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**Corruption and economic growth: the case of the Democratic Republic of Congo.**

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**Abstract**

Corruption is one of the most ancient phenomena among men, and it has been established as a culture in most nations of the world. Scholars are divided when it comes to the effects of corruption the on economic growth and development of a nation. The first school of thought considered corruption a facilitator of economic growth by speeding the obtaining of authorizations from public officials. The second school views corruption as sand in the wheel because it prevents private investments and increases the cost of productivity. This study is a review of academic works and official documentation to show the effect of corruption on a country's social and economic structure. In addition, this study showcases the motives that sustain this practice at the head of states and its social consequences in human interactions. Also, this paper demonstrated how most policies adopted in the Democratic Republic of the Congo have not been implemented as a result of the political pressure under which the appointed bodies work.

**Keywords: Corruption, economic growth, public official, development, governance.**

## Introduction

Economic growth is one of the principal drivers of the development and well-being of a society. Economic growth depends on a certain number of factors, such as effective governance, the business environment, health, education, and technology. However, there are other factors that are not directly related to the phenomenon but have an incredible impact on it, among which is the practice of corruption. (Campos, Dimova and Saleh, 2015). There are two different understandings about the effects of corruption on the economy. The first and/ “white-lie” version considers that corruption has a positive impact on the economy in the sense that it facilitates private agents to access authorizations easily by bribing officials; whilst the second considers corruption as a cancer to the economy, for it kills productivity and restrains investments, which culminate in a decrease in the GDP. (Anoruo and Braha, 2005). (Campos, Dimova, and Saleh 2015).

This study is attempting to describe the grievance of corruption at the head of state by using certified literature on the subject. The second classic result of this study is to create a path for reflection on the effects of corruption on the social and economic resilience of nations. This effort tends to promote policy creation that can facilitate the decrease of corruption (Raghunandan, 2024). In fact, corruption is not only a social and economic phenomenon but also a philosophical and psychological one (Krivins 2018). Educating the society on the foundational behaviors of corruption such as but not limited to receiving or paying of bribes is the first step towards mastering this cultural ill (Molebogeng Mazibuko, Mining Industry expert, 2024).

In his article published on the web site Citizen Matters, T. R. Raghunandan posted a picture in which a woman was willing to pay a bribe to get a death certificate for her relative.



Women begging to bribe for a dead body.

This reveals how corruption has been accepted and normalized throughout our societies (Raghunandan 2024). There must be motivations behind the taking and paying of bribes. Krivins reflected on bribing acceptance and found seven reasons that motivate a person or official to accept a bribe. (Krivins 2018).

## Corruption

The World Bank defines corruption as “the abuse of public office for private gain.” Public office is abused for private gain when an official accepts, solicits, or extorts a bribe. “Cited by Abdu (Abdu 2003). Alatas (1990) describes types of corruption as follows: autogenic; defensive; extortive; investive; nepotistic; supportive; and transactive.

Autogenic corruption is self-generating. Defensive means bribing to avoid negative consequences for one’s interests. Extortive is when a person imposes compensation for a service for which he is already paid for. Investive corruption is offering a fair service to reap favor in the future. Nepotistic corruption refers to the preferential treatment or unjustified appointment of friends or relatives to public office in violation of the accepted guidelines. Supportive is about actions taken to protect corruption.

It is obvious that corruption has opened space for what is called “fake democracy,” where the key components of classic democracy are substantially violated, including elections, the media, the legislature, and the judiciary system, such is the case in most Africa democracies post colonialization, this phase is referred to as the pre-democratic era by most political experts. Elections are organized just to hide the reality of an authoritarian system and to secure aid coming from western culture (Matti 2021). In addition, corruption is signaled to be the causal agent of public expenditure ineffectiveness, hindering foreign investment and fueling low economic growth in developing countries (Shera et al., 2014). The World Bank estimates that corruption represents an amount of USD 3 trillion in the global GDP of USD 30 trillion. (Poisson, 2014).

Krivins suggested that the motives behind the taking of bribes are not only economic but profoundly psychological and philosophical. The author listed the causes of bribe acceptance as follows: Accepting bribes as physiological needs for human survival and accepting bribes as safety needs as means of social, financial, health, and future security. The next is the will to power, which is about exercising control over an area. Accepting bribes as “belongingness” needs means people must take bribes to avoid becoming black sheep or breaking the rule. Accepting bribes as esteem needs and accepting bribes as self-actualization means that a person accepts a bribe to achieve their full potential. The last one is self-transcendence, which is related to a person’s temperament and character (Krivins 2016).

