

# USING E-GOVERNANCE TO UNLOCK CORRUPTION AND BRIBERY IN GHANA. A LITERATURE REVIEW

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## ABSTRACT

Corruption has become a social, political, and economic canker which is wrecking havoc in many countries both advanced and developing. The phenomenon continues to assume many new dimensions in modern times and for this reason, modern strategies have to be found to tackle it head on. The adoption of e-governance has proven to be one of the effective means to curb the menace, especially in developing countries. E-governance involves application of ICT for government with an aim of improving the efficiency with which citizens receive services. E-governance also helps in dealing with corruption through increased accountability, eliminating gatekeepers or minimizing interaction of civil servants and citizens and increased transparency. Corruption reduces foreign direct investment (FDI), diverts government meant for providing development projects to non-beneficial investments and thus rewards development. Thus, corruption leads to increased poverty and with e-governance it is possible to reduce the problem. Use of e-governance in reducing corruption is more beneficial for developing countries than it is for developed countries.

## I. INTRODUCTION

E-governance refers to the utilization of ICT by the government in order to improve efficiency, share information and offer better services to the citizens in any given country. Kaur (2015) defines it as using technology and especially Internet applications in enhancing delivery of services and information by the government to its business partners, citizens, employees, government entities and other agencies. It is also defined as the process of optimization of service delivery, governance and citizen participation on a continuous basis (Bhattacharjee & Shrivastava, 2014). The policies developed for e-governance are applied in providing the best services to the different stakeholders while enhancing

transparency and thus reducing the rates of corruption in any given country.

Most government have moved online, especially for department that are perceived to be more prone to corruptions and which have interface with citizens including income tax, custom, property tax, and sales tax. E-governance leads to introduction of competition which in turns reduces corruption. E-governance may involve delivery of services through internet, telephone, wireless devices, kiosk and any other communication device. Through the use of these systems, the interaction between the public and government employees is minimized, minimizing the chances of either receiving or giving bribes. The paper examines the role played in e-governance in reducing corruption making reference to a number of African countries.

### A. Corruption as an Obstacle to Economic Growth

The World Bank defines corruption as the process of using a public office for personal benefit in a way that breaches the laws, rules or regulations put in place. Another definition of corruption is the misuse of public clout for personal benefit. However, the use of public power does not imply that corruption cannot exist in private sector. In private sector corruption is mainly manifested in hiring and procurement functions. Corruption in governance prevents economic growth because it leads to collection of fewer taxes and also leads to increased public expenditure. As a result, the fiscal deficit of an economy increases and macro-economic instability is created. Moreover, corruption hinder both local and FDI in a country which reduces the rate at which an economy grows.

Corruption also changes government expenditures shifting spending to less important investment something that undercuts

the mission of any given country of fighting poverty (Krishnan, Lim, & Teo, 2013). Aladwani (2016) posit that corruption leads to failure of government projects especially those aimed at elimination of poverty. Consequently, the quality of life for the poor members of developing countries continues to deteriorate. Indices on corruption for different governments compared to economic growth indicate a negative correlation between corruption and the levels of economic growth and investments. Further, such data also indicate an improvement of corruption index by a standard deviation leads to a corresponding 4% increase in the investment rate as well as an increase in The GDP by over 0.5 (Mistry & Jalal, 2012).

Data analysis for different countries in databases of World Bank and IMF shows that corruption leads to increased poverty and income inequality. The poor people in any country are the most affected by high level of government corruption. The reason for this is the fact that the poor have to pay the highest proportion of their income to bribes and this raises the income inequality between the rich and the poor. Thus, it means that controlling corruption means promoting development of the economy, increasing the competitiveness of the country in the world, improve the social conditions of the citizens and reduction of poverty. Economically, corruption results from economic rents which is the additional amount paid for something or to somebody with a limited supply either via human ingenuity or nature. Economic rents can be created through trade restriction, price controls, subsidies, and many exchange rates. Other corruption enablers include sociological divisions, low wages and limited natural resources.

In governance, corruption is driven by monopoly of authority where civil employees have absolute power of enforcing policies and regulations. It is also accelerated by discretion which is the power of civil servants of enforcing policies and rules in an unrestricted manner. Finally, corruption is promoted by lack of transparency and accountability which creates a loophole for civil servant to exploit their power.

#### **B. How e-governance helps in reducing corruption**

Policies adapted for e-governance help in offering citizens with the best services, reducing corruption and creating more transparency (Kaur & Sabo, 2012). E-governance introduces a high level of transparency in government services including

procurement and in all the decisions performance, actions, different data and rules (Ramamathan, 2009). Transparency results from the fact that the government has to provide all the relevant information to the people developing the system for them to be in a position to develop computer codes (Shahkooh, et al, 2008). E-governance builds accountability especially for accessing government information via the internet (Jaeger, Carlo, & Grimes, 2012). With accountability in place it is possible for the actions of any individual to be monitored thus unlocking corruption cases and also deterring corruption (Mahmood, 2004). Use of the internet in service delivery creates audit trails that can be used for tracing any cases of corruption, in other words, it makes tracing of decision made traceable (Cox, 2013). Moreover, use of e-governance creates a platform that citizens can use in reporting any corruption cases.

