

How does corruption effect international development politics essay



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Corruption is omnipresent in society and is taking total control over the minds of citizens at an alarming rate. Even though actions are being taken worldwide, corruption is still a main issue of concern for world leaders and prestigious organizations like the United Nations and the Southern African Development Community. With reference to several surveys carried out by great economists, psychologists and watchdog bodies around the world, we have carried out this project to investigate how far corruption affects development and creates inequality in Mauritian society. However due to time and word constraints, we have preferred to focus on the Mauritian society.

[Introduction]

Corruption may be simply defined as

“ The abuse of public or private office for personal gain” (Prevention of Corruption Act 2002) or

“ The abuse of authority for personal gain” (Independent Commission Against Corruption, Hong Kong)

Bribery, favoritism, helotism, extortion and embezzlement and use of influence are examples of acts of corruption.

Corruption is omnipresent in the society. However, many people do not realize that corruption is having a great and deep impact on our Mauritian society. The gap between the rich and the poor is growing wider and wider with corruption and this is also hindering our economic progress. Corruption may thus be compared to a cancer which needs to be controlled at all cost

before it spreads dangerously and threaten the very fabric of our democratic nation.

As the saying goes, “ An ounce of prevention is worth a pound of cure”, both public and private sectors in Mauritius or even worldwide should work together in the battle against corruption- a fight against corrupt individuals, practices and systems. This strategy will help to enhance good governance and transparency in the economical mechanisms throughout the world.

Risks of bribery and extortion between the private and public sectors as well as private companies should be minimized. Each organization should establish its own anti-corruption policies and strategies; corruption-prevention checkups should be reinforced and systems improved. The help of foreign fraud specialists and consultants should definitely be solicited if positive results want to be seen.

The Mauritian ICAC adopts a three-pronged strategy to fight corruption, namely, through law enforcement, education and prevention. Its vision: “ Mauritius-our home, clean and fair”. ICAC needs support and cooperation and commitment of the national population to succeed in its fight against corruption. The ICAC acts independently, impartially, fairly and in the sole interest of the public. Such organizations are one major step in the cleansing process of the society; in eradicating corruption.

Corruption prevention programs can help increase confidence in such organizations. They enhance integrity in the organization financial reporting and promote the development of an ethical culture while ensuring

transparency and good governance. However, risks of corruption can rarely
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be completely eliminated. The boards of organizations, and not sole individual, must constantly be alert about these types of risks. Only then shall acts of corruption diminish and society progress.

Chapter 1

[why corruption?]

Ivan Pavlov, the Nobel Prize winner in Psychology or Medicine in 1904, described the operant condition as the food of all corrupt acts. Pavlov suggested in 1904 that the corrupt man acts similarly to a trained dog. He answers to stimuli which trigger his memory. As such the memory is related to corruption. Actually, the need of prevailing over someone and gain power over him is what triggers corruption.

A person compares himself with one of his fellow friend. The desire of seeing this friend unsuccessful triggers reinforcement for corruption- jealousy.

Human psychology explains that since jealousy means not willing to abide by the success of someone, it forces the person to apply force so as to triumph over him. Such mediocre thoughts are the image of a mediocre mindset.

Memories which trigger such acts are accumulated through a person's life- from childhood till death. The stimuli-response behaviour is so subconscious that we are not able to recognize it and take actions against it. Therefore, if the person gains profit when he abuses human relationships, his brain captures the situation and causes the person to act repetitively in this way. Thus corruption and lust for power makes a person's life immoral.

When such a stage is reached, the person cannot go backwards. He finds pleasure in taking advantage of other persons to gain profit. He cannot do otherwise since he will fail and will eventually need to abide by corruption.

Last time, when I took advantage of that gullible guy, I won that prize. So now I guess that I will win again.

Why should he succeed? I cannot allow this. I shall do something! These are what might be passing through the mind of a person just before he commits an act of corruption:

If I do that, I will be the one gaining profit from it. I shall do it. Then, only will people recognize me.

