

Short Communication

The Evils of corruption in Africa

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Abstract

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Currently, a number of reports, studies and forecasts agreed that poverty persists longer in Africa. According to the African Development Bank (ADB), one third of Africans are still very poor in 2060, they spend less than \$1.25 a day to live. «Africa is growing at an unprecedented rate despite the successive global crises in food and finance. While it was once thought that it would take decades of growth to reduce poverty significantly, it is now more optimistic about the potential of Africa,» reads a report by the AfDB, Africa in 50 years. Thus we know that extreme poverty has been cut in half in 20 years and could be reduced to zero by 2030. But progress is seriously threatened by corruption.

Keywords : Africa, corruption, developing countries, poverty, wealth

INTRODUCTION

The world's poorest countries are denied each year at least one thousand billion (\$ 750 billion) by criminals who take advantage of the opacity of the system to steal money through money laundering, tax evasion and embezzlement.

The problem comes mostly from corrupt people living in industrialized countries and in developing countries. Bad policies can also facilitate corruption. However, the situation can be changed by political and regulatory changes.

It is estimated according to « ONE (International organization and advocacy campaign supported by more than 6 million people all over the world, who act to end extreme poverty and disease, particularly in Africa) » study, that every year in the poorest countries of the world, almost 4 million people are indirect victims of corruption. It removes almost 2 trillion dollar in public subsidies, which for the most part are donations from the more developed countries.

The above mentioned argument was proposed as one of the topics discussed at the meeting of the Central Banks of the 20 most developed countries, held on 20-21 September 2014 in Cairns, Australia. This meeting had a significant impact on the G20 meeting in Brisbane on 15-16 November following.

The study of « ONE » shows that it is often the poorest

countries that are most rich in raw materials, but especially the most exposed to two types of corruption :

- Exogenous corruption, activated by foreign lobbies interested in exploiting the wealth of the said countries, which exert strong financial pressure on local politicians and military.

- Endogenous corruption, accepted, and often requested by local politicians eager for wealth and its manifestation ; which in their opinion is supposed to consolidate their power.

Both types of corruption, which will can call « active » and « passive », have in common the following operations :

- Tax evasion ;
- Money laundering ;
- The creation of ambiguous companies ;
- The stipulation of secret trade agreements for the sale of natural resources ;
- The diversion of capital (especially under humanitarian aid) which determines the passage from public assets to private assets.

This patrimony, transformed from public to private, joins tax havens and turns into :

- Luxury Estate,
- Financial companies ;
- Luxury desires Achievements ;
- Client networks Financing activities ;

- Consolidation of repressive systems.

The turnover of this heritage is estimated at one trillion dollars ; an amount exceeding the GDP of Finland, Denmark and Austria together. In its report entitled « Trillion Dollar Scandal », « ONE » believes that such a figure is sufficient to provide a glass of milk « Starbucks » to all inhabitants of the planet for 1 month. It is also estimated that this trillion dollars, converted from public into private and managed seriously, could initiate a program meant to eradicate extreme poverty by 15 years.

A representative countries of this phenomenon is Nigeria, where 2 trwas reported missing under \$ 400 billion from the sale of crude oil, since the country's independence. In 2013, it has been calculated that the stolen money under the oil sector would have been sufficient to :

- Vaccinate 29.7% of Nigerian children aged less than 5 years and save more than 1 million young lives ;
- Provide the 168 million inhabitants needed to counteract malaria ;
- Treat 3.2 million Nigerians living with AIDS ;
- Hiring nearly 500,000 teachers in schools (which would be an increase of 86% of Nigerian teachers).

Losses under tax evasion and « Trade mispricing » are also important. Some striking examples :

- From 2002 to 2011, Kenya, Ghana, Mozambique, Tanzania and Uganda have lost a total of 15 billion dollars in terms of unpaid taxes ;
- Budget revenues of Malawi could increase by 50% if we could eradicate tax evasion relative to international aid that the country receives and which correspond to 11.7% of GDP.

- Another prominent example concerns Uganda ; if the country could exploit its oil reserves, it could count on an income of 2 billion dollar annually for the next thirty years while today it gets to 3 billion dollar including 1.7 provided by the international cooperation.

Overall, African countries have lost in 2011, nearly \$ 77 billion « broadcast » in illicit flow to ghost companies. Furthermore, the message from international organizations such as the World Bank is clear : « Every dollar that a corrupt official puts on his pocket is a dollar less for a pregnant woman who needs care or a child who has the right to education, or for a community does not benefit from drinking water, roads, schools. »

Indeed, if these funds diverted from public to private could be invested in development programs, the GDP of poor countries could increase to achieve independence from international financial aid.

Wherever it exists under silence, whether in developed countries or developing countries, corruption impedes private investment, reduces economic growth, increases the cost of production activities and generates political instability. However, in poor countries, this problem becomes deadly whose main victims are especially children.

It is time to consider an international campaign so that the G20 world powers agree to use the means at their disposal in order to fight corruption in poor countries. The fundamental axis should be proposed laws that prevent irresponsible looting oil, gas and minerals, which represent large potential resources for the development of a dozen countries. It is sufficient to say that in 2012, Africa 's oil and mineral exports have reached \$ 438 billion, nearly eight times the value of agricultural exports (\$ 57 billion) and more nine times international support (45.3 billion).

CONCLUSION

The major challenge is to convince African governments to fight against corruption. However, it is important not to be limited only to poor or developing countries. It is appropriate, indeed urgent, in some cases, to extend any proposed fight against corruption to rich countries, before the scourge threatens the future of the planet.

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