

The corruption within government politics essay



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It is essential to note from the outset that there is no single, comprehensive and universally accepted definition of corruption. It would be a long and awkward process to come up with a universally shared definition. The United Nations Office on Drugs and Crime in the Global Programme against Corruption -UN Anti-Corruption Toolkit- briefly states that the difficulties encountered in formulating a common definition are due to legal, criminological and political problems [1].

When the negotiations of the United Nations Convention against Corruption began in early 2002, one option under consideration was not to define corruption at all but to list specific types or acts of corruption. However, The World Bank and World Customs Organization (WCO) simply define corruption as “ the misuse of public power for private benefit” [2], the United Nations Development Programme (UNDP) in its Anti-Corruption Practice Note, corruption is defined as “ the misuse of public power, office or authority for private benefit – through bribery, extortion, influence peddling, nepotism, fraud, speed money or embezzlement” [3]. Law-Dictionary (<http://www.law-dictionary.org>) defines corruption as an act done with intent to give some advantage inconsistent with official duty and the rights of others. It includes bribery, but is more comprehensive; because an act may be corruptly done, though the advantage to be derived from it is not offered by another, Oxford Advanced Learners Dictionary: “ dishonest or illegal behavior, especially of people in authority” [4] and Nye [5] defines corruption as ‘ behavior which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence’.

In general, corruption is a complex social, political and economic phenomenon. Nowadays corruption is internationally recognized as a major problem in society, one capable of endangering the stability and security of societies, threatening social, economic and political development and undermining the values of democracy and morality. This holds true at both the domestic level and the international level. Indeed, with the growing globalization of markets of services, goods and people, accompanied by the internationalization of illegal activities, the international dimension of corruption gains in significance. As a result, reducing corruption becomes a priority at both the national and international levels; governmental and non-governmental organizations and requires concerted efforts, exchange of experience and a certain degree of standardization.

Although it is true that countries differ in their anticorruption strategies, it is nowadays increasingly possible to cooperate and exchange information on successful practices.

Also an international non-governmental organization such as Transparency International (TI) also developed as an international non-governmental organization fighting corruption and trying to raise public awareness of it. This includes, but is not limited to, political corruption. It publishes every year its Corruption Perceptions Index (CPI), a comparative listing of corruption worldwide. The international headquarters is located in Berlin, Germany. The founder of the organization is Peter Eigen [6].

World map of the 2007 Corruption Perceptions Index (CPI) by Transparency International (TI), which measures” the degree to which corruption is

perceived to exist among public officials and politicians” to exist among public officials and politicians”. High numbers which are in green indicates low perception of corruption, while the color red point out the higher perception of corruption. As a conclusion more than 70% of the world has corruption but it differs from country to another in the level of the corruption. [16]

Types and Forms of corruption

The main forms of corruption are bribery, embezzlement, fraud and extortion. However, these forms can partly overlap and at times interchangeable with each other.

“ Bribery” is the payment (in money or kind) that is given or taken in a corrupt relationship. To pay or receive a bribe is corruption and should be understood as the essence of corruption. A bribe is a fixed sum, a certain percentage of a contract, or any other favor in money of kind, usually paid to an official who can make contracts on behalf of the government or otherwise distribute benefits to companies or individuals, businessmen and clients. There are many equivalent terms to bribery, like gratuities and baksheesh, which are all notions of corruption as perceived from the public. These are payments needed or demanded to make things pass swifter, smoother or more favorably through the government bureaucracy. Bribery can buy for instance political favors and escape the full burden of taxation and other regulations, or buy protected markets and monopolies, import/export licenses, etc. and can also be a form of “ informal” taxation, when public officials charge additional under-the-table payments or expect “ gifts” from clients.

“ Embezzlement” is theft of public resources by public officials.

Embezzlement is when a government official steals from the public institution in which he his employed, and from resources he is supposed to administer on behalf of the government and the public. However, disloyal employees in private firms can also embezzle money and other resources from their employers.

“ Graft” graft large “ gifts” qualifies as graft, and most countries have laws against it. Example of graft is a politician using his knowledge of position to purchase land which he knows is planned for development, before this is publicly known, and then selling it at a significant profit. In Egypt some members of the parliament have their own ways under the table to purchase lands for their own benefits.