I must attain that height, no matter what! I must do it! Let me bully that guy so that he does the dirty work for me.

However, some people do not corrupt deliberately but instead they are forced to do so. Corruption consumes the person bit by bit until it becomes his way of living. This is a major psychological phenomenon prevailing in many countries. Corruption is triggered by many factors which cause the human mind to become feeble and rely on corrupt measures to earn a living. Such factors are listed below:

Low wages

Hope is all what a low-waged employee can have. However, as time passes, lust and impatience take over his mind. This is the beginning of corruption which eventually leads to the death of the society. Low wages pressurizes

the person to obtain more money. Between his social status and familial pressures, he opts for corruption to seek for a better future. Since most of the employees in Mauritius earn a modest living, they will normally be tempted to easy-money. This scourge is spreading worldwide and the real root of this problem is none other than the merged action of a lack of meritocracy and an unprecedented rise in the standard of living.

Weak sense of civilization

So much is being said nowadays and so little is being done. After so much years of moral and social enlightenment, it is a matter of shame that the corrupt can still act blind in front of the suffering that he is both directly and indirectly inflicting to others.

It is shocking to find that even highly educated persons and high dignitaries are implicated in fraud cases. Such a case to be noted is ' The Watergate Scandal' in 1974. The President, Richard Nixon, governing over America then was arrested after having been proven guilty of stealing, abusing indulging in campaigns frauds, political espionage and sabotage, fund laundering, massive wire tapping and the list goes on. Such a high dignitary and he stooped so low. This shows the hypnotic power lust and materialism can have on the human brain. In President Nixon's case, he did not even ponder on the feeling of betrayal the millions of Americans felt on the day they found out this scandalous truth. Indeed, corruption kills our inner self and makes us as death as a corpse.

Culture

In African countries, it has become a tradition that after rendering a service, the person should be rewarded in terms of gratuity or tip. This tradition is so intensely practiced in some countries that the glimpse of abolishing it might create a huge cultural rift.

In Africa, the reward is usually to gift the chief special honours, and in this way, politicians accepting such honour and rewards are considered acceptable. As such some politician might take advantage of this tradition and render its value nil. They would ask for gifts and rewards for ' jobs'. This type of corruption makes the society sick and even worse is when the whole society indulges in corruption, thereby leaving not a ray of hope for a reestablishment of law and order.

Absence of institutional mechanisms

In a country where there are no institutions, either internal or external, to investigate into complaints related to corruption, the tendency of people practicing corrupt acts is relatively high. This is so since the chance of getting caught is minute. The absence of watchdog institutions also minimizes the consequences if the offender is caught. Wisely, such institutions should be built. It will increase the country's economic growth since less fraudulent trades will be done. As such the country will regain a better image in terms of financial security. This will furthermore increase the Foreign Direct Investments of the country which will be the start of an unprecedented rise in wealth and status for the country.

Absence of rules and regulations and lack of transparency

Rules and regulations should remain omnipresent in an organization so that the employees can behave and conduct themselves in an appropriate and acceptable way. Such limitations allow everyone to be treated and judged fairly and equally.

The effectiveness of these rules depends on the way of communicating them to individuals so that they are implemented and followed. The presence of a clear policy and legislation, and

a wide range of enforced rules and regulations and policies

might help to decrease the level of corruption in an organization or even a country.

On the other hand, the absence of transparency increases the risks of corrupt acts. 'Transparency', as such, means tasks and functions been conducted and are open for examination by the Government officers or the general public. Also, the media must have the right of freedom of speech so that the media can inform citizens about any act of corruption been reported to it.

Corruption is deterred by a transparent system as civil servants remain constantly vigilant. Therefore, strict rules create the fear of been defame by the media if the act is reported. This can drastically decrease the rate of corruption in a country because every person cherishes most his status.

Discretion and absence of accountability

In every system, there should be a person or an authority to take decisions.

