Welcome to the third newsletter for the Africa Research Initiative (ARI). The ARI is housed within the Center for Strategic Intelligence Research at National Intelligence University (NIU). The ARI continues to be NIU’s “gold standard” for intelligence research collaboration. ARI research is connected to the IC’s analytic community regarding all things Africa, but at the same time, the ARI is embedded within the community of academic scholars. In this way, NIU can provide a unique opportunity to apply the best academic research to strategic intelligence problems in Africa.

NIU’s research mission is expanding to include more collaboration with IC analytic leadership, especially in areas that traditionally have lacked a strong analytic presence. In addition, many strategic concerns of the IC are the same strategic concerns of the Africa academic community: governance, political stability, and counterterrorism, as well as strategic concerns such as climate change, population, health, and education.

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Letter from the President

The National Intelligence University: The Center of Academic Life for the Intelligence Community

By Dr. David R. Ellison, Rear Admiral, United States Navy (Ret.), President, National Intelligence University

This is an exciting time for the National Intelligence University (NIU), as it begins its second half-century with deep roots and a bright future. Established in 1962, the institution has grown in stature and impact over the years, with a mission, curriculum, and student body that have evolved to meet the increasingly complex challenges to the national security of the United States.

Building on more than 50 years of experience delivering rigorous academic programs, NIU today provides career professionals with a rigorous and collaborative joint-learning environment to develop critical thinking and analytical skills, conduct research on real-world problems, and build trust and mutual understanding that will last a lifetime. Its three degree programs—the Master of Science of Strategic Intelligence, the Master of Science and Technology Intelligence, and the Bachelor of Science in Intelligence—are augmented by a growing number of graduate certificates on specialized topics.

In addition to the main campus in Washington, DC, NIU now boasts five academic centers, including the Southern Academic Center in Tampa, Florida, and the European Academic Center at RAF Molesworth in the United Kingdom. The student body has grown to include more than 700 current students from across the U.S. intelligence and national security communities, taught by 149 highly qualified full- and part-time faculty members.

I invite you to explore the National Intelligence University website (www.ni-u.edu). You will find a broad and rigorous curriculum, as well as a growing research program focused on some of the toughest national security challenges.

One of the most exciting developments in recent years has been the expansion of NIU contributions to the literature of intelligence and scholarly research conducted by the Center for Strategic Intelligence Research (CSIR). The newsletter you are reading now is one of the results of that expansion. It grows out of NIU’s new Africa Research Initiative, an effort to harness NIU’s research capabilities by both conducting research on security issues related to Sub-Saharan Africa and reaching out to academic expertise for support with difficult analytic challenges on the continent. This combination of research conducted on behalf of the Intelligence Community with outreach to academia successfully leverages the strengths of both by bringing in important scholarly voices to official discussions on global security.

The research featured in this newsletter also resonates well in the classroom. It exposes students to cutting-edge work conducted by top-flight scholars in academia and the Intelligence Community. Ultimately, research like this will inform policy and analysis, as NIU’s students go on to serve the United States in a wide variety of positions in the military and civilian agencies.

In addition, NIU takes very seriously its mission of contributing its own scholarly research on key regions and issues. NIU faculty members produce, publish, and present a broad and diverse array of research, including work on Africa, the Middle East, Central and South Asia, cyber issues, and science and technology. Much of the research NIU produces has made a positive contribution to intelligence, national security, and policymaking circles.

My vision for NIU is to serve as the center of academic life for the Intelligence Community. In this position, it can encourage, develop, and promote the natural analytic ties between academia and the Intelligence Community. In my experience, IC personnel derive great benefit from the tremendous subject matter expertise found in academia, and promoting ties between the two is in the best interests of the nation as a whole. NIU therefore serves many purposes. It provides a first-class education to U.S. Intelligence Community personnel, fosters and encourages top-flight research on national and global security issues, and forges connections to academia by reaching out to universities around the country and the world. This is indeed an exciting time for the university.
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The Effect of Corruption on Public Health: The Exceptional Case of Sub-Saharan Africa*

By Dr. Randolph M. Siverson, Distinguished Professor Emeritus, University of California, Davis, rmsiverson@ucdavis.edu
Dr. Richard A.I. Johnson, Lecturer, University of Strathclyde, rajohnson@ucdavis.edu

In an important article King and Murray issued a call to think about human security in a broader context than had previously been used, including freedom from poverty and access to health care. Here we report the results of our investigation of the impact of one aspect of bad governance on the lives of citizens: the effects of pervasive corruption in a state with high levels of human disability. There are many factors contributing to poor health care, including income inequality, civil and international conflict, and poor governance—a pattern that may be widescale in Sub-Saharan Africa. Briefly, our results indicate that while there is a close connection between corruption and poor public health outcomes across states, the health conditions in Sub-Saharan Africa are so bad that even where there is good governance, poor health outcomes persist. They are so strong they even outweigh the effects of civil conflict and war, which have been shown to reduce public health outcomes. This linkage has been examined previously; what is novel in the results we report is that in addition to a frequently used reputational measure of corruption, we also use two new variables to estimate its effect on shortening lives.

One frequently used measure of health outcomes across states is Disability Adjusted Life Years, or, as it usually abbreviated, DALY. It is derived from World Health Organization data that combine years of life lost or spent disabled because of the effect of 28 significant diseases. In general, one unit of DALY represents one year of life lost for every 100,000 people in a state. It is important to note that DALY refers to averages and not to individuals.

* This paper represents a distillation of research results first reported in the authors’ “Politics and Parasites: The Contribution of Corruption to Human Misery,” International Studies Quarterly, 58 (2014), 199–206.
The argument presented here is that a potential contributing factor to high levels of DALY is political corruption. First, we briefly discuss the relationship between corruption and several political and economic pathologies. Next, we present the three measures of corruption we use and briefly describe the DALY data. In the third section we summarize a series of tests of the hypothesized relationship between these variables and DALY. In the final section we offer some caveats on our results as well as a pessimistic forecast of the implications of this research.

**Corruption and Its Effects**

Corruption is defined here as the misappropriation of the resources of the state for private gain. To the extent that corruption drains off resources, it removes the ability to provide for the population's welfare, including the availability of potable water, adequate health care, and education. This is a vicious circle in which political leaders pursue policies that effectively debilitate the population and handicap political and economic change. Populations are unable to attain their potential for a healthy life, and the existing pattern of corruption is sustained. Put simply, the populations of these states suffer from two kinds of parasites. In addition to those parasites that infect and debilitate their bodies and lead to high levels of DALY, there are parasites in the body politic that extract resources from the state that could otherwise be used to improve the health and welfare of the population.

The effects of corruption on the economic and political welfare of states have been the object of considerable academic interest. Although the results of empirical research are equivocal, economists report evidence suggesting corruption is linked to lower rates of economic growth, low levels of GDP per capita, a reduction in the ratio of investment to GDP, lower foreign direct investment in states, and low levels of public expenditure on education.²

While the effects of corruption are pernicious across all states, they have been identified as being particularly destructive in Africa. For example, one Council on Foreign Relations report asserts that corruption incurred costs in Sub-Saharan Africa of $150 billion a year in 2002, whereas in 2008 the region received $22.5 billion in aid—almost a sevenfold difference.³ In a later report on countries that pay the largest amount of bribes, Sierra Leone was on top with 84 percent of residents admitting to paying one. More broadly, of the top 10 states in the ranking, seven were in Sub-Saharan Africa.⁴

**Measuring Corruption**

The nature of corruption makes it difficult, perhaps impossible, to measure directly, but there are good alternatives that capture corruption at the societal level. To estimate its effects on DALY, we used three separate indirect measures of corruption. The first derives from the work of Transparency International, the first organization to undertake a public assessment of levels of corruption on a global basis. We use their measure, begun in 1995 and reported annually since then, based on an aggregation of 10 surveys in which lower scores are indicative of corruption.

The second indicator of corruption attempts to tap more directly into how the elite in a state uses its ability to extract resources for its own benefit by directly observing the difference between the life expectancy of the population and the observed death age of the state's leaders. Not surprisingly, with some notable exceptions, leaders on average live longer than the expected life spans of their populations. What is noteworthy, however, is that some leaders get significantly better health care than their population, with the result that they live appreciatively longer than the population, and it is this difference that is useful in estimating the level of corruption in a state. To do this we subtract the population's life expectancy from observed life spans of leaders.

