

# The costs of bribery and corruption

 By [Cynthia Schoeman](#)

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Bribery and corruption continue to occupy a dominant position in our press and our society. This ranges from apparently petty bribes to traffic officials to significant amounts paid as "commissions" for securing tenders. While the amount may differ - whether R100 or R1 million - the nature of the action is not different. It all amounts to bribery and corruption.

It may be a naïve question to ask why this is happening. It is certainly not because those involved don't know what is right and wrong. Nor is it because they are in the grip of poverty.

Rather, at the level of the bribe to a traffic official, it can be seen as an avoidance strategy. This could be merely to avoid a fine or, worse, to avoid being jailed for drunken driving. For tenders, there does not appear to be any other motivation than the money.

## Is it really so bad?

So, someone avoids a fine and someone else gets rich. Is that really so bad? The costs and consequences of bribery and corruption answer that question best.

A significant consequence is that bribery and corruption adds to the cost of doing business but, crucially, without adding corresponding value. Instead of the full contract amount going towards the delivery of the product or service, only a portion is productively employed.

This has surfaced in the current debate over the introduction of National Health Insurance, namely to question how much better medical service could be offered to patients currently if corruption was eliminated in state hospitals.

A further cost relates to leadership, specifically because leaders exert the most powerful influence on ethics, defining by their behaviour what is and is not acceptable. Therefore, when high profile citizens are involved in bribery and corruption, their impact as role models is very damaging. The message is not only that unethical and illegal behaviour is acceptable, but also that the pursuit of personal gain takes precedence over service delivery. This risks creating an unethical culture among ordinary citizens where such "lowest common denominator" behaviour predominates.

At a national level, this also risks tainting the country's reputation. In this regard South Africa does not fare that well. A survey conducted by Transparency International in 2010, the Corruption Perception Index, measured the perceived level of public sector corruption on a scale of 0 to 10, where 0 is highly corrupt and 10 is highly clean. South Africa scored only 4.5.

This may not yet be irreparably bad, but it still warrants a serious commitment to avoid the costs and consequences of an unethical national reputation - such as reduced foreign investment, decreased tourism, and the loss of our top talent to other countries.

The costs and consequences considered in this article represent only some of the obvious costs. But they clearly answer the question that bribery and corruption is bad and that the cost is high - far higher than the country can afford.

## What can be done to improve the country's ethical status?

Government certainly has a role to fulfil in this regard. The address in August 2011 by the Deputy President Kgalema Motlanthe at the Annual Ruth First Memorial Lecture at Wits University acknowledged that, after racism, corruption was "the second most serious malady staring humanity in the face today".

However, saying the right thing needs to be coupled to doing the right thing to achieve a positive outcome. Being slow to act, especially relative to high profile figures, raises the criticism that there is a lack of political will to take decisive action against corruption.

But what about society's will to act? Social action is very evident when wages are being negotiated, but what about action in favour of ethics?

In India Anna Hazare, a social activist, mobilised significant numbers in anti-corruption protest action, and his hunger strike in April 2011 was successful in exerting pressure on the Indian government to enact tougher legislation against corruption.

South Africa already has good anti-corruption legislation including, for example, the Prevention & Combating of Corrupt Activities Act, 2004. However, while legislation is essential, it is not sufficient to curb corruption.

Collective and individual action is also necessary by all facets of society - business, the media, schools and universities, the church, communities and families. This means actively promoting ethical behaviour, acting against misconduct, and, of course, not engaging in unethical behaviour. Cumulatively this can build a critical mass of people who can make a difference by contributing to an ethical tipping point where ethical behaviour becomes the norm, and not the exception. It is a goal worthy of support.

## ABOUT CYNTHIA SCHOEMAN

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