

DECIPHERING THE PHENOMENON OF ELITE CORRUPTION IN AFRICA

Segun Oshewolo

Department of Political Science, Landmark University, Omu-Aran, Nigeria

Babatunde Durowaiye

Department of Sociology, Landmark University, Omu-Aran, Nigeria

ABSTRACT

Development challenges transverse the countries of Africa. This explains why the continent has progressed with comparative slowness in the global community. Among these challenges, the phenomenon of elite corruption proves to be one of the most potent. The paper offers a flash of intellectual insight that simultaneously distils the conceptual orientation of the phenomenon of elite corruption and also unravels its various dimensions in the African context. To achieve the latter goal, the paper adopts the theory of rent-seeking. The theory does not only expose the conspiracy to perpetuate poverty by elites, it also reveals the mechanisms for achieving that end. The impact of this monstrous wave on the African development enterprise is also captured. As a way out, the paper recommends governance reforms that promote effective and efficient utilization of present and future public resources so as to prevent the waste and inefficiencies of the past.

Key words: Elite Corruption; Africa; Development; Rent-Seeking

Introduction

Without sounding theatrically polemical, Africa typifies a land where development is perpetually under a siege; a land that is pervaded by the growth-tragedy syndrome; and a land that is trapped in the abyss of unprecedentedly horrendous governance error. As close observers of the African political economy, the above submission is intended to register our protest against the African development paradox. Roughly five decades after decolonisation in most parts of Africa, many of these nation-states have made minimal progress or stagnated, in terms of socio-economic growth and development (Uneke, 2010:111). Not only has the economy faltered, the political terrain has also been tumultuous. In the early period of

statehood in Africa, hopes and expectations were high that the region would transpose into a major industrial destination in the world as a result of the abundant natural and economic resources that dot the length and breadth of the continent (Ajayi & Oshewolo, 2013). Afterwards, the descent of the continent into the abyss of underdevelopment represents a monumental betrayal of Africa's huge resource base. In comparative development analysis, the current situation in Africa is more harrowing than any other region in the world. This is because African countries have not been able to reach the development potentials that are consistent with their enormous resource base.

How then do we decipher this situation? What exactly is the problem? Several observers have rightly hinged the African development crisis on the phenomenon of elite corruption (see Ojukwu & Shopeju, 2010; Uneke, 2010; Lawal, 2007; Gyimah-Brempong, 2002; Mbaku, 1996). The focus of this paper is not to reproduce scholarly works in this regard but to articulate the intricate patterns of the phenomenon in the African context. By this focus, the pitfalls of impressionistic assertions which our opening submission may suggest are avoided.

While Africa represents a region with enormous political and economic potentials due to huge human and material endowments, elite corruption has however deprived the continent of the development benefits. This phenomenon represents the root cause of poverty. As a result of elite corruption, poor economic performance pervades the continent of Africa. Poor economic performance is not limited to resource-poor countries of the Sahel region; it is also a feature of resource-rich countries such as the Democratic Republic of Congo and Nigeria (see Gyimah-Brempong, 2002:183). The climate of predatory rule across Africa reinforces the focus of this paper on elite corruption. Some of the notable attributes of predatory rule include: a high degree of political power concentrated in personal rule and sustained by a narrow coalition without a coherent ideological justification; the use of this power to control and distribute economic resources; the failure to use such resources for any observable developmental purpose; the systematic erosion of both public institutions and the rule of law; and a consequent degradation of the economy (see Bavister-Gould, 2011). This disposition has not only popularised the phenomenon of elite capture and corruption, it has also produced development disjointedness in Africa.

The paper offers an explanation for the phenomenon of elite corruption in Africa. An explanatory variable that elaborately distils the problem is the rent-seeking theoretical model.

In addition to its own theoretical insights, it also incorporates the articulations of other related variables such as elite capture and predatory rule. In view of this, the paper largely relies on the useful theoretical insights of rent-seeking to achieve the research objectives that include explaining the phenomenon of elite corruption, analysing its impacts on the African development enterprise, and suggesting measures to mitigate the problem. In line with these objectives, the paper is divided into five sections. While this introductory aspect constitutes the first section, the phenomenon of elite corruption in Africa represents the focus in section two. The third section explores the useful theoretical insights of rent-seeking while section four analyses the impact of elite corruption on Africa's development. Section five covers the concluding remarks.

