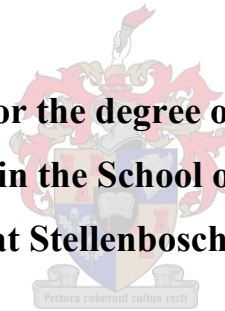


**Anti-corruption Strategies in the South African Public  
Sector - Perspectives on the Contributions of Complexity  
Thinking and ICTs**

**by**

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## **DECLARATION OF ORIGINALITY**

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## ABSTRACT

Corruption has been with us since the beginning of recorded history and it is unlikely to be eliminated as it is part of human nature. The effort against it is aimed at controlling it and reducing it to a minimal level, which is possible, as precedents around the globe have shown. Corruption is a pervasive cancer and a plague that invades all sectors of society, international organisations and all socio-economic formations, though to varying degrees. It manifests itself in various forms, including bribery, fraud, embezzlement, favouritism, extortion, conflict of interest, political bargains, abuse of discretion, and abuse of power. Corruption is evolutionary and new forms of corruption and mechanisms emerge in response to various anti-corruption programmes. Corruption is a complex in which its agents are like viruses that mutate and adapt to new environments. Given its changing meanings, manifestations, proliferations and perceived causes and impacts, corruption is seen as a dynamic and complex social phenomenon. Contrary to the general belief that corruption is perceived differently in different cultures, economic environments and socio-political systems, corruption is generally conceptualised as “*the misuse of entrusted power for private gain*”.

The ever worsening trend revealed by socio-economic indicators in developing nations; increasing cognizance of the deleterious effects of corruption; mounting anxiety about organised crime; rigorous research that measures the impact of corruption; and anti-corruption websites and networks are the main drivers that have fuelled anti-corruption movements. Corruption manifests itself as a by-product of low political competition; low and uneven economic growth; a weak civil society; and the absence of institutional mechanisms. The interaction of these factors in complex ways gives rise to many forms of corruption.

Despite the view that corruption is beneficial to the economy, there is conclusive evidence that it is an invisible wound and detrimental to sustainable development. It is highly destructive of economic and human development and leads directly to insecurity and conflict, and breeds crime and terrorism.

As a systemic failure, the focus of anti-corruption efforts must be on reforming systems rather than on blaming individuals. Corruption needs to be viewed within a broader governance context and hence we have to dismantle bad governance, which is conducive to corruption. Successful anti-corruption initiatives must aim to avoid the monopoly of resources, limit the discretion in decision making, and promote accountability, transparency and integrity.

The advent of information and communication technologies (ICTs) has signalled both promises and perils to the anti-corruption system. e-Government can contribute to the control of corruption by taking away employees' discretion, thereby reducing opportunities for arbitrary actions. Moreover, ICTs enhance transparency by enabling the public to monitor work processes of government employees. One characteristic of the information technology paradigm is the growing convergence of technologies into a highly integrated system that is well adapted to increasing complexity of interaction and to unpredictable patterns of development. This brings together the e-government infrastructure and complexity thinking as contributors to the effectiveness of anti-corruption actions. However, despite all the promises and capabilities of e-government to fight corruption and promote good governance there are arguments and practical experiences that point to ICTs actually shifting corruption from one group of society to another in an intergenerational shift.

Corruption has a long history in South Africa with the net loss of billions of tax payers' money to finance corrupt public officials and their counterparts in the business sector under the apartheid regime. Despite a comprehensive legislative framework, the country has not escaped from the shameful list of corrupt states. The financial cost of this far exceeds the value lost through visible violent street crime in the country. New social forces that have been excluded from the economy now control state power, a major mechanism of wealth accumulation. In the context of inadequate control mechanisms, this offers fertile ground for misconduct and abuse of power. Irrespective of the legal requirements, many South African government officials are reluctant to disclose their financial assets, but investigation has established that some government officials have defrauded the social grant system by misrepresenting their financial status, which has allowed them to qualify for social grants.

Traditional mechanisms of corruption control are still dominant in the South African anti-corruption effort. The application of ICTs is still in the initial stage and is not in the mainstream of the anti-corruption strategy. The various public sector initiatives to develop management information systems are mostly disconnected. Lack of interoperability and coordination in government information systems; absence of automatic checking of conflict of interests at the nomination of public officials; lack of access to information concerning the wealth of public officials and their close relatives granted for judicial action; lack of a national database concerning information on corrupt individuals or businesses; and lack of integration of judicial, executive and banking information systems are some of the limitations in the e-government approach to fighting corruption in South Africa. In addition, e-procurement is also in the initial phase in South Africa. Although bids are well advertised in procurement, the public has no way of knowing the decision-making processes as there are no online features that enable monitoring. The procurement system does not have strong pre-emptive mechanisms to prevent fraud.

Though the potential for controlling corruption by means of ICTs is considerable, it does not work in isolation from other anti-corruption systems. ICTs do not work magic in a corrupt environment; they are only as good as the people who utilise them—without integrity, ICTs are incapable of controlling corruption. Hence, efforts to increase professionalism and ethical integrity in public service are of enormous importance. There is no anti-corruption silver bullet and no single best way to deal with corruption: one specific anti-corruption strategy does not lead to a predetermined result. Nonlinearity and adaptability are the main features of the corruption and anti-corruption system in general.

## OPSOMMING

Korrupsie is sedert die vroegste geskrewe geskiedenis in ons midde en dit is te twyfel of dit uit die mens se geaardheid gewis kan word. Optrede teen korrupsie poog om dit te beheer en tot 'n minimale vlak te verlaag, wat moontlik is – soos voorbeelde van oor die wêreld toon. Korrupsie is 'n deurdringende kanker en 'n plaag wat alle sektore van die samelewing, internasionale instansies en alle sosio-ekonomiese vorme binnedring, hoewel in wisselende mate. Dit kom in verskillende vorms, insluitend omkoperij, bedrog, verduistering, begunstiging, afpersing, belangebotsing, politiese akkoorde, misbruik van diskresie en die misbruik van mag na vore. Korrupsie is evolusionêr en nuwe vorms en meganismes van korrupsie verrys in reaksie op verskillende teenkorrupsieprogramme. Korrupsie is 'n kompleks met agente wat soos virusse muteer en by nuwe omgewings aanpas. Gegee die veranderende betekenis, manifestasies, proliferasies en waargenome oorsake en impak daarvan, kan korrupsie as 'n dinamiese en komplekse maatskaplike verskynsel beskou word. In teenstelling met die algemene siening dat verskillende kulture, ekonomiese omgewings en sosio-politieke stelsels verskillende beskouings oor korrupsie handhaaf, is die algemene opvatting dat korrupsie die misbruik van toevertroude mag vir private gewin behels.

Die immer dalende neiging wat deur sosio-ekonomiese aanwysers in ontwikkelende lande ontbloot word; toenemende kennisname van die nadelige effekte van korrupsie; stygende kommer oor georganiseerde misdaad; nougesette navorsing wat die impak van korrupsie meet; en teenkorrupsiewebwerwe en –netwerke is die belangrikste drywers van teenkorrupsiebewegings. Korrupsie kom na vore as 'n neweproduk van verlaagde politieke mededinging; lae en oneweredige ekonomiese groei; 'n swak burgerlike samelewing; en die afwesigheid van institusionele meganismes. Die interaksie van hierdie faktore gee aanleiding tot baie verskillende vorms van korrupsie.

Ten spyte van die siening dat korrupsie vir die ekonomie voordelig is, is daar afdoende bewyse dat dit 'n onsigbare wond en nadelig vir volhoubare ontwikkeling is. Dit is uiters vernietigend in terme van ekonomiese en menslike ontwikkeling, lei direk tot onsekerheid en konflik, en is 'n teelaarde vir misdaad en terrorisme.

Gesien as die mislukking van 'n sisteem, behoort teenkorrupsiepogings op die hervorming van stelsels gerig word, eerder as om individue te blameer. Korrupsie moet binne 'n breër konteks van bestuur en beheer beskou word, dus moet swak bestuur en beheer ontbloot word daar dit bevorderlik is vir korrupsie. Suksesvolle teenkorrupsie-inisiatiewe moet poog om die monopolie oor hulpbronne te vermy, diskresie in besluitneming te beperk en aanspreeklikheid, deursigtigheid en integriteit te bevorder.

Die koms van inligtings- en kommunikasietegnologieë (IKT'e) hou beide belofte en bedreiging vir die teenkorrupsiesisteem in. E-regering kan 'n bydrae tot die beheer van korrupsie lewer deur werknemerdiskresie te beëindig en sodoende geleenthede vir arbitrêre handeling te verminder. Bowendien verhoog IKT'e deursigtigheid deurdat dit die publiek in staat stel om die werksprosesse van staatsamptenare te volg. Een kenmerk van die inligtingstegnologieparadigma is die toenemende sameloping van tegnologieë in 'n hoogs geïntegreerde stelsel wat goed aangepas is by die toenemende kompleksiteit van interaksie en onvoorspelbare ontwikkelingspatrone. Dit snoer die e-regering infrastruktuur en kompleksiteitsdenke saam as bydraers tot die doeltreffendheid van teenkorrupsie-aksies. Ten spyte van al die beloftes en die vermoë van e-regering om korrupsie te beveg en goeie bestuur en beheer te bevorder, dui redenasies en praktiese ervaring egter daarop dat IKT'e eintlik korrupsie van een groep in die samelewing na 'n ander en tussen generasies verskuif.

Korrupsie het 'n lang geskiedenis in Suid-Afrika, met 'n netto verlies van biljoene rande van belastingbetalers se geld om korrupte staatsamptenare en hulle eweknieë in die sakesektor gedurende die apartheidsregime te finansier. Ten spyte van 'n omvangryke wetgewende raamwerk, het die land nog steeds nie uit die skandlyns van korrupte state ontsnap nie. Die finansiële koste hieraan verbonde is veel groter as die waarde wat deur sigbare, gewelddadige straatmisdaad in die land verloor word. Nuwe maatskaplike magte wat uitgesluit was uit die ekonomie beheer nou die staatsmag, 'n vername meganisme vir die insameling van rykdom. In die konteks van ontoereikende beheermeganismes bied dit vrugbare grond vir wangedrag en die misbruik van mag. Afgesien van die wetlike vereistes, is baie Suid-Afrikaanse regeringsamptenare teësinnig om hulle finansiële bates te verklaar, maar ondersoek het bepaal dat sommige regeringsamptenare die stelsel van maatskaplike toelaes deur die

wanvoorstelling van hul finansiële stand te kort doen om aan vereistes vir maatskaplike toelaes te voldoen.

Tradisionele meganismes vir die beheer van korrupsie oorheers nog die Suid-Afrikaanse teenkorrupsiepoging. Die gebruik van IKT'e is in 'n vroeë stadium en is nog nie deel van die hoofstroom in teenkorrupsiestrategie nie. Verskeie inisiatiewe om bestuursinligtingstelsels in die openbare sektor te ontwikkel, word grotendeels los van mekaar bedryf. Gebrek aan interbedryfbaarheid en koördinerende inligtingstelsels; die afwesigheid van outomatiese ondersoek na belangekonflikte wanneer regeringsamptenare genomineer word; 'n gebrek aan toegang tot inligting betreffende die rykdom van staatsamptenare en hulle nabye familieledes vir wetlike optrede; 'n gebrek aan 'n nasionale databasis met betrekking tot korrupte individues of sakeondernemings; en 'n gebrek aan integrasie tussen wetlike, uitvoerende en bankinligtingstelsels is onder die beperkende aspekte van die e-regering poging om korrupsie in Suid-Afrika te bekamp. Boonop is e-aanskaffing nog in die aanvanklike fase in Suid-Afrika. Hoewel enige bod tydens aanskaffing behoorlik geadverteer word, is daar geen manier waardeur die publiek insae in besluitnemingsprosesse kan kry nie, omdat aanlynmeganismes wat monitering kan bewerkstellig ontbreek. Die aanskaffingstelsel beskik nie oor goeie voorbehoedende meganismes om bedrog te verhoed nie.

Hoewel die potensiaal vir die beheer van korrupsie met behulp van IKT enorm is, sal dit nie in afsondering van ander teenkorrupsiestelsels doeltreffend wees nie. IKT is nie 'n towerstaf in 'n korrupte omgewing nie; dit is slegs so goed soos die mense wat dit gebruik – sonder integriteit kan IKT nie gebruik word om korrupsie beheer nie. Pogings om professionalisme en etiese integriteit in die staatsdiens te verhoog, is dus baie belangrik. Daar is geen wonderkuur teen korrupsie nie en geen enkele beste manier om korrupsie te hanteer nie: 'n spesifieke teenkorrupsiestrategie het nie 'n voorafbepaalde uitkoms nie. Nie-lineariteit en aanpasbaarheid is oor die algemeen die vernaamste kenmerke van beide die korrupsiesisteme en van die teenkorrupsiesisteme.



**This dissertation is dedicated to:**

**My respected parents: my father, Keshi Sahle Habtemichael, and my mother, Kudusam Ghebreamlak, who longed to see this achievement. Congratulations! Your dream has been realised.**

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## ACRONYMS

<b>Acronym</b>	<b>Description</b>
ADB	Asian Development Bank
ANC	African National Congress
ASOSAI	Asian Organization of Supreme Audit Institutions
AU	African Union
B2G	Business to government
BAS	Basic Accounting System
BMU	Beneficiary Maintenance Unit
C2G	Citizen to government
CIS	Commonwealth of Independent States
CMIS	Corruption Management Information System
CPI	Corruption Perceptions Index
CPIB	Corrupt Practices Investigation Bureau
CPSI	Centre for Public Service Innovation
CSIR	Council for Scientific and Industrial Research
CSOs	Civil society organizations
DPADM	Division for Public Administration and Development Management
DPSA	Department of Public Service and Administration
e-government	Electronic government
e-procurement	Electronic procurement
ESS	Employee self service
FCPA	Foreign Corrupt Practices Act
FDI	Foreign direct investment
FMS	Financial Management System
G2B	Government to business
G2C	Government to citizen
G2G	Government to government
GEPF	Government Employees Pension Fund
GPS	Geographic positioning system
GRAP	Generally Recognised Accounting Practice
HR	Human resources

<b>Acronym</b>	<b>Description</b>
HRD	Human resources development
HSRC	Human Sciences Research Council
IACC	International Anti-Corruption Conference
ICAC	Independent Commission Against Corruption
ICTs	Information and communication technologies
ID	Identity document
IDASA	Institute for Democracy South Africa
IFMS	Integrated financial management system
IMF	International Monetary Fund
ISS	Institute for Security Studies
IT	Information technology
LOGIS	Logistical Information System
MIS	Management information system
MNCs	Multinational corporations
MPs	Members of Parliament
n.d.	Undated
NACF	National Anti-corruption Forum
NACH	National Anti-corruption Hotline
NACP	National Anti-Corruption Programme
NCPS	National Crime Prevention Strategy
NGOs	Non-governmental organizations
NIA	National Intelligence Unit
NPM	New public management
NSW ICAC	New South Wales Independent Commission Against Corruption
OAS	Organization of American States
OECD	Organization of Economic Cooperation and Development
OGE	Office of Government Ethics
OPEN	Online Procedures Enhancement
PAIA	Promotion of Access to Information Act
PERSAL	Personnel and Salary Administration System
PITU	Presidential Investigations Task Unit

<b>Acronym</b>	<b>Description</b>
PSC	Public Service Commission
SADC	Southern Africa Development Community
SANGOCO	South African NGO Coalition
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SITA	State Information Technology Agency
SIU	Special Investigating Unit
SOCPEN	Social Security Pension System
SRM	Supplier relationship management
TCs	Ten Commandments
TI	Transparency International
UN	United Nations
UNDP	United Nations Development Program
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNPAN	United Nations Public Administration Network
USA	United States of America
USAID	United States Agency for International Aid

# Chapter 1

## Introduction

### Introduction

An extensive survey of literature covering the nature, causes and consequences of corruption and possible remedies (approaches and strategies) for restricting corruption to a minimum level was undertaken for this dissertation. I then focused the attention on South Africa for an overview of the literature on corruption and anti-corruption systems, followed by an investigation of empirical studies that focused on the status and role of information and communication technologies (ICTs) in combating administrative corruption in the public sector.

Corruption is not identifiable as a single act; it manifests itself in many forms. It also is not an umbrella concept that incorporates all unethical behaviour, which can make the effort to curb it untenable; there are specific acts that are categorised as corrupt. Corruption is originated either from outside or from within a country and can be institutionalised or can occur as the outcome of administrative or political malfeasance. It can be practised in collusion with corrupters, without the corrupters knowing that they are being victimised, or can it be forced on the corrupters. The magnitude of corruption is not the same in every instance. Different types are therefore identified as grand (political), petty (administrative), or state capture. Corruption is not evenly distributed either; in some cases it is incidental, in others systematic, or institutional (systemic).

A growing volume of literature furthermore indicates that the concept of corruption is not static. Given its changing meanings, manifestations, proliferations, and perceived causes and impacts, it is therefore considered as a dynamic and complex social phenomenon. To some, corruption is country specific and must be understood in relation to given cultures; others contend that there is cross-country understanding of corruption and that there is common property of corruption, irrespective of time and space.

Corruption has been with us since the beginning of recorded history and it is unlikely to be eliminated as it is part of human nature. In taking action against it, the whole effort is to control and bring it down to a minimal level, which is possible, as we have precedents of this. For example:

In the 1700s, Sweden was considered to be one of the most corrupt countries in Europe. Extensive public administration reforms, including the establishment of an audit body and other control institutions, the principle of public access to official records, freedom of the press, and civic virtue are considered to be important contributions to the elimination of corruption” (Anger, 2004:15).

This is an indication that the anti-corruption endeavour is a worthwhile undertaking, no matter the extent of sacrifice it demands.

Corruption is widespread in all sectors of the South African society. Substantial amounts of money are lost to ghosting, over- and under-invoicing, misappropriation and inefficiency. Its link to organised crime leads to soft international borders and is a threat to the country’s stability. As a response, the South African government is committed to fight corruption as evidenced by a variety of legislation, oversight bodies, anti-corruption agencies, campaigns and conferences, among others. There is a huge implementation gap, however, and the control mechanisms are weak. The discouraging situation in South Africa is that many of the main institutions supposed to fight corruption are found to be corrupt themselves.

Corruption is not a phenomenon of developing nations only. Societies are subjected to substandard services and financial ruin and bankruptcy irrespective of socio-economic status. The latest Corruption Perceptions Index (CPI) from Transparency International (TI) puts Denmark and Finland on top of the list of non-corrupt countries. However, even in these countries, scandals in recent years have demonstrated that no country is immune from corruption (see Transparency International, 2007).

Despite its disastrous widespread effect, it has been taboo to speak about corruption in international forums until recently. However, the worsening effect of corruption has attracted media attention and the activism of civil society, and international agencies

increasingly are tackling the problem. The severity of the consequences of corruption has called for a concerted attack on all fronts, nationally in all sectors of society, as well as regionally and internationally. The national, regional and international anti-corruption coalitions are attractors that emerged as the result of the interaction of the elements of the anti-corruption industry and the condemnation of corruption world wide has paved the way to harmonise anti-corruption movements. The anti-corruption coalition has begun to gather momentum and legal standards are growing ‘real teeth’ at both national and international levels.

Though there are no universal anti-corruption models, there are approaches that work best in each of the programmes. Among others, consolidating institutions to enhance their integrity systems is a serious undertaking in fighting corruption. Strategies developing from this approach include law enforcement and punishment, social empowerment and capacity building, institutional reform, good governance (promoting transparency and accountability), prevention (promoting ethical principles), international coalition building and networking, and the establishment of anti-corruption agencies. Despite their recorded failures, many governments have taken the route of establishing anti-corruption agencies. These anti-corruption agencies manifest in different models: the universal, investigative, parliamentary, and multi-agency model.

The different approaches evolved over time. The progress of anti-corruption programmes has also been an evolutionary process, with programmes progressing from awareness raising (first wave) to skills and capacity building (second wave). As a natural response to the diverse forms and varied magnitude of corruption, analysts and practitioners have based their anti-corruption strategies on a variety of approaches. These include administrative, political, institutional, societal, legal, and market approaches. Based on these and other approaches, anti-corruption strategies that fit different contexts are devised. Identification of the most damaging types and levels of corruption, cultural sensitivity as well as socio-economic development of the country in question, and the relative political and financial strengths of those involved in corruption are among the aspects to be considered in developing anti-corruption strategies.

Transparency and accountability are the core values in the anti-corruption system. Information and Communication Technologies (ICTs) are the new instruments that have entered as important variables into the equation of the anti-corruption system. However, this is not without qualification. Given the rapid pace of ICT development, those who give full support to their application at the beginning may later turn around to be opponents of change. Those who cannot keep pace will lag behind and start to resist new ICTs and try to maintain the status quo. But modern life demands someone to keep abreast with time; and electronic government (e-government) coincides with the natural tendency of continuous learning and innovation as we do work. Hence, the trend of e-gov is unstoppable. In the rapidly growing digital economy one can only remain robust by keeping pace with new technologies as the shelf life of knowledge is short (Tapscott, 1996:179-200).

Borrowing from complexity thinking, biological systems are presented as good examples to guide anti-corruption efforts. They are always on the alert and do not wait until disease takes root. If the immune system is weak and the germs start to attack, they, however small at the beginning, will spread easily to a systemic level and have the disastrous effect of a wildfire. Similarly, with bad habits spreading faster and wider than good habits, care must be taken not to tolerate corruption even in its minimal form.

In this dissertation the approach is mainly to summarise some features of the panoptic vision of fighting corruption that emphasises transparency through ICTs. This vision considers ICTs as key enablers of management control (Heeks, 1998:1). However, since the social science paradigm does not wholly reject previous paradigms, this anti-corruption approach incorporates some aspects of previous and later paradigms that have made a positive contribution to the anti-corruption industry. Furthermore, perspectives from complexity thinking will be used for the framework of the analysis, to allow deeper and more accurate insight into corruption- and anti-corruption dynamics for a better strategy to counter corruption. According to Klijn (2008:300), complexity thinking is believed to be an important concept for understanding modern government and governance processes.

## **1.1 Statement of the research problem**

“A research problem is an intellectual stimulus calling for an answer” (Frankfort-Nachmias & Nachmias, 1992:51). Among the multitude of problems that contemporary South Africa is faced with, is corruption. Corruption in contemporary South Africa has spread to a systemic level, as evidenced through national and international research, official government statements, and the media. The leakage of billions of Rand from government coffers to greedy individuals is alarming. Allegations of corruption are increasingly implicating top government and party officials.

Some of government payrolls are invaded by ghost workers; government accounts are charged by over- and under-invoicing, phantom billing and ghost beneficiaries. Resources are diverted and leaked in the process of supply chain activities. Against these, ICTs are not well placed, despite their capabilities to counter administrative corruption.

The dissertation focuses on exploring the answers to the following questions in the South African public sector.

- i. What is corruption and why is it still increasing, despite the availability of ICTs that can effectively assist in tracking and tracing irregularities in the financial system?
- ii. How sufficiently and effectively are ICTs designed to minimise susceptibility to corruption in financial transactions, HR issues, and the activities (elements) of the supply chain?
- iii. How cohesive and integrated are the sub-systems and systems in the anti-corruption industry (organisationally, nationally and internationally) in order to close the loopholes for corruption?
- iv. Is there a nationally centralised database system that is used as a frame of reference in administrative decision making?
- v. What general problems are there in the anti-corruption system?



In the effort to move from the conceptual to the empirical level, these problems provide the main stimulus for exploring the status and role of information technologies in the anti-corruption system.

## **1.2 Focus and objectives of the study**

The dissertation is guided by two objectives—general and specific. The general objective involved exploring and identifying the current status and role of ICTs in the South African anti-corruption system. An attempt was made to find out the main flaws in the efforts to curb corruption and the institution's susceptibility to corruption. The specific objective was to explore the role and status of the application of ICTs in the South African Revenue Service (SARS), South African Social Security Agency (SASSA), and the Department of Home Affairs' anti-corruption system. Efforts involved finding out whether ICTs are optimally designed and integrated to counter administrative corruption in the surveyed departments and determining the extent of susceptibility to corruption. Based on the findings that were obtained, the viable recommendations that are made can contribute to the establishment of an ICT-enabled sustainable anti-corruption system.

The dissertation moreover recommends ways to enhance the capability of public institutions to close the corruption avenue in different situations and at different times. It proposes ways to install a built-in anti-corruption mechanism that can continuously monitor and address corruption issues dynamically whenever they appear in whatever form.

## **1.3 Significance of the study**

The contribution of the dissertation is not that of 'knowledge for knowledge's sake' (pure research), it comprises applied research committed to making a difference by putting knowledge into action. The belief is that it is able to influence South African public policy and its implementation in the fight against corruption and thereby save society's financial, material and human resources and align them into their optimal use by recommending viable anti-corruption mechanisms. In this case, insights from complexity thinking are expected to contribute to better understanding and to devising sustainable

solutions. According to complexity thinking, organisations are metaphorically described as living organisms that have built-in self-regulating mechanisms to enable them to survive a continuous struggle to cope with the challenges they face.

As a corollary of the significance mentioned above, this dissertation is also expected to provide some precautionary lessons for other African countries. As lesser developed countries are assumed to take the route of the relatively more fortunate ones, at least in the application of ICTs, South Africa can be a relevant country from which some lessons can be learnt. Lessons from South Africa would be more relevant as they might easily be customised by other African countries who share the same continental history and colonial experience.

Though much research is being done on anti-corruption, the main approaches are normally from traditional perspectives. Here the focus is on the panoptic vision and the roles and status of ICTs in the anti-corruption efforts of the South African public sector are explored and analysed from the complexity theory point of view. The limitation of the data due to access problems may have limited the depth of the research, but it is hoped that new perspectives for exploring sustainable anti-corruption mechanisms to which others will add will be opened. The intention was also to provoke thought concerning the application of complexity thinking in the management field to solve complex problems, such as corruption in South Africa.

#### **1.4 Variables and operationalisation**

Though this dissertation does not have formal independent and dependent variables in the strict sense of hypothesis testing as mentioned below, one can regard the independent variable as the extent of the application of ICTs, and interdepartmental and cross-sectoral cooperation in the effort to curb corruption; and the dependent variable as susceptibility to corruption. This will be measured both by interpreting respondents' views throughout the discussion and by limited attitudinal scales. Furthermore, existing extraneous variables including ethics, globalisation, regional and international corruption, and changes of political and economic conditions within the country of study may intervene and have considerable effect on the susceptibility to corruption.

## 1.5 Hypothesis

A hypothesis is a statement of prediction and a tentative answer to a research problem expressed in the relationship between independent and dependent variables (Frankfort-Nachmias & Nachmias, 1992:61). But, “[n]ot all studies have hypotheses. Sometimes a study is designed to be exploratory. There is no formal hypothesis, and perhaps the purpose of the study is to explore some area more thoroughly in order to develop some specific hypothesis or prediction that can be tested in future research” (Trochim, 2006).

Basically, this is not hypothesis-testing research. This, however, does not mean that I delved into the project *tabula rasa*. I had something in mind that I sought to generalise. Generalisations are therefore made from the data that I have collected from interviews and from documentary sources (induction). This does not preclude the use of some theories (by deduction) to guide the research process and to have some hypothesis in mind. According to Babbie (2004:58), “...the two logical methods are linked... In practice, science is a process involving an alteration of deduction and induction.”

The dissertation is of a qualitative and interpretive nature. These features and the relatively small number of interviews conducted precluded any formal hypothesis testing and statistical analysis. As in correlation studies, it will also not tell us with precision to what extent corruption (the dependent variable) has decreased or increased as a result of the introduction of ICTs (the independent variables). It is difficult to isolate the impact of the independent variable, in this case ICTs that permit causal inferences. “A ... trend in social science research calls for sidestepping the artificiality and narrowness of experimental studies by promoting studies that allow researchers to be more spontaneous and flexible in exploring phenomena in their natural environment” (Rudestam & Newton, 2001:33). At this stage, it is difficult to assess the impact of e-government because the relationship between e-government and corruption cannot be objectively established due to lack of sufficient data and the immaturity of e-government in South Africa.

## **1.6 Research design and methodology**

Research designs are blueprints for the final research product which commonly encompass a diversity of procedures, including general approaches to data collection (historical, biographical, case, and more), information-gathering techniques (content analysis, interviews, tests, and more), and ways of interpreting and analysing data (cause, comparison, prediction, and more) (Thomas, 2003:225; O'Sullivan & Rassel, 1989:20). As a non-experimental research method, a survey is one of the most important areas of measurement in applied social research. Hence, this dissertation uses a survey as research method.

The most important consideration in choosing the method was based on the demands of most of the research questions. In this section on research methods and methodology I describe the approach to the problem and the solution, and the paradigm within which I operated. It is used to explain the use of models, the frameworks for analysis and the data collection methods (including selection of respondents and interview processes).

The research also relied on literature reviews (books and journals in both printed and electronic formats), documentary analysis, online surveys, and interviews with relevant officials with first-hand knowledge of the research topic. Most of the e-government literature is found in United Nations (UN) online publications, and conferences; hence the Internet and conference papers are frequently cited.

### **1.6.1 Type of the research**

The type of research can be determined on the basis of various perspectives: type of information sought, application, purpose of research, number of contacts, period of reference, and nature of the investigation.

The information sought for this research reveals the nature of the dissertation as basically qualitative. Though a blend of qualitative and quantitative methods was possible, the number of respondents and lack of access to statistical documents limited the investigation to the qualitative aspect.

The word qualitative implies an emphasis on the qualities of entities and on processes and meanings that are not experimentally examined or measured (if measured at all) in terms of quantity, amount, intensity, or frequency. Qualitative researchers stress the socially constructed nature of reality, the intimate relationship between the researcher and what is studied, and the situational constraints that shape inquiry... . In contrast, quantitative studies emphasize the measurement and analysis of causal relationships between variables, not processes. (Denzin & Lincoln, 2005:10)

In the same vein, Rudestam and Newton (2001:36) argue that, in qualitative research, the emphasis is more on description and discovery and less on hypothesis testing and verification. It is an investigation of the interpretation and meaning that people give to the events that they experience.

To get a richer meaning from the small number of experts, the collected data is qualitative in nature. Getting an accurate number of cases (quantitative data) in order to determine the trends was not possible. The qualitative research method involves gathering and interpreting information from the viewpoint of kinds, while quantitative methods collect and interpret data from the viewpoint of amounts, frequencies, or magnitudes. Neither method is superior to the other (Thomas, 2003:225). It is not an either-or option; the blend of both types of research in the same dissertation is well accepted in the research tradition. Babbie (2004:26-28) argues that:

The distinction between quantitative and qualitative data in social research is essentially the distinction between numerical and nonnumerical data... Recognizing the distinction between qualitative and quantitative research doesn't mean that you must identify your research activities with one to the exclusion of the other. A complete understanding of a topic often requires both techniques.

In current debates among various schools of thought there is a consensus that there is no incompatibility between qualitative and quantitative methods.

The qualitative method is well suited to the constructivist paradigm followed in this dissertation. Followers of the interpretivist paradigm, who see reality as socially constructed, complex and ever changing, also favour qualitative methods. In contrast, the positivists, who regard the world as made up of observable and measurable facts, are the main adherents of quantitative methods. After ardent debates for more than a century about the superiority of either qualitative or quantitative methods, there now is wide-

spread consensus that the two approaches are complementary, and not antagonistic—signalling the demise of the controversy (see for example Thomas, 2003:6-8; Schultz, 2006:359). Many studies have successfully employed mixed (qualitative and quantitative) methods.

From the perspective of application, this research will try to draw conclusions from information gathered from real life experiences of the South African public administration. The results of the research could be used for improved policy formulation and administration. The study is empirical (interpreting first-hand qualitative data) as opposed to conceptual (theory-testing) and descriptive (describing phenomena with little use of theory) studies.

From the viewpoint of purpose, the design of this dissertation involves exploratory research with explanatory features. It attempts to find out the extent of the application of ICTs and identify the flaws in the struggle to curb bureaucratic corruption in the computer-aided anti-corruption system. It also includes some explanatory features as it strives to establish why the problem (e.g. tax evasion, ghosting, phantom billing) persists despite the availability of new support technologies, and concludes with the status of ICT intervention to deal with corruption.

From the perspective of number of contacts, this dissertation is cross-sectional. It studies the attitudes of the respondents and status of ICTs at the time of the study, and explores the impact of the intervention on bureaucratic corruption. However, the explanatory feature of the dissertation seeks to understand trends, i.e. changes in the level of corruption over time, though based on attitudes, not on factual data.

From the perspective of reference period it is a retrospective design, because the study refers to past trends in corruption and evaluates present and future trends.

From the perspective of the nature of the investigation, this research is observational and not experimental, because the effects of the uncontrolled variables are considerable with regard to the levels of corruption. In practice, it is difficult to control other extraneous variables (like law enforcement, education, religion, ethics, and regional and international

influences) that can have an impact on bureaucratic corruption. Hence, I have refrained from inferring any causal relationships (as in experimental design) as it is very difficult to rigorously control the variables that are involved to counter corruption. Even the limited aspect of the attitudinal measure that has been employed is not sufficient to portray any if-then relationship.

### **1.6.2 Research setting, scope and units of study**

The research for this dissertation was conducted in South Africa. I chose South Africa for various reasons. Firstly, since I am residing in South Africa I assumed that I could collect empirical data with lesser resources (time and money). Secondly, corruption and anti-corruption dynamics are high in South Africa, which made the research setting appropriate. Thirdly, South Africa is one of the leading countries in Africa with e-government initiatives and has a well-developed ICT infrastructure. Fourthly, as a developing African country the lessons drawn from the study (in South Africa) could easily be customised by other African countries because of their close interaction with the country.

Corruption in general is discussed to contextualise the dissertation, but the main focus is on administrative or petty corruption. The role and status of ICT is explored in administrative corruption rather than political or grand corruption.

For purposes of triangulation I surveyed public departments at three levels: the national, provincial and local spheres. For focus and ease of accessibility, the main units of study were the Department of Home Affairs, the South African Revenue Service (SARS) and the South African Security Agency (SASSA) at national level. I conducted interviews in the office of the Government Employees Pension Fund (GEPF), but did not obtain significant data to report on. This institution is still in its initial stage in terms of ICT application. To gain an overview of the general picture, Gauteng Shared Services Centre at provincial level, and City Power at municipal level (Johannesburg) were visited and some data were collected.

The other national institutions included in the interview schedule to obtain their views were the Department of Public Service and Administration, the Public Service Commission, the National Treasury, the Financial Intelligence Centre, and the State Information Technology Agency (SITA). The Special Investigating Unit and Council for Scientific and Industrial Research (CSIR) participated in the online survey. All these institutions are located in Pretoria and Johannesburg. Before embarking to the full-scale survey, I piloted questionnaires in SITA, which helped me to focus and shape my questions. I also visited the Cape Gateway in Cape Town before going to Johannesburg and Pretoria in order to have an overview of the e-government initiative. An effort was made to conduct online surveys in the NPA and the Office of the Auditor-General, but these bodies declined, indicating that they had concerns related to confidentiality. An online questionnaire was also sent to the Department of Finance through their communication officer, but I received no response despite repeated reminders.

### **1.6.3 Data collection methods**

#### **1.6.3.1 Primary research**

I commenced the field work with a post-modern view of reality. I did not set out to find what is out there; instead, I tried to make sense of and interpret others' views of the role and status of ICTs in the anti-corruption system. The data gathered were interpreted to reflect the usage and role of ICTs in the anti-corruption system, the perceived and the level of corruption. There is, of course, much subjectivity in the data that reflect the views, perceptions or opinions of the respondents. These personal opinions measure, among others, the susceptibility of public departments to corruption, the role and status of ICTs in the effort to control corruption, and the transparency of public institutions.

Primary data was directly collected from respondents through questionnaires and interviews. The purpose of the data collection was explained to the respondents, and the anonymity of respondents and confidentiality of the responses were assured by means of a covering letter sent with each questionnaire (by e-mail). Five different categories of questionnaires were prepared according to their relevance to the potential respondent institutions (Anti-corruption agencies, the Department of Finance, the Office of the



Auditor-general, SARS, and provincial e-government initiative institutions—Gateways). The questionnaires were posted on the survey website of the University of Stellenbosch to be answered online. They were structured to measure attitudes by means of a Likert scale. Most of the questions were in a matrix format. This format is considered as more efficient for presenting several items sharing the same response categories (see Babbie, 2004:277).

The selected institutions were chosen mainly because they were able to give their assessment of the South African anti-corruption system in general, as a context and complementary to the information elicited from the interview process. However, all of these institutions were reluctant to cooperate in this survey and this method consequently was unsuccessful. I then reformulated and prepared a generic questionnaire in paper format and decided to conduct face-to-face interviews with other institutions (mentioned above) that were more accessible. Most of the questions were open-ended to elicit the required information, though relatively superficial given the sensitive nature of the topic. The survey thereby was conducted successfully, administered by the researcher as explained in the Interview process.

The constructivist paradigm was followed during the interview process. Although I had ready-made questionnaires, I mostly relied on responses for the next question, therefore using a response-guided approach. In this strategy, the interviewer begins with a prepared question, and then spontaneously creates follow-up queries, logically extending the previous question (Thomas, 2003:64). The face-to-face interviews were chosen, among other reasons, because they provide greater flexibility and personal control than do questionnaires. The interviews were conducted by the researcher himself, and most of them lasted from an hour and half to two hours. Some respondents agreed to be audio-taped, but in some cases the audio-taping was perceived to be too inhibiting and was abandoned in favour of manual note-taking. Some interviewees requested a written copy of the minutes of the discussion, and this accordingly was supplied by e-mail attachment. No complaints were received about the feedback sent to interviewees.

It was not practical to interview all the individuals involved in anti-corruption work in every department; the study relied on interviews with a few individuals with special experience in the ICT-based anti-corruption system (expert survey). However, to contextualise to the ICT-based anti-corruption system, an effort was also made to assess the whole anti-corruption system.

In-depth interviews were conducted with 15 general and senior public managers. Two responses (Special Investigating Unit and CSIR) were online. These managers included the following:

- i. General Manager Performance and Integrity Assurance Services (SITA)
- ii. General Manager Information Technology Assurance Services (SITA)
- iii. Executive Manager: Internal Audit and Risk Management (SASSA)
- iv. Senior manager: Fraud Investigations (SASSA)
- v. Technology and Security Advisor (Department of Home Affairs)
- vi. Senior Manager: Risk Control (City Power, Johannesburg)
- vii. Manager: Forensic and Fraud Prevention (GEPF)
- viii. Head: Anti-Corruption and Security Unit (SARS)
- ix. Chief Director: Public Service Anti-corruption (DPSA)
- x. Chief Director: Norms and standards (National Treasury)
- xi. Director: Norms and standards (National Treasury)
- xii. Head: e-government and ISAD (Gauteng Shared Services)
- xiii. Director: Professional Ethics Research and Promotion (Public service commission)
- xiv. Senior Manager: Legal and Policy Section (Financial Intelligence Center)
- xv. Management level (Cape Gateway)
- xvi. Management level (Special Investigating Unit)—online
- xvii. Management level (CSIR)—online

The respondents were from all races (black, white and coloured) and both genders. Interestingly, there were no visible differences in type and quality of responses along racial or gender lines.

On-line or web-based surveys are very cost-effective for reaching audiences where e-mail penetration is high, but in the case of this research accessibility to e-mail addresses of the required potential respondents was difficult. All the public departments that were visited indicated that no e-mail address of the employees could be provided to external researchers. They indicated that the only option was to send the questionnaires to the head of communication officers of the departments to be forwarded to the respective respondents.

Initially, I tried to contact the communication officers, obtain their e-mail addresses to correspond with them and have them, in turn, correspond with the would-be respondents. The attempt to send an e-mail directly to expected respondents met with reluctance to open e-mail from an unfamiliar source for fear of virus infection (malicious computer programs). It was easier to get telephone numbers than e-mail addresses, which could be an indication that people were more concerned about unsolicited e-mail messages.

When the online survey did not work (as described above) the questionnaire had to be reformulated in order to fit the face-to-face interview. Even during the interview it was needed to rephrase some of the questions. As an iterative process, new questions similarly had to be formulated as they developed from the previous interview. This kind of change in direction is accepted in the constructivist paradigm, as a researcher has to keep on learning about what is required in the process. When issues of which I had not been aware were presented I moreover had to conduct some unstructured and informal interviews. This kind of interview was significant enough to contribute to a change of direction during the research process.

### **1.6.3.2 Secondary research**

This phase of the research focused on information collected from existing sources including books, academic journals, earlier researches, media reports (which could not be taken as reliable when such reports lacked rigorousness and objectivity), and the archival collections of the institutions concerned. The literature reviews spanned the period from the 1960s to the present.

#### **1.6.4 Population and sampling method/design**

Sampling is an efficient and effective method for studying a population. The available common sampling designs are probability (simple random, systematic, stratified, and cluster), and non-probability (convenience sampling, purposive sampling, quota sampling) (O'Sullivan & Rassel, 1989:106-141). The population for this study comprised managers related to anti-corruption work, particularly in the public sector, hence this research project basically comprised an expert survey.

Although non-probability samples generally are considered to be more accurate and rigorous, there may be circumstances where it is not feasible, practical or theoretically sensible to do random sampling in applied social research. Given the nature of this dissertation, though, it was found to be more appropriate to use a non-probability sampling method. Having had a specific plan in mind and a defined group of respondents, I approached the sampling problem with a purposive sampling method. As I was doing the research as a foreigner with no first-hand knowledge of the country in general and public departments in particular, the most convenient variety of purposive sampling was the snowball sampling method. Accordingly, I first identified someone who met the criteria for inclusion in the study and asked the particular person to recommend others who might meet the criteria. The shortcoming of this method is that it does not ensure representativeness, but it was the best method available to me.

Before the survey was conducted the researcher undertook a pilot study and had an in-depth discussion session with relevant authorities in SITA (Johannesburg), and general introductory discussion at the Cape Gateway (Cape Town). This helped to generate a preliminary assessment of the application of information technologies in the anti-corruption system as a basis for further research.

The public departments chosen for this study were the Department of Home Affairs SARS, and SASSA. Since the information required had to be elicited from knowledgeable people (experts) who, particularly, were involved in the computer-based anti-corruption system, a non-probability sampling method was chosen. Hence specific knowledgeable individuals were required to give an informed judgment on the actual

level of the usage of ICTs. When a sample is very small, purposive sampling is also one of the best options available. This sampling method facilitates getting accurate information although its representativeness is difficult to determine scientifically. It is also cheaper and more efficient (see O'Sullivan & Rassel, 1989:106-141). Bowling (cited in O'Sullivan & Rassel, 1989:3) argues that small, purposive sampling is acceptable for a qualitative study in which it is used to interpret a social phenomenon while not assuming representativeness. Similarly, Patton and Kuzel (cited in Eagle, 1998:207-208) note that qualitative methodologies attempt to access the richness of diverse information from fewer participants and frequently regard participant sizes of less than ten to be sufficient.

### **1.7 A paradigm as a framework for analysis**

“A paradigm is [a] model or framework for observation and understanding which shapes both what we see and how we understand it” (Babbie, 2004:33). There is more than one way to make sense of things, but I have followed a complexity thinking paradigm for the perception and analysis of systems (especially for recommendations) in this dissertation.

Since various other social science paradigms are presented in the literature, however, some of them are shown in Table 1.1.

Table 1.1: Some social science paradigms.

<b>Some social science paradigms</b>	<b>Description</b>	<b>Main proponents</b>
Early positivism	Assumes that we can scientifically discover the rules governing social life (a break away from religious explanations).	Auguste Comte (1798-1857)
Social Darwinism	Sees a progressive evolution in social life—survival of the fittest, hence the evolution of progressively ‘fitter forms of society’.	Charles Darwin (1858)
Conflict paradigm	Social behaviour is the process of conflict: the attempt of individuals and groups to dominate others and to avoid being dominated.	Karl Marx (1818-1883)
Symbolic interactionism	Examines how shared meanings and social patterns are developed in the course of social interactions.	Georg Simmel
Ethnomethodology (methodology of the people)	Focuses on the ways people make sense out of social life. People are continually creating social structures through their actions and interactions (creating their realities).	Harold Garfinkel
Structural functionalism (social systems theory)	A social entity such as an organisation or a whole society can be viewed as an organism. Like other organisms, a social system is made up of parts, each of which contributes to the functioning of the whole.	Emile Durkheim (1858-1917)
Feminist paradigms	In addition to drawing attention to the oppression of women in most societies, highlight how previous images of social reality have often come from and have reinforced the experiences of men. It challenges the prevailing notion concerning consensus in society.	

Source: Adapted from Babbie (2004:35-42)

These paradigms have shortcomings and do not provide adequate tools for understanding the complex reality. My view of the paradigm is consistent with that of Babbie, though, in the sense that I do not wholly discard previous paradigms, but take into consideration their essential and relevant features. The wholesale rejection of old paradigms in favour of the new only narrows our world view. Babbie notes that:

Natural scientists generally believe that the succession from one paradigm to another represents progress from a false view to a true one. ... In the social sciences on the other hand, theoretical paradigms may gain or lose popularity, but they are seldom discarded altogether. The paradigms of the social sciences offer a variety of views, each of which offers insights the others lack and ignores aspects of social life that the others reveal... . Paradigms are not true or false; as ways of looking, they are only more or less useful...each can open up new understandings, suggest different kinds of theories, and inspire different kinds of research. (Babbie, 2004:35)

This dissertation addresses the complexity of anti-corruption work, using a complex adaptive systems framework in the context of e-government. Hence, my approach to the

analysis (mainly in the section dealing with recommendations) presented in this dissertation mainly involves complexity thinking—without forgetting important features of the other paradigms. Complexity thinking gives fresh insights into complex problems. I will argue that corruption as a complex societal problem is better analysed from some features of complexity thinking. Arguments in favour of the application of complexity thinking in public policy abound. Many authors in various disciplines have approached social and managerial problems from the perspectives of this way of thinking. The relevant features of such thinking that have direct bearing to the theme of this dissertation and future research will be discussed in the following section.

### **1.7.1 An overview of complexity thinking**

Complexity science has its roots in well-developed disciplines including physics, mathematics, biology, chemistry, engineering, geography, meteorology and astronomy (Livneh & Parker, 2005:19). As the name implies, it is a really complex and fuzzy concept (Bertz, 2003:91). It is because of the diversity of its sources that it has not been easy to formulate an integrated theory of the concept. “The word complexity is made up of from the Latin roots: *com* (meaning together) and *plectere* (meaning to plait)” (Nikolić, Trinajstić, Tolić, Rucker & Rucker, 2003:30). Most of the definitions of complexity thinking emphasise its characteristics as nonlinear, dynamic, interactive, turbulent, unpredictable, self-organising and fractal (Capra, *et al.*, cited in Livneh & Parker, 2005:19). Basically, “Complexity science is the study of complex adaptive systems. It is a science that encompasses many theories and ideas including chaos theory, self-organization and fractal geometry” (Zimmerman, 1999:44).

Rouvray suggests that the idea of complexity is not new. According to him, the argument of the philosophers of ancient Greece, notably Parmenides and Plotinus, was that:

our world is not simple as it might seem...it is not totally separated into noninteracting parts since any conceivable separation process would always leave the parts connected together in some way. Thus, ...the world is intrinsically holistic in nature and that to reflect reality accurately a holistic frame of reference had to be adopted. (Rouvray, 2003:3; also see Albrecht, 2000:402)

Checkland (1999:60) similarly observes that, even though our knowledge of the world is divided into different ‘disciplines’, it is not nature which divides itself up into physics, biology, psychology, sociology and the like; it is we who impose these divisions on nature. After analysis, we therefore need to integrate the knowledge accumulated by the different disciplines and perspectives in order to hold a holistic view of the problem and situation (see Gell-Mann, 2006:76). In this regard complexity science has proved to be an important bridging discipline between the arts and the sciences (Rouvray, 2003:23). It is this systems view of the universe that is being promoted by complexity science.

Although understanding of complexity is still in its infancy, and complexity thinking cannot be discussed fully in this chapter, some of its features that are relevant for the purpose of this study like the frame of analysis in Chapter 5 and conclusions and recommendations in Chapter 6 can be highlighted, though some effort is made to relate to the rest of the chapters as well. In this regard only the following aspects of complexity thinking are discussed briefly: nonlinear dynamics, self-organising, attractors, and complex adaptive systems.

All variants of the theories of complexity share the idea that the whole (the system) is more than the sum of the parts (the individual agents), while, at the same time, developments of the whole stem from the (interaction of the) parts. Complexity theories stress that systems tend to develop nonlinearly and are subject to various feedback mechanisms. They are also dominated by self-organization and usually co-evolve with other systems. (Klijn, 2008:301)

#### **1.7.1.1 Nonlinearity (nonlinear dynamics)**

There are various approaches to defining nature, among which the mechanistic view was dominant for a long period of time. According to Depew and Weber (cited in Ulanowicz, 2005:15) the fundamental Newtonian postulates about nature are:

- a) Systems are causally closed: only mechanical or material causes are legitimate.
- b) Systems are deterministic: given precise initial conditions, the future (and past) states of a system can be specified with arbitrary precision.
- c) Systems are reversible: laws governing behaviour work the same in both temporal directions.



- d) Systems are atomistic: they are strongly decomposable into stable least units, which can be built up and taken apart again.
- e) Physical laws are universal: they apply everywhere, at all times and in all scales (this is alluded to by Prigogine and Stengers (1984:217-218)).

The above postulates do not give us the whole picture of the operations of our universe. Even though it can be observed that part of nature is linear that can be comprehended by classical physics, much of it is nonlinear that cannot be addressed through traditional scientific methods—a challenge to Newtonian hegemony. “Even systems which exhibit purely deterministic dynamics can behave in nonlinear ways. Some systems can absorb and assimilate change in initial conditions while the same change can produce very different results under other conditions” (Young, 1991). Concerning other systems, Heylighen (2002) is quoted as saying “[i]t is very well possible that the solar system is unstable, and that the gravitational attractions between the different planets may lead one of the planets to suddenly escape into outer space”. This highlights the nonlinear nature of phenomena that is manifested by irregularity, disorder, unpredictability and instability, which is driven by heterogeneity and interconnectivity, as is easily exhibited by economic and ecologic systems (Stacey, 1996:206; Goldspink & Kayb, 2003:462; see also Livneh & Parker, 2005:20). In social and other systems small input can lead to dramatically large consequences, i.e. the relationship between input and output or between cause and effect can be disproportional. Minor inputs might set off a chain of actions that can end up in a tremendously chaotic situation (Lewin, 1992:11; Cilliers, 1998: 120; Kiel & Elliott, 1999:4; Goldspink & Kayb, 2003:462; Heylighen, 2002). According to Livneh and Parker (2005:20), such an occurrence is usually referred to as “sensitive dependence on initial conditions.” Kickert (1993:199) furthermore stresses that small, more or less accidental, unconscious disturbances during complex policy processes can have far-reaching consequences, which overshadow the planned, intended and predicted outcomes.

### **1.7.1.2 Self-organizing and emergent**

However turbulent it may look, a chaotic system can self-organise and arrive at a new level of stability. The interactions between the components of a system bring about unforeseen collective behaviour—emergent properties (Waldrop, cited in Nikolić et al., 2003:31; Albrecht, 2000:413; Klijn, 2008:306). The main concern of complexity thinking, thus, is the emergent patterns of organisations rather than the constituent parts, though the parts provide insight into micro conditions (Goldspink & Kayb, 2003:462). “Self-organizing, open systems possess certain unique characteristics, which include (a) nonlinear trajectories, (b) leap-like changes following a gradual aggregation of stresses, (c) spontaneous emergence of new structures and behavioural forms, and (d) internal feedback loops” (Capra, Prigogine & Stengers, cited in Lansing, 2003:183).

Popper (cited in Lansing, 2003:184) argues that “[t]he world is no longer a causal machine. It now can be seen as a world of propensities, as an unfolding process of realizing possibilities and of unfolding new possibilities”. Complex systems have the properties to co-evolve, self-organise, and emerge through the process of emergence and feedback (see Zimmerman, 1999:45; Fryer & Ruis, 2004). This self-organising process is accomplished without any central control mechanism; agents do not follow a blueprint for their design, but emerge as new entities in the interacting process in a way that makes the whole (emergent) more than the sum of its parts (Zimmerman, 1999:46; Baron, 2002:61). This indicates that links of cause and effect in complex systems are circular, distant, and very difficult to identify. They also explain how behaviour patterns can emerge without being intended and, in fact, often emerge contrary to intention, producing unexpected and counterintuitive outcomes (Stacey, 1996:207; also Albrecht, 2000:407). The universe itself is believed to be a product of these self-organising processes. According to the Big Bang theory the universe was formed as a result of the explosion of a very dense hot matter, about 15 billion years ago. Since this explosion, the universe has been undergoing continual change and has evolved from a state of featureless simplicity to increasingly complexity. This demonstrates that nature has creative power and can progressively produce a richer variety of complex forms and structures. It is emerging rather than vanishing (Davies, cited in Rouvray, 2003:4-5, Wikipedia). Hence, “ordered

structures emerge as the result of the interconnectivity of system parts as opposed to details of the interconnections themselves” (Kaufmann, cited in Seitz, 2003:191). It is because of this that complexity and order emerge as a product of interactions between simpler local components” (Baron, 2002:56; also Castells, 2000:74).

