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Rumbidza Evelyn Eniah Tizora
February, 2009
Dedication

I dedicate this dissertation to my parents who instilled in me the importance of a good education and my late brother Munya who I know is very proud of me wherever he is.
Abstract

The declining Zimbabwean economy has resulted in corruption reaching epidemic proportions. There is a high tolerance for it in society as it is seen as the only way to get timely service or any service at all especially in the public sector which is infested with petty corruption. Through some examples this paper reveals that in the education, health, justice, transport and custom sectors it is common to find public servants charging extra for services, seeking small favours, or using public facilities and materials for their own marginal personal gain. Payment of a bribe is now a normal and accepted way of doing business and is no longer viewed by most as an immoral act. Whilst the causes of this petty or bureaucratic corruption can be easily identified it is important to understand the nature and culture of corruption, how it moves from one level to the next. This paper uses an agency model of corruption whose setup has been widely cited and serves as a foundation for empirical research and policy design to combat bureaucratic corruption to show that the public officials rationally make a choice to be corrupt by weighing key determinants which are, the return of corruption against public wage levels, the penalty and probability of being detected. Paying particular attention to the customs sector this paper uses the multi-equilibria model by Andvig and Moene, (1989) “How corruption may corrupt” to show that the increase in the bribe price in the short-run beyond a certain level may result in a shift to a high level corruption equilibrium which is reversible if the bribe price decreases beyond a certain level. However in the long-run this reversal may be difficult and the sector may be stuck in the high level corruption equilibrium. The ratchet effects of corruption in both the supply and demand may result in its continuity and movement towards full corruption in some parts of the customs sector.
List of abbreviations

AIDS: Acquired Immune Deficiency Syndrome
CID: Central Investigation Department
CDI: Certificado de Inspección
CPI: Corruption Perception Index
CSO: Central Statistical Office
MDC: Movement for Democratic Change
RBZ: Reserve Bank of Zimbabwe
SA: South Africa
TI: Transparency International
UN: United Nations
UNESCO: United Nations Educational, Scientific and Cultural Organization
US: United States
VID: Vehicle Inspection Department
WHO: World Health Organisation
WTP: Willingness to pay
ZANU-PF: Zimbabwe African National Union Patriotic Front
ZBC: Zimbabwe Broadcasting Cooperation
ZIMRA: Zimbabwe Revenue Authority
ZIMTA: Zimbabwe Teachers’ Association
ZUPCO: Zimbabwe United Passenger Company
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CHAPTER 1

OVERVIEW OF THE STUDY

1.1 INTRODUCTION

With the Zimbabwean economy in doldrums corruption has become an accepted and almost expected way of doing business especially in the public sector. If a civil servant still goes to work today it is not because of the salary but the opportunities to enhance his paltry income with corrupt acts using the organizations’ resources.

1.1.1 Defining corruption

Although there are many definitions of corruption there is a consensus that corruption refers to the acts in which the power and influence of the public office is used for personal gain which may not be monetary at the expense of the common good and in violation of established laws, principles, regulations and ethical considerations. A commonly used definition is:

“The abuse of public office for private gain”.

Public office is abused for private gain when an official accepts, solicits, or exhorts a bribe. It is also abused when private agents actively offer bribes to circumvent public policies and processes for competitive advantage and profit. Public office can also be abused for personal benefit even if no robbery occurs, through patronage and nepotism, the theft of assets or the diversion of state revenues. (World Bank, 1997, p.8)

Those in the public office include politicians and public sectors officials who may be high or low level bureaucrats. There are two major types of corruption that these officials engage in which are grand and petty corruption as shown in fig 1. According to Arvind K. Jain (2001), grand corruption (relationship 1) generally refers to the acts of the political elite by which they exploit their power to make economic policies. As elected officials, or in the government’s role of a benevolent social guardian (Krueger 1993), politicians are supposed to make resource allocation decisions based solely upon the interests of their principals – the populace. A political elite that is corrupt can change either the national policies or their implementation to serve its own interests at some cost to the populace.
This type of corruption may have the most serious consequences for a society as evidenced by the effects of the Land Redistribution Programme in Zimbabwe in 1999 when the political elite hand picked multiple farms (even those bought for resettlement with public funds) and registered some in the names of family members to evade the official one-farm policy. In some cases they even drove poor peasant farmers off the land they had recently been resettled on. They also redirected huge funds from Canada, Kuwait and England provided to buy land for resettlement.

This paper will focus on bureaucratic corruption (relationship 2) which refers to corrupt acts of the appointed bureaucrats in their dealings with their superiors (the political elite) or with the public. This is usually known as ‘petty or bureaucratic corruption’ with the public bribing bureaucrats either to receive a service to which they are entitled, speed up a bureaucratic procedure or even be provided with a service that is not supposed to be available in a particular department. This petty corruption is probably the most widespread in Zimbabwe and is deeply embedded in the public sector where one encounters it almost everyday.
For corruption to take place Jain says that there are three elements that should co-exist. First one must have discretionary power, then there must be economic rents associated with this power and the legal/judicial system must offer sufficiently low probability of detection and/or penalty for the wrongdoing. All these together with other factors that favour corruption are present in Zimbabwe making it a fertile breeding ground for both grand and bureaucratic corruption.

The greater the discretionary powers, *ceteris paribus*, the stronger the incentive for the political elite or bureaucrat to succumb to temptation. Johnson, Kaufmann, and Zoido-Lobaton (1998) argue that more discretion and regulations for officials “... leads to a higher effective burden on business, more corruption, and a greater incentive to move to the unofficial economy” (p.387) This is evident in Zimbabwe were the political elite who have discretionary powers to transfer large volumes of assets and funds from public to private hands have done so to the detriment of the society at large.

For the public officials to engage in corrupt acts they must believe that the utility of the income from corruption is worth the inconveniences caused by the penalties associated with such acts. The probability of being detected, prosecuted, and punished is closely related to the values and structures of the society. These ideas can be summarised in the relationship below:

\[
\text{Net utility of corruption} = f \{ \text{Income from corruption,} \\
\quad \text{Legitimate income (or fair wages),} \\
\quad \text{Strength of political institutions,} \\
\quad \text{Moral and political values of the society,} \\
\quad \text{Probability of being caught and punished} \}
\]

The poorly compensated public servants in the country have powerful financial incentives to search for additional sources of income through corrupt acts as the purchasing power of their wage is almost nothing and any income from corruption is likely to be higher than their salaries. The moral and political values of the society are constantly being tested and eroded. The judicial system has the reputation of applying the law in an inconsistent and capricious manner with most in this sector having disregard for the laws, rules and procedures they are supposed to enforce. The governmental leaders who sidestep laws are rarely prosecuted and convicted due to the compromised role of the prosecuting function of the state. The attorney
general, who has the discretion to decide whether or not to prosecute, is a political appointee therefore his discretion is generally not exercised against political colleagues or to the detriment of the ruling party. Also the penalties provided for corruption are trivial considering the benefits derived from most corrupt acts. There is minimal accountability and supervision in the public sectors. Clearly all these factors result in a positive net utility of corruption in the public sector.

1.2 PROBLEM STATEMENT

It is evident from the statistics of Transparency International (TI) that the corruption levels in Zimbabwe have been gradually increasing. The presence and character of corruption varies significantly from sector to sector and it is important to know how the corruption in these different sectors is progressing and changing from one level to the next. This will provide a better understanding of the corruption levels of the country as a whole both currently and in the future and will also help in the formulation and implementation of more sector sensitive policies to combat corruption. One of the sectors that has seen a huge increase in corruption and which this paper will focus on is the customs sector. There has been an increase in both the demand and supply of corrupt acts as more and more people are importing both luxury goods and basic necessities from neighbouring countries mainly South Africa, Botswana and Zambia and as far of as Japan, China and Singapore. Although the corruption has been on an increase the question is “Will the sector reach a high level corruption equilibrium of corruption and if so is this situation reversible?”

1.3 OBJECTIVES OF THE STUDY

The study provides some insight into how corruption has managed to infiltrate into all the public sectors of the economy through the some examples of common cases of corruption in the country. Then focusing on the customs sector the paper wants to answer these questions:

- What are the likely future levels of corruption in the customs sector both in the short run and in the long run?
- Will the sector remain at these levels of corruption or will they change as the factors that affect corruption also change?
- How do the ratchet effects of supply and demand of corruption affect the levels of corruption in this sector?
1.4 JUSTIFICATION OF THE STUDY
On 15 September 2008 Robert Mugabe, the leader of the ruling party, Zimbabwe African National Union Patriotic Front (ZANU - PF) and the opposition leaders, Morgan Tsvangirai and Arthur Mutambara of the Movement for Democratic Change (MDC), signed a power-sharing deal, aimed at resolving the country's political and economic crisis. With the formation of the new unity government the nation hopes that some of the ills that have been affecting the country like corruption will finally be dealt with as the economy recovers. When and if the agreement is finally honoured it might be tempting to assume that with the improvement of the state of the economy will come an automatic decrease in corruption. This may not be so especially if the major public sectors like the customs have reached high levels of corruption. If the nature and culture of corruption in the different sectors is not understood and addressed accordingly together with other policies to revive the economy, corruption will slow down the path to recovery for the nation in a great way. The donor money that has been pledged by other countries to help the country will likely fall prey to the corrupt government officials and not achieve its intended goals.

1.5 METHODOLOGY
This paper uses two models to show how the ratchet effects on the supply and demand side of corruption affect the equilibrium level of corruption. The main model is Andvig and Moene’s 1989 multi - equilibria model on “How corruption may corrupt” whose hypothesis is that the same socioeconomic structure can give rise to different levels of corruption. This model shows that the profitability of corruption is related to its frequency and focuses on purely economically motivated corruption. It centres its analysis on petty corruption by public bureaucrats and does not consider political corruption as it would require a different approach. It looks at the incentives for demanding and supplying corrupt acts as well as the possible multiple equilibria in corruption that may result in the short and long run depending on the different distributions of the costs over the bureaucrats and the bribe price. The second model shows how ratchet effects on the demand side affect the corruption levels and may lead to full corruption by using an example of bus drivers bribing the customs officials to reduce their waiting time at the border.
1.6 SCOPE OF THE STUDY

Corruption can be found in all facets of the Zimbabwean economy be it the private or public sector. However this paper concentrates on the public sectors mainly the customs sector which contributes greatly to the overall corruption in the country. It will mostly focus on corruption that takes place at the Beitbridge border post between Zimbabwe and South Africa which is the busiest border post in Southern Africa. This post has seen an increase in the number of cross-border or bulk traders that go to South Africa to buy basic commodities to sell in Zimbabwe as well as individual shoppers who cross over mostly to Musina about 13km from the border in South Africa’s Limpopo province to buy essentials for their families and friends. The customs is one of the sectors in which the government could be accumulating a lot of revenue especially the much needed foreign currency but due to the rampant corruption in this sector it is not the case.