Explaining the Phenomenon of Elite Corruption in Africa

From the outset, it should be clarified that corruption is a global phenomenon. As observed by Lawal (2007:1), corruption exists throughout the world, in developed and developing countries alike. In a similar tune, Bhargava (2005:1) asserts that corruption is present in all countries of the world, although its pervasiveness varies. Regrettably, Africa tops world corruption rankings (see <http://www.transparency.org/>). This implies that corruption is more entrenched in Africa than any other region in the world. Detailed analysis of the African situation would come later in this section.

At this point, it is necessary to conceptually analyse the phenomenon of corruption vis-à-vis elite corruption. Corruption means different things to different people depending on the individual's discipline, culture, and political leaning (Gyimah-Brempong, 2002:186). Because governance has emerged as an issue in Africa's development (see NEPAD Secretariat, 2007), it is important to explore the governance dimension of corruption. Governance is defined as the delivery of political goods to citizens of nation-states while good governance results when nation-states provide a high order of certain political goods and perform effectively and well on behalf of their inhabitants (Besancon, 2003:1). Deductively, corruption includes practices in the public realm that dislocate or violate the exercise of power to discharge governmental responsibilities to the governed in an efficient, effective, transparent and accountable manner. These practices, which find full expression under a rent-seeking regime, are effectual schemes usually adopted by predatory leaderships and/or elites to use public offices for private gains.

Other views about corruption largely agree with the above submission. For instance, Aluko (2008) defines corruption as the acquisition of public funds into private pockets, which otherwise would have been invested for the public good. Rogow and Lasswell (1963:132 &133) define corruption as the violation of public interest. Again, as defined by Klitgaard (1988:75), corruption tends to emerge when an organisation or a public official has monopoly power over a good or service that generates rent, has the discretionary power to decide who will receive it, and is not accountable. These views have certain convergent grounds: the goal is to achieve private gains through the misallocation of resources; more often than not, corruption is perpetrated by public officials; and involves the exercise of power. The attendant effects include 'misgovernance' and dwindling development fortunes.

Given the above streams of thinking, it becomes easy to oscillate conceptually to the phenomenon of elite corruption. Different approaches have generally been used to identify elites within society. These include the stratification approach that focuses on coherent and hierarchical arrangement of classes or strata; the psychological approach that focuses on the psychological characteristics of elites; and the institutional approach that divides the policy arena where elites operate into a number of life domains such as economic, political and cultural institutions (see Kotze & Steyn, 2003:18). The paper considers it exigent to analytically align with the institutional approach because it describes elites as those who occupy positions of power where they are able to influence policy issues.

In consonance with the institutional approach, elites are those who occupy society's top positions of power and wealth. They are the people who exercise authority, influence, and control of resources with society's important organisations. They are able to impose on society as a whole their explanations and justifications for the dominant political and economic systems (Marger, 1981:78). From the analysis of Scott (2007:33), elites develop through the structuration of power into enduring relations of domination. Because they usually coalesce into a small unit of domination through the instrumentality of power, elites make all the important decisions about the delivery of political goods. By virtue of their privileged positions therefore, elites constitute the few who authoritatively allocate values in David Easton's conception of politics, and determine Harold Lasswell's who gets what, when and how.

What then is elite corruption? Elite corruption involves using privileged positions by the privileged few to pillage the resources meant for the common good. According to Onuoha (2009:45), the beneficiaries of the pillaged resources are particular vested interests that have concentrated financial stake in the outcomes of political decisions. Institutionally, elite corruption occurs when policy outcomes are not consciously targeted at particular policy problems, rather particular vested interests tactically become the focus of policy making through means that are devoid of transparency. Under this scenario, the masses are made to suffer for decisions they would never have made if given the choice. Elite capture is seen as a mechanism for entrenching elite corruption. Elite capture describes a situation where resources transferred for the benefit of the masses are usurped by a few, usually politically and/or economically powerful groups, at the expense of the less economically and/or politically influential groups (Dutta, 2009:3). Elites are therefore rent-seekers who use their redistributive powers to enrich themselves and certain powerful groups.