### 1.7.1.3 Attractors—Order from Chaos

“A violent order is disorder; and a great disorder is an order. These two things are one.” (Stevens, cited in Lucas, 2004). When a nonlinear system is thrown towards a chaotic state, it begins to gravitate towards a point or set of points (attractor/s), self-organizes and acquires a new order (Wikipedia). Albrecht (2000:413) points out that attractors pull a complex dynamic system out of instability into order, or vice versa. The School of Wisdom (1995) indicates that “The world is not really totally ordered as previously believed. It is fundamentally disordered, chaotic, but it contains forces or attractors of cosmos that create patterns of order over time. They are anchors of order in an otherwise stormy sea.” (Also see Albrecht, 2000:413.) The trajectories of these systems are irregular, giving the feeling of randomness, though they are compelled by determinism (Heylighen, 2002).

Livneh and Parker (2005) identify several types of attractors:

- a) **Fixed-Point Attractors:** When a system’s movement settles towards a point and stays there, that point is said to be a fixed-point attractor. This kind of attractor demonstrates predictable, stable, equilibrium-type points. Examples include a pendulum at rest, the hole in a bathtub, and death (as all living things die).
- b) **Limited-Cycle (Periodic, Cyclic) Attractors:** When a system is characterised as a cyclic attractor, there is a possibility of linear description of its behaviour, depending on the present status. Under this attractor, movement alternates between two points. Examples include a swinging pendulum and a pounding heart (School of Wisdom, 1995; Byrne, 1998:168; Cambel, cited in Livneh & Parker, 2005).
- c) **Torus attractors:** While authors like Livneh and Parker include torus attractors with cycle attractors, others categorise them with strange attractors (see Byrne,

1998:175) and still others put them in a separate category, i.e. as a fourth attractor (School of Wisdom, 1995). “With the Torus Attractor there is complex cycling which moves forward and so is different while it repeats itself...But unlike the strange attractor, predictions can still be made, the pattern is fixed and finite” (School of Wisdom, 1995), e.g. we are attracted and switched to various activities.

**d) Strange Attractors:** The dynamics of a strange attractor are chaotic and result from a series of bifurcations (Wikipedia). At the point of bifurcation, “a system either reorganizes into a higher level of complexity characterized by renewed potential and possibilities, or falls apart” (Juarrero, 2000:28; also Chamberlain & Prigogine, cited in Livneh & Parker 2005:20).

As foundations of self-organisation, strange attractors depend on sensitive initial situations and display fractal dimension and self-similarity. Though strange attractors look disordered, they, in fact, exhibit subtle orderliness (School of Wisdom, 1995; Juarrero, 2000:53). As Lansing (2003:185) puts it, “[a] process that seems to be governed by chance when viewed at the level of the individual turns out to be strikingly predictable at the level of society as a whole” (also see Baron, 2002:56). Adam Smith's concept of the invisible hand in economics corroborates the social order that emerges as the unintended consequences of individual human actions (Levin, 2003:4).

#### **1.7.1.4 Complex adaptive systems**

It is common observation of nature that things around us are complex adaptive systems—from microscopic cells to macroscopic societies (Levin, 2003: 3).

“Complex adaptive systems have several characteristics that, until, recently, organizational and management theorists have tended to ignore or assume away” (Anderson et al. cited in Rouse, 2000:143-144). According to them, the behaviour of complex adaptive systems includes the following:

- They are nonlinear, dynamic and do not inherently reach fixed points of equilibrium. The resulting system behaviour may appear to be random or chaotic.

- They are composed of independent agents whose behaviour can be described as based on physical, psychological, or social rules, rather than being completely dictated by the dynamics of the system.
- Agents' needs or desires, reflected in their rules, are not homogeneous and, therefore, their goals and behaviours are likely to conflict — these conflicts or competitions tend to lead agents to adapt to each other's behaviour.
- Agents are intelligent, learn as they experiment and gain experience, and change behaviour accordingly. Thus, overall system behaviour inherently changes over time.
- Adaptation and learning tend to result in self-organising and patterns of behaviour that emerge, rather than being designed into the system. The nature of such emergent behaviours may range from valuable innovations to unfortunate accidents.
- No single point of control exists — systems' behaviours are often unpredictable and uncontrollable, and no one is 'in charge'. Consequently, the behaviours of complex adaptive systems usually can be influenced more than they can be controlled.

(Also see Bovaird, 2008:326; Haynes, 2008:407.)

In general, organisations find a match with the above characteristics, which makes them dissimilar to machines. However, Morgan (cited in Rouse, 2000:145) argues that machine models are not void and can be useful models in certain circumstances. He states that:

Mechanistic approaches to organization work well only under conditions where machines work well: (a) when there is a straightforward task to perform; (b) when the environment is stable enough to ensure that the products produced will be appropriate ones; (c) when one wishes to produce exactly the same product time and again; (d) when precision is at a premium; and (e) when the human 'machine' parts are compliant and behave as they have been designed to do.

From the perspective of adaptive complex systems, one way to go out of the narrow view of organisations as machines is to see them as biological, cultural and political entities (Rouse, 2000:145).

According to Olson and Eoyang (cited in Webb, Lettice & Lemon, 2006:34), three principles characterise the behaviour of a complex adaptive system: “[o]rder is emergent as opposed to hierarchical; the system’s history is irreversible; and the system’s future is often unpredictable”. The agents within the complex adaptive system are thought to behave according to simple rules in their local, and random, interactions with one another, and power is decentralised (Webb et al., 2006:34; Fryer & Ruis, 2004). Complex adaptive systems do not need an executive programme for guidance; they self-organise. This characteristic increases their capacity to be more flexible and creative (Baron, 2002:60). For example, according to Janis (cited in Baron, 2002:61), “allowing a minority faction to exist encourages self-criticism and innovation, the antithesis of groupthink”.

Figure 1.1 shows this interaction between agents at local level producing an emergent order at a global level without any guidance.

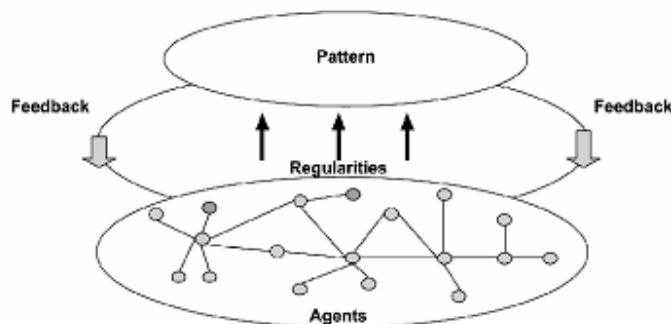


Figure 1.1: Complex adaptive systems  
Source: Matthews (2007:185)

In general, diversity, localised interaction and feedback are the main properties of a complex adaptive system. In the above figure, we clearly see how cooperation, coalitions and networks of interaction can emerge from local, specific behaviours and feed back to shape those individual behaviours. Ecosystems, economies and societies also follow these processes (Levin, 2003:3-4; also Lansing, 2003:185 & Baron, 2002:60).

Carlisle and McMillan depict the types of systems and their properties as presented in Figure 1.2. This shows that, “[a]t one end of the spectrum, random and chaotic systems

are highly unstable. At the other, mechanistic and hierarchical systems are highly stable and ordered. In the middle lie the complex adaptive system behaviours” (Carlisle & McMillan, 2006:4; also Kauffman, cited in Goldspink & Kayb, 2003:463). Lansing (2003:191) similarly notices four classes of behaviour in complex adaptive systems: fixed, periodic, chaotic, and complex.

Table 1.2: Types of systems and degrees of order and stability.

<i>Type of System Properties</i>	<i>Totally Random and without pattern</i>	<i>Chaotic</i>	<i>Complex (Zone of emergent complexity)</i>	<i>Hierarchical</i>	<i>Mechanistic</i>
<i>Controlling Mechanisms</i>	None	Strange Attractors	Largely self-organization	Command and control	Tight rigid controls
<i>Nature of relationships between agents</i>	Independent agents no detectable relationships	Random	Networked and highly connected	Formally dictated by top down directives	Fixed and pre-scribed
<i>Nature of interactions</i>	Random and totally irregular	Some detectable regularities & patterning	Fluid and interdependent	Mostly dependent	Fully dependent
<i>Outcome</i>	Random changes and outcomes. Disintegration certain.	Instability -unpredictable changes and outcomes Disintegration possible.	Flexible new order involving radical and/or incremental changes.	Stability -Incremental changes. Ossification possible.	Stability - Systems are resistant to change. Ossification certain.
	HIGHLY UNSTABLE			HIGHLY STABLE	

Source: Carlisle and McMillan (2006:4)

The unstable status of a system enhances its innovative capability as a struggle for existence, where equilibrium presents a difficult situation for coping with the rapid pace of change. This makes it imperative for organisations to respond flexibly and be innovative, rather than die-hard. At ‘the edge of chaos’, firms develop novel strategies to ensure their continuity, while learning is diminished in highly stable conditions (Fryer & Ruis, 2004; Carlisle & McMillan, 2006:2-4; Sundarasaradula, Hasan, Walker & Tobias, 2005:367). For radical innovation to emerge, employees must be supported to self-

organise and participate in decision making by keeping regulations to a minimal level. However, care must be taken as too much freedom sometimes creates a sense of chaos in human organisations (Carlisle & McMillan, 2006:7).

Fisher's theorem states that "the more genetic variance in a species, the more likely it is to evolve into new niches" (Carlisle & McMillan, 2006:5). So, for organisations to survive in the sea of turbulent situations, they must retain their internal variation and not necessarily stick to uniformity of operations. The main emphasis of some departments needs to be on incremental change and that of the others on radical innovation. While very stable, large, traditional bureaucracies with rigid procedures inhibit creativity, unstable environments promote disintegration. For a robust existence, organisations must therefore not operate in the extremes of chaos.

#### **1.7.1.5 Application of complexity thinking in the social sphere<sup>1</sup>**

Bovaird (2008:336) notes that it is too early to conclude the extent of the applicability of complexity thinking to public administration, though it has shown some potential in its current crude form. "Complexity theories are still young under that name: about fifteen years. They are a merger of several sciences that appeared to have abstract ideas, sometimes implicitly, in common" (Nooteboom, 2007:647). Similarly, Klijn (2008:288) indicates that, although all variants start with the notion of complexity, there is not a unified and homogeneous perspective of complexity thinking. Castells (2000:74) sees complexity thinking as a "method for understanding diversity, rather than as a unified meta-theory". Nevertheless, their applications in the social and management sciences is getting currency and many scholars have been relating it to the study of public administration, education, health services, family systems, organisational development,

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<sup>1</sup> For application of complexity theory in the social sciences refer Stites, 1994; Ward, 1995; Byrne, 1998; Wheatley, 1999; Boisot, & Child, 1999; Zimmerman, 1999; Anderson et al, 1999; Cohen, 1999; Rouse, 2000; Albrecht, 2000; Ashmos & Duchon, & McDaniel, Jr, 2000; . Baron, 2002; Lansing, 2003; Bonchev, 2003; Goldspink & Kayb, 2003; Michael, 2004a; Wollin and Perry, 2004; Bansal, 2004; Bill, 2004; Fioretti & Visser, 2004; Guerrini & Spagnuolo, 2004; Livneh & Parker, 2005; Dale & Newman, 2005; Gatrell, 2005; Cuadrado & Arce, 2005; Kernick, 2006; Carlisle, 2006; Matthews & Thomas, 2007; Klijn (2008); Teisman (2008); Haynes (2008); Bovaird (2008); Butler & Allen (2008); Van Buuren & Gerrits (2008); and Rhodes (2008).



environmental impact assessment, and marketing among others. Its application in the study of corruption has been insignificant, though it is emerging. This is where I intend to make a contribution.

Interest in complexity science and complex adaptive systems is growing faster than ever, because a) organisations are required to respond to contemporary challenges including globalisation, process re-engineering, workforce diversity, quality improvement, and public service privatisation; b) information technology is revolutionising the way we do business at an increasingly lower cost; and c) the rapid creation and disbanding of organisations to acquire a value greater than the sum of their parts (Cohen, 1999:373-374; Lansing, 2003:183; Zimmerman, 1999:47).

Complexity thinking has focused on natural (physical) complex systems and their projection to the social sciences has been limited. This requires the identification of the unique features of social systems to make them amenable to this theory (Goldspink & Kayb, 2003:462-463). According to Prigogine and Stengers (1984:313):

...although developed in the natural sciences, ... findings [from complexity thinking] have managerial implications in the organizational sphere. From the complexity standpoint, organizations are dynamical systems. They are complex adaptive systems comprised of agents (people) who experiment, explore, self organize, learn and adapt (in varying degrees) to changes in their environments. They exist at the individual, team, divisional and group level and also in a much larger web of external complex adaptive systems – their economic, social and political environments. (also see Carlisle & McMillan, 2006:3)

The deeper we probe into social systems, the more complex they seem. Bansal (2004:180) indicates that corruption is far from arbitrary or static; it is rooted in customary, social and legal entities, which are complex adaptive subsystems of the society. These societal phenomena are simple, manmade subsystems but unpredictable with regard to any change. To address this intractable problem requires a systematic and multidisciplinary approach. For this, the insights of complexity thinking can be used to illuminate social and cultural dynamics. Furthermore, in an application of complexity thinking to describe social phenomena, Cloete (2004) conceptualised the year 1976 as a turning point in South Africa's history. He emphasised how simple looking student uprisings self-organised and gathered momentum to bring unpredictable changes that

dismantled a strongly fortified Apartheid system. This amplification of an initial condition is characteristic of a complex system.

Bovaird (2008:323) has observed that “there tends to be a very large number of relatively small changes in the system and quite a large number of moderate-scale changes, but there will also be some large-scale changes – more than would be predicted...”. As shown in Figure 1.2, anti-corruption efforts as complex phenomena, can also be shown in power-law relationships. For example, there are only a couple of big programmes such as the International Anti-Corruption Conference (IACC) which is run only once per annum in the anti-corruption industry, but hundreds of local events are organised hundreds of times a year.

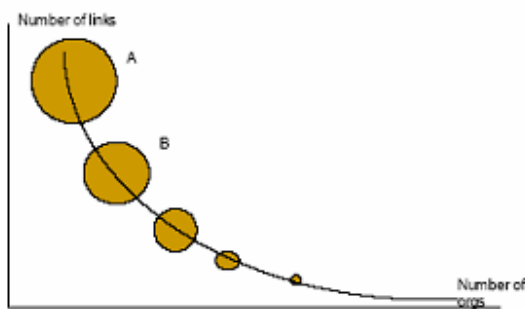


Figure 1.2: Example of a Power Law showing the distribution of the size and the number of anti-corruption programmes

Source: Michael(2004:1076)

In 1962, Broadbeck (cited in Klijn, 2008:289) noticed that:

[L]aws in social science, if we had them, would contain many more variables than those in physics. Yet we berate the social scientists for not being able to do what even the natural scientists cannot do. The multiplicity and complexity of factors in social phenomena impose limits upon what we can reasonably expect to achieve.

According to Bovaird (2008:320), complexity theory gives deeper insight into the dynamic processes of change in organisations which, until now, have only been imperfectly mapped and modelled in social systems.

## **1.8 The concern (issue) of validity**

It is very difficult to maintain internal validity in this kind of research, because the factors that impact on corruption are many. The variables include governance, ethical and religious teachings, educational level, law enforcement, and ICTs. In the natural setting, we cannot control the rest of the variables, but manipulate ICTs only to follow their role in curbing corruption as we cannot totally rule out the possibility of the influence of the other factors. The selected sample, as derived through the purposive method, could also have contributed to the threat to internal validity, because the limited number of departments and respondents chosen may not have been representative of the whole public sector. But external validity could be established well, because the research was done in realistic organisational settings. It will be possible to generalise from the findings of the research and extrapolate it to other public institutions and to the whole society. Operational validity was assured by the types of questionnaire, which specifically targeted the role of ICTs in the anti-corruption system, and the response categories having been mutually exclusive and exhaustive.

To obtain external validity, I designed the study to include institutions responsible to oversee and provide services to other institutions: the Department of Public Service and Administration (DPSA), the Public Service Commission (PSC), and SITA, the National Treasury, the Financial Intelligence Centre and the Gauteng Shared Services Centre.

## **1.9 Assumptions**

I conducted the research with a basic set of assumptions that guided my endeavour:

- On the basis of the complexity paradigm, I assumed that public departments are complex systems. Unlike Newtonian organisations, their boundaries are not rigid; they are flexible and interconnected in some way or another with all sectors, both nationally and internationally.
- Contrary to the mechanistic view, it was assumed that future outcomes could not be predicted accurately on the basis of current information (the complexity thinking perspective).

- Based on the post-modern view, human interactions cannot be objectively observed and consequently cannot be fully controlled.

### **1.10 Time dimension**

The study took four years (March, 2005—February, 2009): two years and two months of writing the proposal and the literature review, one year and two months of data collection and analysis, and eight months of feedback and redrafting.

### **1.11 Overview of chapters**

The structure of the dissertation has the form of an hourglass (broad-narrow-broad). It starts with the broad area of corruption and anti-corruption, and narrows down to the computer aided anti-bureaucratic corruption system. At its narrowest point it zooms in to explore the role and status of ICTs in combating corruption, mainly in three South African public institutions that could reasonably be studied in this research project. For purposes of triangulation, other institutions were also surveyed, though at a minimal level. After data collection and analysis I generalised (narrow to broad) the results which could have wider implications for the anti-corruption system in the South African public sector.

Chapter 1 is devoted to laying the groundwork for the dissertation. The research design and methodology and approaches to analysis have also been discussed in this introductory chapter. Chapters 2 and 3 present the review of different works by various authors, spanning the period from the 1960s to the present. The discussion in Chapter 2 deals with the various approaches to the concept of corruption, its causes and consequences. In Chapter 3 the various approaches and strategies that have been applied in the anti-corruption industry so far are explored. Chapter 4 assesses the past and present situation with regard to corruption and the mechanisms put in place to curb it from the South African public sector. Chapter 5 presents the results of the survey and analysis of the empirical study. Chapter 6 closes the dissertation by presenting conclusions, main findings, and recommendations to strengthen the capabilities of the South African anti-corruption system. Challenges and limitations of the study also form one of the sections

of this last chapter. Finally, I conclude by identifying some gaps in the anti-corruption area and suggest issues for future research.

## **Chapter 2**

# **Analysis of the Nature, Causes and Consequences of Corruption**

### **Introduction**

Corruption is a pervasive cancer which infests both the private and public sectors of society. In Africa it flourishes as luxuriantly as the bush and the weeds which it so much resembles, taking the goodness from the soil and suffocating the growth of plants which have been carefully and expensively bred and tended (Wraith & Simpkins, 1963:12-13). Beschel Jr. (cited in Jayawickrama, 2001:284) similarly indicates that, over the last 20 years, one East Asian country is estimated to have lost \$48 billion due to mismanagement and corruption, an amount surpassing its entire foreign debt of \$40.6 billion. Frederick (2003:5) notes that a great wave of corporate scandal wiped out unprecedented millions of dollars of shareholders' investments and brought financial ruin and bankruptcy to big firms in the USA at the beginning of the 21<sup>st</sup> century. In South Africa corruption is snatching bread from the poor, and an infrastructure of crime is developing, putting the economic and social fabric of the country at risk.

Over the years, various unacceptable activities have been categorised and labelled as unethical, immoral, criminal and illegal. The set of behaviours designated as corrupt are not homogenous, however, hence there are many forms of corruption with different types of participants, cultural and socio-economic contexts, and techniques. This makes corruption difficult to define. The mere existence of various approaches to defining corruption indicates divergence in views of the phenomenon. The term 'corruption' is used as a shorthand reference for a large range of illicit or illegal activities (Asian Development Bank, 1998). How corruption is interpreted depends on the point of view, in which connection and in what context it is discussed, therefore a unanimous attitude to it is lacking. Similarly, "[t]he causes of corruption differ from country to country. While a dysfunctional legal system may be the cause in one country, the transition from a

hierarchical, traditional, rural society to today's global village may be the principal cause elsewhere" (Eigen, 1998:87).

According to Osborne (1997:10) people pay bribes to get things done. They want the recipient to do them a favour, perhaps awarding a contract unfairly or waiving a fine they ought to pay. Or they may want the recipient to act more quickly. Bribes may take many forms, from cash to sexual favours to honorary degrees. Not all bribes are illegal, but it is against the law for public servants to receive or ask for bribes in nearly all countries. In many countries it is also against the law to pay or offer bribes to public servants.

In this chapter I will analyse the nature, causes and consequences of corruption in a traditional and electronic environment in more detail. This analysis will give a background to the efforts to curb corruption as discussed in Chapter 3.

## **2.1 Manifestations,<sup>2</sup> forms and elements of corruption**

Corruption manifests itself as a by-product of low political competition, low and uneven economic growth, a weak civil society, and the absence of institutional mechanisms (Robinson, 1998:4). In contrast, those societies which are relatively free of corruption are characterised by respect for civil liberties, accountable government, a wide range of economic opportunities, and structured political competition, which mainly, but not exclusively, are features of developed western states (Johnston, 1994).

Corruption invokes ranges of images of evil (Baai, 1999:174). Corrupt behaviour ranges from minor examples, such as giving a small gift for a secretary to influence her to arrange an appointment with her boss, to presumptuously extensive ones, such as securing exceptional conditions for individual businesses. UNPAN (2002:3) lists corrupt activities such as, in the executive branch of government, ranging from grand to petty corruption in the form of kick-backs, expensive gifts and the like that may involve, including the privatisation of large state assets, and massive procurement contracts. They

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<sup>2</sup> For more detailed manifestations of corruption, see Pope (2000). He, among others, includes: treason, kleptocracy, undeserved pardons and remissions, intimidation, blackmail, perversion of justice, false evidence, non-performance of duties, misuse of inside knowledge, manipulation of regulations, conflict of interest, links with organised crime and illegal surveillance (e.g. by Telecommunications and Post Offices).

also emerge at the interface of private and public sectors, as companies seek to either purchase state assets below market price or to deliver their line of business through contracts. In the administrative domain they include such behaviour as nepotism and cronyism; ghost workers on the public payroll; purchase of public offices; collection of unauthorised fees; falsification or the destruction of records; arbitrary administrative action and circumventing established regulations (also see The Asian Development Bank, 1998). Anechiarico categorises the following unethical behaviour as corrupt conduct: government employees stealing or misusing government property (like computers, cars, furniture, and food.), defrauding the government and the taxpayers by arriving late, leaving early, doing private work on the job, and officials expropriating subordinates' labour for their private use. Strictly speaking, every unauthorised phone call, expropriation of office supplies, private use of a government vehicle, and short working day is an act of corruption (Anechiarico & Jacobs, 1996:5; also UN, cited in M. M. Khan, [n.d.]). Moreover, according to UNPAN (2002:4), corrupt practices also manifest themselves in the legislative branch in many countries. Campaign financing and unregulated 'soft' donations in developed countries are seen as an investment to influence future decision-making in the event that a party becomes elected. During elections, fraud and vote rigging also undermine democratic principles and the legitimacy of outcomes. The independence of the judiciary itself can be undermined by the executive branch influencing the appointment and promotion of judges. In such situations, judges are pressured to reach verdicts not based on justice but on political expediency. Anechiarico and Jacobs (1996:4) point out that legislators can sell their votes; bureaucrats sell their discretion over licenses, permits, franchises, and so forth; procurement officers extract kickbacks; and inspectors solicit or extort payoffs.

Corruption manifests itself through many forms, as shown in Figure 2.1, provided by the United Nations Office of Drug Control and Crime Prevention (cited in Hutchinson, 2005:4).



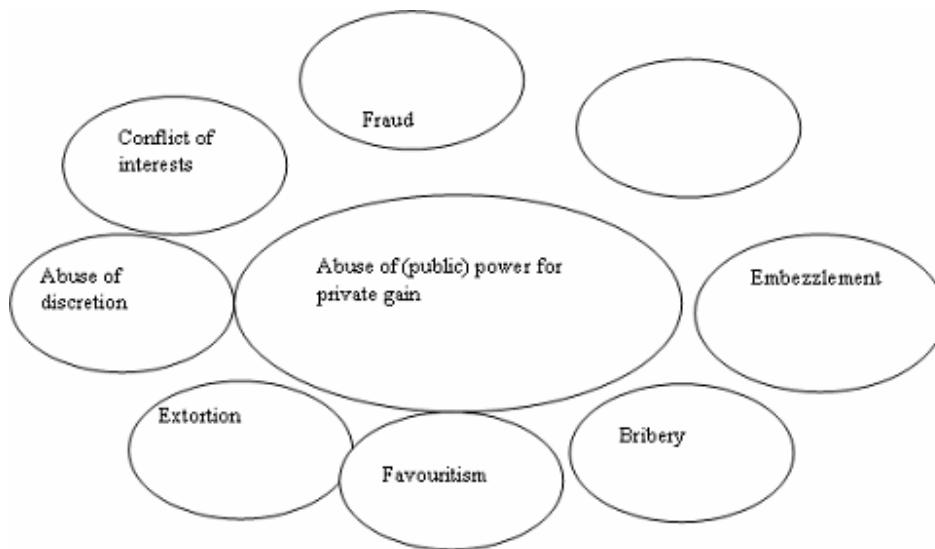


Figure 2.1: Forms of corruption  
 Source: UNODCCP (cited in Hutchinson, 2005:4)

There is general worldwide consensus on the major illicit behaviours that constitute corruption. The examples, drawn from around the world, illustrate that corruption is a universally occurring phenomenon in all aspects of life. The examples given above are by no means exhaustive as corrupt behaviours are dynamic and take different forms in response to and for dodging anti-corruption strategies. These manifestations, although different in form, are not mutually exclusive and quite often coexist.

Any act of corruption manifests itself in one of the above-mentioned behaviours and comprises one or more of the following elements: at least two parties (corrupted and corrupter), misuse of authority, offer and/or acceptance of inducements, an attempt to solicit an offer of inducement or reward as benefit for the performance of an official act, act through which public or entity property is dishonestly misappropriated; camouflage and attempted breach of trust (see Asian Organization of Supreme Audit Institutions, 2003).

According to the classical legal definition, corruption involves two parties—corrupted and corrupter (see for example Galtung, 1998:109). However, Klitgaard (cited in Robinson, 1998:10 and Andvig & Fjeldstad, & Amundsen, Sissener & Søreide, 2001),

contributed the most interesting analysis of corruption by departing from the notion of two parties (corrupted and corrupter), and pointing out that there are always three actors involved in any corrupt transaction, a principal (P), an agent (A) and a client (C). He elaborates the relationship as follows. The relationship model of the actors is illustrated by Lambsdorff (cited in Robinson, 1998:10) as shown in Figure 2.2. The principal (P) creates rules directed at assigning tasks to the agent (A). These are intended to regulate exchange with the client (C). Such exchange relates to the payment of taxes and customs tariffs; the provision of services and licenses; or the awarding of contracts. However, a conflict of interests arises between principal and agent when each of the two actors is maximising utility.

A client adds another dimension to the principal-agent approach, because he provides another opportunity for the agent to cheat. Corruption is deemed to take place when an agent trespasses on the rules set up by the principal by colluding with the client and promoting his own benefit. He obtains a bribe that is hidden to the principal. The aim of a bribe is to loosen loyalty between agent and principal and induces the agent to bend the rules in favour of the client.

Another variant of the principal-agent model emerges when a supervisor/auditor (S) is introduced who is supposed to monitor the agent and report truthfully to the principal, so as to alleviate the informational asymmetries faced by the principal. But if a supervisor can collude with the agent, he can be induced to falsify his reports.

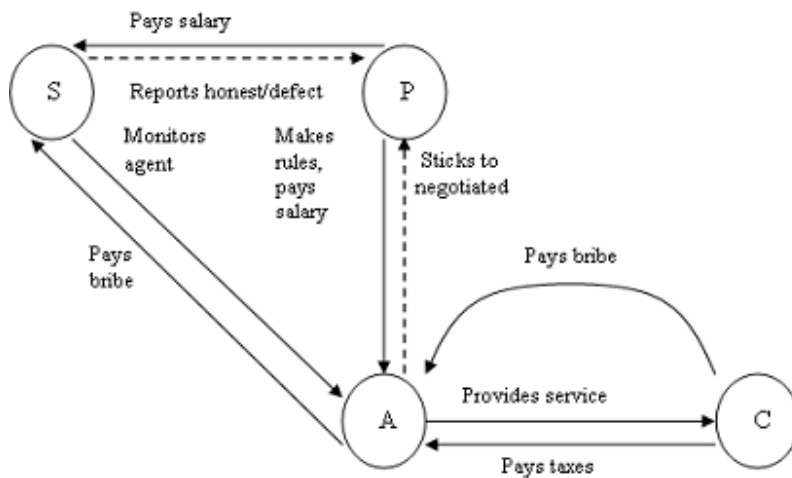


Figure 2.2: Principal-agent-client-supervisor model  
 Source: Adapted from Lambsdorff(2001)

Supervisors are often engaged to monitor and assess whether agents provide the contracted quality. If they take bribes instead of reporting malfeasance, agents can get away with poor quality work.

## 2.2 Corruption: Genesis and development of the concept

In daily parlance, corruption is such a common word that few are worried about its concrete meaning and subtleties. But for policy makers and implementers it is of such concern that ongoing research is necessary for its clear and tangible understanding in order to concretely address the problem. Some try to classify all misconduct as corrupt behaviour, but if this were the case, corruption would be indistinguishable and include everything that is not ethical. A vague notion of the concept will not enable the anti-corruption crusade to have a sharp cutting edge. Before planning to wage an effective crusade against it, clarity of the target (corruption) and operational definition is a sine qua non for a deadly aim.

However, despite its longevity, ubiquity, and wickedness, there is no unanimity on the definition of corruption as yet. The concept needs to be brought into focus and within shooting range to be sure not to miss the target. Hazy impressions of corruption have diluted the efforts and blunted the edge of the movement for cleaner administration.

Using the word in different senses has created a loophole for double standards of behaviour, where corrupt individuals have a way out and try to find excuses for their illicit activities. To determine the causes and consequences of corruption, and to assess and formulate more effective anti-corruption strategies, a conception of the nature of corruption is fundamental to circumscribing our analysis. I therefore begin by discussing approaches and definitions put forward by various schools of thought and authors over the years in different contexts.

Rider (1997:1) states that corruption can be many things to many people, and is chameleon in its forms. It does not mean the same everywhere and at all times. There are major differences in what counts as corrupt conduct across different societies and over time in the same society. In a classic conception, political corruption indicated the degeneration of the political system in general: for Machiavelli, it was the destruction of citizens' virtues; for Montesquieu, the perversion of a good political order into an evil one; for Rousseau, the inevitable consequence of the struggle for power (Della Porta & Vannucci, 1999:16).

Etymologically the word corruption comes from the Latin verb *corruptus*—to break (United Nations on Drugs and Crime, 2005), which literally means to destroy (Namibia Institute for Democracy, 2004). This implies that a law or legal rule is broken, a duty is broken, and/or a moral norm is broken. Conceptually, corruption is a form of behaviour, which departs from ethics, morality, tradition, law and civic virtue (United Nations on Drugs and Crime, 2005). The current formal definitions of corruption more or less rest on these concepts.

Corruption refers, for example, to the abuse of public resources for private gain, through a hidden transaction that involves the violation of some standards of behaviour (Della Porta & Vannucci, 1999:16); illicit gain of money or employment (Wraith & Simpkins, 1963:26); an extra-legal institution used by individuals or groups to gain influence over the actions of bureaucracy (Leff, cited in Ekpo, 1979:1-2).

Dictionaries define corruption as an act of dishonesty and illegal behaviour by people in positions of authority or power for attainment of personal gain or as an act of bribing an official or a political figure. For example, Webster's Unabridged Dictionary of the English Language (cited in Namibia Institute for Democracy, 2004) defines corruption as “Guilty of dishonest practices, (such) as bribery; without integrity; debased in character; depraved; perverted; crooked; wicked; evil; decayed; putrid; infected; tainted. Applies to one, esp. in public office, who acts on mercenary motives, without regard to honour, right or justice”.

The UNDP (as cited in the Human Rights Trust of Southern Africa, 2001:13), defines corruption as: “the misuse of public power, office or authority for private benefit through bribery, extortion, influence peddling, nepotism, fraud, speed money or embezzlement” (see also Garofalo, Geuras, Lynch, T. D. & Lynch, C.E., 2001; United Nations Office on Drugs and Crime, 2004). The Anti-Corruption Act of the Republic of Korea defines the term ‘act of corruption’ more widely as “the act of any public official’s abusing his position or authority or violating laws and regulations in connection with his duties to seek gains for himself or any third party” (Asian Organization of Supreme Audit Institutions (ASOSAI), 2003). According to Sayed and Bruce (1998), this may mean misconduct for personal, group or organisational gain.

Authors have been approaching the issue from various viewpoints for a viable definition of corruption because the participants, settings, stakes and techniques of corruption are varied (Ward, cited in Sangita [n.d.]). This divergence and the variety of approaches, have produced different definitions, which are discussed in the following section and subsections.

There is contention about whether corruption is perceived similarly in different societies and at different times in the same society and in this regard there are various schools of thought on how corruption should be conceptualised. Osborne (cited in Wei [n.d.:14]) points out the possibility of differences in attitude towards corruption and bribery in different countries and times. An identical act, depending on the state of legislation, can be either corrupt or non-corrupt. This reflects the relativist view which contends that what

is corrupt in one society may not be so in another. The definition of corruption depends on the country and culture in question. Amundsen (1999) argues that, according to this viewpoint and depending on the local culture, some forms of corruption are not considered corrupt. Gupta (cited in Sissener, 2001) also concludes that social boundaries marking acceptable behaviour are not the same in all contexts, but are culturally specific and socially produced. In cultural relativism, however, the intention is not to excuse illegal actions by providing an explanation of 'culture'; instead it is to show that the borderline for acceptable behaviour is not universal (see Sissener, 2001).

Contrary to the relativist view, the Universalist school of thought seeks to define corruption by identifying common properties that make particular actions corrupt in all societies. Thakur (cited in M. H. Khan, 1998) states that corruption has existed in one form or another since time immemorial and is a universal phenomenon. Rose-Ackerman (1999:2) similarly indicates that, despite the subtle differences in culture and basic values, there is one human motivator (self-interest) that is both universal and central to explaining the divergent experiences of different countries in the world. Most contemporary scholars of corruption agree, however, that a working definition of corruption which has cross-country application is possible.

Corruption is inherently evil and will not go uncondemned regardless of where it is committed and what type it is. There is no culture in which corruption is seen as socially acceptable behaviour, with the result that there is no society which condones corruption (Eigen, 1998:86-87). In the long run, when people are aware of their rights and expectations from authorities, which acts are to be called corrupt tend to be similar in all societies. This argument is of more than theoretical interest. Its practical importance is emphasised by the fact that the OECD convention on combating bribery of foreign public officials in international business has been adopted by many countries (Kurer, 2005:226). This trend may lead to the universalisation of the concept and solve the problem of defining corruption. The broad parameters of what constitutes corruption seem to be universally obvious, and this generic understanding is the basis for all regional and international agreements, as mentioned above (Hassan, 2004).

### **2.2.1 Approaches to the definition**

As mentioned in the previous paragraphs, despite many attempts over the years, no unanimity has been reached on the definition of corruption. The concept was approached from different perspectives in different historical milieus starting to take shape in the 1970s. Kurer (2005:222-223) argues that the effort has made little progress since Heidenheimer's groundbreaking distinction between definitions centred on different approaches. Social science definitions of corruption centre around public-office centred, market-centred or public-interest centred approaches (Heidenheimer *et al.*, cited in UNPAN, 2002:3). M. H. Khan (1998) adds two more approaches to the list: public-opinion-centred and legalistic.

#### **a) Public-office-centred**

As indicated above, corruption may be viewed from many perspectives in which no two writers have the same line-up of definitional criteria, although there may be strong resemblances. According to Ekpo (1979:1), Heidenheimer, has listed ten different definitions of corruption which he has grouped in various categories as public-office-centred; market-centred; and public-interest definitions.

An example of the public-office-centred approach, according to Nye (cited in Johnston, 1998:18), is: "...behavior which deviates from the formal duties of a public role because of private-regarding (close family, personal, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence."

Accordingly, in their classical definition, Nye, and Khan (cited in Andvig *et al.*, 2001) share common views and state that corruption is behaviour that deviates from the rules and formal duties of a public role (elective or appointive) because of private regarding (personal, close family, private clique) wealth or status gains (also see Heidenheimer, cited in Sangita [n.d.]).

In support of the above views, Kurer (2005:225) indicates that the most common 'objective' types of definitions today are public office definitions: "corrupt actions

violate rules of public office and are motivated by private gain” (see also Klitgaard, cited in UNPAN, 2002:4). The most prominent public-office-centred definitions of corruption share a common emphasis on the abuse of public power or position for personal advantage. The advantage of this type of definition is that it scores high on the operationability scale, that is, what constitutes breaking formal rules and regulations is relatively easily established (Kurer, 2005:225).

In general, though international debates on how to approach corruption are ongoing, protagonists of this approach succinctly define corruption as the abuse of public office for private gain (benefit) (see Robinson, 1998:3; Sissener, 2001; Theobald, cited in M. H. Khan, 1998; World Bank [n.d.]; and Transparency International [n.d.]). However, it has become clear that the public-office definition also has serious limitations.

“The ‘legality’ attribute of [the] public office definition points to its most serious flaw: acts [that are] not illegal are not corrupt. This is true, for example, of influence peddling by political parties if not explicitly outlawed” (Kurer, 2005:225-226). This implies that rules and laws do not cover all corrupt behaviour. Hence, Sissener (2001), and Sayed and Bruce (1998) argue that the public-office-centred definition is too narrow and excessively concerned with the illegality of practices and violation of law. All corrupt behaviours are not addressed by law, as new forms of corrupt behaviour evolve faster than the development of relevant laws. Though from the standpoint of violating formal rules, the public office approach of defining corruption is operational, it fails to cover cases where legislation itself is corrupt (Kurer, 2005:222-223). Hence, the public office definition is unable to deal with what may usefully be called ‘legislative corruption.’

From the legality rule, it follows that an identical act, depending on the state of legislation, can therefore be either corrupt or non-corrupt. However, if people in different countries do not have common understanding of what corruption is, they cannot coordinate their efforts to fight corruption. They need a common language to speak about corruption. Cross-country conventions on corruption provide evidence of the need. For example, the adoption of the OECD convention on combating bribery of foreign public officials in international business took the non-corrupt act of bribing officials abroad into



the realm of corruption in many countries (Kurer, 2005:225). Unless there is a common understanding world wide about what corruption is, the signing and implementation of such a convention is problematic. This OECD convention has called for a universal understanding of corruption.

There are instances of violating the law for personal gain (which are corrupt according the public-office-approach) but are not considered so according the public opinion. One of the basic criticisms runs as follows: “One does not condemn a Jew for bribing his way out of a concentration camp” (Rose-Ackerman, cited in Kurer, 2005). Similarly, how do we see political prisoners’ resort to bribery as a means to achieve freedom for the people?

News was the intellectual raw material of the struggle. We were not allowed any news at all, and we craved for it...One of the most reliable ways to acquire papers was through bribery and this was the only area where I tolerated what were often unethical means of obtaining information. The warders always seemed to be short of money, and their poverty was our opportunity. (Mandela, 1994: 400)

Sayed and Bruce (1998) state that, contrary to public opinion, a formal definition of corruption would surely not characterise the enforcement of apartheid (South Africa) laws as corrupt. However, these examples, according to the public office definition, are acts of corruption as they violate the rule. But the public opinion holds a contrary stand as most are against oppression by unpopular and racist laws.

As discussed above, the traditional public office definition has been interpreted in a legal sense to mean committing an illegal act. However, contrary to the traditional public office definition which says illegal acts only are corrupt, there are legal acts that can be considered corrupt—legal corruption. For instance, Kaufmann (2004:90) argues that corruption is the “privatization of public policy.” He further elaborates that soft forms of political funding that are legally allowed in some countries, may exert substantial influence in shaping institutions and policies benefiting the contributing private interests, and at the expense of the broader public welfare.

**b) . Public-interest-centred.**

On the other hand, Kurer (2005:226) notes that one way of escaping the problem of the narrow public office definitions is to extend the scope of corruption by defining it with regard to public interest. Public-interest-centred definitions stress the violation of common interest that provides direct or indirect benefits to the public officials (Sangita [n.d.]). Similarly, Terták (cited in the Transparency International Hungarian Chapter, 2004) indicates that all acts are to be regarded corrupt which involve a person in a position to make decisions using their power in that field not in the interest of the organisation they represent but to promote their private concerns (their own or those of others) (see also United Nations Manual on Anti-Corruption Policy, cited in Namibia Institute for Democracy, 2004). Likewise, Heidenheimer (cited in Sangita [n.d.]), defines corruption as bribery or other rewards leading a functionary to favour those who offer bribes and damage the public interest in the process (see also Garofalo *et al.*, 2001; Kurer, 2005:226). Proponents of this approach believe that corruption is in some way injurious to or destructive of public interest (Rogow & Laswell, cited in M. H. Khan, 1998).

Approached from the public interest point of view, Friedrich (cited in G.E. Caiden & N.J. Caiden, 1990:62) regards corruption as arising “whenever a power holder ... i.e. a responsible functionary or office holder, is by monetary or other rewards not legally provided for, induced to take an action which favours whoever provides the rewards, and thereby does damage to the public and its interests”. Hence, the public-interest-centered definition addresses both the nature of the phenomenon and its consequences (Friedrich, cited in Johnston, 1998:19).

However, this approach is also not without limitations. Scott (cited in Kurer, 2005:226) has pointed out that, since public interest definitions presuppose an agreement on what constitutes ‘damage to the public and its interests’ they fail the operationability test. Because there is no general consensus of what public interest is, definitions based on this would find little acceptance.

### **c) Market-centred.**

Elaborators of this approach suggest that norms governing public office have shifted from a mandatory pricing model to a free-market model, thereby considerably changing the nature of corruption (Tilman, cited in M.H. Khan, 1998). Heidenheimer (cited in Sangita [n.d.]) also states that it is an attempt by individuals or groups to influence the bureaucracy. The centralised allocative mechanism which is the ideal of modern bureaucracy may break down in the face of serious disequilibrium between supply and demand. Clients may decide that it is worthwhile to risk the known sanctions and pay the higher costs in order to be assured of receiving the desired benefits (Tilman, cited in Ekpo, 1979:2). In line with this, Sangita [n.d.] refers to market-centred corruption as a situation in which officials look upon their position as authority to maximise personal gain by dispensing public benefits.

Heidenheimer (cited in Johnston, 1998:18) offers a classic definition of a market-centred approach:

[a] corrupt civil servant regards his public office as business, the income of which he will... seek to maximize. The office then becomes a 'maximizing unit.' The size of his income depends... upon the market situation and his talents for finding the point of maximal gain on the public's demand curve.

This approach also is not without its shortcomings as the definition overlooks the non-monetary benefits of corruption (prestige, promises of political support) and the fact that demand for official services is often inelastic, highly individualised (as in cases of cronyism) and usually far exceeds supply (Johnston, 1994).

### **d) Public-opinion-centred**

Those who believe in this approach emphasise the perspective of public opinion about the conduct of politicians, government, and probity of public servants (Leys, cited in M.H. Khan, 1998). Most contributors to this approach have sensibly judged the definitions on the basis of public disapproval as the set of attributes defining corruption. Thus, conformity to public opinion constitutes a criterion that determines the quality of the

definition of corruption. The public opinion approach to the definition of corruption has dual role—as a source (for the public opinion definition) and as a criterion (for evaluating other definitions) Kurer (2005:223-224). Likewise, Johnston (1998b:89) notes that, if a significant proportion of the population regard a person, process or regime as corrupt, or if they believe corruption is inevitable in their daily lives, that is an important social and political fact, whatever an analyst might say about the situation.

Kurer (2005:222-223) indicates that the public opinion definition, which is based on what public opinion believes is corrupt, is thought to fail the operationability test because of the difficulty of pinning down ‘public opinion’. That is how Scott (cited in Kurer, 2005:224) argues in stating that there is unlikely to be agreement among the public at large as to what constitutes corruption.

Due to inadequate political consciousness, low awareness of their rights as human beings and citizens, lack of understanding of the full obligations of authorities towards society and not knowing the services they are entitled to, public opinion is not an absolute criterion of the definition of corruption. Opacity of government operations and disinterest of the authorities to empower citizens are also major hindrances to creating awareness, which result in inadequate conception of what constitutes corruption in public opinion. In addition, as public opinion is dynamic and varies with time and place, it cannot be taken as a universal basis for the definition of corruption. As the definitions of all crimes (even murder, rape and theft) differ to some extent from time to time and place to place, there are major differences in what counts as corrupt conduct across different societies and, over time, in the same society (Anechiarico & Jacobs, 1996:4).

However, public opinion surveys are the most feasible for the operationalisation and measurement of corruption. We can easily conduct surveys among the public to determine the pervasiveness of corruption, i.e. according to the respondents’ opinion.

#### **e) Legalistic**

Others have suggested looking at corruption purely in terms of legal criteria in view of the problems inherent in determining rules and norms which govern public interest,

behaviour and authority (Scott, cited in M.H. Khan, 1998). However, the criticism levelled against this approach is similar to that levelled against the public office approach.

M. H. Khan (1998) argues that the five approaches, as discussed above, have concentrated on the nature of corruption and do not satisfactorily clarify the meaning of corruption. He mentions that there now are four divergent views on the definition of corruption. The definitions have come from moralists, functionalists, social censurists and social constructionist realists.

- a) Moralists view corruption as an immoral and unethical phenomenon that contains a set of moral aberrations from moral standards of society, causing loss of respect for and confidence in duly constituted authority (Gould, cited in M.M. Khan, [n.d.]). But this way of defining corruption suffers from a number of limitations. It tends to individualise a societal phenomenon and attempts to dichotomise as to what is good and what is bad. In the process, societal contexts are ignored and the gap between formal norms and the underlying practice-girded norms are not analysed (Caiden & Caiden, cited in M.H. Khan, 1998).
- b) Functionalists usually look at corruption in terms of the actual function that it plays in socio-economic development. Claims are made by functionalists that corruption flourishes as a substitute for the market system; offers an acceptable alternative to violence; increases public participation in public policy (Leff & Gould, cited in M. H. Khan, 1998). Some functionalists believe that political and bureaucratic leaders may see a national interest in actively pursuing or tolerating a certain degree of administrative corruption (Klitgaard, 1997; M.M. Khan [n.d.]). The major criticisms against functionalists are that they ignore the political significance of deviance and lack any consideration of power, interest and social structure in their analyses and leave the whole question of the origins of corruption unconsidered (Lo, cited in M.M. Khan, [n.d.]).
- c) Social censure is a comparatively recent perspective. Proponents view corruption radically differently from the moralist and functionalist approaches. They tend to look at corruption from a broad societal perspective. The proponents of this view

believe that, for understanding corruption one should take into consideration the capacity of the state to produce particular forms of social relations and shift the theoretical emphasis to the interplay of law, ideologies and political economy (Lo, cited in M.M. Khan [n.d.]).

- d) Social construction reality is another relatively recent development and, like social censure proponents, views corruption from a wider societal perspective. They view it as problematic and suggest the actors involved can be studied by relating them to contextual information on their social positions, interests and stakes in the system, as well as on the political, economic and social conditions within which they function (Pavorala, cited in M.H. Khan, 1998).

Concerning other perspectives, Pope (2000:3) differentiates between ‘according to rule’ corruption and ‘against the rule’ corruption. Facilitation payments, where a bribe is paid to receive preferential treatment for something that the receiver of the bribe is required to do by law, constitute the former. The latter, on the other hand, is a bribe paid to obtain services the bribe receiver is prohibited from providing. This indicates that bribes are not only paid to induce officials to break the rule.

### **2.2.2 Typology of corruption**

We have seen that there are many forms and manifestations of corruption. These can further be categorised in terms of their origin, motive, magnitude, pervasiveness, usage of resources, and direction.

Depending on the origin, Caiden (cited in M.H. Khan, 1998) has identified four categories.

- a) Foreign-sponsored: the main actors are public officials, politicians, representatives of donor and recipient countries. Transparency International (2005) indicates that the government of a developed country may influence a developing country through offers of arms or aid to make sure that a company from the developed country is awarded a project, even if it is not the cheapest or best option.

- b) Institutionalised: corruption becomes institutionalised as a result of the support provided by bureaucratic elites, politicians, businessmen and white-collar workers.
- c) Outcome of political scandal: bureaucratic elites, politicians, businessmen and middlemen are responsible for political scandal.
- d) Administrative malfeasance: where petty officials and interested individuals play major role.

Depending on motive, corruption can be categorised into three types (Arora, cited in M. H. Khan, 1998).

- a) Collusive: corrupters can be willing and be active participants in the process and use corruption as an instrument for inducing wrong action or inaction on the part of authorities, deriving benefit greater than the costs of corruption on their part.
- b) Coercive: Corruption can be forced upon the corrupter by those in the position of power and authority.
- c) Non-conjunctive: benefits are obtained at someone else's cost and victims are unaware of their victimisation.

Corruption can also be categorised based on its magnitude. The Human Rights Trust of Southern Africa (2001:15) emphasises distinguishing the different levels of corruption depending on type and magnitude—petty and grand. Shah and Schacter (2004:41) also add a third type—state capture. The three types of corruption commonly identified are:

- a) Petty corruption (administrative/bureaucratic corruption): related to tips, commissions or kickbacks that are usually demanded by junior officers in the public sector from the public in exchange for official services to be rendered. Bureaucratic corruption takes place in the public administration, at the implementation end of politics, where the public meets with public officials (see Della Porta & Vannucci, 1999:136).

- b) Grand corruption (political corruption): it is the behaviour of elected officials, including politicians, taking bribes to award contracts; paying bribes to influence elections; and using their position to provide patronage (see for example, Osborne, 1997:10). Castells (2000:146) describes the personal business interests of political personnel as a “constant of politics in recorded history”. It often involves prominent persons in both the private and public sectors who exercise discretionary powers with regard to large public contracts. Large sums of money and other remuneration are involved in return for decisions made in one’s favour. In 1784, Thomas Jefferson (the third US president) noted that “The public money and public liberty... will soon be discovered to be sources of wealth and dominion to those who hold them” (Bansal, 2004:1).
- c) State capture/influence peddling: it is the collusion between private agents and public officials, a situation where the private sector captures the state apparatus—the legislature, executive, and judiciary (Shah & Schacter, 2004). Thomas Jefferson also “cautioned of the misuse of ‘state power’ and of its capacity to spread corruption—State Capture. Today, however, the power or assumption in power has reached its zenith and that it has captured the ordinary and the intelligent—Mind Capture. ‘Power’ is the suspect” (Bansal, 2004:1).

Corruption can also be categorised on the basis of its pervasiveness. Robinson (1998:3), for example, categorises it into three main forms:

- a) Incidental (individual): instances of malfeasance on the part of individual politicians or public officials, which are episodic rather than systemic. According to Riley (1998: 140), it occurs on a small scale; involves individual and very junior public officials such as policemen, customs and tax officials; brings little macro-economic cost, but profound public alienation; and is often hard to curb.
- b) Institutional (for example, the police service): corruption pervades particular institutions or sectors of activity. Riley (1998:140) categorises this as ‘systematic’ and argues that it has large developmental impact; can affect most or all of a government department, or a parastatal such as procurement agency or marketing board; can have



substantial impact upon government revenues and trade diversion; and needs a sustained reform effort rather than ‘individualised’ response.

c) Systemic (societal): corruption pervades the entire society and in the process becomes routinised and accepted as a means of conducting everyday transactions. This is entrenched corruption which affects institutions and influences individual behaviour at all levels of a political and socio-economic system, and tends to be monopolistic, organised and difficult to avoid. Riley (1998: 140) sees this kind of regime as a wholly corrupt system—‘Kleptocracy’ or government by theft; it has huge developmental impact (Jean-Bedel Bokassa’s Central African Republic, Macias Nguema’s Equatorial Guinea, Moi’s Kenya, Mobutu’s Zaire are examples); in such circumstances, honesty is ‘irrational,’ reform may be achieved by fundamental change (see also Johnston, 1998b:89).