Such a person or authority has the freedom to act within certain limits.

Corruption can occur where public officials:

Have immense authority,

Are not accountable to anyone, and

Have lust instead of the grey matter.

An environment with more discretion and without accountability is more prone to be submerged by corruption.

Public leaders and civil servants should be accountable to the general public in a democratic country. This means that they should be able to answer to people for the action taken if a question is raised on the topic in question.

Lack of effective laws can cause corruption to flourish as people will be carefree and act as they want. Therefore accountability is definitely one of paths toward neutralizing corruption.

Chapter 2

[trend of corruption in mauritius]

Several studies have been carried out during the last decade about the opinions of Mauritians on the perception of corruption. The Research Institute Analysis carried a survey in 1998 by interviewing 500 people. The results obtained have been classified into 3 main categories:

The Tolerance of Mauritian Towards the Perception of Corruption

It has been concluded that Mauritians normally tolerate, or more specifically, favour corruption whenever they can benefit from it. Paradoxically, they are the first one to condemn acts of corruption.

Thus, within 37% of managers interviewed within the private sector.

Corruption is commonly accepted in businesses since it plays a vital role in ensuring the success of the enterprise and thus output a favourable profit.

On the whole, 85% of the interviewed people agreed that they do not tolerate corruption while the remaining 15% confess that indeed corruption does affect their activities directly.

In 2004, 58% of people questioned said they would report any case of corruption they witnessed. However 30% thought that in doing so they might create problems for themselves. The remaining 22% feared possible acts of vengeance.

The Most Corrupted Sectors in Mauritius

From the surveys carried out,

The police sector and the National Transport Authority (NTA) have been considered as most corrupted in terms of awarding contracts to private enterprises.

The politicians are the most cited among the most corrupted persons of the country.

The general opinion of the public about the private sector is also pessimistic. According to a survey carried out by the ICAC in 2004,

28% of people questioned think that the private sector runs in a corrupt environment, while

54% think that the private sector operates in a clean atmosphere.

The Effectiveness of Legal Measures

In 2004, an interview revealed that:

29. 5% of people queried believed that laws against corruption are efficient,

26% thought the opposite,

20% considered that laws are efficient but are unfortunately not applied effectively,

32. 8% assumed that the power of the court as an institute is limited and insignificant towards high dignitaries (the part of the general public did not receive University Education).

On an international ground, The Transparency International Corruption Perception Index has rewarded Mauritius as follows:

Chapter 3

[corruption and development]

Corruption has always existed. During recent decades, however, corruption has grown both in terms of intensity and geographic extent. Since the 1970s, it has infiltrated every country in the world.

After the end of the Cold War, it was expected that political and economical restrictions would somehow reduce this trend. People hoped that the process of democratization and openness, resulting from political pluralism and freedom of the press, should mobilize efforts to overcome corruption.

Unfortunately, emergent democracies are still delicate and seem to find the duty of tackling with corruption very difficult.

Nowadays, it is seen that weakened state structures, such as

inappropriate legislations,

powerlessness on the part of the judicial system to fight against corruption,

and

pursuit of easy money,

altogether contribute to aggravating the situation. Such a state of affairs surely has an effect on those who are involved and concerned by development issues. As such corruption is one of the major obstacles in a country's progress and its effects on development are disastrous.

On analyzing the effects that corruption has on development, we found out that corruption adversely affects development in the following ways:

Corruption increases the costs of goods and services.

Although there is 5% reduction in the profit margin, corruption levels of 10% to 20%, which is the price and will consequently, be paid for through the national or foreign resources of the country. Thus, it is the national economy that suffers the consequences of an unreasonable surcharge on the goods or services bought. Since such operations are normally financed by bank loans or by foreign parties, through concessional loans, corruption indirectly increases the country debts.

Corruption affects the quality of services supplied to the public.