Does a state's type of political system increase the tendency toward corruption? There is evidence that this may be so. However, the microfoundations for such a relationship are not well developed, possibly because the types of democracy are so varied. An alternative approach in which the microfoundations are better developed, and where an empirical relationship to kleptocracy has been demonstrated, is based on the size of the winning coalition, usually referred to in the literature as W, a convention we use here as well.⁵ With this term, Bueno de Mesquita and his coauthors put forward a case as to why political systems with small winning coalitions will be conducive to corruption. The argument, in essence, sees a small, winning coalition as a parasite.
taking more than is returned to the population through the benefits of public policies, with the difference accruing to the kleptocrats through the corrupt divergence of state resources by means of inflated contracts, bogus state purchases, and outright theft.

**Results**

The statistical analysis shows a strong relationship between the three variables estimating corruption and high levels of DALY. For the aggregate of the 146 states in our analysis, corruption does indeed produce misery for populations.

However, remarkably, when the states in Sub-Saharan Africa are analyzed separately, none of the variables measuring corruption is associated with high levels of DALY. For these 34 states the measures of corruption in the model do not fit the data at any level of statistical significance. Given Sub-Saharan Africa’s reputed inclination for corrupt governments, how can this be? Are we to conclude that Sub-Saharan Africa’s shortcomings with respect to the delivery of health care are unaffected by corruption? This seems far-fetched.

Two related explanations are more plausible. First, among the Sub-Saharan African states, the variation in the distribution of DALY is exceptionally narrow. The mean value of DALY for the Sub-Saharan African states is 4.43 with a standard deviation of 0.26, while for the remaining states the mean is 2.27 with a standard deviation of 0.55. The Sub-Saharan African states are a completely different population of states where DALY is influenced by factors much greater than corruption.

Second, not only is the range of variation slight, but the numbers themselves represent a huge health crisis brought about by the effects of AIDS and malaria. This situation is so acute that even in states where governance is good, the reported value of DALY is dismal. Consider the instance of Botswana, which has a relatively good score on the Corruption Perceptions Index, 5.9, compared to 2.7 for the rest of Sub-Saharan Africa. The state has a moderately large winning coalition—0.75 compared to Sub-Saharan Africa’s 0.45—and a modest gap between the life spans of its leaders and the population—7 years compared to 13.1. Even here where corruption measures are low and governance is comparatively good, the effects of AIDS and malaria are so great as to overwhelm the state’s ability to mitigate them.

**What Is To Be Made of This?**

Corruption, as measured by our three variables, clearly has deleterious effects on health outcomes. This effect is so strong that it outweighs civil conflict variables that have previously been shown to have negative effects. While the model works well on the base data and a group that omits the Sub-Saharan African states, it fails completely to capture the effects of corruption on the Sub-Saharan states. AIDS and malaria are so devastating in this area that even in Botswana, a well-governed state that is relatively free of corruption, the DALY number is dismaying.

One implication of the results, of course, is that reducing corruption will enhance human well-being. This, sadly, is easier said than done. If corrupt leaders drain off the resources of society that could be used to improve health conditions, it would seem imprudent for donor states to provide fungible goods; instead, the states should offer the kinds of aid that cannot be misappropriated. Many states in Sub-Saharan Africa receive financial aid from donor states. However, corruption may mean that money given to build a hospital results is shoddy construction because the aid was drained off for private purposes. Even the direct donation of medicine may be rerouted into a black market. But a doctor or a nurse cannot be used in this manner. Training indigenous medical personnel may be one method of circumventing corruption and enhancing public health.

The bigger problem is bringing about the kind of large-scale political change that will produce institutions capable of making corruption a scandal to be exposed rather than a fact of life that must be accommodated. This is not an easy task since leaders desire to stay in power, and those who benefit from their position will do all they can to maintain the status quo. It is only when leaders have an incentive to broaden their support and promote more general public welfare that corruption will be mitigated. That, however, is a topic beyond the scope of this analysis.
Notes


5 The winning coalition is conceptualized as the group that prevails in the outcome of political competition. In some states it is the winning group in an election and in others it may be the military or even a family. W ranges from small (0.0) to large (1). A full explanation may be found in Bruce Bueno de Mesquita, Alastair Smith, Randolph Siverson, and James Morrow, The Logic of Political Survival (Cambridge: MIT Press, 2003): 51–57.


Corruption by Pacification? An Assessment of the Amnesty Program in Nigeria’s Oil-Rich Delta

By Daniel E. Agbiboa, Department of International Development, University of Oxford, daniel.agbiboa@qeh.ox.ac.uk

In April 2009, the late Nigerian President Umaru Yar’Adua first proposed the idea of amnesty for repentant militants in the Niger Delta in an attempt to halt rising attacks against the Nigerian oil industry. In June 2009, Yar’Adua signed an offer of unconditional amnesty for Niger Delta militants. The significant role of then Vice President Goodluck Jonathan in the period leading up to the Niger Delta amnesty is often underplayed in various accounts. The late Yar’Adua had chosen Jonathan as his vice-presidential running mate in 2007 precisely to symbolize the government’s intention to pursue a political solution to the Niger Delta conflict, and after the elections, Jonathan was given the task of preparing a pathway for achieving this end.

The amnesty policy stated that militants who freely surrendered their arms within 60 days would not be prosecuted for the crimes committed in the process of disrupting the Nigerian oil industry. President Yar’Adua made clear that the amnesty program was aimed at disarming, demobilizing, and reintegrating (DDR) militants—those willing to surrender their arms—into Nigerian society. This was seen as a first step towards bringing the urgently needed development to the Niger Delta region.

In writing about the amnesty’s objectives and deliverables, the Nigerian government identified the following three phases:

(a) A disarmament phase to take place between August 6, 2009, and October 4, 2009, and to include the collection of biometric data.

(b) A demobilization and rehabilitation phase to last 6 to 12 months and to include the provision of counseling and career guidance for the participants.

(c) A reintegration phase to last up to 5 years and to include the provision of occupational training and micro-credits for the participants.
In July 2009, Nigeria announced a controversial budget of N52 billion ($145 million) for the amnesty program intended for 20,192 registered militants. There was an appreciable lack of clarity about exactly how the budget was to be spent, and the proportion which was to be allocated to monthly allowances versus the proportion allocated to a broader reintegration and rehabilitation package. Former combatants who registered for the 42-month period of training, reintegration, and rehabilitation in government-designated residential training centers received monthly allowances of N65,000 ($410), the payment of rent, and vocational training over the same period. This was more than three times the average salary for a young public sector worker in Nigeria but just a little higher than the foot soldier salary, which stood at N50,000 ($400) in 2006.\(^3\) The criteria used to establish eligibility for inclusion was unclear, with the numbers of intended “beneficiaries” widely believed to have been inflated. However, at a recent briefing on the current situation of the amnesty, former Chairman of the Presidential Amnesty Kingsley Kuku “corrected” public suggestions that the program is being used to take care of people that are not arm bearers:

> It must however be clarified that it is not true that all the persons enrolled in the Amnesty Programme were arm bearers. The internationally recognised post-conflict DDR rules, as spelt out by the United Nations, permit the enlistment of non-arms bearing relatives, children, informants, and several other allies of the actual ex-combatants. Fortunately also, the President approved the inclusion in the programme, a few persons from violence and pollution impacted communities in the Niger Delta.\(^4\)

Whatever the case, the amnesty deal has led to a lull in violence and an increase in oil production since 2009, especially since Goodluck Jonathan, a native of the minority Niger Delta, assumed power. Nonetheless, the amnesty has afforded only a cosmetic and short-term panacea to the protracted conflict. Indeed, it has stopped short of engaging with the root issues of political corruption, political sponsorship of violence, and oil pollution that continue to fuel popular resistance in the restive region. This is hardly surprising if we consider that what prompted the amnesty was not the environmental tragedy in the Niger Delta but the urgent need to reduce crippling attacks by militants on oil facilities in Nigeria, which had negatively affected the country’s oil productivity and income. In this respect, “the underlying political priorities driving the amnesty process were narrower than then comprehensive intentions would suggest. The emphasis seems to be more on the immediate objectives of disarmament and demobilisation to ensure uninterrupted flow of oil than on a sustainable reintegration process.”\(^5\)

Today, the amnesty program is overwhelmed by several challenges. At the administrative level, Joab-Peterside et al. draw attention to:

> The slow-paced process in deployment of ex-militants offshore as a result of complexities in funds transfer and immigration matters, the random emergence of groups queuing up for benefits associated with the amnesty process, a lack of adequate and specialized training centres in Nigeria, a low availability of jobs after training, the low level of involvement of oil and gas companies in the program and reconciling those ex-militants who have been outlawed by their communities and villages and justice issues.\(^6\)

In an interview posted in the Daily Independent newspaper, National Coordinator Ndutimi Alaibe noted that:

> Some of the challenges facing the [amnesty] programme today have to do with the background of some of the militants themselves and the initial process of de-briefing. You may take [these former militants] abroad, and on arrival find that the individual is not even psychologically prepared and then indulge in negative habits and in the process, they get deported. There is therefore need to properly engage the ex-militants to determine their career aspirations before re-integration. The programme has recorded fundamental success in terms of some of them who have been trained in specialised disciplines; and more can still be achieved. There are those who have graduated as pilots. Managing 26,000 ex-militants through reintegration can be very challenging. The cooperation of all stakeholders is imperative.\(^7\)

Aside from this, the illness and eventual death of President Umaru Yar’Adua—the main initiator of the amnesty program—on May 5, 2010, meant that little real progress
was made on the reintegration and rehabilitation front. Some of the former Niger Delta militants that the author spoke to complained bitterly that promised trainings were either not forthcoming or ill-suited to their needs. In addition, the allowances promised to them were often delayed, less than designated, or not paid to them by their commanders. As Oluwaniyi writes, “The commanders benefitted from the largesse and state patronage while their foot soldiers were short-changed.” This is the sense in which Obi and Onuoha argue that the persistence of “waithood” among many youths in the Niger Delta “unveils the contradictions of the Amnesty Program and creates a situation where young people’s expectations from the process are simultaneously broadened through promises of post-Amnesty opportunities, and constrained by unfulfilled promises.” Many of these chagrined foot soldiers continue to pursue prosperity by tapping pipelines, even as the former warlords profess to have left the creeks and the oil-theft business. According to the report of a panel set up in January 2010 to review the rehabilitation aspect of the DDR, about 80 percent of the budget has been used to pay the commanders of ex-militants, the managers of the program, and the rising number of consultants, leaving just 20 percent for the rehabilitation of ex-militants. To improve ties with former Delta warlords, the Nigerian government, under President Goodluck Jonathan, invited the top “generals” for extended stays on the uppermost, executive floors of Abuja’s Hilton hotel. Recent reports have revealed that the Nigerian state oil company is giving $3.8 million a year apiece to two former rebel leaders—General Ebikabowei ‘Boyloaf’ Victor Ben and General Ateke Tom—to have their foot soldiers guard Delta pipelines they once attacked. Mr. Dokubo Asari, the former Niger Delta warlord, who recently opened a university in the Republic of Benin, collects $9 million every year to keep his 4000 foot soldiers at bay. Another general, “Tompolo” Ekpumopolo maintains a $22.9 million-a-year (N 3.614 billion) contract to do the same. The recent acknowledgement that the federal government paid $40 million in 2012 to four Niger Delta warlords to guard the country’s oil all but confirms the lucrative, rather than transformational, status of the amnesty program in Nigeria. Excluded youths—those not lucky or tactical enough to be co-opted into the patronage machine—remain aggrieved and have opted for oil theft and other forms of crime on a massive scale (see Figure 1), causing the country to lose major revenue. These elements are poised to become sources of future agitation in the region.

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**Figure 1. Attacks by category in the past 12 months, as of January 31, 2015.**
The huge sums being paid to the bosses of the Niger Delta militants have politicized “youth conversations” in the region. For example, in the buildup to the 2015 presidential elections in Nigeria, former Niger Delta militants enrolled in the amnesty program threatened to go back to the creeks if the election was manipulated against President Goodluck Jonathan. Kingsley Kuku, the Presidential Adviser on the Niger Delta and Chair of the Amnesty committee, was one of the loudest advocates for the re-election of President Jonathan, even warning of dire consequences if this did not happen. In September 2013, former militant and leader of the Niger Delta People’s Volunteer Force (NDPVF), Mujahid Asari-Dokubo, declared that President Goodluck Jonathan’s presidential ambition in 2015 was “already a settled matter,” as his Niger Delta compatriots would not succumb to any force opposed to its full actualization. Mr. Asari-Dokubo threatened that there would be “blood in the streets” if President Jonathan lost in the 2015 election. In Asari-Dokubo’s words: “Whether they contest or they don’t. If they say the blood of the dogs and the baboons will be soaked in the streets, or salt water in the streets, we will help them in blood in the streets.” Although Goodluck Jonathan lost the presidential elections to current President Mohammadu Buhari, Kuku has issued a strong warning to the new administration that scrapping the amnesty in the Niger Delta, to which Buhari has already hinted, will do more harm than good.

The corruptible nature of the former Niger Delta warlords indicates the lack of any true vision or depth to their struggle for justice and survival. As one local resident in an affected community in the Delta told the author:

These people that call themselves ex-combatants fighting for the development of the Niger Delta. These are all lies. These people are fighting for themselves and for their own pockets. They have betrayed the legacy of true fighters like Saro-Wiwa. It is a pity that our people’s suffering is now seen as an opportunity for some criminals to make money into their own pocket. I am really sad.

True, the amnesty in the Niger Delta has promoted non-killing alternatives to violence, opened a door for stabilization through a tactics of political dialogue, and created the space for civil society to emerge and outside organizations to encourage the reconciliation of decades of social injustices. Even so, cash pay-outs to former combatants, especially to the warlords, fail to seriously address the multi-layered causes of conflict and criminality in the Niger Delta.

Notes

9 Obi and Onuoha, “Youth Conversations in a Post-Amnesty Niger Delta” (paper presented at the Fourth International Forum on Conflict and Coexistence
Corruption and the Extractive Industries in Africa

By Caitlin Corrigan, University of Pittsburgh, Graduate School for Public and International Affairs, caitlin.corrigan@gmail.com

The African continent is extremely rich in natural resources, yet it remains the poorest region in the world. The resource curse offers an explanation for this persistent poverty. Paradoxically, an abundance of natural resources, particularly oil and minerals, tends to make countries grow more slowly, hinders democracy, and increases the likelihood of conflict. Economic explanations for these negative effects focus on the crowding out of other productive sectors due to an increasing resource sector; this relationship is often referred to as the Dutch Disease.

However, some countries (within and outside Africa) are able to benefit economically from resource wealth. What distinguishes “cursed” from “blessed” countries is the presence of strong institutions. Institutions that control corruption and promote accountability, rule of law, and state and bureaucratic competence shape incentives for governments and companies to extract resources efficiently and use resource revenues productively. The process of resource extraction can also weaken institutions, particularly by increasing levels of corruption. Corruption fosters rent-seeking behavior and mismanagement of resources, thus undermining the potential for those resources to contribute to economic development. Without strong institutions, the resource sector can become rife with corruption and patronage. Some existing initiatives, such as the Extractive Industries Transparency Initiative (EITI), attempt to address these challenges, but, as this article shows, they are insufficient. To reverse the resource curse in Africa, we must find other ways to reduce corruption in the resource-rich states.

Corruption and the Resource Extraction Process

Corruption is traditionally defined as the use of public office for private gain. While this definition is arguably too narrow for looking at corruption in the resource sector, it provides a good starting point. To date, efforts to reduce government corruption focus on improving transparency and disclosure in the licensing and revenue collecting process. But this view is too limited to fully address the problem.

Corruption in the resource sector assumes different forms depending on what it takes to get the resource to market. Oil is a point source resource, meaning it is extracted from a narrow geographic or economic base, and requires an enormous upfront capital investment, typically by state-owned or established oil companies. Furthermore, oil-rich states have a tendency to be more authoritarian, and corruption usually occurs at high
levels. Small-scale or artisanal mining often involves lootable resources, such as gems, and is associated with local and complex networks of corruption between low-level government officials and individuals or small groups of miners. For conventional mining, on the other hand, ineffective licensing, royalty, and tax policies at the national or local level are major sources of reduced economic benefit from the sector as opposed to high level corruption.

Corruption plays out differently at various points in the resource extraction process. For instance, companies bid for licenses before extraction even occurs. Certain companies may offer kickbacks, royalty payments, or bonuses to government officials in return for securing a license. If proper monitoring institutions are not in place, these payments siphon assets into the personal accounts of government workers rather than state treasuries. Additionally, if licensing processes are not transparent, officials may select companies that promise kickbacks rather than choose the most appropriate or capable bidder. Once resources have been extracted and governments have received royalty and tax payments, that revenue could be misused if there is a lack of oversight or disclosure of payments. Additionally, large influxes of resource revenues make governments less reliant on tax revenues from citizens, thus reducing their burden of accountability to the public.