“ Trading in influence” or influence marketing in certain countries, refers to the situation where a person is selling his/her influence over the decision process involving a third party (person or institution). In Egypt, trading influence take place in importing and exporting goods, where the Role of the third party can be a partner in some instances

“ Fraud” is an economic crime that involves some kind of dishonesty, cheat or deceit. It is a broader legal and popular term that covers more than bribery and embezzlement. It is fraud for instance when governmental representatives are engaged in illegal trade networks, counterfeit and racketing, and when forgery, smuggling and other organized economic crime is propped up by “ official” sanction and involvement. It is fraud when top

officials take a share for closing their eyes on this; it is serious fraud when they have an active role in it.

“ Extortion” is money and other resources extracted by the use of force, violence or the threats to use force in an atmosphere of insecurity. “ Protection” or “ security” money can be extorted in the classical, infamous mafia style.

“ Nepotism and cronyism” Nepotism (personal relatives) has to do with favoritism of relatives and close circle in posts and advantages, while cronyism (personal friends) is demanding that a business should employ a friend of an official controlling regulations affecting the business. Also this can combine with bribe. Egypt can be example for this, by employing unqualified candidates , just for favoring relatives or personal friends which affect business leading to huge corruption.

“ Kickback” kickback (manipulative corruption) is an official’s share of misappropriated funds allocated from his or her organization to an organization involved in corrupt bidding. Giving a contract to a company, not efficient, in this case the officials receive a kickback payment, which is the part of the sum of money receive. [7]

Analysis of Corruption Levels in Egypt:

The analysis covers the individual, business and political corruption levels and the frequency in the different sectors where corruption can be encountered.

Sectors describe which kind of corruption including bribes and facilitation payments can be encountered in different areas of Judicial System, Police,

Licenses, transportation and Public Utilities, Land Administration, Tax Administration, Customs Administration, Public Procurement and Contracting and Environment, Natural Resources and Extractive Industry. All information is based on publicly available information and should be viewed as general guidelines on the types of corruption existing in Egypt.

Levels of corruption in the different sectors indicate where corruption can be encountered. The levels are defined as follows:

Individual Corruption: Corruption that takes place primarily in relations between individual citizens and public officials and authorities.

Business Corruption: Corruption that takes place primarily in relations between enterprises/companies and public officials and authorities.

Political Corruption: Corruption that takes place in the higher echelons of public administration and on a political level.

Frequency refers to quantitative surveys on corruption in the respective sectors.

1. Judicial System

Individual Corruption

The constitution specifies equal access to the justice system regardless of ethnic or racial origin. The judicial system usually functions well, although incidents of corruption have been reported. There are cases where judges have accepted bribes from defendants in exchange for lenient sentences or discharge. Moreover, according to Global Integrity 2008 [8], bribery,

favoritism and informal relationships affect the implementation of judicial decisions.

Business Corruption

The government is reportedly planning to establish special economic courts to rapidly settle commercial dispute. Currently, however, companies wishing to enforce commercial contracts or seeking to resolve dispute face a costly and time-consuming process. Indeed, both the average cost and the time required to resolve a dispute are higher than in other countries in the region. According to the Heritage Foundation 2009 [9], it takes an average of 6 years to decide commercial cases and appealing procedures can extend the cases above 15 years. On the other hand, the Heritage Foundation 2009 reports that local contractual arrangements are mostly secure.

Political Corruption

According to Global Integrity 2008 [8], the Military Court, the Supreme State Security Court and the Political Parties Court are not judicially reviewed. Reportedly, the President uses the military courts, in particular, for political purposes. In April 2008, the military courts tried and convicted 25 civilians, all leading members of the opposition – the Muslim Brotherhood.

The independence of judges is guaranteed by the constitution, but this has generally not been respected by the government, especially in politically charged cases. However, although the executive tries to influence the judiciary, the higher echelons of this sector have occasionally ruled against the government. And in spring 2006, nearly 7, 000 out of Egypt's 9, 000 judges conducted a sit-in, advocating for independence and judicial reform.

On lower levels, the executive has much power over the judiciary because of the low salaries and selective bonuses. The absence of lifetime tenure and other institutional guarantees of independence is a major problem.

