutional efforts**
 - d) Collaborative efforts and capacity building (including MLAs)**
 - e) Effective reforms – procurement, open government (minimizing the overemphasis of “what” should be done rather than “how” it should be done**
 - f) Application of technology for enhanced accountability.**