Although the traditional definition of corruption focuses on government, companies can also be the instigators or beneficiaries of corruption. Companies who can navigate the extraction process under circumstances of bad governance have an advantage in an increasingly competitive market and can use corrupt tactics to gain access. The circumventing of laws or regulation through bribery is termed “administrative corruption.”

A company can also benefit from corruption through “state capture” or illegal influence on policy decisions to benefit its interests. Without proper scrutiny, companies can bribe legislators, lobby aggressively, and use bullying tactics to influence policies in which companies profit while governments derive insufficient revenues.

Reducing Corruption in the Extractive Industries

Evidence of the connection between corruption and the resource curse has led to domestic and international initiatives aimed at increasing transparency and accountability for governments and companies. The logic is that if revenues, payments, and licensing processes are disclosed to the public, corruption is less likely. Several of these efforts and initial successes are discussed below.

Government Transparency: The Extractive Industries Transparency Initiative (EITI)

EITI represents an “international standard for openness around the management of revenues from natural resources. Governments disclose how much they receive from extractive companies operating in their country and these companies disclose how much they pay.” The process involves validation of transparency by a multi-stakeholder group including government, companies, and civil society. EITI began in 2003, and as of 2015, had 48 participating countries; 31 of those countries were considered compliant.

After a decade of EITI efforts, the question remains as to whether this pressure for transparency and accountability has alleviated the resource curse. I assessed the effects of EITI membership (an indicator of willingness to increase transparency) on growth in GDP per capita and several governance indicators, including an indicator measuring perceived corruption up to 2009. While natural resource abundance on its own has a negative effect on economic and governance related outcomes, EITI membership reduces the negative effect of natural resources abundance on GDP per capita, government effectiveness, regulation quality, and rule of law. However, the effect of EITI membership on perceived corruption levels (an often used measurement of corruption), while positive, is not strong enough to overcome the negative effects of resource abundance. Therefore, it is unclear whether EITI achieved its goal of increasing transparency and accountability in order to decrease corruption in resource-rich countries.

Given the limitations of a voluntary initiative in many countries characterized by authoritarianism and in a sector that is not necessarily concerned with good governance, it is not surprising that EITI may have less impact
on corruption than intended. The idea behind EITI was that countries would want to join and be judged compliant, thereby attracting outside investment. However, oil and mining companies are not always passive victims of corruption and may consider transparency an unimportant issue when deciding where to invest.15

Furthermore, the types of transparency measures that EITI promotes may not sufficiently reduce corruption. Simply disclosing data is not enough if the society does not have the capacity to act upon that information. This requires democratic institutions, an educated population, and effective leaders and civil society organizations. Moreover, the information must be targeted in order to avoid overwhelming people with non-pertinent material.16 Additionally, by putting the onus of responsibility for transparency heavily on government, EITI may have neglected to focus on the role of companies. Given the transactional nature of much corruption, additional mechanisms are needed to promote company transparency.

**Corporate Transparency: Responsibility and Reporting**

Companies can also be proactive fighters of corruption in the areas where they operate. Corporate social responsibility (CSR) reporting is one way companies can directly increase transparency of payments and operations. CSR practices vary widely across businesses; reporting processes are influenced by corporate leadership, international norms, industry practices, and the laws and institutions both where the company is headquartered and where it operates.

The International Council on Metals and Mining (ICMM), in which most multi-national mining companies are voluntary members, is one example of CSR practices in the industry. ICMM aims to improve sustainable development in the mining industry, and, to this end, members commit to abiding by 10 principles of sustainability, publically reporting on those principles, and allowing third-party verification of compliance with those principles.17 Another example, the Global Reporting Initiative (GRI), promotes sustainability reporting across industries and asks companies to abide by its reporting standards and guidelines.18

Governments importing oil or minerals can also promote CSR in companies by increasing the requirements for disclosure of payments and practices to the public. For instance, the newly enacted European Union Directive 2013/50/EU specifically requires companies in the extractive and forest industries to make biannual reports on overall financials and country- and project-specific spending in order to be transparent about the payments made to individual governments.19 Similarly, as of 2012, the U.S. Securities and Exchange Commission, as stipulated by section 1504 of the Dodd-Frank Act, requires oil and mining companies to report spending on a country-by-country, project-by-project basis. These types of laws allow for a much clearer picture of the relationship between governments and oil and mining companies.20

Finally, individual countries where mining companies operate can put specific laws or institutions in place that promote CSR. For example, the King Code of Governance Principles and the King Report on Governance (King III), compiled by the King Commission and published by the Institute of Directors in Southern Africa, present corporate guidelines that were put into effect in 2010 and incorporated into the new Companies Act 71 of 2008 in 2011 and the Johannesburg Stock Exchange listing requirements. The act requires increased transparency for business decisions and accountability for companies in South Africa.21

My research in South Africa explores the laws and processes in place to promote CSR in the mining industry in the form of community development.22 The Mineral and Petroleum Resource Development Act (MPRDA) and the Mining Charter require companies to prepare Social and Labor Plans (SLPs) in order to obtain mining rights.23 SLPs outline the ways companies will invest in the communities where they operate and from which they draw migrant labor. In theory, the SLPs process is supposed to increase community consultation and local development in mining areas. However, it has remained relatively non-transparent because companies are not required to give copies of the SLPs to local governments or communities. Furthermore, there are few guidelines for community consultation processes and, thus, the SLPs often lack inclusiveness. The agencies charged with monitoring progress of SLP commitments have limited financial and human resource capacity, inhibiting the power of the new regulation. Therefore, I find that while legislation in
South Africa has significantly increased the amount of community investments promised by companies, compliance with the SLP agreements is incomplete.

Conclusions

The findings regarding CSR in South Africa address a broader theme demonstrated throughout this article. Corruption is a major issue in the resource sector, particularly in Africa. While governments of resource-rich countries and extractive industry companies often join initiatives or create laws to increase transparency and inclusiveness, little political or corporate incentive exists to actually follow through with initiatives or monitor compliance. Even if incentives exist to increase transparency and reduce corruption, resource-rich countries often lack the financial capacity or administrative skills to effectively monitor compliance on a local level. EITI and other voluntary disclosure initiatives aimed at government transparency are a step in the right direction, but they must be complemented by efforts to promote company transparency and build monitoring capacity. The recent wave of laws in Western countries aimed at precise disclosure of company overseas spending may be able to complement initiatives like the EITI, since human resource and financial capacity will not be as significant of a limitation for monitoring compliance in the United States or European Union. These efforts are promising for increasing accountability and transparency in resource-rich states through more indirect means, but will also need to be evaluated as they are implemented.

Notes


6 Ross, “Oil, Drugs and Diamonds”; Hilson and Maconachie, “The Extractive Industries Transparency Initiative”; Lootability describes the ease with which a resource can be extracted and transported by groups of unskilled workers.


Improve Living Standards? Evidence from Brazil,”

10 Standing, “Corruption and the Extractive Industries in Africa.”


14 Caitlin C. Corrigan, “Breaking the Resource Curse: Transparency in the Natural Resource Sector and the Extractive Industries Transparency Initiative,” *Resources Policy* 41 no. 1 (2014): 17–30. Limitations of the corruption indicator include, one, that perceptions can be subjective, but are the only well-established cross-country indicators for corruption, and two, that the indicator measures overall corruption levels, not specifically the resource sector. It could be that corruption shifted to other sectors, but overall levels remained unchanged.

15 Hilson and Maconachie, “The Extractive Industries Transparency Initiative.”


22 Fieldwork was undertaken in July and August of 2014 in South Africa and Botswana. In-depth semi-structured interviews (lasting anywhere between 20 minutes and 3 hours) were conducted with 44 key informants from government, mining companies, NGOs, academia, and CSR research institutes, as well as other CSR and regional experts.