What is the African situation? For more than four decades, corruption has spread like hurricane throughout post-independence Africa and no region of the continent has remained untainted, to a greater or lesser degree, by the corruption pestilence (Uneke, 2010:112). Worryingly, this pestilence is more concentrated in elite circles. For the purpose of primitive accumulation, African elites have perfected the art of political expediency to hang to power at all cost (Ong'ayo, 2008:7). Today, many of them have acquired wealth through connections to the state or via participation in the state itself through politics, the civil service or military. They are the ones who win most government contracts, are able to obtain loans from state-owned financial institutions, are able to apply successfully for government allocations of public land, and are able to lobby most effectively for government tax concessions; changes in investment regulations and the like (see the African Centre for Economic Growth, 2000).

In Africa, elites do not only fortify their privileged positions, they brazenly express policy preferences that tend to produce more pain than pleasure for the governed. These policy preferences are largely expressed to satisfy vested interests in the executive, parliament and organised private sector; and thus reducing the governed segments to negligible entities. Due to the rapacity of the African elites seeking for greater economic fortunes, the policy arena is politically and economically 'garrisoned' to protect and satisfy these narrow interests to the

detriment of the welfare of the citizenry. As a result, government institutions are defectively structured such that they cannot respond effectively and efficiently to the development demands of the masses. This situation is, in reality, a major cause of pervasive poverty in the land. According to Lawal (2007:4), Africa therefore presents a typical case of countries in the world whose development has been undermined and retarded by corruption.

The African situation is characterised by grand corruption that involves heads of states, ministers, or other senior government officials and serves the interests of a narrow group of business people and politicians, or criminal elements (Bhargava, 2005:2). Also, the amount of money involved is staggering and has enormous dent on the economy. The fortunes of some past African heads of state were given as: General Sani Abacha of Nigeria (\$20 billion); President H. Boigny of Ivory Coast (\$6 billion); General Ibrahim Babangida of Nigeria (\$5 billion); President Mobutu of Zaire (\$4 billion); President Mouza Traore of Mali (\$2 billion); President Denis N'gnesso of Congo (\$200 million) (Lawal, 2007:4). As a result, several billions of dollars in capital have been siphoned out of Africa by the ruling elite. These funds that should have been invested in pro-poor development programmes have been stashed away in various personal and foreign bank accounts, with economic growth and development nose-diving. Given this trend, the African situation even betrays the logic of 'productive corruption' where corruption seems to redistribute income in favour of the corrupt class and wise investment of the proceeds of corruption can contribute to a more rapid rate of economic growth, through a higher level of savings and investment in the home economy (see Aluko, 2008:3).

There are other ignominious trends across the continent. Neopatrimonial character that enhances the personalisation of political power by elites tend to accord ample space to predatory elites to generate unprecedented prosperity for themselves and their allies via the state apparatus. Also, because the existence of a virile opposition constitutes an intolerable burden to African elites, they tend to embark on the capture of political opponents. This may be achieved through presidential largesse in the form of cash gifts, allocations of choice real estates in urban locations and cushy political appointments. Again, elites may connive with external interests such as the IMF, World Bank and multinationals to increase their financial returns. A clear effect of these trends is a repulsive economic terrain that is not accommodative to economic growth and development. Across the continent, elite corruption

has not only become institutionalised, it has become the public persona of top government officials and their cronies in the organised private sector.

In South Africa, council officials, national government officials, MPs and officials in the president's office are said to be involved in corruption. The involvement of top level figures in the country's African National Congress (ANC), the trial of ANC confidante, Schabir Shaik, and a myriad of allegations about irregularities in tenders and hiring in local councils and the Parliament's 'travelgate' scandal (see Afro Barometer, 2006:1) are all manifestations of elite corruption. In Nigeria, top government executives, party executives, National Assembly members and business magnates constitute the predatory entities conspiring to sap the nation's resources. The situation in Nigeria is epidemic. In Liberia, corruption problem is so intractable and damaging to public interests because those responsible for the problem also hold high positions in the state. This situation can best be described as the criminalisation of the state, especially under Charles Taylor. He personally controlled about \$200 million in annual proceeds from business operations or between two and three times the entire budget for government operations (see Reno, 2008:389-390).