Corruption is considered the main reason for high maternal mortality and unskilled professionals. In fact, most corrupt public officials prefer to allocate resources where they can receive more, such as purchasing items from a low-priced market. This situation prevents areas such as education from receiving enough funds to build healthy infrastructure. Then the logical consequences are a poor education system, weak professionals, and unskilled health workers. (Alamgir and Amin 2018). Next, corruption engenders instability and weak democracies.

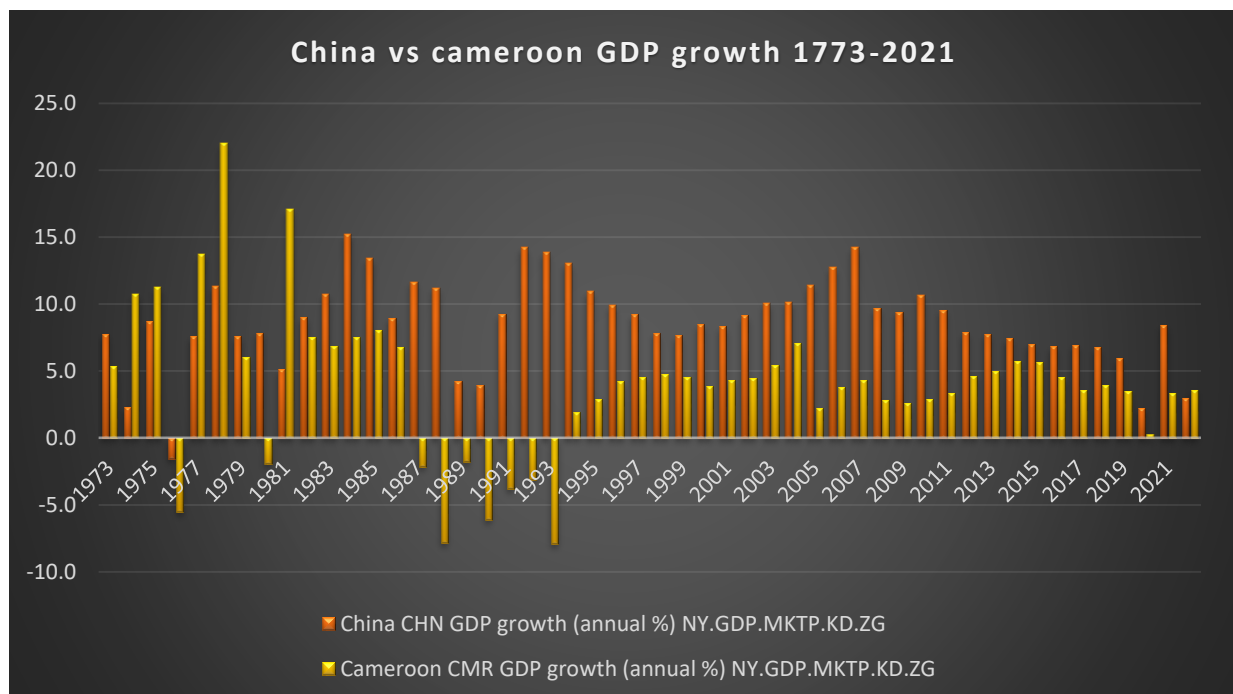
The government and civil society have a **vital role to play** in rebalancing this deeply rooted phenomenon. In the Democratic Republic of the Congo, which is seen as a model of a highly corrupt country, a good bunch of anti-corruption bodies have been put in place over the last five years. However, the corruption statistics are still alarming, especially with the arrest of the managing director of the national agency for the fight against corruption. There is a need to evaluate the weight, impact and provide practical solutions to the governments. (CRA 2020).

