An In-Depth Analysis of Corruption in the Malagasy Context

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2024

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February 26, 2024

Abstract

The battle against corruption in Madagascar, despite concerted efforts and the establishment of dedicated institutions since 2004, remains a formidable obstacle to economic and democratic progress. Transparency International's Corruption Perceptions Index and the Afrobarometer survey reveal persistent challenges, including citizens' reluctance to report corruption due to fear of retaliation and insufficient funding for anti-corruption institutions. The pervasive perception of corruption across various sectors and concerns about legal inequality underscore the complexity of the issue. To address these challenges, this work proposes a comprehensive approach, including strengthening whistleblower protection mechanisms inspired by successful models, increasing financial resources for anti-corruption efforts, and implementing public sector reforms. The recommendations aim to instill confidence in the fight against corruption, fostering a transparent and resilient environment conducive to Madagascar's growth and development.

Keywords: Madagascar, VAR, Corruption,IPC,transparency, education, public reform, GDP.

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1 Introduction

In the vibrant tapestry of Madagascar's socio-political landscape, a looming and persistent challenge threatens the nation's progress corruption. This insidious force, like an undertow, not only impedes economic growth and democratic ideals but intricately infiltrates the very core of political governance and public services. Despite commendable efforts undertaken since 2004, marked by the establishment of specialized anti-corruption institutions, Madagascar finds itself ensnared in a complex struggle against a foe that continues to evolve and persist.

At the forefront of this battle stand institutions like the Independent Bureau for the Fight against Corruption (BIANCO), the Financial Intelligence Service of Madagascar (SAMIFIN), the Committee for the Safeguarding of Integrity (CSI), and the Anti-Corruption Unit (PAC). These entities, woven into a comprehensive framework, signify the nation's commitment to addressing corruption by facilitating the reporting of cases and ensuring their legal scrutiny. However, the nuanced reality, as unveiled by Transparency International's Corruption Perceptions Index for 2023, paints a picture of incremental improvement juxtaposed with a disconcerting sense of stagnation.[8]

This article embarks on a journey through the intricate layers of corruption in Madagascar, peeling back the curtain on the challenges that persist

despite earnest endeavors. Drawing insights from both the latest [8] Transparency International data and the [2] Afrobarometer survey, our exploration navigates the treacherous terrain of citizen perceptions, institutional inadequacies, and the pervasive nature of corruption across various sectors. As we delve into these complexities, our aim is not only to illuminate the shadows cast by corruption but to catalyze a conversation about targeted interventions, transparency enhancements, and the urgent fortification of anti-corruption mechanisms.

In this endeavor, we seek not merely to dissect the symptoms but to diagnose the root causes, fostering an understanding that goes beyond numbers and indices

2 Corruption Challenges in Madagascar: Addressing Perceptions, Fiscal Priorities, and Impunity

Corruption poses a formidable obstacle to the economic and democratic advancement of Madagascar, infiltrating both the political landscape and public services. In response to this pervasive issue, the nation has undertaken comprehensive measures since 2004, leading to the establishment of specialized institutions such as the Independent Bureau for the Fight against Corruption (BIANCO), the Financial Intelligence Service of Madagascar (SAMIFIN), the Committee for the Safeguarding of Integrity (CSI), and the Anti-Corruption Unit (PAC). Together, these institutions form a framework aimed at facilitating the reporting of complaints and the subsequent legal processing of corruption cases.

However, despite concerted efforts, corruption continues to manifest in the daily lives of citizens, contributing to legal inequities, frequent instances of bribery, and occasional requirements for payments to access fundamental public services. According to Transparency International's Corrup-

tion Perceptions Index (CPI) for 2023, Madagascar recorded a score of 25/100, reflecting a marginal decrease compared to the 2022 score. While methodologically insignificant, these minor deviations suggest a state of stagnation.

Figure 1: The Integrity Perceptions Corruption (IPC) score assigned to Madagascar by Transparency International

The Afrobarometer survey [2], conducted by the pan-African research network, provides a comprehensive insight into public opinion in Madagascar, highlighting the imperative need for targeted interventions to combat corruption and bolster citizens' trust in institutions. The latest Afrobarometer survey discloses that three-quarters of Malagasy citizens perceive a surge in corruption, predominantly implicating police officers, gendarmes, judges, and magistrates. Despite nearly 90% believing that reporting an act of corruption to the Independent Anti-Corruption Bureau (BIANCO) would be treated seriously, the fear of reprisals or adverse consequences dissuades the majority of citizens from reporting such incidents.