**Protests, Party Politics, and Patronage: A View from Local Government in South Africa**

*By Hannah Dawson, Ph.D. Student in Social and Cultural Anthropology at the University of Oxford and Research Associate at the Chair in Social Change at the University of Johannesburg, Hannah.Joy.Dawson@gmail.com*

Commentators agree that corruption and patronage pose a serious threat to the consolidation of democracy in South Africa and undermine the ability of the state to deliver on its mandate of social and economic transformation. More attention has been focused on

* This article draws upon a paper entitled “Patronage From Below: Political Unrest in an Informal Settlement in South Africa” previously published in *African Affairs* 113, no. 453 (2014): 518–539. Hannah Dawson is currently doing her Ph.D. in Social and Cultural Anthropology at the University of Oxford and is a Research Associate at the Chair in Social Change at the University of Johannesburg.
large corruption scandals and South Africa's infamous system of 'tenderpreneurship' where government officials and politicians form companies to provide goods and services to the government, using their connections to secure government tenders and contracts. Much less attention has been paid to the ways in which corruption and patronage operate at local government levels that have also been the site of sustained protest action since the mid-2000s—particularly in informal settlements and townships. A common denominator in the surge of protest action is inadequate and uneven provision of public goods and services and indignation at local government officials and councilors who are accused of indifference, incompetence, and corruption. South Africa's police recorded an average of 2.9 unrest incidents per day over the period from 2009 to 2012. This is an increase of 40 percent over the average of 2.1 unrest incidents per day recorded for 2004 to 2009. This unrest has come to characterize the deep frustrations and disappointments with the post-apartheid order, what some have described as a “rebellion of the poor.”

The escalation of this kind of unrest is a distinguishing feature of the post-Mbeki period characterized by growing infighting and factionalism within the ruling African National Congress (ANC). The rise of Jacob Zuma to the Presidency represented an undignified jostle for positions, leverage, and influence undermining Mbeki's attempts of centralized control, greater discipline, and coherence. The Mbeki-Zuma battle was marked by a populist-inspired campaign in which Zuma cultivated a reputation of being an “accessible man of the people” who brought hope in a “new” ANC with increased urgency and opportunities for participation. The election of Zuma resulted in increased expectations, which when unfulfilled heighten the level of protest, with people believing Zuma to be more likely to address their demands. Zuma's presidency has also been characterized by increased factionalism within the ANC, which in turn has led to protests by dissident ANC members. In this article I will draw upon my own research and illustrate that protests cannot be fully apprehended as a “rebellion of the poor,” but instead characterize intense battles for patronage and redistribution in a context of widespread economic exclusion and growing inequality.

The Local Politics of Patronage

South Africa has a system of decentralized, participatory local governance. The majority of citizens in South Africa, therefore, interact with the state most directly through local representatives, notably local ward councilors. While not directly involved in service delivery, councilors play an essential role as the interface between residents and the state. Councilors are therefore perceived as gatekeepers with substantial local power over access to, and allocation of, resources and responsibility over existing service delivery projects. In theory councilors make the local state more accessible and responsive and build state accountability. In practice, however, personal relationships between citizens and representatives of the state create a context conducive to patronage with negotiation and the seeking of favors commonplace. Despite the intentions of a responsive local state, research shows that residents in poor communities often experience the local state as either absent or unfair. Access to state resources is unevenly distributed and is often based on one's political connections, especially to the local councilor. The housing delivery process, for example, is riddled with accusations of corruption, from officials putting friends into positions of power and manipulating the allocation procedure, to illegally selling title deeds and controlling the deeds register.

Slow, inadequate, and uneven service delivery, alongside wide-ranging perceptions of corruption, has put immense pressure on local councilors in poor communities. This has created a crisis of unfulfilled promises, with suspected corrupt councilors deemed responsible for the general decline in public order. The demand for specific services is often in the foreground of protests, with differential access to services amplifying the impression of favoritism and a sense of injustice. This has provided fertile ground for political battles at local government level with ANC factions preying upon local grievances and allegations of corruption. The competition for access and control over delivery projects has heightened a “new generation of politicians-turned-businessmen” who have produced new kinds of factional rivalry. This has led to protests by dissident ANC members combined with local coup attempts to reconfigure positions of power and their accompanying patronage networks.
Intra-ANC rivalry and a leadership battle in the build-up to the 2011 local elections in Zandspruit informal settlement on the outskirts of Johannesburg, where I conducted research, triggered a string of protests between March and July 2011. Discontent with the councilor and accusations of corruption came predominantly from residents of a particular section of Zandspruit where basic service delivery was negligible and overcrowding most prevalent. The residents of this section believed the councilor had privileged the older section of the settlement for development. The everyday nature of residents' grievances bred an impatience and anger that the protest leadership mobilized and channeled towards de-legitimizing the current councilor and demanding her removal. The local elections provided the political opportunity to shift positions of power, creating what one respondent described as a “war for leadership.”

Residents in Zandspruit understood the councilor to be all-powerful and were often unaware of how time-consuming and difficult it can be to mobilize development funding and get all components of the delivery machinery into movement. The effect of inadequate financial management, lack of planning and project management, and inefficient or ineffective use of resources at local government level has been amply documented.

In Zandspruit, differential access to basic services contributed to the overriding grievance of unfulfilled promises and wide-ranging perceptions of corruption. The councilor and her committee were perpetually accused of “eating money,” with residents believing the councilor's committee had preferential access to jobs and houses. This put immense pressure on the councilor and provided the leaders of the protests with a scapegoat and motivation to instigate protests and disrupt the political order. The councilor alleged that the instigators of the protests used lies and accusations of corruption to mobilize crowds in an attempt to attain positions of power. This was not because of a lack of delivery, she argued, but precisely because they were aware that there was significant development in the pipeline.

Notwithstanding the leaders’ motivations for protests, many of the protestors understood the demonstrations as a vital instrument to air their grievances and demand to be prioritized for service delivery. Some of my informants believed a public display of violence was necessary to attract the attention of the government, and in particular, high-profile ANC cadres. In the words of a protestor: “If you want your crisis to be attended you must do something important. Maybe you can burn buses or whatever. By not doing that you cannot be attended to. They can't hear you.”

Amid widespread discontent with local representation and accusations of corruption, protests express disappointment in the ANC and a sense of betrayal. They also exemplify the agency of low-income residents to demand recognition and claim to public goods and services. Interacting and occurring simultaneously is a form of political opportunism, with a local elite endeavoring to reconfigure local government positions to gain access and control over state resources and service delivery. Protests therefore have various and often contradictory dynamics with popular condemnation of corruption and nepotism happening alongside a battle for patronage.

Conclusion

The centrality of party politics in community uprisings indicates the fine line between the ANC and the state in many communities. This reveals not only the continued electoral dominance of the ANC 20 years into democracy, but also the necessity of low income residents to build up paternalistic and personal relations with the state resulting in intense competition and rivalry.

The increasing tendency of factionalism and the use of ANC branches for business interests in a context of mass unemployment and growing inequality have resulted in local government becoming the site of intense battles of redistribution and patronage. The competition for tenders and employment opportunities within local development projects is a symptom of both the erosion of trust poor residents have in a democratic system to distribute resources fairly and the failure of 20 years of democracy to significantly improve the economic prospects of the majority of citizens. In this context, accusations of corruption operate to express exclusion from patronage networks and serve as a claim on the state's redistributive responsibility.
Notes


4 Peter Alexander, “Rebellion of the Poor.”


7 Lodge, “Neo-patrimonial Politics,” 3.


The Effects of Corruption and Economic Conditions on Voting in Senegal*

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In Senegal, as in other emerging African democracies, political corruption remains rampant, and the average citizen lives below the poverty line. While experts on Africa acknowledge the profound impact of widespread corruption on politics, there is disagreement on the role corruption plays on average citizens’ behavior. Does corruption affect participation in Africa, and if so, does it do so because powerful patrons compel or bribe Africans to vote? Or, are Africans motivated to vote because they dislike corruption and want to punish or remove corrupt leaders? How do economic circumstances interact with perceptions of corruption, and what effect does this interaction have on decisions to vote? Using a field-based experiment set in Senegal in 2007, we study the effect of perceptions of national-level corruption on political participation. We find that as perceived corruption increases, subjects are more likely to vote; this behavior is enhanced when economic conditions are also poor. We replicate the experimental findings with Round 4 Afrobarometer survey data. The findings suggest that in democracies, citizens are most likely to go to the ballot booth to punish leaders when perceived corruption is high and economic conditions are poor. This may also explain the recent prevalence of mass protests against governments in autocracies such as Burundi and Burkina Faso.

Why Vote in Africa?