## What is economic growth and why is it important?

Economic growth is the improvement of the quality and quantity of products and services that are necessary for maintaining human lives. Good health, nutrition, quality schools, infrastructure, and technology are products of economic growth. (Roser 2019). The Nobel Prize winner Paul Romer, from the Concise Encyclopedia of Economics, stated: *“Economic growth occurs whenever people take resources and rearrange them in ways that are more valuable. A useful metaphor for production in an economy comes from the kitchen. To create valuable final products, we mix inexpensive ingredients together according to a recipe. The cooking one can do is limited by the supply of ingredients, and most cooking in the economy produces undesirable side effects. If economic growth could be achieved only by doing more and more of the same kind of cooking, we would eventually run out of raw materials and suffer from unacceptable levels of pollution and nuisance. Human history teaches us, however, that economic growth springs from better recipes, not just from more cooking. New recipes generally produce fewer unpleasant side effects and generate more economic value per unit of raw material.”* (Ecnolib 2024)

From the above statement, we can trace the importance of **local product transformation** as a key to employment, consumption, and social development. The economic growth generally measured by the gross domestic product (GDP) is not a well-accepted indicator of the well-being of the population. In the article “Economic Growth: Types and Authors, Mr. Aleksey Poliduts and Yuner Kapkaev of the Chelyabinsk State University, Russia, have differentiated between economic growth and economic development. The first is about the growth in financial security, and the second is more oriented toward financial equality among a group of people. (Poliduts and Kapkaev, 2015).

Most of the young generation would not believe that there was a time where African countries were superior or equal to south-eastern Asia countries such as Singapore, Korea, China, and so on in terms of economic growth. (world data 2024).



**Source: world development indicators.**

From the chart above, it is noted that Cameroon achieved more than 20% of GDP growth in 1978 as a result of mines and agriculture expansion. It is evident that from 1973 to 1981, Cameroon was hand in hand with China in terms of prosperity. Since the country was hit with a violent crisis due to the drop of mineral resources price on the international market. Next, the second biggest setback to sustained growth was poor governance, characterized by authoritarian and corrupt regimes. This same situation has been observed in most of sub-Saharan countries including Democratic Republic of Congo, Benin, and so on. (Zagabe 2023). The rapid drop in the growth rate of 9% observed in 1987 has plugged the country and the region in a situation characterized by violence, unemployment, and severe poverty that the country has not recovered from until today.

**Corruption in the Democratic Republic of Congo**

The fight against corruption in the Democratic Republic of Congo is based on a series of local acts and international agreements such as the United Nations Convention Against Corruption (UNCAC) to which the country adhered in September 2010 and so on. According to the last report of civil society, the government of the DRC has manifested a huge interest in eradicating corruption within its administration. In fact, during the last 5 years, we witnessed the multiplication of bodies specialized in the fight against corruption in the DRC. It is including but not limited to:

1. Agency for Prevention and fight against Corruption (APLC).
2. National Financial Intelligence Unit (CENAREF).
3. National Office for Professional Ethics (BUNEP).
4. Observatory for the Surveillance of Corruption and Professional Ethics (OSCEP).
5. Court of Auditors.
6. Directorate-General for Public Procurement.
7. Public Procurement Regulatory Authority.
8. General Inspectorate of Finances (IGF).
9. Observatory for Corruption and Professional Ethics Monitoring.

Since the 1987 the government of the DRC has put in place the court of auditors to prevent and fight against public finances and all kinds of fraud (CERC 2020). Under the president Kabila, the same will was manifested through the signature of international agreements against corruption such as the Extractive Industries Transparency Initiative (EITI) put in place to ensure transparency in payments received by the mining companies to government, the UNCAC in 2010 and so on. The President Kabila signed an agreement with South Africa to secure good practice related to ethics and values.

Since the coming into power of the President Tshisekedi, actions have been noticed towards the prevention and fight against corruption. From this come the Agency for Prevention and Fight Against Corruption, and the reforms of the General Inspectorate of Finances and National Financial Intelligence Unit (CENAREF). These bodies are set up by the president to reduce the frequency of money laundering and the mismanagement of public funds.

However, it is noted that the corruption in DRC is not at its lowest level as expected. In contrary the, DRC is still wasting USD 15 billion every year because of Corruption, mismanagement, fraud, and other

mechanisms. The main reason for this is lack political will from the government, insufficient resources allocated to bodies in charge of fighting corruption and absence of organic law for whistleblowers protection.

in addition to that, the arrest of the APLC's coordinator and the suspension of two directors from the same agency for extortion of funds and abuse of power, point to a lack of integrity within some of the anti-corruption agencies themselves. The high politicization of justice and lack safeguard law for personal working in bodies related to fight against corruption combined with the situation mentioned above created a climate in which corruption can flourish easily.