1.7 ORGANIZATION OF THE PAPER

Chapter 2 gives a brief insight into the state of the economy and the corruption levels in the country. Chapter 3 looks at some of the common cases of corruption in the public sector encountered on a daily basis by the average citizen mostly based on the interviews carried out with both the bribers and the bribees in the sector. Chapter 4 explains the theories of demand and supply of corruption using the two models mentioned above and Chapter 5 concludes the paper giving some ideas for future researches.
Chapter 2

Background and Extent of Bureaucratic Corruption in Zimbabwe

About 80 percent of the approximately 11.6 million\(^1\) people in Zimbabwe are living in poverty with 56\% of the population living on US $1 a day whilst 80\% live on less than US $2 a day\(^2\), there is an 80 percent unemployment level and the last official inflation rate was 231 million\(^3\) for July 2008, the highest in the world whilst the unofficial inflation rate on 14 November 2008 was at an unbelievable 89.7 Sextillion \(10^{21}\) percent\(^4\). Prices are doubling every two to three days. The Zimbabwe dollar is practically worthless and most shops and businesses now trade with the United States (US) dollar or the South African (SA) rand as they are the “official” currencies.

At the time of independence in 1980, Zimbabwe had a much more developed economy than most other nations in Sub-Saharan Africa due to its great diversity and quality of natural resources. Other than South Africa, Zimbabwe had the most developed capital market in Africa, leading one scholar in 1983 to proclaim, “Independent Zimbabwe is a success” (Davidow 1982). The most unanimous opinion condensed from audit reports, donor reports, household surveys, business environment and enterprise surveys, legislative reports and diagnostic studies available between 1980 -1987 was that the incidences of corruption though present were minimal no matter how they were defined and the state enjoyed a relatively high level of integrity with very few cases of grand corruption.

According to John Makumbe in his 1994 paper “Bureaucratic Corruption In Zimbabwe: Causes and Magnitude of the Problem,” this grand corruption was amongst the avaricious bourgeoisie which had spent about ten to thirteen years in prison, exile or simply outside the country during the liberation struggle and had been brought into power by the national independence and started devising all kinds of ways of also getting their ‘deserved’ share of the country’s wealth. Their integration into the hitherto ‘whites only’ socioeconomic fabric, by virtue of their political and bureaucratic positions, resulted in the creation of what a local analyst called *nouveaux riches*, who became part of the 4 percent who owned 90 percent of all the wealth of Zimbabwe. The magnitude of bureaucratic corruption continued to increase and

\[^{1}\] 2002 Zimbabwe Census  
\[^{2}\] Poverty Assessment Study 2006  
\[^{3}\] Zimbabwe Central Statistical Office (CSO) 2008  
\[^{4}\] H:\Zimbabwe Inflation by Steve Hanks.htm
the press began to expose it; university students demonstrated against it; and the President was forced by public outcry, to take some action in the Willowvale Motor Vehicle Case (1988) in which top government officials abused their positions to source many cars each from the government – owned automobile assembly plant and resold the vehicles at a tremendous profit. Many other cases of corruption followed over the years contributing to the economic downfall of the country as those involved in corruption are not creating or generating wealth but rather consuming it and exacerbating the mismatch between aggregate supply and demand hence driving up the inflation rate.

Zimbabwe is the 14th most corrupt nation out of a total of 180 countries recently surveyed by Transparency International. The 2008 Corruption Perception Index (CPI) scores 180 countries on a scale from zero (highly corrupt) to ten (highly clean). Zimbabwe, which is ranked 166th had a score of 1,8 on the CPI scale indicating that the country is slowly heading towards the highly corrupt level. From Table 1 and 2 with the CPI Indices and inflation figures it is clear that as the political, economic and social crisis has deepened, so has the corruption. Correlation, however, does not imply causality.

Table 1: Corruption Perception Indices for Zimbabwe from 1998 - 2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Rank</th>
<th>CPI Score</th>
<th>Std Dev</th>
<th>Surveys Used</th>
<th>Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>43</td>
<td>4,2</td>
<td>2,2</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>1999</td>
<td>45</td>
<td>4,1</td>
<td>1,4</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>2000</td>
<td>65</td>
<td>3</td>
<td>1,5</td>
<td>7</td>
<td>0.6-4.9</td>
</tr>
<tr>
<td>2001</td>
<td>65</td>
<td>2,9</td>
<td>2,9</td>
<td>6</td>
<td>1.6-4.7</td>
</tr>
<tr>
<td>2002</td>
<td>71</td>
<td>2,7</td>
<td>0,5</td>
<td>6</td>
<td>2.0-3.3</td>
</tr>
<tr>
<td>2003</td>
<td>106</td>
<td>2,3</td>
<td>0,3</td>
<td>7</td>
<td>2.0-2.7</td>
</tr>
<tr>
<td>2004</td>
<td>114</td>
<td>2,3</td>
<td>-</td>
<td>7</td>
<td>1.9-2.7</td>
</tr>
<tr>
<td>2005</td>
<td>107</td>
<td>2,6</td>
<td>-</td>
<td>7</td>
<td>2.1-3.0</td>
</tr>
<tr>
<td>2006</td>
<td>130</td>
<td>2,4</td>
<td>-</td>
<td>7</td>
<td>2.0-2.8</td>
</tr>
<tr>
<td>2007</td>
<td>150</td>
<td>2,1</td>
<td>-</td>
<td>8</td>
<td>1.9-2.3</td>
</tr>
<tr>
<td>2008</td>
<td>166</td>
<td>1,8</td>
<td>-</td>
<td>7</td>
<td>1.5-2.1</td>
</tr>
</tbody>
</table>

Source: Transparency International
Explanatory notes

CPI Score – measures the perceived levels of public sector corruption in a given country and is a composite index, drawing on different expert and business surveys from business people, academics and risk analysts. It ranges between 10 (highly clean) and 0 (highly corrupt).

Confidence range – provides a range of possible values of the CPI score. This reflects how a country’s score may vary depending on measurement and precision. Normally with a 5 percent probability the score is above this range and with another 5 percent it is below. However particularly when only a few sources are available, an unbiased estimate of the mean coverage probability is lower than the nominal value of 90%.

Surveys used – refers to the number of surveys that assessed a country’s performance. At least 3 surveys are required for a country to be included in the CPI.

Standard deviation – indicates the differences in the values of the sources; the greater the standard deviation the greater the differences of perceptions of a country among the sources.

Table 2: Zimbabwe’s Inflation Rate from 1998 - 2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Inflation%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>48</td>
</tr>
<tr>
<td>1999</td>
<td>56,9</td>
</tr>
<tr>
<td>2000</td>
<td>55,2</td>
</tr>
<tr>
<td>2001</td>
<td>112,1</td>
</tr>
<tr>
<td>2002</td>
<td>198,9</td>
</tr>
<tr>
<td>2003</td>
<td>598,7</td>
</tr>
<tr>
<td>2004</td>
<td>1336,6*</td>
</tr>
<tr>
<td>2005</td>
<td>585,8</td>
</tr>
<tr>
<td>2006</td>
<td>1281,1</td>
</tr>
<tr>
<td>2007</td>
<td>66212,3</td>
</tr>
<tr>
<td>2008</td>
<td>231million*</td>
</tr>
</tbody>
</table>

1336,6* = Inflation rate for January 2005
231million* = Inflation rate for June 2008

NB: All other inflation rates are for December of each year.

Source: Central Statistical Office
CHAPTER 3

SOME CASES OF CORRUPTION IN THE PUBLIC SECTOR

The public sectors in Zimbabwe are afflicted by many dysfunctions that affect most African bureaucracies and promote corruption like ‘permanent’ and ‘occasional’ absenteeism (Nembot 2000; 298; Morice 1987); slow administrative procedures (Sarassoro 1979); dilapidated administrations which are ill-adapted to social change (Asibuo 1992); rigid, impersonal and ritualized implementation of the rules (Schwartz 1974); complex and opaque regulations that are difficult to apply and leave infinite scope for discretional powers (Fjeldstad 2003; Hope 2000; McMullan 1961); the centralization of decision-making processes and lack of delegation at subordinate levels of the administration (Cohen 1980); inadequate archiving or its complete absence; poor division of tasks and functions in both spatial and sectoral terms (Darbon 2001: 29).

Although the presence and character of corruption varies significantly from sector to sector it is common that the government officials are charging extra for services, seeking small favours, or using pubic facilities and materials for their own direct or indirect marginal personal gain. Below is a brief presentation of a few corrupt acts that take place in some of the public sectors in the country. To get these accounts I interviewed a number of government officials and people from the general public. It was not easy to have formal interviews on this rather sensitive subject so in most cases the interviews were rather informal but very informative. Corruption is now the norm in Zimbabwe and some people are willing to discuss it openly as long as they are assured that what they say will not get them into some form of trouble. It almost an accepted way of doing business. It is not to say though that there are no more honest people in the country and all the government officials have to be bribed to do their job. But as soon as one steps into the country they are confronted with corruption left, right and centre and it becomes both frustrating and impossible to ignore. More so at the points of entry into the country especially the customs offices at the Beitbridge border post, the airport, and the roads leading to and from the border. The different accounts that I gathered on my field trip are written in italics and they are more or less as the interviewees narrated them to me. Some of the accounts are my own experiences as like I mentioned above it is difficult to avoid.
3.1 Justice System

“Corruption within the justice system is generally defined as the use of public authority for personal gain that results in the improper delivery of judicial services and legal protection for citizens.” (Mary Noel Pepys, Fighting Corruption in Developing Countries, Strategies and Analyses, 2005 pg13). Some of the main players in the justice system are the judges, lawyer, public prosecutors, the police, court clerks, the secretarial staff, prison wardens and prison guards. The role of the judiciary is to protect human rights and civil liberties by ensuring the right to a fair trial by a competent and impartial tribunal. Ideally all citizens are entitled to equal access to the courts and equal treatment by the investigative bodies, prosecutorial authorities, and the courts themselves regardless of their position in the society. In Zimbabwe the judiciary is not independent but controlled by the government which has placed its own appointees in strategic posts in the legal system. The phenomenon of corruption has obviously not spared this sector in which the powerful and rich can escape arrest, prosecution, conviction, and literally ‘buy justice’ whilst the poor are excluded from their rightful access to fair and effective judicial services.