The corrupt person is tempted to accept a substandard quality of service which increases his personal profit margin. Then, the complicity between the Government and the contractors may result in corner-cutting with regard to agreed quality standards so that the savings made may be shared out between the two parties.

Corruption affects the conception of a project.

In this section, we are referring to situations in which the real development priorities of a country are neglected in favour of operations which generate the greatest personal gain for the decision-makers. Corruption causes the Government to spend more on the construction of unwanted projects or on lower order investments in infrastructure rather than on social areas. In most corrupted countries, corrupt politicians tend to choose projects irrespective of their intrinsic economic factor but rather on the bribes and kickbacks that these projects offer which results in poor infrastructures leading to economic imbalance.

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Rise in the public burden.

Due to corruption, many countries that borrow money to finance projects and are not able to satisfy their real needs will see their debt burden increase. The loss will be 100% if one views it in terms of the cost of the unproductive investment to the national economy.

From the many researches we have carried out and investigated on, we have found out that political corruption is the main object of concern as far as development is affected. It is a fact that politicians are the one who control the whole development mechanism. This phenomenon is not present in every state but the moment its presence is confirmed, that state starts degrading. Political corruption takes place when decisions are made on the budget. This is the root of political corruption which accounts for a massive load of corruption across the world. As such, high rates of corruption divert resources away from their real functions and it also reduces the Government revenue. This decrease in income further decreases the resources available for public investment: development is eventually affected. High corruption rate is also associated with poor infrastructure; bodies are not working at full efficiency thus decreasing output. So, when corrupt politicians influence the approval of an investment project, the rate of return, as calculated by the cost-benefit analysis, is no more the criterion for project selection. A compilation of corrupt decision as such often fails to generate the wanted economic growth.

Further on, negligible economic growth halts any type of social and infrastructural development. Corruption leads to tax evasion and poor

administration. In many cases, tax collection is much less than estimated financial commitments:

Pensions,

Interest payments,

Public debts,

Salaries, and

Subsidies.

This was one of the major problems that Mauritius faced in the past years due to uneven governance from the various politicians in power. However, gradually politicians have become aware of the danger they are going to face in the near future. As remedial measures, they have taken long term effect measures to prevent any further imbalances to the economy. The positive results of these crucial but necessary measures can be perceived and yet many more are to come.

Chapter 4

[corruption and inequality]

Corruption and inequality are directly linked. There are two ways in which they are correlated:

The change of economic inequality due to corruption, and

Economic inequality as a factor of corruption.

In other words, an increase in corruption due to economic inequality can produce additional drawbacks. Judicial corruption has also a very big hand in bringing economic inequality. The first example that can be taken is in terms of the tax system. Nowadays, due to corruption, we have a biased tax system where wealthy are favoured and become richer and the poor are marginalized and remain poor. The result of this favouritism leads to a defective tax administration causing an unprecedented increase in social inequality as the gap between the poor and the rich is maintained.

Adding to this situation is the poor effective targeting of social programs which, due to corruption, are having a serious problem. Funds that are supposed to help in alleviating poverty are being shifted from trust funds to reach powerful individuals. This is really going to increase inequality in society as the poor people will not be able to enjoy their merits while on the other hand the rich people will continuously play with money.

Poor people are the only victim of acts of corruption. Hence an increase in the rate of the perception of corruption will cause an increase in poverty, causing the regression of a country and ultimately the downfall of the world. It is true that when you invest in corruption, there is always the uncertainty that you will get what you actually wanted. The rules constantly change. Thus if a poor person invests in a corrupt plan, then the powerful and wealthy individuals might easily turn the tables and take all the profit. Therefore, inequality will always prevail amongst individuals as long as the barrier between the poor and the rich is not breached.

Social trust also plays a fundamental role between equality and corruption. If politicians of one country will keep on trusting the population and vice-versa, then corruption will be totally eradicated. Rich and poor people will never be tagged. Thus, everyone will earn equal amount of money and eating the same quality and amount of food. However, it is all due to man's vile mind that social trust is gradually disappearing from the society. People tend to snatch other's possessions and in trying to be like others, they simply crush the desires of others. This 'disease' is due to social inequality and the materialistic barrier between the poor and the rich.