2.1 Apprehensions Regarding Retaliation Linked to Corruption Reporting in Madagasca

[2] The Afrobarometer study in Madagascar sheds light on a disconcerting unease concerning potential retaliation faced by ordinary citizens opting to expose acts of corruption. As per the findings(figure 2), a substantial percentage, specifically, 69% of the surveyed individuals (red bar), holds the belief that those reporting cases of corruption subject themselves to risks of retaliation or other adverse consequences and only 27% can

report without fear(blue bar) . This apprehension escalates within the general population, reflecting an atmosphere of distrust and fear towards the existing mechanisms for whistleblower protection. The observed disparity in concerns, with rates dropping to 49% among the more affluent and standing at 56% among individuals with post-secondary education, highlights a correlation between socio-economic and educational levels and the perceived risks associated with reporting corruption.

This divergence in concerns accentuates the imperative to fortify whistleblower protection mechanisms in Madagascar. This entails raising awareness about the assurances provided and implementing tangible measures to guarantee the safety and anonymity of individuals reporting misconduct. Strengthening trust in these mechanisms holds the potential to stimulate heightened citizen engagement in the anti-corruption effort, thereby fostering transparency and integrity within the country.
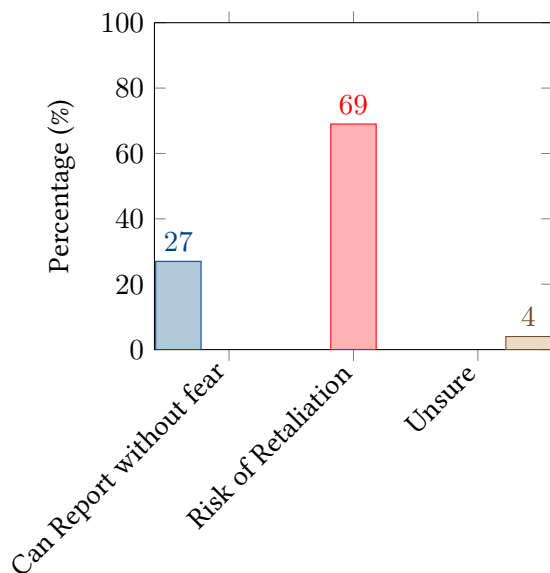

Figure 2: Perceptions of Reporting Corruption from malagasy's people

2.2 Insufficient Funding for Anti-Corruption Institutions

[8] Transparency International's recent analysis of corruption in Madagascar highlights attention to a significant issue related to the budgetary allocation for institutions dedicated to combating corruption. The examination of the 2022 Amended Finance Law reveals that the budget allotted to these institutions constitutes a negligible fraction, accounting for merely 0.128% of the overall state budget. This revelation is noteworthy, especially considering that the fight against corruption is purported to be a national priority. The meager allocation emphasizes the pressing need for a re-assessment of allocated resources to bolster the efficacy of anti-corruption bodies and ensure a suitable response to this pivotal issue for national well-being.