Frequency

The World Bank & IFC: Doing Business 2009 [10]:

- Enforcing commercial contracts requires 42 procedures, taking an average of 1, 010 days and costing 26% of the claim.

2. Police

Individual Corruption

The US Department of State 2008 reports [11] that petty corruption in the police force is pervasive, especially below senior levels. The police force is known to demand bribes and to violently abuse prisoners and detainees. The government has prosecuted some of the police officers involved in corruption and abuse.

Business Corruption

According to the World Economic Forum Global Competitiveness Report 2008-2009 [12] stated Egypt holds a competitive disadvantage concerning the reliability of its police services in protecting companies from crime.

However, companies should note that the department within the police that handle implementing judicial decisions is used to accepting bribes to work partially on a case. According to the Kefaya Movement 2006, companies are often forced by the police to hire guard services at very expensive rates.

Political Corruption

According to Global Integrity 2008 [8], the police are subject to political interference. The police force is accused of being an instrument of the government to suppress political opponent and ordinary citizens.

Impunity of the police is a persistent problem. Indeed, Global Integrity 2008 reports that officers found guilty of corruption rapidly receive an administrative sentence issued by the disciplinary military council within the Ministry of Interior, which never exceeds suspension for 6 months. The council does not convert these violations and crimes to courts. In cases when legal suits against law enforcement officials appear in front of courts, the council rushes to pass a weak administrative ruling to preclude the sentence that would be passed by the ordinary court involving imprisonment and removal. Because a person cannot be judged for twice for same crime, the corrupt officers receive the lowest sentence, i. e. an administrative sentence.

Allegations have been made by the Kefaya Movement 2006 that the Minister of Interior took advantage of his position to illegally amass wealth. He allegedly purchased shops from detainees and even seized some of the detainees' properties. Moreover, high-ranking police officials are accused of receiving money from drug traffickers.

3. Licenses, Infrastructure and Public Utilities

Individual Corruption

The law allows all citizens to apply for business licenses. However, citizens face many cumbersome bureaucratic procedures and obtaining a business license is costly.

Business Corruption

Companies should note that the Ministry of State for Administrative Development specifically noted public utilities as an area that was particularly disfigured by corruption.

Despite Egypt having improved its performance in relation to obtaining of licenses and permits, obtaining utility connections and the completion of required notifications and examination, it still lags behind other countries in the region. Companies should note that facilitation payments are often required when dealing with licenses.

Political Corruption

Investigations into the ferry accident in the Red Sea in February 2006, which involved more than 1, 000 deaths, concluded that the key factors in causing the accident were incompetence by the authorities and neglect by the ship owner. The owner of the ship was also a member of the Upper House appointed by President Mubarak, and this has led to speculations of collusion and corruption.

Investigations into the Nasr City incident (the collapse of an 11 story building in 2004 that had been illegally modified) confirmed that fining lawbreakers has become an important source of revenue for both public and central government alike. This has given rise to speculation of whether the government is 'selling' fines so that citizens can 'pay' to break the law and ignore licensing requirements.

Frequency

The World Bank & IFC: Doing Business 2009 [10].

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- To construct a warehouse, a company is required to go through 28 procedures, taking 249 days and costing nearly 377% of the income per capital.

The World Bank & IFC: Enterprise Surveys 2007 [13]

- 7. 3% of a company's annual sales are used as gifts or informal payments to public officials in order to get things done.

- 13. 7% of companies expect to give gifts to obtain an operating license.

4. Land Administration

Business Corruption

Egypt has moved up 18 places in the World Bank & IFC Doing Business 2009 [10] with regards to registering property compared to 2007-2008. The cost involved in registering property is very low, both in comparison with the MENA region and OECD averages. On the other hand, registering property is very time-consuming in Egypt, taking almost twice as long as the regional average. In this regard, companies should note that a awkward bureaucracy often gives rise to demands for so-called ' speed payments'.

Frequency

The World Bank & IFC: Doing Business 2009 [10]:

- Registering property takes 7 procedures, can last an average of 72 days and amounts to 1% of the property value.