Observations and input from political theory have led to another analytically important classification of corruption. Depending on the usage of the collected resources through corruption, distinction between private and collective (‘individual’ vs ‘aggregated’) forms of corruption can be identified. If corruption holds some private benefit for the corrupt actor, his family or his close friends it is categorised as private corruption. On the other hand, if corruption develops into larger networks, political parties, entire administrative bureaux and national governments, it is a collective form of corruption (Amundsen, 1999).

Finally, corruption can be either redistributive or extractive (‘from below’ vs ‘from above’). It is generally observed that the relationship of mutual exchange (between agent and citizen) in corruption is rarely balanced. In aggregate terms, corrupt practices will generate a flow of resources either from the society to the state (extractive corruption, or corruption from above), or from the state to the society (redistributive corruption, or corruption from below). According to the theory of redistributive corruption, the state is the weaker part in the state-society relationship. In this situation, among others, politically strong and organised groups will be able to challenge state authority ‘from below’ through corruption, for example, to buy under-priced national resources, and to

get tax exemptions. On the other hand, the theory of extractive corruption states that the state is the stronger part in the state-society relationship and it or its agents (officials) benefit the most from corruption, while the corrupter is a more or less passive player (Amundsen, 1999).

### **2.3 The dynamics of corruption**

The dynamics of corruption can be seen in terms of its changing meanings, forms of manifestation and proliferation as discussed below.

Given the dynamic nature of corruption, it is impractical to give finite categories of behaviours constituting corruption. The concept of corruption has expanded through the twentieth century to embrace more types of conduct. “Over the course of some fifty years, there has been a big change. Much conduct that was legal a generation ago is now corrupt; yesterday’s ‘honest graft’ is today’s illegal conflict of interest” (Anechiarico & Jacobs, 1996:6). The meaning of corruption also has not remained the same over the years and will not remain the same in the future. New aspects of corruption are always appearing with social and technological complexities, and existing aspects are revised for contextual meaning. A definition that seems appropriate in a given period of time and at a given place can obviously be inappropriate at another time and place, with respect to the broader economic and social contexts (Transparency International Hungarian Chapter, 2004).

The dynamics of corruption are present in the sense that it is a self-propagating force. Kasper (2006) has said, “Once entrenched, it has pervasive effects and perpetuates itself”. This self-propagating force of corruption is partially shown in Figure 2.3.

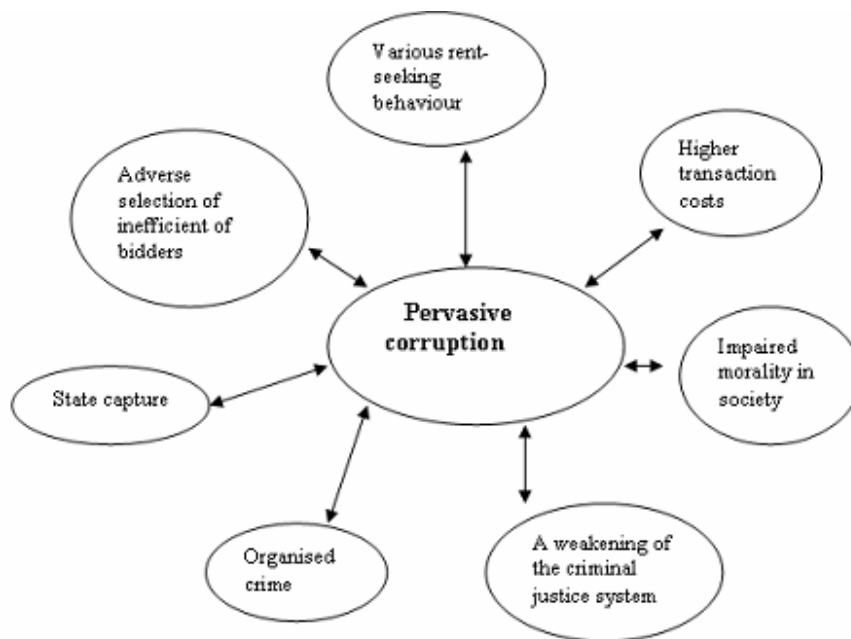


Figure 2.3: Adverse dynamic effects initiated by corruption. These effects recoil on the extent of corruption, representing interaction and thus vicious circles.

Source: Adapted from Søreide (2002:9)

Amplification of other problems is another serious effect of corruption. Andvig and Moene (cited in Søreide, 2002) have pointed to the negative dynamics of corruption. With increasing corruption levels, the risk of being caught comes with a higher frequency of corrupt acts, leading the economy into a vicious circle resulting in kleptocratic circumstances. The situation in which corruption breeds more corruption is known as a corruption-trap (Søreide, 2002). In line with complexity thinking, Søreide (2002:10), on the other hand, concludes that:

[t]his theory on the dynamics of corruption also includes positive circles, in which a small reduction of the general corruption level may result in a significant improvement of the situation. A strategic choice of anti-corruption measures may in some cases commence this kind of positive dynamics, facilitating the fight against corruption.

Bardham (cited in Cuadrado & Arce, 2005:21) similarly states that corruption is an evolutionary phenomenon whose structure evolves with time and place. New forms of corruption and anti-corruption mechanisms do emerge in response to exogenous disturbances from the environment. This may have observable logical links between the

past (e.g. the apartheid system) and the present, or they may exhibit a wide range of different forms. They may also emerge due to the creative response to endogenous perturbations of the corruption anti-corruption dynamics (Cf. Cuadrado & Arce, 2005:21). Due to the fact that a small change, according to complexity thinking, can have a large effect, both the effects and the changes of corruption are unknowable (Bansal, 2004:77).

All of the above arguments naturally lead us to the development of a holistic view of corruption. Corruption is anything unethical which harms society one way or another—economically, politically, socially, and culturally. So it cannot be evaluated in terms of one dimension (the economic, or the political, or the social) only. It requires a synthesis of all those dimensions. According to Abed and Gupta (2002), research on corruption until the 1980s was confined to the fields of sociology, political science, history, public administration and criminal law, but the 1990s saw an explosion of the economic analysis of corruption due to the transformation of socialist economies, increased awareness of the cost of corruption, and the availability of indicators of corruption for empirical analysis.

Corruption also is not limited to officials, as every employee/employer – whether in the public sector, private sector, civil society or non-governmental organisations (NGOs) has potential to be corrupt. Camerer (2001:34) indicates that, while corruption is mostly associated with government structures, it may occur throughout society. Areas of corruption also function in conjunction with each other; political and administrative corruption, for example, function together most of the time. According to Della Porta and Vannucci (1999:136), bureaucrats require the protection, or at least the abstention from supervision, of their political superiors. In return, they can offer the services of their office to particular private actors or divide the proceeds of illegal activities with their political protector.

Contrary to the general belief that corruption is perceived differently in different cultures, economic environments and socio-political systems, there generally are common features characterising it. Gould and Amaro-Reyes (1983:14) therefore observe that, although there is no commonly accepted definition of corruption, most definitions—despite their

basic differences—share certain elements. According to them, most would agree that corruption involves:

violation of the duties of public office and the public interest; the privatization of public resources for personal advancement and self-gratification through acts of bribery, embezzlement, extortion, speculation, nepotism, and the like; and a choice or decision on the part of a public official and/or civil servant to take advantage of opportunities that arise while the individual functions in an official capacity.

Many of the definitions of corruption put forward by different authors do not contradict, but rather complement each other. A loophole in one definition is filled from the other. Yes, corruption is misuse of public office, it damages public interest as well as the private sector, when people perceive an act as immoral, it is immoral. There is no wrong in the definitions of corruption. There is only deficiency.

A simple definition of corruption for policy makers is “the abuse of public power for private gain”, as put forward by the World Bank (cited in UNPAN, 2002:3). Transparency International [n.d.] has a wider conception, though, including any abuse of power (public and private) and operationally defining corruption as “the misuse of entrusted power for private gain” (see also Eigen, 1998:83).

## **2.4 Causes and factors that promote corruption**

Unless the drivers of corruption are clearly identified, it is difficult to prioritise effective anti-corruption strategies, which should address these causes in order to prevent corruption from occurring in future (Camerer, 2001:42). There is widespread consensus in the literature about the causes of corruption. However, because of its complex nature and multifaceted phenomena, the list of causes is never exhaustive. Nevertheless, they can be categorised broadly into several groups. Hence, the explanation of why people become involved in corrupt relationships can be approached from economic, political, anthropological, and social structures (Ekpo, 1979:4) which interact in complex ways (Gaviria, cited in Cuadrado & Arce, 2005:13). Gould and Amaro-Reyes (1983:15) see the functional role of government, the nature of the political system and its leadership,

socioeconomic factors, society's cultural norms, and organisational factors as the causes of corruption. Similarly, Caiden, Dwivedi & Jabbra (2001:4) attribute the reasons why corruption is so rampant to scarcity, morality and governance. The factors contributing to corruption can be categorised according to a 'six-fold typology' containing ideological, external, economic, political, socio-cultural and technological variables (Caiden, cited in M.H. Khan, 1998).

### **2.4.1 The locus of corruption**

Before attempting to discuss the causes of corruption, it is necessary to see where corruption resides and to locate its niche. As a particular state-society relationship, the genesis of corruption, as indicated by Andvig *et al.* (2001) and Olowu (1999:605), is found in the two areas of interaction between the state and the society (both at national and at international level). Goudie and Strange (cited in M. H. Khan, 1998) explain it by looking at three levels: International, national, and institutional.

a) International. This is emphasised with the advent of globalisation of markets, finances and numerous other transactions where they have expanded the opportunity of collusive and concealed transactions to gain an advantage over competitors and siphon the economies of less developed countries. Multinational companies pay bribes to buy concessions, preferences and monopolies. Kickbacks are offered on tenders, loans and contracts; and development projects are sometimes eased through by including various fringe benefits for local officials (see also Olowu, 1999: 605).

b) National. According to Olowu (1999: 605) rent-seeking opportunities triggered by bad economic policies, poor public service leadership and pay, weak detection and penal mechanisms, absence of transparency, and societal tolerance are common. Moreover, due to political power struggles and competition over access to scarce resources, corruption also takes place between the different branches of government—between the government and the civil service, between the government and the judiciary, between the government and the legislative—and between government and the civil society.

c) Institutional levels. Some institutions within a state are more corruption-prone than others. To name some, three areas of government activity—customs administration, business regulation and management of foreign aid—act as sources of corruption at the level of individual institutions (Khan, M. H., 1998). Transparency International (2005), on its part, indicates that surveys repeatedly reveal corruption to be greater in construction than in any other sector of the economy.

## **2.4.2 Approaches to the causes of corruption**

### **2.4.2.1 Political perspective**

The economic and political aspects stand out as the most comprehensive causes of corruption. These economic and political approaches to corruption are essential because they avoid the particularity of cultural explanations which give excuses to some corrupt activities on the basis of culture (Amundsen, 1999). The political approach emphasises that corruption is a function of various political issues, like monopoly of power, more discretion in decision making, less transparency, weak accountability, deinstitutionalisation, weak control, and bad governance in general. Regarding corruption, these concepts are interlinked and feed on each other. Kamiński and Kamiński (2001) also argue that:

corruption is not the cause of poor governance. The causative link appears to be reverse: these are rather dysfunctional institutions, lack of transparency in political decision-making, and the expectation of high payoffs combined with the absence of behavioural ethics that breed corruption and corrode the political system.

Scott (cited in Ekpo, 1979:4-5) cogently presents the political approach to corruption. He argues that bureaucratic corruption is an informal means to exert influence at the enforcement stage of the political process. Corruption will be prevalent when channels to influence policy outcome at the input stage of the political process for some reason are unavailable. Hassan (2004) points out that the political systems of developing countries are increasingly influenced by corruption. This undermines the capacity of the state to make the right policy choices, and to provide overall good governance.

*a) Monopoly, more discretion, less transparency and weak accountability.*

Monopoly is not present on the economic front only. According to Cartier-Bresson (2000), most economists find the root causes of corruption in the delegation of power. It is the discretionary use of that power and the often monopolistic position that public agents enjoy which make corruption possible. There is monopoly of power and decision making when it is centred in the hands of a few. Politicians and top officials own the whole decision-making process and act according to their whims to further their economic and status interests. Riley (1998: 136) observes that corruption frequently takes place in societies where there is considerable discretion on the part of public officials, limited accountability, and little transparency in governmental operations; in such societies, civil society institutions are often weak or undeveloped. People are recipients of the decisions and even do not know how they are arrived at and their only option is to enter into corrupt relationships with the respective authorities in order to survive in the system (see Cartier-Bresson, 2000).

Transparency and accountability are two key cognate concepts which are often referred to in literature on corruption. They grow or diminish together: more transparency encourages more accountability and vice versa. They are two important variables that corrupt officials have to manipulate, and the technique to be mastered only concerns suppressing one or the other or both to a certain degree. Since the favourable environment to corruption is darkness, corrupt officials try to avoid transparency and, by way of that, accountability in their public affairs. In fact, the very essence of corruption as depicted by Klitgaard (cited in Robinson, 1998:13) is “monopoly plus discretion minus accountability” and Dia goes further to state that:

Corruption = Monopoly + Discretion – Accountability – Transparency (Dia, cited in Osborne, 1997:20; see Hassan, 2004).

Furthermore, the UNDP Source Book on Accountability, Transparency and Integrity (cited in United Nations Development Program, 2004:3) includes integrity as an additional variable in the equation. Hence, it proposes the following formula:



Corruption = (Monopoly + Discretion) – (Accountability + Integrity + Transparency).

Likewise, Verma (1999:275) states that unaccountability to the people and outdated management practices have all combined to make corruption endemic. Accountability is fundamental to liberal democracy (Pollit, 2003:89), while discretion inevitably opens up an avenue for corruption. Eiras (2003) and Hassan (2004) also state that convoluted and poorly defined rules and regulations and weak rule of law foster a culture of corruption and informality both in the private and in the public sectors.

Kolstad and Wiig (2008:529) conclude that transparency makes corrupt acts more risky, and helps keep politicians more accountable to the public depending on the level of education and power of an electorate. They, however, further argue that there are instances of transparency of being counterproductive. For example, if the type of information provided eases identification of the relevant officials to bribe, and on the other hand if government officials obtain large rents due to informational advantages, transparency may facilitate corruption. Hence, though transparency is necessary it is not sufficient to curb corruption.

***b) Deinstitutionalisation, weak control and bad governance***

Corruption does not come only from scarcity, but also when enforcement fails to ensure compliance due to organisational defect and weakness (Caiden *et al.*, 2001:5; Amundsen, 1999). Some governments are too weak, both at the policy and at the implementation levels, to control unethical behaviour in their societies. Such political softness and poor auditing mechanisms lead to corruption (Andvig *et al.*, 2001; Gould & Amar-Reyes, and the United Nations, cited in M.H. Khan, 1998). According to Caiden *et al.* (2001:5) the rules of weak institutions are vacuous, faulty, uncertain, ambivalent, unclear; contradictory, deficient, defective, too loose, too narrow, too restricted, and so forth, which denote defective governance—fertile ground for corruption.

The Asian Organisation of Supreme Audit Institutions (ASOSAI) (2003) similarly states that corruption tends to flourish when institutions are weak and economic policies distort the marketplace. Hence, Kumssa and Mbeche (2004:842-844) argue that one of the first

targets of corrupt leaders is the demolition of institutional arrangements. Corrupt leaders weaken the whole institutional infrastructure, with the result that political power is concentrated in the hands of the political elite and the institutions of the presidency (the Eritrean case is a typical example). Other institutions are nominal and never stand up on behalf of the people. Kumssa and Mbeche give examples from three East African countries to illustrate this situation. In Uganda, Idi Amin destroyed all the political and economic institutions that had taken root and were serving the country very well in the first decade of independence; in Tanzania, president Nyerere's socialist ideology hindered the flourishing of the market economy and accountable and transparent government bureaucracy, as well as a vibrant civil society; in Kenya, President Moi's populist approach to public affairs and arbitrary implementation of policies, combined with the authoritarian nature of the state, led to political and economic crisis. Under these conditions, important institutions in the country, including the civil service and the judiciary, did not have the expected impact on economic development and corruption became rampant as a consequence of their weakness.

Corruption is emphasised in periods of transition, that is, in countries with rapid and double processes of economic and political transformation resulting from the chaos in governance. Such situations open up ways for corruption (see Gould & Amar-Reyes, and United Nations, cited in M.H. Khan, 1998; Amundsen, 1999). When one set of rules has broken down and another has not yet become institutionalised, opportunities for corruption can flourish, while the openness enjoyed as a result of political liberalisation makes corruption more evident (Olowu, 1999:605; Eizenstat, 1998). Similarly, Robinson (1998:8) shows that economic reforms can also have adverse consequences for corruption in the absence of adequate enforcement mechanisms. For example, tax reforms designed to increase government revenue can increase incentives for corrupt practices as a result of poor implementation and weak capacity, rather than from structural causes (Toye & Moore, 1998).

Surveys carried out by the World Bank during administrative reforms in 1998 and 1999 have thrown up interesting patterns in Europe's transition economies. A weak judiciary

and regulatory failures were found to be the main causes of corruption in Albania, Georgia and Latvia respectively (Cartier-Bresson, 2000). In China:

[t]he development and achievement of economic reforms have increased the level of corruption, in terms of both scope and frequency. The causes of corruption are related to many changes in the traditional system and the implementation of reform strategies. The changes in the traditional system have resulted in the weak supervision and control operations during the reform years because of the removal of old government supervision and control units and the lack or ineffectiveness of new system operations. (Liou, 2008: 85)

Hence, corruption levels and forms vary with the type of regime within which it occurs and is highest in the least democratic countries. Figure 2.4 supports the various theories that claim a negative relationship between democratisation and corruption, but it must be noted that, as we move from left to right, not much is gained in reduced levels of corruption until one reaches the most elaborated democratic systems (Amundsen, 1999).

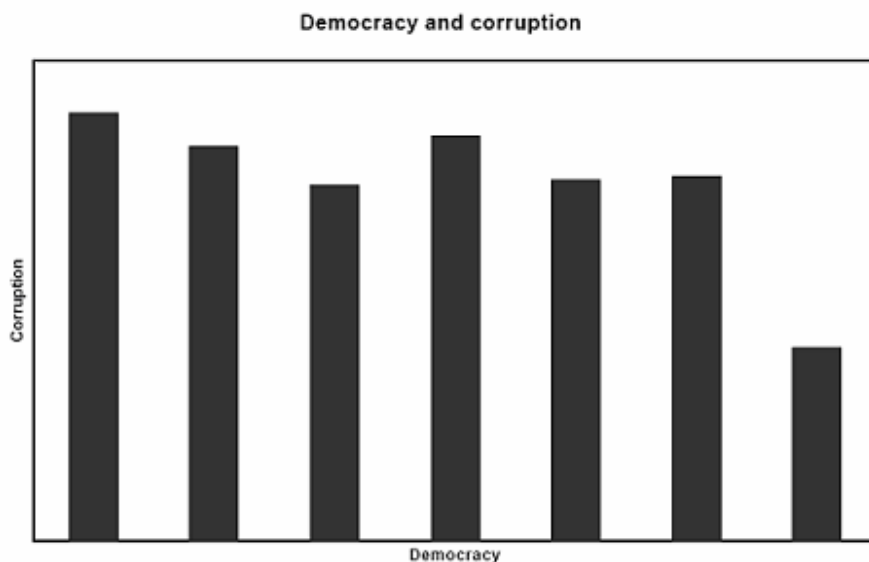


Figure 2.4: Relationship between democracy and corruption  
Source: Amundsen (1999:17)

Despite democracy having been triumphant in many parts of the globe, the problem of corruption has not been resolved. Researchers have been concerned about whether there is a correlation between democracy and corruption. Though there is a trend towards a decrease of corruption with the increase of democracy, the decrease is not steadfast. According to Amundsen (1999:18), “[t]his could be explained by an additional and very plausible hypothesis: in addition to the formal institutionalization of democracy, corruption varies with the strength and legitimacy of the state”. Regardless of their legitimacy, weak states are prone to corruption. India and Nigeria are cited as examples where corruption has increased in spite of the existence of formal democratic institutions (Singh & Riley, cited in Robinson, 1998:8-9).

All the countries in the ‘least free’ categories of the Freedom House Index are weak regimes, mainly neo-patrimonial African regimes that lack all or most of the democratic attributes. Only Singapore can be said to be authoritarian and strong, and Singapore also figures as one of the least corrupt in the TI corruption perception index. (Amundsen, 1999:18)

There is a clear message to the constituents that corruption is not tolerated in Singapore and international investors are assured that their investments are secured (Heilbrunn, 2004:7). In some East Asian countries corruption is likely to have boosted economic growth by lubricating the wheels of rusty political systems, but in Africa corruption has brought development to a standstill (Hyslop, 2005:776). Chabal and Daloz (cited in Hyslop, 2005:777) argue that there is a differential impact of corruption in the South East Asian countries (the case of South Korea) and Africa and their findings can be summarised as shown in Table 2.1.

Table 2.1: Comparison of the patterns of corruption in South East Asian countries (the case of South Korea) and Africa.

	Proceeds go to			Manner of corruption	
<b>South East Asia (the case of South Korea)</b>	smaller networks and are hoarded	productive investment	internal investment	skimming money 'off the top' of a viable project	clandestine
<b>Africa</b>	larger social networks and are dispersed	consumption	out of the country	looting of a project so deep as to prevent it being implemented at all	open

Source: Extracted by author from Chabal and Daloz (cited in Hyslop, 2005:777)

The more powerful the dictator, the better he will be able to determine who will gain how much from the resources of the state (and from corruption itself) (Amundsen, 1999). Nevertheless, corruption had taken its toll even in these countries. Abdul Aziz (2000) indicates that it had contributed to the collapse of the Asian tiger economies and the rapid economic growth in Singapore has come at a high cost to political freedom (Heilbrunn, 2004:7). There is an argument that dictators normally exercise strict control over corruption. According to Pope (2000:1), "Even in the 'Asian Tigers' economies which for a time had seemed to defy the laws of gravity to which others appeared subject to the impact of corruption, opinion-makers have joined the consensus."

In general, the above arguments indicate that there is a direct link between corruption and bad governance. Good governance places constraints on the behaviour of elected and public officials and a system of checks and balances across the political and administrative landscape. If these constraints and checks and balances are weak or absent, corruption will flourish (Hassan, 2004). The Asian Organization of Supreme Audit Institutions (2003) states that corruption tends to flourish when institutions are weak and economic policies distort the marketplace, though it has roots in the particular country's social and cultural history, political and economic development, bureaucratic traditions and policies.

#### 2.4.2.2 Economic perspectives

##### *a) Scarcity (demand-supply dynamics or interaction)*

When resources are scarce (naturally or artificially) people tend to compete for a greater share and look for favourable treatment from those who control the resources. Why corruption occurs can be explained in terms of scarcity and/or relationship between demand and supply (Ekpo, 1979:4). To the economist, for example, corruption essentially is a function of scarcity. Those who adopt the economic approach discuss corruption in terms of its demand-supply relationship. They argue that, because the demand for goods (values, commodities) dispensed by the government is greater than the supply, there is a tendency for the market price for these goods to rise over and above their official price. If this happens, individuals who desire these scarce values will be impelled to buy them at their market price if they cannot obtain all they want at the official rate (see also Rose-Ackerman, 1999:10).

Since resources are scarce, human beings are desperate to acquire them by whatever means, depending on the intensity of their need. Scarce resources, like various permits and licenses, are also frequent sources of payoffs and patronage with bribes (Rose-Ackerman, 1999:11). When their basic economic needs are not met, people will do their utmost and be susceptible to corruption, to ensure better life (Caiden *et al.*, 2001:4). In most developing countries, salaries of public officials are low, both in absolute and in relative terms, which drives them to demand bribes to make up their income. On the other hand, their counterparts in the developed countries in which incentive bribes, payoffs and extortion happen to be rare, are well paid. In a 1995 study of investment and loan risk data for 52 countries, Ades and Di Tella (cited in Cartier-Bresson, 2000) found that an increase of US\$4,400 in per capita income would improve a country's ranking on a corruption index (0 for total corruption, 10 for total integrity) by two points. When resources are plentiful enough, the reason to demand bribes generally declines. However, Cartier-Bresson indicates that this is a relative phenomenon, and developed countries, due to other factors, are far from immune from corruption.

In addition, there is dynamism between politics and economics with respect to corruption where they alternate roles to obtain the other when that is scarce. Corrupt relationships operate like any other market as there is a contract between different interests. Firms, pressure groups and citizens try to maximise their gains by paying bribes, while public officials try to maximise their illicit earnings and politicians their power and wealth. (Cartier-Bresson, 2000). Huntington (cited in Andvig *et al.*, 2001) noted that “where political opportunities are scarce, corruption occurs as people use wealth to buy power, and where economic opportunities are few, corruption occurs when political power is used to pursue wealth”. Corruption therefore is common at those points where the political, bureaucratic and economic interests coincide: legislative corruption when politicians betray the electorate and administrative corruption when public officials take payoffs. Opportunities for malfeasance exist at every level, from grand corruption in the highest public office, to petty corruption at the lowest rung on the ladder (Cartier-Bresson, 2000).

***b) Level of income***

Computations made by Transparency International (cited in Amundsen, 1999) indicate that there is a strong relation between the level of income and corruption— the higher the income the lower the level of corruption. However, Amundsen further argues that we cannot establish the causality between the two variables. It is unclear whether income increases because the level of corruption goes down, or whether corruption goes down because the income increases. Similarly, Kasper (2006:5) argues that “[t]he association between income levels and corruption levels does of course not tell us anything about causation, but it seems plausible that there is circular interaction: Countries are poor because their rulers are highly corrupt; and poor living standards invite corruption”.

The 2005 Corruption Perception Index offers credible estimates of corruption levels in 159 countries.

It reveals huge international differences. Poor countries tend to be more corrupt than developed, affluent countries. Some countries have improved standards of probity in government over time (including highly ranked Australia and New Zealand); others have

let matters slip (including the United States, Japan and major European Union countries).  
Most Third World and many ex-communist regimes are graft riddled. (Kasper, 2006:1)

In many developing countries where monitoring the endemic corruption seems not to function, the governments pay very low salaries (termed ‘capitulation’ wages) to their employees, because they are aware that the bureaucrats can compensate by demanding bribes (see UCLA MUN, 2005). In this relatively risk-free environment with no checks or controls, corrupt officials are confident about making demands for bribes. The demand side of corruption (the public official requesting or hinting at payment) appears to be more prevalent than the supply side (where the offer is made spontaneously by the citizen) (Camerer, 2001:52). Even though making up the economic lag can lead to corruption (Cartier-Bresson, 2000), the worst consequence of this scenario is that officials meeting their economic need by means of bribes do not stop when they reach an acceptable standard of living and corruption becomes the mode of operations (see Søreide, 2002). This influences expectations of how things work and how they are done on both sides (Camerer, 2001:52).

Socio-economic factors like widespread poverty and economic inequality also contribute to the presence of corruption (Gould & Amaro-Reyes, 1983:15; United Nations, cited in M.H. Khan, 1998; Kasper, 2006). Pervasive poverty, absence of a social welfare system, inadequate or unreliable pension plans and low salaries likewise create a powerful motive to engage in corruption (Hassan, 2004). Furthermore, Hassan (2004) shows that the presence of vast mineral wealth in an unregulated economy controlled by oligarchic greed can be a powerful incentive to profit illegally. Such countries are among the most poverty-stricken, partly because endemic corruption has siphoned off a significant amount of their resource-derived revenues (see also Kasper, 2006).

### ***c) Monopoly and Control***

Economic shortages in which public officials assume extraordinary control over scarce goods and services result in corruption (Gould & Amar-Reyes, and United Nations, cited in M.H. Khan, 1998). Government control of resources provides one of the corruption havens for politicians, bureaucrats, and other authorities. Rose-Ackerman (1999:10) lists



some of the types of control imposed by government that turn out to be sources of corruption.

- Governments frequently provide goods and services for free or sell them at below market prices. Often dual prices exist—a low state price and a higher free market price. Firms will then pay off officials for access to below-market state supplies.
- If the supply of credit and the rate of interest are controlled by the state, bribes may be paid for access.
- The Financial Times (cited in Rose-Ackerman, 1999:11) reported that South Africans still face tough controls on taking funds abroad, a situation that could encourage illegal attempts to circumvent the controls.

Corruption potentially occurs where there is a monopoly over goods and services and benefits accrue to those who control them. The World Bank [n.d.] argues that after their independence, due to the dominant post-World War economic policy of Keynesianism, many African countries adopted a state-led development strategy that accorded the state the central role in the development process. Many also embraced the rhetoric of socialism and became actively involved in virtually every aspect of the economy, including price controls, administering the production and marketing of agricultural products, regulating foreign exchange and the like (World Bank, cited in Kumssa & Mbeche, 2004:847). Kumssa and Mbeche (2004:847) further state that the growth of the public sector has led to the so-called crowding out effect—squeezing out the private sector. It is common experience that many governments in the developing countries intervene heavily in their economies and try to guide and control every economic activity. Such administration and allocation of resources on a non-market basis generate opportunities for corruption. This monopoly of political and economic resources has been a great contributor to political and administrative corruption in many of African countries.

#### ***d) Lack of economic freedom***

Eiras (2003) argues that, as economic freedom vanishes, the informal economy takes a larger share of GDP, which fosters corruption (also see Kasper, 2006). This means that,

as economic freedom vanishes, corruption flourishes. Figure 2.5 illustrates the strong correlation between economic freedom and the level of corruption in 95 countries around the world.

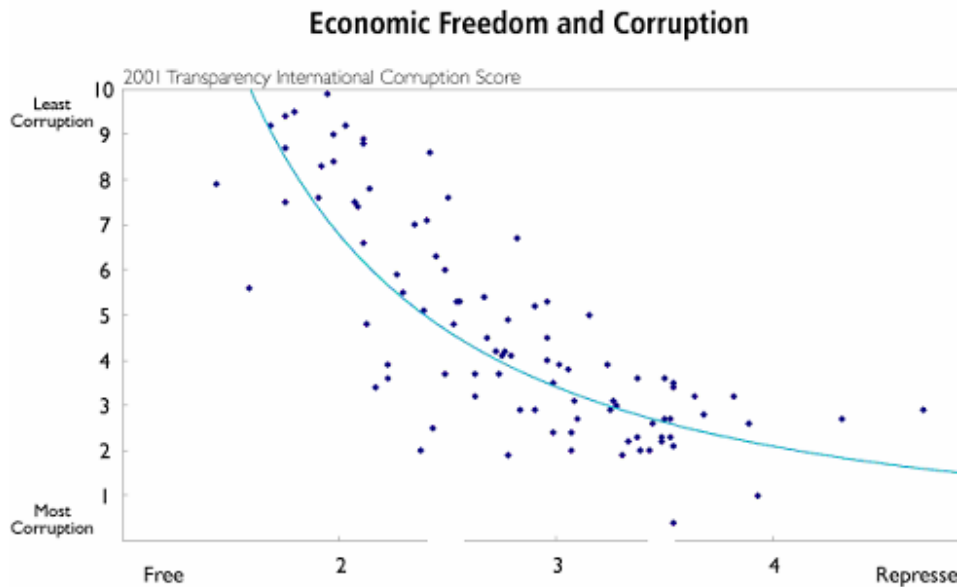


Figure 2.5: 2003 Index of economic freedom score (excluding black market factors)  
Source: Edwin and O'Grady: 2003

The incidence of official corruption correlates with economic freedom, that is, how reliably the institutions secure private property rights and the freedom of their use and how impartial and reliable the country's rule of law is.

Based on research, Gould and Amaro-Reyes (1983) give details of five sets of conditions, the interplay of which is conducive to bureaucratic corruption in developing countries:

- Functional role of government in the development process—the extent to which the government intervenes in the domestic economy—provides for corruption to occur. Mauro (1997:4) holds similar views and states that much public corruption can be traced to government intervention in the economy; policies aimed at liberalisation, stabilisation, deregulation and privatisation can sharply reduce the opportunities for rent-seeking behaviour and corruption.

- The nature of the political system and its leadership, including its stability and degree of responsiveness to competing public demands, also has some bearing on the incidence of corruption. Relative instability contributes to insecurity of tenure. Public servants therefore are impelled to seek opportunities for self-enrichment rather than to make a long-term commitment to promote and safeguard public goods. Likewise, “[p]oliticians who are highly secure in power and politicians doomed to lose their power are more likely to accept bribes than politicians...with hotly contested seats” (Andvig *et al.*, 2001:94).
- Certain socioeconomic factors—for example, conditions of poverty and inequity—operate in the external environment but impinge directly upon public bureaucracies and the behaviour of their administrators. Wraith and Simpkins (1963:57) point out that:

given a shortage of any political, social or economic commodity, man’s lust for power, wealth and status will do the rest. The cries of the French revolution are the ultimate cures: Liberty will distribute power; Equality will disseminate wealth; and Fraternity will curb the passion for status.

- Society’s cultural norms and practices (such as kinship loyalty), which form an integral part of the informal organisations, shape the public’s perception of government and its bureaucratic apparatus and, to a greater or lesser degree, influence the behaviour of administrators.
- Organizational factors, such as structural arrangements and decision-making processes, personnel management practices and administrative control and accountability systems, form still another set of conditions.
- If these conditions are taken in isolation, they provide only partial explanations of the phenomenon (Gould & Amaro-Reyes, 1983). According to Mauro (1997:4), identifying policy-related sources of corruption is obviously helpful in bringing it under control. If corruption is not controlled, its consequences cascade and ultimately hamper development.

### **2.4.2.3 Anthropological, sociological and cultural perspectives**

If personal behaviour is taken into account there are contrasting views about the causes of corruption. Some say human greed explains most of corrupt behaviour (see Søreide, 2002). Similarly, Caiden *et al.*, 2001:5) point out that corruption is part of human behaviour, has always existed and will always exist because it is in the blood and cannot be helped. However, referring to the more disciplined societies, they argue that human behaviour is a deliberate choice on the part of individuals between doing right and doing wrong.

Transfers in a corrupt transaction are not only in cash or other tangibles, as in economic corruption. There are social exchanges like clientelism, nepotism, ethnic and other types of favouritism which are variants of corruption, in social terms. Though these may involve material benefits, they have wider cultural and social implications (Médard, cited in Andvig *et al.*, 2001).

There are cultural explanations for to why corruption occurs, as many plausible theories on corruption have been derived from the moral and cultural characteristics of societies (Amundsen, 1999). Some researchers focus on values (Ekpo, 1979:4) and society's cultural norms and organisational factors (Gould & Amaro-Reyes, 1983:15). Others focus on strong kinship and ethnic ties (Gould & Amar-Reyes, and United Nations, cited in M.M. Khan [n.d.]) as the causes of corruption. "It has for instance been argued that the salience of corruption is the carry-over into present-day political behaviour of cultural values inherited from a patrimonial past, like negotiations, gift-giving and unconditional solidarity with extended families, clans and other communal groups" (De Sardan, cited in Amundsen, 1999:15). "This may explain the contrast between Africa and Europe, and the differences between the catholic Western European countries with a 'Latin' culture and the Nordic, protestant countries" (Amundsen, 1999:15). Corruption can also be a legacy of an organisational culture, as exemplified in the Indian context. Pervasive corruption within the Indian police flourishes because it evolved in the system through several kinds of practices, beliefs and value systems (Sherman, cited in Verma, 1999:264). Corruption became endemic and rampant in the Indian police department because of the unlimited

power they had during the British rule. This corrupt organisational culture also persisted after independence since the system has not been reformed. In such an institutional culture, regular extortions in every police station are not enquired about nor frowned upon by the senior ranks (Verma, 1999:264).

The sociological approach, as stated by Ekpo (1979:4), views corruption as a function of power-status relationships. Those who adopt this approach argue that the institutionalised system of unequal rewards is the very basis for committing corruption. In this situation, the office holder functions as a patron to those who desire help like jobs and physical security. In addition, this approach considers corruption as a continuation of traditional gift-giving practices.

In some cultures there are proverbs that encourage corruption. For example, in Eritrea and Ethiopia there is a saying, roughly translated as ‘they regret when they step down, of not benefiting (being corrupt) while in office’. In South Africa, they say ‘take your chance’. This happens whenever people induce someone to be corrupt and take advantage of their position while in office. In India, also, there was an underlying belief among officials about “making hay while the sun of British Raj shone” (Dwivedi & Bhargava, cited in M.H. Khan, 1998).

From the perspectives of complexity theory, Cuadrado and Arce (2005:17) stress the evolving nature of corruption and state that:

[c]orrupt activities develop in a dynamic matrix with unpredictable synergistic relationships. Therefore, corruption is not the result of the aggregation of institutional weaknesses, market distortions and corrupt social forces. Corruption emerges and is reproduced in an environment built up with economic, political and social forces, with all the elements maintaining non-trivial relations among them.

This view is indicative that corruption, as a complex adaptive system, is persistent in society in various forms and varying extent—it cannot be attributed only to specific causes.

## **2.5 Consequences of corruption**

There is an extended debate on the consequences of corruption and it seems paradoxical to debate whether corruption is of any help to society at large. Especially the early literature on corruption, however, was concerned with whether and under what circumstances corruption was beneficial or harmful. Two widely divergent views of the effects of corruption have been promoted by various authors. Competing models appeared to show that, depending on the wide range of circumstances available, corruption was likely to be either generally harmful or generally beneficial (see, for example, Robinson, 1998:7; Riley, 1998:148). Some indicate that corruption contributes to national integration, maintains political stability, fosters political development and promotes economic growth. Others hold the opposite view and argue that corruption impairs bureaucratic effectiveness, political development and economic efficiency (Gould & Amaro-Reyes, 1983:25).

### **2.5.1 Corruption as beneficial**

The classical debate states that both actors will be better off as long as corruption takes place voluntarily, making it difficult to argue that public welfare suffers (Lambsdorff, 2001). Economists in the 1960s, like Bayley, Huntington and Leff (cited in Lambsdorff, 2001; Robinson, 1998:20) considered corruption to be a means of aiding the economy, particularly in the case of cumbersome regulations, excessive bureaucracy or market restrictions—they said it “greases the wheels”. UNPAN (2002) points out that others have joined in the debate since that time to refine the ideas of the benefits and costs of corruption. Robert Klitgaard, for example, introduced the idea of the economic, political and managerial utilities of corruption, which refer to benefits from specific corrupt acts, not from systematic corruption pervading many or most decisions (Klitgaard, cited in UNPAN, 2002). Mankiw (cited in Lambsdorff, 2001) similarly sees corruption as a helpful inducement for re-establishing market efficiency (see also Gould, 1980:3-4; Gould & Amaro-Reyes, 1983:25; G.E.Caiden & N.J. Caiden, 1990:64; Morgan, cited in Lambsdorff, 2001).

Huntington (cited in UNPAN, 2002) saw corruption as a necessary stage in the modernisation process. In fact, it was believed for years that corruption was an effective and even necessary tool for doing business in developing countries; by greasing the palms, firms achieved a competitive advantage (Wolfensohn, 1998). According to Amundsen (1999), some researchers (and many practitioners) have argued that corruption may be a good thing because it may ease the squeaky wheel of state bureaucracy, unlock doors, enable private entrepreneurship and promote businesses. In some countries the growth rate does not seem to suffer and has been kept at a high level for years despite the existence of systemic corruption. This mainly is the case in some Southeast Asian countries. Higher levels of corruption in Indonesia, Japan and South Korea allegedly have not stunted short-term economic growth there and in other countries (Osborne, 1997:19)., Contrary to the expectations of conventional economic theory, as Robinson (1998:7) argues, the East Asian experience generally indicates that the intensity of corruption does not necessarily assume an inverse relationship with economic growth (see also Cartier-Bresson, 2000).

Amundsen (1999), however, argues that the economic effects of corruption are dependent on the type of corruption in each country. Centralised, coordinated and disciplined corruption exists in some countries at the same time as decentralised, disordered and irregular corruption exists in others—in short, controlled and uncontrolled, or calculable and unforeseeable corruption. In addition, as in the case of South Korea, where the huge sums extracted by the president and the ruling party had been re-invested on the country's stock market, the repercussions to both the economy and the political system will not be negative (see Robinson, 1998:7).

Especially in the context of those developing countries, where business groups are more likely to promote economic growth than the government, corruption was essential in influencing policy choices to promote economic growth (Leff, cited in UNPAN, 2002:6). Nye (cited in UNPAN, 2002:6) explained: “This ‘revisionist’ approach tended to see corruption in terms of its effects, effects that can be either utilitarian or detrimental. It was a reaction to the ‘moralist’ approach to corruption, which is a simple condemnation on moral grounds.”

Gould (1980:3-4) outlines the revisionists' view of the positive relationship between corruption and development as:

- By rendering government administration (which would act against private investment) ineffective, corruption impels better choices, improves public services, increases the responsiveness of otherwise impersonal bureaucracy.
- Corruption is functional as a source of capital formation, cutting red tape, offering private incentives to entrepreneurs, minimising waste of resources, wresting control of trade and industry from aliens, and promoting investment through politicians.
- Corruption promotes political development in strengthening political parties, enhancing national integration, offering an acceptable alternative to violence and increasing public participation in public affairs (see also Gould & Amaro-Reyes, 1983:25; G.E. Caiden & N.J. Caiden, 1990:64).

Some scholars have constructed economic models in which bribes have desirable incentive properties. For example, payoffs to the managers of queues can be efficient as the payments give officials incentives, both to favour those who value their time highly and to work quickly (Lui, cited in Rose-Ackerman, 1999:16).

Leff and Lui (cited in Gupta, Davoodi & Tiongson, 1998:115) indicate that there is a class of models that predict exactly the opposite result. These models show that bribes provide a mechanism for overcoming, an overly centralised and an overly extended government bureaucracy, red tape and delays. According to Kaufmann and Wei (cited in Gupta *et al.*, 1998:115) this interpretation of bribery and corruption, sometimes referred to as the 'efficient-grease' hypothesis, views the size of a bribe as a reflection of an individual's opportunity cost. Hence, the payment of a bribe is an efficient solution to the acquisition of a public service or output, with no adverse consequences. An instance of the positive effect of corruption can be cited in the American political system. The passage of a revised Thirteenth Amendment, which abolished slavery, involved possible bribery. After the Amendment was defeated in the House in 1864, President Abraham Lincoln told his fellow Republican Congressmen that the two-thirds majority vote needed to pass the



Amendment ‘must be procured’. This can be an indication that the American political system has a long history of corruption that has a negative influence to the present.

### **2.5.2 Corruption as harmful**

Contrary to the above arguments, recent comparative evidence from cross-country data points to a negative relationship between corruption and investment which has detrimental consequences for economic growth (Ades & Di Tella, cited in Robinson, 1998:7). Lambsdorff (2001) also observes that negative externalities to society arising from corrupt relationships outweigh the gains to corrupt parties. According to Wolfensohn (1998:17), “[r]esearch undertaken by the World Bank and others shows that far from lubricating business activity, bribery actually fuels the growth of excessive and discretionary regulations. Bribery, in short, feeds on itself, producing layer upon layer of bureaucracy eager to get in on the action”, given the insatiable nature of human beings. Corruption is done in the dark and the costs of corruption are difficult to calculate, partly because of the secrecy involved, and the distortions caused are hard to measure. But some effects seem to be beyond doubt (Cartier-Bresson, 2000).

#### **2.5.2.1 Economic impact**

Many scholars agree that, though corruption may be beneficial in isolated cases, its cumulative effect in the long run is detrimental to development.

Empirical evidence based on cross-country comparisons does indeed suggest that corruption has large, adverse effects on private investment and economic growth. Regression analysis shows that a country that improves its standing on the corruption index from, say, 6 to 8 (0 being the most corrupt, 10 the least) will experience a 4 percentage point increase in its investment rate and a 0.5 percentage point increase in its annual per capita GDP growth rate. (Mauro, cited in UNPAN, 2002:7; see also Tanzi & Davoodi, 1998:10)

Similarly, Myrdal and Rose-Ackerman (cited in Lambsdorff, 2001) and Johnston (1998:26) opposed the corruption ‘greases’ argument and showed that, instead of speeding up, corrupt officials might cause administrative delays in order to attract more bribes. Bureaucrats behave like monopolists who profit from increasing prices by

creating scarcity (see also Robinson, 1998:20). In line with this argument, Gray and Kaufmann (cited in Tanaka, 2001:158) suggest that “in the short term corruption may speed up the bureaucratic process, therefore functioning as ‘oil’ in the system, while in the longer term corruption functions as ‘sand’, since it raises unnecessary transaction costs and leads to inefficient economic outcomes”.

The resources transferred from a bribe giver to a bribe taker are opportunity costs that could be invested elsewhere in the economy rather than be consumed by the official. This flow of resources from social actors to authorities result in economic cost to society (M.H. Khan, 1998:22-23; see also Riley, 1998:147). This can be explained in part by the differential consumption and savings behaviour of bribe receivers versus givers.

Anthropologists, unlike economists have long recognized that an income of one dollar from legitimate sources may not be equal to an equal income from an illegitimate source. It is possible that conversion of one ‘honest’ dollar into one ‘corrupt’ dollar through corruption changes the manner in which the dollar is spent. This contradicts economists’ notion that one dollar is as good as any other dollar. (Johnston, 1998:25-26)

Along the same line Bansal (2004:172) argues that “[w]ith concentration of ill-gotten wealth in the hands of a few or the undesirable, there emerges a distorted consumption pattern”.

The economic consequence of corruption is alarming if we see Jayawickrama’s (2001:298) quantification of the losses. He estimates that a bribe of \$100 accepted by a customs officer may cost the government \$1000 or more in lost customs dues. On the other hand, since bribery makes competition ineffective, even the acceptance of a relatively small bribe could lead to price increases of 50-100%. Tanzi (cited in Søreide, 2002) indicates that the total economic and social effects of corrupt actions might be very costly and out of proportion.

It is claimed that low levels of corruption have promoted economic growth in Malaysia and Singapore, for example, and that allegedly higher levels of corruption in Indonesia, Japan and South Korea have not stunted short-term economic growth there and in other countries (Osborne, 1997:19). But it must be clear that economic success is not an

infallible sign of innocence of corruption, and pervasive corruption conversely is not by itself a cause of substandard economic performance (Mauro, 1997:3). There are countries whose corruption level is not low but they still enjoy economic growth. On the other hand, there are 'clean' states that still are poverty-stricken. However, this only is an indication that there are many variables, other than corruption, that come into play between poverty and richness.

Some of the consequences of corruption are further analysed and supported by the theoretical framework of Shleifer and Vishny illustrated by Gupta *et al.* (1998:112). As depicted in Figure 2.6 ('corruption without theft'), they state that an official over-prices by providing a service or an output at a government-established charge plus a bribe. Marginal cost to the government agent is the official price and the agent determines the quantity supplied by equating marginal revenue and marginal cost as with a typical monopolist. The official retains the bribe and transfers the official charge to the treasury. The result is that the bribe drives up the price and lowers the output. Under these circumstances, some consumers will inevitably be crowded out of the market. Hence, when services affected by corruption are critical for the population, such as basic health care and education services, the full impact of government spending will not be realised.

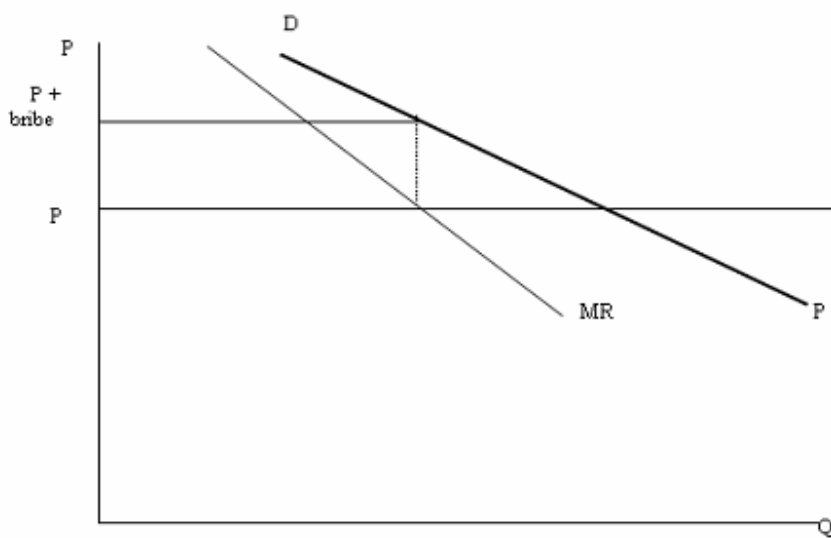


Figure 2.6: Corruption without theft

Source: Gupta, Davoodi & Tiongson (1998:112)

In another scenario, Gupta *et al.* (1998:114) illustrate a case referred to as ‘corruption with theft’, as seen in Figure 2.7, where the government service or output is stolen by the government official in charge of delivering it, and a bribe is collected for providing the service and output to a consumer. In this case, the official still equates marginal revenue with marginal cost, but marginal cost to the official is now zero. Thus, the bribe ‘under-invoices’ the cost of providing the service and output. Such a situation is attractive to the consumer and aligns his interest with that of the revenue loss for the treasury and the government official is able to exercise more discretion than in ‘corruption without theft’.

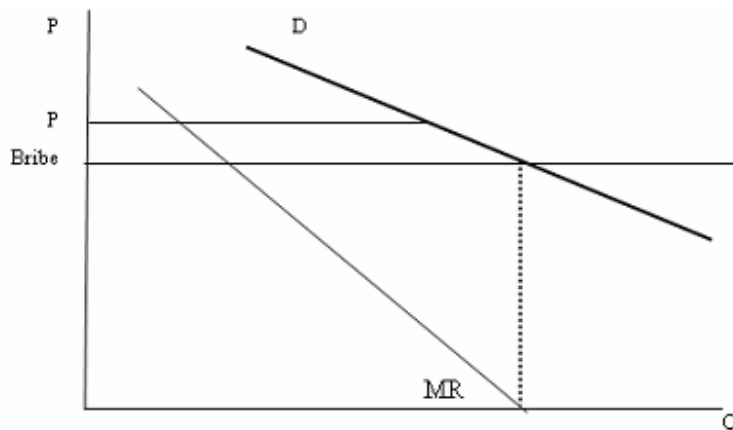


Figure 2.7. Corruption with theft  
 Source: Gupta *et al.* (1998: 114)

The difference between the two cases is that revenue loss under the second case can be significantly higher. Although a lower bribe increases demand in the short run, it would restrict supply in the long run because of larger revenue losses, leading to poorer quality of services.

The inclination on the part of public officials to generate rents for private benefit has several welfare implications:

- a) Decisions are biased. The award of contract may not represent the best price/quality combination, but the most successful briber (Tanzi & Davoodi, cited in Søreide, 2002; see also Eizenstat, 1998).
- b) Individual job decisions can be affected by corruption. Talented youth apply for bureaucratic jobs instead of more scientific professions, in order to extract rents (UNDP; Diamond, cited in Søreide, 2002; Amundsen, 1999). In relation to this line of argument Richardson (2001) observes that “[a]side from its out-of-pocket cost to bribers and its cost to non-bribers in lost business or delayed or non-performance by government, corruption has numerous indirect costs. Especially where it is pervasive, corruption can deter honest people from entering government service”.

- c) Rent-seeking increases expenditure. If the money involved is more, the propensity to win the tender will be high, even at higher bribes. This will result in inflated product prices because companies load their prices to cover the cost of any bribes they pay, or lower the quality of the product (Osborne, 1997:27-29; Lambsdorff, cited in Søreide, 2002; Jayawickrama, 2001:284; Messinger, 1990:176).
- d) Corruption affects the allocation of public spending and investment as decisions are influenced by the opportunity to obtain bribes. It can reduce growth by increasing public investment while reducing its productivity. According to Rose-Ackerman (1999:2-4), this runs counter to the conventional wisdom of the economics profession because of the bias of the direct relation between capital spending and growth. In this scenario, large construction projects are given priority against health and education projects, while spending on operation and maintenance is neglected. The bias is towards unneeded 'white elephant' projects or lower-quality infrastructure (Tanzi & Davoodi, 1998; Osborne, 1997:27-29; Bailey, 2000; Mauro, cited in Søreide, 2002; Transparency International, 2005; Wolf & Gürgen, 2000:7; see also Rose-Ackerman, 1999:2-4). Furthermore, in a corrupt environment, resources may be directed towards non-productive areas—the police, the armed forces and other organs of social control—as the elite move to protect themselves, their positions and their material wealth (Stapenhurst & Langseth 1997, cited in Doig & Theobald, 2000:1).
- e) The run for rents may result in total disregard of existing procurement laws and procedures. Politicians may also be motivated to create inefficient rules intended only to generate rents for the public officials (Tanzi, cited in Søreide, 2002).
- f) Due to unnecessary or unproductive expenditures mentioned above, the investments made are inferior, which decrease government revenues (through tax evasion, improper tax exemptions, or weak tax administration). Corruption can reduce growth by reducing the quality of the existing infrastructure. In turn, a deteriorating infrastructure increases the cost of doing business for both government and the private sector (congestion, power outages, accidents) and thus leads to lower output and growth (Tanzi & Davoodi, 1998; Søreide, 2002)

- g) Corruption is an overall disease of a country, preventing it from addressing its development challenges properly; deterring foreign and domestic investment; undermining confidence in public institutions; socially damaging and politically destabilizing; and exacerbating budgetary problems by depriving governments of significant customs and tax revenues; and misallocation (Atwood, 1998:16; see also Rose-Ackerman, 1999:17; Mauro, 1997:6-7; Osborne, 1997:27-29).