2.3 Pervasive Concerns Across Diverse Sectors of Society

Again, from [2] the Afrobarometer study, corruption is widely perceived by Malagasy citizens as a pervasive issue affecting various sectors of public administration. The data indicates that 44% believe that most or all law enforcement(gendarmes and police officers) are involved in corruption, while 39% think the majority or all judges and magistrates are corrupt. In the political realm, about one-third of Malagasy citizens identify government members (34%), the president and officials (33%), as well as parliamentarians (31%) as corrupt individuals. Approximately one in five respondents believe that businesspeople (18%) are involved in corruption, with a similar proportion for municipal and communal councilors (17%). Concerning civil society, 9% believe that members of non-governmental organizations are often or always involved in corruption. Only 5% think that most traditional leaders and religious leaders are corrupt. These findings underscore widespread apprehension about corruption across various sec-
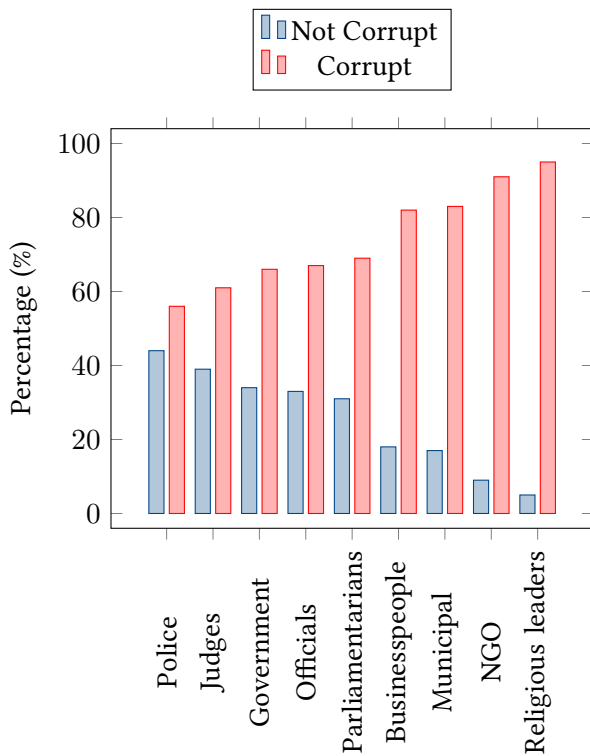
tors of Malagasy society.

Figure 3: Perceived Corruption Across Various Sectors

2.4 Injustice in Legal Proceedings:

The tangible manifestation of corruption in daily life, as seen through inequality before the law in Madagascar, is underscored by a prevailing perception among citizens. A substantial majority, comprising 56%, believes that individuals are frequently or consistently treated disparately in legal matters. In contrast, 40% opine that such instances rarely or never occur. This observation raises profound concerns, particularly as 60% indicate that those accountable for crimes often or always evade punishment, revealing a notable deficiency in the fair implementation of justice. These perceptions underscore the pressing issues of injustice and impunity, necessitating urgent attention to restore confidence in the judicial system and foster a society where everyone is treated equitably under the law.

3 Data and methodology

3.1 Data

The dataset employed in this investigation is procured from esteemed institutions, notably the World Bank and the Heritage Foundation. These organizations are recognized for their commitment to providing authoritative and comprehensive data, ensuring the integrity and reliability of the variables under scrutiny—specifically corruption, education expenditure, and GDP per capita. The temporal scope of this study spans from 1995 to 2021.(see table 1) This deliberate and expansive timeframe is selected to facilitate a meticulous exploration of the intricate relationships among corruption, education expenditure, and GDP per capita. By encompassing a substantial duration, our analysis encapsulates long-term trends and dynamic shifts within the socio-economic landscape of Madagascar. The meticulous selection of data sources and the deliberate consideration of an extended time horizon underscore the rigor and comprehensiveness of our analytical approach, thereby affording a nuanced understanding of the multifaceted factors influencing corruption and developmental trajectories in Madagascar.

3.2 Variable Selection:

3.2.1 Dependent Variable: Corruption

– *Justification:* Corruption serves as the central variable of interest, measured by a recognized index. This choice is motivated by the societal and economic significance of combating corruption in the context of Madagascar's development.

– *Variable:* The degree of freedom from corruption, an indicator assessed on a scale from 0 to 100. A degree close to 100 indicates a low incidence of corruption, while a degree close to 0 indicates a high incidence. This index is sourced from

Table 1: Data sources and definition of variables.

Variables	Definition	Source
DDC	The degree of freedom from corruption	Heritage Foundation `https://www.heritage.org/`
EDUC	Education expenditure	World bank `https://data.worldbank.org/`
GDPP	GDP per capita	World bank `https://data.worldbank.org/`

various reputable institutions, including the Transparency International Corruption Perceptions Index and The Heritage Foundation.

3.2.2 Independent Variables: Education Expenditure and GDP per Capita

1. *Education Expenditure:*

   – *Justification:* Education expenditure is a crucial variable, impacting the reduction of corruption by enhancing transparency and fostering educational development within the population[7].

