

## **Challenges in Combating Corruption and Fixing Accountability: In Iraq's Perspective**

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### **Abstract**

*Iraqis know that corruption is ravaging their country but believe it is immutable because it has become a way of life for them. This belief has adverse effects for Iraqis who take little notice of the vice but feel its effects. While fighting corruption will take large groups of paper led by a strong leader, it will take the will of the complaining masses. It is apparent that the masses drive corruption and can successfully drive it in reverse. The biggest barrier to corruption is the lack of understanding of how to reverse the existing practices because of the insurmountable challenges they encounter. This paper seeks to break down the challenges into understandable concepts which the public can understand in order to join in the fight against corruption. It will attempt to demonstrate that Iraq may not benefit much from external intervention in one hand and on the other hand it demonstrates the cost of corruption as a result of mismanagement due to lack of skills, knowledge and experience of the most of the Iraqis officials and that become too difficult to handle and that results into major problems in the development of the Republic of Iraq. The complex nature of Iraq and their social setting indicates that the war must be waged only by Iraq to solve its problem of corruption. Although corruption is a global phenomenon but it will seek to and has to determine what the country should do in order to fight corruption and achieve accountability for public offices.*

### **Introduction**

Mitigating corruption is crucial in building trust between the people and the government. Corruption is the act of giving, offering, receiving or seeking anything valuable with intention of altering the legal processes of public service and influences the acts of a public officer to satisfy a person's private interests. Corruption involves exercising official power which goes against public interest or which abuses the public office in search of private gains. It involves such acts as conspiracy, fraud, nepotism, embezzlement, extortion, and favoritism. Corruption in the public sector indicates failure in traditions, norms and institutions of a country's power and authority.

### **Who will Benefit from this Paper**

It will benefit any public representative who is concerned with the need for effective governance by use of new perspectives on the necessary reforms.

### **Why fight Corruption in Iraq**

Corruption is a crucial factor that international investors consider when making decisions to invest in any country. It has an impact in the socio-economic development of any country because while most investors consider labor, human rights and environmental issues great deterrents to investment, corruption ranks at the highest of these considerations.

Iraq has rich oil fields and there were great expectations that following the fall of old regime, the country would thrive and fight corruption to build its institutions and attract foreign investors. Contrary to these expectations, the country has continued to see the prevalence of rampant corruption with little effort to curb it.

### ***Concerns about Corruption***

Concerns about corruption continue to mount in Iraq following growing evidence of the detrimental impact it has on development. In 2010, it slowed its GDP growth to 0.8%, as opposed to 4.5% in 2009 and 7.8 % in 2008, adversely affected capital accumulation, lowered the public infrastructure, education and health services.

<b>Year</b>	<b>GDP</b>
1999	13
2000	15
2001	-5.7
2002	-0.3
2003	-21.8
2004	52.3
2005	-3
2006	2.4
2007	5.9
2008	7.8
2009	4.5
2010	0.8

It has reduced the efficiency of development aid as well as increased poverty and income inequality. The biggest manifestation of this corruption is bribery, which adversely harms the country's reputation while eroding trust in the Republic of Iraq. Iraq ranks number 175 out of 178 in the corruption perceptions index of 2010. It is one of the countries where the security and political environment has remained particularly volatile. It is a country that faces challenges in establishing firm and transparent public institutions and lacks suitable mechanisms for accountability, which is an essential element in the prevention and fight against corruption. Because of the absence of these elements, it has become exceedingly difficult to attain any sustained success in fighting corruption.

### ***Previous Empirical Research***

Previous research conducted by The Iraqi foundation sought to drum up the Iraqi Public against public to encourage accountability in government. It sought to:

- (a) Strengthen the role of the judicial investigators to give them authority and develop his practical credentials.
- (b) Consolidate and review the rules, directives and procedures in place.
- (c) Implement an anti-corruption convention to work within the international framework to combat organized crime.
- (d) Introduce e-governance to encourage transparency and avail information
- (e) Restructure the regulatory bodies by establishing a system to assess employee capacity in regard to accuracy and qualifications.
- (f) Incorporate the culture of transparency in education
- (g) Build religious and moral values among Iraqis.
- (h) Protect government departments against external pressure that obstructs transparency.
- (i) Adopt international accounting standards with which to assess performance.

This report did not however seek to identify the real elements of corruption, so that Iraqis can identify exactly what it is and show that the war on corruption can be fought only by Iraq and not the international community.