The workers in the justice system including the judges receive dismally low salaries and are forced to perform their duties with meagre financial resources under abominable working conditions that consist of crowded office space and dilapidated courtrooms among many others. It is unfortunate that the judges who are the ultimate decision makers and the highest governmental officials within the justice system and should be the focal points for reducing corruption promoting the rule of law have to engage in unlawful acts sometimes with their subordinates to make ends meet. The following examples show how corruption has spread across the whole spectrum of the judicial system:

*At the Harare Magistrates Court in the capital city there is a pending case of a foreign currency dealer who allegedly stole US $80 000 from his associate. He was arrested and taken to the police station. I am sure the policemen that caught him would have accepted a bribe from him had he not been on the wanted list for other pending fraud cases. In prison he managed to bribe the prison guard with US $5 000 to ask a magistrate to grant him bail. This was too good an offer to refuse for a prison guard who is paid approximately US $1 per month. In court the magistrate gave him bail and received US $1 000 whilst the prison guard received US $500. He promised to pay him the rest at a later date although this is highly unlikely. Out on bail he went to*
the court clerks who are in charge of the criminal files and bribed them with US $800 so that they steal his file for him. With no case file and out on bail he is continuously on further remand. The complainant will be lucky if he ever gets his money back. Out of the US $80 000 he stole this dealer spent less than a tenth of that money in bribing the government officials so that he stays out of prison.

User of the court, Harare

Corruption within the criminal process is very common because for a good sum the police can suppress the filing of police reports, distort, destroy or even steal evidence. Sometimes they just refuse to investigate or even protect the alleged perpetrator if he is politically powerful or wealthy. Corruption within the civil process is also widespread with the court clerks having the power to expedite or delay a case without detection. For the right price they can even completely destroy a case file.

I had 25 cows stolen from my farm three months ago and when the culprits were caught I hoped that they would be sent to prison for at least 25 years because livestock theft carries with it a huge penalty but with this corrupt judicial system nothing was done to them. Although the case went to court the criminals bribed all those handling the case even the judge, who some say got around US $1 000 and the prosecutor US $500. About 50kg of the recovered meat that was supposed to be presented as an exhibit was said to have been eaten by the police in their canteen imagine. So with no exhibit there was no case and the thieves got away.

Farmer, Kwekwe

Some men from Harare were caught selling elephant horns here in Kwekwe because the price here is reportedly higher and they were arrested. Their horns which were worth around US $25 000 disappeared in the hands of the Central Investigation Department (CID) officers. So although the police had opened a docket for the case there was no exhibit to present. The CID officers responsible for the mysterious disappearance of the horns are said to have paid the judge and the prosecutor a total of US $2 500. The owners of the horns who were released because of lack of evidence want their horns back and are now hunting down these CID officers.

Police officer, Kwekwe
In some cases the powers of the CID now go beyond the domain of investigation and extend unofficially to aspects of sentencing. Many cases do not even go to court as they are settled by the police officers, usually without the knowledge of the judge. For example if one sells a car for US $20 000 and does not get his money and reports the case to the police instead of placing a charge against the alleged thief the policeman can approach the thief and tell him of the consequences of being charged and taken to prison. The policeman then suggests that he pays US $5 000 every week and if he has US $5 000 he can pay it there and then to the disgruntled seller. The policeman can then ask for a bribe of about US $200 for this favour from the accused and on taking the US $5 000 to the owner of the car will also get another US $200 for having facilitated this agreement. Where one reports a theft but does not know who the culprit is and only has a suspect the policeman can approach the suspect and make him aware of what will happen to him if he is charged and taken to prison just to scare him. The policeman can demand a bribe depending on the gravity of the accusation so that they do not arrest him. But then being just a suspect and without any evidence nothing would have happened to him.

At times the police and magistrates are coerced into making corrupt decisions out of fear of retribution. Being perceived as politically incorrect and unpatriotic makes many in the legal system decide against their better judgements. As a result there are many public officials that have committed a lot of crimes but have never seen the door of a court house let alone that of a jail cell. In some cases depending on their positions in the ruling party, they can get presidential pardon as in the Willowvale Motor Vehicle Case where some of the accused who were not forced to resign although convicted and sentenced are still involved in politics and or government with positions of high authority. This shows how the legal system is to some extent controlled by the ruling party and that ones’ political affiliation can grant him ‘immunity’ when it comes to the law.

### 3.2 Health Sector

The role of the government in the health sector is to promote equitable access to services, assure sustainable financing for health objectives and prevent the spread of disease. But mainly due to corruption the Zimbabwean government has failed to perform these functions leading to inadequate and unequal access, poor quality of health care and inefficient services. The gravity of the problem in the health system came into light when the country was hit by a
cholera epidemic in August 2008 that up to date has killed 2024 with at least 40,000\textsuperscript{5} having contracted the disease. This is the worst cholera outbreak in Africa since 1999 when 2,085 people died in Nigeria\textsuperscript{6}. The waterborne disease, which causes severe diarrhoea and dehydration expectedly spread to all 10 provinces of the country mainly due to lack of clean water and sanitation.

Every year an estimated 1 300 to 2 800 mothers die from causes associated with pregnancy and childbirth and 12 000 people are estimated to die every month from Acquired Immune Deficiency Syndrome (AIDS) related illnesses\textsuperscript{7}. Most of these deaths are due to lack of access to drugs, essential equipment and other supplies in health facilities. Malnutrition has reached epic proportions, with five million people requiring food aid this year. Under-funding of the Ministry of Health has led to a lack of the necessary resources needed to cope with even curable ailments like cholera. Industrial action by health professionals over very low salaries has often affected the country’s health delivery services, while a serious brain drain is a contributory factor to the crippling of the sector.

In November 2008 the government closed the major public hospitals in Harare and the second biggest city Bulawayo as they had been operating without running water, no functioning toilets, no soap, empty pharmacies and not enough food for patients or staff for three months. Zimbabwe once a leader in health care, medical and nursing education also closed its medical school in the same month and cancelled exams because there was no paper and ink to print the exam papers. The main mortuary in the capital has been operating without electricity so the dead are rotting. 

A government doctor is paid a monthly salary less than US $100 and there is no reward for exceptional performance so corruption has become a survival strategy for both the government workers and the patients. The theft of drugs/supplies for personal use or resale in the private sector is now very common in the public hospitals. Some drugs that are supposed to be given to the patients for free are being sold to them and at times the prices are unbelievably high considering that the drugs were supposed to be for free. Because of these under-the-table payments to obtain drugs there is now a lower utilization of drugs amongst the patients as some just cannot afford. Most are no longer getting proper treatment as they have

\textsuperscript{5} World Health Organization (WHO) 2008
\textsuperscript{6} United Nations (UN)
\textsuperscript{7} United Nations
to make do with the drugs that are available. There is also interruption of treatment or incomplete treatment leading to the development of antimicrobial resistance.

Now some nurses only come to work on the days that they know the dispensary will be open so that they can steal medication and sell to us. On the days that the dispensary is closed which are many we are attended to by the student nurses. But what can they do, they complain of inadequate salaries and we cannot blame them; it is just that us the patients are the ones who are suffering.

Patient, Kwekwe General Hospital

Some essential services which ideally should be readily available to the patients are being diverted for personal use.

Ambulances are now being used as taxis for ferrying passengers whilst patients are being taken to hospitals in wheelbarrows. The drivers are shamelessly switching on the sirens as they ‘pilot’ (taking people from one point to the next) .The other day I was called to the scene of an accident involving an ambulance only to find out on my arrival that there were about 15 passengers that were on their way to Gweru from Kwekwe. Luckily there were no casualties but ‘zvinonyadzisa’ (its embarrassing) what these economic hardships are making us resort to.

Police Officer, Kwekwe

The above description of the state of the ailing health sector shows how the bad governance of the country coupled with corruption has resulted in great social costs.

3.3 Education Sector

This sector has not been impervious to the pervasive corruption that has penetrated the public sector. Before the economic downfall that has haunted Zimbabwe for the last decade, teachers used to be among the highly paid professionals and they could afford a decent life. With the budgetary allocation to the education sector by the government being far less than the 26% required by United Nations Educational, Scientific, and Cultural Organization (UNESCO) the salaries of the teachers are so low that they cannot even afford transportation to work for the whole month. They are even being urged by the government to take on projects to supplement
their salaries. As a result many are making students sell their products like sweets, ‘freezits’ (frozen juice in 50ml packets) or ‘maputi’ (popcorn) for them during break time:

*I am very good in maths so my teacher likes me because I give the correct change and I also sell a lot of sweets. I would want to play more with my friends during our break but I have to do this for ma’am, I cannot refuse. I do not want her to give me bad marks or something like that. On some days when I sell a lot she also gives me one or two sweets.*

*Grade Six Pupil, Chegutu*

Some are taking regular vacations or are just absent from schools to do cross-border trading and when they leave there are either not replaced or they are replaced by untrained school leavers who also leave after very short periods of time. Teachers collecting salaries but not providing the intended instruction is probably the most common form of corruption in this sector but justified by most. An estimated 50 000 teachers have left Zimbabwe for greener pastures to date since the economic downturn. Some have gone to the United Kingdom where they are reportedly doing odd jobs like caring for the old, while some have gone to work in the farms and as housemaids or gardeners in neighbouring Botswana and South Africa.

Unlike the educational funding system in the industrialized countries, education has traditionally been the financial responsibility of the government like in most African countries. Unfortunately due to gross economic mismanagement the government is now turning aggressively to already poverty stricken parents to bear the heavy burden of the astronomical costs of education and literally take care of the teachers in the public schools.