In Kenya, due to the hierarchical arrangement of classes that generously favours elites, inequalities have been exacerbated and the structure of the economy has become skewed (see the African Centre for Economic Growth, 2000). In early 2006, revelations from investigative reports of two major government-linked corruption scandals rocked Kenya and led to resignations, including three ministers. In March 2006, another major scandal was uncovered involving money laundering and tax evasion in the Kenyan banking system (see Bureau of African Affairs, 2012). In Botswana, corruption is relatively pale and restricted. It is almost entirely an elite phenomenon, and when it extends to others, it is under conditions seemingly sanctioned by some participating government leaders and officials (see Good, 1994:516). This situation notwithstanding, Botswana offers a ground for hope as recent leaders have been trying to avoid many rent-seeking tendencies in elite circles. Generally, because of the depth of its entrenchment, the phenomenon of elite corruption in Africa has become a knotty problem that is capable of defying known clean-up strategies.

In explaining the genesis of this monstrous wave, observers have linked its institutionalisation to colonialism (see Tangie, 2005; Mulinge & Lesetedi, 1998). As observed by Mulinge & Lesetedi (1998:87), colonialism involved the systematic use of

material inducement to compel African chiefs/administrators to collaborate with them in the pursuit of their colonial project of dominating and exploiting their own people. Expounding how the colonial economic structures created a fertile ground for elite corruption, Tangie (2005:5) identifies three mechanisms for the colonial entrenchment of the phenomenon. First, the monetisation of the economy encouraged corrupt practices; second, the introduction of compulsory taxation and the manner it was collected constituted another factor of corruption; and third, the technique of divide and rule adopted by the colonial authorities to subdue and control Africans represented another link. The phenomenon was not only facilitated by colonial policies but such policies have also served to entrench it. Therefore, elite corruption in post-colonial Africa is merely an extension of colonial corrupt practices. Although this colonial influence represents a grave concern but a more dangerous concern lies in the unwillingness of the post-colonial African leaders to reverse the trend. Rather than reversing the trend, successive African leaders have deepened it.

The Rent-Seeking Theory

The effort here is to advance a theory for explaining the African situation. The model selected for this task is the rent-seeking theory due to its elaborate framework. Aside from this theory, other explanatory variables often used to explain the phenomenon of elite corruption in Africa include elite capture and predatory rule. Since these other variables constitute the operational mechanisms under a rent-seeking regime, it is therefore important to adopt a model that elaborately explains the phenomenon than focusing on reductionist models that explain specifics. Given this situation, it is intellectually more rewarding to explore the theory of rent-seeking.

The theory of rent-seeking was developed following a lead provided by Gordon Tullock in 1967 (Hartle, 1983:539). Other scholars that have extended the frontiers of the theory included Krueger in 1974, Posner in 1975, Bhagwati in 1982, Tollison in 1982 (see Cowen, Glazer & McMillan, 1994:131). Rent-seeking was one of the first economic instruments developed to model corruption in the public sector (Lambsdorff, 2002:97). Although it originated as an economic theory, it is often employed to analyse politics (Cowen, Glazer & McMillan, 1994:131). While rent is practically taken to mean excessive profits or un-earned returns (see Pasour, 1983:138), rent-seeking is the expenditure of resources and effort in creating, lobbying or transferring rents. These expenditures can be legal, as with most forms

of lobbying, queuing or contributions to political parties. But they can also be illegal, as in the case of bribes, illegal political contributions, expenditures on private mafias, and so on (see Khan, 2000:1). It is concerned with the deployment of interest group power to manipulate government in order to obtain special advantages or as a special means by which private parties may seek to pursue their interests in the competition for preferential treatment (Hartle, 1983:539; Lambsdorff, 2002:104). In a more useful sense, rent-seeking describes attempts both to obtain and to maintain wealth transfers (Pasour, 1983:123).

