Goveriance and corruption are controversial issues of great significance for sustainable development. Fostering structural transformation requires more than a national policy and strategy in order to operate effectively in an increasingly globalized world. Globalization continues to alter countries’ growth trajectories, with grave implications for the poor by affecting their access to assets and markets. African countries need to translate opportunities offered by globalization into inclusive growth, increased poverty reduction and sustainable development. However, integration into global markets has some risks as countries become more susceptible to global trends, including corrupt practices by multinational corporations and other vested external interests.

A number of indicators have been developed to assess levels of corruption in Africa. Some of these measurements, such as the Corruption Perceptions Index, World Governance Indicators, Ibrahim Index of African Governance and Afrobarometer, are influential because they have shaped foreign policy, investment decisions and aid allocation, as well as country risk analysis on the continent. African countries are being “named and shamed”. However, given the limitations of the measurement methodologies no single indicator of corruption should be used. There is a need to address the corruption problem in Africa in its totality, including asset repatriation and money laundering. Indeed, it should be made clear that those who steal funds and assets and the receivers of such goods are equally guilty of fuelling corruption on the continent.

The current tendency in measuring corruption on the continent is to focus on individuals’ perception of the extent of corruption. Although addressing individual and heterogeneous experiences is important, a focus on individuals alone overlooks a fundamental cause of corruption for many people: the deliberate exclusion, current or historical, of particular social groups from effective participation in society. It is thus important to address these power-related features of deprivation by empowering the poorest members of society, including women, as a means of combating corruption and weak economic governance. There is unanimous agreement that this process is better achieved through democratization and civic engagement.

Delivering social equity as a means of combating corruption demands governance reforms that empower poor and marginalized groups and give them a voice, and that enhance accountability to increase service providers’ incentives to respond to the needs of the poor. Responsible and accountable service provision, in turn, enhances government revenue thus expanding fiscal space, as this spurs citizens’ willingness to pay taxes. Investing in the social capital of the most vulnerable is also paramount. Another core pillar of the inclusion effort is guaranteeing access to and protection of property rights. However, providing property rights is a complex issue given that they are derived from many sources (Government, customs and religious laws), and the history of access-rights is usually context-specific. Strategies for legal and other reforms need to take these complexities into account to help provide for marginalized groups, combat corruption and expand access to essential services.

This fourth edition of the African Governance Report focuses on the importance of measuring corruption and of understating its international dimensions. The report challenges the traditionally narrow notion of corruption as the “abuse of public office for private gain”. This definition places too much emphasis on public office and on the ostensible legality of the act, neglecting the corrupt tendencies prevalent in the private and non-State sectors. Policymakers must understand the importance and implications of viewing corruption as a broader phenomenon where private agents share significant responsibility, and where many unethical acts, which can be regarded as corrupt, may not necessarily be illegal or located within the public sector. For
example, many powerful domestic and foreign private firms engage in undue influence to shape State policies, laws and regulations for their own benefit. Sometimes, these private entities make election campaign contributions, which may be legal but unduly undermine democracy. Moreover, favouritism of particular firms in the awarding of public procurement bids and contracts is widespread in Africa. Equally, many corrupt practices taking place on the continent are generated and abetted by non-African players.

It is arguable that the greatest challenge to Africa's structural transformation agenda is not corruption of the sort that has come to light in corporate and public sector scandals - issues of fraud and bribes can be effectively tackled with improved supervision and more stringent enforcement of governance rules. In general, fundamental economic governance problems are to be found on an entirely different level – the inability of management in both the public and private sectors to act effectively and enhance programme delivery and optimize results. Furthermore, effective regulatory frameworks should strike a balance between fostering private sector development and enhancing social transformation anchored on better service delivery. In this regard, a wider approach to the structural transformation agenda needs to be adopted by focusing on actions that not only tackle corruption but also enhance wider economic governance.

In this context, the fourth edition of the *African Governance Report* implores all stakeholders to rethink corruption measurements in general, and in the African context in particular. As the report shows, there is a strong need for such a rethink. For example, current approaches for measuring corruption completely ignore the international dimension of corruption in Africa. There is ample evidence that the operations of foreign players on the continent are causing significant illicit financial outflows. Such omissions present serious gaps in current measurements.

In my view, African countries and partners should move away from pure perception-based measures of corruption and focus on alternative approaches, which are fact-based and built on more objective quantitative criteria and include the international dimensions of corruption. The present report makes the case for such a shift. In the interim, while possible quantitative criteria continue to be explored, it is necessary to ensure that perception-based methods are better anchored on more transparent and representative surveys. These measurements should also be complemented, where possible, with quantitative country/case-specific indicators to produce more sophisticated and useful assessments. Instead of “naming and shaming” the culprits on the basis of some perceived levels, it is necessary to deeply reflect on the problems of measuring corruption in Africa, with special attention to the roles of international players. It is also vital that African policymakers and partners focus on the big economic governance issues critical for the continent’s structural transformation and sustainable development in order to effectively address the problems of corruption.

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