*For the teachers to come to school and teach our children we have to bring them groceries at the beginning of the term. Each child has to go with salt, sugar, cooking oil and soap on the first day of school if they want to be allowed to sit in class. Us parents are already struggling to access these basic commodities for our families without having to worry about the teachers’ groceries too.*

*Parent of a Pupil at Sally Mugabe Primary School, Kwekwe*

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8 Zimbabwe Teachers’ Association (2008)
Another common form of petty corruption is the selling of admissions at all levels of education.

In these times of economic hardships my colleagues were really surprised when I refused a bribe from a parent whose child had dismally failed the entrance test to get into the first grade. I was not intimidated by his expensive car and suit and I told him point blank that “Your son has failed so we cannot accept him here.” He then told me that if I helped him then he will show his gratitude in a big way and handed me a khaki envelope. I could tell that it contained a lot of money because it was really thick but I did not even bother to open it. He surely looked and sounded like a man who was used to getting his own way but I showed him that it was not the way we did things here that is why we manage to keep our good reputation.

Secretary at a Public School, Chegutu

The University of Zimbabwe uses the point system to screen and place the students into different programs. But some students with low points are being admitted and/or getting into programmes that they are not qualified for academically but financially. This is seen as more and more students are struggling to keep up in their respective programmes and subsequent background checks reveal that they do not qualify to be in certain programmes. The lecturers cannot do much about it as this corruption usually involves the university’s top officials. Corruption is also evident in opportunities to study abroad. Information of available scholarships is not posted on the notice boards for all the students to have an equal opportunity to apply to, it is reserved for a select few closely linked to the chairperson’s of the various departments. Sometimes a directive of who must get the scholarship can even come from high ranking government officials hence denying the deserving candidates the opportunity to further their studies.

I know that I was not supposed to have come here because another teacher had already been awarded the scholarship but then when I learnt of it I went to my uncle who just made one phone call and the scholarship was given to me instead. It took some difficulties to have the name changed but when people heard who had recommended me they really could not say anything.

Student, Europe
This student did not manage to finish his degree and the scholarship went to waste. It may not have been the case had it been used by its initial deserving recipient. These examples above provide just a glimpse of the petty corruption that takes place in the education sector.

3.4 Government tenders and public procurement

Most examination committees for government tenders abuse their discretionary powers or stimulate an open and fair competition (especially through the means of prior agreements between firms or the creation of fictitious firms).

*When I am applying for a tender I always make sure that I send my tender last when my ‘associates’ on the board have gone through all the other tenders and they tell me the figures that will make me win the tender. It would be suspicious if my company always won the tenders so I change the name all the time and create fictitious companies. I usually give my ‘associates’ a reasonable percentage of what I make. If I do not do this I will not get the tenders. I also have ‘associates’ in the accounting department so that I can get my payment on time.*

*Entrepreneur, Harare*

In 2006 the then Chairman of the parastatal Zimbabwe United Passenger Company (ZUPCO) and its Chief Executive, who was also the deputy Minister of Information were charged for jointly receiving US $20 000 after the Chairman solicited US $85 000 from Shah Gift’s Investment firm to facilitate a contract to supply buses. The Chairman was convicted and given a jail sentence for two years but nothing was done to the Chief Executive although he was forced to resign after audit reports showed a lot of unexplainable discrepancies. The reports also revealed that there were no proper purchasing procedures leading to the payment of people who had not supplied anything to the company. For example one of the reports notes that a payment of Z $64million was made to someone who had not supplied anything to the company. False requisitions of what is already in stock are very common in parastatals. Corruption at the lowest levels in this parastatal involves drivers sometimes not issuing tickets so that they may pocket the money at the end of day. The cash collection from bus income is not properly accounted for and there is no proper supervision of the work of the junior staff so chances of the drivers being caught are very low.
3.5 Media

Journalism should be the eyes of the people and the ears of the society but in Zimbabwe it is also infested with corruption. This is mainly due to the poor remuneration, unfavourable working conditions and non-existent fringe benefits for the workers. There are a lot of bribery cases involving the state owned Zimbabwe Broadcasting Cooperation (ZBC) TV and Radio bosses, broadcasters and electronic print journalists. Bribes are demanded from business executives, politicians and musicians who will be given sustained and positive media coverage, continuous air play and better ratings on local music and business charts.

_for an advert that costs Z$100 000 for three minutes I pay for three slots a day with Z$300 000 but can even get up to seven slots per day if I just give the broadcaster Z$30 000 per extra slot. All that is required is proof of payment on my part because I understand no-one really checks if what is on the invoice tallies with the number of slots I am given that day._

_Entrepreneur, Harare_

The main corrupt practices in the transport and customs sectors involve these three main areas:

- a) the identification of road users – the checking of drivers licences
- b) the technical and administrative status of vehicles – vehicle registration, technical inspection, insurance, general external appearance.
- c) transported goods and customs duty.

For the users of these transport and customs services i.e. importers, exporters, taxi, truck and bus drivers time is crucial and any minute that they save enhances their competitiveness on the market. As a result they are vulnerable to corruption by the customs officials and the police. Sometimes they even take the initiative and offer the bribe so that they do not waste time even if their affairs are in order.

3.6 Transport Sector

3.6.1 Driving licence

During driving tests the instructors point out to the testers the candidates that have paid. The ones that have not paid usually fail unless they bring other resources into play like family ties
or networks of relatives, friends and acquaintances. If the candidates have not arranged with their instructor they sometimes give the bribes, usually approximately US $50 to the examiners during the tests. These examiners are not hesitant to tell the candidates that if they do not ‘make a plan’ it will take time before they get their licence whether they can drive or not.

After having been driving for almost 20 years without a licence and getting away with bribing the police in Zimbabwe a move to South Africa prompted a certain gentleman to get an International driving licence. He explained to me:

In South Africa the police can stop you anytime and it’s unlike Zimbabwe were you are certain that you can bribe your way out. Here it’s a foreign land so it’s just good to have a licence. I have really been reluctant to bribe for a Class 4 licence because I know that even though I can drive they will make me fail so that they get something from me. This time I had no choice I had to pay US $100 to get this International driving licence that I am using here in South Africa.

To get a car cleared or acquire a registration book for one’s car at the Zimbabwe Revenue Authority (ZIMRA) offices one usually has to bribe the officials who like the customs officials at the border have the discretionary powers of lowering the value of a car.

3.6.2 Road checks

The customs officials and the police officers who carry out road checks exploit people’s lack of time. The police order the drivers to park and give them their custom clearance documents, putting the driver under unnecessary pressure of the possibility of being told to unload their goods or having them seized although the officers have no mandate to perform customs duties. The drivers are not aware of this and just want to be on their way so they are easily bribed usually for SA 10 rands per passenger.

Sometimes if all the drivers’ papers are in order for example the driving licence, insurance certificate and registration papers they can just bluntly ask the driver to leave them “yedrink” (money for a drink) or say “tinyareiwoka” (will you just please respect us and give us something) or “tipeiwo yeweekend” (can you give us some money for the weekend) or “ingoitai kuti tiende” (may you just give us something so that we go away and stop bothering
They can even find some jokes to say so that the driver relaxes, for example “How can you be travelling in such nice cars in these difficult times? Please do leave us something.” If this does not work they may resort to less friendlier means to get money from the motorists:

*I really did not have any money on me when I was stopped at a police roadblock. I tried to explain this to them but they would not listen. In these cash crises times it is possible that one can actually not have any money on them although have a lot in his bank account which he cannot access because of the daily withdrawal limits set by the Reserve Bank of Zimbabwe (RBZ) Anyway the policeman told me to get out of my car and he literally put his hands in my pocket, which had nothing of course but it was just wrong, he had no right to do that but again who do I report him to everyone is corrupt in this country. He then told me to leave him anything so I left some bread and drinks just so that could be on my way.*

Driver, Harare

If there happens to be something wrong with a drivers’ vehicle or papers then instead of writing a ticket and issuing it the policemen will tell the driver to “make a plan”.

*On my way to the airport I was stopped at a police roadblock and since I did not have my licence on me I was told to park the car and surrender my keys by one of the policemen. After some pleading and explanation that I was in such a hurry the policeman who seemed very stern and diligently doing his job when he stopped me accepted US $5 and let me go. The amount that would have been on the ticket had it been issued would have been much lower than the bribe but like most people I did not have the time, patience or will to argue with the policeman so I just gave him the bribe, he also did not seem too eager issue the ticket anyway.*

Driver, Harare

This just shows that the police officers and Vehicle Inspection Department (VID) officers now have no respect for the high-way code when they are the ones who are supposed to ensure that its rules are adhered to in order to avoid endangering innocent lives. They let the drivers of vehicles that are not road worthy or drivers that should not be on the road go as long as they can pay the bribe.
3.7 CUSTOMS SECTOR

The examples below are just some of the corrupt acts that take place at the Beitbridge border post. There are many others that may take some form or another the ones mentioned. Efforts to get the high level officials to discuss the corruption that takes place in their sector did not yield any results. This is a sensitive issue and they do not want to be quoted as having said something that would put their careers a risk which is understandable considering the fortunes that they probably make unlawfully. It is the lower ranking officials and the general public who were more forthcoming.

3.7.1 Under declaration of goods

At the Beitbridge border post the cross-border traders are almost always racing against the clock because the sooner they have their goods cleared through customs the sooner they have them in the market in Zimbabwe and the more profit they will make. As a result they are willing to bribe the officials so that they do not have to be at the border for long. For some though it is not the saving of time that matters most but the under declaration of their goods that the customs officials can facilitate. Hence they are willing to lurk around the customs buildings till dark when the faking of documents and the bribing of officials are the order of the day. There is an official table of customs clearance charges for all categories of merchandise. The false classification of goods involves placing them in a category that incurs a lower charge, thus minimizing the cost of their customs processing. One of my interviews with a border official was interrupted by a call from his ‘friend’ who had just arrived from the South African side and needed to clear his goods. He was gone for almost an hour and when he came back he just said:

*Oh that was a good friend of mine who did not want to spend too long at the border so I had to go and help him out, now he is happily on his way home. He had gone to buy groceries at Musina so although I am not at work today I signed his customs declaration form and showed it to my colleagues on duty and he was on his way. This is my friend so they did not have to look at what he had bought. Of course he gave us all ‘yedrink’.*

Judging from the “Kentucky Fried Chicken” take - away that this customs official was holding the trader was not the only one who was happy. He also got US $150 to share with his two colleagues. He also explained to me that sometimes they develop close relationships with
frequent cross-border traders that go beyond just a commercial one such that their exchange of services or favours generates systems of reciprocal obligation between them. A lady may actually end up referring to an official as my ‘son’ and he refers to her as ‘mother’. She will in turn bring him small gifts when she comes from the other side of the border and may also just phone once in a while to find out how her ‘son’ is doing.

