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Corruption, Transparency, and E-Government

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INTRODUCTION

Regarded from a historical perspective, the appearance of corruption is not a new phenomenon at all. It can be traced back to the ancient civilizations of China, Egypt, Greece, India, Israel, and Rome, which all provide evidence of widespread illegality and corruption. In spite of its long history, corruption increasingly became a political issue in the 1990s: corruption scandals contributed substantially to the resignation of governments in Ecuador, Brazil, India, and Italy and unsettled well-established ruling parties in Japan and Mexico (Lash, 2004; Sen, 1999).

According to Sen (1999), "the prevalence of corruption is rightly regarded as one of the major stumbling blocks in the path to successful economic progress, for example in many Asian and African countries" (p. 275). Dudley (2000) estimates that 30% of the money spent annually for international development loans are diverted from productive pursuits because of corruption. Additionally, countries perceived as being corrupt suffer from lower (private) capital inflows, as foreign investors are deterred by corruption and its associated phenomena, which include bureaucratic red tape, mismanagement and the lack of secure property rights (Transparency International (TI), 2004). Overall, the cost of corruption represents 5% of the volume of total global output or more than 1.5 trillion dollars a year according to "rough, but conservative" World Bank estimates (United Nations, 2003c). Table 1 aims to illustrate the scale of political corruption by presenting estimates of the funds allegedly embezzled by 10 notorious (but not necessarily the most corrupt) leaders of the last 20 years.

BACKGROUND

Taking into consideration the historical record as well as the increasing public awareness of corruption, it seems to

Table 1. The scale of the problem (Hodess, 2004, p. 13)

Head of government		*Estimates of funds allegedly embezzled*	*GDP per capita (2001)*
Mohamed Suharto	President of Indonesia, 1967-98	USD 15 to 35 billion	USD 695
Ferdinand Marcos	President of Philippines, 1972-86	USD 5 to 10 billion	USD 912
Mobutu Sese Seko	President of Zaire, 1965-97	USD 5 billion	USD 99
Sani Abacha	President of Nigeria, 1993-98	USD 2 to 5 billion	USD 319
Slobodan Milosevic	President of Serbia/Yugoslavia, 1989-2000	USD 1 billion	n/a
Jean-Claude Duvalier	President of Haiti, 1971-86	USD 300 to 800 million	USD 460
Alberto Fujimori	President of Peru, 1990-2000	USD 600 million	USD 2,051
Pavlo Lazarenko	Prime Minister of Ukraine, 1996-97	USD 114 to 200 million	USD 766
Arnoldo Alemán	President of Nicaragua, 1997-2002	USD 100 million	USD 490
Joseph Estrada	President of Phillipines, 1998-2001	USD 78 to 80 million	USD 912
(…)			

be worthwhile to take a closer look at its underlying concept. Literally, the notion of corruption may be employed in several ways; It may refer (1) to the impairment of integrity, virtue, or moral principle in the sense of depravity, (2) to decomposition and decay, (3) to the inducement to wrong by improper or unlawful means, or (4) to the departure from the original or from what is pure or correct (Merriam-Webster Online Dictionary, n.d.). Thus, the term "corruption" is first and foremost marked by its normative nature referring to the departure from some ideal state of purity or rightness (Bukovansky, 2002). Applied in a political context, corruption therefore implicitly incorporates an underlying notion of the original or natural state of government run altruistically by politicians and civil servants in pursuit of the public good.

Hence, political corruption arises whenever civil servants or politicians depart from the "pure" state of politics by violating established rules for personal profit and thus causing damage to the public good (Sen, 1999). In its most common term, corruption in the public sector is therefore defined as the abuse of entrusted power by public officials as well as politicians for private gain (Lash, 2004; Hodess, 2004, Lambsdorff, 2001). As this article discusses the contribution of e-government to the promotion of transparency and combating the misuse of public power, the term "corruption" is deployed in the following in compliance with the common understanding of its political occurrence.

Regarding the phenomenon of corruption from a systematic perspective, incentives for corrupt behaviour arise whenever a politician or a public official is vested with the discretionary power to allocate government services, on which he or she usually has a monopoly, to the private sector. Hence, Klitgaard (1997) regards corruption being equal to monopoly power plus discretion minus accountability (in short: $C = M + D - A$). Based on this equation, the fight against corruption involves the improvement of both, the political as well as the public administrative system, towards reduced (or at least regulated) monopoly power, clarified official discretion, and enhanced accountability.

In this regard, transparency may serve as a catalyst for better systems, since it reduces discretionary power and promotes a government's (and its administration's) accountability. The promotion of transparency, therefore, is a key element in preventing and also fighting corruption, financial irresponsibility, and underhand dealings (Seifert & Bonham, 2003; Sen, 1999; United Nations (UN), 2003a). According to the "United Nations Convention against Corruption" (UN, 2003b), transparency has to be developed based on an all-encompassing approach: Member states are urged to determine transparency as the guiding principle for the recruitment, hiring, retention, promotion and retirement of civil servants and other non-elected public officials as well as for the funding of candidatures for elected public office and the funding of political parties in general. Systems of public procurement and the management of public finances have to be based on transparency and accountability. Overall, each state should "enhance transparency in its public administration, including with regard to its organisation, functioning, and decision-making processes, where appropriate" (UN, 2003b, p. 7).

E-GOVERNMENT vs. CORRUPTION

Evidence (?)

Apart from the ordinary range of e-government's benefits, which has been discussed extensively in literature, increasing focus has been given lately on e-government as a tool to fight corruption (Bhatnagar, 2003). Regarded from a conceptual point of view, the application of information and communication technology (ICT) in public administrations can potentially reduce corruption by enforcing rules, diminishing the discretion of public officials and increasing transparency and social control (Scacco, 2003; UN, 2001; Wescott, 2003).

Figure 1 provides some evidence for the suggested interrelationship between the state of e-government development and corruption: It shows a strong positive relationship (with a correlation coefficient of 0.828) between the e-government readiness index (0=no e-government readiness, 1=sophisticated e-government readiness) and the corruption perceptions index (0=very corrupt, 10=highly clean) for the 123 nations covered by both rankings.

The e-government readiness index, which was collected and published within the framework of the UN global e-government report in 2003, assesses the capacity of the public sector of UN member states to use ICT for encapsulating in public services and deploying to the public high quality information and effective communication tools in a quantitative way. It is a composite index comprising the Web measure index (measuring the generic aptitude of governments to employ e-government as a tool to inform, interact, transact and network based on a five stage-framework distinguishing between emerging, enhanced, interactive, transactional, and networked presence), the telecommunication infrastructure index (the composite weighted average of (PCs, internet users, telephone lines, online population, mobile phones, and televisions)/1,000 persons) and the human development index (a composite of the adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio with two thirds of the weight given to the first

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