



## Corruption and Its Affects on Public Trust and State-Building

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Corruption defined as “the abuse of public position for private gain” is an important and growing challenge in Afghanistan that undermines security, reconstruction and state-building objectives.<sup>2</sup> It is a reality that corruption exists in every country to varying degrees; however, this issue has reached its peak in Afghanistan. Available indicators have placed Afghanistan in the top list of those countries found with serious levels of corruption.<sup>3</sup> The basic causes of corruption in Afghanistan appear to be broadly similar with those found in other countries such as the inability of government institutions in providing proper services, weak accountability mechanisms, large amounts of aid spent through non-governmental channels, lack of security, poverty, unequal implementation of law and interference of influential people in government affairs.<sup>4</sup> The aforementioned causes of corruption have greatly damaged the reputation of the Afghan government and the presence of the international community and have led to widening the gap between the Afghan people and government. Widespread corruption deters and distorts private investment as well. As such the adverse implications of corruption are important to consider. Popular perceptions of widespread corruption implicate the effective functioning, credibility, and legitimacy of the state. A vivid instance in this regard could be the presence of corruption in the formal judicial system which has caused certain locals in some provinces to turn towards the Taliban for justice.

In the past nine years, as a result of pressures from the international community, the Afghan government established a number of agencies and commissions to deal with the issue of corruption. In March 2004, by a decree of President Hamid Karzai, a department called the “General independent Administration of Anti-corruption” was established in Kabul to deal with corruption in

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<sup>2</sup> United States Agency for International Development, Assessment of Corruption in Afghanistan, 1st March 2009

<sup>3</sup> According to the Global Corruption Report 2009, Afghanistan was placed in 179th position out of 180.

<sup>4</sup> The High Office of Oversight and Anti-Corruption – National Strategy for Anti-Corruption and Administrative Reform

government institutions. But the poor performance of the department and its weak measures had limited success and achievements in this regard. The head of the anti-corruption department at the time, Ezatullah Wasifi, was criticized by Afghans for doing little to curb the rampant corruption in government departments and was even alleged to be involved in drug trade.<sup>5</sup> In 2009, the aforementioned department was dissolved; instead a new body called “The High Office of Oversight and Anti-Corruption” was established. Nonetheless, this new body has the responsibility to overlook the bureaucratic procedures though with limited jurisdiction to arrest and put to trial officials that are deemed to be involved in corruption.

In order to tackle corruption, it is important for the Afghan government and its international allies to deal with the issue decisively. This article contains two parts. The first part will focus on the impacts of corruption on civil society and government relations, and how this leads to widening the trust deficit among both sides. The second part will attempt to evaluate the negative effects of corruption on the state-building process and the impediments it has created to building the capacity of government institutions. In conclusion, the paper will identify some recommendations for the elimination and reduction of corruption in government.

### **The Impacts of Corruption on civil society-government Relations**

Corruption and bribery are not victimless crimes. The primary victim of this notorious crime is mostly the economically disadvantaged strata of Afghan society who has to contribute large shares of their income to corrupt officials. An IMF study on corruption in Afghanistan shows that an increase of just 0.78 per cent in corruption reduces the income growth of the poorest 20 percent of the population by 7.8 per cent annum.<sup>6</sup> The same study found that corruption flourishes in those countries in which governance is weak, decision-making is unaccountable, access to decision-makers is dependent on restricted social networks and where management controls are weak.

Most of the facts mentioned above pertain to the case of Afghanistan. Although, corruption is present in all offices and departments of the government, the most corrupt are those departments that maintain constant and regular interactions with the populace, such as the Afghan National Police (ANP), Judiciary, Municipality and Rural Development Departments. For instance, in the Judiciary there are judges at the provincial level that ask for bribes from relevant parties in order to speed up

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<sup>5</sup> <http://www.independent.co.uk/news/world/asia/afghan-anticorruption-chief-is-drug-dealer-439578.html> - accessed on 20 February 2010

<sup>6</sup> Gupta, S., Davoodi, H. and Alonso-Terme, R., “Does Corruption Affect Income Inequality and Poverty?” IMF Working Paper, May 1998

the process of their cases. If the relevant parties refuse to pay bribes, their cases can be illicitly delayed for long periods of time. That is why citizens tend to turn towards the Taliban for justice. The cases that are resolved by the Taliban take less time and do not necessitate giving of bribes to the involved judges and lawyers.