This under declaration or none declaration of goods is also common at the airport as I realised when I arrived at the Harare International Airport.

*Having been on a 12 hour flight I was happy when I was approached by a porter who offered to “help me with my luggage”. I quickly agreed and as we waited for my bags he started updating me on the terrible economic situation that the country was now in. When my luggage came out loaded it onto the trolley and escorted me out of the airport. None of my three suitcases where opened for checking by the customs officials and so I did not declare anything. I gave him US $10 but he told me that it will be hard to share with the other two that he was working with. I then realised that he has to give his colleagues too so that they do not report him and so I gave him another US $5.*

### 3.7.2 Immigrant rebate

This is a form of corruption at the border in which the government is losing a lot of revenue. For example if one imports a US $8 000 car that would attract duty of about US $7 000 one can put it in the name of a returning resident to avoid paying this duty. The customs official who clears the car at Beitbridge can be given US $500 to overlook this whilst the one whose name was used can get around US $1500. Often in these cases the bribe given to the official corresponds to the value that the customer will have saved. There is another form of rebate that is ethically wrong but yields large profits for the officials.

*We have the authority to confirm one’s disability. I was supposed to do that for one guy who had bought a car for US $75 000 from Japan but he decided to go and have it done for him at the Zimbabwe Revenue Authority (ZIMRA) offices in Harare instead. He probably paid just 15% of the duty paid value (VDP) instead of the 90% or 110% if the car was 5 years and below. The duty for luxury vehicles is paid in foreign currency so he would have paid a lot of money. The customs official that did it for him...*
in the capital may have taken home about US $20 000. This is a tricky issue though and one can only authorise a few disability cases a year to avoid raising eyebrows.

Customs Official, Beitbridge

3.7.3 “Runners”

The decentralization of customs services in one and the same administration, which forces clients to attend different offices for the customs clearance of just one item, is a source of minor irritation that many try to overcome by taking shortcuts that sometimes entail bribing the officials or hiring middle men known as “runners” who do not work in the customs officials but know what goes on at the border and work together with the customs officers so they do not wait in the queues. The frequent border crossers have permanent runners that they employ as I learnt from an entrepreneur who buys beverages form South Africa and sells them in Zimbabwe.

In my business time is money especially during this festive period, to make sure that my drivers spend as little time as possible at the border I have a runner who works for me. My drivers give him the papers as soon as they arrive at the border and I give him about US $100 per truckload of beverages he clears on time. He probably shares this with some customs officials, I am not sure. I had another one but he increased his price to US $300 so I looked for someone cheaper. There are so many of them at the border these days.

3.7.4 “Informal tax” on passengers

The customs official also sometimes collect an ‘informal tax’ usually SA 10 rands per person in the buses crossing the border so that they do not have to unload their goods for checking. They just pretend to be checking and then let the driver be on his way. Although this can be considered as extortion because no service is supplied here the passengers would rather pay than spend a lot of time at the border as this lady explained:

When I was on a Tombs bus (a trans-border bus company) on my way back to Zimbabwe with my mother last month I was glad that we did not spend a lot of time at the border and our goods were not checked as we had bought a lot of electrical goods, way over US $500 each so we would have had to pay a lot of duty in foreign currency. At the border when the official approached the bus, the driver asked him “Officer
mauya nebhutsu dzenyu dzehora here timbotamba?” (to you have your soccer shoes on today so that we can play). He said yes and the driver told us to pay SA 10 rands each to the official and send our passports forward so that the customs official would go and stamp them. We did not spend more than 20 minutes at the border which was great. But imagine since we were about 75 passengers we left the official around SA 750 rands. Our bus is probably not the only one he did this to I know because there are some buses that these officials target and they will not let them pass without the passengers paying something. They even know the days and times that they pass and wait for them I think. I heard the police on the South African side are also doing this now.

Cross-border trader, Kwekwe

Sometimes this informal tax is collected even when the buses are leaving to enter South Africa so that the bus jumps the line. The passengers may have to pay SA 20 rands each so that their bus goes to the front. Chapter 4 uses a model to explain these queues and the corruption involved in greater detail.

3.7.5 “Ignorance”

The officials also take advantage of the traders lack of knowledge of what exactly happens behind the counters at the customs offices.

People who come to the border do not really know what goes on in our customs offices and maybe think that our work is very complicated and almost “special” in a way. Sometimes we take advantage of this “ignorance” or rather lack of knowledge and either inflate their charges or pay charges that they are not supposed to at all. Since they may not understand the “complex” system of custom charges they would not want to argue with us. I know its bad but we also need to eat.

Customs Official, Beitbridge

3.7.6 Bottlenecks

Many public officials force their users to adapt to their schedules and to submit to or accept the timetables they set: ‘the user’s time is not as important as that of the official’ (Hertzfeld 1992: 162). Thus the personal schedules of users are seriously disrupted by different forms of bureaucratic indifference, such as instructions to return the following day or the impossibility
of predicting the duration of administrative procedures. It is the officials who control the duration and the speed of the interaction with users. This makes the customs officials exploit this resource in corrupt exchanges as shown in the extract from an article “Nightmare at Beitbridge Border Post” posted in The Standard (A South African Newspaper) on 6 March 2005.⁹

“Where on earth do you get such sloppy service? Taking more than 12 hours to process a file? The answer might be that I was not the only customer, but on the day when I actually cried from tiredness I had waited for 16 hours without sleeping and there were only five customers. The evening shift came and went and then the morning shift came and was about to go while I was still there…………. One could tell that it’s either they are seeking a bribe somehow or they are out to just exercise power or else they lack product knowledge. An example of the questions was: Why is the invoice written Mazda 323 and there was no Familia?, and why on the payment transfer document it was written Mazda Familia?. Anyone who knows cars will know that the answer lies in having a physical check on the vehicle. If you are an assessor then you should know your stuff, which includes cars. The other thing which baffled me was being told my telegraphic transfer was not authentic. As far as I was concerned that was the only proof of payment I had. How does one prove the authenticity of a bank confirmation document when this is what one was given at the bank to present to Zimra? If you are unlucky to find an officer who is in a bad mood he may decide that freight charges were not included and one maybe charged double on freight. The answer, of course, is the assessor has every right to doubt the authenticity of all your paper work. One ends up paying heavy duties and amounts, which are uncalled for because one is tired and has nowhere to complain. ……………”

Frustrated Citizen, Harare

The officials may also create artificial bottlenecks or shortages so that they may offer faster individual service for payment. I experienced this at the ZIMRA offices in Harare when a government official told me that.

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⁹ http://www.thezimbabwestandard.com/letters/16159.html
Yes we do not have anymore number plates but that is only for “povho” (the general public) but then for you “vehukama” (relatives) an arrangement can be made.

He then showed me the ones that he had under his desk as proof and said that at US $10, I could have a set.

### 3.7.7 Certificado de Inspección (CDI) forms
When one is exporting goods from Zimbabwe they have to complete CDI forms at the border. For a product like tobacco one can expect to get around US $30 000 per truckload. This should be remitted to RBZ and one gets back about 60 percent of that money. In a normal economy one can access their foreign currency anytime but in Zimbabwe one has to apply to RBZ and state what they want to use their money for. It may take months before the request is approved or disapproved. As a result the exporters avoid filling out CDI forms, and just bribe the customs officials with maybe US $2 000 depending on the value of what they are exporting and nothing goes to RBZ.

### 3.7.8 Vehicle Overloads and Project equipment approval
At the border corruption also exists at the higher levels and involves larger sums of bribes.

*Here at the border if you snooze you loose I came to work here because there is an opportunity to make money, if the top officials at the head are corrupt then what about us at the tail. The VID officers who work here can take as much as US $30 000 a day through overweight trucks and they do not accept anything less than US $500 for overloaded vehicles. They also work with us at the bottom so that we do not tell on them and can give us maybe USD $1 000 depending on how much they themselves will have made. The top officials here are politically appointed and although they may be rotated at times the predecessor always tells his successor how he can make money so the rotation does not really solve the corruption problem. It is a vicious cycle that just goes on and on. Also when those officials responsible for the rotations pass through the border they have their cars filled with goods by their subordinates. So how can they remove or move such a subordinate?*

*Customs Official, Beitbridge*
Another form of corruption that takes place at higher levels involves those that may be starting huge projects in the country for example a mine and have to import a lot of inputs. Although one is allowed to bring in all their initial equipment duty free, this has to be approved by the top officials at the customs offices. Most of the time this approval will be at a cost to the entrepreneur depending on the value of the equipment that they are bringing in.

3.7.9 Border Jumpers

Everyday there are a lot of border jumpers (desperate Zimbabweans forced to leave the country and enter South Africa illegally) who cross the border in search for a better life. Passage to cross the Limpopo River without a passport or a valid visa usually costs around SA 100 rands which is given to the border police who sometimes even escort the jumpers part of the way.

This chapter has given an insight into some of the forms of corruption that take place in the public sector but the next chapter will pay particular attention to the customs officials at the Beitbridge border post. It will use two models to make a rough forecast of what the corruption levels will be both in the near future and in the long run in the customs sector.
CHAPTER 4

METHODOLOGY

4.I Model 1:

4.1.1 Incentives for corrupt acts

According to Adving and Moene a public bureaucrat, i.e. a member of a public organisation and in this chapter a customs official supplies a corrupt act if he directly or indirectly deals with a non-member using the public organisations resources to acquire payment against the rules of the organisation or against the law. These resources include the bureaucrats’ own decision-making power and special information that is at his disposal in the public organisation. A member of the public who may be a cross-border trader or an ordinary citizen demands a corrupt act if he tries to bribe a bureaucrat. Then he will be known as a ‘briber’ while the bureaucrats who take bribes as payments for illegal services are the ‘bribees’. Some of the assumptions of the model are:

-Only one corrupt service is transacted per period between the briber and the bribee.
-Corrupt services are homogeneous therefore the level of corrupt transactions is indicated by the number of corrupt bureaucrats which is normalised to 1.
-All potential bribers demand the same amount of corruption.
-The bribees do not search for bribers as it is not in their best interest to be open that they are corrupt.

