Corruption Mitigation In Kenya

By Anthony M. Wanjohi

1.0 Introduction

Corruption is the practice whereby some public money is illicitly diverted for private gain. This practice is present to some degree in all societies. Corruption has been identified as a major barrier to economic and social development in developing countries, and considerable research as been done into the causes of and the solutions to corruption in these countries. The wide spread of corruption in developing countries has raised substantial concern. Developing countries, particular circumstances rapid economic and social change, strong kinship and ethnic ties, new institutions, overlapping and sometimes conflicting views about what is proper public behavior appear to contribute to corruption's saliency (Gould & Amaro-Reyes, 1983).

Throughout Africa, bureaucrats and politicians promote perverse economic policies, while impoverishing most of society; provide concentrated and significant benefits to the national elites and interest groups. Corruption is known to be widespread in many African nations. In countries such as Kenya, Zimbabwe, Nigeria, DRC, it has become a part of everyday life. Indeed, those who refused to cooperate with corrupt officials were barred from receiving government contracts. As a result, people found it necessary to bribe public officials in order to carry on business. To date corruption, is prominent in most of African nations, Kenya inclusive (Mbaku, 1996).

Before the year 1995, any discussion of corruption in Kenya remained muted and almost subversive. While many knew that corruption was endemic and was rising at such a rate that it threatened to tear the entire socio-economic and political fabric of society apart. It was

imprudent, particularly for those in official circles to openly discuss it (Kibwana, 1996). Everybody kept quiet and adopted the common adages that if you cannot beat them join them. Consequently, corruption became a way of life. The corrupt prospered and were rewarded with plum government appointments and often received ululations in public for being perceived as development conscious leaders. The few principled, incorruptible leaders became pariahs in their own society, vilified, punished and often victims of punitive transfers and sometimes wanton outright dismissals from their public jobs.

Corruption has permeated every government sector. For instance, there is increasing interest among policymakers, planners and donors in how corruption affects access to services in the country and what can be done to combat corruption in the nation. Despite this emphasis on the study of corruption in post-independence Africa, there has been insufficient attention paid to the problem of corruption cleanup and adoption of zero tolerance to corruption policies. Even where attempts have been made, there has been lack of goodwill especially in the government of the day.

Ades and Di Tella (1997) have tried to estimate the impact of industrial policies and they found corruption to be higher in countries pursuing an active industrial policy. They also found that corruption reduces total investment, distorts its composition, and reduces the quality of a country's infrastructure. The combined impact of these changes on economic growth is bound to be negative and substantial. Tanzi (1998) explored and found that countries that are more corrupt tend to be poorer and grow slower.

2.0 Corruption Mitigation

Corruption mitigation is the procedures which can be used or when put in place can reduce the level of corruption in the country. This section reviews some of the ways that if put in place may reduce the increasing level of corruption in the country.

2.1 Ethical environment

According to Balkaran (2002) one of the ways of curbing corruption is by ensuring that there is an ethical environment. Management of a particular place has the power and the responsibilities of fighting and preventing corruption. In Kenya good co-operate governance, an appropriate tone from the top that is from the head of the state to the poor individual down there in the village. By ensuring that there is an ethical environment there will be fewer chances for one to conduct corruption activities since all the citizens will feel satisfied with what they have.

In any organization where compensation is equitable, performance appraisals are frequent and fair, and the general work environment is competitive and rewarding will provide less opportunity and motivation for corruption (Balkaran, 2002). All Companies should maintain incentives by rewarding any defined goals that are reached and also penalty incurred for subverting or circumventing established controls. Auditors can contribute to this effort by ensuring that incentives for ethical conduct are incorporated into work processes and that these methods are effective.