In addition, corruption also has a more subtle effect on economic reform, and distorts the redistributive role of the state, particularly by swelling the informal economy. This opens the way to underreporting sales, costs and payroll to the authorities. Since business deals cannot be enforced in state courts and are rarely subject to official rates of taxation, corrupt individuals prefer to operate in the informal economy. This creates the opportunities to break legal rules, and acts as an incentive to evade taxes (Fry, 1998; Cartier-Bresson, 2000; Kaufmann, cited in Rose-Ackerman, 1999:15-16; Amundsen, 1999).

#### **2.5.2.2 Political impact**

Corruption is one of the most hated behaviours since antiquity. Many government leaders have been toppled because of corruption; and many political parties have had to surrender to social discontent and have lost their power. Allegations of corruption also lead to the political demise (but to the rise, under other circumstances) of the actors; a recent example is South Africa's president and deputy president (see section 4.6). Corruption destabilises nations in general, people lose trust in their leaders and are not ready to implement the policies leading to the weakening of the legitimacy of a government. Eizenstat (1998) indicates that, apart from damaging economic development and reform, corruption hinders the growth of democratic institutions as well. Rose-Ackerman (1999:17; 26) also notes that corruption in the provision of public goods and services and in the imposition of costs, casts a cloud over governments seeking popular legitimacy (see also Johnston, cited in Robinson, 1998:2). Uncontrolled and unrestricted corruption will have the general effect of undermining state institutions and political legitimacy.

Jain (1998c:7) points out that:

political markets that do not function well have at least two consequences related to corruption. First, unsatisfied groups, and groups with limited access to decision-makers, have an incentive to resort to corruption or other means to achieve their goals. Second, groups that are able to exert disproportionate influence can expect to receive some benefits from their access to policy-makers.

Similarly, Søreide (2002:6) also indicates that:

state capture evolves as a result of grand corruption. Key state institutions are ‘captured’ by private interests to bias the policy-making process in favour of particular firms, leaving the operation of government non-transparent. The underlying threat to democracy is obvious when elected politicians and public officials make decisions on grounds deviating from the expected.

In this situation, powerful groups exert undue influence in shaping the rules of the game for their private benefit (Kaufmann, 2004b). Ingrained corruption can also hold back reform to make the economy more open and competitive. Firms which benefit from the deal and their political allies will resist efforts to increase the clarity of rules and laws. Their allies within the state apparatus will also oppose designed reform efforts (Bigsten & Moene, cited in Rose-Ackerman, 1999:17).

Corruption creates an atmosphere of insecurity. Amundsen (1999) observes that rulers and businesses in the majority of the corrupt African regimes have little faith in their own national economies and tend to either move out their legally and illegally obtained resources, in terms of money flight to foreign bank accounts and investments in foreign businesses, or luxuriously consume within the country. This undermines social and political stability with consequences that leave the poor more insecure (Hassan, 2004).

### **2.5.2.3 Environmental and social impact**

Corruption can be a major threat in society and has claimed many lives merely to inflate unscrupulous officials’ pockets. Corrupt officials collude with some consultants to approve projects irrespective of social and environmental hazards. According to Bigsten



and Moene (cited in Rose-Ackerman, 1999:18) and Cartier-Bresson (2000), substandard contracts and shabby construction can lower the quality of public goods and services and even jeopardise safety. For example, after a department store collapsed in Korea in 1995, it was revealed that the contractors had used substandard concrete and that city officials had taken bribes to allow the violation of safety rules. In Turkey, construction deficiencies were revealed after earthquakes had destroyed many buildings in late June 1998. Government-built schools and hospitals were especially hard-hit, leading many people to suspect that building inspectors and other government officials had been corrupted. In Russia, a much-respected Russian physicist linked the nuclear disaster at Chernobyl to corruption and patronage in appointing experts and managers to the plant (Kapitza, cited in Osborne, 1997:28).

The corrupt are all too often willing to put their personal gain before the welfare of others, as is no more clearly demonstrated than by TI Integrity Awards 2004 winner Satyendra Dubey, who was killed shortly after communicating his concerns about corrupt practices within the National Highways Authority of India (Transparency International, 2005).

Hence, social conditions deteriorate through investing in the reduction rather than the enhancement of welfare projects. Cross-country analysis shows that government expenditure on soft investments, such as on education and health, is negatively correlated with higher levels of corruption, that is, corrupt governments spend less on education and health, and probably more on other corruption-prone hard investments such as infrastructure, equipment, construction and defence—leaving society socially worse off (Mauro, cited Rose-Ackerman, 1999:1; Amundsen, 1999; UNPAN, 2002; Søreide, 2002). It also distorts programmes to combat poverty, undermining international aid and reconstruction programmes (Cartier-Bresson, 2000).

In addition, corruption impacts most heavily upon the poorest sections of society who must ultimately bear the cost of the distortions and deprivations that are produced (Transparency International 1997, cited in Doig & Theobald, 2000:1), with women being highly disadvantaged (Bailey, 2000). “In Africa, as elsewhere, corruption often has a

‘Robin Hood<sup>3</sup> in reverse’ character: the losers are likely to be the exceptionally poor, female, and marginalized, whilst the winners are already wealthy and part of an inefficient, swollen state” (Riley, 1998:131).

Corruption also raises the operating cost of infrastructure services, and reduces the quality of services and access to them, especially for the poor (Transparency International, 2005). Marx (cited in Gould, 1980:7) stresses that “[a]ccumulation of wealth at one pole is . . . at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation at the opposite pole”, while Anger (2004:17) summarises the consequences by quoting the UN Secretary General, Kofi Annan (2003), saying:

[c]orruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life, and allows organized crime, terrorism and other threats to human security to flourish. This evil phenomenon is found in all countries – big and small, rich and poor – but it is in the developing world that its effects are most destructive. Corruption hurts the poor disproportionately – by diverting funds intended for development, undermining a government’s ability to provide basic services, feeding inequality and injustice, and discouraging foreign aid and investment. Corruption is a key element in economic under-performance, and a major obstacle to poverty alleviation and development.

The view that corruption is more widespread in developing and in the emerging market economies is supported by TI’s corruption perception index of 2001—the bottom 48 out of 91 countries belong to this group (Zvekcic & Camerer, 2001).

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<sup>3</sup> A semi legendary British medieval outlaw, reputed to have robbed the rich and helped the poor. (Microsoft Encarta 2007 [DVD]. 2006. Redmond: WA: Microsoft Corporation).

## 2.6 Cyber corruption

With the increasing use of electronic communication, a new area of corruption is emerging—electronic corruption. The rapid spread of information through the Internet and other ICTs has created the danger of misusing these new technologies. Computer security breaches are increasingly being reported in ICT systems, and amounts reaching billions are lost due to online transactions. Despite all the promises and capabilities of e-government to fight corruption and promote good governance, arguments and practical experiences reveal that ICTs are actually shifting corruption from one group of society to another and not really minimising it. The Regional and Sustainable Development Department (2003:3) states that:

while ICT eliminates many opportunities for corruption for those who do not understand the new technology fully, it opens up new corruption vistas for those who understand the new systems well enough to manipulate them. In a sense, ICTs permit an intergenerational shift in corruption and rent-seeking.

In other words, ICTs can empower information experts for misconduct.

No organisation is immune against cyber corruption that uses the Internet and/or Intranet (George, 2004). The downside of ICTs in connection with corruption is well stated by Minnaar:

[a] number of social and technological developments have also combined to create opportunities for organized crime. Advanced computer and communications technology facilitates the electronic funds-transfer system through which vast amounts of money can be transferred around the globe within seconds, and faxes and cellular phones can be encrypted, making it all but impossible to trace calls made from them (Minnaar, 1999).

Table 2.2 shows Smith's (2003) examples of different forms of cyber crimes enabled by ICTs.

Table. 2.2 Examples of electronic crime and misconduct.

<b>Theft of benefits</b>	To obtain government funds, a number of employees with technological skills use both legitimate and false identities to credit themselves with electronic benefit-transfer credit cards.
<b>Theft of money</b>	A programming contractor enters a number of fictitious employees on the organisation's electronic payroll system so that salaries can be transferred to an account controlled by the contractor.
<b>Theft of information</b>	An employee accesses private client information from the organisation's electronic database, and sells this information to a mail-order firm for personal gain.
<b>Theft of hardware and software</b>	A laptop computer containing valuable software is stolen from the workplace. It also contains sensitive information not backed up on the organisation's network.
<b>Theft of time</b>	Unchecked and unauthorised non-work-related online use by employees clogs the organisation's network and causes a loss in productivity.
<b>Improper use of network facilities</b>	During work time an employee downloads pornography from the Internet, stores it on the computer's hard drive and e-mails it to work colleagues.
<b>Sabotage of data</b>	A business competitor accesses the organisation's online ordering system and tampers with price lists and inventory numbers to wreak havoc on the system and cause financial loss.
<b>Sabotage of network</b>	A Trojan horse is introduced into the organisation's network via an e-mail attachment during a spam attack, creating degradation and loss of the organisation's network service.
<b>Defacement of website</b>	A hacker indiscriminately defaces the organisation's website and enters racial vilification messages just for malicious 'fun', exposing the organisation into legal liability.
<b>Piracy of software</b>	A software program developed and owned by the organisation is downloaded and used on a personal computer for private purposes, then copied and sold to others.

Source: Smith (2003).

## 2.7 Corruption: A complex phenomenon

Cuadrado and Arce (2005:24) conclude that "corruption must be considered as a complex phenomenon because of the number and heterogeneity of its elements that, when they meet, form non-trivial links that in turn pave the way to creative changes following the environment's evolution". Given its complex nature, corruption can be explained through many aspects of complexity thinking. Corruption is a complex emergent phenomenon in situations including low political competition, low and uneven economic growth, a weak civil society, and the absence of democratic institutional mechanisms (see section 2.1). A corrupt act is a complex adaptive that cannot be explained by a single behaviour and consequence. As mentioned before, even a single corrupt act involves at least three actors

(principal, agent and client) and each actor's involvement in corruption is further explained by a range of illicit activities that are manifested in a multitude of forms and interconnections—a public official may fall into various forms of corruption (e.g. fraud, embezzlement, bribery) at a time. Though an attempt is made to list the causes of corruption, this is by no means exhaustive; owing to unforeseen causes, new forms of corruption emerge in response to internal and external dynamics.

The fact that all corrupt behaviours are not addressed by law, as new forms of corrupt behaviour evolve faster than the development of relevant laws (see sub-section 2.2.1), adds to the complexity of corruption. Especially during the digital era and with globalisation, intense interconnections are conducive to the emergence of new forms of corruption with far-reaching consequences than ever thought before. Not only do new forms of corruption emerge, but existing ones are revised for contextual meaning.

Despite the fact that corruption has been with us since the dawn of history, there is no unanimity on the definition of corruption so far. It is a complex and elusive term meaning different things to different people along time and space, and is chameleon-like in its forms (see section 2.2). The behaviours constituting corruption are dynamic and its meaning as a complex adaptive system does not remain the same across time; it is always revised to suit the social and technological context where it manifests, as discussed in section 2.3. However, despite its complex nature (including meaning, forms, types, locus), a universal understanding (order out of chaos) of corruption has emerged, which has become the basis for all regional and international agreements, as discussed in subsection 2.2.1.

Corruption as a complex phenomenon is fractal (self-similar), ranging from manifestation at lower levels in actions such as giving a small gift for a secretary to have her arrange an appointment with her boss, to higher levels influencing legislative processes for private ends (see section 2.1). That is, it is exhibited at all levels, in varying degrees.

Small changes in initial conditions result in the amplification of the final results of a complex system such as corruption. An example set by few corrupt officials at the top

(minor inputs) might set off a chain of actions that can end up in a tremendous, chaotic situation (the proliferation of corruption in society becomes systemic corruption). Experience shows that corruption breeds more corruption. Conversely, because of strategic anti-corruption measures, a small reduction of corruption may also facilitate significant reduction of corruption (see section 2.3). Likewise, the whole (as the consequences of corruption) can be indicated as more than the sum of its parts (amounts of money misappropriated by corrupt agents). The amount of money lost due to corruption from projects (e.g. leakage from the health and educational systems) will have a ripple effect that extends over generations. The consequences of corruption are amplified and give rise not to one but to many social ills including crime, terrorism, bad governance and poverty (see section 3.1).

As discussed in subsection 2.5.1, there are arguments in support of corruption being beneficial by greasing the squeaky wheels of bureaucracy. It is seen to have the property of providing incentives for officials to work quickly and to be desirable for market efficiency, promotion of businesses and investment. Contrary to many theoretical analyses, the intensity of corruption in some East Asian countries did not show an inverse relationship with economic growth (see subsection 2.4.2), indicating the nonlinearity of the consequences of corruption.

The abolition of slavery in the United States of America (USA) and the acquisition of information by apartheid prisoners in Robben Island (South Africa), for instance, were made possible through corruption. No doubt the escape of Jews from Nazi concentration camps through corruption is applauded by public opinion (see sub-section 2.2.1).

The complex adaptive nature of corruption, its manifestations and nonlinear trajectories (consequences), are not centrally controlled but evolve due to intense local interactions and negative and positive feedback.

## **Summary of chapter**

Corruption, as old as recorded history, is a plague that invades all sectors of society, and international organisations, in all socio-economic formations, although it differs in

variety and extent. It is manifested in forms including bribery, fraud, embezzlement, favouritism, extortion, conflict of interest, political bargains, abuse of discretion, and abuse of power.

Before policy makers set out to combat corruption, there should be common understanding of what constitutes corruption. Attempts have been made to define corruption from various perspectives ranging between public-office-centred, public-interest-centred, market-centred, public-opinion-centred, and legalistic. It is also viewed the point of view of morality, functionality, social censure, and social construction reality. Depending on the state of legislation, identical acts can be corrupt or non-corrupt (from the relativist view), but the universalist view is that there are certain common properties that make particular behaviour corrupt in all societies. The different approaches all have their own shortcomings and do not produce a single, comprehensive, universally accepted definition of corruption. However, despite these shortcomings, there is general world-wide consensus on the major illicit behaviours that constitute corruption, which has become the basis for international coalition building.

The forms and manifestations of corruption can be categorised in terms of their origin (as foreign-sponsored, institutionalised, the outcome of political scandal, and/or administrative malfeasance); their motive (as collusive, coercive, and/or non-conjunctive); their magnitude (as grand, petty, and/or state capture); their pervasiveness (as incidental, individual, institutional, and/or systemic); their usage of corrupt resources (as private and/or collective); and their direction (as redistributive and/or extractive).

Many corrupt transactions may relevantly be analysed as the outcome of the interaction between three actors—the principal (who assigns tasks and is assumed honest), the agent (the corrupted official) and client (the corrupter). In practice the principal that is assumed to be honest is found to collude with the other actors. To alleviate the problem, auditors and quality control workers are assigned. However, many of these also are involved in the malfeasance, further complicating the control of corruption.

The causes of corruption differ from country to country. The nature of the political system and its leadership, socioeconomic factors, society's cultural norms, and organisational factors are among the common causes of corruption. In many developing countries, especially, the legitimacy of the state is under question, the rule of law is not strongly embedded, over-sight bodies are ineffective and leaders' commitment to combating corruption is lacking. Corruption, basically, is monopoly plus discretion minus accountability and integrity.

The causes of corruption are approached from various angles: the political perspective (which sees the causes as stemming from increased monopoly and discretion, and less transparency, weak accountability and integrity, deinstitutionalisation, weak control and bad governance); economic perspectives (relating the causes to scarcity, affecting demand-supply dynamics, level of income, monopoly and control, and lack of economic freedom); and anthropological, sociological and cultural perspectives are among the common ones.

Whatever the causes might be, two approaches are taken to the consequences of corruption. According to the arguments of the classical authors, in states where there is cumbersome regulation, excessive bureaucracy, or market restrictions, corruption is a means of 'greasing the wheels' of administration to make them move faster. This approach views corruption as beneficial to the economy. There also seems to be some ambiguity to consequences of corruption due to the fact that some Asian tigers have experienced a boom in economic growth while high on the corruption perception index.

However, more recent authors strongly condemn corruption as harmful and cross-country analysis shows that the consequences of corruption are alarming. It impacts on economic issues (with distortions of resources to non-productive areas, adverse effects on private investment and economic growth); political issues (undermining state institutions and political legitimacy and thereby governance); and environmental and social issues (through unsustainable and devastating projects leading to environmental and social deterioration in terms of health and education).



Though the specific magnitude and form of corruption at any given time may not be predictable, its occurrence has predictable consequences. This is an example of patterns of emergent behaviour—an essence of complexity (see Rhodes, 2008:377). As discussed in section 2.5, the consequences of corruption are evident in any socio-economic formation, regardless of drivers, actors, or motives. Deterioration of economic, social, and political stability is a predictable pattern of corruption emerging as an effect of the multiplicity, intensity and non-linearity of corrupt interactions.

Moreover, the Internet and other ICTs have added new dimensions to the avenues of and participants in corruption. Computer security breaches and abuse of ICTs are increasing and huge amounts of money are lost due to corrupt online transactions.

## Chapter 3

### Anti-corruption approaches and strategies

#### Introduction

“Historical evidence indicates that attempts to curb corruption, are about as old as corruption itself” (Riley, cited in Andvig *et al.*, 2001:101). Corruption has demonstrated remarkable durability and flexibility to survive in all socio-political systems up to now, and the conception of a corruption-free society in reality it seems hardly possible. Corruption is like a virus that mutates and adapts to new environments in order to dodge any counter measures taken to control it (see Taylor, 2000:85).

Up to the 1990s, it was taboo to speak about corruption itself in international forums and even to discuss and assess strategies against corruption. It was after the realisation of corruption as the reflection of a “democracy, human rights and governance deficit that negatively impacts poverty and human security” (UNDP, 2004b; also Kaufmann, 2004b) that anti-corruption campaigns came out of the closet into the policy agendas of both national and international bodies. The “...major achievement of the past decade has been the shattering of the taboo” (Pope, 2000:xvii). Van der Merwe has similarly referred to this development, stating the “[t]he lifting of the lid on the corruption issue is a major feat in itself” (2001:11). The gestation period for the universal condemnation of corruption appears to be less long, as efforts to harmonise national and international standards are on the horizon and are fast approaching. This indicates that anti-corruption coalitions are gathering momentum and legal standards are ‘growing real teeth’ (Carver, 2003:119) at both the national and the international levels.

Despite this encouraging trend, the literature on anti-corruption programmes lacks specific models that can sustainably suppress corruption to the lowest possible level in a given country, let alone a universally applicable recipe. According to Cuadrado and Arce (2005:35), “[e]ven though many empirical and theoretical studies from diverse

disciplines have analyzed the issue, disagreements about its definition, causes, consequences and policy remedies persist.” Nevertheless, existing literature on corruption cleanup identifies different types of strategies to minimise corruption. In this chapter I analyse the evolution of, and approaches and strategies to fight corruption, and assess the implications of the practical steps taken to address it.

### **3.1 Drivers of anti-corruption strategies**

The scourge of corruption seems to be less tolerated by society, as political, social and economic life is detrimentally affected by its impact. Many socio-political and economic ills—like national and international crime, terrorism, dysfunctional governance, maladministration and poverty partly spring from and are nurtured by corruption. The ever worsening trend of socio-economic indicators in developing nations led to the demand for strict accounting of aid from bilateral and multilateral countries. Leading donors such as the Organization of Economic Cooperation and Development (OECD), Organization of American states (OAS), the World Bank and International Monetary Fund (IMF), and the formation of Transparency International, alongside its national chapters, have encouraged the anti-corruption movements. Moreover, the continuous awareness and empowerment of citizens has given rise to the demand for transparency and accountability from their respective leaders which, at times, ended up in regime change (UNPAN, 2002).

This is an indication that many anti-corruption programmes in many developing countries are driven by donors, mainly by the Bretton Woods institutions—the World Bank and the IMF. Financial institutions are very concerned about the loans they grant and need to control financial leakages before they reach their intended beneficiaries. The World Bank indicates that “the Bank shall make arrangements to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted” (World Bank, 2004:2). The Bank has also developed a framework for addressing corruption in the context of assistance, requiring aid recipient countries to comply with set principles (Abed & Gupta, 2002). During the Cold War era donor’s criteria for aid was not adherence to good governance, instead it was the geopolitical role to serve the super-power interests that

mattered. However, since the world order has changed, developing countries are expected to have healthy macro-economic policies in a transparent and accountable manner, if they are to attract aid and investment (Abed & Gupta, 2002). With the demise of the bipolar international power relationship, ideological alliances are therefore no longer welcomed as a yardstick for aid.

Bailey (2000) concludes that the following considerations have contributed to the continued interest in the anti-corruption agenda:

- an increasing cognizance of the deleterious effects of corruption
- mounting anxiety about organised crime; mounting globalisation of trade and attempts to give equal opportunities to trading partners
- maintaining dignity on the part of contributors of aid and international financial institutions who have not considered corruption more critically

As transparent and accountable government is a suitable environment for investment, globalisation has strengthened its pressure on nations to be liable for improved governance. Alongside this development, the spread of democratic experiences of the late 1980s and 1990s put additional pressure on other governments to clean up their administration (Abed and Gupta, 2002). Democratic processes like elections, though not invulnerable to corruption, sensitise civil society to be watchful, bolster governments for more accountability, and demand greater transparency in managing resources (Freedom House and Treisman, cited in Abed & Gupta, 2002). The recognition by civil society that “[c]orruption devalues, and ultimately destroys, all systems: social, political and economic” (Carver, 2003:123), has also fuelled anti-corruption movements. The condemnation of corruption which, in some instances, ousted government leaders and mobilised resources by development agencies to curb corruption is a real manifestation that the war against malfeasance has taken root, though the impact has still to be assessed (Shah & Schacter, 2004:40).

Hence, all these situations have exerted immediate pressure and invoked the need to tackle the problem, both at the theoretical and at the pragmatic levels. The 1990s saw an

upsurge of academic studies on the economics of corruption, mainly driven by the break-up of the command economies of the former Soviet Union and its satellites, the increased concern over the toll of corruption on the socio-economic life of both developed and developing countries, and the development of corrupt meter for practical analysis (Abed & Gupta, 2002). Politicians also had to react to the demands of the time. Kaufmann (cited in Andvig *et al.*, 2001:101) observes that:

[i]n recent years, anti-corruption rhetoric has been on the rise, in both the North and the South, often as lip-service response to the increasing media attention and activism of civil society, as well as from actions taken by some international agencies to fight corruption.

On the other hand, the promising outcome of anti-corruption measures in some parts of the world has been attractive to stakeholders and has become an impetus for greater action. Rigorous researches that nourish these measures have been conducted and fuelled many similar initiatives. For example, a World Bank study concludes that “[an] improvement of one standard deviation in the International Country Risk Guide corruption index leads to a 29 percent decrease in infant mortality rates, a 52 percent increase in satisfaction among recipients of public health care, and a 30–60 percent increase in public satisfaction stemming from improved road conditions” (Shah & Schacter, 2004:40). This finding further galvanised civil society, international organisations, and other interested groups to initiate and rally in the forefront of anti-corruption agendas at all levels. In turn, these initiatives are boosted by the proliferation of anti-corruption websites, and the overall interest in ethics education, mainly in the developed world (see Bailey, 2000).

### **3.2. Approaches to fight corruption**

Having discussed the drivers of anti-corruption, let's turn to the various approaches taken to sustain the life of anti-corruption programmes. Despite the age-long efforts to curb corruption and substantial theories of corruption, theoretical frameworks and foundations for anti-corruption strategies are scarce. Most traditional anti-corruption strategies focus on dealing with symptoms rather than causes and emphasise stern punishment, salary increment to public servants or establishing anti-corruption commissions. These

strategies have not been successful. As with the definitional problem of corruption, there is also widespread disagreement on what the most effective anti-corruption policies are. Nevertheless, whatever policies are pursued, “the effectiveness to control corruption is partially influenced by the diversity and nature of corruption and approaches taken by analysts” (Doig & Riley, 1998:55). The approaches to fight corruption are the foundations from which all anti-corruption strategies rise.

The approaches themselves depend on the magnitude of the hatred of corruption and vary from place to place and time to time. As the reflection of this hatred, people began to respond spontaneously and, with the accumulation of experience, systematically. This response, which reflects man’s endeavour to create a corruption-free administration, did not emerge in its current form, but has evolved through many stages, as evidenced by the American example of the anti-corruption effort (Anechiarico & Jacobs, 1996:18). They indicate that:

[i]n America the currently prevailing anti-corruption project is the product of several generations of reform ideas and reform efforts. This history of anti-corruption reform in public administration can be conceptualized in terms of four visions of corruption control—antipatronage, progressive, scientific administration, and panoptic.<sup>4</sup> (Anechiarico & Jacobs 1996:18)

Furthermore, these authors elaborate the evolution of the anti-corruption movement as follows:

- a) The Anti-patronage Vision of Corruption (1870—1900). This vision assumed that patronage, cronyism, and graft had destroyed the moral fibre of government and, according to the civil service reformers, this situation could be reversed if public officials were virtuous and motivated by public interest.

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<sup>4</sup> Panopticon: a constructed technology that allowed a single central unseen guard to observe the activity of all prison inmates (Heeks, 1998).

- b) The Progressive Vision of Corruption Control (1900—1933). Supporters of the progressive vision went further, to the point that a complete reform of the political system was the remedy to corruption. For governments to be efficient, effective and accountable, corruption must be rooted out as a prerequisite. The complete separation of public administration from party politics was also in the agenda of this vision.
- c) The Scientific Administration Vision (1933—1970). Scientific administration evolved as the next to supplant the above-mentioned visions, which proved incapable to address corruption as was required. Scientific administration saw corruption as a problem in the structural design of organisations and not as a malady in politics and ethics. Hence, it advocated improving government by applying principles of economy and efficiency through controlling the behaviour of officials. Supporters of this view see waste and mismanagement as features of corruption that be remedied through hierarchy, standard operating procedures, and adequate supervision, placing emphasis on bureaucratic control over political reforms.
- d) The Panoptic Vision (1970—present). Advocates of the panoptic vision emphasise comprehensive observation, surveillance and monitoring, including accounting, auditing, and layers of oversight to control corruption. They say continuous surveillance deters officials from indulging in corruption. Foucault (cited in Anechiarico & Jacobs, 1996:24) argues that these control measures were paradigmatic of a 19th-century vision of a ‘disciplinary society’ that could easily detect deviance. In contrast to the dominant anti-bureaucratic philosophy of public administration which emphasises systems, Anechiarico and Jacobs (1996:28) conclude that “panoptic corruption control focuses on people, investigations, multiple layers of monitoring, and masses of rules and regulations.” This view is shared by Pope (2000:101-102) when he states that continuous monitoring of the assets, income, liabilities and lifestyles of public decision makers and public service authorities enhances prevention of corruption. As a matter to increase accountability, public servants should be required by law to disclose their assets and revenue and must be open to

verification (Bailey, 2000).

From other perspectives, Gillespie and Okruhlik (cited in Mbaku, 1996) identify societal, legal, market, and political approaches to check corruption.

- a) Societal approaches focus on educating society to develop high moral standards and be vigilant concerning corrupt behaviour.
- b) Legal approaches adhere to investigation and punishment.
- c) Market-related perspectives favour freer market structures within existing rules. However, this is not an effective strategy, as Bayley, Macrae, Rose-Ackerman, and Tilman (cited in Mbaku, 1996) argue that, without reforms in the socio-political life of a country, market reforms per se cannot minimise corruption.
- d) Political approaches advocate the deconcentration of public power, facilitation of more access to institutions and public participation in governance.

Doig and Riley (1998:55) also point out that approaches to comprehend corruption and anti-corruption strategies are based on economic analyses, mass public opinion or civic culture perspectives and institutional viewpoints.

- a) Economic analyses. This approach, which represents Klitgaard's view, builds its anti-corruption strategies on the assumption that corruption is manifested by the 'principal-agent' interaction regarding economic issues.
- b) Mass public opinion or civic culture perspectives. This perspective analyses corruption as a socio-cultural product and proposes public awareness-raising campaigns to deter its occurrence. Societal reform is an important ingredient to stimulate demand for change and to fight against corruption. Unless forced by the public, it is improbable that the government and the private sector will support anti-corruption initiatives (Bailey, 2000).
- c) The institutional viewpoint. This approach advocates the building and empowering of institutions, like the auditor-general or anti-corruption agencies, and improving administrative techniques as a way to curb corruption.



Pope (2000:xvii) also argues that the Office of the Auditor-General and the Office of the Ombudsman, which play the role of introducing administrative accountability and efficiency, must be independent and professionally strengthened.

Moreover, from other perspectives, the Open Society Institute (2002:27-31) categorises the approaches to anti-corruption policies into five groups:

- a) The criminal and administrative control approach. The basic assumption of this approach is that people in authority are driven by utility maximisation and are best controlled by law and strong public administration structures.
- b) The small government approach. This approach has a similar perspective to the criminal and administrative control perspective regarding the behaviour of officials and says corruption results from the deficiency of principals in controlling agents. In addition, since this approach views government itself as corrupt, it proposes a reduced role of the state with fewer regulations.
- c) The political economy perspective. The failure of principals to monitor agents as a condition leading to increased corruption also informs this approach, but this perspective focuses on public sector reform and building a more transparent and accountable government in order to restrict the principal-agent problems. It is not interested in the size of the government.
- d) The Multi-pronged Strategy/National Integrity System perspective. The failure of the above approaches has encouraged broader anti-corruption initiatives targeting wider structural relationships. This incorporates restricting lobbying to tolerable limits—to the extent that it is transparent and official, demanding more accountability from politicians, increasing government capacity, and ensuring the involvement of civil society.

Pope (2000:37) notes that:

[t]he National Integrity System (NIS) approach unlocks a new form of diagnosis and potential cure for corruption. Instead of looking at separate institutions (e.g. the Judiciary) or separate rules and practices (e.g. the criminal law) and then focusing on

stand-alone reform programs, we start to look at inter-relationships, inter-dependence and combined effectiveness in an holistic approach.

Figure 3.1 shows pillars which represent elements of the NIS—the institutions, and the tools that these institutions must have for their effective operation for example, the media and freedom of speech, civil society and the legal space that enables it to organise itself. If one or some of the pillars are weaker than the rest, the figure will tilt and sustainable development, rule of law and quality of life will shake and roll off. If, due to historical circumstances, the pillars have varying strengths, they must support and complement each other. Moreover, the figure has to be firmly grounded on public awareness and the society's values for its sustained strength. If the public is apathetic, and the system is devoid of values, the nation's integrity will be at risk (Pope, 2000; see Tamesis, 1998).

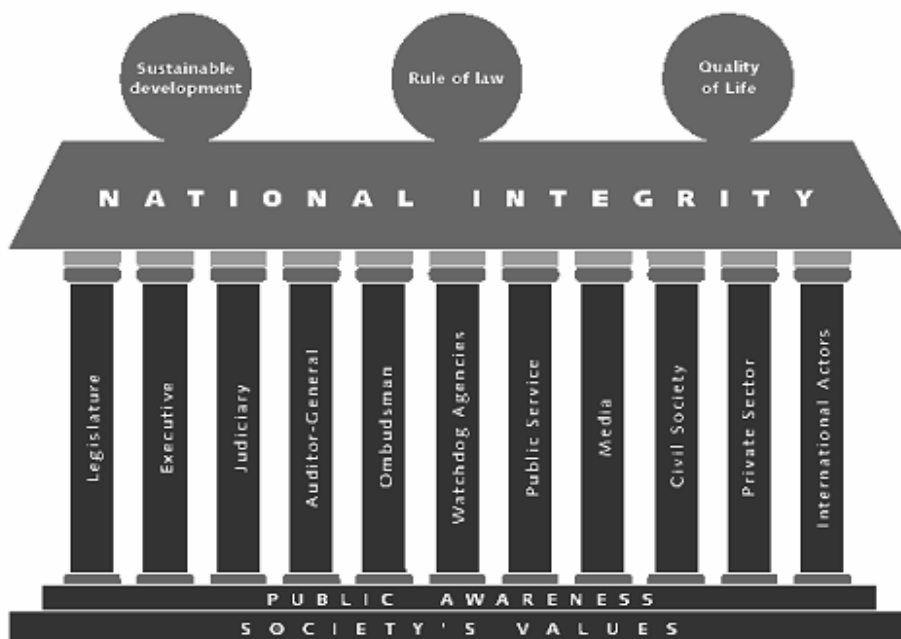


Figure 3.1: The Institutional Pillars of the National Integrity System.  
Source: (Pope, 2000:35).

Pope (2000) further elaborates that rules underpin each institutional pillar as a basis of its strength, as seen in Table 3.1. Some of the core rules and practices can permeate all

pillars and are not exclusive to one. The institutional pillars and the rules and practices together comprise a basic National Integrity System.

Table 3.1: Institutional pillar and corresponding core rules/practices.

<b>Institutional pillar</b>	<b>Corresponding core rules/practices</b>
Executive	Conflict of interest rules
Legislature/Parliament	Fair elections
Public Accounts Committee (of legislature)	Power to question senior officials
Auditor General	Public reporting
Public service	Public service ethics
Judiciary	Independence
Media	Access to information
Civil society	Freedom of speech
Ombudsman	Records management
Anti-corruption watchdog agencies	Enforceable and enforced laws
Private sector	Competition policy, including public procurement rules
International community	Effective mutual legal/judicial assistance

Source: Pope (2000:37).

- e) Public integrity-based approaches. Contrary to the four approaches presented above, which stress making the price of corruption more than the profit to be achieved, public integrity approaches are based on the belief that officials can act ethically, not only because of fear of punishment but more in response to positive incentives. That is, that emphasis on the motive to act with integrity, based on education, is a better deterrent to corruption (Open Society Institute, 2002:30).

The more recent theoretical approaches to anti-corruption programmes put forward by Michael (2004:1083) are the universalistic, the state-centric, the society-centric and the critical schools of practice.

- a) The universalistic approach. In his article, “The rise and fall of the anti-corruption industry” Michael conceptualises this as a ‘big bang’ approach which sees society as a machine requiring a ‘holistic reform’. This perspective views corruption as a business between state and non-state agents and assumes that the tools to fight corruption are applicable and replicable universally. Based on this

approach, Pope (2000) puts forward national integrity systems as effective anti-corruption tools to cut across all walks of political, economic and social life of society. The establishment of an anti-corruption agency is also in the universalistic approach agenda. The basic assumption being the presence of social laws and implementation of powers, their attention is on the legal and society level and highlights cross-country similarity. This gives rise to the application of rules and regulations (Piragoff & Biallas, cited in Michael, 2004:1069) as exemplified by various international and regional conventions (Michael, 2004:1081).

Doig and Riley (1998:45) observe that many are in favour of a universal strategy to tackle the problem of corruption. Universal strategies to fight corruption have been promoted by international institutions, such as the World Bank. But, as cases from Africa demonstrate, these universalist solutions have not been feasible (World Bank, cited in Riley, 1998:155; Doig & Riley, 1998).

Shah and Schacter (2004), however, argue that the type of anti-corruption strategy should be based on the level of corruption in a country and that there is no universal across-the-board cure for any kind of corruption. Where corruption is rampant and governance defective, strengthening the rule of law, reforming, and building democratic institutions to enhance accountability are the viable and effective counter-corruption measures. When the level of corruption is moderate, improving governance capacity through decentralisation, empowering citizens with decision-making power, increasing civil servant accountability for performance, and streamlining processes will be more effective as strategies. In a sound governance setting and where corruption is incidental, the establishment of anti-corruption agencies is a better option. Kaufmann (2004b) argues, similarly, that, if corruption is acute to the point that state capture is predominant, anti-corruption strategies which address administrative rules are not effective. The best option is to deal with and boost wider external accountability, with particularly stress on transparency procedures, including parliamentary election, comprehensive media capacity, and surveys.

- b) The state-centric approach. From the state-centric point of view, state actors are the prime movers of corruption and hence the focus of anti-corruption campaigns. Unlike with the universalist approach, they argue that the best way to fight corruption is an indirect approach, i.e. enhancing transparency and accountability in government operations. They also advocate substantial public sector reforms involving politics, economics, finance, administration, and law.
- c) The society-centric approach. Civil society is the main focus of this view, although it does not exclude power relations in its analysis. This school of thought contends that corruption is not intrinsic but socially constructed, as the consequence of an interaction between different social actors for and against corruption. Their anti-corruption projects tend towards uplifting the responsibility of civil society and the school system. According to Bailey (2000), civil society organisations, including religious, business and professional organisations, are increasingly exhorting their members and political leaders to refrain from and fight against corruption.
- d) The critical approach. The protagonists of the critical approach also reject the existential nature of corruption; they say it is only given meaning by institutions. The critical school has no confidence in any anti-corruption strategy, arguing that the rhetorical nature of the campaigns is merely aimed at silencing political opponents to gain legitimacy and misappropriate the funds allocated for such programmes. They, moreover, argue that the need for increased monitoring of corruption requires greater state involvement, leading to the expansion of government and hence to further fomentation of corruption.

In addition, Michael (2004:1071) argues that:

... all four approaches avoid a systemic approach to anti-corruption. Systems cannot be understood through simple cause-and-effect relationships. All the schools of practice mentioned above argue that a certain set of causes leads to a certain set of results. In universalistic theories, better 'functional fit' between 'stakeholders' produces less corruption. In state-centric and society-centric schools of practice, 'fixing' state or social mechanisms reduces corruption. In the critical approach, anti-corruption helps propagate the notion and practice of corruption. The theoretical consequence of such approaches is

to use linear regression analysis – with corruption as the independent variable – and look at its effects on investment (Wei, 1997; Tanzi and Davoodi, 1997), on government behaviour (Mauro, 1998), economic growth (Mauro 1995; Keefer and Knack, 1996), or social indicators (Kaufmann, 2003). Yet, corruption (just like anti-corruption) does not exist in such simple relationships – but exists as systems and so a systems approach must be taken.

Hence, the discussions of anti-corruption strategies in Chapters 5 and 6 are based on complexity thinking approaches, though to a limited extent.

Michael (2004:1068), and Michael [n.d.:4] summarise the four approaches as shown in Table 3.2

Table 3.2: Anti-corruption schools of practice.

	<b>Universalistic</b>	<b>State-centric</b>	<b>Society-centric</b>	<b>Critical</b>
<b>Focus</b>	‘Society’	State	Civil society	‘Power institutions’
<b>What</b>	Mechanistic programmes	Government reform	Social reproduction	Epistemic contestation
<b>Where</b>	In all ‘stakeholder groups’	State	Outside the state	In discursive practices
<b>Why</b>	Social rules dictate change	State ‘machine’ is broken	People know what is best	Hegemony
<b>Example</b>	Integrity systems	Civil service reform, budget reform, administrative reform	Media, schools, NGOs, cultural institutions	Critiques of international organisations and governments
<b>Some practitioners</b>	World Bank Institute, Transparency International	World Bank’s PREM, SIGMA, EU, private sector contractors	Private sector contractors, NGOs, universities	Academics
<b>Country examples</b>	Albania, Latvia, Poland	Czech Republic, Hungary	Bulgaria	Everywhere and nowhere

Source: Michael (2004:1068); Michael [n.d.: 4].

Most of the past anti-corruption efforts were highly developmentalist in nature (Michael, 2004:1083). A developmentalist approach to anti-corruption is a top-down perspective in which centralised planning and elite knowledge is emphasised, as many of the past efforts witness. The results have been mixed, with a success story in the North but failure in the South.

The main anti-corruption approaches as discussed above are shown in Table 3.3.

Table 3.3: Main anti-corruption approaches.

Author examples	Anti-corruption approaches				
<i>Anechiarico and Jacobs (1996:18).</i>	The Antipatronage Vision of Corruption (1870—1900)	The Progressive Vision of corruption  Control (1900—1933)	The Scientific Administration Vision (1933—1970)	The Panoptic Vision (1970-present)	
<i>Gillespie and Okruhlik (cited in Mbaku, 1996)</i>	Societal	Legal	Market	Political	
<i>Doig and Riley (1998:55)</i>	Economic analyses	Mass public opinion, or civic culture	Institutional viewpoints		
<i>Open Society Institute (2002:26-30)</i>	Criminal and administrative control	Small government	Political economy	Multi-pronged Strategy/National Integrity System (see Pope, 2000)	Public integrity based
<i>Michael, 2004</i>	Universalistic	State-centric	Society-centric	Critical	
<i>Michael, 2004</i>	Developmentalistic				

Source: Compiled by the author

### 3.3 Anti-corruption strategies

Based on the approaches discussed in the previous section, several strategies are available which can be applied in a given context. However, before designing any anti-corruption strategy, one is required to assess the level, forms and causes of corruption for the country as a whole and for specific government institutions. Giving due attention to the political will in government and in civil society, is also a crucial ingredient in the anti-corruption strategy formulation process (Anderson [n.d.:250]). According to Riley (1998:148-150), points to be considered when developing anti-corruption strategies include: identification of the most damaging types and levels of corruption; cultural sensitivity as well as socio-economic development of the country in question; and the

relative political and financial strengths of those involved in corruption. Moreover, the forms of anti-corruption strategy that are most cost-efficient, effective, sustainable, and which have positive impact for good governance have to be chosen.

The progress of anti-corruption efforts has been an evolutionary process. From the early 1990s, international assistance to fighting corruption has been focused on raising awareness. Michael [n.d.:4] referred to them as the ‘first wave’ of anti-corruption programmes. Though awareness was raised, these programmes, due to their narrow focus and technocratic approach, were not successful. The second wave of anti-corruption work started in the 2000s and was oriented more to skills and capacity building. The main differences between the two waves are presented in Table 3.4.

Table 3.4: Comparison between first and second wave anti-corruption.

	<b>First wave</b>	<b>Second wave</b>
<i>Time period</i>	1990s	2000s
<i>Focus</i>	Awareness raising	Capacity building
<i>Reception</i>	Copy	Customise
<i>Implementation</i>	Homogeneity	Heterogeneity
<i>Main actors</i>	International organisations	Multiple national and international organisations

Source: Michael ([n.d].:4)

When formulating effective anti-corruption strategies, designers must therefore free themselves from certain biases if their undertaking is to be sustainable. Fortunately, though there are no universal models to fight corruption, there are some strategies that work well (Transparency International, 2005b). Anti-corruption strategies can be designed, depending on the type and extent of corruption, which agency is involved, who the beneficiaries and losers are, and the factors that create an environment conducive to corrupt transactions (Klitgaard, 1997:501).

These anti-corruption strategies operate at different levels. Riley (1998:132-133) from this perspective conceptualises four types of anti-corruption strategies, namely International (New World Bank and IMF policies; OECD efforts to criminalise transnational bribery; and Transparency International’s interventions); National



(capacity-building; anti-corruption agencies; auditor-general and parliamentary oversight); Local (minimising small-scale corruption; structural reform such as decentralization and deregulation; new administrative procedures; complaints and redress; community oversight; the media); and Populist (Purges; public humiliations and executions; quasi-official tribunals; ‘Moral Rearmament’ campaigns).

Regardless of the level from which they operate, the following anti-corruption strategies discussed in this section are conceptualised and practiced by many countries and agencies. All the strategies strengthen the National Integrity System. The United Nations Development Program (2004) stresses that countries that embark on a serious undertaking to fight corruption have to establish and consolidate institutions that enhance their integrity systems. As its endeavour to reinforce integrity, the UNDP proposes the following: the establishment and strengthening of an independent commission against corruption; the Office of the Auditor-General, Office of the Ombudsperson and the office of the accountant general; a transparent public procurement body; the independence of an electoral management board; strong legislative mechanisms for accountability (such as public accounts committee); and the independence and accountability of the judicial system. For the judicial system to function properly and hold accountable laws, it must be able to enforce impartially. According to Bailey, the judiciary must be modernised and empowered with necessary resources and tools and must be free from interference by the executive or any outsider. However, without other reforms, greater independence and resources for an already corrupt judiciary will only aggravate the problem (Bailey, 2000).

The approach to fighting corruption of the Economic Development Institute (of the World Bank) revolves around curbing corruption by building integrity and improving the delivery of services to the public. To operationalise its approach, the Economic Development Institute actively participates in developing a “national integrity system that consists of: (a) awareness-raising; (b) institution-building; (c) prevention; and (d) prosecution” (Tamesis, 1998). For details, see section 3.2.

The following are the various strategies that emanate from the National Integrity System approach.

### 3.3.1 Law enforcement and Punishment

Klitgaard (1997:501) cogently indicates the incentives to corruption and possible chances to its deterrence by stating that:

[c]orruption is a crime of calculation, not passion. True, there are saints who resist all temptations, and honest officials who resist most. But when the size of the bribe is large, the chance of being caught small, and the penalty if caught meager, many officials will succumb. Solutions, therefore, begin with better systems. Monopolies must be reduced and carefully regulated. Official discretion must be clarified. Accountability must be enhanced. The probability of being caught must increase, and the penalties for corruption (for both givers and takers) must rise.

Klitgaard's emphasis is that human beings are susceptible to corruption and hence appropriate mechanisms must be in place. Becker (cited in Della Porta & Vannucci, 1999:151) also argues that the severity of punishment is a viable deterrent to keep corrupt officials from behaving illegally. Impunity and corruption are compatible and enforcement strategies to reverse the latter are needed. However, to be relatively readily enforceable, rules must be formulated in such a way that they do not provide more incentives for malfeasance. If the corrupt relationships are more lucrative than honest legal ways, rent-seeking behaviour will ensue (Mbaku, 1996).

The common tendency of making scapegoats out of members of opposition parties has to be abandoned and top officials in the ruling party must be targeted, convicted and punished. The message of breaking up the hardest link, instead of the weakest, is more audible and an indication of boldness and determination to root out corruption. Only 'frying the small fish' is tantamount to rhetoric and its negative repercussions are likely to take time to heal (Klitgaard, 1998), as indicated by examples from many African countries where the bigger fish go free (Armah & Kpundeh, cited in Riley, 1998:151).

However, there are counterarguments concerning the effectiveness of the criminal justice system and punishment. Pope (2000:31) warns that "[w]hile corruption might, at least in theory, be tamed in an autocratic and dictatorial manner using a 'big stick', the inexorable decline into corruption and other abuses of power on the part of totalitarian

administrations suggests that this can only be temporary”. Galtung (1998:105;116) argues that law is widely flouted in a country where there is endemic corruption. In such context, criminal sanctions against people involved in corruption are hardly imposed. According to Galtung (1998:116), “a law which cannot be enforced, however impressive it might first seem, will neither be credible nor for that matter feasible”. As Pope (cited in Galtung, 1998:105) puts it, “they tend to be directed against small fish rather than big fish”.

Bailey (2000) likewise argues that, though necessary to bring about credibility, “[e]nforcement alone, especially strategies that concentrate on the so-called big fish, do not solve the underlying problem”. Johnston (1998b:92) indicates that anti-corruption efforts attempted through cracking down from above, no matter how genuinely they may be motivated, are short-lived. In the long run they inhibit the required mobilisation of interested parties along issues of scandal. Rose-Ackerman, cited in Johnston, 1998b:93) raises her concern that, in such a situation, there is no guarantee that the corrupt system will not revert to its previous state. Even severe punishment including death penalty is not a sustainable solution to corruption, as this has failed in countries like Vietnam and China. This type of crackdown has often been used to silence political opponents rather than being a genuine step to solve the corruption problem, according to Robinson (1998:10). “No anti-corruption effort will succeed which infringes upon the most basic human rights, which, instead of reforming unaccountable and undemocratic systems, relies on mere repression and prosecution” (Eigen, 1998:86). In the absence of the rule of law, the judiciary and police are not reliable tools in law enforcement for deterring corruption (Mbaku, 1996).

### **3.3.2 Social empowerment and capacity building**

Social empowerment is a long-term anti-corruption strategy that helps to build social and legal values and strengthen civil society to vitally interact with the state (Johnston, 1998b:85-92). An empowered citizen is the main component of a national integrity system. Citizens must be in a position to be well informed and cognizant of their rights to the extent that they are ready to complain without fear of reprisal (Pope, 2000). Johnston

(cited in Robinson, 1998:8) argues that citizens must organise themselves along a range of economic and political issues so that they can be empowered to fight corruption.

The old adage: ‘No one knows better where the shoe pinches than he who wears it’ advises anti-corruption campaigners to involve citizens in the fight against corruption. It is the citizens who feel the agony and can locate where corruption resides. So for effective results, as Jayawickrama (2001:286-292) puts it, combating corruption has to be driven by local needs and considerations, and Bailey (2000) adds that “[t]here is no ‘one size fits all’. Each situation has unique features – and perhaps more important, unique opportunities” (see also Kaufmann, 2004b:20). Moreover, the internal control mechanisms of a government are not sufficient for transparency and accountability and they must be supplemented by external control structures including citizen and media participation (Kaufmann, 2004b). Especially in the case of higher-level bureaucrats it is the media exposure that is a better restraint to corruption than the formal system for discovering and punishing, as with lower-ranking bureaucrats (Andvig *et al.*, 2001).

Unless anti-corruption initiatives are based upon broad public participation and committed political leadership at the highest level, the potential for their success is thwarted (Eigen, 1998; United Nations Development Program, 2004; Im, [n.d.:248]). Civil society organisations (including professional, religious, business, and ad hoc groups) are dynamic forces in eliciting active public participation through campaigns to raise awareness raising and build capacity (United Nations Development Program, 2004). Civil society has begun to come to the forefront to join in a public-private alliance to form a third dimension. Many civil society organisations have aligned themselves with the popular demands for accountability and anti-corruption campaigns. Hence, they are important ingredients of a bottom-up dimension representing traditional anti-corruption action (Pope, 2000).

In situations where there is serious corruption, a bottom-up approach in which excluded segments of society are elevated to an active mainstream is indispensable for success (Johnston, 1998b:89). In the same vein, Eigen (1998:87) argues that a coalition of government, civil society, and the private sector is essential for legitimacy and

sustainability. If the public decision-making process has become a hostage of market forces and government is no more accountable, the corporate code of ethics starts to fade away. In this case civil society comes to the fore to fill the gap.

Jayawickrama (2001:286-292) and Eizenstat (1998:8-9) moreover argue that the mobilisation of the private sector and the strengthening of civil society through public education, civic awareness and capacity building programmes are essential to corruption control. There must be a meaningful threat outside government that demands accountability and transparency from state officials. Civil society can be such a force to check the conduct of people in public power (Johnston, 1998b:93-94). In addition, the active participation of governments and parliaments is essential; civil society alone cannot change systems (Jayawickrama, 2001:286-292). Johnston (1998b:92) warns that empowering civil society must be supported by strengthening state institutions, and vice versa. The consequence of an imbalance in the relationship will be even more corruption. Where civil society is weaker, it will be vulnerable to corrupt officials, and where the state is poorly institutionalised and weaker, it will be open to state capture by strong and influential individuals in the civil society. If the two are in balance, it is more difficult for either side to exploit the other—neither can be a substitute for the other. To fully play a role, people must be empowered and their skills capacitated.

With the trend towards New Public Management, governments are devolving powers to local levels. This can be welcomed as a remedy to corruption as it removes an important element from the corruption equation—the monopoly of power. But the paradox is that corruption will even flourish if responsibilities are shifted from central bureaucracies to regional or local levels which do not have the capacity to ensure integrity. Various actors are closer at local levels and this also paves the way for more favouritism and nepotism. To counter this, decentralisation must be accompanied by capacity building and anti-corruption public awareness, and a broad anti-corruption coalition of all stakeholders down to the lowest levels (Pope, 2000). Lansing (2003:183) notes that even “[a]n immune system also lacks centralized control and cannot settle into a permanent, fixed structure; instead it must be able to adapt to unknown invaders”. Hence it is more effective to fight corruption by starting at the local level. Public awareness programmes

must start from primary schools up to politicians without exception (O’Keefe, 2000). If there is an attempt to curb corruption at the recruitment level of the workforce, it must also be fought at the entry level to society by educating children at homes and schools.