5. Tax Administration

Business Corruption

According to the World Economic Forum Global Competitiveness Report 2008-2009 [12], tax regulations and tax rates constitute significantly problematic factors for doing business in Egypt. The number of payments and the time spent on preparing, filing and paying taxes constitute a load for the companies.

Tax administration was mentioned by the Ministry of State for Administrative Development as one of the areas that are particularly tainted with corrupt practices. According to Global Integrity 2008 [8], tax laws are not always enforced uniformly and without discrimination. It is further reported that, while public employees have taxes deducted from their pay, the government will award special treatment to wealthy businesspeople, allowing significant levels of tax avoidance to go unpunished.

Frequency

The World Bank & IFC: Doing Business 2009 [10]:

- A medium-sized company must make 29 payments and spend 711 hours per year managing the administrative burden related to paying taxes at a total tax rate of 46% of profits.

The World Bank & IFC: Enterprise Surveys 2007 [13]:

- 14% of companies expect to give gifts when meeting with tax inspectors, which is a distinguished decreased compared to 2004.

- 35% of companies claim that tax administration is a major restriction.

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6. Customs Administration

Individual Corruption

Employees of the Suez Canal customs administration and those working in the associations related to the Suez Canal have a reputation for engaging in corruption. They routinely extort money, and illegally take away cigarettes and wine from each ferry that crosses the Suez Canal.

Business Corruption

Companies should know that corruption is not uncommon in relation to customs administration. According to Global Integrity 2008 [8], customs and excise laws are not always enforced uniformly and without discrimination. Large companies are reportedly unofficially excused from paying customs duties. Low-level officials in customs zones are known to demand bribes to speed up paperwork for licenses, clearances and other permits required to do business.

Frequency

The World Bank & IFC: Doing Business 2009 [10]:

- A standard export shipment of goods requires 6 documents and takes an average of 14 days at a cost of USD 737 per container.
- A standard import shipment of goods requires 6 documents and takes an average of 15 days at a cost of USD 823 per container.

The World Bank & IFC: Enterprise Surveys 2007 [13]:

- More than 10% of companies expect to give gifts in order to obtain an import license.

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7. Public Procurement and Contracting

Business Corruption

public procurement in Egypt has been stained by corrupt practices. A corruption scandal involving the Irrigation Ministry revealed that officials within the ministry are demanding bribes to award irrigation construction project contracts.

In the housing sector, bribery is common in relation the awarding of contracts and the granting of demolition and building licenses. Several corruption scandals have been revealed within this sector, including international cases where Egyptian contractors have been charged with committing corrupt acts abroad. Companies are recommended to use a specialized public procurement due industry tool [14] in order to help improving corruption risks associated with public procurement in Egypt.

Political Corruption

It is reported that some tenders are given to companies formed by top officials of the Ministry of Interior and the Intelligence Service at inflated prices.

Frequency

The World Bank & IFC: Enterprise Surveys 2007 [13]:

- 92% of companies assess that other similar companies are either giving gifts or informal payments to win a government contract.
- The average value of a gift in order to secure a government contract is almost 10% of the contract value.

8. Environment, Natural Resources and Extractive Industry

Business Corruption

Officials in the Ministry of Agriculture receive very low salaries, though they are supervising projects estimated to be worth billions of EGP. Bribery and other corrupt practices (falsifying documents, etc.) are extremely common in this sector.

Political Corruption

The Ministry of Agriculture has had more than 10 high-profile corruption scandals over the last 5 years, which is the highest rate of any ministry or sector in Egypt.

Since 1995 Transparency International has published each year the CPI, ranking countries on a scale from 0 (perceived to be highly corrupt) to 10 (perceived to have low levels of corruption). The CPI as a measurement of corruption has played a critical role in branding the issue of corruption on the world's conscience. It sends a powerful message and national governments have been forced to take notice and act. However, the CPI results of the 2009 edition, Egypt is categorized as follows

Rank = 111 of 180 countries

CPI 2009 Score = 2.8

Surveys Used = 6

Confidence Range = 2.6 – 3.1

Source: Transparency International, www.transparency.org [15].

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Examples of corruption in Egypt:

The administrative corruption can be seen in the following fields that would be tackled in detail later:

The political corruption through fake elections that takes place in Egyptian parliament, supporting emergency law and abusing human rights on the different levels.