Why do Africans vote? Research on citizens in the world’s advanced industrialized democracies has consistently found that poverty and lack of education decrease the likelihood of voting. Yet Africans, who are among

the world’s poorest and least educated citizens, do vote. In addition, African countries are plagued by extremely high levels of corruption, which a number of studies suggest should lower citizens’ perceptions of government competence and legitimacy, with negative implications for turnout.\(^1\) Indeed, a recent multi-country aggregate-level study finds that the higher the level of corruption in a particular country, the lower the aggregate level of turnout.\(^2\) Taken together, these two bodies of research imply that turnout in Africa should be low. In fact, turnout in Africa is surprisingly high.\(^3\) How can we explain this puzzle?

Work on predictors of turnout in Africa does not support the standard socio-economic model of voting. In a comprehensive analysis of the predictors of aggregate levels of turnout in 32 Sub-Saharan African countries, Kuenzi and Lambright find that neither level of economic development nor economic performance affects levels of turnout.\(^4\) Bratton and van de Walle suggest that, for Africans, perceptions of corruption may be a more salient indicator of government performance than economic conditions, and so a more influential factor in citizens’ decisions to participate.\(^5\) Manzetti and Wilson argue that in the context of developing democracies, neither economic conditions nor corruption alone is sufficient to explain political attitudes; instead, one must account for the interaction of these two variables on attitudes toward government.\(^6\) Extending Manzetti and Wilson’s study, we explore how perceptions of corruption and economic conditions interact to affect political participation, specifically turnout.

In Senegal, as in other emerging African democracies, governmental corruption remains a serious threat to the country’s development, both economically and politically. If citizens connect corruption with poor economic circumstances (as research by economists, such as Mauro, suggests), we ought to find that corruption is particularly salient to voters who perceive their economic conditions to be poor.\(^7\) As we demonstrate, neither the direct effects of economic conditions nor corruption is sufficient to capture the effect that both factors have on voting. Following Manzetti and Wilson, we expect that corruption motivates citizens to vote, and this effect increases as economic conditions worsen. Even under good economic conditions, we expect perceptions of government corruption to increase the likelihood of voting. In the absence of high levels of perceived corruption, however, we expect those in good economic conditions to be more likely to vote than those in poor economic conditions.

**Methodology**

To investigate the direct and interactive effects of economic conditions and corruption on decisions to vote in Senegal, we use two methodologies: a structured experiment and survey analysis. The experiment allows us to assess the impact on subjects’ predisposition to vote when their economic circumstances as well as perceptions of corruption are jointly manipulated; thus, the experiment is an internally valid method to test for the both the direct and interactive effects of economic conditions and corruption on subjects’ decisions to vote. To test for external validity of our experimental results, we conduct analysis on Round 4 Afrobarometer survey data, which was conducted in Senegal between May and June 2008. By using both experimental and survey methods, we are able to blend the benefits of two micro-level methodologies to provide a rich analysis of the impact of perceptions of corruption and economic conditions on turnout in Senegal.

**Findings**

Our field-based experiment reveals independent effects for economic conditions and perceptions of corruption. Both good economic conditions and perceptions of corruption increase the likelihood of voting. However, importantly, we also find an interactive relationship between corruption and economic conditions. Specifically, corruption has a strong positive effect on the likelihood of voting when economic conditions are poor. Our analysis of survey data from Senegal supports the experimental findings. Absent perceived corruption, respondents living in poor economic conditions are significantly less likely to turn out to vote than respondents living in good economic circumstances. However, respondents who are aware of political corruption—in our case, corruption of the office of president—are motivated to vote, especially if they are living in poor economic conditions. Indeed, the greater the perceived corruption of the president’s office, the more likely the respondent is to vote, and this effect is significant for each increase in perceived corruption. The survey data provide external validation of the experimental findings.
Our findings are important for moving scholarship forward in two key ways. Theoretically, our study suggests that individual motivations to go to the polls in Senegal are affected by an interaction between perceptions of corruption and poor economic conditions. Thus, in a country like Senegal, where corruption is high and economic conditions are generally poor, relative to developed countries, perceptions of corruption may serve to motivate citizens to vote in higher numbers than traditional explanations of participation would predict. This finding contributes to a small literature on the interactive effects of economic conditions and corruption on political outcomes. While Manzetti and Wilson demonstrate an interactive effect on attitudes, we demonstrate a similar effect on voting behavior. Second, the fact that we are able to replicate the basic relationships in the analysis of survey data collected at a slightly different time and by an independent source lends external validity to our results. Despite poverty and widespread corruption, in Senegal, the conditions and stakes of political engagement change dramatically once democratization has begun in earnest. Both the students in our experiment and the citizens in the survey respond to corruption and poor economic conditions with increased participation in elections. This innovative research design leverages the best of two methods in order to maximize the power of the analysis of voter turnout.

Limitations

Our study is limited in that it pertains to one developing democracy in Africa: Senegal. We chose Senegal precisely because we believe it to be a representative case of other developing democracies, characterized by relatively poor economic conditions and corruption, but where citizens nevertheless vote in large numbers. We control for variables that are relevant to the Senegalese case, but may be less relevant for other countries (and other countries may need controls that we do not account for here, for example, ethnicity). Future research can extend our theoretical and methodological contribution in this study by examining other contexts in Africa, such as in Ghana, where ethnic cleavages are politically salient, or in Kenya, which is somewhat less democratic than Senegal but where corruption is an important political issue (e.g., the 2002 election that ousted the decade-long leader Daniel arap Moi and ushered in the Rainbow Coalition led by Mwai Kibaki).

As with all uses of the experimental design, no one study can be conclusive; thus, the study can be extended to cross-national designs that incorporate variation along the key variables in this study: economic conditions, corruption, and voting behavior.

Notes


3 Average turnout in the most recent elections in six democracies (Benin, Botswana, Ghana, Namibia, Senegal, and South Africa) is 77%, with lowest reported turnout in Senegal (57%) and highest in Namibia (84%). Turnout figures are based on the proportion of the voting age population that participated in the last presidential election (or parliamentary election in Botswana and South Africa). Data were taken from the IDEA (Institute for Democracy and Electoral Assistance) website. In those elections where two rounds were held, we used turnout for Round 1. Turnout figures were: Benin 84.82%, Botswana 76.71%, Ghana 80.15%, Namibia 84.81%, Senegal 57.12%, South Africa 77.30%). Because turnout was not reported for the Namibian 2009 presidential election, we report results for 2004.


8 Manzetti and Wilson, “Corruption, Economic Satisfaction, and Confidence in Government.”

Flipping the Corruption Myth: Corruption Is by Far Not the Main Factor Behind Persisting Poverty in the Global South¹

By Dr. Jason Hickel, lecturer at the London School of Economics and advisor to /The Rules, j.e.hickel@lse.ac.uk

NOTE: In lieu of a data corner in this edition of the newsletter, we re-print an opinion piece from al-Jazeera that criticizes the prevailing concepts in the West regarding corruption in the Global South.

Transparency International recently published their latest annual Corruption Perceptions Index (CPI), laid out in an eye-catching map of the world with the least corrupt nations coded in happy yellow and the most corrupt nations smeared in stigmatising red. The CPI defines corruption as “the misuse of public power for private benefit”, and draws its data from 12 different institutions including the World Bank, Freedom House, and the World Economic Forum.

When I first saw this map I was struck by the fact that most of the yellow areas happen to be rich Western countries, including the United States and the United Kingdom, whereas red covers almost the entirety of the global South, with countries like South Sudan, Afghanistan, and Somalia daubed especially dark.

This geographical division fits squarely with mainstream views, which see corruption as the scourge of the developing world (cue cliche images of dictators in Africa and bribery in India). But is this storyline accurate?

Many international development organisations hold that persistent poverty in the Global South is caused largely by corruption among local public officials. In 2003 these concerns led to the United Nations Convention against Corruption, which asserts that, while corruption exists in all countries, this “evil phenomenon” is “most destructive” in the global South, where it is a “key element in economic underperformance and a major obstacle to poverty alleviation and development”.

There’s only one problem with this theory: It’s just not true.

Corruption, superpower style

According to the World Bank, corruption in the form of bribery and theft by government officials, the main target of the UN Convention, costs developing countries between $20bn and $40bn each year. That’s a lot of money. But it’s an extremely small proportion—only about 3 percent—of the total illicit flows that leak out of public coffers. On the other hand, multinational companies steal more than $900bn from developing countries each year through tax evasion and other illicit practices.