Anti-corruption efforts need to be established on a permanent basis in government and a highly motivated and organised civil society which can shake the roots of corruption (Robinson, 1998:9; Doig & Riley, 1998; Im,[ n.d.:248]:). Eigen (1998:86) refers to civil society as “the watchdog, the whistleblower and the vanguard to warrant that government and—to a lesser extent—the private sector respect their borders”. Civil society is an important ingredient in the fight against corruption, because most of its elements are always bearing the brunt of corruption (Pope, 2000).

As a provider of essential goods and services, the private sector through its advanced corporate governance, is also a potent instrument in combating corruption (United Nations Development Program, 2004; see also Kimura, 2000). One-sided government efforts to curb corruption will not be successful without the involvement of the private sector (O’Keefe, 2000). The private sector can be present in both the supply and the demand side of the problem—as a victim and/or as a predator. Sometimes there is a blurred distinction between the public and the private sector, as civil servants may have interests in private enterprises in some way or another (Bailey, 2000). In the past, the focus in fighting corruption has been on the public sector. It is only since the beginning of the Asian crisis (1997) that private sector corruption has attracted attention (Abdul Aziz, 2000). It has become obvious, especially in the case of state capture, that there is a need to revisit the traditional view that the focus of the corruption control should be on the public sector (Kaufmann, 2004b). In its effort to fight corruption, the government has to put laws in place and enforce them with regard to the private sector as well. This may include making actions such as money laundering illegal, acting against the acquisition of ill-gotten money, and instituting money reporting requirements (O’Keefe, 2000). Blacklisting and making public are shame factors that can deter a private enterprise from involvement in corrupt activities (O’Keefe, 2000). It is always to the interest of the private sector as well to act ethically and to be corruption-free; and this can be accomplished through coercion (the threat of the stick) and incentives (the lure of the

carrot), and through participation by professional associations, trade unions and the community (O'Keefe, 2000). If the private sector is itself marred by sleaze, it cannot provide better services than a government that has been forced to give way to market forces in the face of inefficiency and maladministration (Pope, 2000).

Robinson (1998:9) warns, however, that involving civil society organisations is not a solution per se. Despite their potency to check corruption, there may be groups within the organisation that benefit from corruption and hinder the anti-corruption process. Pope (2000) agrees on this and elaborates that civil society is also part of the problem. In fact, it is at the point of intersection between the public and private sectors that corruption thrives. There are some organisations in the garb of civil society who operate contrary to transparency and accountability principles and are corrupt themselves. Nevertheless, Pope (2000) continues, while developing anti-corruption strategies we cannot do away without civil society as it is the most powerful tool in the campaign. But it can be concluded that, to play a decisive role, civil society organisations have to base their struggle in solid institutional arrangements (Robinson, 1998:9).

### **3.3.3 Institutional reform**

In the 1990s it became clear that endemic corruption was more of an institutional problem, contrary to the long-held view linking it to cultural, moral and historical causes. This has become evident through the actions for institutional reform taken by new governments in developing countries and the support given by International organisations (Galtung, 1998:105; see Mbaku, 1996; Kaufmann, 2004b).

Institutional reform is discussed in terms of limiting authority, improving accountability, and realigning incentives. Authority can be limited by decreasing the extent of resources controlled by public authorities. This can be materialised by strategies such as privatisation, liberalisation and deregulation and competitive procurement (Bailey, 2000; see Doig & Riley, 1998; Heymans & Lipietz, 1999:25-30). Good governance is likely to be enhanced and corruption minimised when some of the control over the economy is taken out of the hands of the state and administrative processes are simplified (Doig & Riley, 1998; Kamiński & Kamiński, 2001). Economic liberalisation may be important in

some instances to check petty corruption while we need democratisation to create transparency and control grand corruption (Harris-White & White, cited in Riley, 1998:149). Some of the UNDPs anti-corruption programmes involve ways of reducing the government's control over the economy (e.g. by privatisation) and strengthening the justice sector (e.g. by developing anti-corruption laws and by enhancing staff capacity) (Atwood, 1998:14-15). However, the transformation process must be handled with care. Bailey (2000), on the basis of evidence from various parts of the world, argues that privatization, if not accompanied by an appropriate legal framework, can only result in the shift of a monopoly of corruption from the public to the private sector. Unless it is done in a transparent and accountable way, many will benefit from the bidding process and acquire valuable state resources at a lower cost through collusion between state officials and private buyers (see also Robinson, 1998:8).

The Open Society Institute (2002:27-31) states that the opportunity for corruption can be minimised through systemic reform using the following methods: minimising discretion in decision-making; simplifying regulations and procedures (see Gould & Amaro-Reyes, 1983:34-35); acting within the parameters of the conferred power only; establishing accessible and transparent procurement procedures (also see Bailey, 2000); encouraging competition in general and establishing competitive bureaucratic jurisdictions; demystifying government; protecting whistleblowers; establishing meritocratic civil service; developing an integrity system through an independent prosecuting agency; strengthening an independent, impartial, and informed judiciary; giving full responsibility to the Auditor-General to audit government income and expenditure; putting in place an ombudsman who receives and investigates allegations of maladministration (also see Gould & Amaro-Reyes (1983:34-35); instituting an elected legislature; and having a free media (Jayawickrama, 2001:286-292).

In line with these arguments Robinson (1998:9-10), from a multi-pronged approach, notes that institutional reform can be a deterrent to corruption if undertaken in an environment where there are anti-corruption laws and established agencies, and a politically committed leadership. Just as location is a factor of success to business, leadership at all political and bureaucratic spheres is essential to fight corruption.



Readiness to purge one's organisation, action and not mere rhetoric, eliciting community back-up, and determination and consistency are among the requirements of leadership in anti-corruption programmes (O'Keefe, 2000). Pope (2000) also argues that, political will at the top level is fundamental for the fuller realisation of a participatory approach to fighting corruption. In its wider sense, political will involves politicians, policy makers, leaders in the trade unions, professions, religious institutions and other civil society organisations. Even if the country's politicians lack the will to fight corruption, these sectors of the society can form a strong political constituency (also see Doig & Riley, 1998; Bailey, 2000).

The correlation between democratic processes and corruption is not conclusive and, in some cases, is weak. According to Klitgaard (1998), political democratisation and privatisation make administrative corruption less likely; but Lodge (2002:136-137) argues that these processes by themselves cannot be expected to eliminate corruption and that there is disagreement about their implications.

As comparative statistical evidence indicates, corruption is increasing despite the existence of democratic institutions, as in India and Nigeria (Johnston, 1998b:89; and Singh, cited in Robinson, 1998:9) and extensive public sector corruption can coexist with democratic or quasi-democratic politics in developing countries (Riley, 1998: 142). Economic liberalisation and democratisation without institutional reform cannot reduce corruption. There is an increase in cases where democratisation has undermined good governance (e.g. Ghana in the early 1990s) and economic liberalisation has led to the growth of corruption (e.g. Mozambique and Tanzania) (Hall & Young; Hanlon; Mndeme-Musonda *et al.*; and Stasavage, cited in Riley, 1998: 150). Rose-Ackerman's study in the context of Italy also shows that "democracy and the free market are not invariably an antidote for corruption" (cited in Pope, 2000:1). Democratisation without the enforcement of anti-corruption rules will only undermine the fragile institutions (Pope, 2000). However, this does not mean that political reforms do not contribute to the fight against corruption. Robinson (1998:8) argues that political reforms create a conducive environment in which to tackle corruption, but only if introduced genuinely and not as a weapon to gain legitimacy to suppress opponents and gain access to corrupt

opportunities. In fact as Boone (2001) indicates corruption is not only structurally conditioned; it is also a personal choice. Hence, anti-corruption efforts must address the issue of motivational factors of all corruption agents; the criminal justice system approach divorced from prevention and human development is a futile effort.

Contrary to what authoritarian regimes, which require a dependent civil service, recruitment based on meritocracy and pay and promotion systems related to performance are also important ingredients of public sector reform as weapons to fight corruption (Bailey, 2000). That is, it is crucial to control corruption at the entry or supply level of the workforce. In law enforcement areas especially, as Lorenzo, Jr. (2000) suggests, recruitment processes must at least adhere to an intelligence test, a personality test, a background investigation, an alcohol and drug test and a polygraph examination. In addition, every applicant must pass suitably through the required steps. To maintain a streamlined, well motivated and productive workforce through various human resources development (HRD) approaches, is important in reducing corruption. For institutional reform to be fully operational within a society, professionalism, such as of lawyers, accountants and investigative journalists should be enhanced (Riley, 1998:155; Eizenstat, 1998:8-9). Investigative journalism, for example, exposes and stimulates resentment about corruption (Bailey, 2000). Parallel to enhanced professional development, the low salary level of public servants has to be looked at as a package of institutional reform. Salary that is not matched to performance or comparable with the best private sector, is an incentive to corruption. This issue must be addressed before the system is flawed as it will be difficult to set it right again (Klitgaard, 1998; see Bailey, 2000). Riley (1998:154) mentions instances in West African states, including Mali and Senegal, where economic liberalisation, when combined with institutional reforms and salary increases, have helped to reduce corruption. According to the United Nations Development Program (2004:9), “[c]ompensating public servants with a decent living wage is critical in any effort to prevent corruption”. Bailey (2000), however, warns that, even though there is widespread consensus that low salary is an incentive to legal and illegal ways to corruption, there is no unanimity on the solutions that should be applied. Simply increasing the salary level does not seem to be the solution; it rather creates new forms of

corruption. The issue of salary has to be taken as only one ingredient of a comprehensive package in the effort to fight corruption through public sector reform.

### **3.3.4 Good governance: Promoting transparency and accountability**

According to Johnston (1998b:101) and Eizenstat (1998:8-9), good governance, which might include open and healthy political and economic competition, vibrant civil society, and secured civil liberties and rights of property and contract, can reduce corruption (also see Kamiński & Kamiński, 2001). Though it does not mean that improving governance will eradicate corruption, it is worth tackling the problem by dismantling bad governance, which does provide an environment conducive to corruption (Wolf & Gürgen, 2000:3).

... fighting corruption cannot be done by merely 'fighting corruption'—through another anti-corruption campaign or by just adding anti-corruption offices or incessant drafting and redrafting of laws. Instead, corruption needs to be viewed within a broader governance context such as rule of law, protection of property rights, freedom of the press, political competition, transparent campaign financing, and others that in turn affect corruption and need to be addressed head on. (Kaufmann, 2004b:2)

Corruption and governance are closely related and factors that affect corruption (e.g. accountability and transparency) also have a direct relation with governance. Since accountability and transparency are the pillars of good governance, we will discuss these aspects because of their strategic impact on anti-corruption efforts. Brautigam (cited in Johnston, 1998b:101; also see Robinson, 1998:10) notes accountability, transparency, predictability and the rule of law as the main dimensions of governance. There is wide consensus that fostering increased accountability and transparency, and strengthening integrity systems, are effective weapons in the fight against corruption. It is also believed that more discretion and monopoly in decision making creates opportunities for corruption. The relationship between these concepts is stated in the form of the following equation, as discussed in Chapter 2:

Corruption = Monopoly + Discretion – Accountability – Transparency – Integrity.

However, proponents of the public integrity approach argue that curtailing the discretion of officials may disallow the leverage required to make decisions that can be to the interest of the public. They consider limiting discretion as a cost to society (Open Society

Institute, 2002:31). The UNDP Source Book on Accountability, Transparency and Integrity (cited in the United Nations Development Program, 2004) further states that corruption mainly is a failure of governance. By manipulating the variables in these equations one can make a visible difference between good and bad governance and, hence, levels of corruption.

In its effort to combat corruption in developing countries, the United States Agency for International Aid (USAID) package comprises programmes that promote good governance (Anderson [n.d.:250]). According to Tamesis (1998), improving governance is one way to fight corruption. The USAID supports states to adopt a transparent and ethical way of administering their finances and build oversight bodies and anti-corruption agencies (Atwood,1998:14-15). The role of oversight bodies cannot be overstated. According to Heilbrunn (2004:7), “A litmus test to assess an anti-corruption commission’s accountability might be the activities of oversight bodies” (also see Pope & Vogl, 2000:8). In its capacity of representing the people, a legislative body controls the executive branch of the government. To play its role effectively, it requires resources, independence, and direct reporting from anti-corruption agencies (anti-corruption agencies must not report to the executive) (Bailey, 2000). Pope (2000:96) elaborates that strategic placement of the anti-corruption agency is important for its success, but not a sufficient condition. If the highest office (e.g. of the president or prime minister) is itself corrupt, failure is certain. To increase the chances of success, the anti-corruption commission, apart from being well placed, must be accountable to parliament, the judiciary and the Ombudsman. In Hong Kong’s ICAC example, citizens’ advisory committees monitor its daily operations. Heilbrunn (2004:15) concludes that anti-corruption agencies must have enforceable legal tools to effectively punish corrupt authorities, independence from interference by politicians, a clear reporting hierarchy—with reports delivered to the director of the organisation and oversight committees, and then simultaneously shared with parliament and the executive.

“Improving efficiency, accountability and transparency in the delivery and administration of public services often close the loopholes for corruption” (United Nations Development Program, 2004:9). Without accountability, no system works to the interest of the people.

Even the press, though free, must be accountable to a Press Council and ultimately to the courts. The courts, in turn, though independent, must be answerable to a system of appeals and parliament or a judicial service commission, and this body ultimately must be accountable to the people through the ballot box. In this way, the strands of accountability reinforce each other (Pope, 2000).

In its broadest sense, accountability includes legislative oversight and public participation.

In a democracy, there are two forms of accountability at work: 'vertical accountability' by which the electors, the governed, assert control over the governors, and 'horizontal accountability' where those who govern (the governors) are accountable to other agencies (the watchdogs)... Under a system of 'horizontal accountability' a 'virtuous circle' is perfected: one in which each actor is both a watcher and is watched, is both a monitor and is monitored. A circle avoids, and at the same time answers the age-old question: 'Who shall guard the guards?'.... Such accountability mechanisms, when designed as part of a national effort to reduce corruption, comprise an integrity 'system'. This system of checks and balances is designed to achieve accountability between the various arms and agencies of government. (Pope, 2000:33)

To enhance accountability, we need to improve detection (more transparency and oversight), promote self-regulation (codes of ethics and managerial leadership) and apply sanctions against corrupt acts (by means of administrative and criminal laws) (Bailey, 2000). An effective anti-corruption strategy focuses on corrupt systems, not (just) corrupt individuals. "Instead of thinking about corruption in terms of an immoral individual breaking the law and violating a trust, one thinks about systems that are more and less susceptible to various illicit activities" (Klitgaard, 1997:501). Pope (2000) and Kaufmann (2004b) argue similarly that, as corruption is a systemic failure, the primary focus of anti-corruption success is on reforming systems rather than on blaming individuals. According to Bailey (2000), we need to "[f]ix the system; avoid witch-hunts and attacking people". In the same vein, Shah and Schacter (2004:42) point out that "the less anti-corruption strategy should include tactics that are narrowly targeted at corrupt behavior and the more it should focus on the broad underlying features of the governance environment". Along this line of argumentation, Bhatnagar (2003:26) also concludes that we must look beyond

individual instances of corrupt behaviour for viable anti-corruption programmes and target the structural factors of institutions that allow corruption to develop. Hence the whole effort would be to rectify the corrupt system and not just react to incidents of corruption whenever they appear.

Anti-corruption efforts find meaning only in a legitimate government. Legitimacy to rule is the cornerstone to good governance and it is dependent on the way it is acquired. Without free, fair, and transparent elections, legitimacy to govern dwindles. In the absence of legitimacy, the environment is conducive for corruption to flourish (Pope, 2000). However, Bailey (2000) again warns that, even though they are among the best options for accountability so far, elections are no guarantee on their own. They must be free and fair and participants must be well informed. As Pope (2000) puts it, free and fair elections monitored by an independent and professional Elections Commission can enhance the legitimacy of the government of the day.

### **3.3.5 Prevention: Promoting ethical principles**

The United Nations Development Program (2001c) states that “[w]hen the limitations of the enforcement of such laws become apparent, there is a call for improved ethics”. Cuadrado and Arce (2005:36) also strongly believe that ethical principles can provide guidelines for successful interdisciplinary studies about corruption.

Monitoring and enforcing anti-corruption laws are expensive and the compliance process must be supplemented by codes of conduct from trade and professional associations (O’Keefe, 2000). As Zekos (2004: 639) puts it, “the consequences of ignoring ethics are costlier still, in terms of foregone opportunities as well as economic inefficiency”. The development of codes of conduct can control the acceptance of gifts and misuse of public property. They also prevent activities that lead to conflict of interest (Asian Development Bank, 2004). A nation has to strive to produce responsible citizens by:

sensitizing future generations to key principles of democratic governance and the negative consequences of corrupt behavior. It is also important to instil in young people a culture of positive engagement and respect and skills for constructive and investigative

debate on the quality of governance and its impact on people's lives. (United Nations Development Program, 2004:10)

The corrupt not only fight back to protect their interests by changing tactics to counter anti-corruption measures but also are proactive by developing more sophisticated activities. In a situation where corruption is endemic, it will be difficult for law enforcement agencies to tackle corruption by conventional law. Instead, law enforcement agencies may be a safe haven for corrupt authorities (Pope, 2000:95). Hence, corruption is easier controlled before it is widespread and deep rooted. It is common sense that prevention is better than cure (see, for example, Abdul Aziz, 2000). To prevent corruption from happening, we must prevent the opportunities that give rise to it. According to the United Nations Development Program (2004), preventative measures include minimising the discretionary powers of decision-makers, improving public financial management and controls, demystifying and de-personalising government, promoting meritocracy, supporting legislation to create a value system that does not tolerate corruption, educating the younger generations towards responsible citizenry. According to Ali and Gibbs (1998:1556, 1558), one effective way to educate society against malfeasance is to find commonality within the various cultures and religions and instil it in the mind from childhood. They suggest the Ten Commandments as a basis for ethical conduct (honesty, faithfulness and respect) that are relevant globally. They further explain that the Commandments' moral lesson is timeless and unrestricted by space.

“Beneath the surface of cultures are fundamental human needs, characteristics, and qualities that humankind can morally satisfy only with universal virtues” (Garofalo *et al*, 2001). Hoffman (cited in Ali and Gibbs, 1998:1556) supports this view by stating that as the “real ethical solid building blocks or principles of most cultures are the same”. Similarly, Zekos (2004:631) argues that:

[i]nternational society due to globalization has to develop and establish common ethical principles of behaviour in social life taking into account religion and world civilization. The basic values of humans and life as creation have to be identical all over the world, which means that human behaviour should be similar all over the world. So, similar actions should be ethical or unethical similarly all over the world and principles

established by different kinds of societies should not alter the basis of values of life and humanity.

These views give a strong foundation for an ethical approach to fighting corruption. Ali and Gibbs (1998:1563) also observe that most religions condemn corruption.

Contrary to other authors who hold otherwise views, Garofalo *et al.* (2001) indicate that various anti-corruption initiatives are not sufficient unless coupled with ethical theory to fight corruption. That means that we, among the multiple approaches and strategies to fight corruption, need to add the ethical dimension to our effort. Hence, after identification of the current positive behavioural habits that promote the desired moral climate, and the negative ones that encourage corruption, a comprehensive training for ethical goals in order to shape behaviour is important (Garofalo, 2001, *et al.*).

Given that “religion has a more certain grip on personal conduct” (Braibanti, 1979:11), the role of ethics in combating corruption cannot be overlooked. Osborne (1997:11) and Zekos (2004:639) state that in most cultures ethics are closely related to religion, to founding figures and leaders and to sacred texts. Religious writings suggest that there are many common features in the traditional ethics of different societies (also see Lynch, T. D. and Lynch, C. E [n.d.]). Osborne (1997:11), referring to bribery in the writings central to several religions and cultures (the Hebrew Scriptures, Hindu and Confucian writings, the teachings of Buddha, Ancient Greece, Christian, Islamic and Western culture) show four broad areas of convergence in stating:

- that bribery is wrong, giving a rule-based ethic for those who believe;
- that this is not thought self-evident, as for murder or theft, but a conclusion derived from the consequences — ‘bribery is wrong because...’;
- that pragmatic arguments are needed, therefore, to show why bribery is wrong;  
and
- that arguments based on care are stated most strongly—bribery is wrong because its effects are unjust and unfair.



In the same vein it is argued that the Ten Commandments (TCs) contain the most influential set of principles among the Jews, Christians and Islam, because they not only regulate man-man-God relationships but they have profound ethical impact in the workplace and society (Ali & Gibbs, 1998:1552). It follows that there is a basis for cooperation to prevent and reduce bribery between people from different religious traditions and cultures, and with people who may reject those traditions but accept arguments based on pragmatism and care. Despite its important role, problems sometimes arise when the church loses credibility as a result of involvement in corruption, like the Church of England in the eighteenth century (Wraith & Simpkins, 1963:137). In such a situation, the role of religion to fight corruption can be questioned.

A situation like this gives rise to the arguments used to counter the religious motive to fight corruption. Wraith & Simpkins (1963:178) indicate that it does not require belief in a spiritual religion to hold that bribery and corruption are wrong, for corruption is merely a form of theft, and theft is held to be intolerable in all societies, whether atheist, animist, Christian or Muslim, and is contrary to the laws of all organised communities. Pope (2000:i) also argues that:

[t]he fight against corruption is not wholly a moral one, in the sense that it is a struggle against the intrinsic 'evil' of corruption. Certainly there is a moral element – one which cuts across all major religions and societies throughout the world – but the compelling reason for the struggle is the suffering and deprivation corruption brings to whole societies, and to the world's most poor. It is concern for the latter, rather than a distaste for the corrupt and their deeds, that rightly drives the global movement against corruption.

Hoffman (cited in Ali & Gibbs, 1998:1557) also points out two schools of thought in relation to religious faith: 'inclusionists' and 'exclusionists' who take and reject religion respectively as a foundation for moral principles. However, Ali and Gibbs (1998:1557) argue that in this information age the role of religion in ethical issues should not be overlooked. In this regard Ali and Gibbs (1998:1563) further argue that "[v]arious factors such as education, social upbringing, philosophical orientations, economic needs and other related factors should be considered before giving a complete validity to the role of

the TCs in one's life. The TCs<sup>5</sup> are general moral guidelines and should not be understood otherwise".

### **3.3.6 International coalition building and networking**

As has been proven over the years, institutional and political reforms are no panacea for corruption. Since corruption in a country is seen not in isolation from cross-border influences, it spawns international responses for its control, as evidenced by the initiatives launched by the USA, OECD, European Union, the ADB-OECD Anti-Corruption Initiative for Asia Pacific, and the Inter-American Convention against Corruption, among others (Robinson, 1998:11; Pope, 2000; Michael, 2004:1080). This alliance among national, regional, and global entities is vital in criminalising the bribery of foreign authorities in the war against corruption (Bailey, 2000; Tamesis, 1998). Riley (1998:133) furthermore identifies the New World Bank and IMF policies, OECD efforts to criminalise transnational bribery, and Transparency International's interventions as attempts to contain corruption at an international level. Cooperation with foreign anti-corruption agencies can also be very valuable in tracing assets flown illicitly from a country (Pope, 2000:103). These national anti-corruption efforts are enriched by sharing international best practices in terms of resources and expertise and sharing accessible regional databases. International partners can aid in local capacity building, introducing ICTs facilities as part of institutional reform, and a thrust to global/regional cooperation to address corruption (United Nations Development Program, 2004; Park, 2000).

There is an evolution in thinking on the part of the international community along with general rethinking about the function of international aid and lending organizations in the post cold war age and one of increasing globalization. The combined effects of corruption and organized crime, the drug trade and its corrupting influences, money laundering combined with globalization and its emphasis on privatization and deregulation are forcing a rethinking about the relationship between the market and the state. (Bailey, 2000)

Hence, it has been made clear that corruption is an international problem. In circumstances where there are constraints of resources and infrastructure to fight

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<sup>5</sup> Ten Commandments

corruption, international or regional cooperation (bilateral or multilateral) is one way of tackling the problem (Park, 2000). It is a fact that, from a systemic point of view, nothing lives in isolation. We cannot fight corruption in a closed system, as it is influenced by and influences legal and illegal cross-country relationships. The coordination of anti-corruption at international levels not only saves duplication of efforts but also is more effective and sustainable (Tamesis, 1998).

Regarding this coordinated action, Bailey (2000) points out that International efforts fall into four categories:

- Effective use of loans and grants;
- Direct support by aid agencies to anti-corruption programmes;
- Limiting of corruption, particularly bribery, in international business and enlisting their efforts; and
- Fighting transnational crime, including the flow of illicit funds.

Despite all the efforts:

[e]vidence suggests that many foreign direct investors (FDI) and multinational corporations (MNCs) continue to engage in transnational bribery, in spite of the transnational OECD anti-bribery convention, and in spite of the United States having enacted legislation (under the U.S. Foreign Corrupt Practices Act [FCPA]) in the 1970s. (Kaufmann, 2004b:16)

On the other hand, the donor efforts to impose anti-corruption programmes as a precondition for aid have not been successful. Unless the impetus comes from within, the initiative could not be sustained and had unintended consequences (Pope, 2000).

This indicates that international cooperation to curb corruption is still in its infancy. For better results, lessons of best practices need to be highlighted and widely disseminated (Pope & Vogl, 2000:8-9; Robinson, 1998:11).

### **3.3.7 Anti-corruption agencies**

When societies around the world respond to corruption outbreaks, the approach of choice increasingly is to establish an anti-corruption agency. This response, seemingly simple, actually poses many difficulties...An alternative strategy involves strengthening anti-corruption capabilities across multiple government agencies. (Meagher, 2005:69)

Towards the end of the last millennium, a range of policies was adopted to fight corruption. Establishing anti-corruption agencies has been one of the alternative routes taken by many governments despite their failures. This, according to Heilbrunn (2004:1), may be "...an effort to satisfy international donors and placate domestic calls for reform..."

The World Bank (cited in Meagher, 2005:70) describes an anti-corruption agency as "a body that reviews and verifies official asset-declarations; carries out investigations of possible corruption; and pursues civil, administrative, and criminal sanctions in the appropriate forums". Based on their functions and the branch of government to which they are accountable, Meagher (2005:70-71) categorises anti-corruption agencies into single and multiple-agency models. In a more elaborative way Heilbrunn (2004:3) distinguishes four types of anti-corruption agencies: the universal model, the investigative model, the parliamentary model, and the multi-agency model as discussed below.

#### **a) The Universal Model**

Heilbrunn (2004:3) explains that the universal model is typified by Hong Kong's Independent Commission Against Corruption (ICAC). This model has investigative, preventative and awareness campaigns to conduct its anti-corruption operations. It also audits management systems of government institutions from an anti-corruption standpoint (Heilbrunn, 2004:3-4; Pope, 2000:95). According to Klitgaard's (cited in Heilbrunn, 2004:3) assessment, ICAC's operations since its inception in 1974 have been successful, mainly through the investigation of allegations of corruption, investigation, prevention and communication (teaching the public including outreach programs). Hong

Kong has turned the tide of corruption from a systematic to an incidental one (Galtung, 1998:112).

In Hong Kong's ICAC model, sufficient budget for operations and a well-remunerated staff independent of the civil service rules made by mutual agreement are some of the salient characteristics of the agency. This is regarded as the secret of ICAC's stable employee base, which contributed to its sustained expertise in successfully checking corruption (Heilbrunn, 2004:4). Pope (2000) and the U4 - Utstein Anti-Corruption Resource Centre [n.d.] further argue that, more than anything else, the main source of ICAC effectiveness lies in the preventative approach comprising education and public awareness activities. These perspectives have enabled the agency to set coherent and coordinated strategies. However, Doig and Riley (1998:60) argue that there are problems in seeking universalist strategies for solutions, given the diversity of causes and forms of corruption.

Against the background of a number of scandals in its public life, Botswana<sup>6</sup> established the Directorate of Corruption and Economic Crime (DCEC), modelled after the similar organisation in Hong Kong. In spite of important achievements, the DCEC is also confronting a number of problems including staff shortages, serious institutional problems (slow responses from courts for example) and negative public perception (perceived as being a whitewash for the present government) (Olowu, 1999:611-612).

#### **b) The investigative model**

This model is exemplified by Singapore. Against the persistence of corrupt behaviour, the Singaporean government allowed the Corrupt Practices Investigation Bureau (CPIB) investigation and enforcement powers to fight corruption. In this Singaporean model, oversight mechanisms are not defined as clearly as in Hong Kong's ICAC. The CPIB reports to the Anti-Corruption Advisory Committee which, in turn, reports to the

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<sup>6</sup> Botswana has been considered a good example of good governance, and political and macroeconomic stability in Sub-Saharan Africa. However, there were reports of involvement in corruption on the part of a few prominent government officials in control of major government procurement and parastatal corporations (Olowu, 1999:611-612).

president. Despite the flaw in this relationship and the hierarchy which, at the end, corrode accountability procedures, public sector corruption in Singapore has been declining since the establishment of the CPIB. This can partly be explained by the government's commitment to combating corruption. Nevertheless, this type of agency lacks attributes that are crucial in a democratic polity such as committee systems and reporting mechanisms similar to the Hong Kong ICAC (Heilbrunn, 2004:7; Olowu, 1999:611-613).

Despite the similarity of their origin and design, the ICAC and CPIB have different approaches to implementation. The ICAC uses huge financial and staff resources and focuses on reforms and prevention, community outreach programmes and continuous monitoring, and eliciting input from citizens. In contrast, the CPIB operates with far smaller resources and is secretive in its operations, and is not subject to public oversight and reporting (Meagher, 2005:73). Furthermore, despite its publicised commitment to 'e-government,' Singapore does not publish the CPIB budget or performance record on the web (Olowu, 1999:611-612).

#### **c) The Parliamentary Model**

This is an example of the New South Wales ICAC (NSW ICAC). The model comprises "commissions that report to parliamentary committees and are independent from the executive and judicial branches of state" (U4 - Utstein Anti-Corruption Resource Centre [n.d.]). The main focus of corruption control in this model is prevention, as it is believed to be better than cure and punishment (Gifford, cited in Heilbrunn, 2004:8). The most important departure from the Hong Kong model is the NSW ICAC's authority to investigate complaints from the public against its staff (Meagher, 2005:93).

#### **d) The Multi-Agency Model**

Various bribery scandals in the USA gave rise to the creation of the Office of Government Ethics (OGE) as part of a multi-agency approach to fighting bureaucratic corruption (Noonan, cited in Heilbrunn, 2004:9). In this approach "[t]raditional judicial and administrative agencies retain their core capabilities and legitimacy while additional

structures are put in place to address gaps, weaknesses, and newly emerged opportunities for corruption” (Meagher, 2005:70-71). The basic operations of the OGE are dissimilar to other anti-corruption agencies in many other countries as its role is exclusively preventative through the enhancement of bureaucratic understanding of laws and regulations without the mandate to enforce (Heilbrunn, 2004:10). This model “includes a number of offices that are individually distinct, but together weave a web of agencies to fight corruption” (U4 Utstein Anti-Corruption Resource Centre [n.d.]).

The OGE defines and prevents conflicts of interests by propagating information on laws and regulations that administer public sector employment and cooperates with various branches of the executive. In this way it strives to cultivate high ethical standards among employees and reinforces the public's confidence that official business is conducted with integrity. Its reporting line is to the President and Congress and partners and works closely with Federal police agencies and the Justice Department (Heilbrunn, 2004:10).

According to Klitgaard (cited in Pope, 2000), and Speville (cited in Pope, 2000), the failure of past efforts to combat corruption through the anti-corruption agency can be partly attributed to corrupt state machinery; absence of political commitment; political interference and uneven application of reform laws; reforms that lack specific focus; overly ambitious promises; too much reliance on law enforcement; lack of sustainable institutional mechanisms; insufficient accountability; lack of resources; inadequate laws; loss of morale; and corruption within the anti-corruption agency itself.

Furthermore, Kaufmann (1998) also cautions against certain biases that contribute to the failure of anti-corruption efforts. These include:

- a) Anti-Business bias. Making the business sector a scapegoat for economic failures.
- b) Tackling-the-symptom bias (vs identification of fundamental root causes). Contrary to a holistic approach to rectify the system, politicians sometimes resort to enacting anti-corruption legislation to punish certain targeted perpetrators.

- c) Ex post (vs ex ante) bias. Paying extreme attention to institutional and legal perspectives, ignoring future preventative measures (also see Pope & Vogl, 2000:9).
- d) Quick-fix bias (vs importance of indirect effects). Indulging in insufficient intervention measures for political and diplomatic reasons.
- e) Injection bias (vs global climate change). Establishing isolated institutional anti-corruption watchdog bodies and commissions which may inhibit more sustainable interventions.
- f) Anti-Counterfactual bias. Non-rigorous and out of context analysis of anti-corruption strategies that leads to conclusions contrary to facts.
- g) Prose bias (vs in-depth use of hard evidence as input for real action). Despite the abundance of data for concrete action, there is a trend not to move beyond public awareness.
- h) Mechanistic toolkit bias (vs tailor-making, carefully considering the particularities of the types and main determinants of corruption in each setting). Not taking into account the specificity of societies when devising anti-corruption strategies.
- i) Christmas tree bias (vs prioritisation—following identification of main causes of corruption in a country). Lack of prioritisation of programmes.
- j) Anti-economic reforms bias. Addressing the symptom rather than curing the disease by way of a quick ‘solution’.

Meagher (2005:86) also argues that ACAs are vulnerable to misuse by politicians and in fact become tools of corruption. According to Pope (2000:104), except in countries such as Singapore, Malaysia, Taiwan and Hong Kong, anti-corruption agencies have proven failures. In these countries the committed political leadership, vast popular support, sufficient research capabilities, focus on investigation and prevention through education methods are believed to have contributed to their relative successes (also see Olowu, 1999:611-612).



### **3.4 e-Government: Implications for the anti-corruption effort**

With the advent of the new public management (NPM) approach, governments have begun to show interest in the quality of service they provide and being responsive to clients, which they did not do in the past. Van Duivenboden and Lips (2005:142) observe that there is "...a particular match between e-government developments and the impact of the NPM range of thought in government organizations." However, NPM is not without limitations as its focus is on professionalisation.

NPM tries to get a grip on or reduce complexity by creating clear responsibilities and dividing policy making from policy implementation....the manager tries to keep as far as possible from the complex interaction of the system itself.... The governance perspective addresses complexity by stepping into the complex system and designing governing mechanisms and strategies that are specifically targeted... From this perspective, the manager attempts to move with the system and take advantage of opportunities to connect actors and ideas in the system, so that temporarily stable situations for achieving policy outcomes can be arrived at. (Klijn, 2008:311-313)

The next revolution in public management is e-governance, which is expected to alter methods of service delivery and may bring about a basic relationship between government and citizens at large, and is currently taking place in industrialised, emerging and developing economies to varying degrees (Saxena, 2005:498-499). It has incidentally been found that e-government is a system that helps to fight corruption through increased transparency in conducting public/private affairs, though this is not its primary explicit aim (Bhatnagar, 2003:24). Contrary to this expectation, on the other hand, there are arguments that ICTs are facilitating traditional corruption and creating new forms of corruption. According to Girling (1997:i), "corruption does not disappear as courtiers develop and modernize. Instead, corruption takes on new forms".

Information and communication technologies (ICTs) are the new media for the information and network society. Trauner (2002:5) includes:

fax, mobile telephone, interactive voice response (voice messaging), the 'newer' technologies are touch-tone data entry, video conference, CD-ROMs, DVD, the Internet (in particular e-mail, web sites, user groups), Intranets (internal or local area networks),

Web TV, UMTS (Universal Mobile Telecommunications System) and ADSL (Asymmetric Digital Subscriber Line), data storage and data processing

assets of the new media. Assisted by these new technologies, the information society has changed the rules of the game of how civil society, governments, and businesses act and react and promise substantial opportunities to increase efficiency and effectiveness in all kinds of policy processes (Wireless Internet Institute, 2003; Prins, 2002:3). Such digital living will, furthermore “reduce man’s dependence on time and space, close the generation gap and lead to world unification” (Kapur, 2002).

The need of and transformation to e-government is not limited to the developed world. Cloete [n.d.] underlines the use of ICTs in developing countries and concludes that, “[i]n the face of fast diminishing resources, as a result of over-exploitation and mismanagement, information technology can be used very effectively as development instrument to increase the effectiveness and efficiency of development programs of developing countries which are increasingly unable to meet the fast rising expectations of their populations”. Though there are counterarguments to heavy investment in ICTs in the developing world, many authors emphasize ICTs’ crucial role for improved governance and economic development (Kluver, 2005:75).

ICTs can be of great help in minimising the opportunities for malfeasance through simplification of procedures and regulations (United Nations Development Program, 2004). In this regard, the Asia and the Pacific region has already introduced ICTs and the Internet in order to limit discretion in decision-making processes, especially in corruption-prone sectors (Asian Development Bank, 2004). Bailey (2000) argues that the application of computer technology and appropriate financial management systems enhances the detection of financial abuse, which, in turn, warns potential wrongdoers against involvement in corrupt activities. ICTs also are instrumental in improving the public sector accounting and integrated financial management system, thereby enhancing transparency and accountability. Schick (2002:52-53) refers to the integrated financial management system (IFMS) which creates a single, complete and uniform information

system that could support a more effective and transparent management of the public institutions (also see Shim & Eom, 2008:299).

Reflecting the application of ICTs in the private sector, e-government has become a major reform buzzword for future governance in the public sector. ICTs have opened many possibilities for improving internal managerial efficiency and the quality of public service delivery to citizens. Moon (2003:179), for example, notes that ICTs have contributed to dramatic changes in politics, bureaucracy, performance management, reengineering, red tape reduction, democracy, and public service delivery during the last decade. However:

given many obstacles e-governance is not a shortcut to economic development, budget savings or clean, efficient government. Instead, e-governance is an evolutionary process and often a struggle that presents costs and risks, both financial and political (Pacific Council on International Policy, 2002). Therefore, if e-government initiatives are not well conceived and implemented, they can waste resources, fail in their promise to deliver useful services, and thus increase public frustration with government. (Saxena, 2005:502)

The critical success factors, as conceived by the World Bank [n.d.], are people, processes and technology and to a lesser extent, luck: 20 % Technology, 35 % Business Process Reengineering, 40 % Change Management, and 5% Luck. Given these elements of the criteria for success, all e-government undertakings in developing countries do not witness victory as many may end up in failure. According to Heeks (2005:52), survey results indicate that 35% of e-government initiatives in developing/transitional countries are total failures, 50% are partial failures and 15% are successes.

### **3.4.1 Conceptualisation and evolution of e-government**

Some of the factors that have contributed to the development of e-government as identified by Heeks (cited in Gant, 2003:56) are:

- An unsustainable level of public expenditure that do not produce efficient public services (due to waste, delays, mismanagement, corruption, or poor organisational and management skills)

- A resurgence of neo-liberal thinking emphasising the efficiency of market competition and the need to make government more businesslike
- The rapid development of IT and the increasing awareness of the value of information systems

e-Governance has emerged as an information-age model of governance that uses ICTs at all levels and in all sectors of a society aiming at good governance (Bedi *et al.*; Holmes; and Okot-Uma, cited in Saxena, 2005:499). Businesses have been turning away from their administrative support systems in their back-offices since the 1960s, in order to modernise their front-line operations (Backus, 2001). However, this is better implemented in a networked context. “An effective connected government is about a ‘bigger and better’ front-end with a ‘smaller and smarter’ back-end” (Millard, cited in United Nations Department of Economic and Social Affairs, 2008:6). According to Gant (2003:55) it was in the 1980s that a growing concern about efficient and effective methods of service delivery began to develop in the industrialised countries. Governments have been taking major strides to make their bureaucracy businesslike, particularly since the mid-1990s, by exploiting the potential of ICTs for governance (Dutton, 1996:175-177; Prins, 2002:4; Gant, 2003:55). Governments believed that embarking on e-government might improve an image that was generally regarded as slow and unresponsive (Working Group on e-Government in the Developing World, 2002). It has to be noted that the focus of e-government is not on facilitating interactions with the public (front-office services) only, but also on efficient, effective and speedy administrative processes (back-office operations) (Backus, 2001). This back office integration is a crucial objective of public administration for good service delivery (Westholm, 2005:99). However, despite its benefits, Cloete (2003:75) concludes that the back-office focus is lagging behind, as is seen in many countries, including the developed nations.

The concept of e-government is used in two senses: in a narrow sense, e-government means the implementation of ICTs in the exchange between the public and the administration, with the public connected online (Trauner, 2002:25-28), and is no more

than the deployment of a website (Snellen, 2004). According to the Center for Democracy and Technology [n.d.:3]:

e-Government is not simply a matter of giving government officials computers or automating old practices. Neither the use of computers nor the automation of complex procedures can bring about greater effectiveness in government or promote civic participation. Focusing solely on technological solutions will not change the mentality of bureaucrats who view the citizen as neither a customer of government nor a participant in decision-making.

In a broader sense, e-government refers to how the government administration itself can change its identity and adapt to modern communication technologies and their potential (Trauner, 2002:25-26) to facilitate the implementation and evaluation of policies, inside as well as outside the organisations (Snellen, 2004). The Gartner Group (cited in Seifert, 2003) conceptualises e-government as “the continuous optimization of service delivery, constituency participation, and governance by transforming internal and external relationships through technology, the Internet, and new media.” This creates a conducive environment for ‘customerisation’ of public services, which encourages citizen involvement and complaints, and thereby limits the opportunities for corruption that may reduce the discretion and arbitrary power of public officials (Riley, 1998:150; Doig & Riley, 1998; United Nations Development Program, 2004). e-Government gives rise to a more accessible and accountable government to its citizens (The Working Group on e-Government in the Developing World, 2002).

According to Yang and Rho (2007:1198-1199 ), the United States e-Government Act of 2002 defines electronic government as:

the use by the government of Web-based applications and other information technologies, combined with processes that implement these technologies, to enhance the access to and delivery of government information and services to the public, other agencies, and other government entities, and bring about improvements in government operations that may include effectiveness, efficiency, service quality, or transformation.

The United Nations adopts a more citizen-centred definition as “an internet driven activity that improves citizen access to government information, services and expertise to

ensure citizen participation in, and satisfaction with the governing process” (Yang & Rho, 2007:1199).

The common point in the above definitions is the emphasis given to technology; and integrating the two, as well as other definitions, Yang and Rho (2007:1199) define e-government as “the strategic use of information technology, especially Internet-based technologies, to achieve greater government efficiency, better service quality, and more democratic participation”.

e-Government brings all sectors of society closer and enables dynamic interaction within and among citizens, governments and businesses, both nationally and internationally. The relationship among citizens, government and businesses are shown in Figure 3.2. According to Kim (2004), the interaction between citizens and government (C2G), and government to citizens (G2C) ensure participatory decision making and better public services respectively. The interaction between government and businesses (G2B) and business and government (B2G) lead to the regulatory framework and better resources management. There is also intense interaction within government departments, people, and businesses themselves. All these relationships when handled properly may result in good policy formulation and implementation manifested by enhanced efficiency.

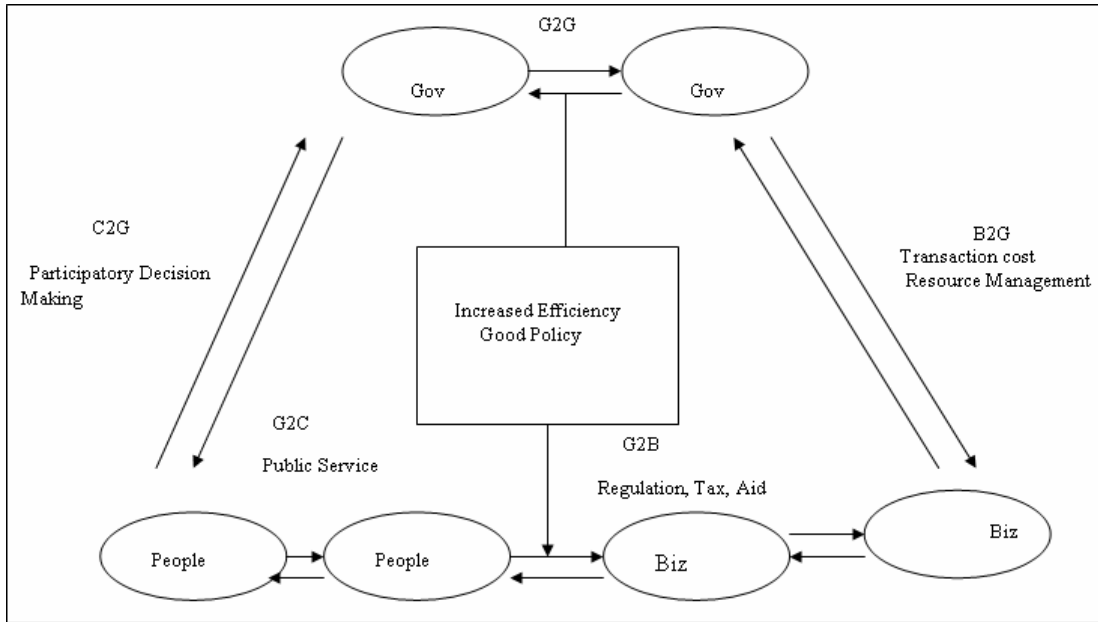


Figure 3.2: Relationship among Citizen, Government, and Business  
 Source: Kim (2004)

These relationships vary with the maturity of e-government, which evolves at various stages. As demonstrated in Table 3.5, there are various ways of classifying the stages of e-government maturity (United Nations Department of Economic and Social Affairs (2008:16). See also the American Society for Public Administration (cited in Yang & Rho, 2007:1198).

Table 3.5: Stages of e-government.

<b>Stage I: Emerging</b>	<b>Stage II: Enhanced presence</b>	<b>Stage III: Interactive presence</b>	<b>Stage IV: Transactional presence</b>	<b>Stage V: Networked presence<sup>7</sup></b>
Online presence; links to ministries; mainly static information; little interaction with citizens	More information on public policy and governance; links to archived information	Online services: downloadable forms for tax payments and applications for license renewals	Two-way interactions between 'citizen and government'. It includes options for paying taxes, applying for ID cards, birth certificates, passports and license renewals, as well as other similar G to C interactions, and allows the citizen to access these services online on the basis of 24/7	Connected entity that responds to the needs of its citizens by developing an integrated back office infrastructure

Source: United Nations Department of Economic and Social Affairs (2008:16)

As an offshoot of the industrial society, matured e-government has the following characteristics in relation to the information age government. Tapscott (1996:170) shows this shift to e-government from its predecessor in Table 3.6.

Table 3.6: A shift from industrial age to e-government.

<b>From: Industrial age Government</b>	<b>To: Internetworked Government</b>
Bureaucratic controls	Client service and community empowerment
Isolated administrative functions	Integrated resource services
Paperwork and file handling	Electronic resource services
Time-consuming processes	Rapid, streamlined response
Explicit controls and approvals	Implicit controls and approvals
Manual financial transactions	Electronic transfer of funds
Awkward reporting mechanisms	Flexible information inquiry

<sup>7</sup> This is the most sophisticated level of online e-government initiatives and is characterised by:

1. Horizontal connections (among government agencies)
2. Vertical connections (central and local government agencies)
3. Infrastructure connections (interoperability issues)
4. Connections between governments and citizens
5. Connections among stakeholders (government, private sector, academic institutions, NGOs and civil society)



<b>From: Industrial age Government</b>	<b>To: Internetnetworked Government</b>
Disjointed information technologies	Integrated network solutions
Election of governors every few years	Real-time, participatory democracy

Source: Tapscott (1996:170)

Most understandings of e-governance are techno-centric, that is, focusing more on the use of technology and the efficiency gained from this that is developed in phases such as publishing, interacting, transacting online on the web (Bhatnagar & Schware, cited in Saxena, 2005:502). However, the other ‘governance-centric’ view sees governance from the perspective of citizen interest and emphasises the outcome or impact of e-governance, rather than merely outputs. It also gives more weight to effectiveness than to efficiency (Saxena, 2005:502-503). In the same vein Dutton (1996:193) argues that outcomes are determined by the interaction of policy choices, management strategies, and cultural responses—not by advanced technology alone. Technology, according to Fulton, is not an end in itself but a tool for improving the performance of government activities (Abramson & Morin, 2003:9).

As a result of rethinking of the role of ICTs, the United Nations Department of Economic and Social Affairs (2008:3) indicates that:

[g]overnments are increasingly looking towards e-government-as-a-whole concept which focuses on the provision of services at the front-end, supported by integration, consolidation and innovation in back-end processes and systems to achieve maximum cost savings and improved service delivery.

The United Nations Department of Economic and Social Affairs (2008:3) further states that the “focus of the second generation e-government initiatives has shifted from the provision of services to the use of ICTs to increase the value of services” as shown in Figure 3.3. The figure shows how traditional modes of service delivery by traditional government have evolved to e-services by e-government and later to the enhancement of the value of services through integrated government. This means a networked or fully integrated online public service delivery.

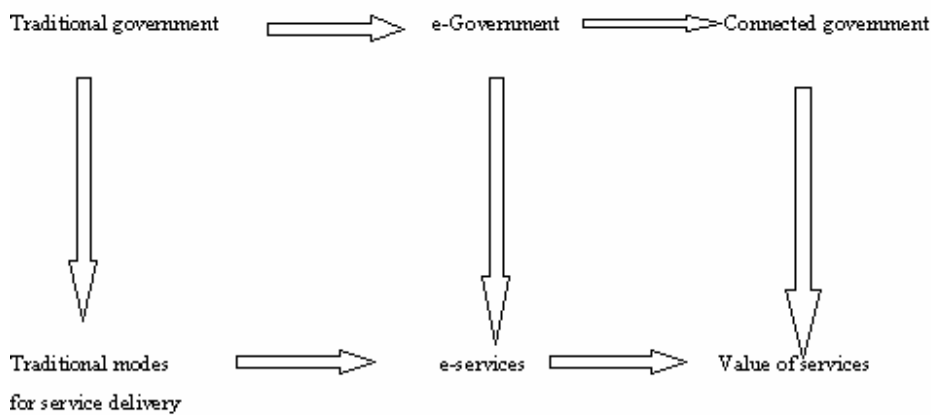


Figure 3.3: Evolving approach to public service

Source: United Nations Department of Economic and Social Affairs (2008:4)

### 3.4.2. The role of ICTs in the anti-corruption system

Traditional corruption control approaches are not able to detect or prevent political corruption as corrupt behaviours are not always illegal. e-Government is believed to overcome this through e-participation with more citizens interacting (Shim & Eom, 2008:304). This feature of e-government coupled with the capabilities of enhancing managerial control is believed to be an effective corruption control mechanism.

Yang and Rho (2007:1199) identify three perspectives as to the general impacts of e-government. They are as follows:

- Optimists: Scholars championing a utopian image argue that the rapid development of ICTs will deconstruct hierarchical and centralised forms of social and organisational structure, as well as expedite decentralised and interactive forms of communication based on a network relationship among people.
- Pessimists: They assert that ICTs may undermine democratic governance because it increases the surveillance power of state bureaucracy and the market to regulate citizens and ICTs can be misused by social groups.

- The social construct theorists: This group argues that the development of ICTs is not an objective design/discover process that is excluded from social and cultural influences. ICTs are socially constructed and institutionally embedded.

Nevertheless, with respect to corruption, the attributes of e-government seem to be effective mechanisms to counter it. Evans, according to Dudale, Daly, Papandrea & Maley (2004), argues that e-government is new governance that:

- cuts red tape;
- joins up ministries and levels of government as opposed to fragmented administration;
- enables individualised service delivery, with networks and flexible structures that are adaptable to changing social, technological and global environments as opposed to hierarchical, command-and-control organisation;
- promotes active involvement of stakeholders;
- fosters accountable and transparent government;
- deepens democracy by continuously engaging citizens in policy making as opposed to 3- or 4-yearly elections; and
- promotes not only citizen to government but also citizen to citizen interaction.

(also see Backus, 2001; Riley, cited in Saxena, 2005:499).

Liou (2008:77) points out that e-government “is useful in addressing such issues as: openness in public policy, transparency and standardization, efficiency and equity, easy and better access, supervision and accountability, anti-corruption and cost reductions, and better connection between the public and the government”. To be fully empowered and put a break to corruption, citizens must have an ease of access to and rich interaction with officials, coupled with mutual respect of autonomy. This precludes manipulation of monopoly positions and bureaucratic bottlenecks (Johnston, 1998b:95-96).

Transparency can be enhanced by demystification and de-personalisation of government by helping people to exercise their right to the access to information aided by ICTs where

face-to-face interaction is minimised (United Nations Development Program, 2004). Transparency is diminished if there is no timely and non-discriminatory access to information, if the information is not comprehensive as to include main elements, if the information lacks relevance (is free from redundancy and information overload), and the information suffers from quality and reliability for policy-making processes (Kaufmann, 2004b). If freedom of information is stifled (in terms of access and comprehensibility), citizens will be in a weaker state when it comes to fighting corruption (Bailey, 2000). The features that lead to transparency and accountability must be built into the e-government infrastructure in a suitable way so that they increase access to information and enable the tracking of decisions and actions of civil servants. If some of these features are missing or inadequate, the whole purpose of e-government is defeated (Bhatnagar, 2003:25).

