

The Great Adversary of Any Economy

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The fundamental questions that each and every economy seeks to solve is what, how and for whom to produce, these are recognized as being critical in any economy. They are then answered in an environment of scarce resources which unfortunately, should be allocated to the unlimited human wants and needs. Hence, the need for households, firms and governments to work together in trying to answer these questions. The problem of scarce resources results in economic agents making choices, which means some alternative has to be forgone while others are preferred. Economics is, therefore, a social science concerned with combating the fundamental economic problem of scarcity in the condition of unlimited human needs and wants of different society players. The type of economic system determines how resources are allocated to satisfy the needs and wants. There are basically four types of economic systems, namely, the traditional economy, free market economy, command economy and mixed economy. The traditional economic system is the most traditional and ancient types of economies in the world. Each member of a traditional economy has a more specific and pronounced role, and these societies tend to be very close-knit and socially satisfied. In a command economic system, a large part of the economic system is

controlled by a centralized power. In a free-market economy, firms and households act in self-interest to determine how resources are allocated, what goods get produced and who buys the goods. However, no truly free market economy exists in the world. A mixed economy is a combination of different types of economic systems. Most economies of the world, including Zimbabwe's, are mixed where the invisible hand of the market (forces of demand and supply) and the government play a role.

Most economies have, in recent times, been riddled with a modern economic problem of corruption. Even the Bible referred to it as a great sin: "You shall not take a bribe, for a bribe blinds the clear-sighted and subverts the cause of the just." (Exodus 23:8) It has been regarded by many as an economy's great adversary due to the damage it causes to the total functioning of the economy. Corruption has affected how the fundamental economic questions are answered in different economies. Corruption has risen to unprecedented levels in Zimbabwe, as according to Transparency International (TI), Zimbabwe is ranked 158/180 countries using the Corruption Perceptions Index 2019.

"With the Zimbabwean economy in the 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 or her paltry income with corrupt acts using the organization's resources" Tizor (2009).

The statement above makes it clear that corruption has become the order of the day in Zimbabwe and this has been worsened by the harsh economic environment that has bedevilled the economy in recent times. For an economy to function properly, the government has to play an important role to make sure that the economic fundamental questions are answered in an effective and efficient way. Below, we briefly explain some of the roles and how failure by government to play these roles has made corruption thrive.

Regulation

The regulatory role of government involves regulation of various businesses and economic activities by directing the businesses with sets of controls. As such, failure by government to regulate economic activity may result in some businesses and individuals taking advantage of the loopholes and involving themselves in corrupt activities like bribery, money laundering, and tax evasion among others.

Distribution

Resources should be distributed



equally among the citizens to avoid income inequalities hence government ought to play a distributive role in an economy. This role is usually centred on political grounds, hence politicians end up abusing their power in resource allocation, favouring their supporters. Favouritism is a type of corruption. As such, an economy without distributional justice makes corruption thrive.

Despite this, arguments have been pointed out by early economists such as Bayley (1966) and Huntington (1968) that government is a standard recipe for aiding corruption hence they advocated for removal of government in any decision that is made concerning the economy. Government restrictions on economic freedom are likely to reduce competition and thus encourage corruption. This they argue, would bring about efficiency in the market as all decisions would be made by the invisible hand.

One would want to put all these fundamentals into a one umbrella term, 'weak institutions'. Institu-

tions are defined as rules of the game when expanded, as formal and informal rules that govern the environment for economic, social and political change (North, 1990). As such, one would measure the quality of institutions by looking at the level of corruption in a country. Where there are poor institutions, the level of corruption is high. The government therefore, has to consolidate its institutions if they are to deal with the rampant levels of corruption in Zimbabwe.

Combating corruption remains a key challenge in Zimbabwe despite the introduction of the new Zimbabwe Anti-Corruption Commission members and several campaigns made by the commission. Stemming corruption must start at the top, with high-ranking government officials demonstrating an intense desire to end corruption. If law enforcement agents cannot arrest and severely punish those found engaging in corrupt activities, there will be no end to corruption. There is need to ensure that the corrupt are punished. To attain this, the gov-

ernment should create an effective legal framework, enforcement branches and an independent effective court system.

It is unfortunate that citizens have found corruption as a way to grease the wheel instead of realising that it sands the wheels of progress. This to them, increases the speed of getting a service or even a way to acquire the service, be it in queues for passports, fuel, roller meal, cooking oil or cash, etc. Government, amongst other things, has to reform its public administration and finance management through measures that can help increase transparency and accountability which in turn will help prevent the abuse of discretionary powers by officials in accordance with the Principal-Agent Theory. This also, can be done through an act of government empowering the citizens, for example, community monitoring initiatives, which would improve the quantity and quality of public service, reduce leakage of funds hence contributing to the detection of corruption.

Corruption is, in fact, a multidirectional process. On one hand, the provider benefits, while on the other the recipient is remunerated too, and both would be aware of the deed that remains hidden. There is need for all stakeholders to work together so that they try to overcome this, and for that to happen, the benefit of a corruption free economy should outweigh the benefits of a corrupt economy so that all players choose to comply.