Mistry and Jalal (2012) posit that e-governance eliminates gatekeepers in that citizens do not have to interact with civil servants in order for them to get government services. In turn, this reduces the chances of bribes especially between the citizens and the civil servants. E-governance offers the citizens with documentations. The documentations can be used for conducting follow-ups. It also acts as an entry point for reengineering of processes and simplification of regulations (Elbahnasawy, 2014). Kaur and Sabo (2012) argue that automation of processes through application of e-governance reduces the discretion of the government officials.

#### **C. E-governance as an Anti-corruption strategy for some African Countries**

One of the major use of e-governance as a strategy for reducing corruption is prevention. Countries implement e-governance in order to prevent chances of corruption especially through giving of bribes. E-governance helps in preventing corruption by eliminating the chance of citizens going to the public offices to get services. For example in Kenya, citizens use the kra.go.ke website in submission of their taxes and this helps in preventing citizens from bribing officials. Another strategy is enforcement of laws by ensuring that citizens adhere to the laws. The use of the kra.go.ke website ensures that citizens submit taxes on time.

## **II. E-GOVERNANCE, CORRUPTION AND ECONOMIC GROWTH IN DEVELOPING COUNTRIES**

Research in the relationship between corruption and e-governance for developing countries indicates that corruption levels are higher in developing countries compared to developed countries. Research also indicates that it is possible that corruption can be reduced through the use of good governance. Mistry and JALAL (2012) point out that public sector in different countries experiences less stakeholder involvement, more corruption, low capacity and informality. It is also faced with low transparency, low accountability, and weak regulations.

Kimbo cited in Jalal and Mistry (2012) indicates that country with a good judiciary system, good laws and quality standards for financial reporting experience reduced corruption. Developed countries with well equipped institutions and strong judiciary systems has reduced monopoly power and increased transparency and thus experience low levels of corruption. This means deploying e-governance in such countries may not lead to any significant reduction in the levels of corruption. However, countries with an e-governance system that is performing well are likely to be educated, developed and wealthy and they are mostly western countries (Bai, 2013).

Delivery of services via the Internet reduces corruption in a number of ways including reducing the interaction between officials and citizens, speeding up the processes and minimizing human errors. However, if a government is implementing e-governance as a tool for reducing corruption it is paramount for it to incorporate accountability and transparency capabilities.

**III. MATERIALS AND METHODS**

The methodology adopted for the paper is a review and analysis of previous literature on the area of e-governance and corruption.

Reference	Finding
Ramanadhan.S(2012)	E-governance
Kaur, S. & Sabo, T.	E-governance
Misty, J., J. & Jalal, A.	E-governance

**IV. DISCUSSION**

**A. Relationship of Corruption and e-governance**

There exist a significant relationship between e-governance and corruption. Countries with a good performing e-governance experience a low level of corruption. Well implemented e-governance lead to reduced monopoly power,

increased accountability and increased transparency and reduced discretion which are the main drivers of corruption. Further, delivery of services through the Internet eliminates the chances of the citizens interacting with the

**B. Countries that benefit more from ICT**

Implementation of ICT in service delivery is more beneficial in developing countries than it is in developed countries. Developed countries tend to have institutions that reduce discretion power and monopoly power of the officials while developing countries lack this. This means that implementing ICT in developing countries have more benefits than its implementation in developed countries. In other words, developing countries benefit more from implementation of e-governance than developed countries.

**C. Case Studies**

Implementation of the Integrated Financial Management System popularly referred as IFMIS for public procurement may help reduce corruption in a department that experience high levels of corruption. The system will be used for procurement, budgeting, management of government expenditure, planning and reporting. With the system in place, it is difficult for bidders to bribe government officials because bids are submitted online. Shuppan (2007) gives an example of anonymous reporting system for reporting cases of corruption in Kenya. Another system is GCNet or Ghana Community Network that handles customs affairs in Ghana and iTAX or Integrated Tax Administration System in Tanzania that handle collection of tax.

**V. CONCLUSION/RECOMMENDATION**

In the paper, the role of e-governance in curbing corruption has been examined. Then, the paper has also examined how corruption hinders economic growth. Further, the relationship that exists between economic growth, developing countries and corruption has been explored. The finding is that e-governance can help in curbing corruption in developing countries through giving case studies where e-governance has been used in reducing corruption.

Implementation of e-governance helps in reducing corruption through improved accountability and transparency. Reduced corruption leads to increased DFI, use of government expenditure in fighting poverty and minimizing government expenditure. This

results in increased economic growth. Developing countries tend to benefit more from implementation of e-governance compared to developed countries. It is thus recommended for developing countries in Africa to shift to the use of e-governance in reducing corruption.

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