Rent-seeking is a dominant behaviour that is expressed by elites in both public and private domains. To be able to effectively manipulate government, elites may first capture the state and then establish predatory rulership. Therefore, elite capture and predatory rule are mechanisms of rent-seeking. The focus of rent-seeking is on the interaction between the state and private parties, where the state has the monopoly on allocating property rights through laws, regulations, subsidies, taxes, tariffs, import quotas or by awarding contracts in public procurement. Such activities usually entail a certain distribution or redistribution of income. Private firms will try to influence the decision to favour them (Lambsdorff, 2002:101). Conventional rent-seeking theory therefore assumes that rent-seeking only results in the creation or protection of monopoly rents (Khan, 2000:1). As explained by Hartle (1983:539), under a rent-seeking regime, real resources are invested by individuals or groups (coalitions) of individuals with similar interests in the expectation of obtaining an increase (avoiding a decrease) in their income wealth as a result of securing (blocking) changes in legal rights; or maximising the benefit of earlier policy changes. In terms of tactics, public decision-makers can impose or threaten troublesome regulation so as to extort donations from the private sector (see Lambsdorff, 2002:105).

Normally, rent-seeking produces harrowing and regressive economic effects. Pasour (1983:123) explains that rent-seeking describes resource-wasting activities. Under a rent-seeking regime, resources used in seeking advantages are essentially wasted because they result in the redistribution of income and wealth rather than its creation (Hartle, 1983:539). Because these resources are wasted or completely dissipated, they impact negatively on welfare (Flowers, 1987:431). Again, rent-seeking has a cost. There is the loss of final output when inputs are transferred into rent-seeking rather than into production. The input cost of rent-seeking associated with a particular rent is the value of net social benefits lost as a result of the withdrawal of these inputs from the production of final products (see Khan, 2000:8).

Thus, rent-seeking does not only kill productivity, it also hampers welfare as funds that should be invested for social development are allocated or reallocated in the process of seeking rents. As remarked by Mensah et al (2003:12), losses from this process can total more than a country's foreign debts, lost revenues and additional costs for goods and services, and can bring an economy to the brink of collapse.

The rent-seeking dynamics described above succinctly capture the African situation. Because of the intensity of the situation, most African rulers accurately fall within the frame of non-benevolent elites (Aidt et al., 2008:197). Within this frame, African leaders are non-benevolent rulers who extract rents from the economy, only constrained by the fact that citizens may attempt to replace them if too much is extracted. The January 2012 protest processions by the poor masses across major cities in Nigeria for the retention of fuel subsidy and the prosecution of the predatory 'cabal' sapping the nation's oil resources (now labelled 'Occupy Nigeria') fall into this description. A plausible reason why President Jonathan acceded to some of the requests of the protesters is because of the fear of being replaced. Different cases of rent-seeking are observable across the continent. Certain political elites called god-fathers may allocate political offices to political clients or god-sons to generate rents periodically from the clients. Also, multinationals may connive with political elites to loot the economy. The former may evade taxes while wreaking environmental havocs without serious penalties from government. Again, inducements from foreign enterprises seeking business opportunities may be too enticing to resist for elites who make decisions on those matters (Uneke, 2010:123). The judiciary is equally not immune as justice is often for sale. Judges are fond of perverting the cause of justice with the intention to generate rents. Specific scenarios are presented below.

* In line with the monopolistic assumption of rent-seeking, political elites can monopolise political power to effectively enhance dubious private wealth transfer. This was the case in Liberia under Charles Taylor. He used his official position aggressively to advance his private interests. He used the powers of his office to reserve for himself the sole power to execute, negotiate and conclude all commercial contracts or agreements with any foreign or domestic investor for the exploitation of the strategic resources of the Republic of Liberia (see Reno, 2008:389). This pattern of corruption is the height of predatory leadership. Government kleptocracy of this

magnitude may even inspire the state to engage in illicit ventures to satisfy the unending financial appetite of the ruling elite.

* The right of service provision may be ‘sold’ by the public decision makers and ‘bought’ by the beneficiaries. This clearly explains the situation in Ghana. Many firms make unofficial payments to public officials with over a quarter of them frequently or always making such payments. Unofficial payments constitute a regular feature of transactions between business firms and public service agencies. 46 percent of unofficial payments to public officials are initiated by firms and 31 per cent are solicited by public officials themselves, and 50 per cent of firms know in advance how much unofficial payment is required of them (see Mensah et al., 2003:23-24). This scenario can even extend to the parliament where legislation is sold by the legislature and bought by the beneficiaries of the legislation.