Information, an essential element of a democratic system, is a real muscle to the people and a prerequisite for accountability (Pope, 2000). The cost-effective nature of internet voting can also have the possibility of impacting the frequency of elections, which are an important ingredient of e-democracy for enhancing accountability (Done, 2003:262). Even more than that, accountability is best achieved in an ongoing way rather than in time intervals, say of four years. This is made possible in e-government through electronic hearing, electronic brainstorming, and electronic votes enabled by ICTs. In South Africa, for instance, the Independent Electoral Commission “registers voters and accurately captures election results and conveys the information in a fast and dependable manner” (Center for Democracy and Technology, [n.d:24]). This real-time public participation in governance approaches more mature democratic processes (Tapscott, 1996:166; Done, 2003:128; 239-251). Moon (2003:180) and Wireless Internet Institute (2003) identify digital democracy as a component of e-government as it promotes timely acquisition of knowledge, transparency and accountability in government, and tolerance to diverse views. It empowers people to set agendas, establish priorities, make important policies and participate in their implementation in a deliberative, active and not passive way (Trauner, 2002:27-28; Hughes, cited in Kinney, 1996:142). In the city of Fujisawa, Japan, as a strategy of e-participation, there is an electronic bulletin board by means of

which people can propose new policies or suggest changes of policy to the mayor (Shim & Eom, 2008:304).

But for a fruitful impact of e-government, ICTs must be: available to everyone and everywhere, be user-friendly, secure and authenticable, ever upgrading, encouraging cooperation among stakeholders to find the best solution, cost saving, and enabling, to bring fundamental change to administration and not just automation (Council for Excellence in Government, cited in Trauner, 2002:33). Moreover, Bhatnagar (2003:26) concludes, “[f]or anti-corruption efforts to be effective, reformers must look beyond individual instances of corrupt behaviour and target the structural factors that allow corruption to develop”. For example, ICTs are instrumental in improving the public sector accounting and integrated financial management system, thereby enhancing transparency and accountability. The integrated financial management system (IFMS) creates a single, complete and uniform information system that would support more effective and transparent management of the public institutions (Schick, 2002:52-53; also Shim & Eom, 2008:299).

The application of ICTs may grease the wheels of bureaucracy, facilitate data management systems, bring about more efficient and effective election processes which (though associated with some security and legal challenges) will enhance public confidence, and enable interaction to improve public policy that lead to the improvement of governance (Kapur, 2002; Done, cited in Abramson & Morin, 2003:10-11; Done, 2003:249-260). e-Government, moreover, enhances governance through transparency, anti-corruption capability, empowerment and poverty reduction (Tapscott, 1996:174).

e-Government further promises reduced administrative procedures and bureaucracy, faster and more accurate responses, ownership, access and control over government services by citizens and governance itself. Above all, it increases transparency, boosts accountability and, consequently, decreases risk of bad administration or corruption (I.Vasiu, , Iorgovan, L. Vasiu, & Negulescu, 2004). e-Government also fights against sluggishness and opacity, two of the possible causes of corruption (Wireless Internet Institute, 2003). Hence, as corruption is a governance problem, it is best tackled through

establishing good governance, which in turn is enhanced by the application of the use of modern ICTs. e-Government uses ICTs such as Wide Area Networks (WAN), the Internet, the World Wide Web and mobile computing to stimulate and simplify good governance by:

- improving and extending delivery of services to citizens;
- improving the interface with business and industry;
- empowering citizens through access to knowledge and information to valuably interact directly; and
- transforming operational and bureaucratic procedures and making government more efficient and effective (Backus, 2000;; Gant, 2003:56).

Despite all the optimism discussed above, there is no empirical study that statistically analyses the relationship between e-government and corruption. However, a number of case studies provide compelling evidence of the way in which e-government can bring greater transparency to public administration which leads to the decrease of corruption (Shim and Eom, 2008:303). Some examples from various countries can be cited to illustrate the role of e-government in the effort to curb corruption.

As a way of empowerment through information sharing, the Internet provides a forum for groups who have similar interests for formal and informal discussions about issues such as corruption. According to Fenner and Wehrle ( 2000) there are formal networks like the ADB/OECD Anti-Corruption Initiative for Asia-Pacific, the Stability Pact Anti-Corruption Initiative for Southeast Europe, the OECD Anti-Bribery Initiative, and the Anti-Corruption Network for Transition Economies in Central and Eastern Europe. These anti-corruption networks help each other through the exchange of ideas and capacity building programmes to combat corruption in various sectors. Specialised anti-corruption networks are efficient instruments to disseminate best practices that can be customised to local situations. Fenner and Wehrle (2000) further cite examples of informal anti-corruption networks like the World Bank's Anti-Corruption Knowledge Centre, and the OECD's Anti-Corruption Ring Online. These networks spread anti-corruption values and shape policies for sustainable anti-corruption strategies.

There are other success stories about e-government in many countries. For example, in India an automated and secure tracking system that automatically calculates tolls and fines and then deducts them from the carrier's account. This solved the problem of delays and corruption on the part of toll booth operators (Centre for Democracy and Technology). In South Korea, activities that presented ample opportunities for corruption (such as licensing and permit approval) were brought under transparent operation when the government introduced ICTs that enabled citizens to track online the progress of their applications (Centre for Democracy and Technology; Bhatnagar, 2003). In this OPEN (Online Procedures ENhancement for Civil Applications) system, the applicant is able to identify the responsible government official and verify whether the application is being processed properly. The computer system can check to find a list of delayed petitions. The cause of delays is inspected and the results are sent to the corresponding department. As a result, the discretion of public officials is significantly reduced (Shim & Eom, 2008:303).

In India, the demand for the transfer of elementary school teachers to urban areas was characterised by corruption, which negatively affected the management of elementary education. However, according to Saxena (2005:505), this problem was overcome when a new computer-aided system that uses priority criteria for transfers was implemented in 1999. The main features of this system are that:

- it corrects the existing imbalances of too many posts and teachers in urban areas;
- it freezes posts and/or shifts posts where teachers are in excess or where additional teachers are not required; and
- it is teacher-friendly, and gives no scope for any vested interest to creep in.

The Regional and Sustainable Development Department (2003) gives examples of the application of ICTs in various countries of South East Asia. According to the report, the Republic of Korea Supreme Prosecutor's Office and the Seoul District Prosecutor's Office established computer crime investigation departments to investigate cases of corruption with the help of modern computer techniques. In Pakistan, electronic tax filing

and payment systems are being introduced to reduce contact between tax collectors and taxpayers. In the Philippines a computer program called 'Selectivity' categorises shipments for appropriate examination to minimise chance of corruption arising from personal contacts.

Similarly, e-procurement is one of the central components of public sector reform programmes to minimise corruption. In-person contacts between purchasing agencies and bidders are no longer required and the real-time procurement information allows the early detection of fraudulent activities (Leipold, 2007:1-3). The United Nations Department of Economic and Social Affairs (2008:115) gives an example from Mexico that is becoming exemplary in the region. In Mexico the government established Compranet for government procurement as part of its efforts to curb corruption by automating procurement processes. This facilitates the bidding process online, and the public see what services and products the government is spending its resources on and what companies are providing them with these services. The e-procurement system of Brazil (Comprasnet) registers public procurements and the price of outsourced services. This enables high level public officers to compare the price of a proposed contract with similar bids, and to renegotiate the contract if the price is excessively high, saving 20% of government contracts (about \$150 million per year) (Shim & Eom, 2008:303). Chile has made its procurement system more efficient and transparent by implementing comprehensive procurement reform through ICTs. This website automatically sends emails to private companies registered on the system when contracts come up for bid and takes bids online. This system, which created new methods of oversight and accountability also includes statistics and other information on past performance of government contractors (Centre for Democracy and Technology, p 4-6). Leipold (2007:1-2) notes that e-procurement gives greater access to competition, integration and automation, and easier access to real-time and historic information for management and audit (enabling higher quality decision making and planning, as well as greater transparency and accountability).

To recapitulate, the role of ICTs in the drivers, approaches, and strategies (where they can have significant impact) are shown in Table 3.7.



Table 3.7: Anti-corruption drivers, approaches and strategies that are amenable to ICTs.

	<b>Description</b>	<b>Examples of the role of e-government /ICTs</b>
<b>Drivers</b>	Awareness raising and empowerment of citizens that lead to the demand for transparency and accountability	e-Government is a system that helps to fight corruption through increased transparency
	Active involvement of civil society and international organisations	Proliferation of anti-corruption websites
<b>Approaches</b>	Scientific	Increases managerial efficiency and enhances, e.g., the detection of financial abuse
	Panoptic Vision	e-Government gives rise to a more accessible and accountable government to its citizens
	Societal	Proliferation of educational and anti-corruption websites
	Political	Minimize the opportunities for malfeasance through simplification of procedures and regulations; influences policy through e-participation
	Economic	Empowering citizens through access to knowledge and information to valuably interact directly
	Mass public opinion	Proliferation of educational and anti-corruption websites
	Institutional	e-Government enhances governance through transparency, anti-corruption capability, empowerment, and poverty reduction; integrated financial management system
	Criminal and administrative control	Management information systems to reduce discretion
	Small government	Transformation through bureaucratic procedures to make government more efficient and effective
	Political economy	e-Government alters methods of service delivery and may bring about a basic relationship between government and citizens at large
	Multi-pronged Strategy/National Integrity System	Cost-effective through internet voting; enabling frequent of elections
Society-centric	Enhances transparency by demystification and de-personalisation of government	
<b>Strategies</b>	Law enforcement and Punishment	Investigation of cases of corruption with the help of modern technologies
	Social empowerment and capacity building	Proliferation of informational, educational and anti-corruption websites
	Institutional reform	Access to and rich interaction with officials
	Good governance: Promoting transparency and accountability	It empowers people to set agendas, establish priorities active participation in policy making and implementation
	Prevention: Promoting ethical principles	Proliferation of informational, educational and anti-corruption websites
	International Coalition building and networking	Brings all sectors of society closer and enables dynamic interaction nationally and internationally
	Anti-corruption agencies	For awareness raising and investigative purposes

Source: Compiled by author

### **3.4.3 Challenges to e-government**

Despite of the global proliferation of initiatives, e-government is not progressing as promised. Furukawa (2004) observes that e-governance, though it has produced benefits, also carries associated risks. This may be due to various reasons, such as technological limitations and organisational weaknesses (Heeks and Pacific Council on International Policy, cited in Saxena, 2005:499). Following the euphoria of the advent of the Internet, controversial social issues that are surfacing in terms of whether ICTs really enhance good governance include corruption, public participation, privacy and equity of information (Dutton, 1996:320). Many authors welcomed the e-government initiative as an opportunity for better services in terms of efficiency, effectiveness, transparency, and lower prices. On the other hand, others have been sceptical because e-government also carries dangers if it is not associated with sufficient resources, visionary leadership and the required organisational transformation (Sancho, 2004), and adequate security management to proactively tackle cyber-attacks, system failures, and natural disasters (Heiman, 2003:300).

Particularly in developing countries with weak infrastructure, rampant corruption and rigid bureaucracy, the undertaking, if not well thought through, will only be draining resources (Draper, 2004; Dutton, 1996:175). Despite the promising role of ICTs to promote transparency, there has been growing resistance from those who feel disempowered and are therefore looking to maintain the status quo. The apathy to change came from all groups who could not cope with the new change and who prefer to be die-hard and retain their old paradigms (Levin & Dingley, 2004; Tapscott, 1996:317, 248). The Centre for Democracy and Technology [n.d.:2] suggests that civil servants need training and leadership in order to become integrated into the new information structure. Policymakers must be cognizant that many civil servants will feel threatened by e-government, either because they fear being caught for corruption or simply because they fear a loss of power. Furthermore, Tapscott (1996:248) clearly emphasises the need for change by stating, “[w]hether Newtonian physicists, Swiss watchmakers, mainframe computer companies, or old retail giants, success in the old paradigm becomes inertia in

the new...Yesterday's recipe for success clearly will not be tomorrow's recipe for success".

Moreover, regardless of the undesirability of differential access to ICTs, it is observed that the digital divide can seriously hamper the goals of e-government. If different groups, depending on their income, knowledge, origin and skill, have varying opportunities to make use of the potential fruits of ICTs, the purpose of e-government cannot be met. "Optimists believe that modern ICTs will allow developing countries to catch up with the developed world, while pessimists claim that the growing digital divide will reinforce economic divergence" (Kapur, 2002). As economic success and social well-being and good governance become increasingly technology dependent, the problem of the digital divide becomes more significant. In an economy where brains, not brawn, counts, and where networks enable people to participate fully in the economy and policy formulation, equity in access of information is vital (Tapscott, 1996:292-295).

As mentioned above, the digital divide not only separates nations, it also separates different groups within a country where a portion of the citizens lacks the skills to use computers and the Internet, perpetuating inequalities (Stowers, cited in Abramson & Morin, 2003:5; Dutton, 1996:238). This necessitates websites and other computer programs to be made user-friendly and not only make computers available (Stowers, 2003:22). Well-designed user interfaces and multilingual systems can make information services more readily accessible and enhance equity of information and economic growth (Dutton, 1996:190; also Feather, 1994:85). Moreover, "[g]iven the penetration of wireless technology among citizens, its social acceptability, its user-friendliness, and its cost as compared with the PC-based Internet, the use of wireless technology may be a significant way to reduce the impact of the digital divide and provide e-government services that more citizens can access other than through the PC-based Internet" (Chang & Kannan, 2003:372).

Backus, (2001) points out some possible weaknesses and threats in political, social, economic and technological dimensions that are challenging e-governance in developing countries (see, Table 3.8).

Table 3.8: Challenges to e-government.

<b>Political</b>	<b>Social</b>	<b>Economic</b>	<b>Technological</b>
Strategies and policies, laws, legislation, leadership, decision-making processes, funding issues, international affairs, and political stability	People, (level of) education, employment, income, digital divide, rural areas vs cities, rich vs poor, literacy, IT skills	Funding, cost savings, business models, e-commerce, spin-offs of e-governance	Software, hardware, infrastructure, telecom, IT- skilled people, maintenance, safety and security issues

Source: Backus (2001)

Seifert (2003), similarly, argues that transformation from traditional government to automated, citizen-centric governance is slowed down due to a variety of technical, economic, and political reasons. “Developing countries are poorly connected to global networks, and rural parts of developing countries are often not connected at all. Creating electronic channels for e-government would be futile if the vast majority cannot access these channels” (Kapur, 2002).

In general, many technical and management challenges lie ahead. These include the digital divide, information security, privacy, new technology, interoperability, and inter-agency cooperation (Yang & Rho, 2007:1213). In line with this, Scholl and Klischewski (2007:893-895) identify the following nine constraints that provide a complex environment for governmental integration and interoperation which favours certain interactions, while it limits others on various levels.

- a) Constitutional/legal constraints: Integration and interoperation may be outright unconstitutional because a democratic constitution requires powers to be divided into separate levels and branches of government for purposes of checks and balances.
- b) Jurisdictional constraints: Under the constitution, governmental and non-governmental constituencies operate independently from each other and own their information and business processes.

c) Collaborative constraints: Organisations are distinct in terms of their disposition and readiness for collaboration and interoperation with others.

d) Organisational constraints: Organisational processes and resources may differ from one organisation to the next to such an extent that integration and interoperation might prove exceedingly difficult to achieve without standardising of processes, systems, and policies.

e) Informational constraints: While transactional information might be more readily shared, strategic and organisational information might not also be shared; information quality issues arise when integrating information sources across various domains of control and quality standards.

f) Managerial constraints: Interoperation becomes inherently more complex as more parties with incongruent interests and needs become involved.

g) Cost constraints: Integration and interoperation between diverse constituencies might be limited to the lowest common denominator in terms of availability of funds.

h) Technological constraints: The heterogeneity of e-government information systems platforms and networking capabilities might limit the interoperation of systems to relatively low standards.

i) Performance constraints: As performance tests suggest, the higher the number of interoperating partners, the lower the efficiency.

These issues indicate that e-government has a long way to go before it can completely join up even government departments.

### **3.5 Complexity thinking in the anti-corruption system**

The complexity of anti-corruption initiatives begins with its drivers. As discussed in section 3.1, multitudes of factors that dynamically interact and reinforce one another give

rise to the anti-corruption agenda. These include media attention and activism of civil society; empirical studies that show the worsening trend of socio-economic indicators; continuous awareness and empowerment of citizens that has given rise to the demand for transparency and accountability; donors' demand for healthy macro-economic policies; mounting anxiety about organised crime which is nurtured by corruption; proliferation of anti-corruption websites; and the overall interest in ethics education, mainly in the developed world. Furthermore, the heterogeneity and multiplicity of stakeholders in the anti-corruption coalition; the non-linearity of the consequences of anti-corruption efforts (through the non-linear response of corrupt agents); the insufficiency of a single strategy to deal with corruption; and the emergence of a global anti-corruption coalition are, among others, indications of the complexity of the anti-corruption system.

The approaches and strategies to counter corruption did not come ready-made in their current format. As in any complex adaptive system, the anti-corruption approaches have evolved through the interactions of many initiatives, as evidenced by the American example—from anti-patronage to the panoptic vision. Similarly, all anti-corruption approaches developed elsewhere have led to the emergence of universally accepted standards, as exemplified by the various international conventions (see section 3.2). In fact, in line with discussions in subsection 1.7.1.4, diversity, localised interaction and feedback are the main properties of the complexity of an anti-corruption system. It is from these diverse interactions that the global and regional anti-corruption cooperation, coalitions and networks have emerged. However, this does not mean these universally accepted standards are sufficient to deal with all the local diversities. As in a biological system, it is the localised interaction that heals the infected part.

Anti-corruption strategies also have exhibited fractal (self-similar) properties by operating at different levels—international, national, and local. Though they have diverse strategies to suit their respective levels, they all strengthen the national integrity systems (a pattern representing a strange attractor, as discussed in subsection 1.7.1.3).

Corruption and anti-corruption cannot be defined in terms of simple cause-and-effect relationships. Many anti-corruption strategies that have been devised with good intent did

not necessarily bring the desired level of reduction. For example, as systems are not characterised by linear dynamics, an increase in ICTs has not automatically led to the reduction of corruption levels, as expected. The literature study has indicated that there can even be an upsurge of corruption or, sometimes, no significant association between ICT use and corruption. With the rapid proliferation of ICTs, new actors of corruption have emerged with new tactics that abuse the system, challenging traditional anti-corruption mechanisms. Hence, tackling corruption is not a straightforward endeavour; it is such a complex phenomenon that the manipulation of its causes may bring unintended results. Like any other complex adaptive system, the trajectories of steps taken have proved to be non-linear (see subsection 1.7.1.2).

Furthermore, variables in the corruption and anti-corruption corruption system keep on multiplying. Cases in which an official is obligated to pay a part of his bribes to his superior are increasing, as examples of collective corruption that further complicate the analysis of corruption. Thus controlling corruption in hierarchies introduces a new dimension to the complexity of corruption (Cuadrado & Arce, 2005:24). This situation indicates that the bad apple analysis is not sufficient and should include a dynamic bad barrel analysis (Nielsen, cited in Cuadrado & Arce, 2005:24). As a complex phenomenon, partial investigation and a non-integrated approach to corruption is a half-baked effort and does not take us anywhere.

As a complex system, corruption also exhibits properties of attractors. As corruption is a crime of calculation, and not a passion, officials, depending on the risk, alternate between honest and corrupt behaviour (this being a limited-cycle attractor). Many adherents of the anti-corruption coalition are found to be corrupt in the dark, especially when the payoff looks attractive enough to betray honesty (see section 3.3.1). Similarly, anti-corruption initiatives (like treaties and conferences) are like cyclic attractors (characteristic of a complex system) where many nations, organisations and individuals participate and enter into various anti-corruption treaties at a time (See subsection 1.7.1.3).

But even systemic corruption is not incurable (e.g. Sweden, Hong Kong and Singapore). However turbulent it looks, society can self-organise to fight corruption and arrive at a

new level of stability (emergent behaviour). The interactions between corruption and anti-corruption agents bring about unforeseen collective behaviour, revealing emergent properties (a society with minimal corruption). However, stability is temporal; the dynamics of corruption and anti-corruption agents can bring about a new state of disequilibrium, depending on the balance of forces—the iterative process goes on.

Processes are so dynamically influenced by contexts and Teisman (2008:357) doubts whether instances of ‘best practice’ can be repeated. As in the case of complex adaptive systems, there is no ‘one size fits all’ approach to fight corruption as discussed in section 3.3.2. A range of examples can be listed to indicate the complexity of the anti-corruption corruption system. These include:

- To curb monopoly by state organs, privatisation was sought as one of the strategies of anti-corruption; however, corruption is known to be rife in the private sector as well—on both the supply and the demand side of the problem (see section 3.3.2).
- During the transformation process of liberalising the economy, corruption is involved in many instances (see section 3.3.3).
- Institutional reform is contingent on anti-corruption law and established agencies and a politically committed leadership, among others; to find all these and other anti-corruption variables fulfilled is not easy in a dynamic social sphere.
- In civil society, which is considered to be a watchdog, corruption is common.
- There is no conclusive argument about the correlation between democratic processes and corruption as indicated in section 3.3.3; case studies indicate the coexistence of corruption with democratic politics in developed and developing countries.
- Increasing the salary level may only create new incentives and forms of corruption.



- The ethical approach to fight corruption discussed in section 3.3.5 is not a panacea either, as it is questioned when some religious institutions who advocate ethics are themselves accused of involvement in corruption.
- Freedom of expression and oversight through the media and legislature respectively are regarded as anti-corruption mechanisms; but these organs are not immune to corruption—‘who will guard the guardians?’ reflects the ongoing unresolved complexity of the problem.
- e-Government with all its promises to make government processes transparent, has limited leverage in the fight against corruption, partly because of the self-organising of corrupt agents that respond in nonlinear ways. Technology does not determine society; the outcome of its application depends on the complex pattern of interactions between humans (Castells, 2000:5).
- Despite the efforts of international coalitions to fight corruption, transnational corruption is on the rise, even among the signatories of coalitions, as discussed in section 3.3.6.
- The different models of anti-corruption agencies discussed in section 3.3.7, apart from their inability to become ‘universal models’, have inherent limitations.

All these are indications of the complexity of anti-corruption actions and the presence of a multitude of variables that interact and influence one another where impact is non-linear. According to Cuadrado and Arce (2005:21), “the corruption system is [cap]able of surprising behaviours, by responding in more than one way to any change in its environment”.

The implications of complexity thinking for anti-corruption work are discussed in Chapters 5 and 6.

## **Summary of chapter**

Man’s endeavour to fight corruption has never been stopped. The impetus being human greed and a distaste for corruption on the part of those affected, it seems that the struggle

between corruption and anti-corruption will continue ceaselessly, without either completely winning the battle. Some forms of corruption are easier to control or minimise as far as their impact is concerned, while others involve major macroeconomic implications and are difficult to tackle. Some may also be tolerated in accordance with the cost of control, as efforts could be counterproductive if a sluggish bureaucracy at an increased price is built, at the expense of reduced corruption. Benefits brought about by anti-corruption programmes must therefore outweigh the associated costs. Corruption cannot be eradicated, despite the rhetoric calling for its elimination, and to attempt to do it is not cost effective.

It was in the last decade of the second millennium that corruption was identified as a problem of bad governance and development and that societies began to openly discuss and systematically fight this social, political and economic evil. This was mainly encouraged by the prominent international donor organisations and Transparency International, who were behind the anti-corruption initiatives of the developing world. The effort was welcomed due to the awareness of the deleterious effect of corruption, its impact on organised crime, and the hindrance to smooth international trade and investment. The extent and trends of corruption vary widely, even across developing countries, which does not make it an easy task to capture the causes and impact of corruption and devise anti-corruption programmes, given the multitude of roles of stakeholders and external actors.

Diverse approaches to combating corruption have emerged. Historically, in the American administration, the approaches taken to combat corruption progressed through different stages: the anti-patronage vision, the progressive vision, the scientific administration vision, and the panoptic vision. Others approached it from societal, legal, market-related, political, civic culture, institutional, the criminal and administrative, or national integrity system perspectives. Still others have seen it from universalistic, state-centric, society-centric, or critical points of view.

Strategies based on the approaches were developed to tackle various forms of corruption at international, national, local and institutional levels. All the strategies strengthen the

National Integrity System and flowing from this system, are various strategies involving law enforcement and punishment; social empowerment and capacity building; institutional reform; good governance (promoting transparency and accountability); prevention (promoting ethical principles); international coalition building and networking; and anti-corruption agencies.

The advent of ICTs and the Internet have signalled opportunities to curb malfeasance through simplification of procedures and limiting discretion in decision making processes. Shim and Eom (2008:298-299) argue that e-government can reduce corrupt behaviours externally by enhancing citizens' participation in the decision-making process and more easily as they can get more information from the Web, and internally through reducing arbitrary human intervention and by more effectively controlling and monitoring employees' behaviours (based on scientific management and the traditional bureaucratic paradigm). Many argue that the application of computer technology and appropriate financial management systems enhances the detection of financial abuse which, in turn, warns potential wrongdoers against becoming involved in corrupt activities. e-Government, which uses ICTs in its service delivery, promotes transparency and accountability, thereby paving the way to good governance, which is an important weapon in the fight against corruption. On the other hand, the proliferation of ICTs facilitate cyber crime, which is increasing rapidly as perpetrators are making use of new technologies to facilitate corruption. There are various limitations to the success of e-government also, including lack of resources, technological skill, visionary leadership, and the required organisational transformation. Furthermore, Heeks (1998) notes that:

[m]anagement of corruption is ultimately shaped more by management decisions and by broader organisational and environmental factors than it is by technology. IT-based systems guided by the panoptic vision affect symptoms of a corrupt system rather than causes. Public managers must therefore adopt a more holistic vision of corruption control. They must also recognise the link between IT and corruption in the planning of some public sector information systems.

Saxena (2005:510) concludes that:

[i]n spite of the promises of e-governance, many of the e-governance initiatives in many countries have not been able to deliver them. Often this is because the implementation of e-governance applications suffers from the common drawback of treating it as a techno-centric project and losing track of the 'governance' (or excellence) focus.

Life requires keeping abreast with development and e-government coincides with this natural tendency of continuous learning and innovation as we do work. Hence, the trend of e-government is unstoppable. In this fast growing digital economy one can only stay robust by keeping pace with the new technologies as the shelf life of knowledge is short (Tapscott, 1996:179-200). Furthermore, as Tapscott states, organisations must overcome their learning disabilities for sustainable competitiveness (Tapscott, 1996:251).

Every system is potentially corrupt, whether social or natural. Every institution is inherently corrupt, whether the media or civil society including religious institutions, though they are supposed to be agents of anti-corruption. The watchdogs also have to be watched. The dynamics of corruption and anti-corruption is a continuous engagement with neither winning the battle: the stalemate is short-lived and soon one takes the initiative and tries to dominate, the other tries to reverse. The requirement of guarding the guardians gives additional impetus to the dynamism of the anti-corruption system. Anti-corruption work can never be a finished job. Wherever control mechanisms are weak, people tend to fall into the trap of self-enrichment.

## Chapter 4

### The South African anti-corruption system

#### Introduction

Corruption has a long history in South Africa. Van Vuuren (2006) and Sangweni and Balia<sup>8</sup> (1999:100) indicate that South Africans lost billions of Rand annually to corruption perpetrated under the apartheid regime by both public officials and corporate giants. Under the current majority rule, the South African tax payer's money is also being wasted to the tune of billions of Rand annually in financing corrupt officials. For example, according to the findings of the Auditor-General in 1995/96, R150 million was wasted due to lack of an appropriate financial management system alone (Camerer, 1997:57). In the 2001 financial year audit of the Gauteng Department of Education, the Auditor-General reported substantial financial irregularities, including fundamental uncertainties in financial statements (Gauteng Department of Education, 2001). It is assessed that the financial cost of corruption far exceeds the value derived from all street crimes (Camerer, 1996). This so-called 'white collar crime' coupled with violent visible crime is crippling the economy and business processes and is corroding the integrity of the nation (also see Department for Safety and Security, 1996).

The type of and the way in which corruption is manifested by some public South African officials is shocking, as exemplified in Minnaar (1999):

[C]orrupt policemen supply drug lords with police radios and keep them informed of police investigations so that they may evade arrest, elude the capture of evidence against them or even 'buy' or pay for dockets against them to be lost. Corrupt traffic officials supply roadworthy certificates and registration papers for hijacked vehicles to be taken out of the country. Corrupt prosecutors lose vital evidence. Corrupt home affairs officials may assist in the supply of the relevant residency or other documents to illegal immigrants who may be connected to organized crime syndicates with international links.

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<sup>8</sup> A speech by S. Saddek, Executive Director of SANGOCO

In addition, Minnaar has found that the under-inspection of containers by Customs officials highlights cross-border corruption (only about 2% of containers coming into South Africa are inspected properly). In general, the United Nations Development Program (2001b) points out that “the most reported type of corruption is theft and fraud, followed by abuse of public power position. ... Collusion between private individuals and state officials resulting in approval and actual payment in instances where goods were not delivered or services not rendered”.

Despite government’s efforts through the criminal justice system, constitutional oversight bodies, specialised anti-corruption agencies, and civil society organisations, corruption has proven to be resilient and has even worsened. Hence, the severity of this problem makes addressing the issue of corruption very urgent. This chapter explores the status of corruption and government’s response to alleviate the scourge of corruption in the South African society.

#### **4.1 Background and context of corruption in South Africa**

Though this dissertation focuses on the post-apartheid era, it is important to contextualise corruption in the periods prior to the new dispensation. It is assumed that the preceding apartheid system’s corruption had spilled over to the new South Africa, as it is very difficult to compartmentalise issues of corruption in separate, distinct periods, especially when two systems are consecutive. Hence, we will touch some of the issues of corruption that may have an effect in the present-day South Africa. This helps to identify old and new forms of corruption so as to enable policy makers to devise strategies to tackle the problem.

It goes without saying that, as far back as the 17<sup>th</sup> century, when the Dutch East India Company set foot on land at the Cape of Good Hope, it was for the benefit of the individuals which it represented at the expense of the subjugated locals. The British rule that followed was attracted by the potential mineral and agricultural riches and did everything to throw into poverty not only the black inhabitants but also the white Dutch settlers. Power was corrupted, as evidenced by the 1912 Land Act which allowed 87% of the land to be owned by the whites. The discovery of gold led to the convergence of the

interests of the mining companies and political elite and the corrupt relationships that developed forced black South Africans into abject poverty (Van Vuuren, 2006).

A key tenet of the apartheid state was secrecy and patronage. This manifested itself in the creation of secret organisations such as the Broederbond, loyal members of the National Party, including Cabinet members, military leaders, and Afrikaans-speaking academics, who represented the invisible hand in influencing government policy and its implementation (Hyslop, 2005; Wilkins, cited by Van Vuuren, 2006). This group had unparalleled power in politics, parastatals, private sector businesses and Afrikaans universities. This situation was rendered vulnerable to the abuse of power, where transparency and accountability gave way to secrecy (Kanyane, 2000:10; Hyslop, 2005; Van Vuuren, 2006). According to the United Nations Development Program (2001c) even the meagre reports indicated that the apartheid state flourished on corruption.

According to Serfontein (cited in Van Vuuren, 2006), the Broederbond was a breeding place of the culture of nepotism and corruption. This society had such a powerful network of patronage that it had the privilege of being the first know about large state procurement, contracts and vacancies. The internal workings of apartheid, devoid of a sufficient accountability system, and its various Acts were fertile ground for corruption. Hyslop (2005), for example, points out that the pass laws were means of extortion by both white and lower black levels of bureaucracy.

Apart from its intrinsic nature, sanctions put in place by the UN also aggravated corruption in South Africa. As a rogue state, apartheid South Africa had to pay high prices for sanctions busting to buy items like weapons and oil. To bust the embargo, the procurement agencies were exposed to the abuse of their powers by inflating prices. In this situation the South African Reserve Bank, in its desperate need to supply them with foreign currency, became involved in corrupt activities (Van Vuuren, 2006).

As discussed in the previous chapter, corruption is not limited to any one part of the world. Apart from its own historical background, South Africa is also influenced by both regional and international corruption and anti-corruption systems. Along with other

developments, corruption is also globalised and this is facilitated by the ICT infrastructure. Hence, corruption in South Africa can only be understood and addressed properly within the world context. Corruption knows no borders and is in constant search for a weakest link and is testing the governance of every country. The Prevention and Combating of Corrupt Activities Act, 2004 rightly notes that “...with globalisation there is less and less scope for isolated governance. Transparency, accountability and anti-crime/anti-corruption have ceased to be local and domestic issues but are indeed international and regional developmental issues”. South Africa is surrounded by a continent where:

...fragile public institutions, weak civil society organizations, the lack of an independent judiciary, inadequately paid civil servants, and hiring and promotion systems that are not merit-based all interact to create a climate in which corruption can flourish. Likewise, limited access to communication technology and independent media in Africa, as well as a lack of modern tools for the management and dissemination of government data, means that citizens cannot hold government officials accountable for their actions and consequently, a culture of impunity leads to systemic corruption (USAID, 2005).

In the SADC region, of which South Africa is a member, corruption is rampant, compared to other world regions (see Table 4.1).

Table 4.1: Regional ranking based on the 2001 TI Corruption perception Index (elaborated by UNICRI<sup>9</sup>).

<b>Region</b>	<b>Average CPI score</b>
Africa (including SADC)	3.10
Central-Eastern Europe and CIS (Commonwealth of Independent States)	3.52
Asia	3.76
Latin America & Caribbean	3.80
SADC	3.95
Middle East-North Africa	5.00
Western Europe	7.93
North America, Australia, New Zealand	8.73

Source: Zvekić and Camerer (2001:15).

<sup>9</sup> United Nations Interregional Crime and Justice Research Institute



The South African anti-corruption effort is situated favourably contextualised in an era in which International Anti-corruption Conferences (the 9<sup>th</sup> IACC was held in South Africa) are taking place biannually; the OECD has signed a convention on combating bribery of foreign public officials in international business transactions; the Southern Africa Development Community (SADC) and the African Union's (AU's) anti-corruption protocols have been signed; UN agencies and the World Bank promote fighting corruption; and role of civil society and international anti-corruption networks spearheaded by TI is enhanced (Van der Merwe, 2001; see Goredema, 2001). South Africa has now acceded to the United Nations, African Union, SADC and OECD international legal instruments on anti-corruption (NACF, 2008).

## **4.2 Causes and conditions of corruption in South Africa**

To devise effective anti-corruption strategies, the specific causes of corruption in South Africa must be identified. To this end, some of the possible causes and conditions of the problem will be discussed.

### **4.2.1 The foundation: Apartheid, as an inherently corrupt system**

As contemporary South Africa was founded on a corrupt system, the current state of corruption has to be seen against the backdrop of the context discussed above. Apartheid laws and resulting prosecutions for contravening them, as well as imprisonment without trial, are excellent examples of structural violence—by definition, apartheid South Africa was politically corrupt (Gildenhuys, 1991:48-49).

That the intensity and severity of corruption of the apartheid era would be reflected in a coming democratic government could have been foreseen in the late 1980s. Wilson and Ramphele (cited in Camerer, 1997:31) predicted that “the old clerks would not necessarily learn new habits”. Old habits do not vanish overnight but die hard, even issues like corruption have the capability of regenerating and continuing to survive in new forms. Ginwala (2001), former South African speaker of parliament, has remarked:

In South Africa, we inherited an intrinsically corrupt system of governance... . It has taken us years in Parliament to repeal old laws and introduce even the basic legal

framework that would enable us to deal with corrupt bureaucrats, politicians and police...the corruption that was built into the system is very difficult to overcome.

Heymans and Lipietz (1999:29) expressed this as: [c]orrupt practices inherited from the past also prove resilient and particularly astute in adapting to new democratic orders.” The United Nations Development Program (2001c) reports that the corruption and unethical behaviour that was rife in the ‘homelands’ within the apartheid state has a strong influence in the current state. Kanyane (2000:10) similarly argues that the homeland government machinery created loopholes at political, administrative and social levels which supported an environment that was conducive to corruption. Along the same line, Lodge (1998) concludes that the fact that the regional governments are more corrupt than the national government indicates that much of the current level of corruption can be attributed to the corrupt homeland civil service of the past. These inherited systems from the past were not designed to support service delivery as required in the current democratic dispensation (Lodge, 2002:34;130). This is not unique to South Africa as similar scenarios are presented in the literature. Heymans and Lipietz (1999:29-30) provide an example from the Philippines:

[D]emocratization has had the effect not of reducing corruption, but of ‘decentralizing’ it... When the country was democratized, the powerful local élite became the main agents of corruption, using their local power bases as the launching pads to engage national politicians and bureaucrats in self-enriching practices.

Lodge argues that current democratisation and restructuring processes in South Africa similarly have opened new avenues for the abuse of power that substantially occurs in regional administrations that embody a legacy from the ‘homeland’ civil services (Lodge, 1998; 2002:130-134; also Hyslop, 2005).

Nevertheless, the argument that posits the apartheid system as the main cause of corruption in contemporary South Africa is not strong. In the expert survey conducted by the Institute for Security Studies (ISS), Camerer (2001:44) found that, regardless of what influence it may have, the apartheid legacy was perceived to be the least contributor to the present system of corruption in South Africa. Lodge (2002:133) also indicates that it

cannot be totally argued that all misbehaviour is explicable as the persistence of old bad habits. New kinds of government obligations, for example the subsidisation of low-cost housing and the provision of free school meals have supplied fresh opportunities for corruption.

#### 4.2.2 Current political and socio-economic conditions and moral values

In 2000, a survey was conducted in South Africa by the ISS to probe the causes of corruption for the first time. The results indicated that varying causes in society and government were calling for different responses to address the problem. Decline in morals and ethics, and weak checks and balances and mismanagement were cited as the most common causes of corruption in South African society and government respectively. Greed/self-enrichment also features high as the next possible cause in society and government. In both categories, i.e. in society and government, apartheid legacy scored low as a possible cause of corruption (Camerer, 2001:44-47). This is presented in Table 4.2.

Table 4.2: Experts' perception of the causes of corruption in society and government.

<b>In society in general</b>	<b>% of respondents</b>	<b>In government</b>	<b>% of respondents</b>
Decline in morals and ethics	31	Weak checks and balances	38
Greed/self-enrichment	25	Greed/self-enrichment	28
Socio-economic conditions	18	Decline in morals and ethics	17
Weak checks and balances	14	Apartheid legacy/political transformation	9
Apartheid legacy/political transformation	12	Socio-economic conditions	8

Source: Camerer (2001:44-45)

Most experts in the survey conducted by ISS agreed that new democratic systems and privatisation of state assets and salaries are not the main causes of corruption in South Africa (Camerer, 2001:47-52). The United Nations Development Program (2001b) in its survey found that South African public officials are paid far above the norm for the Southern African region and in parity with private sector salaries. "If paying MPs [members of parliament] and senior civil servants salaries that emulate the private sector

helps to omit temptations of rent-seeking, then the South African government has performed fairly impressively” (Lodge, 2002:141). Given the continued high level of corruption, this suggests a weak relationship between the current corruption and salary levels in the South African public sector. This, together with her own survey findings lead Camerer (2001:48) to conclude that increasing salaries in general is not an effective anti-corruption strategy in the South African context. Heymans and Lipietz (1999:33) came to a similar conclusion. They point out that, despite significant salary increases, productivity remained low and concluded that it was the result of inefficiency, to a large extent influenced by corruption.

However, as Lodge (2002:141) argues, the strategy of using salary as a deterrent to corruption will be counter-productive and corruption will continue unabated, if salary increments are concentrated on the senior public servants only, as currently evident in South Africa. “Surveys done in 2000 show that 75% of traffic officers admitted to accepting bribes, justifying their behaviour with complaints about salaries that were below R29000 a year” (Coax, cited in Lodge, 2002:32).

The falling value of salaries in the department of Justice continued to increase in the incidence of docket losses and the consequent dismissal of charges against suspected criminals... . In 1999, magistrates and prosecutors had to threaten industrial action before the authorities took their pay claims seriously. Court officials were known to be one group of public-sector employees who were particularly susceptible to venal misconduct. (Lodge, 2002:133;141)

Weak control mechanisms which create the sense of a relatively risk-free situation is a reason for the prevalence of the demand side of corruption—public officials requesting bribes (Camerer, 2001: 52-53). This is compounded by the illiteracy and low educational status of many black South Africans, which has denied them the opportunity to question the government on aspects of financial administration. Moreover, the ‘sunset clause’ (which guaranteed jobs in the inherited public service) that operated between 1994 and 1999 was likely to condone patronage through employing unqualified public officials from the defunct homeland governments characterised by the inefficient use of resources. This condition was a possible contributor to corruption (Kanyane, 2000:15; 20). In

relation to this situation, Lodge (2002:134) points out that the non-meritocratic processes of recruitment and promotion inherent in certain kinds of affirmative action, are becoming sources of stimulation for corruption. Unless strictly regulated, they can facilitate nepotism and dishonesty.

As mentioned above, survey results indicate that decline in morals and ethics at the societal level are the main causes of corruption. Though not a majority, a substantial number of respondents also perceived this decline as a cause of corruption in the public service (see Table 4.2). According to Mafunisa (2000:5-7), corruption incorporates unethical behaviour and elaborates the contributing factors. He argues that the main causes of unethical behaviour in South Africa are: the unethical conduct of the political and public leaders at the top which cascades downwards; lack of education and training in ethics, which manifests in irresponsiveness to public needs; the legacy of the racially, ethnically and geographically fragmented apartheid system; lack of personal accountability through effective delegation; lack of proper application of a merit system in the placement of new appointees. Kanyane (2000:10) suggests that such unethical behaviour is a pathology that gives birth to corruption.

South Africa, as a country in transition, furthermore shares many experiences with other countries in transition economies, many of which report an escalation of corruption. Economically and politically it also exhibits characteristics of all the regions of the world—developing—transition—developed—and it is natural to be affected by the levels of corruption found elsewhere. In addition,

South Africa's complex political economy has given rise to several forms of corruption. These have many causes including the fact that the new social forces governing South Africa have historically been excluded from the economy, but now control state power in a context where the state is a major mechanism of accumulation. (Department of Public Service and Administration, 2002:27)

### **4.3 Current level and trend of corruption: Absolute and relative**

According to Transparency International's annual reports perceptions of corruption in South Africa are high and keep on worsening, though better than most African countries.

Due to its secretive nature and consequent lack of historical data, the full extent of corruption during the apartheid era remains undisclosed. Hence, it is not an easy task to compare the seriousness of corruption with objectivity during and after apartheid. However, studies conducted in 1995 and 1999 indicate that, if not increasing, there is no reduction in corruption since the apartheid era. Though the reports of different surveys vary across ethnic groups and political affiliation, the trend of corruption seems to be increasing. Successive surveys conducted by the Institute for Democracy South Africa (IDASA) indicate an increasing trend in the perception of corruption. In 1996 IDASA reported that 46% of the population perceived that almost all public officials were corrupt (IDASA, 1996). In its 1997 and 1998 surveys it indicated that corruption was still widespread (Mattes & Africa, 1999). Similarly, opinion surveys conducted by IDASA and the Human Sciences Research Council (HSRC) confirm that, in 1998, most South Africans perceived an increasing trend of corruption in the public sector (United Nations Development Program, 2001c; Lodge, 2002:138).

Though South African levels of public venality are probably lower than in most sub-Saharan African countries, the incidence of corruption is sufficiently serious to constitute a serious barrier to government achieving its goals. In 1998, the firm of accountants ...suggested the losses caused by public sector fraud and mismanagement could exceed R10 billion that year (the Star, cited in Lodge, 2002:134). This figure, 7 percent of public expenditure, does suggest a scenario in which corruption has become systemic (Lodge, 2002:134).

In South Africa, as everywhere else, corruption occurs at different levels of society, ranging from the personal or group attitudes and behaviour at the local community level, to the provincial, national, regional, international and transnational levels. With the proliferation of ICTs and in embarking on e-government, cyberspace is also becoming increasingly part of a social reality where it cannot be ignored by the anti-corruption drive (Van der Merwe, 2001:15). See Table 4.3.

Table 4.3: Mind map for visualising multiple-level corruption in South Africa.

Levels	Sector		
	Public sector	Private sector	Civil society
Personal / Interpersonal	Relations, attitudes, actions	Relations, attitudes, actions	Relations, attitudes, actions
Local	Local authority	Local business	Local organisations
Provincial	Provincial legislature and civil service (departments and agencies)	Provincially based or organised	Provincially based or organised
Regional	Intergovernmental bodies, regional interaction	Regionally based or organised, regional interaction	Regionally based or organised, regional interaction
National	National government, civil service, agencies, commissions, parastatals	Nationally based or organised	Nationally based or organised
Regional	Intergovernmental bodies, regional interaction	Regionally based or organised, regional interaction	Regionally based or organised, regional interaction
International	Intergovernmental bodies, international interaction	Internationally based or organised, international interaction	Internationally based or organised, international interaction
Transnational		Transnational companies	
Cyberspace	Use in this sector	Use in this sector	Use in this sector

Source: Van der Merwe, 2001:15.

Due to the opening up of South Africa to the world community, public officials and business people are both contributors to and recipients from international corruption (Van der Merwe, 2001:29). In line with this, Arenstein (2004) notes that:

... it isn't just government that is rotten. A global corporate crime survey by PricewaterhouseCoopers indicated that South African companies fall victim to more crime than companies almost everywhere else in the world. A full 71 percent, or double the world average, have uncovered serious irregularities in the past two years.

The United Nations Development Program (2001c) points out that 80% of South Africans in 1998 perceived that the current prevalence of corruption in the public sector was high. As evidenced from an ISS survey of 2001, corruption is rampant in all sectors of society, with the business sector featuring highest (Camerer, 2001:34). This scenario calls for the tripartite alliance (of government, businesses and civil society) to address the issue of corruption sustainably. The South African Public Service Anti-Corruption Strategy

acknowledges the critical need for strengthening partnerships with various anti-corruption stakeholders including businesses, civil society and public service unions that advocate professional ethics (Department of Public Service and Administration, 2002:19). However, Camerer (2004) and Kututwa (2005:26) have found that, despite government's call for a partnership with civil society, business and labour to fight corruption, the inter-sectoral cooperation, through the National Anti-Corruption Forum, has shown no tangible results yet, mainly because of lack of capacity to implement anti-corruption plans and strategies.

The Prevention and Combating of Corrupt Activities Act (2004) views corruption as:

A transnational phenomenon that crosses national borders and affects all societies and economies, and is equally destructive and reprehensible within both the public and private spheres of life, so that regional and international cooperation is essential to prevent and control corruption and related corrupt activities.

According to the ISS, a small improvement was noticed in the year 2000, which indicated less corruption, though almost the same number of respondents still believed the extent of corruption had remained the same (see Table 4.4). However, surveys by Transparency International indicate otherwise: according to the data in Table 4.4, the perception of corruption has been on the rise from 1998 onwards (see also Maluleke, 2000:55).

The extent of economic crime in the private sector is also high, as indicated by the survey conducted by PricewaterhouseCoopers (2005). According to the survey, 83% of 100 surveyed companies were found to be victims of some sort of economic crime. This increasing trend since 2003, when it was recorded as 70%, is startling, compared to the global average of 43%. A more recent assessment by the African Peer Review Mechanism (APRM) shows that corruption in South Africa is still one of the biggest challenges (Mail & Guardian, 2 February 2007).



Table 4.4: Perceptions of corruption in the current government compared to the apartheid government or the trend of corruption.

Year of survey	More/increasing (% of respondents)	Less/decreasing (% of respondents)	The same	Not known	Source
1995	42	23	25	11	Mattes & Africa (1999)
1995	41				(United Nations Development Program, 2001c).
1999	39	32	28	2	Mattes & Africa (1999)
1999	53	22		25	HSRC (cited in PCAS, 2006)
2000	14	37	34	15	Camerer (2001:25-26)

Source: Compiled by the author

Weak control mechanisms encourage wastage in the form of ghosting and other fraudulent activities. Lodge (2002:133-139) details some examples: Between 1994 and 1998, up to R5 billion was paid out to ‘ghosts’ and double claimants; in the Eastern Cape and KwaZulu-Natal, tens of thousands of teachers on government payrolls do not exist at all; in one northern district of KwaZulu-Natal it was discovered in 1996 that 97 percent of the local population was supposedly receiving disability allowances; in the Eastern Cape R1.27 million a month had been paid out to ‘deceased beneficiaries’; in one province in 1997 it was estimated that R50 million a year was paid out for false petrol reimbursements to the drivers of government vehicles. The Auditor-General (2001) report on the Department of Transport revealed that poor compliance to procurement and other regulations lead to irregularities and unaccounted expenditure of R34 825 000. The report further indicated that due to insufficient records, it was not possible to determine whether all driving license registration fees were received. Similarly, in 2008 the Auditor-General (2008) reported that the Departments of Health and Education had inadequate reconciliations, insufficient controls and monitoring, as well as the lack of supporting documentation. According to the Parliamentary Monitoring Group (2003), the

Auditor-General reported that control mechanisms on goods in transit and tax collection were insufficient resulting in loss of revenue.

According to Transparency International's Corruption Perception Index (CPI), the perception of corruption has been worsening since 1997 (if we take 1995 as a base year, which indicates a score of 5.6 out of 10 as seen in Table 4.5 and Figure 4.4). In the year 2008, the CPI reported a score of 4.9 out of 10, which indicates a fairly high level of corruption fitting well with the general level perceived within the country. In 1995 and 1996 South Africa scored better than in subsequent years, indicating a worsening trend. All the neighbouring countries show similar trends.

Table 4.5: Transparency International's Corruption Perception Index (CPI).

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Botswana					6.1	6	6	6.4	5.7	6	5.9	5.6	5.4	5.8
South Africa	5.6	5.7	4.9	5.2	5	5	4.8	4.8	4.4	4.6	4.5	4.6	5.1	4.9
Namibia					5.3	5.4	5.4	5.7	4.7	4.1	4.3	4.1	4.5	4.5
Lesotho												3.2	3.3	3.2
Mozambique					3.5	2.2			2.7	2.8	2.8	2.8	2.8	2.6
Swaziland											2.7	2.5	3.3	3.6
Zimbabwe					4.1	3	2.9	2.7	2.3	2.3	2.6	2.4	2.1	1.8

Source: Compiled by author from Transparency International reports for various years

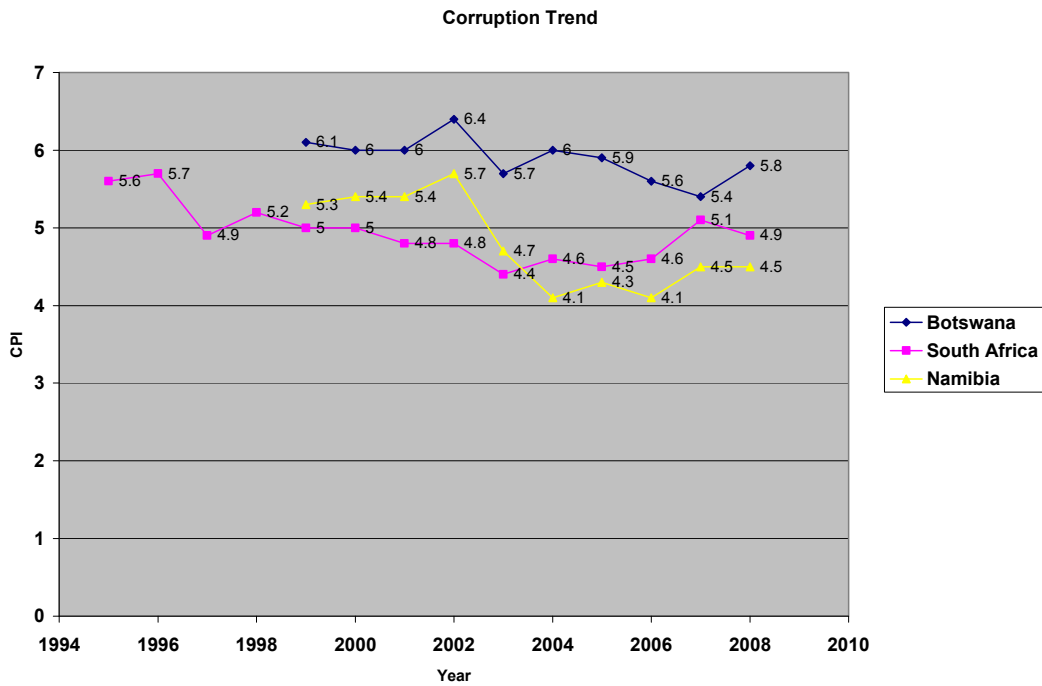


Figure 4.1 The trend of corruption in three African countries.  
 Source: Compiled by author from Transparency International reports for various years

Table 4.6: Ranking in the TI corruption perception index.