Let:

\[ y = \text{fraction of corrupt bureaucrats.} \]

\[ 1 - y = \text{fraction of non-corrupt bureaucrats.} \]

\[ N = \text{number of trials, the briber has to search to find a willing bribee as he does not know who is corrupt and who is not.} \]

\[ (1 - y)^{N-1} y = \text{the probability that he finds what he wants after exactly } N \text{ trials.} \]

\[ q_i = \text{the sum of moral and real costs involved in trying to bribe a bureaucrat for the private agent } \]

\[ b = \text{price of corrupt services.} \]

\[ \pi_i(b) = \text{excess profit of obtaining corrupt services at a price } b \text{ and } \pi_i(b) < 0. \]

The expected profit of a briber, i.e. buyer of corrupt services is

\[ P_i = \pi_i(b) - q_i / y \tag{1} \]
4.1.2 Why cross-border traders demand corrupt acts

The traders will only take part in corruption if their expected profits are positive i.e. \( P_i > 0 \). Their moral and real costs, \( q_i \), are low because petty corruption in the country has now become an accepted and expected way of life that is not condemned by society as much as before. People’s moral values have been almost completely eroded due to the hardships that they face everyday whilst trying to make ends meet. Since the fraction of corrupt customs officials is quite high it lowers the search and transaction costs for the trader who has to go through less trials \( N \), to find a willing bribee. This results in positive expected profits and hence their willingness to take part in corrupt acts.

The demand for corrupt services is proportional to the number of traders with a positive \( P_i \). This demand can be expressed as

\[
D = D(b, y)
\]

(2)

Due to the positive expected profits there are a lot of traders who demand corrupt acts therefore the demand for corrupt acts is high. The higher the bribes \( b \), the lower \( D \) is because high bribes result in lower profits for the traders after they sell their goods. If they pay high bribes they either incur the cost themselves by accepting a small profit margin so that they move their stocks quickly or transfer the cost to the end consumer and have less of their goods being bought and/or slower sales. All these possibilities are not good for the traders so they may lower their demand for corrupt acts the higher the bribes. Since the expected search and transaction costs are lower the higher the incidence of corruption more private agents have positive \( P_i \) the higher \( y \) is. As a result the demand for corruption is an increasing function of \( y \) for a given \( b \).

Assuming that the \( D \) function is continuous and differentiable a suitable choice of units can derive the long run relationship between the bribe \( b \) and the normalized level of demand for corruption \( y \) which gives the equation \( y = D(b, y) \) which then gives \( b = E(y) \) as the long run demand curve. This can be reduced to

\[
E^* = \frac{\partial b}{\partial y} = \frac{1-D_y}{D_b}
\]

were \( D_b < 0 \) and \( 1-D_y > 0 \) showing that the long run demand curve can be upward sloping with supply directly influencing demand.
4.1.3 Why customs officials supply corrupt acts

The incentives for a bureaucrat to act in an honest way are the same as those that make a worker in a private firm put in the required effort (cf. Shapiro and Stiglitz, 1984). The worker needs a salary high enough to induce him to put in this required effort and for the customs official at the border, his wage needs to be high enough to make him honest and not use the organisations resources for his private gain. The wages of the customs officials and their colleagues in the public sector are so low that those who go to work only do so to use the organisations resources for their private gain and are not motivated to be honest. With many people going to look for greener pastures in other countries those that are benefiting from corrupt acts see no reason to leave.

Other assumptions of the model are:

- All bureaucrats have utility functions that are linear in money and receive the same salary \( w \) per period.
- The value of the outside option = 0.

With the unemployment rate at 80 percent, the value of the outside option for the customs official is almost 0 because it will be very difficult for him to get employed if he is caught being corrupt and fired. This increases his costs of supplying corrupt acts.
- \( w \) therefore reflects the wage differential between the public and private sectors corrected for the expected waiting time.
- \( w \) is strictly positive.
- Bureaucrats are heterogeneous with respect to the costs of supplying corrupt services.

These costs may either be internalized moral costs or organisational costs related to the positions of the bureaucrats. The higher a rank one has the more one probably has to lose if he is caught cheating. Besides losing his job and benefits his reputation is also damaged more so than an official with a lower rank. The customs officials also have different moral costs depending on their moral values which may have nothing to do with their positions.
- Each bureaucrat has the option to follow either a corrupt or a non-corrupt strategy.
- He has an infinite horizon and discounts future income with the discount factor:
  \[ \beta = 1/(1 + r) \]

The expected value of the options of the rational bureaucrat \( i \) in period \( t \) is:

\[
V_i(t) = w + \max \left[ \beta - c_i + U_i(t), \beta V_i(t + 1) \right]
\]
$b =$ bribe.  
$c_i =$ bureaucrat $i$’s cost of providing corrupt services.  
$b - c_i + U_i(t) =$ expected gain of choosing to be corrupt in period $t$.

If the bureaucrat decides to be honest and non-corrupt he is sure to keep his job and obtains $\beta V_i(t+1)$ in the coming period. The loss of future income is not much of a motivation for honesty for the corrupt customs official because his wage is very low. If he can make his salary for the next two, three or even ten years in a single corrupt act then he is likely to be dishonest. It may more so be the loss of the opportunity to supply corrupt acts in the future that may induce the official to be honest in the present period. Also if the risk of getting caught in the near future is high then he may try to get as much as he can before he is caught. But again if one is so used to be corrupt and getting away with it one can get comfortable and almost forget that he can get caught and be fired. This is sometimes the case in Zimbabwe were many people are either busy with their own corrupt acts and making sure that they do not get caught that they may not be bothered with the corruption of their fellow bureaucrats and just turn a blind eye. There are some bureaucrats though who are honest so the corrupt customs official is at risk of being caught by a corrupt colleague or an honest one.  
The expected consequences of being corrupt are: 

$$U_i(t) = (1-s)\beta V_i(t+1) + s[y(\beta V_i(t+1) - \beta) + (1-y)(-b)]$$  

(4)

Were: $s =$ the exogenously determined probability of being caught in corrupt transactions and $0 \leq s \leq 1$.  
$(1-s) =$ the probability of not being caught.  

If the corrupt bureaucrat is not caught he can start the next period with the same options as he had in the present one. His consequences of being caught depend on whether he is caught by a corrupt colleague or an honest one. If he is caught by a non-corrupt colleague he is reported to higher ranking officials who are assumed to be honest. These would immediately confiscate the bribe $b$ and fire the corrupt bureaucrat. But in reality at the border not all superiors are honest as some are even involved in the corrupt acts with their subordinates, here the reported corrupt official may not be fired but just given a warning although in other cases even though they may have done some corrupt acts together the superior may feel that protecting the
corrupt subordinate and not firing him is too obvious and may damage his own reputation so he is left with no choice but to dismiss him. Therefore in being corrupt there is a probability $s(1 - y)$ of obtaining $(-b + \beta 0)$ as the best option in the coming period considering that the utility level outside the public sector is equal to 0.

On the other hand if he is caught by a corrupt colleague he can bribe him immediately with a bribe $= B$ so that he does not report the case and hence he keeps his job. As a result there is a probability $sy$ of obtaining $(-B + \beta V_i)$ in the coming period. This bribe $B$ can take on different values. It can be be equal to 0 when corrupt bureaucrats agree not to report each other in a ‘tit for tat strategy’ which means that if you do not report me then I will not report you too when and if I catch you being corrupt in the future. The two can also bargain and share the gain of not being fired which is the future income of the corrupt bureaucrat. In the third case which is used in this models’ formal derivations and the one that is most common among the customs officials $B = b$, i.e. the potential reporter receives the same bribe as that acquired by the corrupt bureaucrat.

A bureaucrat who would choose to be corrupt faced with an external bribe $b$ will also accept the same amount of bribe $b$ to perform the corrupt act of not reporting the colleague that he has caught. Anything less would be unfair leaving him disgruntled and putting the corrupt official who has been caught at a risk of being reported to an honest superior. We therefore have the same equation determining $V_i$ for those who choose to be corrupt independently by directly accepting bribes from non-members of the bureaucratic organisation or taking them via other bureaucrats in their organisation.

In the model stationarity is assumed so $V_i(t) = V_i$ and $U_i(t) = U_i$ for all $t$. From (3) we can then find the expected present value of following a non-corrupt strategy (which is the best option for those bureaucrats with sufficiently high $c_i$ values and it is not rewarding to be corrupt) is.

$$V^N = \frac{W}{1 - \beta}$$

(5)

This is also the present value of future salaries that one would get if he keeps his job by being honest.
The expected present value of following a corrupt strategy is:

\[ V^c_i = \frac{w + b(1 - s) - c_i}{1 - \beta(1 - s(1 - y))} \]  \hspace{1cm} (6)

This equation shows that as long as \( V^c_i \) is positive the pay-off of choosing a corrupt strategy is higher the higher its incidence i.e. the higher is \( y \). At the border most of the customs officials are corrupt resulting in a high \( y \). This means that the expected present value of following a corrupt strategy is also high and greater than the expected value of following a non-corrupt strategy hence the customs officials will only be behaving rationally by choosing to be corrupt. This rational behaviour results in an even greater fraction of corrupt officials making the expected present value of following a corrupt strategy even greater than that of following a non-corrupt one. This vicious cycle of corruption then leads to a high corruption equilibrium level, a stage which maybe difficult to reverse in the long-run. The higher \( y \) is the lower the chances of being caught by a non-corrupt colleague and being reported to an honest superior.

A rational bureaucrat chooses to be corrupt when \( V^c_i > V^N \). From (5) and (6) and using \( \beta = 1/(1 + r) \) this reduces to:

\[ c_i < (1 - s)b - s(1 - y)w/r \]  \hspace{1cm} (7)

Were: \( (1 - s)b - s(1 - y)w/r \) = expected money gain of corruption.
\( (1 - s)b \) = expected retained value of the bribe.
\( -s(1 - y)w/r \) = expected loss of future incomes.

For a bureaucrat to be corrupt his costs, \( c_i \) must be less than the expected money gain from corruption but greater than expected retained value of the bribe.