* In a country like Nigeria, the operators of government or political elites may concede economic power to certain individuals with the intention of generating rents in the forms of election financing and providing funds for private projects owned by the political elites. Under the first scenario, private individuals like Aliko Dangote and Emeka Offor who have benefitted immensely from favourable economic policies donated 1 billion naira to the Obasanjo-Atiku re-election bid (Ojukwu and Shopeju, 2010:21). Under the second scenario, on 14 May 2005, friends of president Obasanjo raised billions of naira for his library project. A consortium of banks donated a sum of 622 million naira while Mike Adenuga, Aliko Dangote and Sonny Odogwu doled out 250 million naira, 211.6 million naira and 200 million naira, respectively (see Ojukwu and Shopeju, 2010:21). Still under the second scenario, on 16 March 2013, associates of President Goodluck Jonathan donated generously at the fund raising in aid of St. Stephen’s Anglican Deanery and Youth Development Centre located in the President’s hometown in Otuoke, Bayelsa State. Prince Arthur Eze, a business tycoon, donated 1.8 billion naira, while the newly-formed PDP Governors Forum donated 230 million naira and the South-South State Governors donated 100 million naira (The Nation, March 17, 2013). The multi-million dollar building was donated in 2012 by Gitto Construzioni Generali Nigeria Limited, an Italian Construction Firm in Nigeria. Also, a ‘cabal’ that benefits from government’s subsidies, tariffs, taxes and import quotas may also exist.

From the above scenarios, variables that have largely been used to describe and explain the prevalence of corruption in Africa such as god-fatherism, prebendal politics, predatory rule, 'cabalised' politics and neopatrimonialism, are deeply rooted in rent-seeking practices.

Impact of the Phenomenon on Africa

A disturbing relationship exists between elite corruption and economic growth. If both co-exist, the effect on growth is usually deleterious. A nation that is desirous of growth must therefore halt all pathologies relating to government corruption. Deep corruption negatively affects economic growth through certain channels such as decreasing the productivity of existing resources through lower productive efforts, degradation of the quality of resources, general misallocation of existing resources, reductions in investment in physical capital as well as degradation of institutions (Gyimah-Brempong, 2002:188). Within the framework of Harrod-Domar growth model, every economy must not only save a certain proportion of its national income for investment in capital goods, to achieve growth, new investments representing net additions to the capital stock are equally necessary. Given that this proposition does not hold under rent-seeking regimes like the ones in Africa, achieving real economic growth becomes a tall order. The misallocation of real resources and the general dissipation of rents in Africa have already constituted major constraints to efforts aimed at accelerating economic growth.

Other devastating effects of higher levels of corruption on economic growth have been identified. In connection to the prevailing situation in Africa, Uneke (2010:118) identifies a number of damaging effects. These include greed which enables public decision makers to deliberately distort public policies in a bid to create opportunities for graft through bribery, extortion, embezzlement and contract kickbacks; and the cost of doing government business is high as the costs of public projects are usually inflated. Even worse is the fact that a lot of public projects for which costs have been wholly or partially paid in advance are either abandoned or project costs reviewed, usually always upwards. The implication is that rapacious corruption not only increase government expenditures without commensurate tangible results, but scarce funds are siphoned, eventually leading to the need to increase revenues through high taxes, borrowing or scaling down, or even abandoning otherwise important projects (see Uneke, 2010:120). In essence, the rent-seeking behaviour of elites

may precipitate serious economic crisis if practical clean-up strategies are not immediately introduced.

Supporting the African situation with empirical data, Gyimah-Brempong (2002:185) reports that a one point increase in corruption decreases the growth rates of GDP by between 0.75 and 0.9 percentage points per year and of per capita income growth rate by between 0.39 and 0.41 percentage points per year, respectively. This empirical data confirms the earlier assertion that corruption in elite circles is in conflict with economic growth. The fact that corruption impacts negatively on the GDP and national income per capita makes elite corruption a governance error. This is because leaders who are supposed to rule responsibly and accountably to ensure a steady increase in productivity and national income, invest in physical capital, and distribute and redistribute resources to promote social welfare are paradoxically the same entities dissipating resources. Again, because pervasive corruption leads to high income inequality, it hurts the poor rather than the rich. Also, misallocation of talent between entrepreneurship and rent-seeking explains why corruption hinders growth (Aidt et al, 2008:204). On a general scale, corruption is a symptom of institutional weaknesses that reduces economic growth, retards long term foreign and domestic investments, enhances inflation and depreciates national currency, distorts market and allocation of resources, increases income inequality and poverty (see Akcay, 2006:29).

