

Eliminating programmes that co-produce corruption

One way to break the recurring negative feedback loops of a corrupt system such as the corrupt public sector of Namibia, is to eliminate corruption prone programmes. For example programmes containing import and export bans, quotas and tariffs, grants, subsidies and incentive bonuses.

As part of the containing phase of getting corruption within containable limits, programmes that contribute to corruption should be eliminated. If such programmes are abolished, nobody can and need to be bribed. Corruption cannot exist if the officials for executing such functions are not employed anymore, if no rules or regulations exist to enforce programmes that cause delays or inefficiencies. The removal of subsidies, permits, licences and the benefits to bribe officials to obtain scarce benefits or to speed up processes are examples (Rose-Ackerman).

SCARCITY ENCOURAGES CORRUPTION

If formerly illegal activities are legalised, such as gambling, prostitution, drugs, and the selling of liquor, bribery to turn a blind eye to these activities can be stopped (Rose-Ackerman). However, eliminating some programmes may create new opportunities for



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corruption elsewhere and can increase the social cost. A reduction in staff or the budget of licence application services can for example create scarcity where scarcity is not supposed to exist. Scarcity encourages corruption. Increasing the efficiency of programmes will not necessarily reduce corruption, because of its broader impact. If budget cuts are made due to an increase in the efficiency of programmes while maintaining the same restrictive and outdated legislation and regulations (inherited from Namibia's colonial masters), scarcity for public services can increase corruption.

Budget cuts need to accompany regulatory and, in some cases, legislative changes.

When scarcity increases, it has an impact similar to monopolies. The demand for services and the opportunity for corruption increase at the same time.

• References

Rose-Ackerman, S. 1999. *Corruption and Government: Causes, Consequences, and Reform*. Cambridge: Cambridge University Press.

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