

## Fine words but corruption soars

By Africa Confidential's Patrick Smith  
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**Corruption deals in Africa are getting bigger. The crooks are getting smarter and doing ever greater damage to Africa's economies - sucking out resources meant for health, education and clean water.**

Unlike their Asian counterparts, Africa's robber-barons prefer to take their booty to Europe or the United States, far from prying eyes.



Zambia is trying to get the anti-corruption message to its people

It's a system run by an international network of criminals, involving corrupt bankers laundering money, lawyers and accountants setting up "front companies" and trusts to collect bribes, contract-hungry company directors, local middlemen in Africa and the corrupt officials in African governments.

After announcing in 2002 that Africa was losing \$150bn a year to corruption, the African Union drew up a convention to outlaw bribe-taking and bribe-giving. So is corruption a big concern for governments? Well, no.

### Scandals

Most African states are yet to sign the convention, or a similar protocol launched by the United Nations. And the anti-corruption lobby, Transparency International (TI), still rates African countries, along with Asian states such as Pakistan, Uzbekistan, Indonesia and Bangladesh, as among the worst offenders in its world corruption rankings.

Of the 20 countries perceived as most corrupt by TI, 12 are African states - including Chad, Equatorial Guinea, Angola, Kenya and Nigeria. Confounding the stereotypes is Botswana which comes out as the 31st least-corrupt state in the world ahead of Italy, Cyprus and Hungary.

Politicians insist that fighting corruption is about political will. While this often sounds good, what about the reality?

Kenya's President Mwai Kibaki promised free primary education for all at a press conference in 2003, but two years later the former anti-corruption tsar, John Githongo, resigned in frustration and moved to London.

He said that some \$500m has been sucked out of Kenya's economy by

#### THE BEST AND THE WORST

5 least corrupt states:

Iceland  
Finland  
New Zealand  
Denmark  
Singapore

5 most corrupt states:

Chad  
Bangladesh  
Turkmenistan  
Burma  
Haiti  
Source: Transparency  
International

corruption since Kibaki's coalition government came to power.

In real terms, that was around 10,000 primary school classrooms.

In Nigeria, successive military juntas have overthrown elected civilian governments accusing them of stealing state assets, and then launched campaigns such as the "War against Indiscipline" - while locking up dissidents for economic crimes and helping themselves to the state treasury.

Hopes were high with the election of President Obasanjo in 1999 after nearly two decades of army rule, who made a powerful inaugural speech condemning state looting.

But five years later few of those accused of theft under Sani Abacha's regime have been tried, while only a tiny percentage of the stolen money has been returned.

Even in South Africa - with its renowned constitution and the moral guidance of former President Nelson Mandela and Archbishop Desmond Tutu - corruption is centre-stage.

The Zuma case threatens to split asunder the ruling African National Congress, following claims that the charges are a political ploy to prevent him from becoming the next president.

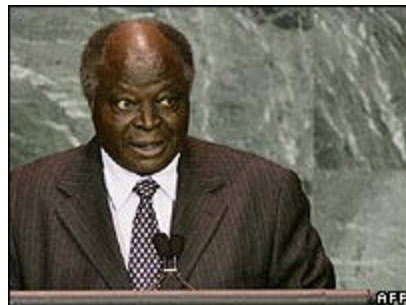
Anti-corruption campaigns in Zambia and Malawi are equally troubled. The targets - former Presidents Frederick Chiluba and Bakili Muluzi - are putting up a spirited defence and rallying the support of old allies to counter-investigations and trials, prompting national political crises.

### **'No questions asked'**

But rich Western nations have no cause to be smug. US President George Bush's administration is highly critical of graft in Africa, but it has less to say about the scandals of WorldCom, Enron and Halliburton's no-bid contracts in Iraq. All three companies did highly profitable business in Africa.

Meanwhile Britain has become the banking capital of choice for hot money - from Russian oligarchs or corrupt politicians from Africa.

British banks are noted for their discretion. In the mid-1990s, two of General Abacha's sons walked into a bank in the Strand and deposited \$150m with no questions asked.



TI admitted it was too close to Kibaki's government

More than \$1bn stolen by the Abacha regime is believed to have passed through the big British banks which are loath to

return it to Nigeria.

When Britain's state-owned export credit agency wanted to introduce tougher rules on bribery, the big arms and aerospace companies forced them to back down.

The agency has broken its own rules by failing to investigate questions about its financing of corruption in the Nigerian gas plant and Lesotho's dam water project.

And Britain's archaic libel laws attract a rogues' gallery of litigants to London law firms who try to suppress articles investigating their ill-gotten gains.