Concluding Remarks

Africa has not only regressed economically, human welfare, measured in terms of access to good health, education and quality standard of living, is also in limbo. The gravity of the African situation is located in the rent-seeking behaviour of state managers. The constant transfer of public wealth to private realm by elites, which translates to wealth dissipation, has proved costly and harmful. The undiminished force with which the transfer occurs is very worrisome. While development is nose-diving, the elite corruption 'market' is productively blossoming. The masses who should benefit from public decision-making have become the victims of coordinated oppression from the non-benevolent rulers.

To address this problem, the strategy here encourages governance reforms. In line with the submission of AFRODAD (2005:21), it is imperative to reform the institutional, legal and administrative framework for public resource management. This is to ensure effective and efficient utilization of present and future public resources so as to prevent the waste and

inefficiencies of the past. Among other things, this institutional re-engineering would ensure due process, transparency, accountability and sanctions. For the sake of emphasis, this paper advocates the adherence of state managers in Africa to the good governance standard for public services. The reason for the focus on this standard is because it is needs-based. It does not only ensure that wealth dissipation is avoided, it also emphasises that public resources be managed so that the needs of the poor are taken care of optimally. This would enable African elites to prioritise the proper management of public resources in the interests of the governed rather than to coalesce into a unit of domination through the instrumentality of power. Within this framework, the interests of the people would be seen to truly form the core of policy making, and the overall welfare of the citizenry would be considered a sacred policy goal. In our view, governance reforms constitute the exit strategy from the abyss of elite corruption.

REFERENCES

- Afro Barometer. (2006). *Resurgent Perceptions of Corruption in South Africa*. Afro Barometer Briefing Paper, No. 43, June.
- AFRODAD. 2005. *The Politics of the MDGs and Nigeria: A Critical Appraisal of the Global Partnership for Development (Goal 8)*. Harare, Zimbabwe: AFRODAD.
- Aidt, T., Dutta, J. & Sena, V. (2008). Governance Regimes, Corruption and Growth: Theory and Evidence, *Journal of Comparative Economics*, 36: 195-220.
- Ajayi, R. & Oshewolo, S. (2013). 'Historicizing the African Development Crisis', in Centre for Black and African Arts and Civilization (CBAAC), ed. *Alternative Development Strategies for Africa*. Lagos: CBAAC. Ch. 16, Forthcoming.
- Akcaay, S. (2006). Corruption and Human Development, *Cato Journal*, 26(1): 29-48.
- Aluko, S.A. (2008). *Corruption and National Development*. A Lecture Delivered at the Centre for Democratic Development Research and Training, as Part of the Activities of Professor Bala Usman Annual Memorial Lecture in Kaduna, 31 May.
- Bavister-Gould, A. (2011). *Predatory Leaderships, Predatory Rule and Predatory States*. Developmental Leadership Program (DLP) Concept Brief 01, September.

- Besancon, M. (2003). *Good Governance rankings: The Art of Measurement*. World Peace Foundation (WPF) Reports Number 36. WPF Program on Intrastate Conflict and Conflict Resolution, John F. Kennedy School of Government, Harvard University, Cambridge, Massachusetts.
- Bhargava, V. (2005). *The Cancer of Corruption*. Paper Prepared for Presentation as Part of the Global Issues Seminar Series, October.
- Bureau of African Affairs. (2012). *Kenyan Country Profile*. U.S. Department of State. <http://www.state.gov/r/paei/bgn/2962.htm>, (accessed 18 January 2012).
- Cowen, T., Glazer, A. & McMillan, H. (1994). Rent Seeking Can Promote the Provision of Public Goods. *Economics and Politics*, 6(2): 131-146.
- Dutta, D. (2009). *Elite Capture and Corruption: Concepts and Definitions*. National Council of Applied Economic Research (NCAER) Paper, October.
- Flowers, M.R. (1987). Rent Seeking and Rent Dissipation: A Critical Review, *Cato Journal*, 7(2): 431-440.
- Good, K. (1994). 'Corruption and Mismanagement in Botswana: A Best-Case Example?' *The Journal of Modern African Studies*, 32(3): 499-521.
- Gyimah-Brempong, K. (2002). Corruption, Economic Growth, and Income Inequality in Africa, *Economics of Governance*, 3: 183-209.
- Hartle, D.G. (1983). 'The Theory of Rent Seeking: Some Reflections', *The Canadian Journal of Economics*, 16(4): 539-554.
- Khan, M.H. (2000). 'Rent-Seeking as Process', In M.H. Khan & K.S. Jomo, eds. *Rents, Rent-Seeking and Economic Development: Theory and Evidence in Asia*. Cambridge: Cambridge University Press, 1-65.
- Klitgaard, R. (1988). *Controlling Corruption*. Berkeley: University of California Press.
- Kotze, H. & Steyn, C. (2003). *African Elite Perspectives: AU and NEPAD*. Konrad-Adenauer-Stiftung Occasional Papers, Johannesburg, December.
- Lambsdorff, J.G. (2002). Corruption and Rent-Seeking. *Public Choice*, 113, 97-125.
- Lawal, G. (2007). Corruption and Development in Africa: Challenges for Political and Economic Change, *Humanity and Social Sciences Journal*, 2(1): 1-7.
- Marger, M. (1981). *Elites and Masses: An Introduction to Political Sociology*. New York: D. Van Nostrand Company.