   – *Variable:* Total public expenditure in the education sector (% of GDP), encompassing spending on public education and subsidies for private primary, secondary, and tertiary schools, presented as a percentage of Gross Domestic Product.

2. *GDP per Capita:*

   – *Justification:* GDP per capita (in USD) is a vital measure of economic prosperity. Including this variable allows exploration of the effect of economic development on corruption, aligning with economic theory suggesting that more prosperous economies are associated with lower corruption[6].

3.2.3 Literature Connection

The selected variables align with existing literature.[7] It's advocates for the idea that augmenting education spending can play a role in diminishing corruption by educating the population about its adverse consequences. Additionally, the inclusion of GDP per capita is in harmony with the concept that economic development can foster transparent and responsible government practices [6].

3.2.4 Data Transformation

Before subjecting the data to analysis, we performed essential data preprocessing steps. To stabilize variance and potentially linearize relationships, we applied a logarithmic transformation to GDPP, EDUC, and DDC, creating LGDPP, LEDUC, and LDDC. Additionally, we calculated first differences for these transformed variables, creating ΔLGDPP, ΔLEDUC, and ΔLDDC. This transformation aids in removing trends and ensures that the series are stationary, a fundamental assumption in time series analysis.(see table 2)

3.3 Model Estimation

After the necessary data preprocessing, we estimated a VAR model with a lag order of 2 (VAR(2)). This choice of lag order was guided by the results of Granger causality tests, which provided insights into the temporal relationships between the variables. The VAR(2) model allows us to capture

short-term interactions between corruption and the exogenous variables, providing insights into immediate responses and potential causal effects. We estimate constants and in this section, we have outlined our methodology for analyzing the relationship between corruption (DDC) and the variables GDPP and EDUC. The data has been carefully processed, and the VAR model has been selected as the appropriate framework for our analysis due to its ability to capture complex interactions and dynamic relationships within the data.

Let $y_t = (\Delta \text{LGDPP}_t, \Delta \text{LDDC}_t, \Delta \text{LEDUC}_t)$ be a VAR(2).

The equation of ΔLDDC_t in this VAR model:

$$
\begin{aligned}
\Delta \text{LDDC}_t = & c_1 + \phi_{11,1} \Delta \text{LDDC}_{t-1} + \phi_{11,2} \Delta \text{LDDC}_{t-2} \\
& + \phi_{12,1} \Delta \text{LGDPP}_{t-1} + \phi_{12,2} \Delta \text{LGDPP}_{t-2} \\
& + \phi_{13,1} \Delta \text{LEDUC}_{t-1} + \phi_{13,2} \Delta \text{LEDUC}_{t-2} \\
& + u_{1,t}.
\end{aligned}
$$

where c_i: Intercept of the regression,
$\phi_{ik,p}$: the coefficient of $k-$th variable lagged by p period in $i-$th equation,
u_i: a white noise centered and having constant covariance $\sigma_{u_i}^2$

4 Results

4.1 Stationarity Test

The stationarity of time series data is assessed through the application of the Augmented Dickey-Fuller test (ADF), which investigates the presence of a unit root—a characteristic indicative of non-stationarity. The outcomes of this test, presented in Table 2 for variables in their original levels and Table 3 for the first differences of these variables, are delineated below.

The results signify that, subsequent to differencing, all variables exhibit stationarity. Specifically, the variables $\Delta \text{logGDPP}$, ΔlogDDC, and $\Delta \text{logDEDUC}$ indicate the absence of a unit root,

Table 2: Stationarity Test Results with ADF in Levels

Variables	Prob	Conclusion
GDPP	0.5947	Non-Stationary
DDC	0.5384	Non-Stationary
EDUC	0.9110	Non-Stationary

Table 3: Stationarity Test Results with ADF in First Differences

Variables	Prob	Conclusion
$\Delta \text{logGDPP}$	0.000	Stationary
ΔlogDDC	0.000	Stationary
$\Delta \text{logDEDUC}$	0.000	Stationary

establishing the stationarity of the time series after the differencing process.