This enormous outflow of wealth is facilitated by a shadowy financial system that includes tax havens, paper companies, anonymous accounts, and fake foundations, with the City of London at the very heart of it. Over 30 percent of global foreign direct investment is booked through tax havens, which now collectively hide one-sixth of the world’s total private wealth.

This is a massive—and, indeed, fundamental—cause of poverty in the developing world, yet it does not register in the mainstream definition of corruption, absent from the UN Convention, and rarely, if ever, appears on the agenda of international development organisations.

With the City of London at the centre of the global tax haven web, how does the UK end up with a clean CPI?

The question is all the more baffling given that the City is immune from many of the nation’s democratic laws and free of all parliamentary oversight. As a result of this special status, the City of London has maintained a number of quaint plutocratic traditions. Take its electoral process, for instance: More than 70 percent of the votes cast during council elections are cast not by residents,
but by corporations—mostly banks and financial firms. And the bigger the corporation, the more votes they get, with the largest firms getting 79 votes each. This takes US-style corporate personhood to another level.

To be fair, this kind of corruption is not entirely out of place in a country where a feudalistic royal family owns 120,000 hectares of the nation’s land and sucks up around £40m ($65.7m) of public funds each year. Then there’s the parliament, where the House of Lords is filled not by election but by appointment, with 92 seats inherited by aristocratic families, 26 set aside for the leaders of the country’s largest religious sect, and dozens of others divvied up for sale to multi-millionaires.

Corruption in US is only slightly less blatant. Whereas congressional seats are not yet available for outright purchase, the Citizens United vs FEC ruling allows corporations to spend unlimited amounts of money on political campaigns to ensure that their preferred candidates get elected, a practice justified under the Orwellian banner of “free speech”.

The poverty factor

The UN Convention is correct to say that poverty in developing countries is caused by corruption. But the corruption we ought to be most concerned about has its root in the countries that are coloured yellow on the CPI map, not red.

The tax haven system is not the only culprit. We know that the global financial crisis of 2008 was precipitated by systemic corruption among public officials in the US who were intimately tied to the interests of Wall Street firms. In addition to shifting trillions of dollars from public coffers into private pockets through bailouts, the crisis wiped out a huge chunk of the global economy and had a devastating effect on developing countries when demand for exports dried up, causing massive waves of unemployment.

A similar story can be told about the Libor scandal in the UK, when major London banks colluded to rig interest rates so as to suck around $100bn of free money from people even well beyond Britain’s shores. How could either of these scandals be defined as anything but the misuse of public power for private benefit?

The global reach of this kind of corruption makes petty bribery and theft in the developing world seem parochial by comparison.

But this is just the tip of the iceberg. If we really want to understand how corruption drives poverty in developing countries, we need to start by looking at the institutions that control the global economy, such as the IMF, the World Bank and the World Trade Organisation.

During the 1980s and 1990s, the policies that these institutions foisted on the Global South, following the Washington Consensus, caused per capita income growth rates to collapse by almost 50 percent. Economist Robert Pollin has estimated that during this period developing countries lost around $480bn per year in potential GDP. It would be difficult to overstate the human devastation that these numbers represent. Yet Western corporations have benefited tremendously from this process, gaining access to new markets, cheaper labour and raw materials, and fresh avenues for capital flight.

These international institutions masquerade as mechanisms for public governance, but they are deeply antidemocratic; this is why they can get away with imposing policies that so directly violate public interest. Voting power in the IMF and World Bank is apportioned so that developing countries—the vast majority of the world’s population—together hold less than 50 percent of the vote, while the US Treasury wields de facto veto power. The leaders of these institutions are not elected, but appointed by the US and Europe, with not a few military bosses and Wall Street executives among them.

Joseph Stiglitz, former chief economist of the World Bank, has publicly denounced these institutions as among the least transparent he has ever encountered. They also suffer from a shocking lack of accountability, as they enjoy special “sovereign immunity” status that protects them against public lawsuit when their policies fail, regardless of how much harm they cause.

Shifting the blame

If these patterns of governance were true of any given nation in the global South, the West would cry corruption. Yet such corruption is normalised in the command centres of the global economy, perpetuating poverty in
the developing world while Transparency International directs our attention elsewhere.

Even if we do decide to focus on localised corruption in developing countries, we have to accept that it does not exist in a geopolitical vacuum. Many of history’s most famous dictators—like Augusto Pinochet, Mobutu Sese Seko, and Hosni Mubarak—were supported by a steady flow of Western aid. Today, not a few of the world’s most corrupt regimes have been installed or bolstered by the US, among them Afghanistan, South Sudan, and the warlords of Somalia—three of the darkest states on the CPI map.

This raises an interesting question: Which is more corrupt, the petty dictatorship or the superpower that installs it? Unfortunately, the UN Convention conveniently ignores these dynamics, and the CPI map leads us to believe, incorrectly, that each country’s corruption is neatly bounded by national borders.

Corruption is a major driver of poverty, to be sure. But if we are to be serious about tackling this problem, the CPI map will not be much help. The biggest cause of poverty in developing countries is not localised bribery and theft, but the corruption that is endemic to the global governance system, the tax haven network, and the banking sectors of New York and London. It’s time to flip the corruption myth on its head and start demanding transparency where it counts.

Note

Africa Research Initiative
By Dr. Cathryn Quantic Thurston

The National Intelligence Strategy of 2014 states, “The IC will expand its use of quantitative analytic methods, while reinforcing long-standing qualitative methods, especially those that encourage new perspectives and challenge long-standing assumptions.” The ARI is NIU’s contribution toward this effort to work with IC analysts and the academic community to provide support for high-quality strategic research.

As NIU builds its research mission, the Center for Strategic Intelligence Research has formed three initiatives in Africa, Western Hemisphere, and Intelligence Studies. Each initiative is shaped in the same way: a senior researcher and research assistant, connections to the IC analytic leadership, and collaboration with academic researchers. With this arrangement, senior researchers can provide quick turnaround answers to questions, short reports on important topics, and longer research projects in their areas of expertise. At the same time, each initiative has a slightly different set of collaborative partners and customers, making each initiative uniquely fitted to the strategic questions identified by IC leaders.

In an era of ever-increasing interest in Africa, but during a time of reduced resources, it is important for the IC and academia to work together when possible to provide high-quality academic research that answers strategic questions. The ARI is leading the way.
Africa Corruption Bibliography

By Andrew Wheeler

Starting Points for Corruption in Africa


“…this volume features contributions from distinguished scholars and policy makers who examine whether there is any correlation between the level of corruption in a country and its rate of economic change.”


“Over the past three decades, African countries have been reforming their public sector with a view to improving efficiency, effectiveness, accountability and transparency as part of efforts to improve the delivery of public services.”

“…this book, put together by OSSREA (Organization for Social Science Research in Eastern and Southern Africa), reviews measures by African countries in that regard—the extent to which the measures have achieved their intended results, as well as the factors behind the failure to achieve those results”


“A former adviser to the Joint Chiefs of Staff explains how government’s oldest problem is its greatest destabilizing force.”


“This book provides the first comprehensive overview of the history of democracy in Africa and explains why the continent’s democratic experiments have so often failed, as well as how they could succeed.”

“Beginning in the colonial period with the introduction of multi-party elections and ending in 2013 with the collapse of democracy in Mali and South Sudan, the book describes the rise of authoritarian states in the 1970s; the attempts of trade unions and some religious groups to check the abuse of power in the 1980s; the remarkable return of multiparty politics in the 1990s; and finally, the tragic tendency for elections to exacerbate corruption and violence.”


“Instead of focusing on increased monitoring, enforcement and formal democratic procedures, this book integrates economic analysis with political theory in order to arrive at a better understanding of the political-economic roots of corruption in Sub-Saharan Africa.” — Research Papers in Economics


“Drawing on numerous recent examples of good and bad practice from around the continent, this insightful
volume explores the legal issues involved in developing and enhancing good governance and accountability within African states, as well as addressing the need for other states worldwide to demonstrate the ‘transnational political will’ to support these efforts.”


“Drawing on the findings of a case study of the construction industry in Tanzania, Lucy Koechlin conceptualises corruption as a signifier enabling, rather than preventing, social actors to articulate democratic claims. She provides compelling arguments for a more sophisticated understanding of and empirical attentiveness to emancipatory change in African political orders.”


“This tell-all memoir reveals the details behind *Sunday Times* journalist Mzilikazi wa Afrika’s exposure of the R1.7 billion lease scandal between police commissioner Bheki Cele and property tycoon Roux Shabangu, for which he was infamously arrested in 2010.”