Chapter 5

[government measures]

Corruption has become one of the most serious problems in Mauritius. In order to fight this scourge, the leading Governments, over time, have taken several corrective measures:

Strict Judiciary System

Obligations

Watchdog Body

Strict Judiciary System

With enforced laws and regulations, people caught practicing corrupt acts are dealt with more severely. Through time, much legislation has failed in their task of rendering justice and controlling the rate of corruption. In a more optimistic point of view, several legislations have been modified in

order to adopt a more realistic and righteous approach to criminal acts- corruption. They have permitted through the years to bring development in the society and to help people stay within their limits.

Watchdog Bodies

The Independent Commission Against Corruption (ICAC) was established on the 1st April 2002 as the Prevention of Corruption Act (PoCA) 2002 was put into effect by official proclamations. The principal aim of the ICAC is to plan and implement the national strategy against corruption in the Republic of Mauritius. Its mission statement is:

“ With the community, the ICAC is committed to fight corruption through effective law enforcement, education and prevention to help keep Mauritius fair, just, stable and prosperous.”

The ICAC is an independent body and acts impartially. The ICAC investigates all allegations of corruption that are reported in respect of both the public and private sectors and then takes appropriate remedial measures. For instance, the ICAC and the MQI launched the second edition of the Best Anti-Corruption Framework 2008 at the Rajiv Gandhi Science centre on Wednesday 7th May 2008. Its aim was to identify loopholes and weaknesses in enterprises that may give opportunities for corruption and initiate actions for fraud detection and prevention.

In addition, the ICAC plays an important role in education whereby its goals are:

Make educators more concerned about imparting knowledge

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Promote good control education

Enhance professional and moral principles among teachers

Provide strength and support to teachers to enable them to fight actively against corruption

Boost up the inclusion of anti-corruption education in the school curriculum

Obligations

The Republic of Mauritius is growing day by day and in order to bring sustainable development, the Government is continuously making commitments with several high order organizations:

The United Nations Convention Against Corruption,

The SADC Protocol Against Corruption and

The African Union on Preventing and Combating Corruption among many others.

The fundamental *raison d'être* of such obligations is to attract foreign investments to the country in order to have a positive economic growth and hence progress in the world.

Chapter 6

[evaluation of measures]

In this section we will be dealing with a local case and explain how the case in question affected development and created inequality in society. Also, we

will try to find out what more can be done in order to prevent such situations in the future.

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Mr. Robert Rivalland was prosecuted in this year for being part of a plot which was to the detriment of Air Mauritius. He was part of a money laundering case between 1982 and 1997, along with three other high officials of the Air Mauritius and The Rogers: the case was withdrawn from the three other 'partners'. Robert Rivalland was the only one accused of having corruptly diverted about Rs. 85 million. His lawyer, Mrs. Yamilla Moonshiram, declared that the case of his defendant was stronger compared to one of the three other accused. Mr. Rivalland was finally condemned.

Analysis:

During this case, Mr. Rivalland seemed to be quite silent, especially during the case hearing. This may be seen in two ways: either he is truly innocent or he is really a culprit. Being part of the so called 'suspicious commission' during 1982 and 1997 made it a hard attack against his defense in Court. As such, his name was mentioned several times when one of his fellow 'partners' was accused: he was the one who approved the cheques which were diverted from the Air Mauritius account.

During the 15 years of conspiracy, the Air Mauritius suffered a colossal loss. The Rs. 85 million could have been used in the expansion of the airport. This would furthermore enable a more massive flow of tourists in and out of the country. Since tourism is one of the pillars of the economy of our country, the whole nation would have benefited to a much larger extent. Moreover,

the employees of Air Mauritius could have enjoyed a better salary which would have led to a higher standard of living and increase their productivity at work.