4.2 Model Stability

To evaluate the stability of the characteristic roots in the VAR model, we employed the Cumulative Sum of Squares (CUSUM) test on the Root Graph. The outcomes offer a distinct depiction of the model's stability across time. Examination of the Root Graph reveals that the eigenvalues consistently maintain stability within a confined range, signifying the absence of significant drift. The trajectory of the CUSUM adheres to acceptable bounds, affirming the sustained stability of the VAR model's roots.

This steadfast consistency enhances the credibility and robustness of our model. Establishing stability is imperative to ensure the trustworthiness of the obtained results and the significance of the conclusions derived from our VAR analysis. It attests to the coherence of relationships among the model's endogenous variables, providing a solid groundwork for confidently interpreting the underlying economic dynamics.
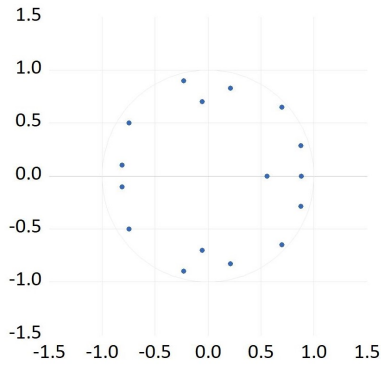
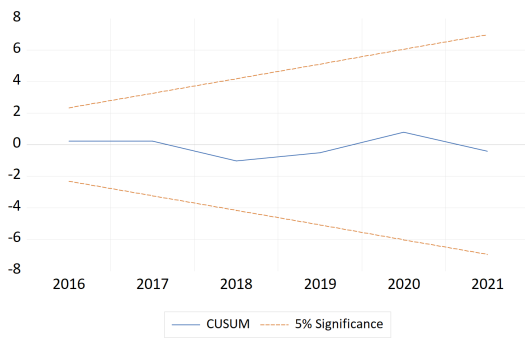Figure 4: Inverse Roots of AR Characteristic Polynomial
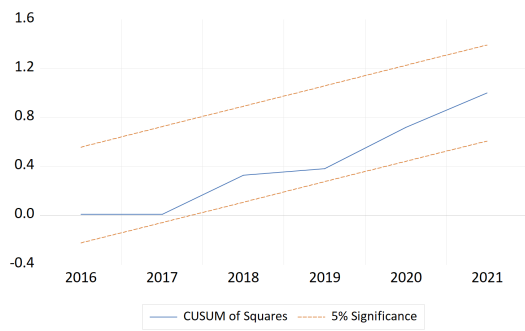

Figure 5: Result of cusum test

Figure 6: Result of cusum test square

4.3 Impulse Response Functions Results

The Impulse Response Functions (IRF) offer detailed insights into the intricate dynamics among the variables, specifically the Dependent Variable Corruption (ΔlogDDC), and independent variables: Education Expenditure (ΔlogEDUC) and GDP per Capita (ΔlogPIB). The analysis is particularly focused on the second and third periods:

Education Expenditure

The response of Education Expenditure is notably positive, demonstrating a moderate increase in the second period following the initial shock. This positive influence persists across subsequent periods, albeit with diminishing strength. The cumulative effect illustrates a sustained, albeit gradually diminishing, response to the initial shock, indicating a lasting impact on Education Expenditure.

GDP per Capita

GDP per Capita exhibits an immediate and substantial positive response in the second period after the initial shock. This positive trend is sustained throughout subsequent periods, highlighting a continuous positive influence. The cumulative effect underscores a lasting impact on GDP per Capita, portraying the enduring consequences of the initial shock. The detailed examination of the Impulse Response Functions provides a nuanced understanding of the temporal dynamics and enduring effects of the shocks on both Education Expenditure and GDP per Capita.