“…inspiring tale of an ordinary man, armed with a pen, who challenged the proverbial giant that carried a sword in his sheath.”

**Further Readings**


**Heavily Cited Works**


Recent Articles on Corruption in Africa


Research Centers on Corruption in Africa

The Fund for Peace, www.fsi.fundforpeace.org

- Indicator: State Legitimacy (accounts for corruption and other related measures).
  http://fsi.fundforpeace.org/indicators

Institute for Economics & Peace, www.economicsandpeace.org


- Data: CPIA Transparency, Accountability, and Corruption in the Public Sector Rating
  http://data.worldbank.org/indicator/IQ.CPA.TRAN.XQ
  World Bank Group, CPIA database (www.worldbank.org/ida)
  Catalog Sources: World Development Indicators

Note

1 All quotes from publisher sites, unless noted.
By Dr. Kris Inman, Chief Africa Researcher, Center for Strategic Intelligence Research, National Intelligence University, kristie.inman2@dodiis.mil

Overview

The ARI began in April 2013. Housed in the Office of Research at NIU, the ARI responds to IC agencies’ strategic research needs pertaining to Sub-Saharan Africa. The ARI’s primary intent is to address second- and third-tier priorities that are important to the IC and national security interests but that the IC is unable to address due to resource constraints. The ARI networks with analytic cadres and leadership to develop collaborative and/or independent scholarly research projects using existing areas of knowledge and expertise. It does not conduct bench research, which may be misconstrued as collection operations, nor does it conduct finished intelligence analysis.

The ARI responds to the strategic guidance General Clapper outlined to NIU in January 2015, which challenges our university to integrate “into existing regional and functional communities of expertise across the IC for the purposes of building strategic research agendas that are responsive to and complementary of ongoing research efforts” and to “foster knowledge across the IC by producing independent, cutting-edge research.”

Current Research Efforts

The ARI is conducting several research projects, the first of which is an ongoing inquiry of political succession in Africa. The succession of the top political leader remains a source of potentially deadly conflict in many countries on the continent. Even in countries that at one time were consolidating democracies—such as Mali—struggles over legitimacy and power within the political system can destabilize the country and plunge it into violence and chaos. In some cases, leadership change results in a regime change; in other cases, it causes the state to fail (for example, Somalia after the ouster of Mohamed Siad Barre). In still other cases, successions have no effect on stability or legitimacy, and the country carries on with the status quo. With nearly half of the countries on the continent holding elections for the top political office in 2015 and 2016, it is important to understand how leadership change affects the political system and stability. This project will include field research in 2016.

The second project under way at the ARI, a study of Islam on the Swahili Coast, aims to gain more insight into the potential for Islamic radicalization in East Africa. While al-Shabaab remains an endemic threat in the Horn of Africa, little is known about the susceptibility of Swahili Muslims to support al-Shabaab. The project aims to compare Swahili Muslims’ experiences in Kenya, Tanzania, and Mozambique. Dr. Inman completed field research in Mozambique in August 2015. She will have research reports out on this field research by December 2015. She is also conducting a related study on why al-Shabaab targets Kenya for terrorist attacks, but not Ethiopia or other contributors to the African Union Mission in Somalia (AMISOM). This study focuses specifically on how Kenya and Ethiopia treat their Somali refugee populations and how al-Shabaab uses this treatment in its rhetoric and impetus for attacking Kenya.

Third, the ARI conducts an ongoing State of Research in Africa series of meta-studies (also known as “studies of studies,” or meta-syntheses) about major topics in African studies. The first meta-study was conducted on “Technology in Africa” and found that technology in Africa has a variety of influences on African life. The second in this series focuses on a meta-study of security sector reform and is due out at the end of 2015.
Other Activities

Beyond research endeavors, the ARI has participated in speaking engagements and conferences around the government and academic Africanist communities. These activities are intended to meet DNI’s strategic guidance for NIU, which include cultivating “new partnerships and strengthen[ing] existing partnerships with academia, think tanks, national labs, and intelligence personnel in order to promote and nurture mutually reinforcing research relationships across these diverse communities, build complementary IC-focused research agendas, and minimize unnecessary redundancy in research.” In order to address this guidance, the ARI has engaged in the following:

■ In April 2015, Dr. Inman spoke at the Regional Expertise and Culture’s (REC’s) Africa Elections seminar on her political succession research.

■ In June 2015, NIU/ARI partnered with the Wilson Center’s Africa Program to host two panels—one featuring scholars, the other featuring non-profit organizations—on the crisis in Burundi.

■ In June 2015, NIU/ARI also partnered with the National Intelligence Manager to host the inaugural “Eye on Africa” distinguished speaker series. This speaker series occurs quarterly. The inaugural speaker was Ambassador Johnny Carson, who outlined 10 major trends for the African continent.

■ In June 2015, Dr. Inman attended conflict resolution and mediation training at the Center for African Peace and Conflict Resolution at California State University, Sacramento.

■ In July 2015, Dr. Inman taught four modules in the Center for International Engagement’s Africa Seminar in Garmisch, Germany: Open Source Intelligence, Surveillance, and Reconnaissance; Geopolitical Issues in Africa; The Role of Civil Society in Conflict Resolution and Countering Violent Extremism; and the Root Causes of Extremism.

■ In August 2015, she spent three weeks in Maputo, Mozambique, conducting elite interviews for her project, “The Lived Experiences of Swahili Muslims.”

■ In September 2015, she attended the annual meeting of the American Political Science Association.

■ In October 2015, she attended the annual meeting of the Association for the Study of the Middle East and Africa. She presented research on political succession in Africa and on al-Shabaab attacks on Kenya.

■ Dr. Inman also served on the selection committee for the African Politics Conference Group’s 2014 Best Book Award.

Get Involved

Work in the IC and have strategic research questions about Africa? The ARI is here to assist. Contact Dr. Inman at kristie.inman2@dodiis.mil with your question. If the ARI is unable to conduct the research in-house, we may be able to help commission a study through our vast academic network. Want to hold an event about Africa? We can connect you with the DIA REC Team and NIU’s Office of Research to help facilitate your request.
Regional Expertise and Culture — Africa Report

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The Defense Intelligence Agency’s (DIA’s) Academy for Defense Intelligence is responsible for creating regionally- and culturally-focused professional development training opportunities for U.S. intelligence professionals at DIA and throughout the IC. Through the Regional Expertise and Culture Program (REC), the Academy provides a full spectrum of training events that are flexible, dynamic, and responsive to customer needs. By leveraging existing regional and cultural resources and through the collaboration with academia, think tanks, industry, and other government offices and experts, the REC Program develops and delivers training events that incorporate multiple perspectives and provide unique discussion opportunities. The goal is to foster a more culturally fluent workforce and develop the in-depth regional and cultural knowledge of a particular region or country in order to further support the Department of Defense’s global mission.

The Academy’s REC Program is divided into five regions: Africa, Middle East, Asia/Pacific, Europe/Eurasia, and the Americas. Each region is responsible for developing the REC Program based on that region’s specific needs and requirements. However, the broad range of regional topics fall under four major categories: Culture, Governance, Economy, and Security. Each REC Program is designed with these four pillars in mind with the goal of fostering critical and collaborative thinking on critical issues affecting that particular region or country. The REC Program has also been instrumental in using a variety of different social media communication tools to provide the workforce timely and relevant information about upcoming training events and opportunities.

The Academy’s Africa REC Program developed a diverse series of events looking at critical issues facing the continent for fiscal year 2015. Between 2014 and 2015 there will be over a dozen elections taking place across the African continent. In order to discuss the outcomes and outlooks for elections throughout Africa, the Africa REC Program developed a series of seminars on the topic of elections, political succession, electoral violence, and political stability. The series kicked off with a one-day event, “Elections in Sub-Saharan Africa: Implications for Regional Stability.” This seminar provided a snapshot of the different elections occurring, but also provided an opportunity for participants to engage in relevant and dynamic discussion across different agencies as well as with academics. The series continued with a seminar looking back at the results of the Nigerian election as well as a seminar looking forward to the 2016 presidential election in the Democratic Republic of the Congo. Both events were unique opportunities to enhance and broaden the dialogue on a challenging and complicated topic.

For more information on upcoming seminars and other regional expertise and culture resources, send an email to #REC_Team@dodiis.mil. You can also find more information about the REC Program at www.dia.mil/Training/RegionalandCulturalTrainingatDIA.aspx.