Country	Botswana	South Africa	Namibia	Lesotho	Mozambique	Zimbabwe
Ranking in terms of corruptness out of 179 countries in the year 2007	36	54	61	92	126	166

Source: Compiled by author from Transparency International (2008).

In the year 2008 South Africa ranked 54 out of 180 surveyed countries in the world in terms of the occurrence of corruption, preceded by Botswana, though Botswana itself is experiencing an increasing trend of corruption (see Table 4.6).

Recent allegations of corruption are also alarming when it involves big projects. Prof Titus (chairperson of the South African branch of Transparency International) recounted an incident linked to a World Cup tender involving stadium seats:

A company that had received praise for its diligent tender processes [World Cup stadium seats] and which was about to be granted the job was told by an official about to sign the tender: 'I need something to move my pen.' The amount allegedly required to move the pen was R2 million. The company walked away from the deal. (Mail & Guardian, 2008)

If the tender is to be awarded on the basis of corruption the quality of the project is likely to be compromised.

#### **4.4 Efforts to counter corruption**

South Africa has made important strides in the area of governance: economic reforms (removing old restrictions and loosening foreign exchange control, privatising public assets, creating an environment for public-private partnership); public sector reform (transparent budgeting and financial management processes, and a reporting framework required by the Public Finance Management Act, Tax reform and the formation of SARS); legal and procurement reforms; and establishment of anti-corruption bodies (Heymans & Lipietz, 1999:25-39). The Department of Public Service and Administration (2003) states that fighting corruption has remained one of the priorities of the new government. This has resulted in developing the framework for initiatives to combat corruption (such as the Public Service Anti-Corruption Strategy); building anti-corruption investigative and prosecuting capacity; and fostering cooperation with business and civil society (see also NACF, 2005b). The Prevention and Combating of Corrupt Activities Act (No. 12 of 2004) stipulates that "a comprehensive, integrated and multidisciplinary approach is required to prevent and combat corruption and related corrupt activities efficiently and effectively". Accordingly, the Public Service Commission (2003) indicates that "the Public Service Anti- Corruption Strategy is informed by the need for a holistic and integrated approach to anti-corruption, which includes combating, prevention, investigation, prosecution, and public participation".

#### **4.4.1 Conceptual convergence and views**

To fight corruption effectively at a national level, South Africans must approach it from a common conceptual base to understand the issue and its cause. Van der Merwe (2001:7-13) warns that, unless there is a full understanding of the concept ‘corruption’, efforts in dealing with the problem will only be partial, and zones of comfort could be created for perpetrators, as some forms of corruption may not be included in the mainstream of anti-corruption drives. Too broad or too narrow use of the word either dilutes or constrains the efforts. Van der Merwe further observes that, in South Africa, there is some confusion (mixing up) in the thinking concerning corruption and its forms (e.g., to say he is accused of ‘bribery and corruption’ is equivalent to saying that he is accused of ‘murder and crime’—while bribery and murder are forms of corruption and crime respectively). Similarly, a narrow view limiting corruption to bribery and extortion is also making the picture hazy. Moreover, it is common in South Africa to read about (e.g. in the media) ‘someone is charged on fraud and corruption’ –while fraud is only an element or form of corruption. It would suffice to say that ‘someone is charged on corruption.’

Nevertheless, in the year 2000 a survey conducted by the Institute of Security Studies, found that the majority of the interviewed experts shared the view that corruption is an issue of abuse of “power, position, public funds and resources, authority for office for private benefit or personal gain...” (Camerer, 2001:22). Next in the list came illicit self-enrichment, unethical behaviour, bribery, systematic economic marginalisation of the poor, crime, undue influence, maladministration, and prejudice (Camerer, 2001:22-23). Regardless the degree of public representativeness of these expert views, we see a clear indication of South African definitional congruence with the general understanding of corruption worldwide. In fact it can be said that the expert opinions in the survey represent a relatively best approximation of conceptual understanding of corruption by most South Africans.

The Prevention and Combating of Corrupt Activities Act (2004) more precisely defines the general offence of corruption as follows:

“Any person who directly or indirectly-

a) accepts or agrees or offers to accept any gratification from any other person whether for the benefit of himself or herself or for the benefit of another person: or

(b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person in order to act personally or by influencing another person so to act in a manner

(i) that amounts to the-

(aa) illegal, dishonest, unauthorized, incomplete, or biased: or

(bb) misuse or selling of information or material acquired in the course exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional statutory: contractual or any other legal obligation:

(ii) that amounts to-

(aa) the abuse of a position of authority:

(bb) a breach of trust; or

(cc) the violation of a legal duty or a set of rules:

(iii) designed to achieve an unjustified result: or

(iv) that amounts to any other unauthorized or improper inducement to do or not to do anything,

is guilty of the offence of corruption.”

In this respect gratification, according to the Act, includes: “monetary or other resources,...donation, gift,...avoidance of loss..., office, status, ...payment,

...forbearance to demand,...service or favour,...right or privilege,..., vote,... any valuable consideration or benefit of any kind, including any discount, or commission...”

When moving to the practical aspect of controlling corruption, some of the dominant views that have created problems in South Africa, put forward by Mavuso and Van der Merwe (1999) include:

- The simplistic understanding that corruption is a specific problem of public sector, and white collar corruption within the private sector seen differently.
- The narrow view of corruption which is limited to bribery and extortion
- Combating corruption is the exclusive domain of the state and state bodies
- Corruption is considered to be addressed when it is visible to the people and actions taken by law enforcements
- Lack of sufficient strategic thinking, the bias being towards administrative and legal structures.
- The media does not give much attention to corruption in civil society, and anti-corruption strategies overlook civil society’s role as allies in the fight against corruption
- The potential of civil society as part of the problem and solution is not well understood.
- Lack of general consensus on corruption and anti-corruption strategies

A survey to assess government’s effort to combat corruption was conducted by the ISS in the year 2000. The study showed that most of the respondents (60%) believed that government was doing enough to combat corruption, while the rest (40%) were not satisfied with government’s efforts to address the issue. Strategies perceived most suitable to South Africa according to the survey conducted by the ISS are listed in Table 4.7, ranked according to extent of effectiveness, access/information and transparency, oversight and watchdog mechanisms, criminal justice responses, moral and ethical values and public service reforms (Camerer, 2001:57; 77-86).

Table 4.7: Perceived preferred South African anti-corruption strategies.

Categories of anti-corruption strategies according to their effectiveness	Ranking according to effectiveness from each category							
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>
<b>Access/information and transparency</b>	Transparency in government tender procedures	Vigorous media investigation	Financial disclosure by officials	Information on revenue spending	Transparency of political party finances	Access to government information	More research	Regular conferences
<b>Oversight and watchdog mechanisms</b>	Verification of government officials qualification	National anti-corruption hotline	Opposition part/civil society as watchdogs	Increase oversight ability of parliament	National non-statutory body			
<b>Criminal justice responses</b>	Resources for investigation and prosecution	prosecution of high profile cases	Fighting organised crime	Legal protection for whistleblowers	Tougher legislation enabling prosecutions and sentences	Special anti-corruption courts	Single independent anti-corruption agency	
<b>Moral and ethical values</b>	Schools place more emphasis on moral values	Commitment by political and business leaders	Religious community places more emphasis on moral values	Codes of conduct in government				
<b>Public service reforms</b>	Bar public officials from public office	greater financial controls/ audits of government spending	Blacklist corrupt businesses	Increase salaries of police officers	Increase salaries of public service employees			

Source: Camerer (2001:77-86).

#### 4.4.2 Awareness raising (Studies and campaigns)

(Camerer, 1997:87) indicates that “[t]here is as much corruption in a society as its citizens are prepared to accept. Civil society has to be strengthened and mobilized to play its important watchdog role in the fight against corruption”. This indicates that, if society or its organisations condone corruption due to lack of awareness, or are apathetic to it, the problem of fighting it will be tougher.

There is a lack of awareness of the mechanisms that help to fight corruption on the part of employees that undermines government initiatives (Department of Public Service and



Administration, 2002). To some extent laws may discipline society, but laws cannot be an effective antidote to all evils like corruption. If corruption is deeply rooted, social aspects must be utilised in the fight.

A number of campaigns, summits, conferences and studies have been organised as part of the anti-corruption struggle in South Africa since the late 1990s. Some of the main studies and campaigns are presented in Table 4.8.

Table 4.8: Studies and campaigns organised as part an anti-corruption effort.

<b>Studies</b>	<b>Campaigns</b>		
	<b>(Source: United Nations Development Program 2001b)</b>	<b>(Source: Van der Merwe, 2000:13-4)</b>	<b>(Source: NACF, 2005b; NACF, 2008)</b>
Victims of Crime Survey (Statistics South Africa, 1998)	Public Service Commission Code of Conduct, 1997	Public Sector Anti-Corruption Conference, 1998	Second National Anti-Corruption Summit: 2005
Tracking Public Perceptions of Official Corruption in South Africa (IDASA, 1999)	South African NGO Coalition (SANGOCO) Code of ethics, 1997	Cross-sectoral Task Team	Third National Anti-corruption Summit: 2008
Household Surveys (HSRC, 1998/1999)	Public Sector Anti-Corruption Summit, 1998	First Anti-Corruption Summit, 1999	
	The Moral Summit, 1998	National Anti-Corruption Forum (NACF), 2001	
	National Anti-Corruption Summit, 1999		

Source: Compiled by author

In addition, South Africa hosted the 9<sup>th</sup> International Anti-Corruption Conference (IACC) under the theme ‘Global Integrity: 2000 and Beyond’ on the eve of the 2<sup>nd</sup> millennium in 1999.

Lodge (2002:139) assesses government’s efforts to raise awareness as insufficient however. He points out that:

Though the Mbeki administration with its calls for ‘zero tolerance’, ‘total war’ and ‘moral summits’ has certainly placed more rhetorical emphasis on the problem of public

corruption than its predecessor, and though newspapers certainly pay more attention to corruption than was the case before 1994, there is no systematic official campaign to educate the public about the nature and consequences of bureaucratic venality.

He further quotes *The Star* and states, “[T]his is despite an undertaking in 1998 by the Public Service commission to mount public campaigns ‘to reinforce the fear of detection and punishment’ (Lodge, 2002:139).

#### **4.4.3 Legislative framework, and promotion of ethical values and codes of conduct**

Fighting corruption has a strong legal basis in South Africa. “South Africa, arguably, has a comprehensive set of laws in place to both promote ethics and prevent corruption. The problem, however, seems to rest with enforcement” (United Nations Development Program, 2001c; see DPADM, 2004; Kututwa, 2005:29).

For the first time in the history of the country, the South African Constitution (Act 108 of 1996) has become the foundation from which to combat corruption and promote good governance. Consequently, the democratic government’s National Crime Prevention Strategy (NCPS) of 1996 puts corruption high in the agenda as a crime that corrodes people’s confidence and undermines the legitimacy and effectiveness of the criminal justice system (Department for Safety and Security, 1996; Caiden, cited in Kanyane, 2000:16). Accordingly, many anti-corruption mechanisms have been put in place, which, at least, help to inculcate in the minds of the people the sense of justice (Van der Merwe, 2001:2; Van Vuuren, 2006; Kanyane, 2000:14).

The Prevention and Combating of Corrupt Activities Act (2004), for example, stipulates that corruption is closely linked with organised crime that endangers the stability and security of societies. Likewise, Minnaar (1999) observes that organised crime and corruption feed off each other and refers to this situation as a symbiotic relationship. Hence, crime and corruption form a close association in which the latter undermines the prevention efforts aimed at the former. “The existence of a relatively strong, but corruption-penetrated state, as in South Africa, allows organized crime the luxury of

using state institutions for profit, remaining relatively free from prosecution while continuing to operate in a comparatively stable environment” (Minnaar, 1999).

Though rules on their own do not preclude the presence of corruption, their absence creates an environment conducive to the spread of corruption (IDASA, cited in Camerer, 1997:64).

The legal and constitutional framework provides the backbone for a corruption-free, ethical system of governance. The extent of legislation will depend on the overall ethos that permeates the system of governance, and the formal sanctions required for dealing with unethical practices and corruption. (United Nations Development Program, 2001c)

But it must be borne in mind that the solely technical minds of law makers cannot fully deter corrupt behaviour without the active participation of the people, no matter how strong the legislature may be.

Some of the main acts that form the basis for fighting corruption are indicated in Table 4.9.

Table 4.9: Acts related to anti-corruption.

<b>Acts in chronological order</b>
Corruption Act (1992)
Drugs and Drug Trafficking Act (1992)
Interception and Monitoring Prohibition Act (1992)
Public Service Act (1994)
Public Protector Act (1994)
Special Investigation Units and Special Tribunals Act (1996)
International Cooperation in Criminal Matters Act (1996)
Criminal Law Amendment Act (1997)
National Prosecuting Act (1998)
Employment Equity Act (1998)
Prevention of Organized Crime Act (1998)
Public Finance Management Act (1999)
Promotion of Access to Information Act (2000)
Promotion of Administrative Justice Act (2000)
Protected Disclosures Act (The Whistle-blowing Act) (2000)
Financial Intelligence Center Act (2001)
Electronic Communications and Transactions Act (2002)
Local Government: Municipal Finance Management Act (2003)
Prevention & Combating of Corrupt Activities Act (2004)

Source: Van der Merwe, (2001:2); NACF (2005)

South Africa furthermore has a comprehensive framework for money laundering control. To combat money laundering South Africa has supplemented criminal legislation with the Financial Intelligence Centre Act (2001), which provides a framework for control (De Koker, 2003:83; 120). The challenge that is faced is the implementation of the system.

To set the scope of acceptable conduct on the part of public servants is a primary step towards enriching the anti-corruption system that focuses on prevention. In line with the principle that prevention is better than cure, the South African government has taken various deterrent measures to control corruption. Public servants are required to exhibit certain ethical behaviours in order to elicit public confidence, among other things. Respect for moral obligations is also a basis for efficient service delivery in the public sector that can prevent corruption. To this end, there are various codes of conduct, including the Executive Members Ethics Act; the Code of Conduct for Members of Parliament of 1997; the Code of Ethics 2000; Codes of Conduct for Members of Provincial Legislatures; and the Financial Disclosure Regulations for members of the senior management team in the public service (IDASA, 2004; Lodge, 2002:140). Such codes of conduct emphasise professionalism in the public service, financial disclosure, efficiency, effectiveness, accountability, integrity, honesty, loyalty, impartiality, fairness, cooperation, and anti-corrupt behaviour.

In emphasising the role of ethics, the South African Public Service Anti-Corruption Strategy states that “[c]oherent processes and mechanisms to manage professional ethics are key to the fight against corruption” (Department of Public Service and Administration, 2002:19). Many professional associations in South Africa have codes of conduct to control malpractice among their members, which promotes ethical behaviour in general. The business sector also has codes of conduct contained in the King Report on corporate governance (United Nations Development Program, 2001c). In conjunction with its Ethics Office, the South African Revenue Service disseminates messages of zero-tolerance for corruption to its staff via electronic news flashes, screensavers, posters and its intranet. This electronic anti-corruption campaign has proved successful in encouraging its employees to act with integrity (South African Revenue Service,

2007:125). These can be useful initiatives in disseminating ethics through society at large.

#### 4.4.4 Anti-corruption institutions and agencies

The South African government has taken various initiatives to set up institutions with exclusive responsibility to combat corruption and sound administration, as shown in Table 4.10 (see Kututwa, 2005:58). However, the anti-corruption field is not well developed, and inter-agency cooperation is still in an early stage. According to Sangweni and Balia (1999:57), the numerous anti-corruption bodies in South Africa do not share information and mostly operate in isolation. The debate on a whether to work through a multi-agency or a single agency setup is not yet settled, though the former is being implemented (Public Service Commission (2003).

Table 4.10: Institutions with anti-corruption mandates.

<b>Agencies</b>
Asset Forfeiture Unit
Commissions of Inquiry
Department of Public Service and Administration
Directorate of Special Operation (Scorpions)
Independent Complaints Directorate
National Anti-Corruption Forum (NACF)
National Intelligence Agency
National Prosecuting Agency
Office for Serious Economic Offences (OSEO)
Office of the Auditor-General
Office of the Public Protector
Office of the Public Service Commission
South African Police Service (SAPS)
South African Police Service Anti-Corruption Unit
South African Police Service Commercial Crime Unit
South African Revenue Services
Special Investigating Unit
Special Investigations Units and Tribunals

Source: Camerer (1997:60-62; 2001:69); Van der Merwe, (2001:2)

According to the ISS survey conducted in 2000, the Special Investigating Unit was perceived to be the most effective anti-corruption institution, followed by the Office of the Auditor-General, the Office of the Public Protector, the Special Investigating

Directorate on Corruption in the National Directorate of Public Prosecutions, and the Public Service Commission (Camerer, 2001:69-75). See Table 4.11.

Table 4.11: A comparison of the perception of effectiveness of some anti-corruption agencies.

	<b>Special Investigating Unit</b>	<b>Office of the Auditor-General</b>	<b>Office of the Public Protector</b>	<b>Special Investigating Directorate on Corruption</b>	<b>Public Service Commission</b>
<b>Percentage of responses which rated the agencies as very effective or effective</b>	85	74	67	47	34

Source: Camerer (2001:69-75).

Despite their fair performance, many of the anti-corruption agencies are constrained by staff shortages, lack of expertise and lack of resources (Camerer, 1997:58-62; United Nations Development Program, 2001c; Lodge, 2002:144). In addition to these, Kututwa (2005:109) concludes that the fragmentation of the legislative framework; lack of coherence of programmes that focus on corruption; inefficient internal systems that derail the process of transparency and accountability are among the main constraints hampering the anti-corruption system in South Africa. This situation of fragmentation and insufficient coordination has been identified in the South African Public Service Anti-Corruption Strategy (see Department of Public Service and Administration, 2002:14).

As part to the anti-corruption establishment, commissions of enquiry are set up for some special purposes. Such commissions are empowered to investigate issues of corruption (Kututwa, 2005:58). Under the apartheid system, commissions of enquiry into allegations of corruption had been set up at various times. However, as described by Van Vuuren (2006:15) they “were also public pressure valves that created the sense of a state committed to tackling corruption”. As the then leader of the Progressive Federal Parliament in the white parliament notes: “They were a way of buying time and covering up the problem. It was one meeting after another and a waste of time.” Apart from the agencies with a specific task to fight corruption, the new government established a

number of state funded commissions that investigated corruption, including apartheid era corruption.

Some of the prominent commissions of inquiry include:

- The Commission of Enquiry into the Alleged Smuggling of, and Illegal Trade in, Ivory and Rhinoceros Horn in South Africa (1996):
- The Commission of Enquiry into Alleged Irregularities or Malpractices Regarding the Allocation, Leasing, Alienation and Transfer of Certain State Land (1997)
- The Heath Special Investigations Unit that investigated acts of corruption predating 1994.
- The South African Police Service (SAPS) and arms of the National Prosecuting Authority (NPA) have investigated alleged instances of corruption involving the apartheid state's chemical and biological warfare programme.
- The Thabo Kubu Unit: The unit, headed by NIA operatives, was "apparently set up to recover money said to have been taken out of the country as slush funds for intelligence operations during the apartheid years, and capital smuggled out of the country prior to 1994.
- The Presidential Investigations Task Unit (PITU): This unit was established to investigate high-profile organised crime.

(Van Vuuren, 2006:15).

These commissions of inquiry have investigated some allegations of corruption. However, there was criticism that the government's response in acting upon the recommendations was not satisfactory (Van der Kooy, cited in Camerer, 1997:62).

#### **4.5. The criminal justice system**

Rich (cited in Maluleke, 2000:56) observes that "[w]hen certain kind of behaviour are viewed by society as so bad, to the extent that folkways and mores are insufficient to

control them, the criminal justice process, with its inherent threat of punishment, is used to prevent such bad behaviour”.

The institutions that are supposed to be the guardians of justice and lead the anti-corruption campaign are found to be exacerbating the problem. According to the literature, this phenomenon is not unique to South Africa; as these institutions monopolise services, they exhibit a high propensity to corruption. It was discouraging to discover that findings from the 2000 survey conducted by the ISS indicate that organs of the criminal justice system were the most corrupt institutions. The Department of Safety and Security/Police was found to be the most corrupt institution. After the Department of Home affairs, the Departments of Justice and Correctional Services featured prominently in the corruption perception index (Camerer, 2001:31-32; see also Kututwa, 2005:91). According to Camerer (2004), public opinion surveys similarly indicate that the perception of the SAPS as the most corrupt government agency is high. This contributes to the loss of confidence in the law enforcement institutions. Lodge (2002:138; 141) also points out that bribery and extortion is concentrated especially in the police and Department of Justice. He found that even court officials are susceptible to corruption. To address this situation, an Independent Complaints Directorate that investigates allegations of police abuse of power was set up. The Department for Safety and Security (1996) has also noted that “Corruption within the Criminal Justice System is being addressed by the establishment of police anti-corruption units at National and Provincial level”.

Due to its nature, corruption creates environments conducive to crime. If infiltrated into the criminal justice system, attempts to curb crime are of no avail. The South African National Crime Prevention Strategy (NCPS) is aware that the extent of corruption in the criminal justice system requires immediate attention. Its anti-corruption strategy proposals indicate that each element of the criminal justice system is required to have a national programme to address corruption identifying the types, areas, specific causes of corruption, and assessing the effectiveness of existing anti-corruption strategies (Camerer, 1997:67). At present, there is no national anti-corruption strategy except the public sector anti-corruption strategy in South Africa.



It is argued that the South African criminal justice system (here Safety and Security, Justice, Correctional Services, and Welfare) is plagued with corruption. This, coupled with the perception that the South African legal system has been instrumental in the apartheid oppression of many South Africans, has cast doubt on its integrity (Radloff, cited in Camerer, 1997:66).

Particularly disturbing is the theft and/or sale of police dockets, with indications that prosecutors, court interpreters and police officials are involved. Within the Department of Justice, the most common acts of corruption involve the theft of warrant vouchers, the destruction of case dockets, and the withdrawal of charges in return for money. (Du Rand, cited in Camerer, 1997:66)

Reflecting the same problem, the South African Chamber of Mines (Chamber) in its 1998/1999 Annual Report reported that:

The theft of gold, platinum, copper and diamonds has taken on alarming proportions within the mining industry. For example, in respect of gold it is conservatively estimated that in 1996 some 30 tons of gold to the value of approximately R1,58 billion was stolen (Gastrow, 2001:9). The work to recover stolen minerals (like platinum, gold and diamond) is also further complicated by the incapacitating effect of corruption within the ranks of the police and detectives involved with crime syndicates (Gastrow, 2001:17-19; 56).

Camerer (1997:6) assesses the problems within the criminal justice system and states: “Commercial criminals are seldom successfully convicted, largely because overloaded investigators and prosecutors do not have the time, expertise and resources to pursue these cases effectively.” In confirmation of this, Minnaar (1999) observes that this sector experiences a drainage of skilled staff to the private sector as a result of a shortage of financial resources. In fact, despite efforts made to reform the civil service, especially in the provinces that inherited Bantustan administrations, the deficiency in managerial skills remains (Global Integrity, cited in Kututwa, 2005:91). Even Gauteng suffers from a shortage of properly qualified accountants. It is alarming to see, for example, that, in this particular province, some departmental budgets of R1 billion are being supervised by people who have only basic bookkeeping skills (Lodge, 2002:34).

A poorly skilled manpower is susceptible to delays and inefficiency, which are incentives to bribery. Delay-ridden procedures, for instance, represent incitement to corruption in the Department of Home Affairs, which affects the issue of identification documents and visas (Lodge, 2002:134).

#### 4.6 Leadership commitment

In terms of political will, South Africa has demonstrated significant strides: the establishment of dedicated anti-corruption bodies, legislative reforms such as the Public Finance Management Act and the Public Service Anti-corruption Strategy, which are indications of more transparency and accountability (Heymans & Lipietz, 1999:39-40). According to the Department of Public Service and Administration (2002:6), the “[p]ublic service anti-corruption strategy has been developed for the public service in order to give effect to the expressed commitment of government to fight corruption in the public service. Similarly, in the context of public pressure and the international call for good governance, the current South African government has demonstrated commitment to fighting corruption. Some of the initiatives taken to control corruption are exemplified by the various summits, conferences and establishments, as shown in Table 4.12. The country furthermore has signed on to the United Nations Global Program Against Corruption in 2001 (Kututwa, 2005:26).

Table 4.12: Anti-corruption initiatives that lead to the Public Service Anti-Corruption Strategy.

Year	Key accomplishments
1997	<ul style="list-style-type: none"> <li>• Adoption of the Code of Conduct for the Public Service</li> <li>• The establishment of an Inter-Ministerial Committee on Corruption</li> </ul>
1998	<ul style="list-style-type: none"> <li>• The Moral Summit</li> <li>• The Public Sector Anti-Corruption Conference</li> </ul>
1999	<ul style="list-style-type: none"> <li>• The National Anti-Corruption Summit</li> <li>• First meeting of the Cross-Sectoral Task Team on Corruption</li> <li>• Hosting of the 9th International Anti-Corruption Conference.</li> </ul>
2000	<ul style="list-style-type: none"> <li>• Government and UNODC/ROSA holding jointly the International Anti-Corruption Expert Round Table</li> </ul>
2001	<ul style="list-style-type: none"> <li>• Government and the UNODC/ROSA signed an agreement on the United Nations Support to the National Program against Corruption</li> </ul>

Year	Key accomplishments
	<ul style="list-style-type: none"> <li>• Public Service Anti-Corruption Workshop</li> <li>• National Anti-Corruption Forum</li> </ul>
2002	<ul style="list-style-type: none"> <li>• Public Service Anti-Corruption Strategy</li> </ul>
2007	<ul style="list-style-type: none"> <li>• Together with the African Union Commission and the United Nations Economic Commission for Africa co-hosted the Africa Forum on Fighting Corruption, and the Global Forum V on Fighting Corruption and Safeguarding Integrity</li> </ul>

Source: Extracted by author from the Department of Public Service and Administration (2003); Department of Public Service and Administration (2007). See also Van der Merwe (2001:2-4); United Nations Development Program. (2001c).

However, the picture, as Lodge (2002:144-146) describes it in terms of political commitment, is mixed. Alongside government's demonstrated commitment, some ruling senior party officials kept attacking anti-corruption agencies and courts as detracting them from their duties. The reappointment to public office of politicians and officials implicated in earlier corruption scandals (e.g. officials removed during Mandela's period of administration, were brought back after the 1999 election), and the political appointments in the upper echelons of the public service, among others, further muddles the effort and undermines civil service professionalism, which encourages corruption. Lodge, on the other hand, admits that there are positive indicators, for instance several high-level dismissals of officials and a number of elected politicians for corrupt practices mainly in regional governments. Despite these developments, one thing spoils the consistency of the picture; "not a single ANC (African National Congress) minister or parliamentarian has been charged with or convicted for a corruption related political offence" (Lodge, 2002:151).

However, in the following years the government could not ignore or tolerate the mounting corruption among its own ranks that came to light and intensified its efforts. Top ANC party officials, including struggle icons, MPs, and Ministers have been implicated (incriminated) in corruption scandals (Arenstein, 2004). The presiding magistrate, Bill Moyses berated Yengeni: "Parliamentarians are leaders of the nation," he said, "and should set an example to their constituents. I regret to say the example you

have set as chief whip of the ANC is shocking” (Arenstein, 2004). Quoting the *Scorpions*, *The Star* (2004) also reported that there were allegations of high profile members of parliament that have become involved in fraud and theft of more than R13-million from parliament over a period two years from 2000. In this scandal, known as Travelgate, MPs made irregular use of parliamentary travel vouchers. Of the up to 20 000 travel vouchers examined, 7 000 air tickets have so far allegedly been identified as forged. Following these allegations, *The Times* (2008) indicated that more than 60 MPs who were suspected of involvement in the Travelgate fraud had their properties confiscated by liquidators. Many travel agencies have also been liquidated since the parliamentary Travelgate scandal broke.

An allegation of corruption that has wider ramifications is the multi-billion dollar Arms Deal that led to the dismissal of former Deputy President Jacob Zuma. According to (Kututwa (2005:44), “[t]he arrest, trial and conviction of high-ranking government and ruling party officials is a clear indication that there is strong political will to deal with issues of corruption”. However, corruption is of such a complex nature that it is difficult to predict its ramifications. Mbeki was commended for his bold action and commitment to fighting corruption. On the surface this might have signalled the political demise of Zuma. However, things developed nonlinearly. Amidst all allegations of various forms of corruption, Zuma emerged to be the president of the ruling party, the ANC, and, most probably, with overwhelming support, president of the country after next year’s (1999) election. Due to the self-organising capacities of societal actors, the situation developed in an unpredicted direction and with unexpected speed—Mbeki indirectly became the first casualty of the Arms Deal corruption allegations and was recalled from his presidency before his term was over.

#### **4.7 Role of civil society and the media**

As it is everywhere, Van der Merwe (2001:4-5; 34-42) argues, South African civil society is part of the problem and part of the solution in the issue of corruption. Various instances of corruption within civil societies abound—mismanagement, harassment, lack of accountability, abuse of power and the like. However, they are also good partners in

the fight against corruption. Van der Merwe asserts that the South African civil society has successfully campaigned for its role as an important player in the war against corruption. The South African Public Service Anti-Corruption Strategy acknowledges that it is critically important to strengthen partnerships with various anti-corruption stakeholders, including business, civil society and public service unions that advocate professional ethics (Department of Public Service and Administration, 2002:19).

Although “[o]nly a few CSOs [civil society organisations] actively engage in monitoring corruption and governance issues” (Camerer, 2004), South African civil society is characterised by a long history of resistance to formal power authorities against various forms of state command. Under the new dispensation, this sector is faced with the challenge of holding officials accountable and pressing them to be transparent. To face these challenges, the establishment in mid-1997 of a local chapter of Transparency International added new energy to South African civil society in its role to fight corruption (Oluwu & Rasheed, cited in Camerer, 1997:66). An effort is being made to align South African civil society in the fight against corruption. As a sign of the consolidation of the partnership against corruption and as an instrument to practice their resolutions, the parties to NACF (government, business and civil society) adopted a National Anti-Corruption Programme (NACP) in the year 2005 (Public Service Commission, 2008:15). The cross-sectoral approach that involves all sectors to fight corruption is one of the strengths of the South African government. The Cross-Sectoral Task Team comprises all stakeholders in the fight against corruption (United Nations Development Program, 2001c). The Moral Summit in 1998 (which attracted religious and other leaders), and the adoption of the South African NGO Coalition (SANGOCO) Code of Ethics in 1997 mark significant commitment by South Africa to widen ethical behaviour in society at large (United Nations Development Program, 2001b). Traditional leaders are also recognised as partners in the anti-corruption programme. Moreover:

The research community on the issue of corruption, and organizations such as the Institute for Security Studies (ISS), the Institute for Democracy in South Africa (IDASA), the Public Service Accountability Monitor (PSAM), the Centre for the Study of Violence and Reconciliation (CSVR) and Transparency International South Africa (TISA) meet on a regular basis to discuss both the quantitative and qualitative independent applied policy

research they are engaged in around corruption. (United Nations Development Program 2001c)

However, despite its potential role as a sustainable energy to fight corruption, civil society has not received much attention as a major player. This is due to the narrow focus on government for the solution of the problem (Van der Merwe, 2001:34-35).

Moreover, in holding those in public power accountable, the media plays a significant role. In this regard the South African media is vigilant when it comes to monitoring and reporting on corruption scandals, though it faces challenges of capacity (resources and skills), especially in the area of investigative journalism (United Nations Development Program 2001c). “The media, unshackled from apartheid-era press censorship, uses this freedom to report on the anti-corruption efforts of the state and, importantly, to probe the thorny issues that citizens in every modern society fear are being covered up by various interest groups” (Van Vuuren 2006). Hence, according to the Division for Public Administration and Development Management 2004:8), “[t]he South African media is one of the most diverse and developed in Africa”.

The relative media freedom in South Africa has kept public awareness alive and numerous corruption issues in South Africa come to the fore as a result of media reports. Though it can be argued that most newspapers have been subservient to the government of the ANC, some South African newspapers, the Mail & Guardian, and the Sunday Times in particular, are incisive in their investigations and aggressive in their coverage of corruption (Hyslop, 2005:774-775). In general, the South African media can be rated as a vibrant and healthy establishment. In particular, the Mail & Guardian and the Sunday Times, are known for their reporting of corruption allegations. However, because the government exhibits some sensitivity to such reports, independent journalists are seen to do self-censorship in editions that involve high-ranking politicians (Camerer, 2004; also Van Vuuren, 2005). Recognising the role of the media, The Mail & Guardian (2008), citing Titus (chairperson of the South African branch of Transparency International), reported that “South Africa’s 2010 World Cup soccer tournament is a prime target for corruption....the media and its investigative reporting function will be critical over the

next two years in casting ‘sunlight’ on the process leading up to the world's biggest sports spectacle”.

#### **4.8. Information, transparency and accountability**

As a nefarious secretive activity, corruption is practised in the dark and is difficult to measure objectively. For example, policy makers, in the absence of complete information, are forced to fumble in dark when devising relevant anti-corruption strategies (Camerer, 2001:22-23). Sustainable development is based on good governance which, in turn, is embedded in ethics, accountability and transparency. The absence of the latter set is conducive to corruption—the antithesis of sustainable development (United Nations Development Program, 2001c). It is widely believed that transparency and accountability are very sensitive variables in the anti-corruption equation. Improving transparency in service delivery narrows down the opportunities for corruption.

In this regard, the Department of Public Service and Administration (2002:18) has called for an integrated information management system to link with existing human resource and financial management systems for better monitoring of and fighting against corruption. Furthermore, there are remarkable instances of measures taken on the part of the government to increase transparency and accountability: The promulgation of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) are examples. In addition, the Supply Chain Management Framework which gives the provisions for dealing with corruption starting from the demand to the supply process was gazetted in 2003 (Kututwa, 2005:77). Further initiatives to increase transparency and accountability from the government include the control system to make government departments more efficient and the Draft Preferential Procurement Regulations, 2004, which replaced the Tender Board regulations (Kututwa, 2005:76).

In addition, the National Archives and Records Service of South Africa was established by promulgation of the National Archives and Records Service of South Africa Act (Act No 43 of 1996, as amended) to facilitate access to information in a systematic manner. This institution promotes efficient, accountable and transparent evidence-based

governance through the proper management of government records which are cornerstones of democracy (National Archives and Records Service of South Africa).

“South Africa’s transparency in legislation is amongst the most powerful in the world” (Division for Public Administration and Development Management, 2004:15). For the government’s operations and performance to be under the scrutiny of the private sector and civil society access to information is a prerequisite (United Nations Development Program, 2001b). However, according to a recent survey conducted by the Open Democracy Advice Centre, a group specialising in monitoring the implementation of the Promotion of Access to Information Act (PAIA), requests for information receive a low response, which jeopardises the right of access to information (Camerer, 2004). Government departments are not easily accessible for obtaining information and this is a dangerous situation that may breed a culture of secrecy (Gumede, cited in Arenstein, 2004), despite the fact that freedom and access to information in South Africa has a legal basis in the PAIA which gives citizens the basic right to acquire accurate and timely information held by the state or privately (Global Integrity, 2004). Apart from the cost of acquiring some public records, the lack of implementation of the PAIA, poor record keeping and extensive delays are impairing the transparency and accountability required from people in authority (Global Integrity, 2004). In spite of what is promised by this, “journalists failed to bring a single significant application using PAIA...as officials made access more difficult” (Arenstein, 2004). It has thus become very difficult to monitor government departments externally, as they generally prefer to keep their disciplinary procedures secret and anonymous, even in the case of quite serious offences. Government departments seldom welcome civil society initiatives to counter public corruption (Lodge, 2002:140).

The Second National Anti-Corruption Summit reiterated the need to promote the culture of integrity, transparency, accountability, and whistle blowing. It further suggests ethics training and its inclusion in the school curricula; coordination within and among the different sectors; information sharing through a common database; strengthening the capacity of the law enforcement agencies; a review of the Financial Disclosure Framework and extending it to include senior management in local government,



parastatals and other public officials with designated responsibilities in procurement, and strengthen oversight activities (NACF, 2005b). Despite this and other calls, Global Integrity (cited in Kututwa, 2005:76) indicates that, “[a]lthough much progress has been made and there seem to be policies in place that deal with the issue of procurement, it has been reported that transactions around tenders remain murky and controversial. The Arms Deal is the most significant...”.

For transparency to be fully operational, some points still require government attention. According to the United Nations Development Program (2001b), officials in local government in South Africa are not strictly required to disclose, like members of parliament or those in national departments. Even with this requirement, according to the Public Service Commission (2008:20), many government officials are reluctant to disclose their financial assets.

For the period 2004 to 2007, the level of compliance with the Financial Disclosure Framework remained below 100%. The average for 2004/05 was 62%, followed by 73% in 2005/06 and 85% in 2006/07. Although these figures reflect an increase in the rate of compliance, they still remain an indictment on the political and administrative leadership. In fact, by the end of November 2007, five national departments had a compliance rate of 0%, which means that not even a single disclosure form was submitted to the PSC.

Likewise, one big concern regarding transparency is the absence of rules governing either the receipt or the disclosure of private or foreign contributions to political parties; it is unclear which private or foreign interests support South Africa’s political parties (Camerer, 2004). In a more democratic environment, political parties are becoming more competitive, which makes it necessary for businesses to contribute money in anticipation of preferential treatment (Lodge, 2002:134). This is where transparency is becoming more important in party financing. The Mail & Guardian reported allegations that R15 million in tax payers’ money was diverted to African National Congress coffers ahead of the 2004 elections when the party was desperate for funds to fight elections. This biggest political funding scandal (known as Oilgate) in South Africa since 1994, was made by South Africa's state oil company, PetroSA, through Imvume Management— a company

closely linked to the ANC (Mail & Guardian, 2005). The Star (2005) also reported on this, revealing that the ANC failed to refute the allegations

## **4.9 e-Governance**

The South African e-government policy, as drafted by the Department of Public Service and Administration in 2001, shows that e-government will develop in six stages: two-way transactions; multi-purpose portals; personalised portals; clustering of services; and comprehensive corporate transformation. Its main objective, as stipulated in the policy, is increased productivity, lowered costs, and increased citizen convenience that indicate strong focus on service delivery improvement (Department of Public Service and Administration, 2001:4-5). There are no direct indications in the South African e-government policy of how ICTs will be used to fight corruption. Regarding corruption, this is only mentioned once, where it is explained that ICTs can help people participate in government by collecting direct and immediate public input in respect to service delivery and cases of corruption. Moreover, the South African e-government policy does not provide one set definition of e-government, but from the objectives that it stipulates, it is evident that it has included all the elements of e-government as defined by authors discussed in subsection 3.4.1.

To give more effect to its e-government initiative, the South African government has introduced a comprehensive Act regarding electronic communication: The Electronic Communications and Transactions Act [No. 25 of 2002]. The aim of this Act is:

To provide for the facilitation and regulation of electronic communications and transactions; to provide for the development of a national e-strategy for the Republic; to promote universal access to electronic communications and transactions and the use of electronic transactions by SMMEs; to provide for human resource development in electronic transactions; to prevent abuse of information systems; to encourage the use of e-government services; and to provide for matters connected therewith. (South African Government Information, 2002:2)

All provinces have accordingly taken up the e-government initiative to encourage electronic communication and have developed their own portals, with the Western Cape

and Gauteng in the lead. If communication is easier and faster, corrupt officials will be disempowered from monopolising information, they will have no reason to delay services and will have no place to hide from the eyes and ears of the people. The timeous and fast communication capabilities of ICTs facilitate rousing a critical mass of people to challenge corrupt officials and/or institutions.

According to SouthAfrica.info reporter (2004), the government has launched phase one of its 'people first' Internet gateway. The new e-government gateway - [www.gov.za](http://www.gov.za) - offers visitors two main paths: The information portal – [www.info.gov.za](http://www.info.gov.za) – and the services portal – [www.services.gov.za](http://www.services.gov.za). They comprehensively provide information, including information about projects and tenders and are planned to extend to poorer areas, not only by the Internet but via public information terminals as well. South Africa's e-government strategy is led by the Centre for Public Service Innovation (CPSI) in partnership with the Department of Public Service and Administration and the State Information Technology Agency (SITA).

The Department of Public Service and Administration (2001:8) conceptualises the success of the e-government initiatives as underpinned by the following four primary focus areas:

- Interoperability (automatic sharing and exchange of electronic messages and documents)
- IT security (protection from unauthorised access, malicious code and denial-of-service attacks)
- Economies-of-scale (leveraging of IT buying muscle)
- Elimination of duplication (abolishing unnecessary duplication of similar IT functions, projects and resources)

In 2001, Benjamin (cited in Kumar & Best, 2006:2) observed that despite its initial success, lack of regularly updated content and interactivity led to the failure of a community-based e-government initiative in South Africa. Trusler (2003:505-506) also found that the South African e-government initiative was not progressing as planned.

According to Trusler's observation, "the targets set out by the plan, initiatives in 'two-way transactions' (at least in the G2G arena but also starting in the G2C and G2B arenas) as well as in 'multi-purpose portals' (mainly G2G at this stage) should [have been] taking place" by 2003. The Institute for e-government (2007) also notes that municipalities in the South African province of Gauteng (one of the two leading provinces in terms of e-government) were still in the very early stages of e-government development. Of 14 municipalities surveyed, 12 had websites, but the city of Johannesburg was deemed to have made significant progress in terms of e-government delivery. Institute for e-government (2007) further indicates that the municipalities' websites were not explicit and comprehensive enough to give the required information. The lack of coordination between government departments that leads to slow implementation partially springs from the e-government policy itself which requires the individual departments to come up with their own strategies and projects (Trusler, 2003:506).

However, South Africa is progressing well in the way of e-government and it is hoped that this will provide an entry point to Africa's e-government as it is easier to South Africa's experiences that those of well-advanced nations. Given its developed-developing features, South Africa is in a unique position to be a model to less developed nations (Levin & Dingley, 2004). Though South Africa was lagging behind countries such as Brazil, Mexico and Portugal in terms of e.gov readiness, it was making progress and was in the process of rolling out certain e-government strategies (Clarkson & Mogaki, 2005). These authors were referring to the e-Government Gateway Project that aims to develop a single online system that will provide South Africans with access to government services at any time. The United Nations Department of Economic and Social Affairs (2008: 26) has also referred to South Africa with its strong online presence as standing out as an e-government leader in Sub-Saharan Africa. It ranks 49<sup>th</sup> in the world in e-participation and 61<sup>st</sup> in e-readiness. The website of the Department of Labour (<http://www.labour.gov.za>), in particular, is an excellent example of a public agency user-friendly website with a full-featured site that is a 'one-stop shop' for labour issues. Among other offerings it includes various online filing/registration services (e.g. compensation claims, employer registration) and the posting of online vacancies. The percentage of utilisation of e-

government stages in South Africa, as shown in Table 4.13, is an indication that the country is progressing well to the third phase (Interactive stage) with some Transactional and Networked features.

Table 4.13: Percentage of utilisation of e-government stages in South Africa.

	<b>Emerging</b>	<b>Enhanced</b>	<b>Interactive</b>	<b>Transactional</b>	<b>Networked</b>	<b>Total</b>
Percentage of utilisation	100	79	62	17	22	54

Source: United Nations Department of Economic and Social Affairs (2005:85)

Table 4.14 shows that Internet usage in South Africa is still low, as only 10.75% of the population accesses the Internet, and the percentage of broadband users is insignificant.

Table 4.14: ICT use in South Africa.

<b>Internet per 100 Users</b>	<b>PC per 100 users</b>	<b>Cell phone per 100 users</b>	<b>Subscribers per 100 users main telephone lines</b>	<b>Broadband per 100 users</b>
10.75	8.36	83.3	9.97	0.35

Source: United Nations Department of Economic and Social Affairs (2008:195).

In the area of e-government, two catalytic projects were identified, namely the Track-and-Trace and Citizens Relations Portal. The Track and Trace project is implemented in conjunction with the Department of Home Affairs and its purpose is to enable citizens to make enquiries and receive feedback about the status of their application for identity documents or passports via short message service (sms) (Department of Public Service and Administration, 2007:11). In its 2006-2007 annual report, the Department of Home Affairs underscores the need of information systems security by means of a biometric access control system in the majority of local offices. The development of an electronic track-and-trace system is also well under way and is believed to alleviate long queues, clarify the status of ID applications and generally allow for better accountability to the client (Department of Home Affairs, 2007:4; 14).

Though these features of e-government are instrumental in fighting corruption, the Department of Home Affairs is still concerned about the paper-based management of

records because it affects service delivery and creates an opportunity for corruption (Department of Home Affairs, 2007:67). Similarly, according to the 2006/07 annual report of the South African Revenue Service (2007:6-7), the number of assessments processed each year has increased steeply – from 4.5 million in 1995/96 to 15.2 million in 2007 and import and export transactions have trebled beyond the capacity of traditional ways of processing. This, coupled with plans for the implementation and administration of the social security tax and wage subsidy makes it difficult for the current manual paper-based processes. Hence, the need to shift to ICTs is becoming more urgent.

Despite the availability of ICTs, the problem with South African Government Departments is the issue of implementation. For example, as indicated in Table 4.15, the overall feedback received from departments once cases are electronically referred to them is not satisfactory, which indicates a downward trend. This means that departments have not strengthened their investigative capacity in terms of the Minimum Anti-Corruption Requirements issued by Cabinet in 2003. Lack of resources and weaknesses in systems and procedures are still blamed for compromising the effectiveness of the National Anti-corruption Hotline (NACH) and government’s overall anti-corruption drive (Public Service Commission, 2008:18).

Table 4.15 Allegations of corruption reported to the National Anti-corruption hotline through ICTs.

2004-2005		2006-2007	
Number of alleged cases	% feedback received	Number of alleged cases	% feedback received
2297	36	3355	35

Source: Public Service Commission (2008:18).

In the area of financial systems the application of ICTs is not as it ought to be. According to the CapeGateway (2003:83), currently there are four major systems, in the South African public service that are maintained by the National Treasury for national and provincial departments.

- Personnel and Salary Administration System (PERSAL)

- Basic Accounting System (BAS)
- Financial Management System (FMS)
- Logistical Information System (LOGIS)

In addition, the national Treasury also maintains a Management Information System (MIS). Even though there are some other software solutions that function as subsystems in some national and provincial departments, they are managed as separate stand-alone ‘silos’ and not as a single integrated systems unit. This is one of the big problems in the South African ICT systems (CapeGateway, 2003:83). Some of the main limitations include inaccuracy, non-interopability and lack of contemporaneousness as shown in Table 4.16.

Table 4.16. Some limitations of the major South African financial system ICTs.

<b>ICTs</b>	<b>Limitations</b>
<b>FMS</b>	<ul style="list-style-type: none"> <li>• Cash-based accounting</li> <li>• Developed in 1973 and is outdated</li> </ul>
<b>PERSAL</b>	<ul style="list-style-type: none"> <li>• Developed in an ad hoc fashion and not as an HR strategy</li> <li>• Incomplete and inaccurate human resources data</li> <li>• Does not cater for Generally Recognised Accounting Practice (GRAP)</li> </ul>
<b>BAS</b>	<ul style="list-style-type: none"> <li>• Not a full-fledged accrual accounting system</li> <li>• Does not cater for GRAP</li> <li>• Somewhat outdated, developed in 1992</li> </ul>
<b>LOGIS</b>	<ul style="list-style-type: none"> <li>• Not a financial budget control system; no BAR coding functioning; no BAS interface; Not seen to be user friendly</li> <li>• Difficult to comprehend and to operate (was developed in 1998)</li> </ul>
<b>MIS</b>	<ul style="list-style-type: none"> <li>• Relies on the PERSAL database</li> </ul>

Source: Extracted from Western Cape Provincial Treasury (2003).

The Basic Accounting System (BAS) is used by a number of departments for monitoring and reporting on their budgets (National Treasury, 2000:35). However, it does not have some of the control features like budgetary control, commitment and asset management and needs to be supplemented by other systems (Auditor-General report, 2007:2).

Applications of ICTs as part of anti-corruption mechanisms are discussed in Chapter 5.

#### **4.10 In relation to complexity thinking**

The implications of complexity thinking discussed in previous chapters apply to the South African context as well. One recent example is discussed here and the rest will be discussed in the following chapters.

Allegations of corruption have not had a similar political impact in apartheid and post-apartheid South Africa. In post-apartheid South Africa, the allegation of corruption and issues relating to it have resulted in ousting a vice-president (Zuma) in 2005, and a president (Mbeki)<sup>10</sup> in 2008, respectively, which is unprecedented in the country's history. This is an example of the non-linearity of corruption—a similar cause (i.e. during apartheid) did not necessarily lead to a similar consequence (i.e. as in post-apartheid). In this same scenario, the allegations of corruption that led to his downfall in 2005 did not have the impact to preclude the ex-vice-president (Zuma) from ascending to the highest party hierarchy in 2008, which has paved the way for his presidency in 2009.

Complexity thinking indicates that a system is sensitive to initial conditions. In line with this, the effects related to the allegations of corruption concerning the Arms Deal in 1999 are amplified from time to time and are shaking the political landscape of the ANC.

#### **Summary of chapter**

The Apartheid system, including its 'homeland' administrations, on which democratic South Africa is founded, was inherently corrupt, as it was based on secrecy, discrimination and patronage. This was aggravated by corrupt activities and secret dealings in order to bust the embargo imposed by international bodies.

The present government's democratisation and restructuring processes that took place without adequate control mechanisms have opened new avenues for abuse of power, mainly in the regional administrations that embody a legacy from the 'homeland' civil services. Hence, local and Transparency International opinion surveys, and UN reports, indicate that the trend towards corruption is on the rise—the most disconcerting being

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<sup>10</sup> The ousting of Mbeki was related to the allegations of corruption related to Zuma, and not directly to him. However, the issue revolves around that earlier allegation and the steps taken to deal with it.



corruption in the criminal justice system which involves the theft of warrant vouchers; the destruction of case dockets; and the withdrawal of charges in return for money. Lack of professionalism and skill in the public service, mainly in the regional governments; lack of transparency in service delivery; and poor data management systems also add to the problem.

Despite corruption being rampant in the private sector and in civil society, the government's focus has been geared towards the public sector, hence legal and administrative structures to tackle the problem have been put in place. This narrow view that prevails in the anti-corruption effort has undermined the holistic approach of addressing corruption in society in general. In addition, the National Anti-Corruption Forum (incorporating civil society and businesses) has not shown tangible results because of lack of capacity to implement anti-corruption plans and strategies.

South Africa has made significant progress in economic, public, and legal sector reforms, which has paved the way to fight corruption. Its legal instruments moreover are comprehensive enough to promote codes of conduct and ethics and prevent corruption. These instruments, however, are incapacitated by the enforcement agencies in which they themselves are part of the problem.

South Africa has a comprehensive legislative framework including the Prevention and Combating of Corrupt Activities Act and the Protected Disclosures Act to protect whistle blowers; sound financial management and administration; and a range of anti-corruption agencies that investigate and prosecute corruption. However, overlapping responsibilities and lack of coordination of efforts frustrate its effectiveness. Furthermore, the agencies are constrained by a variety of problems including staff shortages, lack of expertise and resources, and lack of coherent programmes. Differing views on whether to establish multi or single agency mandates for anti-corruption work also affect implementation. The South African media is diverse and is vigilant in monitoring and reporting acts of corruption, though also challenged with regard to capacity and resources.

As a way to enhance efficiency and transparency, the South African government has embarked on the development of e-governance with a comprehensive Electronic Communications and Transactions Act. This e-government initiative, coupled with the Promotion of Access to Information Act, is believed to have the capacity for making a positive contribution in the struggle against corruption, despite current challenges. A serious problem impairing transparency in South Africa, however, is lack of transparency in party financing.

Unless there is a political will in the fight against corruption, every effort is of no avail. In this regard, mixed messages have been heard, but recent developments indicate promising commitments related to 'frying the big fish', though the extent and sustainability of such a commitment still has to be proven.

To summarise viable strategies: the third National Anti-Corruption Summit that took place in August 2008, among other things emphasised the fundamental significance of a National Integrity System; the centrality of education in laying the foundation for an ethical society; and the importance of inter-sectoral collaboration success in combating corruption (NACF, 2008).