Period	ΔlogDDC	ΔlogEDUC	ΔlogGDPP
1	3.9817	0.0000	0.0000
2	2.5493	0.1964	0.5765
3	1.1435	0.4245	3.6743
4	1.2863	0.4960	1.1857
5	1.1412	0.5189	0.9508
6	0.8527	0.3136	1.0599
7	0.6986	0.3364	0.8425
8	0.5930	0.2403	0.6289
9	0.4832	0.2218	0.5441
10	0.3953	0.1642	0.4493

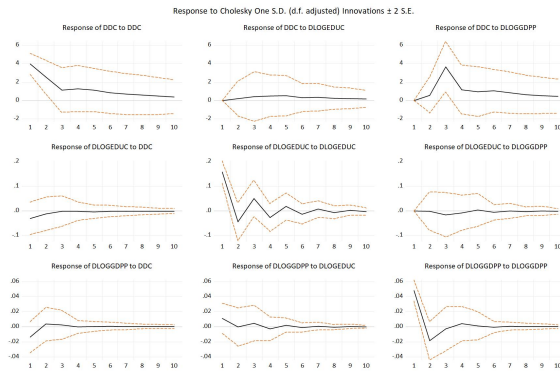Table 4: Summary of the Corruption IRF Response

Figure 7: Impulse Response Functions for all the variables

5 Discussion

5.1 Improved GDP and Lower Corruption in Madagascar

The identification of a correlation between the rise in GDP per capita and the decline in corruption in Madagascar suggests the operation of intricate mechanisms. This association can be elucidate by delving into key factors highlighted in the literature, emphasizing the roles of strengthened institutions, heightened transparency, and enhanced education and awareness.

5.1.1 Strengthening Institutions

As economies progress, government institutions often necessitate reinforcement to align with this growth. A [1] robust institutions are linked to a reduction in corruption. By fortifying accountability and control mechanisms, these institutions contribute to establishing an environment less tolerant of corruption. Consequently, officials and decision-makers are more likely to face consequences for their actions, serving as a deterrent against corrupt practices.

5.1.2 Increased Transparency

Economic development typically accompanies a surge in transparency. [6] Prosperous economies tend to exhibit greater transparency, minimizing

opportunities for corruption. A flourishing economic environment encourages the implementation of monitoring systems and information disclosure mechanisms, limiting the spaces where corruption can thrive. Governments may be incentivized to adopt transparent practices to attract investments and foster sustainable development.

5.1.3 Education and Awareness

The upswing in GDP per capita is often correlated with improved access to education. A [7] more educated population tends to be more cognizant of the adverse consequences of corruption. Education enhances understanding of individual and collective rights, along with governance mechanisms. An educated populace is more inclined to hold authorities accountable and actively engage in the anti-corruption effort. Moreover, education contributes to cultivating a culture that rejects corruption, positioning transparency and accountability as foundational values.

In summary, these interconnected mechanisms collaboratively create an environment conducive to corruption reduction, fostering a more sustainable and ethical trajectory of economic development.

5.2 Increased Education Expenditure Leads to a Reduction in Corruption

The identification of a correlation between the rise in education expenditure and the decline in corruption sparks interest in understanding the underlying mechanisms. By exploring key elements highlighted in the literature, we can gain a better understanding of how the increased investment in education can directly contribute to reducing levels of corruption.

5.2.1 Access to Education

Increased spending in the education sector often enables greater access to education. Expanded access to education, as emphasized by

research, leads to a more informed and rights-conscious population [7]. An educated society is better equipped to comprehend the negative consequences of corruption, creating social pressure for more transparent and responsible government practices.

5.2.2 Empowerment of Citizens

Increased education spending enhances the power of citizens by equipping them with the knowledge necessary to actively participate in political and social life. Educated individuals are more adept at demanding accountability from authorities and expressing discontent with corruption. This creates an environment where public officials are incentivized to adopt more ethical practices to meet the expectations of an educated population.

5.2.3 Promotion of Transparency

Investment in education is often linked to initiatives aimed at increasing transparency in educational and governmental institutions. Accountability mechanisms and information disclosure practices can be established, limiting opportunities for corruption. Transparent management of educational resources strengthens public trust and contributes to eroding the foundations of corruption.

In conclusion, these interconnected elements create an environment conducive to reducing corruption by fostering an educated, active, and demanding society, contributing to the construction of more ethical and responsible governance.

5.3 Considerations and Opportunities in the VAR Model: Navigating Limitations with a Modest Dataset

The VAR model, based on a dataset of 27 observations, has certain limitations. The modest dataset size may impact the model's ability to fully capture dynamic relationships among variables. Despite these constraints, it is crucial to approach

them as opportunities for refinement rather than insurmountable challenges. The statistical power is naturally constrained with a limited sample size, requiring careful consideration of estimated coefficients. Caution is advised in generalizing findings beyond the dataset's specific context. While recognizing these limitations, they are viewed as avenues for future refinement, with potential enhancements through larger datasets to bolster the model's robustness and broader applicability.