The temptation of a person to misuse the public power for his/her own private motives is a natural result of their own self-interest. This temptation can be reduced by creating an environment where corruption is difficult and does not pay. For Planners and policy makers to be able to create such kind of an environment they need first to be able to understand those environmental factors that influence corruption. Some of the researches primarily carried out by the World Bank identified six environmental factors that if looked into will help curb corruption. These factors include:

2.2 Proximity of Revenue

This refers to how close tax revenues are to their respective expenditures. If the source of the fund is removed further from those who decided how the money will be allocated creates a greater potential environment for corruption (Fisman and Gatti, 1999). For the government to be able to tap this environment and reduce level of corruption they need to hold the tax base and expenditures closer.

2.3 Accountability

Accountability closely relates to the proximity of revenue the only difference is that it is more concerned with power than money. The main concept in this environment is that if the one who makes decisions is closer to the voting public reduces the potential for corrupt actions. Therefore the concerned bodies should use all means possible to make sure that the elected people to certain offices should be accountable to what they are chosen for and if they do not approve for their actions the voting public is able to vote them out of the office. By carrying out this practice the elected ones will be more accountable thus reducing the level of corruption. The government should also ensure that there are no long term contracts that lock in third parties for extended periods of time for this may also increase the potential for corruption (Gratto, Preston and Snilsberg, 2002).

2.4 Information Transparency

This is the third factor and it is one of the major factors that may contribute to curbing corruption. This is in the sense that it identifies those who are currently engaging in corrupt activities by carrying out audits, open budgeting processes or contracting and bidding that is open to the public and the media. It also creates an environment which is not that appealing to those tempted by corruption. Since nobody wants to get caught while conducting this illegal activities it creates an environment where the "lights are always on" making those who might be tempted by corruption to think twice (Gratto, Preston and Snilsberg, 2002).

2.5 Participation

Any information around the world is of no significance unless citizens engage and act upon that information. Participation, regardless of how well projected, is blind without transparency. To truly mitigate corruption, municipalities need informed participation and this comes from transparency. In addition to intuitively making sense, research has shown that democracy (participation) is positively correlated with reducing corruption internationally (Lipset and Lenz in Harrison and Huntington, 2001).

2.6 Inequalities of Power and Wealth

It is the fifth environmental factor that may lead to corrupt activities. As the difference between those who have and have-nots within a municipality increases there is a penchant for those with money and power to not only hoard and increase their shares, but also to strengthen their positions. Smelser (1971) indicates that inequality increases the opportunities for corruption by through crossing over. It occurs where those with power and wealth use one to gain the other.

2.7 Cultural Norms

Robert Merton, (1968) indicates that corruption is more widespread in those cultures that put a high quality on monetary accomplishment or success but lack the means of attaining the goals. Therefore individuals, policy planners should ensure that there is no goal is drafted that has no proper finance for achieving it. Also individuals should move from that culture of placing financial achievement as the main success in life.

The government should put internal finance management control mechanisms to ensure accountability of public officers. Such mechanisms should ensure that all and more especially top levels management must provide logical and acceptable explanations for their actions and

decisions to the people they serve. Those in responsible positions must at all times adhere to the principles of transparency and be accountable to the people they serve.

2.8 Donor Organizations

At a deeper level are the policies that form the backbone to globalization. These policies are often prescribed by international institutions such as the World Bank and IMF. For years, they have received sharp criticism for exacerbating poverty through policies such as Structural Adjustment, rapid deregulation and opening barriers to trade before poorer countries are economic ready to do so (Hawley, 2000). This has also created situations ripe for corruption to flourish. Thus greater transparency of the processes of these institutions is called for in order to allow greater visibility for elected officials and organizations in recipient countries.

3.0 Conclusion

Corruption is one of the main factors that hinder the development growth of countries especially the developing countries. Literature on both the causes and consequences of corruption is voluminous. There is a substantial body of evidence that corruption has serious costs on both economy in terms of slowing growth and increasing inequality as well as its effects on democracy in terms of decreasing government effectiveness; stability and political legitimacy (Tavits, 2005). Therefore it is a high time that the country should take further steps in curbing the situation of corruption.

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