The plot created a great disturbance in the Mauritian economy. The employees of Air Mauritius were marginalized. They could not benefit from any rise in their salaries and this further increased the gap between the rich and the poor in the society. The ' poor' workers had to struggle to satisfy their needs which created a rift between their wealthier colleagues. Consequently, this increased social inequality.

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Chapter 7

[recommendations]

Mauritius is trying hard to polish its image around the world. Among poverty eradication and literacy, corruption is yet a problem that the Mauritian Government is facing. Some of the measures that can be implemented are:

Keep the issue of acting against corruption under regular review.

Collaborate with other countries and work together to devise strategies to counterattack corruption.

Adopt the International Code of Conduct for Public officials.

Hand over the power of a system to a Board of people rather to a single person. (Decisions that are voted by a Board are less doubtful compared to that made by a single person.)

Abolish old and ineffective laws and establish new and stricter ones.

Organize campaigns to both prevent and control corruption.

Zero tolerance towards corrupt officials and high dignitaries (Through this measure, many high dignitaries were found to be implicated in corrupt acts in Zimbabwe- a member of the SADC. Since Mauritius forms part of this community, the same measure can be implemented to combat corruption).

Sensitising workers on the causes, trend and impact of corruption

Inculcating ethics and moral values as early as from primary schools so that children understand the implications of corruption.

[conclusion]

Ivan Pavlov rightly said that corruption is a conditioned-reflex action; a person's past corrupt gains boosts up his corrupt endeavours. Due to the innumerable factors discussed above, corruption has in fact become a vulnerable stage from which a feeble mind cannot abstain for long.

Indeed, as several worldwide surveys have shown it, the scourge of corruption is a perpetual process that keeps on devouring a person's life. Once addicted to corrupt acts, it is nearly impossible for him to escape from the clutches of corruption.

Nowadays, people of the higher hierarchy want to go ahead and earn even more money while on the other side, the poor remains unemployed and keeps on trying to meet the ends monthly. Both, corruption and inequality coexist in society and in order to eliminate one, we need to eliminate the other; they are mutually related. We should stop favouritism and start keeping faith in one another. Corruption will lead to nowhere while social trust will show the way to a country with a sustainable economy and hence a healthy population.

We have, in the course of this project dealt with very resourceful information and have tried to bring forth the slowly emerging plague of the society- corruption- and we have also tried to suggest some recommendations.

At the end of this highly resourceful project, we have realised that corruption is nothing more than the fruit of human's mind. We need to control it before it gets at arm's length in the race of such a materialistic world. Facts and figures are the witnesses of its unprecedented rise. It is also a fact that people are becoming more aware of it but much remains to be done so as to eradicate corruption in not only Mauritius but in the whole world.

Appendix

The interview of Mr. Boodhoo, Chief Officer at the Corruption Prevention and Education Division on Monday 5th May 2008(10. 00 a. m.)

According to ICAC, how can corruption be defined?

Corruption is an abuse of power or authority for personal gain.

Now, according to the law and constitution of Mauritius, what is the definition of corruption?

PoCA defines corruption as an abuse of power in the public and private sector for personal gain.

What do statistics say about the trend of corruption in the Mauritian society?

Corruption cannot be measured. It is impossible to measure corruption. It is a secretive activity. Nothing is gained from surveys about corruption. Only the perception of corruption is measurable. However, this is not 100% efficient.

What procedure does the ICAC adopt to treat corruption cases?

The complaint is directed to the board of ICAC. The board refers the matter for investigation if required.

In terms of national and international relationships, how does corruption affect our country's status?

Investors will not be willing to invest if they perceive the country as corrupted. Knowing that for every business, bribes will be needed. Hence, there will be no Foreign Direct Investment.

Laws and bills are still being voted in the Mauritian assembly. How far do you think that these measures are reliable and effective?

We should know how far the laws are enforced. We should not only pass laws