Meanwhile, a recent report released by the United Nations Office on Drugs and Crime (UNODC) indicates that alongside violence and poverty, corruption has also become a major concern for Afghan people. According to the UN report, 59% see corruption as a problem and Afghans paid a total amount of USD 2.5 billion in bribes to corrupt government officials in 2009, which makes nearly one quarter of the country's 10 billion dollar GDP. The same report states that "average bribe is USD 160 in a country where GDP per capita is a mere 425 per year."<sup>7</sup> If the amount of corruption paid by the citizens, and mostly by the economically disadvantaged individuals or families, is instead spent by them on fulfilling their primary needs it could create a number of employment opportunities and bring change in the reduction of poverty in the country. The reality is that the amount of USD 2.5 billion can boost the trade between Afghanistan and its neighbors and it would provide a good opportunity for both small and large scale traders to expand their business. As a result there will be demand for more skilled labor and young work force to assist them in this regard.

Due to the issue of corruption, the people of Afghanistan have greatly lost their trust in the government. In the early days of the interim administration, the Afghan population was very cooperative with the new government of Hamid Karzai. They were confident that the billions of dollars that were being poured into the country will surely bring positive changes to their livelihoods. However, with the elapse of time they gradually became pessimistic. The larger population now believes that the government and international community has done little to improve the national economy. At the same time, the amount of money taken by corrupt officials has increased the socio-economic gap. Many civil servants gained the purchasing power to acquire luxury cars and villas and holidays abroad which would be financially impossible if they were to rely on their government salaries alone. Therefore, it is crucial for Afghan authorities to take some confidence building measures to restore the confidence of the citizenry in the government.

## **Corruption and Its Effects on State-Building**

Significant areas that have been gravely affected by corruption in the post-Taliban Afghanistan era are the efforts of state-building. "Studies of collapsing or failing states show that with time, widespread corruption tends to contribute to governance difficulties and capacity breakdown, thus

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<sup>7</sup> Xinhua-U.N. corruption report causes criticism from Afghan officials- 21 January 2010

impacting negatively on the regimes legitimacy”.<sup>8</sup> Most of the Afghan national institutions which were seriously damaged in the three decades of the conflict were re-established with the assistance of international community after the fall of the Taliban regime in 2002. However in the beginning stages its capacity remained very low due to the fact that most of government positions were occupied by elements that had helped the United States to oust the Taliban from power. But with the elapse of time the government introduced some institutional reforms and removed those who had limited experience and competency for running the position.

The most obvious area in which there has been an attempt to introduce a system at the Sub-national level that depersonalizes, formalizes and rationalizes power through bureaucratic rules has been that of Public Administration Reform (PAR). The PAR strategy which consists of reforming administration, building of civil service management, revision of salaries and incentives, introduction of merit-based appointments and capacity enhancement has been publicly supported and implemented by the government. The reformation of departments and changing of employment procedures was primarily piloted under “Priority Reform and Restructuring “PAR process. In response for specifying goals and tasks, some actions of reorganization, and eligibility based hiring; PAR permitted contributing ministries and institutions pay higher wages to competent staff in selected ranks.<sup>9</sup>

Although PRR proved successful in some provinces of Afghanistan, the program has not generated satisfactory outcomes all around. In some provinces of Afghanistan, this program has been implemented partially and most of those who had passed the exams had paid large amounts of money to the implementers of the program. For instance, in Kandahar province there are around 6,738 government employees. Only 38 civil servants received IARCSC (Independent Administration Reform and Civil Service Commission) standard six month training (Basic English, Information Technology and General Management). During the first training period in 2007, 60 employees were enrolled initially and 60 more started their training on 16 February 2008. The number of civil servants who got this training is just a drop in the ocean of the total 6,738 government employees in the province.<sup>10</sup> The most shocking example was the head of the counternarcotics department who had received no official education but still served as the head of an important department because he had bribed high ranking government officials.