### ***Problem Areas***

While there is immense demand for greater responsiveness and accountability from the government, there have been great challenges in making implementation as senior officials in government frustrate efforts. Implementing mechanisms is a difficult thing although the pressure will create apposite legal and institutional structures for the public to exert pressure in order to enforce meaningful accountability in public institutions.

There are several related factors that complicate emphasis on the interactive organizational arrangements which include power relations, civil society and government organization capacity, social norms and background politics.

These factors reflect considerably in the legal and institution composition and signify crucial limitations in mitigating several of these conditions. There are several instances of embezzlement of funds that go unpunished which has served to escalate corruption. Corruption cost the country \$2.6bn between 2004 and 2005 when the entire procurement budget military budget was stolen. In 2008, there was purchase of 1,500 bomb detectors which were worth just a few dollars but which cost the country \$85m. While this is going on, there are over 7.6 million Iraqis today, who go without water which is a basic necessity.

### ***Causes of Corruption***

The causes of corruption can be divided into environmental and cultural aspects among others.

### ***Long Term Factors that aid Corruption in Iraq***

#### **1. Literacy:**

Literacy and participation in matters of public service will be the single most crucial aspect in fighting corruption in Iraq. Because of low education levels, the people are exploited by low level officials of the government. They have no way of efficiently monitoring the government. While there are high literacy levels, few pursue higher education, preferring instead to go into business (UNICEF - Iraq – Statistics, n.p, n.d). UNICEF conducted a survey on the literacy levels in Iraq between the year 2005 and 2010 and listed the findings below.

#### **2. Literacy Levels in Iraq between 2005 – 2010**

	Percentage
Youth (15-24 years) male literacy rate, 2005-2010	85
Youth (15-24 years) female literacy rate, 2005-2010	80
Number per 100 mobile phones , 2010	76
Number per 100 internet users, 2010	6
Pre-primary school attendance, male gross enrolment ratio, 2007-2010	6
Pre-primary school attendance, female gross enrolment ratio, 2007-2010	6
Primary school attendance, male gross enrolment ratio, 2007-2010	111
Primary school attendance, female gross enrolment ratio, 2007-2010	94
Primary school attendance, male net enrolment ratio, 2007-2010	93
Primary school attendance, female net enrolment ratio, 2007-2010	82
Primary school attendance, male net attendance ratio, 2005-2010	91
Primary school attendance, female net attendance ratio, 2005-2010	80
Primary school attendance, admin data on survival to highest primary grade, 2006-2009	-
Primary school attendance, survey data on survival to highest primary grade, 2005-2010	93
Secondary school attendance, male net enrolment ratio, 2007-2010	48
Secondary school attendance, female net enrolment ratio, 2007-2010	38
Secondary school attendance, male net attendance ratio, 2005-2010	46
Secondary school attendance, female net attendance ratio, 2005-2010	34

In this table, the numbers have continued to dwindle as the level of education goes up.

#### **3. Legal Systems**

Countries that adopted socialist legal systems have tended to be corrupt because the system is bureaucratic in regard to complex regulations that cover every aspect of life. To deal with this bureaucracy, corruption becomes a way of life.

#### **4. Physical environment, culture and history**

Corrupt neighbors surround Iraq and aid corruption in the country. It is clear from the table below that four of Iraq's neighbors rank highly in the World Corruption survey conducted by Transparency international. This is an element which spills over across the countries (Transparency International, 2008).

Country	Rank	Score		
		2011	2010	2009
Iraq	175	1.8	1.5	1.5
Iran	120	2.7	2.2	1.8
Turkey	61	4.2	4.4	4.4
Syria	129	2.6	2.5	2.6
Saudi Arabia	57	4.4	4.7	
Lebanon	134	2.5	2.5	2.5
Jordan	56	4.5	4.7	5
Kuwait	54	4.6	4.5	4.1

Dominance of one resource in export will definitely go along with corruption as there are huge gaps between the production cost and export price which attracts corrupt practices. Lack of competition creates unhealthy monopolies which are incentives for corruption. At the same time, there are several subsidies from oil from which one can obtain a bribe including kerosene, diesel and gasoline. Weak press ensures that acts of corruption remain uncovered and that public opinion against this corruption cannot be expressed or marshaled. Lack of legal sanctions against accepting a bribe means that there is low likelihood of being arrested for taking a bribe, and therefore little likelihood of conviction.

