Combating Corruption For Development

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Introduction

- The purpose of this presentation is to shed light on how programs and efforts of combating corruption could be made to support and contribute to development in Arab countries.
- Importance of achieving synergy between anticorruption programs and the policy and institutional reforms to enhance and accelerate development performance.
- The question is: What are the prerequisites for such synergy to take place? And what are the mechanisms and approaches that support it?
- The achievement of such a synergy could result in a great leap in development performance.

New Results on the Relationship Between Integrity / Corruption and Development

- The results of a study conducted by the author for The Program of Governance in Arab Countries (POGAR- UNDP) included calculation of the relationship for all countries of the world between integrity/corruption (CPI) and a number of development indicators. The results are listed below in a descending order according to the strength of the relationship :

  - Competitiveness Index: Positive relationship, 0.83
  - GDP per capita: Positive relationship, 0.82
  - Percent of the Unofficial Economy: Negative relationship, - 0.66
  - Human Development Index: Negative relationship, - 0.66
  - Poverty Index: Negative relationship, - 0.54
  - Percent Spending on Health: Positive relationship, 0.62
  - FDI as of Percentage of World Flows: Positive relationship, 0.42
  - Percent Spending on Education: Positive relationship, 0.34

*** All the above correlations are significant at the 0.01 level

Some Development Indicators and the Sectors Most Susceptible to it in Arab Countries

Country	Political Stability Index	Size of Military Budget Rank	Economic Freedom Rank	Business Environment Rank	CPI Rank
Algeria	11	-	119	116	99
Egypt	11	38	128	165	105
Iraq	11	49	-	146	178
Jordan	9	48	57	78	53
Kuwait	9	35	50	46	60
Lebanon	9	71	73	86	99
Libya	14	51	152	-	131
Mauritania	10	-	81	-	123
Morocco	9	39	97	115	72
Oman	11	85	74	55	53
Qatar	11	61	78	-	32
Saudi Arabia	13	10	62	38	79
Bahrain	-	66	-	-	46
Sudan	14	70	-	154	172
Syria	14	57	145	130	138
Tunisia	11	78	99	80	61
Emirates	12	46	65	77	34
Yemen	10	55	139	98	131

**Political Stability index consists of a political rights index and a civil rights index (Score ranges from 2 to 14)
The higher the score the less the stability.

The Prerequisites For Making Anticorruption Programs Supportive of Development

- First: The Seriousness of the Anticorruption Program

  Seriousness is based on:

  - Real willingness to fight corruption
  - Political support
  - National, societal and institutional mobilization
  - Credibility and transparency
  - Clarity of objectives and linking them to developmental and institutional reforms
  - Perseverance and continuity
  - Discipline and seriousness in implementation

- Seriousness means that the anticorruption programs are not carried out for promotional or political/consummative or cosmetic purposes.
- Seriousness is a crucial condition and a prerequisite for success and effectiveness

Second: Linking Anticorruption Programs to Developmental Goals and Policies:

- The clarity of the objectives of the anticorruption programs on the one hand and that means of insuring integrity and the combating of corruption are integrated into development policies on the other.
- The benefit of having clear development objectives lies in the identification of the sectors and areas that are in the gravest need for intervention and reform. They should be considered priorities when planning the anticorruption programs.
- For example:
  - Basic education services and programs
  - Health services and programs
  - Services and programs targeting small enterprises and the informal sector
  - Services and programs directed at poverty-stricken areas
  - Services and institutions that deal with the business sector, investors and export
  - Environmental protection programs
  - Programs that address the enfranchisement of women and The strengthening of their engagement.
  - Public spending and large scale projects
  - Competition protection and monopoly control
  - Consumer protection

- **Third: The intertwinement and overlap between various types of corruption require the expansion of anticorruption programs whilst setting priorities**
  - Corruption is a complicated phenomenon. It has different dimensions, aspects and types, all overlapping and intertwining with one another.
  - Corruption can be classified based on size and gravity as follows:
    - Grand corruption
    - Medium and petty corruption
  - Corruption can be also classified based on domain:
    - Political corruption
    - Economic corruption
    - Administrative corruption
  - Corruption is a systemic phenomenon, the most important elements of which are:
    - Policies: the distortions and opportunities for rent-seeking, profiteering and opportunistic self-serving behavior they create
    - Institutions: the inherent imbalance between authority, discretion, benefits and accountability/control
  - The required reforms are needed partly in policies and partly in institutions

Fourth: The importance of developing a mechanism for fostering the inclusion and involvement of all stakeholders/beneficiaries:

- Two groups of stakeholders:
  - Beneficiaries of establishing integrity and combating corruption
  - Beneficiaries of development
- Strengthening and invigorating the role of stakeholders in the reform and anticorruption organization and coalition.
- A need exists to build a national coalition/network of key stakeholders/ beneficiaries which includes:
  - The state
  - Civil society
  - Beneficiary groups
  - Private sector
  - Society in general
- Development-supporting anticorruption efforts call for the collaboration and joining of forces of the various stakeholders/ beneficiaries.

Fifth: The importance of in-depth diagnosis based on realistic field studies

- The significance of carrying out in-depth diagnostic studies that make use of realistic field data.
- The importance of using research centers of high objectivity, neutrality and credibility.

Sixth: Building a framework that incorporates indicators of corruption and integrity along with relevant indicators of development

- Sectoral indicators of corruption/integrity
- Indicators of the availability, equity and ease of access to the services and programs directed at the developmental domains and areas of high priority
- Indicators measuring the gravity of corruption in terms of waste of national resources, equity of public services, additional costs and burdens, transactions cost, diversion in the path and direction of development programs, etc…
- Indicators and analysis based on comparisons with global and regional benchmarks

Seventh: Formulating the anticorruption strategy based on developmental goals

- The strategy would constitute a mechanism for insuring the integration of national anticorruption efforts
- It would also act as means for assuring the clarity of goals and priorities and the linkage between anticorruption and developmental goals
- The strategy needs to include:
  - Structural / policy reforms as well as reforms of development programs
  - Institutional reforms
  - Reforms directed at preventing, exposing, monitoring, capturing, prosecuting and sanctioning corruption

Eighth: Evaluation, feedback and corrective actions

- Evaluation of accomplishments against plans
- Comparison with other countries (representing regional and global benchmarks)

Ninth: Transparency and societal participation:

- Credibility is a basic factor
- An important pillar of effectiveness
- A mechanism for developing a societal and institutional culture built on integrity and developmental performance