The economic corruption through favoritism that enable special advances in projects or having facilities of some of those close to the regime. Like having privatization of owning lands with illegal documents.

The agriculture sector: it was corrupted on various fields starting from the spoiled herbicides, the materials that cause cancer and the destruction of a number of the important commodities in the Egyptian economy.

As also the Black cloud it has been formed over Cairo for couples of years as a result of farmers burning their rice fields that effect with a hovered smoke, which has caused polluting the air and clogging the throats of residents. And this affects the quality of air and people's health by the carbon monoxide, as Over 2 million tons of straw are burned with they choose the easiest way to get rid of the straw and preparing for the winter planting season, although the government forbid this; still farmers burn and this takes place at night as government doesn't follow up.

However corruption takes place with bakers who gets government subsidized flour and sell it in black market with an enormous profit. As also bread crisis

takes place with Egyptian citizens who have to wait in long lines at subsidize bakeries.

Corruption in transport and communication. For example, train accidents, which result from inefficiency of controlling and supervision of ministry.

Corruption in Housing: contractions and the privatization of lands, flats of the new cities, roads, bridges and the main infrastructure. For example, massive rock in Mokatam(El Doweka); that results from digging by the government knowing its danger on citizens living there.

Commissions paid for protection and the means of its transport.

The sector of communication, mobile phones and fixed one, an example, recording calls of people to trace them illegally and selling secret data of consumers for gaining money.

Corruption in the Interior Ministry starting from joining Police Academy, the security letter at the appointment of the average individuals, torture and even killing in the police stations. A number of the security leaders are involved in cooperating and facilitate a number of the outlawed actions

Prostitution networks which are sometimes related to the state officials and its systems.

Corruption in judicial authority: this is an important and unique aspect. It is found in our dear country.

The way in which the US aid is distributed among individual organization and sometimes they steal it for their own benefits.

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12- Press, media, its associations and the lack of the Egyptian medial leadership, the national press publish what they want and hide the truth from Egyptians while in contrast of the yellow press show all the governmental secrets.

The so-called loyalty raise, which is given secretly, violating the legal financial rules, rules of the senior police and army commanders.

corruption in the ministry of culture , , the Beni Sweif Theater Fire, that take place in 5th September 2005 the minister Farouk Hosney described it as an accident, also the fire that was held in the Egyptian parliament hall destroyed everything inside the hall as well it was identified as an accident but it wasn't. And the government failed to protect the national landmark.

Effects of corruption:

In Egypt, corruption has disadvantaged national, social, economic and political progress. Public resources are allocated inefficiently, competent and honest citizens feel frustrated, and the general population's level of distrust rises. As a consequence, productivity is lower, administrative efficiency is reduced and the legitimacy of political and economic order is undermined. Consequently; foreign aid disappears, projects are left incomplete, and in the end donors lose enthusiasm. Corruption in Egypt also harms economic development by transferring large sums of money in accurately the opposite direction to what is needed. Funds intended for aid and investment instead flow quickly back to the accounts of corrupt officials, which tend to be in banks in stable and developed countries, beyond the reach of official seizure and the random effects of the economic chaos generated by corruption at

home. The reverse flow of capital leads in turn to political and economic instability, poor infrastructure, education, health and other services, and a general tendency to create or perpetuate low standards of living.

Recommendations:

Recommendations for regular corruption monitoring program must be used periodically to monitor trends in corruption and to evaluate the effectiveness of the anti-corruption measures adopted and implemented at the national level. However, international experts may also be requested to evaluate and monitor for international transparency.

In addition anti-corruption program must be occupied with ethical behavior that can lead to a proper government, there are several point must be fulfilled for a better government.

First, The importance of supporting decentralization in governorates and seeking to overcome the weak relationship between local administrations and citizens, which leads to have irresponsive citizens towards reform and modernization in Egypt

Second the importance of following up officials and investigation and reporting on them ethically to prevent Anti-corruption.

Third, releasing the right information circulation and the citizen has the right to know about corruption cases and providing the citizen full protection.

Finally, there must be supervision upon profits and some funds, as the donations which are provided must be directed to the right places on the

control of the government, as well as supporting the development of risk management and risk appetite.