### ***Challenges in Fighting Corruption in Present Scenario***

1. **Corruption in Iraq began under old reign** and is entrenched into government institutions making it extremely difficult to eradicate. In old regime however, most of the bribes and gains from corruption went to government officials and their family members and its cartels. There were few gains for those at the bottom.
2. **Today, corruption has become more democratic** and with the gains widely distributed to reach even those at the bottom. Furthermore, the leaders of the day are not willing to rid Iraq of corruption because they are involved in corrupt practices, having worked under old regime. In any case, organizations advocating for anticorruption interpret accountability as a favor that they must politely request from the senior officials and members of the executive.
3. **During Saddam's reign, bribery was structured** and the levels of degree of confidence were high that the bribe would result in the rendering of the promised favor. Today's corruption is entrepreneurial and it is difficult to identify the right person to bribe and there is less confidence that the person will return carry out the favor they are bribed return.
4. **Today, Iraq ranks very highly among the most corrupt nations of the world.**

It was ranked as the fourth most corrupt country in 2010 by Transparency international and the most corrupt by the World Bank. There is rampant political corruption and apparent abuse of power that stems from structural deficiencies in the governing systems. For example, in order for the constitution to pass and to bring the opposition party to the negotiation table, the mediators of peace had to encourage the country to make two blunders. First they agreed to make substantial amendments to the constitution in a short duration after its ratification. This undermined the constitution's authority and made it essentially just a provisional document. Second, they ditched the constitution after the first election in order to form a government of national unity in order to appease Sunni Arabs who had resisted the political process (Mauro, 1995, p.688). Following this, there was sharing of ministerial seats to the parties without any oversight over the conduct of daily business by the ministers.

### **5. Lack of focus on investigating corruption:**

It is difficult to put an Iraqi official on trial for corruption because of a provision that gives them a sanction over investigations. Public officials can for example sanction the release of a terrorist who is jailed for ideological reasons, monetary rewards and political purposes without being held accountable for corruption. Because corruption starts at the top, it is very difficult to deal with those at the bottom. And because those at the top enjoy immunity, it is very difficult to deal with them because they are the very people who oversee the business of the government. Also, cases are heard by judges who are easily swayed by payment of large amounts of money and only the rich can buy their freedom. In the same way, the rich usually hold government seats, making the situation a whirlwind of corruption.

## **6. Lack of Coordination in Internal Audit**

Lack of coordination when carrying out internal audit causes ineffective use of limited resources. This results from inconsistent audits which vary in their availability, limiting the oversight of these bodies. There is very little role any organization including the NGOs can play where information access is limited. This is because some organizations may exhibit bias against the government which can only be balanced if the government offers access to information. As it were now, there is no exchange of information.

## **7. Weak Oversight**

The current team is not directed towards developing constitutional and parliamentary oversight of the government. The civil society's existing strategy to partner with the executive in order to ensure that government policies are implemented has caused the individuals to withhold criticizing executives in the government.

Weaknesses in the stake holders include the media, private sector, civil society organization, parliament, international donors and oversight institutions. The media is strong on accusations, descriptions and exhortations of virtue but weak on analysis, detailed investigations and policy recommendations. While it is privately owned, the government strongly influences the activities of the media. In the private sector, power is vested only in some families linked to the government that control businesses. The business community conflicts with itself because while they complain about the government, they are not willing to shun corrupt practices. There are several government arms that overlap to cause insufficiencies. The parliament has shown comparatively little interest in combating crime despite being a potential player. In essence, the oversight institutions are weak and the citizens have limited access to reliable information from the media. The public and officials have a weak grasp of the basic anti-corruption concepts making it rather difficult to enforce the anti-corruption laws.

## **8. Assembling an Anti-Corruption Group**

The government gives insufficient finances, personnel and resources to the Commission of Public Integrity which cannot make any arrest or even facilitate detention. Out of all the three anti corruption agencies existing in Iraq, only the Board of Audit is reliable and can provide adequate information on anti-corruption. However, it has been frustrated because its Inspector generals are often caught up in controversy. This has resulted in the firing of six inspector generals with claims that were not efficient in their jobs although it is clear that this results from political reasons. This leaves the ministries and agencies with no oversight. Judges of the "Public Integrity Commission" are usually political appointees. Article 136 which was carried over from Saddam's regime allows ministers to halt any cases going to court so even when anti-corruption does its work, it cannot effectively carry out a prosecution in court for top level officials. There is misuse of the Amnesty Law that was hastily passed in 2008 to promote reconciliation between Sunnis and Shiites, to stop several corruption cases.