6 Recommendations

To enhance the fight against corruption in Madagascar, several key recommendations are suggested.

Firstly, there is a recommendation to strengthen whistleblower protection mechanisms, drawing inspiration from the Australian model. This includes implementing robust programs, providing legal and psychological support, ensuring effective communication, fostering collaboration with civil society, and conducting ongoing reviews.

Secondly, following the success of Singapore, there is an advocacy for an increase in financial resources allocated to the fight against corruption, with a specific allocation for educational programs.

Finally, public sector reforms are recommended, based on the experiences of Brazil, to strengthen anti-corruption legislation, and following Ukraine's example to implement public financial management reforms, including the adoption of e-procurement platforms to increase transparency. These recommendations aim to create a more robust, transparent, and resilient environment in the fight against corruption in Madagascar.

6.1 Strengthen Whistleblower Protection Mechanisms

Madagascar could establish a robust framework for whistleblower protection, fostering an environment conducive to reporting acts of corruption and building public trust in anti-corruption mech-

anisms.

Concrete Case

The Australian model of whistleblower protection offers a comprehensive approach, demonstrated by the effectiveness of its system.

Detailed Recommendation

– *Development of Robust Programs*: Madagascar should create strong whistleblower protection programs, taking inspiration from Australia. These programs should include clear reporting protocols, confidentiality mechanisms, and secure channels ensuring the safety of informants.

– *Legal and Psychological Support*: Implement robust legal and psychological support mechanisms for whistleblowers. This includes ensuring adequate legal representation and psychological support to cope with potential professional and emotional repercussions.

– *Effective Communication*: Launch national awareness campaigns to educate the population about the importance of reporting. Emphasize the social and ethical benefits of reporting corruption, while highlighting the protective measures in place to reassure potential whistleblowers.

– *Collaboration with Civil Society:* Collaborate closely with civil society organizations specializing in human rights protection and anti-corruption efforts. This collaboration will ensure independent monitoring and external assessment of the protection mechanisms in place.

– *Review and Continuous Improvement:* Regularly assess the effectiveness of protection mechanisms, taking into account

feedback from whistleblowers. Ensure constant review of protocols to ensure they remain responsive to the changing needs of society. Recommendation 2: Integrated Development - Increase Financial Resources Drawing Insp

6.2 Integrated Development - Increase Financial Resources Drawing Inspiration from Singapore

Increase funds allocated to the fight against corruption, especially with the aim of strengthening and supporting control bodies and the Anti-Corruption System in Madagascar.

Case of Singapore

Singapore, ranked 4th in the latest Transparency International Corruption Perception Index (CPI) and 12th according to the TRACE Bribery Risk Matrix of TRACE International, has demonstrated that the fight against corruption can be successful. The country has chosen a holistic approach by investing heavily in financial resources to strengthen its Corrupt Practices Investigation Bureau (CPIB).

These investments have been judiciously used for recruiting qualified personnel, adopting advanced technologies, and conducting thorough investigations. It is noteworthy that Singapore has adopted a unique approach by dedicating 25% of its annual public spending to building schools and providing public scholarships as part of its anti-corruption efforts through public education. This strategy demonstrates that investing in education can have positive repercussions on corruption prevention by enhancing public awareness.

Recommendations

Drawing inspiration from Singapore's experience, Madagascar could consider increasing the budget allocated to the fight against corruption as a priority. Singapore's high rankings in international

corruption indices attest to the effectiveness of this approach.

Madagascar could also consider a specific budget allocation for educational programs related to the fight against corruption. This could include awareness campaigns in schools, educational programs on ethics and governance, and scholarships aimed at promoting education in the field of anti-corruption. By investing in education, Madagascar can not only strengthen public awareness but also train a new generation of individuals committed to promoting integrity and transparency.

6.3 Public Sector Reforms in Madagascar:

6.3.1 Strengthening Existing Legislation

The measures aim to enhance the Malagasy Government's capacity to prevent and combat corruption in public procurement, thereby fostering integrity, trust, and accountability in business.

