



WP/20/68

IMF Working Paper

Can Digitalization Help Deter Corruption in Africa?

by Rasmane Ouedraogo and Amadou N.R. Sy

IMF Working Papers describe research in progress by the author(s) and are published to elicit comments and to encourage debate. The views expressed in IMF Working Papers are those of the author(s) and do not necessarily represent the views of the IMF, its Executive Board, or IMF management.

I N T E R N A T I O N A L M O N E T A R Y F U N D

IMF Working Paper

African Department

Can Digitalization Help Deter Corruption in Africa?

Prepared by Rasmane Ouedraogo and Amadou N.R. Sy

May 2020

***IMF Working Papers* describe research in progress by the author(s) and are published to elicit comments and to encourage debate.** The views expressed in IMF Working Papers are those of the author(s) and do not necessarily represent the views of the IMF, its Executive Board, or IMF management.

Abstract

This paper studies the effect of digitalization on the perception of corruption and trust in tax officials in Africa. Using individual-level data from Afrobarometer surveys and several indices of digitalization, we find that an increase in digital adoption is associated with a reduction in the perception of corruption and an increase in trust in tax officials. Exploiting the exogenous deployment of submarine cables at the local level, the paper provides evidence of a negative impact of the use of Internet on the perception of corruption. Yet, the paper shows that the dampening effect of digitalization on corruption is hindered in countries where the government has a pattern of intentionally shutting down the Internet, while countries that successfully promote information and communication technology (ICT) enjoy a more amplified effect.

JEL Classification Numbers: D73, H20, L86, O33

Keywords: Digitalization, corruption, trust, Africa

Author's E-Mail Address: rouedraogo@imf.org; asy@imf.org