GOVERNANCE/CORRUPTION/ZAMBIA

"GOOD GOVERNANCE FOR SUSTAINABLE GROWTH"
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I. INTRODUCTION

I have spent 18 years in Zambia with the JCTR, a major faith based organisation engaged in research, education and advocacy on social justice issues. Previously, 17 years in similar work in Washington DC. My training is in political economy of development and constitutional law. As a Roman Catholic Jesuit priest, I do pastoral work among some of the poorest in the capital city area, Lusaka.

Zambia is one of the richest counties in Africa, with some of the poorest people in the world. The challenge is to apply the immense *potentials* to the tremendous *problems.*

So this topic of governance in "Africa on the Rise," on the eve of the G8 Summit, is not an academic or political issue for me, but a profound moral, ethical and social justice issue.

Following the instructions of the organisers of this panel, I want to address two questions: *first*, what is the reality of corruption, especially in Zambia, and *second*, how does this relate to the theme of this World Bank Forum 2007, "Africa on the Rise"?

II. WHAT IS THE REALITY OF CORRUPTION?

I briefly deal with corruption as a major issue affecting "Africa on the Rise," with three types, four consequences and five responses. Recent examples are from Zambia.

A. Three types:

1. Grand corruption: major amounts of money and influence diverted from common good by leading government and business figures. Zambia: Chiluba's "plunder of the national economy," with judgement of 04 May for US$ 41 million
2. Middle corruption: draining of public funds through misuse for personal grains. Zambia: TIZ report on millions of dollars stolen by civil servants
3. Petty corruption: small demands and payments to facilitate services. Zambia: police, government offices, business activities

B. Four consequences:

1. Destroys economic development that is pro-poor. Zambia: civil society report on privatisation of mines through secret agreements giving tax concessions, environmental waivers.
2. Blocks political maturity that engenders trust, cooperation and commitment to the common good. Zambia: contested fraudulent elections and blockage of new constitution.
3. Damages social fabric through diversion of funds from services such as health and education. Zambia: life expectancy of 37.5 yrs, HIV and AIDS prevalence of 16% to 20%, attainment of MDGs in serious question.
4. Erodes moral culture that provides hope for the future. Zambia: despair and alienation of youth, serious gender inequities (abuse, marginalisation in political life), high HIV and AIDS.

C. Five responses:

1. Provide leadership from the top -- proverbs: "fish rots first from the head," and "start sweeping clean the stairs from the top, not the bottom!" Zambia: President's "zero tolerance campaign" – mixed reviews but at least it is a public commitment to which to hold him answerable.
2. Build culture of integrity, honesty in attitudes and expectations. Zambia: church and civil society organisations and educational institutions are emphasising need for moral reform and renewal; there is a cultural issue of expectation and acceptance of corruption, even sometimes and admiration and envy of corruptors!
3. Strengthen national structures of prevention and prosecution. Zambia: Anti-Corruption Commission, Auditor General's reports, Parliamentary oversight; participation in APRM
4. Encourage international structures of cooperation. Zambia: APRM, Extractive Industries Transparency Initiative, Transparency International indices
5. Improve development context to curtail contributing factors to corruption. Zambia: must improve civil servants, police wages; JCTR's *Basic Needs Basket* survey and campaign.

III. HOW DOES THIS RELATE TO "AFRICA ON THE RISE" THEME?

My Zambian colleagues urged that I raise very clearly and sharply this point, for Zambia is in a *globalisation* context that has serious implications for good governance and sustainable development issues.

1. Economic reform, including liberalisation, Foreign Direct Investment (FDI), etc., must be pro-poor from the start, or corruption is created and facilitated. The neo-liberal development model ("Washington Consensus") is discredited after Zambia has gone through the most rapid, most rigid, most radical Structural Adjustment Programme on the continent.
2. Governance of the multi-lateral institutions – United Nations, IMF, World Bank – must set an example of good governance, free of corruption, more democratic. This raises the issues of Security Council membership, voting power in the IFIs, appointment of the new World Bank President.
3. The focus of the Heilegendamm G8 2007 must be on Africa, e.g., on keeping the promises made at Gleneagles to double aid to Africa. A discouraging non-fulfilment of promises is being experienced.
4. Two specific issues of governance and corruption, inside and outside Africa, must be addressed: i) the "vulture fund" debt payment debacle that will waste away Zambia's HIPC relief (US$ 15 m) and its potential for social improvement; ii) the obscenity of arms trade with Africa, led by five permanent members of the UN Security Council (why no mention of this in our programme here?).

IV. CONCLUSION

I repeat that the topic of this panel, "Good Governance for Sustainable Growth," is for me not simply an economic and political issue (bureaucratic and technocratic), but a moral and ethical issue, profoundly a matter of social justice. This is certainly true for Zambia and for all of "Africa on the Rise"!

Thank you!

Peter Henriot
Jesuit Centre for Theological Reflection
Lusaka, Zambia