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<sup>8</sup> Danish institute for International Studies, corruption in fragile states, October 2008

<sup>9</sup> Understanding State-Building And Local Government In Afghanistan, Sarah Lister, May 2007

<sup>10</sup> CAPS interview with Haji Pacha Khan, a local tribal elder, on 15 June 2008

The implementation of reforms at the provincial and national level in order to build the capacity of the institutions proves to be a challenging task for the Afghan government due to the facts that appointments of the government officials are still based on ethnic, ideological and lingual bases. Therefore, PRR and other programs like this have pivotal role in the implementation of reforms and removal of corrupt and incompetent officials, because it can serve as an effective tool if used to help shift the provincial administrations towards a more unified and coordinated body. However, it should be kept in mind that the program be implemented impartially and transparently; otherwise, it is likely that the capacity of the government institutions would remain low and unable to deliver basic services to the local populace.

As a result of the observations mentioned in the earlier sections of this article it can be deduced that the corruption has spread its roots to all branches of the government and continues to threaten the legitimacy of the state. Therefore, the proper implementation of some recommendations in the following paragraphs might prove helpful for the Afghan government to tackle or at least reduce the effects of this ruinous phenomenon. First, a comprehensive and holistic anti-corruption strategy should be designed by the government that could effectively root out the issue of corruption from bureaucratic institutions. This new strategy should express the strong commitment of the government towards implementing administrative reforms and bringing transparency in daily working procedures. There are many countries in the world that have designed such strategies and whose experiences in this regard could prove beneficial for the Afghan case. For instance, the case of Singapore, which was regarded as one of the most corrupt countries in Southeast Asia during 1960s, can be very significant. During that period the corruption was rampant in every government institution and greasing the palms of public officers in return for the services was common. But by taking some measures such as passing certain legislative measures by the parliament and giving free hand to Corrupt Practices Investigation Bureau or CPIB the government succeeded in tackling this issue effectively. In the context of Afghanistan, it is important for all three powers (legislative, executive and judiciary) to cooperate with each other in the implementation of anti-corruption strategy properly. Meanwhile, there is a need for a powerful body such as CPIB in Singapore to pave the way and facilitate the implementation of anti-corruption strategy because the current body (The High Office of Oversight and Anti-Corruption) has only the duty of oversight and doesn't have enough jurisdictions to arrest and sue someone. However, this fact should also be kept in mind that anti-corruption strategy for Afghanistan should not be totally copied from other countries and local realities that exist in the country should also be taken into consideration.



Second, the implementation of a system based on a carrot and stick approach would be very helpful in providing basic services to the people and building the capacity of the formal institutions. According to this system a person who demonstrates good performance and potential should be promoted to higher posts; but if a person's performance is not satisfactory he should be transferred to another area or should be dismissed from his position. Nowadays, both competent and incompetent officials are treated as the same and they are not praised or dismissed for their performances. In several assessments and surveys done by the Centre for Conflict and Peace Studies (CAPS) in various provinces of Afghanistan, the ordinary People have demanded the implementation of this system and are sure that after its implementation, the able and competent officials would be satisfied with their performance and work harder and those who are incompetent would be encouraged to improve themselves and show good performance otherwise there would be consequences.

Third, the salaries of the government employees should be increased to a level so that they could not ask from the people to bribe them. One of the major complaints of the government employees in Afghanistan is that their salaries are very low and even in some cases they receive their salaries after months, whereas, those working for the national and international NGO's are paid higher salaries. Currently the salary of an ordinary government employee is around USD 100 per month which is not even sufficient to support one individual in a particular family and the prices of the commodities have soared significantly in the last three years. So it would be better if the government increase the salaries of its workers and fulfill their primary needs to prevent them asking for bribe from the ordinary people.

All the measures mentioned above could support the government greatly to prevent the corruption and improve its image among the international community. By proper and transparent implementation of aforementioned steps the people will also build their trust on the government and increase the level of their cooperation with it in order to tackle this criminal phenomenon.