## **9. Political Reasons**

The U.S has attempted to help fight corruption in Iraq by formulating several programs to deal with fraud and graft. It even has a coordinator in the country although there have been about ten of these since the creation of the office. They have served a total of six month in the country and offer no continuity in their effort. Political concerns stopped the U.S from investigating corruption citing political concerns. A popular newspaper said that should Baghdad or the U.S go after corruption, it may bring the government down as it would implicate the whole government. It is for this reason that the U.S has lost its interest in fighting corruption in Iraq.

## **10. The Justice System**

The justice system does not meet the basic international standards for fair trial as defendants have to wait several months and sometimes years before they can face a judge. It is not possible to dispense justice for security reasons, shortage of resources and caseloads running into many years. The justice system relies on secret confessions and informants who are coerced by the authorities. These problems result from structural problems in Iraqi institutions where they conduct mass arrests making the burden of the cases heavy.

## **11. Legal Framework**

Fear of intimidation therefore lack of free flowing information. This is because there are not structures for regulating the provision for access to information held by the government. The constitution provides for this right to information but there is no legislation available to implement it. There is also no practical avenue for anti-corruption groups to request for information.

## **12. Poor Grasp of Concepts of Anti-Corruption**

A large majority of the people does not understand fundamental issues such as accessing information, asset disclosure and conflict of interest, and cannot assess when there are issues of corruption. For example, Iraqi members of parliament allocate themselves large amounts of money for compensation which is abuse of power, but which in Iraqi is not considered to be officially corruption.

## **13. Lack of Protection Rules for Whistle Blowers**

Whistle blowers in Iraq bear the brunt as there are no protection rules available for them. Those with information regarding corruption in high government places fear death if they divulge it. When government officials condemn the rampant corruption, the government removes them from power and prosecutes those who support them. In September, 2011, it forced the resignation of the head of the anti-corruption watchdog. A prominent journalist was shot dead at his home after being threatened for leading protests against the government. The government has sought to remove immunity of one of the independent MPs, so that they can arrest him for allegations he made against the Prime Minister. In 2009, a whistle blower who was a doctor died after eating a salad that was laced with drugs. Dr. Ramin was murdered after he exposed the torture on jailed protestors. Large groups of protestors who protested Dr. Ramin's death were arrested and several others have been on trial for fueling protests (The independent, 2011, 29 September 2011). This has weakened the resolve of many Iraqis who would like to come out with information on corruption but who fear victimization or even death. The issue of whistle blowers is complex and involves a lot of insecurity on the whistleblower's part. While there have been brave individuals who have come out in the open to disclose the activities of the regime, most fear for their lives and remain in fear.

### ***Recommendations for Combating Corruptions***

Corruption is widespread and public and private organizations cannot impact the public sector. There are several recommendations that have been made previously but which have yielded few results because the perpetrators of corruption are key decision makers in those recommendations. The following recommendations will assist Iraqi fight corruption from both the top and bottom levels.

Many attempts to eradicate corruption fail because they do not exhort virtue and the political opponents usually either buy the opponents or settle scores thereby collapsing mutual recriminations. Reducing corruption in Iraq will necessitate dealing with the deteriorating social capital, criminal gangs, and relationships among tribes, insurgency and growth of the economy. It will require institutional changes which will reduce the incentives for corruption, transparency, aggressive to communicate to the public regarding the progress and purpose of the campaign. This should be done with the aim of changing the culture of corruption. While it is true to argue that in view of the economic, security and political challenges that face Iraq, fighting corruption should be put aside, it is important to understand that corruption is unsustainable.

The first step will involve killing the existing market for corruption by for example, reducing the time taken for the licensing process so there is no need to bribe to speed it up. Increasing the possibility of being caught while taking a bribe will cause unwillingness to solicit or give a bribe. The result of being caught taking a bribe will be a function of the possibility of being found, investigate, interrogated and convicted. By declaring corruption a grave crime and apportioning a punishment of its magnitude, the cost of taking a bribe will be extremely high.

Fighting corruption will need to move into practice by reducing the incentive of the person paying the bribe. It will involve removing the subsidies on all items including oil, agriculture and electricity so that there is a standard price for the official and market rates. The government can do this by either reducing the market rate or increasing the official rate. It will also involve simplifying the lengthy process involved in regulation for private businesses.

Finally, the government must seek ways to decrease the influence of its ministries by devolving power to the provincial entities. This will encourage competition between provinces and reduce incidents of corruption. The government can enhance accountability by use of such systems as e-governance which will not only speed up processes but offer easy access for the relevant bodies to cross-check each other.

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