Each bureaucrat is associated with a level of costs \( c_i \) which are distributed over an interval \([ c, \bar{c} ]\) with a cumulative density \( F(\cdot) \) such that \( F(c) = 0 \) and \( F(\bar{c}) = 1 \). The proportion of the bureaucrats who choose to be corrupt is \( F((1 - s)b - s(1 - y)w/r) \) for given values of \( y, b, w, s \) and \( r \). The number of corrupt bureaucrats is higher:

- the higher the perceived fraction of corrupt bureaucrats \( y \);

As mentioned earlier in this paper corruption is an accepted and expected way of doing business at the border. As a result the cross-border traders who demand the corrupt acts
expect that most of the customs officials that they are dealing with are corrupt and so offer a bribe for their services. This may tempt those otherwise honest officials. In some cases bribes are accepted for procedures that may otherwise have not required any bribery.

-the higher the bribes $b$;
A lot of the people who cross the border may not know how their duty is calculated by the customs officials. As a result they end up paying more that they are supposed to. The customs officials may also take advantage of the fact that the traders want to spend as little time at the border as possible and demand high bribes.

-the lower the salary $w$;
The very low wages of the officials result in a high number of corrupt customs officials as they are left with no choice but to supplement their income through dishonest means.

-the lower the exogenously given detection probability $s$;
Some reasons why this is so at the border are that, the supervision is very low and almost non-existent, since almost everyone is being corrupt they are occupied with not being caught themselves that they may not really be concerned with what their colleagues and subordinates are doing and they also let each other in on their corrupt deals to avoid whistle blowers.

-the higher the discount rate $r$;
The discount factor $\beta = 1/(1 + r)$ can also be viewed as the probability that the present bureaucratic regime remains in power in the succeeding period assuming that the corrupt bureaucrat will be unemployed if a new regime which may not tolerate corrupt acts comes into power hence no future income. The higher the probability of a regime shift the higher is $r$ and the higher is the incidence of corruption and a perceived value of $y$ as the bureaucrats, especially those appointed because of their political affiliation with the ruling party try to acquire as much as they can to cushion themselves against the anticipated negative impacts of a possible regime shift. The economic and political situation in the country at the moment is very volatile and its future is uncertain. There may not be threat of a complete regime shift but the resultant inclusive government from the power-sharing agreement may lead to a better rule of law and intolerance of corrupt acts making the future of the corrupt officials bleak.
can be considered as a response function indicating the number of bureaucrats who choose to be corrupt for a perceived level of \( y \). Therefore the positive equilibrium levels of \( y \) and \( b \) must satisfy

\[
F((1-s)b-s(1-y)w/r) = y \quad \text{for} \quad 0 \leq y \leq 1 \tag{8}
\]

\[
b = E(y) \tag{9}
\]

(8) and (9) describe self-fulfilling consistent beliefs about the incidence of corruption and the equilibrium bribes. Mathematically they also describe Nash equilibria in the game theoretic sense in which:

- all bureaucrats know each others \( c_i \) values.
- everyone predicts the equilibrium level(s) of \( y \) on the basis of rational behaviour from all bureaucrats.

In reality though each bureaucrat may not know so much about the costs of the others but knows his own cost \( c_i \) and just observes last periods level of corruption and uses that to adjusts his choice rationally in the present period.

Therefore we can write \( y(t) = F((1-s)b-s(1-y(t-1))w/r) \). When \( y(t) = y(t-1) \) a stationary equilibrium is reached. Such an equilibrium \( y^* \) is locally stable if a small deviation from \( y^* \) in period \( t \) leads to a conversion back to \( y^* \). This is called the myopic adjustment case.

### 4.1.4 Possible corruption levels in the customs sector

Different equilibria incidences of corruption have their corresponding market clearing bribe values. The distribution of \( c_i \) over the bureaucrats determines the possible equilibrium levels and there may frequently exist multiple equilibria.

The value \( y = 1 \), i.e. all the bureaucrats being corrupt is in the equilibrium set if;

\[
(1-s)E(1) > \bar{c} \tag{10}
\]

this means that the expected value of the equilibrium bribe when all bureaucrats are corrupt exceeds the cost of the least corrupt prone bureaucrat.

The value \( y = 0 \), i.e. no bureaucrats being corrupt is in the equilibrium set if;
meaning that the expected value of the equilibrium bribe when all others are honest is not high enough to cover the expected loss of future salaries and the costs of the most corrupt bureaucrat.

4.1.5 Bell shaped distribution of $c_i$

This is the distribution of $c_i$ that applies most to the customs officials whose costs follow a normal distribution. This results in the case illustrated in fig. 2 with three possible equilibrium levels of $y$ on the supply side for a given value of $b$. These are points that correspond to the intersections between the $y$ and $F$-curves. This model focuses on the myopic adjustment case in which $y_1$ and $y_3$ are the stable equilibria. If the perceived level of corruption is below the critical mass $y_2$ the process converges step by step to $y_1$ but if it is above $y_2$ it converges to $y_3$. According to TI (2008) Zimbabwe is slowly heading towards the high corruption level $y_3$ and so has passed the critical mass $y_2$. A change in a number of factors over the years has resulted in this approach towards high corruption equilibrium. Some of these factors are presented in fig. 3. This paper uses Adving and Moene’s model to make a rough forecast of what might happen to the level of corruption in the customs sector especially at the Beitbridge border post in the short and long run depending on how the equilibrium supply of corruption responds to different values of the bribe price which is determined by the factors in fig. 3.

**Possible corruption levels in the short run.**

Having started in a low corruption equilibrium an increase in the bribe $b$ at the border post shifted the $F$-curve upwards as shown in fig. 4. This was mostly due to the bad economic situation in the country which resulted in workers receiving very low wages and hence resorting to corruption and increasing its supply. As the situation continues to worsen the moral values of the society are continuously being lowered as petty corruption is seen as a justifiable way to make a living given their low salaries. The deterioration of the economy

\[(1-s)E(0) < \frac{sw}{r} + c\]

(11)
Figure 2: Possible equilibrium for bell-shaped distribution of cost

\[ F((1-s)b-s(1-y)w/r) \]

Figure 3: Factors that determine the corruption equilibrium level

- Economic Environment
- Wage
- Moral Values
- Rule of law
- Regime Shift
- Demand for corrupt acts

Corruption Equilibrium Level
also saw the disintegration of the rule of law, if one knows the right people or has money then he will not be punished for his unlawful behaviour. The lack of basic commodities increased the demand for corrupt acts at the border greatly as many became cross-border traders and more and more individuals were crossing over to South Africa to buy essentials.

The highest bribe which sustained this low equilibrium is $b_1$ shown by the highest stipulated curve. The supply of ‘low level’ corruption is continuous and increasing in $b$ for $b < b_1$ but for $b$ values just above $b_1$ the equilibrium supply of corruption will jump to point $z$ and the sector will be in a ‘high level’ corruption equilibrium. With the continued collapse of the economy the bribe price may soon be higher than $b_1$. The lowest bribe which will sustain this high equilibrium is $b_2$ as illustrated by the lowest stipulated curve $b_2$. The ‘high level’ supply of corrupt services is a continuous increasing function of $b$ for $b > b_2$ but for values of $b$ just below $b_2$ the equilibrium supply of corruption will jump to $t$ and the sector will be in a ‘low level’ corruption equilibrium. This shows that if the power sharing deal yields positive results soon and the economic situation improves resulting in higher wages, a campaign to restore peoples’ moral values, more supervision, better rule of law and a decrease in the demand for corrupt acts the bribe price and corruption levels may decrease. Points x and k are low and high tipping points that correspond to unstable intermediate points like point $y_2$ in fig. 2, they are of little relevance in our myopic adjustment case. This shift back to the low corruption equilibrium level may not be so easy in the long run and the sector may be stuck in the high level corruption equilibrium.

**Possible corruption levels in the long run.**

Fig. 5 illustrates the forecast of the corruption level in the customs sector in the long-run with $b_1$, $b_2$, $t$, $x$, $k$, $z$ referring to points in fig. 4. The ‘low level’ supply curve $L$ is relevant for $b$ values in the interval $[b_1,b_2]$ only when we start out in a ‘low level’ equilibrium where $b < b_2$. The ‘high level’ supply curve $H$ is relevant for $b$ values in the interval $[b_1,b_2]$ only when we start out in a ‘high level’ equilibrium where $b > b_1$. The dotted downward sloping part of the supply curve is unstable as mentioned earlier. Although this supply structure and an increasing long run demand function $E(y)$ may result in one, two or three equilibrium levels of $y$ the model only focuses on the two equilibrium case. Fig. 5 shows that when the sector is in the high level of corruption it will also have a high equilibrium bribe. In the long-run some temporary changes that have occurred in the underlying parameters may shift the sector from a low corruption to a high level corruption equilibrium. Due to the ratchet effects of the supply
side these temporary shifts may give rise to permanent changes. Some of these changes that have taken place are:

i) Demand has temporarily increased as more and more people are crossing the border for basic commodities inducing the short-run equilibrium price to go up above $b_1$ such that the
supply of corrupt services will jump into the high level regime. When demand reduces to the normal level the equilibrium might settle on this high corruption equilibrium level.

ii) The probability of a regime shift has temporarily increased due to the political and economic uncertainty and officials have become more corrupt prone for each level of the bribe. This can eventually lower the critical bribe \( b_1 \) in the fig. 3 and the equilibrium may jump into the high corruption level regime. When the uncertainty is resolved and the value of \( r \) goes back to its normal level the situation will be trapped at the high corruption equilibrium level.

iii) Moral costs of taking bribes have been lowered as corruption has become the only way to survive for the customs officials. Although a better economic environment in which people do not have to be corrupt to make ends meet may restore these moral values the sector may be trapped in the high corruption equilibrium level. Considering a first order leftward shift in the distribution of \( c_i \) means that every element \( c_i \) is reduced with the same amount \( \rho \) and the new equilibria are characterized by

\[
F((1-s)b - s(1-y)w/r + \theta) = y \quad \text{for} \quad 0 \leq y \leq 1
\]

\[
b = E(y).
\]

If \( \rho \) increases from 0 the \( F \) curve will shift upwards as shown in fig. 4 implying a higher supply of corrupt acts to each level of the bribe. Both the low and high tipping points \( x \) and \( k \) will consequently be reduced the more so the higher is \( \rho \). In fig. 5 this increase shifts both the \( L \) and \( H \) curves to the right and lowers the critical bribes \( b_1 \) and \( b_2 \) as indicated by the curves \( L' \) and \( H' \). As long as the long run demand curve is upward sloping the equilibrium bribes are also increasing in \( \rho \).