Case of Brazil and the Clean Company Act

The enforcement of the Clean Company Act in Brazil represents a major advancement in the fight against corruption. This legislation seeks to hold companies accountable by imposing severe sanctions for involvement in corrupt practices, emphasizing the crucial importance of corporate responsibility to deter such practices. The Clean Company Act has become a powerful instrument for reinforcing integrity in commercial transactions.

Recommendations

Revise Anti-Corruption Laws. The lesson learned from Brazil is clear and applicable, revise existing anti-corruption laws to make them more deterrent and ensure rigorous enforcement:

– *Deterrent Sanctions*: Introduce significant financial penalties, substantial fines, and the possibility of asset seizure for companies involved in corrupt acts. These sanc-

tions should serve as a real and deterrent obstacle.

– *Corporate Liability*: Extend criminal liability to legal entities, ensuring that companies themselves, and not just individuals, are held accountable. This will encourage companies to implement more rigorous internal compliance mechanisms.

– *Rigorous Enforcement:* Strengthen control bodies and anti-corruption agencies to ensure rigorous law enforcement. This involves thorough investigations, effective prosecutions, and substantial penalties upon conviction.

– *Whistleblower Protection:* Establish robust mechanisms to protect whistleblowers to encourage individuals to report corrupt acts without fear of reprisals. Effective collaboration with witnesses is crucial for the success of investigations.

– *Transparency in Business*: Promote transparency in business transactions by encouraging proactive disclosure of contracts, payments, and financial transactions. This enables increased monitoring by the public and regulatory bodies.

6.3.2 Public Financial Management Reforms:

The proposed solutions advocate for a comprehensive overhaul of Public Financial Management (PFM) practices, aiming to instill heightened transparency, fortify stakeholder accountability, and foster equitable competition among suppliers. These reforms extend beyond mere financial benefits, playing a pivotal role in reinstating public trust in the integrity of procurement processes.

Case of Ukraine

In confronting corruption challenges, Madagascar stands to gain valuable insights from the notable success of Public Financial Management reforms in Ukraine, with a special focus on the ProZorro e-procurement system. ProZorro, aptly translating to "transparency" in Ukrainian, represents an open-source e-procurement platform that has significantly reshaped the landscape of public procurement management in Ukraine. This innovative system not only elevates transparency levels but also democratizes access to information concerning transactions, actively involving the public in the oversight of procurement processes.

Recommendations

A highly encouraged course of action for the Malagasy government involves proactive investment in analogous solutions, with a specific emphasis on adopting electronic procurement platforms. This strategic approach aims to amplify the visibility of transactions, foster fairness in the accessibility of procurement opportunities, and mitigate corruption risks. By embracing such reforms, Madagascar can position itself on the path towards more accountable and transparent public financial management practices, mirroring the success witnessed in Ukraine.

7   Conclusion

In conclusion, the battle against corruption in Madagascar remains a formidable challenge, posing a persistent threat to both economic prosperity and democratic development. Despite commendable efforts and the establishment of dedicated institutions since 2004, the grip of corruption persists, evident in Transparency International's Corruption Perceptions Index and the revelations from the Afrobarometer survey.

The hesitancy of citizens to report corruption, driven by the fear of retaliation, combined with the inadequate funding for anti-corruption institutions, compounds the complexity of the issue.

The pervasive perception of corruption across diverse sectors, alongside concerns about legal inequality, underscores the gravity of the situation. Addressing these challenges demands a comprehensive approach. Urgent steps include fortifying whistleblower protection mechanisms, drawing inspiration from successful models such as Australia's, to empower citizens to report without fear. Simultaneously, an increase in financial resources for anti-corruption efforts, mirroring the successes of Singapore, and the implementation of public sector reforms modeled on experiences from Brazil and Ukraine are crucial for building a transparent and robust anti-corruption framework.

The recommendations presented aim to instill confidence in the fight against corruption, fostering a society where citizens trust the mechanisms in place and actively contribute to promoting transparency and integrity. As Madagascar navigates through this intricate landscape, the steadfast commitment to implementing these measures will be pivotal in shaping a future where corruption no longer hampers the nation's growth and development.

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