- Mbaku, J.M. (2003). Entrenching Economic Freedom in Africa, *Cato Journal*, 23(2): 217-225.
- Mensah, S., Aboagye, K., Addo, E. & Buatsi, S. (2003). *Corporate Governance and Corruption in Ghana: Empirical Findings and Policy Limitations*. Accra, Ghana: African Capital Markets Forum (ACMF).
- Mulinge, M.M & Lesetedi, G.N. (1998). Interrogating Our Past: Colonialism and Corruption in Sub-Saharan Africa, *African Journal of Political Science*, 3(2): 15-28.
- New Partnership for Africa's Development (NEPAD) Secretariat. (2007). *Governance in Africa's Development: Progress, Prospects and Challenges*. The 9th Africa Partnership Forum with the Main Theme: Governance and Development, Algiers, Algeria, 12-13 November.
- Official Website of the Transparency International: <http://www.transparency.org/>
- Ojukwu, C.C. & Shopeju, J.O. (2010). Elite Corruption and the Culture of Primitive Accumulation in the 21st century Nigeria, *International Journal of Peace and Development Studies*, 1(2): 15-24.
- Ong'ayo, A.O. (2008). *Political Instability in Africa: Where the Problem Lies and Alternative Perspectives*. The African Diaspora Policy Centre, Amsterdam.
- Onuoha, J. (2009). The State and Economic Reforms in Nigeria: An Explanatory Note on the Capture Theory of Politics, *Nigerian Journal of International Affairs*, 35(1): 41-60.
- Pasour, E.C. (1983). *Rent Seeking: Some Conceptual Problems and Implications*. Paper presented at a New York University-Liberty Fund Research Seminar in Austrian Economics, August 7-11.
- Reno, W. (2008). Anti-Corruption Efforts in Liberia: Are They Aimed at the Right Targets? *International Peacekeeping*, 15(3), 387-404.
- Rogow, A. & Lasswell, H. (1963). *Power, Corruption and Rectitude*. Englewood: Cliffs.
- Scott, J. (2007). Power, Domination and Stratification: Towards a Conceptual Synthesis, *Sociologia, Problemas E Praticas*, 55: 25-39.
- Tangie, F. (2005). *The State and Development in Africa*. Paper Prepared for the 11th General Assembly of CODESRIA on 'Rethinking African Development: Beyond Impasse, Towards Alternatives', Maputo, Mozambique, December 6-10.
- The African Centre for Economic Growth. (2000). *The Link between Corruption and Poverty: Lessons from Kenyan Case Studies*. African Centre for Economic Growth, Nairobi-Kenya.

The Nation. (2013). Outrage over N6 billion Donation to Jonathan’s Hometown Church. The Nation Nigeria, March 17. <http://thenationonline.net/new/news/outrage-over-n6bn-donation-to-jonathans-hometown-church/>, (accessed 26 March 2013).

Uneke, O. (2010). Corruption in Africa South of the Sahara: Bureaucratic Facilitator or Handicap to Development? *The Journal of Pan African Studies*, 3(6): 111-128.