When supply and demand determine the bribe it is economically expected that an increase in the supply would decrease the equilibrium bribe. Currently in the customs sector it is the opposite as predicted in the model. Although there might be an increase in the supply of corrupt acts at the border the increase in the demand may even be greater resulting in an increase in the equilibrium bribe. It may not be the case though that the corruption jumps
from one equilibrium level to the other but it is a gradual step by step process that takes years or even decades. As a result it may also take a long time for the corruption level in this sector and the country as a whole to go back to the low corruption equilibrium level even after the economic situation in the country has improved.

The return to the low level corruption equilibrium may be slowed down further by the greed among both low and high ranking officials. Some of the officials have become accustomed to certain lifestyles that they feel a need to maintain through the continued supply of corrupt acts. This lifestyle is not one that these corrupt officials flaunt to their colleagues because they do not want to risk being investigated. The corruption by the customs officials might have started because of greed when their wages could still sustain them. As the economic situation is worsening and more officials cannot meet their basic living costs some have became corrupt as a means to survive moving the sector towards the high level corruption equilibrium. When the economic situation starts getting better the officials will no longer be desperate as they can again live on their monthly remunerations but then the greed will still exist amongst some. This will result in a cycle of corruption that starts and ends with greed. There are other cost distributions that may not apply to the corruption in the customs sector and these are briefly discussed below.

### 4.1.6 Identical $c_i$ values

In a special case all bureaucrats are identical, i.e. $c_i = \hat{c}$ for all $i$. Returning to the equilibria described by (8) and (9) we have either $y = 1$ or $y = 0$ in equilibrium and for given values of $s$ and $w$ both extremes can be in equilibrium. This is so if

\[(1 - s)E(1) - sw/r < \hat{c} < (1 - s)E(0)\]  

(14)

using (10) and (11). When (14) applies we find from (7) the critical mass

\[1 - \hat{y} = \frac{(1-s)b - \hat{c}}{sw/r},\]  

(15)

where all bureaucrats are indifferent between being corrupt and being non-corrput. This incidence of corruption is unstable. If the perceived $y$ is higher than $\hat{y}$ the equilibrium converges to $y = 1$ but if the perceived value of $y$ is lower than $\hat{y}$ the equilibrium converges to $y = 0$.  

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The equilibrium supply of corrupt services as a function of the value of the bribe depends on the initial situation. Starting by increasing $b$ from $b = 0$, we get $y = 0$ as the equilibrium for all values of $b$ such that the left hand of the inequality (12) holds, i.e. for $b < (\hat{c} + s/w)/(1 - s)$. Higher values of $b$ induce all bureaucrats to become corrupt. From fig. 6 it can be seen that $b > (\hat{c} + sw/r)/(1 - s)$ starting from and successively reducing $b$, $y = 1$ is the equilibrium as long as $\hat{b} > c(1 - s)$.

4.1.7 Uniform distribution of $c_i$

The costs $c_i$ can be uniformly distributed over the interval $[\underline{c}, \overline{c}]$. If both (10) and (11) hold we have a similar situation as in identical $c_i$ values. If neither (10) nor (11) hold we have a unique stable supply side equal to $y^*$ shown in fig. 7. Here there is an increasing supply of corrupt transactions as a function of the bribe. There is a stable equilibrium level of $b$ and $y$ if the slope of the supply curve is steeper than that of the demand curve.

4.1.8 Double peaked distribution of $c_i$

In this scenario shown in fig. 8 there are three stable supply side equilibria i.e. L, M, H for all values of $b$. This may result in a three long run equilibria of $b$ and $y$.

**Figure 6: Possible equilibrium levels for identical cost values**
Figure 7: Possible equilibrium levels for uniform distribution of costs

Figure 8: Possible equilibrium levels for double peaked distribution of costs
4.2 Model 2:

4.2.1 Waiting time at the border for the bus drivers

Ratchet effects on the demand side of corruption can be illustrated using an example of bus drivers bribing the customs officials in order to reduce their waiting time at the border. For both the drivers and their passengers it is of paramount importance that they spend as little time as possible at the border especially when they are crossing over to go to the South African side. The passengers want to quickly buy their goods and head back home whilst the drivers do not want their timetables disrupted by delays at the border. As a result sometimes they are willing to bribe the officials so that they will go to the front of the line but at times the bribe price is so high that it is not worth it to pay it as will be shown by this model using figs 9 and 10.

Let:

\[ d - c_0 = \text{cost of waiting for those who bribe} \]
\[ e - c_1 = \text{cost of waiting for those who do not bribe, here no-one bribes} \]
\[ a - c_3 = \text{cost of waiting for those who bribe + the bribe that they pay} \]
\[ c_0 - c_3 = \text{the bribe price} \]
\[ \alpha = \text{fraction of buses that bribe their way through the border} \]
\[ 1 - \alpha = \text{fraction of buses that do not bribe their way through the border} \]
\[ A(\alpha) = \text{the cost bribing} \]
\[ C(\alpha) = \text{the cost of not bribing} \]

When the bribe = \( b_1 \) there will be two equilibria as shown in fig. 9.

*Equilibrium 1: No corruption*

No-one pays since the bribe is higher than the cost of waiting i.e. \( b > d \). Here all the drivers will choose to wait and the equilibrium will be at \( c_1 \) with no corruption.

*Equilibrium 2: Full corruption*

Here when some drivers decide to pay then all the others will find it rational to do so as well because the one who does not pay will end up always being at the end of the line. These ratchet effects in the demand will result in the equilibrium being at \( a \), with full corruption.
4.2.2 Decrease in the bribe

Equilibrium 1: Full corruption

The bribe can decrease from \( b_1 \) to \( b_2 \) if the economic situation worsens increasing the supply of corrupt acts. This decreases the cost of those who bribe from \( c_3 \) to \( c_3' \). When this happens the new cost of waiting for those who bribe \( c_3' \) becomes less than the cost for those who do not bribe therefore all the drivers will decide to bribe and the new equilibrium will be at \( f \), with full corruption.

4.2.3 Increase in the number of buses

The worsening of the economy may result in more people crossing the border and this increases the number of buses as well as the demand for corrupt acts as shown in fig. 10. This increase also happens periodically during the peak periods when there is a lot of traffic crossing the border such that those who choose not to pay may end up spending about two days or more at the border post. This will be a great inconvenience to both the passengers and the drivers. In this case there is only one equilibrium with full corruption as explained below.

Equilibrium 1: Full corruption

When the number of buses increases the cost of waiting for those who bribe, \( d - c_0 \) increases since their gain from bribing has also increased and the curve tilts to \( d' - c_0 \). This increase is equal to that for those who do not bribe which is from \( e - c_1 \) to \( e' - c_1' \). As a result all the drivers decide to bribe the customs official and the consequences of the one that does not pay is great as he will end up at the end of the queue and may be spend a few days at the border. The ones that arrive after him may even leave before him if they do decide to pay. There will be full corruption at \( e \), were all the drivers pay since their cost of bribing plus the bribe is the same for all and less than the cost of waiting at the border. i.e. \( A(\alpha) + b < C(\alpha) \).

Here it shows that when everyone pays it does not help in aggregate but benefits the customs official who may take advantage and slow down his work to make the willingness to pay (WTP) of the drivers increase and hence increase the bribe price.

These two models have shown that there are ratchet effects in both the supply and demand side of corrupt acts which may lead to a high level corruption equilibrium or full corruption.
Figure 9: Corruption levels for bus drivers at the border

Figure 10: Corruption levels after an increase in the number of buses
CHAPTER 5

CONCLUSION

Although corruption is widespread and systematic throughout the public sector in Zimbabwe it takes different forms which need to be known, acknowledged and accepted if the country is to move back to a low level corruption equilibrium and minimise the possibility of recorruption. It is also important to understand the rational responses of the bribers and bribees to the different factors that affect the corruption level through the bribe price in. This understanding helps give a rough forecast of the corruption levels in both the short and long run in the different sectors and the country as a whole. In the short run a shift to a high corruption level is easily reversible when the bribe price decreases beyond a certain level but this maybe difficult in the long run. With the economic situation worsening the bribe price in the customs sector is likely to continue increasing and the sector will be in a high level corruption equilibrium which will be very difficult to reverse. The ratchet effects in the demand side of corrupt acts will also contribute to full corruption in some sections of the sector. But if the inclusive government works towards the recovery of the economy, better wages, more efficiency, accountability, transparency and rule of law in the public sector then the situation may change resulting in a decrease of the bribe price.

Limitations:
Although the agency model by Adving and Moene is very relevant for the study of petty corruption one of its main assumptions that the high level officials are honest and will fire the corrupt official may not always apply in the customs sector where even the senior officials are known to be very corrupt. Efforts to get interviews with them yielded no results but they would probably have agreed with this assumption because they would want to give a false image of honesty. Some of these high level officials are also involved in corrupt acts with their subordinates so future researchers can consider these relationships which may help to show some of the links between petty and grand corruption.

It was important to have a lot of interviews to get a picture of the extent of the corruption in the country than just take the CPI Indices as they are considering that the surveys on which the index is based may not ask the same questions, start from the same definition of
corruption or have the same ethical and moral yardstick. It was evident however that the incidence of corruption in the public sector and the country as a whole is great.

*Implications for further research:*

These interviews revealed that corruption is a huge problem in the country that needs to be addressed but they were just a drop in the ocean. A lot of sectoral research still needs to be done to understand the culture of corruption in Zimbabwe although many of the forms mentioned are the same as those found by Blundo, Olivier de Sardan, Arifari and Alou in their research in Benin, Niger and Senegal from 1999 to 2001 and documented in their book, “Everyday Corruption and the state: Citizens and Public Officials In Africa” (2006).

Although the thesis has shown that the customs sector might be approaching a high level corruption equilibrium in the long run it is important to note that corruption is not an irresolvable problem. The sector may not necessarily be stuck in this high corruption level but it may just be more difficult and take a longer time to return to a low level corruption equilibrium, it is not impossible.
References


Transparency International (2008), www.transparencyinternational.org

Google (2008), http://www.google.com