### Corruption prevention policies

The tab below showcases the level of implementation of policies related to prevention and fight against corruption in relation with the UNCAC:

UNCAC articles	Status of the implementation in law	status of implementation and enforcement in practice
<b>Art. 5 Preventive anti-corruption policies and practices</b>	Partially implemented	Moderate
<b>Art. 6 Preventive anti-corruption body or bodies</b>	Fully implemented	Moderate
<b>Art. 7.1 Public Sector employment</b>	Partially implemented	Poor
<b>Art. 7.3 Political Financing</b>	Not implemented	Poor
<b>Art. 7, 8 and 12 Codes of conduct, conflicts of interest and asset declarations</b>	Partially implemented	Poor
<b>Articles 8.4 and 13.2 Reporting mechanism and whistleblower protection</b>	Not implemented	Poor
<b>Art. 9.1 Public procurement</b>	Partially implemented	Moderate
<b>Art. 9.2 Management of public finances</b>	Fully implemented	Moderate
<b>Art. 10 and 13.1 Access to information and the participation of society</b>	Partially implemented	Poor
<b>Art. 11 Judiciary and prosecution services</b>	Partially implemented	Poor
<b>Art. 12 Private sector transparency</b>	Partially implemented	Moderate
<b>Art. 14 Measures to prevent money-laundering</b>	Partially implemented	Moderate
<b>Articles 52 and 58 Anti-money laundering</b>	Partially implemented	Moderate
<b>Art. 53 Measures for direct recovery of property</b>	Partially implemented	Poor
<b>Art. 54, 55, 56 Confiscation tools and international cooperation for the purpose of confiscation</b>	Partially implemented	Poor

<b>Art. 57 The return and disposal of confiscated property</b>	Partially implemented	Poor
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**From: civil society by the Centre de Recherche Anti-corruption.**

From the tab above, it is noticed that 75 % of policies are still partially implemented according to Anti-Corruption Research Center. Only 0,1 % of the policies set up to prevent and fight against corruption are fully implemented. This situation promotes an image of a country filled with the culture of corruption as a mode of living. In fact, the DRC is ranked 166 out of 180 countries in 2022.

Although, the DRC shows a positive trend from 2019 when the president Tshisekedi step into power. In fact, the DRC has recorded a rise from 18 to 20 in 2022 meaning that actions taken by the government are bearing fruits. ( <https://www.transparency.org/> 2023).

The report written by the sentry makes it clear about the various controversies happening at the head of the country especially in the mining industry. Investigators found that the DRC has violated the UN, US and UK sanctions against North Korea by favoring two Koreans to open a company legally and benefiting from public tender (thesentry 2020). In the same vein, corruption is the main reason that destroyed the effectiveness of the famous “Five public works” promoted by the president Kabila in 2006. In fact, studies show that an organized corruption circuit orchestrated by the Kabila family and his collaborators. (the sentry 2021)

### **Consequences of corruption in country’s socio-economic situation**

This subject has been studied by many authors in various times, spaces, and cultures. Although, some academics qualified corruption as grease to wheel, it is obvious that the lower the corruption the better it is for country. (Plustoka 2020). Paulo Mauro does not contradict this thesis by demonstrating empirically that corruption has adverse effects of the economic growth of a country by lowering the private investment and hindering the structure of the public expenditure. (Mauro 1997). In some most countries especially in developing ones, key growth factors such as education, health are jeopardized as a result of misuse of public funds.

Clientelism and Nepotism are the type of corruption that results in the appointment unskilled people for the sake of protecting a corrupt group is causing harm to nations with high rate of corruption. (Alatas 1990). In developing countries, high paying contracts are awarded to few informally selected companies for bribing and kickbacks. (Mirzayev 2014). Corruption disrupts the basis for economic growth and foster conflicts and gender based violence because judges accepts bribes. This situation of generalized and pandemic corruption has created weak anti-corruption institutions hindering every possibility of growth and wellbeing. (Transparency International 2023).

In high corrupted countries, democracies are appearances but not a practiced as value for creating wealth for every individual. Elections, imprisonment of public officials caught in corruption, and interventions of government against conflicts are just for media and communication but not providing lasting solutions to the people. The study realized by Adela SHERA, PhD, Bernard DOSTI, PhD, Perseta GRABOVA demonstrated the existence of significant negative correlation between corruption and economic growth. (Grabova et al 2014).



**Recommendations**

- The culture of corruption should be attacked from the root with proper investigations and rules.
- Government should enhance transparency bodies by providing them with resources and power to do their job.
- Governments should put in place clear policies that combat corruption.

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