## **Chapter 5**

# **The status of information and communication technologies as anti-corruption components in the South African public sector: Empirical findings**

### **Introduction**

South African anti-corruption efforts have both traditional and ICT-based features, though the emphasis is on the former. The focus of this dissertation was to explore the status and role of ICTs in the anti-corruption drive in the public sector. However, being parts of an inseparable whole, one cannot be dealt with without referring to the other and I, hence, touch on some aspects of the traditional mechanisms for combating corruption as well. This has led to the organisation of the data along two dimensions—traditional and ICT-based anti-corruption components.

As a background to the South African ICT-based anti-corruption information system, attempts were made to explore the vulnerability of public departments to corruption by looking at some aspects of their traditional anti-corruption strategies. This provides an overview of the effectiveness of the traditional anti-corruption effort of the surveyed institutions. However, this is only an artificial separation practised for purposes of analysis. In practice, the surveyed institutions incorporate both traditional and ICT-based mechanisms in their anti-corruption work, though the ICTs are geared towards managerial control and efficiency.

The subsequent sections of this chapter focus on the main theme of the dissertation and explore the ICT-based anti-corruption system. These sections zoom in on the control of internal work processes and wider stakeholder cooperation. Here very limited theoretical integration of the literature is applied, as the full version of analysis is deferred to the next chapter.

Respondents were of two categories—those who responded on behalf of their respective departments (Home Affairs, SASSA, SARS, National Treasury, Financial Intelligence Centre, Gauteng Shared Services, and City Power) and those who assessed the anti-corruption capability of all national departments (DPSA, PSC, SIU, SITA, CSIR) country-wide. This categorisation was chosen as a method for triangulation purposes—to compare responses from both sides.

In this chapter I present and analyse the data collected from the surveyed public institutions' experts in the anti-corruption area, and present themes that emerged from the interviews in a summarised form. Because of the small number of respondents and qualitative nature of the research, the data were not amenable to statistical analysis. The study also cannot be regarded as exhaustive due to the vastness of the subject and therefore deals with some aspects of the anti-corruption components only.

## **5.1 Overview of the current status of the traditional anti -corruption system<sup>11</sup>**

For the purposes of this study, all the anti-corruption mechanisms that are not computer- or Internet-based are grouped with the traditional anti-corruption system. Depending on the ease of access that was experienced, I tried to explore the current status and impact of this mechanism by asking respondents to give their views on the following selected aspects of the traditional anti-corruption efforts:

5.1.1 Focus of the anti-corruption effort

5.1.2 Access to information and procurement processes

5.1.3 Ethics and professionalism in recruitment and promotion procedures

5.1.4 Whistle blowing system

5.1.5 Anti-corruption agencies and the criminal justice system

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<sup>11</sup> For all individual responses to the unstructured questionnaire see Annexure I-IV.

### **5.1.1 Focus of anti-corruption work**

It was important to establish whether some sections of the South African society are receiving due attention proportional to the magnitude of corruption that is present. Hence, the questions asked in this section were directed to determining the level of emphasis given to each of the following aspects:

- Spheres of government (national, provincial, local)
- Sectors (public, private, civil society).
- Management levels (top, middle, lower, rank and file)
- Anti-corruption agencies, and criminal justice system

The respondents believe that, in terms of anti-corruption work, the level of emphasis on the national and provincial departments ranges from high to low. However, almost all respondents agreed that the attention to anti-corruption work given to local governments is either moderate or low. From the responses given, it was difficult to determine whether the government is placing high or low emphasis on national and provincial governments as the responses lacked unanimity. However, it is safe to conclude that government's focus in fighting corruption in local governments is not sufficient; the attention is relatively more directed to national and provincial governments. Differential emphasis means treating part of a wound. This finding is in line with United Nations Development Program's assessment. It stated that, "[d]ue to [the] historical nature of corruption that was rife in the homelands there must be much attention to the local government that directly impacts on service delivery. However the focus of the media and research has been on the central and provincial government" (United Nations Development Program, 2001c).

A comparative question was asked to find out on which sector the government focuses in its effort to fight corruption. In comparing the three sectors, according the respondents, the focus on public departments is better by far. Comparison actually was not possible, as the private sector and civil society do not feature in the mainstream of the anti-corruption drive, at least in practice. Furthermore, the anti-corruption focus on civil society is quite insignificant, compared to the private sector. During the discussion, it was confirmed that

efforts were being made to rectify this imbalance in pursuance of NACF resolutions. Flowing from the NACF summit, the Public Service Commission has instituted anti-corruption programmes for the civil society and business sectors, the outcome of which is to be seen in the future. However, the resolutions have been in place for about nine years; the problem lies in implementation.

The respondents' views on the emphasis placed on the control of corruption among public servants at various levels differed, though not markedly. Their views ranged from major to less emphasis on top and medium level management. The emphasis on the lower levels of management and the rank and file was perceived as medium. On average, the perception was that there is no significant difference in the extent of corruption control between the top and middle levels of public office positions. But the perception was that control at the lower level and with the rank and file was given less emphasis. The survey conducted in the three departments (Home Affairs, SARS and SASSA) indicated that anti-corruption efforts were geared to all levels of employees: rank and file, lower management, middle management and top management. This finding slightly contradicted findings reported in the previous paragraph that stated that there was less emphasis on corruption control in the lower levels and the rank and file than on the other levels of management. However, such discrepancy is acceptable in the case of respondents on behalf of all national departments (whose views are general) and respondents from individual departments (whose views are specific).

Another aspect of the survey concerned finding out whether government is giving the required attention to curbing corruption manifested within anti-corruption agencies. The respondents' perceptions of the level of anti-corruption effort within the anti-corruption agencies ranged from high to low, again making it difficult to determine where the emphasis is. Nevertheless, none of the respondents perceived that very high attention is given to combat corruption within anti-corruption agencies. Though it was not possible to generalise from the small number of respondents, it was possible to see that there are weaknesses in government's focus on combating corruption within the anti-corruption agencies.

In general, the results of the discussions indicated that attention to various facets of society and management in the fight against corruption is skewed. Unless the anti-corruption effort is equally geared towards all spheres of government, all sectors, all levels of employees in proportion to the magnitude of corruption, and if one aspect is left out from being monitored, the effort will be self-defeating, as corrupt practices will easily be transferred to the rest.

Society as a complex system is fractal (see section 1.7), that is, it is self-similar at various levels. The properties of corruption are found at all levels (spheres of administration, management, sectors) in similar patterns, though to a different degree. Pope (2000:xix) observes that “[s]mall-scale it may be, but if not vigorously attacked, small-scale, facilitating bribes can feed on themselves to produce a corrupt spiral. Frequently too, petty corruption is simply a downwards projection of much more damaging forms of corruption at higher levels”.

This is a different exploration to looking at a system for its fractal patterns of holographic images; in that search, we would look at the parts as miniature version of the whole. Instead, here we look intently at the part in order to see the dynamics operating in the whole system. The part is not the whole, but it can lead us there (Wheatley, 1999:142).

Similarly, if we see it from the power-law (see section 1.7) point of view there are fewer officials at the top who are corrupt that involves more money, and more officials at the lower level who are corrupt that involve less money per capita. This also appeals to reason due to the amount of resources they control. But the resources lost to corruption at lower levels add up to huge amounts, given the large number of people affected. It also has a direct effect on service delivery. If society is metaphorically taken as an organic system, it can be argued that partial treatment of a problem (disease) can only aggravate the long-term wellbeing of the entity. If the negative feedback to corruption is not proportional to its magnitude, efforts will be cancelled out. Moreover, due to the nonlinear characteristics of complex systems, a small input in one sector or level of administration can have large effects across the entire system. Most of the time corrupt agents, irrespective of their sectors, spheres, or levels, work seamlessly in collusion.

It is wrong to believe that the lower middle class will remain a small giver and a small taker of bribes. There are three aspects to this:

- a) It is the small crime that enlarges. All big entities have small parts, e.g. it is a single cell that gives rise to a complex human being.
- b) The social fabric is affected similarly by both the small bribes and the large bribes.
- c) The income categories in any society are the same people at different stages of their economic lives.

Only a small percentage of people are fixed in economic classes, i.e. either perpetually rich or perpetually poor (Bansal, 2004:168).

### **5.1.2 Access to information and procurement processes**

Transparency in government operations can be measured in various ways. However, to operationalise this important variable of anti-corruption we limit ourselves to the following aspects:

- Accessibility of public departments for information
- Procurement processes

In the discussions respondents were asked to assess the accessibility of public departments for information. It became clear that all respondents believed that there was enough legislation to support access to information. However, depending on the management of specific departments, accessibility ranged from highly accessible to highly inaccessible, according to a few respondents. Concerning another aspect, respondents were also probed about the extent of transparency of the South African budgeting process; almost all of the respondents believed it to be transparent and accessible to all who demand this.

In the same vein, according to the Department of Public Service and Administration, efforts are made for the government to be transparent in its operations by involving people in the legislation process, which has received satisfactory feedback. This coupled



with the parliamentary hearings and availability of the Batho Pele principle, means that the people are moderately empowered to hold the government accountable.

It was very difficult to assess accessibility to information across the board in one condensed form. On average, according to most respondents, public departments are moderately accessible with regard to providing information requested by the public. In line with this, most of the respondents were convinced that media freedom to enhance government transparency was moderate as well. The responses thus led to the understanding that, with regard to accessibility of information, public departments have some way to go to be rated open to the public.

Access to information is one of the e-government objectives and it is a right of all citizens that is enshrined in the constitution of South Africa. It is not left to the whim of administrators; people need information to enable them to participate in the decision-making process. According to complexity thinking, unless people are supported to self-organise (for which information about internal and external elements is crucial), emergence of innovation and participation in decision making will be severely thwarted. Inaccessibility to departments means impoverishing the richness of network connections, and denying the anti-corruption system of its self-organising capability, thus blunting its cutting edge. Limited access to information indicates less transparency, which, in turn, means less policy-making input from the public, private and civil society's participation in finding solutions for the scourge of corruption.

Access to information about the procurement process is no different. As part of supply chain management, the South African procurement process mainly involves traditional mechanisms, i.e. it basically is manually executed. All national and provincial departments advertise their bids on their websites and in national newspapers while the local (municipal) government entities advertise on their local websites and news papers. Other public institutions also advertise similarly. However, stakeholders do not have any mechanism to monitor the procurement process online. The advertisement on the Internet is only informational and does not have features that allow monitoring the flow of the process. But to render the process more transparent and accountable, all bidders are

empowered to lodge complaints and ask why their bid was not successful. However, this ex-post right is not tantamount to transparent and proactive measures to prevent corruption. Manual execution of procurement processes that is not transparent to stakeholders is vulnerable to irregularities, both in practice and perception, which erodes public confidence.

In awarding tenders, the National Treasury has developed a system in which no decision is to be taken by one person and have formed a committee composed only of officials. Its appeal mechanism is being formalised and investigates complaints through the police and the NPA, reporting to the accounting officer. According to the respondents, this procedure is one of the ways by which transparency and accountability to the public is maintained. The problem here is with the manner of reporting: for security reasons the National Treasury is compelled to submit hard copies for investigation, which is not efficient. Electronic submission would be more efficient in dealing with the matter.

Further discussions revealed that the mechanism for preventing fraud in awarding contracts is not strong. There is no system to prevent fraud at the beginning; the National Treasury only discovers it after the fraud had been committed. If a fraudulent contract is identified, the National Treasury cancels it and prevents the contractor from doing business with public entities for 10 years. The loophole here is that there is no regulation that prevents the fraudulent contractor from doing business in other sectors. This means that fraudulent private contractors can still do business with the private sector, irrespective of being convicted.

As a move to prevent corruption, the National Treasury requests tax clearance from SARS before approving any contract. However, after obtaining a clearance certificate, some companies may default and still present the 'clearance certificate' within the year, and the National Treasury, assuming that they are compliant with the tax obligations, may approve the award of the contract (SARS normally issues a one-year certificate). The problem is they do not have any mechanism to check the company's tax liability status in the real time. Consequently, companies with low tax compliance records find their way into getting contracts in the public sector.

Complexity thinking states that it is difficult to determine the boundaries of a complex system. In the context of societal systems, this is emphasised especially where the public-private partnership that does not welcome differential regulations is widely practiced. To differentiate between sectors regarding corruption may mean not treating society as one complex system.

### **5.1.3 Ethics and professionalism in recruitment and promotion procedures**

There was an attempt to elicit views from the respondents about the status of ethics in general and professionalism in recruitment and promotion in the public sector as components of the anti-corruption drive. These efforts were accompanied by related questions.

It was found that ethical education was given in universities, and as part of life orientation subjects in schools. When respondents were asked to evaluate the impact of this ethical education in the current South African anti-corruption drive, they indicated that the impact ranged from moderate to low. They held similar views of the impact of codes of conduct, religious teachings and awareness-raising and empowerment campaigns. These aspects were investigated separately and the responses were similar. The reasons given concerned the inadequacy of role models at the top, and lack of coordination of the activities, despite their similarities.

As part of their traditional corruption prevention drive, the Department of Home Affairs has a programme on ethics that is offered once or twice a year at chief directorate level, codes of conduct and ethical education through pamphlets and workshops all over the country for their employees, awareness creation campaigns through the radio, and pamphlets and posters at their offices for the general public. The Public Service Commission likewise spent R2 million in 2006-2007 for the promotion of the NACF resolutions. As the secretariat of NACF, the PSC popularises the anti-corruption Act in different languages through radio as its preferred medium, because people in the rural areas do not have access to the Internet. According to their assessment, this awareness

raising campaign has had a moderate outcome in sensitising people to take initiatives against corruption.

The lack of integrity of the professionals, coupled with inadequate preventative policies, is a factor that leaves institutions vulnerable to corruption. A problem that emerged during discussions with SASSA, concerned the fact that they did not have a standardised definition for disabled people that qualify for a grant. Because of this, it is very difficult to assess who is disabled in a social context. For example, a computer specialist and mason who have had one of their feet amputated cannot be treated equally. It can be argued that the computer specialist cannot qualify for a disability grant in the same way as the mason who will find it difficult to continue working in the building industry, especially if he is illiterate. This lack of standardisation has opened the way to corruption, as it has been left to the discretion of individuals to decide who qualifies for a grant. SASSA also complained about the lack of integrity of some doctors who issue fraudulent medical certificates in collusion with potential beneficiaries. They did not have any mechanism to prevent such illegal certification.

In SASSA, the investigations into social grant fraud have only started recently (in 2007). Up to March 2008, about 12000 beneficiaries had been investigated by the SIU for fraudulent grants. Out of these, 32.5% or 3900 civil servants were convicted. Seventy ghost beneficiaries were identified as using false clinic cards, among the many people involved in the scam. There are similar cases concerning medical doctors issuing disability certificates to unqualified people. Such lack of integrity among professionals is complicating the processes of dealing with disability grants.

It is not easy to see the impact of the above anti-corruption elements, but respondents felt that more has to be done as there has not been a tangible impact yet. They were of the opinion that not enough has been done over the years. As with the awareness-raising campaign, as evidenced by the Department of Home Affairs, efforts were directed more towards employees than to the people. This partial focus resulted in unbalanced levels of awareness concerning the corrupted and corrupter, and disabled a concerted attack against corruption.

To assess some aspects of bureaucratic professionalism in the South African public service, respondents were asked whether decisions concerning recruitment and promotion were influenced by political connections, patronage, gifts and/or bribes. Almost all agreed that there were elements of political connection, patronage, and giving of gifts and/or bribes. In connection with this, most of the respondents disagreed that the South African public administration is separated from party politics. That is why most respondents perceived recruitment and promotion to be partially influenced by political connections and patronage. The respondents' opinions on whether public departments were subjected to political interference in their efforts to fight corruption were also probed. They indicated that it was not a big problem.

The responses led to the conclusion that there was some concern about ethics and the meritocratic nature of recruitment and promotion procedures that leave public departments prone to corruption, though to a moderate degree.

#### **5.1.4 Whistle blowing**

The role of whistle blowing as one component of the traditional anti-corruption mechanism had to be evaluated. The hotline system should fall under the ICT-based anti-corruption mechanism, but since it is closely related to and supplements the whistle-blowing function, it is discussed in this subsection.

An attempt was made to determine the actual number of cases reported by whistle blowers and the conviction rate from the surveyed departments. However, the departments either did not have sufficient documentation or were unwilling to give the information. In fact, most respondents indicated that they had no knowledge of the conviction rate because the case had been handled by the criminal justice system. Hence, as a matter of convenience, a decision was taken to get respondent's general views of the functioning of the whistle blowing system, by asking respondents about their satisfaction with regard to both the quantity and quality of reported cases. The dissatisfaction with the quantity and quality of the whistle blowing was a unanimous.

Respondents were probed further for the reasons why they were unsatisfied with the whistle blowing system. The majority agreed that insufficient motivation and inadequate legal protection were weaknesses in the system. Moreover, as disclosed in the discussions, many public departments at all levels have not developed mechanisms on how to deal with whistle blowing to operationalise the Protected Disclosures Act (The Whistle-blowing Act, 2000). Consequently people are victimised for blowing the whistle.

No incentive is given to whistle blowers, they report only in good faith. We tried to find out whether the lack of an incentive is an obstacle to the intended functioning of the system. However, respondents held a different view, namely that incentivising would create problems and that the importance of this has not been raised as a serious issue, so far. In the interview with the Public Service Commission, the problem was suggested to be located in the shortcomings of the Protected Disclosures Act itself and a revision is therefore required. The commission indicated that the Act does not protect whistle blowers sufficiently, as many are being victimized.

Those who want to report corruption, crime, and maladministration anonymously may make use of a hotline facility as part of e-government infrastructure (the Internet, telephone, fax, sms). Respondents were asked about the functioning of the system and the following were the most agreed upon problems revealed during the interviews:

- Technologically (ICTs) insecure system
- Insufficient ICTs infrastructure, e.g., people without easy access to landline telephones and the Internet have no options for reporting maladministration as cell phones do not have a flat rate or toll free services, which could allow easier reporting from remote areas
- Lack of centralisation and coordination and hence unequal handling of information (it is dispersed and managed by various institutions)

Most departments have a hotline system, some having only a telephone, while others include e-mail, fax and/or sms. Some departments use the South African Police Service

hotline system. In general, according to the rating of most respondents, the hotline system is not successful for the above-mentioned reasons.

### **5.1.5 Anti-corruption agencies and the criminal justice system**

South Africa pursues a multi-agency approach to fight corruption (see Chapter 4). Efforts were made to determine the general impact, if any, of the following selected dimensions on the effectiveness of South African anti-corruption agencies.

- Political interference: From the discussions and structured questions it emerged that the negative impact of political interference is high, with very few respondents rating it as moderate or low.
- Accountability to oversight bodies: The Majority of the respondents agreed that there is insufficient accountability to oversight bodies, while the rest perceived there to be sufficient accountability.
- Clarity of mandate: Respondents were asked whether unclear and overlapping mandates with other agencies were negatively affecting the anti-corruption agencies. The responses were mixed, on average indicating that the effect of this situation was moderate.
- Skilled personnel: It was the view of all respondents that the anti-corruption agencies had serious shortages of skilled personnel, to the extent that their efforts to fight corruption were highly impaired.
- Regional and international cooperation: South African anti-corruption agencies had moderate cooperation with regional and international anti-corruption bodies. There was some cooperation at both levels in order to coordinate efforts in the fight against corruption.
- Legislature: Most agreed that, though there is a great deal of enabling legislature to fight corruption in South Africa, many still believe that more can be done to make it effective.
- Corruption within the agencies: Half of the respondents thought that corruption within the anti-corruption agencies was moderately hampering to the effectiveness of their work. The rest held the view that the effect of this

situation is low and did not observe much corruption in the agencies themselves.

- Public cooperation: It was the view of most respondents that there is insufficient public cooperation with the anti-corruption agencies. This inadequacy has adversely impacted the fight against corruption.
- Strategic location of the anti-corruption agency: Respondents were asked whether any organisational crisis was hampering the effectiveness of anti-corruption efforts. According to their views, this is a phenomenon with a moderate impact. A prominent and recent example is of the Scorpions, with its fate still under debate and not permanently located, indicating an organisational crisis.
- Cooperation with other anti-corruption bodies. The negative impact of a lack of cooperation among the South African anti-corruption agencies themselves was still perceived as high by the majority of the respondents, with some considering the impact as moderate.

All respondents pointed their fingers at the criminal justice system, for being corrupt and inefficient. Apart from being slow, they perceived that corruption was rampant in most of the institutions themselves. They noted sluggishness in handling cases, and purposeful destruction of documents in the process, because of corruption.

The above-mentioned deficiencies within the anti-corruption agencies that were discussed during the interviews have been identified as big hindrances to the effectiveness of the anti-corruption effort. As a partial solution to these shortcomings, respondents were presented with the following possible traditional anti-corruption approaches in order to identify the most effective one in the South African context.

- a) Single national anti-corruption agency
- b) Multiple national anti-corruption agencies (as currently practiced in South Africa)
- c) Anti-corruption units within each department (neither single nor multiple anti-corruption agencies)



- d) Administrative reforms (without any special anti-corruption agency or unit)
- e) Combination of all approaches mentioned in b, c, and d.
- f) Other (specify)

There was no unanimity in the responses, most preferred a single national anti-corruption agency, others multiple national anti-corruption agencies (as at present in South Africa) to meet the above-mentioned deficiencies; and still others preferred the combination of all approaches mentioned in b, c and d (multi-agency approach, anti-corruption units within each department, and administrative reforms that emphasise managerial control and efficiency). It can be concluded that the preference exhibited by the majority of respondents is a reaction to the current situation concerning the South African anti-corruption agencies, i.e. the lack of cooperation, overlapping mandates, and organisational crisis that naturally lead to the desire of a single agency.

When seen from the perspective of complexity thinking, the elements of the South African anti-corruption system do not interact fully, neither exogenously nor endogenously. Unless the agents of the system interact dynamically, they cannot cope with the challenges and emerge with new properties to tackle the ever-changing tactics of corrupt individuals and groups. As elements of the national anti-corruption system, the anti-corruption agencies' effectiveness depends on the richness of interaction among themselves, other regional and international stakeholders, and the people. Insufficient interaction mean impoverishing the system of diversity and feedback, which are the main properties of a complex system (see sub-section 1.7.1.4).

The above findings indicate that the traditional corruption control components are not sufficient and to some degree leave the public departments vulnerable to corruption. In the next section and subsections we will explore the status of ICTs in the fight against corruption as a supplement to the traditional anti-corruption mechanisms.

## **5.2 Electronic-based anti-corruption system**

In the following subsections we explore the status and application of ICTs in some selected aspects (according the access and information obtained) of public administration. The following are the aspects discussed with respondents.

5.2.1 Environment and need for ICTs

5.2.2 Management information system as an anti-corruption tool

5.2.3 e-Procurement and asset control

5.2.4 Surveillance of government operations: the e-government infrastructure

5.2.5 Interconnectivity and integration of systems

5.2.6 Impact of ICTs on corruption

5.2.7 Challenges: Application of ICTs as anti-corruption components

### **5.2.1 Environment and need for ICTs**

Traditional mechanisms of corruption control cannot cope with the magnitude and speed of current public sector activities and mandates. For example, in SASSA, given the increased number of beneficiaries (about 12 million) that involve about R60 billion per annum, physical investigation is difficult. The respondents agreed that there should be an early detection mechanism through Information Technologies that help prevent the occurrence of corruption. To this end, their internal system was revised in January, 2008. Manual control of the South African demographic characteristics and revenue and expenditure transactions respectively, for example, can similarly expose the Department of Home Affairs and SARS to corruption.

The South African Electronic Communications and Transactions Act (2002) is the legal infrastructure for the electronics-based anti-corruption system and is designed to support ICTs and Internet applications in the financial system, among others. This being the case,

there was no commonality of perception among the respondents as to whether the South African Electronic Communications and Transactions Act (2002) could sufficiently deal with cyber crime. Some said it was sufficient while others held an opposite view; some were uncertain. However, given the political support, there is an opportunity to harness the potential of ICTs to control administrative corruption.

From the discussions with respondents it emerged that they held positive views on the potential role of ICTs in fighting corruption. They were looking for ICTs intervention for the following purposes as realised in three phases.

- First phase: for systematic reporting
- Second phase: for profiling (where the crime has taken place, the extent of the crime, the impact of the crime, guidelines for addressing the impact, recommendations to improve the system, i.e. for systematic intervention).
- Third phase: for prosecutions and recovery of lost money that fall under legal aspects.

All the respondents agreed that almost all government departments are in the first phase, with some struggling to be there. In the discussions relating the pervasiveness of ICTs, it became clear that the back offices of the departments were relatively more developed and efficient than the front offices, and this was limiting active public involvement and service delivery.

In general, according all the surveyed institutions, there is a ripe environment and urgent need for incorporating ICTs in the mainstream of the anti-corruption drive.

### **5.2.2 Management information system as an anti-corruption tool**

The dominant aspect of the South African anti-corruption information system is geared towards managerial efficiency. There are various kinds of software to control essential resources (financial, human and material) and expedite their movements. Respondents were asked about some of the software already in application in their department's financial transactions and the following, though not a comprehensive list, were cited.

There is an electronic payroll system (Personnel and Salary Administration System—PERSAL) by which most government departments control salaries of personnel. This is a system of first entry for personnel expenditure and has checks and balances features that require authorisation before payment takes place. Its check and balance capability depends on reconciliation with the FMS (Financial Management System). However, respondents had problems with PERSAL. The limitations they cited included:

- Though PERSAL had (limited) tracking facilities, the system was not dependable. It was a three-decades-old main frame system, after all.
- Ad hoc checks in PERSAL were executed by auditors general for fraud detection tests, to find out whether unauthorised payments had been made. The PERSAL features for controlling fraud were found to be weak. They also were not strong as far as security was concerned. The prevention capability was very limited as many of the problems were only identified after fraud had taken place.

As a remedy to these shortcomings, PERSAL is to be replaced with IFMS (Integrated Financial Management System). This is a National Treasury initiative which was designed two years ago but has not been implemented yet. IFMS comprises a seven-year project and, according to the respondents, was progressing according to plan. IFMS will require authorisation at different levels, which will make it difficult to change someone's salary fraudulently. Currently the public departments rely on the auditor general's report for financial irregularities, not much on built-in electronics-based systems.

Some departments are using software by the name of SAP on top of PERSAL (e.g. SARS, Gauteng Shared Services, and City Power). SARS have several computer-based systems to control corruption. SAP and other internally designed software, e.g. People Software, are used to control the movement of money. They also have customised, internally developed software to control the transport system, bank details, revenue, income, and tax returns. However, these internal systems are stand-alone and not integrated, and provide some loopholes for corruption and inefficiency.

Despite its crucial importance, the measurement of physical characteristics, such as fingerprints, DNA, or retinal patterns, for use in verifying the identity of individuals (biometrics) is not widely applied in the Department of Home Affairs. Consequently, since there is no biometric link between a born child and its records, it has been found that a child had been registered more than once, opening an avenue for corruption such as encouraging multiple claims for social benefits, and illegal citizenship. The same happens in the case of marriage certificates; because there is no biometric information of the official who does the marriage registration, it is very difficult to track who actually performed the registration, should it be found fraudulent. The absence of biometric information of couples has also led to the issuance of illegal marriage certificates through corruption.

Furthermore, the network system in the Department of Home Affairs is not well integrated and the provinces in most cases work in isolation. This leaves the Department vulnerable to many abuses—such as multiple entry of one person into their system and duplication of work. As a consequence of incompleteness and fragmentation, the database of the Department of Home Affairs is not clear of ghost citizens, and fraudulent marriage, birth and death certificates. Apart from the weaknesses that arise from its internal working processes, SASSA is also faced with many double claimants of benefits, a weakness partially spilt over from the Department of Home Affairs (because of the issuance of fraudulent certificates and identity documents).

For better competency, SASSA outsources its payment functions, so that other service providers pay out on its behalf. It has a verification system called SOCPEN (Social Security Pension System), however, to track and trace payments to beneficiaries. The system consists of, including expected payment, type of grant, payment history, personnel information (such as the beneficiary's ID), and has a Beneficiary Maintenance Unit (BMU) which tracks and traces illegal beneficiaries. This is a data cleansing system and functions as a:

- central coordination point
- monitoring of the coordination point

- daily data reviewing and verification of previous data

However, the agency is not free from ghost beneficiaries, as partially shown in subsection 5.1.3.

As a remedy for problems concerning corruption and inefficiency, the Department of Home Affairs has introduced a system called 'Who am I online'. This single citizen-centric application will enable the use of biometrics in all transactions for all officials and applicants. It was piloted in Durban and extended to all refugee offices in 2008. As an output of this project, some Home Affairs officials in Durban were suspended from their jobs.

The problem of corruption does not arise in large national departments only; it also affects small local institutions. For example, despite its small number of employees (about 2000) City Power still pays people without entitlement, which is an indication of not applying the right ICTs and/or people to control the HR-finance interface. They use software named Risk Manager that links HR with their financial system, but this software package does not tell the HR or finance department who is on leave improperly, for example. Consequently, people on improper leave for 4-5 months are found to receive payment because the system does not 'red flag' at every occurrence of an illegal transaction. This indicates that it is not only the size of an institution that exposes it to corruption, but the installation of inappropriate systems as well.

Furthermore, the ICTs used by City Power are not effective in controlling the illegal use of electric power. To enhance their control over the correct usage of electricity by customers, City Power could have introduced prepaid systems, a technology already available and in use in the country (by ESKOM). There is high risk area is in the billing system as well. Corruption is involved through employees being paid to manipulate meter readings at premises to reduce the actual usage. Some contractors who read electric meters for City Power record figures that show lower electricity usage than the actual consumption and share the difference with the user (client). Currently, their ICTs do not red flag when there are gaps between actual usage and readings recorded by contractors.

There are instances of whole buildings in Johannesburg being hijacked in terms of power usage. Tenants are duped into making payments into the bank accounts of the people who hijack the building. This money does not come to City Power, because its systems fail to track this. There also are illegal electric connections through which City Power is losing about 4 to 6% of its total revenue. These problems persist despite the availability of the technology that can track wrong readings and illegal electric power connections in South Africa.

There are various ICT-based projects in the Gauteng Provincial Government that help minimise susceptibility to corruption. These include ID mgt, SRM (supplier relationship management), e-invoicing and ESS (employee self-service, by which employees can access, track and update their own information electronically) that may result in the increase of efficiency and reduce the cost associated with HR functions. Automated leave management, for example, is a system that can reduce the discretion of officials and thereby control corruption.

According to the findings of the investigation, some of the management information systems in the public departments are not state of the art. Old transversal systems like PERSAL cannot cope with the demands of the time, while lack of implementation (due to resistance and a shortage of know-how) occurs in cases where there is appropriate technology. Some newer technologies also do not have full features to control fraud. This means that any kind of weakness in ICTs is strength to corrupt agents. If ICTs are not state of the art and fully employed, corrupt individuals and groups are always on the alert and quick to exploit the shortcomings of public departments.

### **5.2.3 e-Procurement and asset control**

Although there are some ICT solutions for procurement at national, provincial, and some local levels, e-procurement is in its emerging phase in the South African public sector. Most of the procurement is monitored and processed in a traditional way. It is true that invitations for bids are posted on the Internet, but they are only informational and not interactive. Moreover, there is no universal public-access system for the public to monitor the objectivity of decisions made about awarding bids. This being the case, this

discussion will be limited to aspects related to procurement, such as data bases to control suppliers and contractors.

The National Treasury has a database of suppliers who are prohibited from doing business with the public sector on account of their records of corruption. Departments looking for big suppliers and contractors contact the National Treasury for clearance, in order to confirm the status of would-be suppliers and receive a reply in one working day. When asked whether the names of the suppliers or contractors that are restricted are available for the public, the National Treasury said that their names will only be posted to public on the web if they are convicted in courts.

A system which blocks corrupt individuals and businesses from doing business with public departments has been set up at the national and provincial treasury. But the system is not functioning well, because of:

- lack of appropriate skills
- poor coordination among institutions
- insufficient data capture
- those identified as corrupt becoming silent partners of the corrupt firms, or changing their names and businesses.

As a state agency for information technology, SITA is in a better position to identify ICTs suppliers for specific government requirements. Government departments are supposed to buy ICTs through SITA, which is important for economies of scale, and interoperability of systems. Otherwise it may mean that decentralised government procurement will deny the procurement process efficiency, economies of scale, and transparency. Despite the government requirement to buy through SITA, many national departments are procuring on their own. For example, according the interviews conducted at SITA, SITA gets only R3 billion worth of procurement from the total annual procurement of R11 billion. In 2001 the Department of Public Service and Administration (2001:6) indicated that “[t]he government’s economic muscle is



fragmented, and leads to unnecessary exploitation by some IT vendors”. It is a serious concern that the problem still persists.

At a local level, the supply chain management in City Power is supported electronically and there is a system to track procurement assessment that ensures that purchased items are stored, and installed accordingly. They ensure electronically and manually of assets that are procured can be traced to the point where they are installed. Similarly, they use SAP to track financial transactions. They are satisfied with their tracking system, and efficiency to control risks. They indicate, for example, that over-invoicing is easy to track in their financial system, and the creation of fictitious orders can be picked up.

Unless stakeholders are able to monitor the procedures that lead to the award of a bid online, the anti-corruption capability of the procurement system is not reliable. Public departments cannot ensure any guarantees against irregularities by merely announcing bids on the Internet. Moreover, if corrupt agents, by disguising themselves and their businesses, can continue to operate in the economy, this is an indication of weakness in the monitoring capacity of the anti-corruption system.

#### **5.2.4 Surveillance of government operations: The e-government infrastructure**

The status of the South African Government’s campaign on the Internet to sensitise and mobilise South Africans for a concerted action against corruption was also discussed with the respondents. Almost all had similar views, stating that the campaign over the Internet was not sufficient and more needed to be done. Though the public departments have a web presence, the focus on the anti-corruption campaign and openness of their activities are limited.

In order to have a general picture of the stage at which the most advanced section of South Africa is in terms of e-government, the Gauteng Shared Services Center was approached for their view of the situation. The discussion revealed that Internet usage was more prevalent in Gauteng than in any other province in South Africa. However, the interview results from the Gauteng Shared Services Center indicate that more than 75%

of the government departments in this province are still in the emerging web presence phase. That is, they are at the stage of providing a limited level of information in a static manner. Few, not more than 25%, have enhanced their web presence and exhibit increased dynamics in information through regular updates in contents. The same percentage of other departments has also embarked on two-way communication via the web (online application, confirmation and response), that is, the interactive web presence. Very few, less than 25%, of the province's departments are able to provide actual online services, process handling and electronic payment—the transaction web presence.

Although many public departments post information on the Internet, it is mostly informational and not sufficient to hold them accountable for their activities. For example, at a national level, as a practice of surveillance, there are online features that enable one to know the status of one's applications in the Department of Home Affairs. One can enquire the status of one's ID, marriage, and passport applications by sms. However, one cannot know who handles the case and reasons for the decision given at every stage online. Hence, though this is an important development, it is not sufficient for transparency and accountability. Similarly, the online mechanism to hold authorities accountable is not well developed in the surveyed departments. That is the current status of online presence is not sufficient to combat corruption. Furthermore, the Department of Home Affairs indicates that it does not have a dedicated and well developed website to fight corruption. SARS, however, has such a website which it uses to expose convicted corrupt individuals and businesses.

Moreover, SARS uses the Internet for e-filing and it believes that this saves time and reduces corruption. It is also undertaking a modernising programme and its control through ICTs is increasing—contributing to the improvement of tax compliance. Taxpayers in South Africa, currently enjoy, among others, the following tax-related services online: web portal and information, filing data and sending documents to tax administration, receiving responses from tax administration, and paying online. These features are believed to have closed many avenues to corruption.

Unless the Internet is used in a way that enables public interaction, facilitates anti-corruption campaigns, and promotes accountability and transparency, its role to combat corruption will be very limited. Digital participation is an efficient way to interact in the governance of one's country as decision-making processes are interdependent at all levels.

### **5.2.5 Interconnectivity and integration of systems**

To find out how the information systems of government institutions are interconnected and integrated, I tried to elicit views from respondents about the current status of their ICT alignment for the purpose of combating corruption.

The surveyed institutions have recorded instances of substantial amounts of money being lost in fraudulent transactions through the mere lack of online cooperation with other departments. This has happened, for example, when the regional offices of SASSA accessed and added new beneficiaries into the central system. At the entry stage, it is not possible to validate the claimants' entitlement to benefits because they do not even have online interface with Home Affairs at provincial level. Unqualified people, consequently, enter the system. Given that SASSA deals with 12 million beneficiaries, it is very difficult to identify fraudulent ones, once they are in the system. Although these unqualified people can be detected by crosschecking with the Home Affairs database, this is only possible after they have taken substantial amounts of other people's money fraudulently.

Similarly, despite the fact that public departments are interdependent with regard to required information, survey findings indicate that their electronic systems are not talking to each other. Though there are efforts to use Information technologies to fight corruption, they are not well integrated with each other in the stakeholder ecosystem. SASSA, for example, may need the support of Home Affairs to identify whether a beneficiary really is a South African citizen, and is alive; it requires the support of the Department of Health to determine whether someone qualifies for a disability grant; it also needs information from the GEPP to verify if someone really a pensioner. The

GEPF, in turn, requires data from the Department of Home Affairs for ID and death verifications, and from SASSA for controlling double benefit claims.

The Financial Intelligence Centre receives and analyses suspicious financial transactions by extracting information from various databases which is relatively ICT-based. It has indirect access to, for example, the South African Police Service and Department of Justice databases, i.e., they do not have an integrated system with these institutions, but they get the information upon request. Because of the lack of integration they cannot get real time information. In this fast moving world, such a delay means giving chance to corrupt transactions to escape unidentified. As a remedy to this, as it was revealed during the interview, the Financial Intelligence Centre is developing a software package that enables it to get the data it requires from its stakeholders. It is proprietary software that will be customised to its needs and this is expected to improve data integration with the South African Police Service and the Department of Justice.

Similarly, the need for integration of systems is also sought at local levels. For example, City Power believes that it needs to integrate its information systems with ESKOM and security and disaster management, among others. However, it only has very limited informal cooperation.

The lack of integration is not only interdepartmental, as it is also absent within a department to some degree. In the Department of Home Affairs it has been found that there is no linkage between the central accounting system and local financial transactions in some branches. This means that the central system is not triggered whenever a financial transaction is conducted at those branches. Hence, some money remains unaccounted for. Though it provides clients with receipts, there is no guarantee that it is reported to higher levels. During the interview with City Power it also became clear that the parastatal information systems were not well integrated with one another.

ICTs available in the country are not exploited to their fullest potential, because of limitations that prevents learning from other institutions. For example, ESKOM's prepaid systems, and the technology that can track wrong readings and illegal electric power

connections that are available in South Africa are not adopted by City Power; and the private sector's fleet tracking system that incorporates geographic positioning system (GPS) is not adopted by government departments to control their vehicle usage (an area highly abused).

Gauteng Shared Services was asked to list the main types of ICT-based projects that help minimise susceptibility to corruption. It indicated that, among others, it has ID management, SRM, e-invoicing, ESS (employee self service, by means of which employees can access, track and update its own information, which may result in the increase of efficiency and reduce the cost associated with HR functions. For example, Automated Leave Management is a system that can reduce the discretion of officials.

All the departmental information systems that can be utilised to control corruption are not fed from the same national source, i.e., the public departments do not have a common centralised data base that enables them to fully cooperate in the anti-corruption drive. This lack of integration means that efforts are dispersed, economies of scale are not achieved, preventative mechanisms are undermined, and crosschecking features are thwarted. To make up for some of these shortcomings, open-source software called Corruption Management Information System (CMIS) has been developed by the CSIR for the Department of Public Service and Administration. The software can bring all the required information together and is designed to integrate the activities of various institutions like the police and anti-corruption agencies. This system has not been activated because of lack of skill, among others, but is expected to be operational in 2011, according the information captured during the interview.

Although decentralisation is an important ingredient of a complex systems' development, the anti-corruption effort will misfire (e.g. as in SASSA's case, with regional authorities not having a system interface with the Department of Home Affairs) if the agents are not well interconnected and interact with the whole system. Wheatley, (1999:158; 164), borrowing from complexity theory, states that "[t]he world of electronic networks and connectivity that we depend upon mirrors the images from quantum physics that describe our interconnectedness at the cosmic scale.... Nothing exists independent of its

relationships, whether looking at subatomic particles or human affairs”. This implies that, unless ICTs are sufficiently interconnected, both locally and globally, the interactions between the components of a system cannot bring about a potent force—an emergent property—to combat corruption. For a complex system to evolve to a higher level of anti-corruption capability, its parts must communicate and interact dynamically. The lack of this kind of connectivity, powered by ICTs, within the public departments means the anti-corruption system is not functioning well.

Similarly, unless the development of ICTs and human capacity go parallel, the installation of modern software will only be a white elephant project, and by the time we try to implement it, it may be outdated, given the rapid pace of electronics. For example, the Corruption Management Information System (CMIS) mentioned above may face such a risk.

### **5.2.6 Impact of ICTs on corruption**

Due to the limitations mentioned in Chapter 1, and focus of the dissertation (being exploratory), impact assessment is well beyond the scope of this research. Hence, this subsection does not provide a comprehensive impact of ICTs in the anti-corruption drive, but will briefly put forward some of the respondents’ perceptions regarding this issue.

At the end of every discussion with the respondents I tried to get their assessment of whether there was any visible impact of South African e-government initiatives or application of ICTs on various forms of corruption. The results of the structured questions interestingly exhibited the same pattern as the open-ended discussion questions. I tried to see the impact on the following specific dimensions.

- Promoting active public involvement in administration: almost all of the respondents believed that it is moderate, and very few consider the impact to be low.
- Fostering accountable and transparent government: the same pattern of responses emerged in this category, i.e. while the majority perceived it as moderate, the rest saw no visible impact.

- Strengthening control of cross-border corruption and international cooperation: most of the respondents felt that cross-border corruption was not well attended to by ICTs and that the impact was minimal.
- Joining government, businesses and citizens: according to the respondents, one of the greatest weaknesses in the South African e-government initiative is its inability to link the various sectors. Interconnectedness among the sectors is not as expected, even within the public departments themselves. Some believed there are instances of good interconnectivity, but there is still a long way to go. Interconnectedness, both in vertical and in horizontal terms remains one of the big challenges, not only are public departments not well connected, some department's internal functions are also not well coordinated in terms of information sharing, as indicated in various sections of this chapter. Cross-sectoral coordination is far worse.

From the interviews, two examples of institutions that are progressing relatively well are worth noting: SARS and the Gauteng Shared Services Centre.

If we take the case of SARS, some forms of corruption are moderately well addressed through the power of ICTs. They include embezzlement of collected revenue; inappropriate tax exemptions; falsifying of tax receipts; corruption by inspectors/auditors; and extortion by taking advantage of taxpayers' incomplete knowledge of tax legislation (due to awareness-raising campaigns). Reporting import goods as transit goods is also declining. The extent of corruption on the revenue side (e.g. tax evasion and irregularities in the collection of money for services delivered) is decreasing moderately, which is mainly attributable to ICTs and the Internet. The e-filing tax return system and integrated taxation information system have also greatly minimised corruption in the South African Revenue Services. However, smuggling, underreporting/not reporting of taxable income/transactions in accounts, over-reporting of expenditures, underreporting of the value of imports, misclassification of high tax and duty rates to indicate as goods with lower rates, goods in transit sold on the domestic market, and falsified claims for VAT refunds are still persisting at a moderate level.

At the provincial level, enabling efficiency and transparency to internal and managerial processes; enhancing external relationships with citizens; and laying infrastructure for e-procurement are among the activities on which the Gauteng Shared Services Centre focuses more strongly. If implemented well, these are possible tools for fighting corruption. The Centre agrees that e-government visibly helps provincial government departments to be more transparent and accountable. Everyone who browses the web can understand what is expected from the provincial government officials. For example, the premier's commitments are posted online and people can hold him accountable for his official duties.

In order to see the trend of some aspects of corruption and therefrom to assess the role of ICTs, I requested data from the Department of Home Affairs, SASSA, and SARS in connection with the following issues:

- Number of ghost employees and beneficiaries and the amount of money lost to them
- Number of corrupt cases tracked through ICTs that could have gone undetected by traditional mechanisms
- Number of employees tracked through ICTs when trying to manipulate essential documents in the computer system
- Convicted number of individuals from cases reported through the hotline system

I was unsuccessful in eliciting such information, however, as the institutions were unwilling to supply this on grounds of confidentiality, and/or the absence of systematically and adequately recorded data. From this, it was possible to observe that there is some deficiency in keeping data systematically, with regard to both content and format useful for analysis.

South African e-government's visible impact in promoting active public involvement in administration is still low. The e-government initiative in linking government, businesses and citizens similarly was assessed as low by all respondents. It means the extent of



connectivity between these three facets of society for efficient interaction and possible collaboration, as envisioned by complexity thinking, is currently insufficient to combat corruption. The impact on strengthening control of cross-border corruption and international cooperation is also rated as low.

### **5.2.7 Challenges: Application of ICTs as anti-corruption components**

Attempts have been made to identify the challenges that the South African public departments are facing in combating corruption in the context of e-government. As discussed in the following paragraphs, there are more challenges than solutions.

The lack of trust in the application of ICTs in anti-corruption work as revealed by the employees and managements of the surveyed departments still remains a challenge. Respondents share general agreement that ICTs are good tools for combating corruption, but have concerns that they can be manipulated easily to be counterproductive, if handled by those who do not have integrity.

Furthermore, corrupt officials do offer resistance to having anti-corruption information systems established in their organisation. They prefer traditional systems which they are adept at circumventing. Hence, new technologies that may be beyond their ability to manipulate are not welcome.

Contrasting findings regarding resistance to computerisation were obtained from the two departments. It was not surprising to find that Home Affairs, with a long tradition of corruption, mentioned resistance to computerisation as one of the challenges to their anti-corruption system. However, consistent with the relatively low (compared to Home Affairs) level of corruption in SARS, resistance to computerization was found to be minimal and insignificant in this department.

In the Department of Home Affairs and SASSA, corruption takes the form of unauthorised access and is also committed by employees who have legitimate authority to access the computer system. These employees manipulate data, altering or deleting essential documents from the computer system in exchange for money. Entering or

uploading unqualified people into databases (such as for grants, permits and citizenship) takes place with the exchange of money for private benefit. This situation was revealed during the interview as an existing problem. The Departments' information systems are only moderately effective in controlling these corrupt activities. This means that the human factor is adulterating the effects of ICTs' efficiency and effectiveness in providing the required services, posing a serious challenge to the application of computer-based anti-corruption systems.

The study conducted on the public departments categorically indicated that the anti-corruption industry is crippled by lack of integration of ICTs, especially the anti-corruption information systems. An interesting finding from all the surveyed departments was that, though information systems are built into many departments, these systems are stand-alone and do not speak to one another. This is a big loophole in the South African anti-corruption information system. Not only they are devoid of interdepartmental integration, but system integration within a single department is still a crucial deficiency as well. Apart from the internal system disintegration in the Department of Home Affairs, we also see that even SARS is not free from this problem, despite its relative superiority in ICTs.

Practical problems arise from such systems disintegration: For example, SASSA requires data from Home Affairs to verify citizenship (involving whether the applicant is a South African citizen and is entitled to a pension or a grant); from the Department of Labour to verify employment status (to verify that the applicant is unemployed); from the Department of Health to verify disability (to decide whether the applicant is entitled to a disability grant). Many departments require data from SARS to confirm tax compliance of individuals and businesses, or from NIA to check corrupt or criminal records of individuals (for example for screening purposes during employment processes). Though these departments have a systems interface, it is not sufficient to deal with the complexity of problems about which public departments interact.

Unlike in SARS, the ICT-based anti-corruption effort is not well coordinated with the traditional anti-corruption components in the Department of Home Affairs. These

uncoordinated efforts and skewed attention to anti-corruption elements are stumbling blocks in the anti-corruption drive.

Respondents were also probed about whether finance was a constraint in building up anti-corruption information systems; however, the respondents did not consider financial aspects as main challenges in the anti-corruption information system. This means that the government has allocated sufficient resources for fighting corruption. Lack of efficient application associated with the shortage of the required skills is one of the main problems. Idle ICTs (because of lack of skill) may be outdated before they are operational. This lack of skill affects some departments more than others. There are variations in the level of skills, as found out from the surveyed departments—SARS, and the Gauteng Shared Services Centre having more or less the required skills, with Home Affairs, SASSA, and City Power experiencing a shortage. However, it is not only how sufficiently ICTs are deployed that matters; one of the most important things is the quality. Are the ICTs that are applied of state-of-the-art quality? With regard to this aspect, SARS is relatively content with what it has, while the rest of the surveyed institutions still see this as one of the big challenges.

As mentioned in subsection 5.2.1, there was a mixed response, varying from uncertainty to strong agreement regarding the efficacy of the South African Electronic Communications and Transactions Act (2002). One thing worth noting here is that cyber crime is very dynamic and constantly manifested in new forms requiring constant surveillance and upgrading of systems. This means that there is a continuous challenge to keep pace with the cutting edge of ICT development in terms of financial and human resources in the race to good governance. The imbalance of this is seen in ICT-based corruption increasing in magnitude. Recently, as was indicated during the discussions, in a single transaction, a fictitious company was paid R14 million by SITA through Information technology (IT) fraud.

As a further effort, the extent of usage or existence of the following anti-corruption information system tools was also explored during the field work.

- An integrated financial management system: Though an important tool to minimise the possibility of corruption in the public sector, this system is at an early stage in South Africa. There is a project that runs for 5-7 years and is in its second phase—the tender awarding stage.
- Project management technology wherever applicable: This feature is an important tool for efficiency and effectiveness in running projects, and its application has the potential to close some avenues to corruption. However, South African public departments do not score high in this aspect and the respondents perceived the level of application as ranging from medium to low.
- Centralised public e-procurement with feedback, concerning the actual contract and cost of possession versus tender specification. Almost all public departments are deficient with regard to this feature, as the survey indicated. As mentioned elsewhere in this dissertation, e-procurement is in its early stage, and in some cases is at a stand still.
- Coordination of information between organs of state: This is also one of the main problems in the public sector. Information is not well coordinated in a way to close the gaps that facilitate the possibility of corruption. In most instances, information is not real-time and information flow from one department to the other is therefore not efficient as many corrupt activities take advantage of the information gap.
- Interoperability between government information systems: This system was not adequately appreciated by the respondents. In many cases government information systems do not communicate to one another. There is a movement towards this in order to enable the departments to have systems that can communicate.
- Automatic check of conflicts of interests at the nomination of public officials: Though an effort was made in this respect, the respondents rated the actual practice as low. ICTs are not well aligned and coordinated to assist on this aspect of control.
- Access to information (database) concerning the wealth of public officials and their close relatives granted for judicial action: This access is believed to be one

of the deterrents of corruption. However, the respondents perceived the incidence of this as low or nonexistent.

- A national data base concerning information of corrupt individuals or businesses: The data that is recorded is insufficient and in many cases there is no such data.
- Integration of judicial, executive and banking information systems: This integration aimed at enabling timely and effective corruption control and tracking of corrupt activities is clearly lacking.

Most of the challenges mentioned above are not unique to South African public departments, but are characteristic features of developing countries.

### **Summary of chapter**

The South African government is fighting corruption with both hands—with traditional mechanisms and ICTs with varying emphasis. Currently, the government's focus is on the traditional tools more than on ICT-based tools, but this dissertation focuses on the latter. However, since these mechanisms are inseparable parts of a whole, and to give context to this analysis the traditional mechanisms have also been investigated, though to a lesser extent.

The traditional multi-agency approach to combat corruption has the following perceived problems, to varying degrees: political interference, accountability to oversight bodies, clarity of mandate, inter-agency cooperation, skilled personnel, regional and international cooperation, corruption within the agencies, public cooperation, and strategic location of anti-corruption agency (organisational crisis). The shortcomings can partially be explained by the fact that the government has not placed equal emphasis on all spheres of government, all levels of management, and all sectors of society. There are also perceptions that government has inadequate focus on combating corruption within the anti-corruption agencies. Moreover, though the South African anti-corruption effort is suitably supported by legislation; the problem lies with the implementation. This

implementation problem is aggravated by inefficiency and corruption existing within the criminal justice system.

As ingredients of an anti-corruption system, ethical education is offered in high schools and at the universities; codes of conduct are available in work places; anti-corruption awareness raising is conducted through various media; and spiritual teachings are presented in religious institutions. The impact of all of these potential anti-corruption mechanisms is perceived as moderate due to their insufficiency, lack of coordination, narrow coverage, and lack of integrity. There are also concerns about ethics and the meritocratic nature of recruitment and promotion procedures that leave public departments prone to corruption where political connections and patronage are partially to be blamed for this.

Whistle blowing as part of the anti-corruption mechanism is supported by the Protected Disclosures Act (2000). However, this Act needs to be revised, as victimisation of whistle blowers is increasing. There is also a hotline system as an option for whistle blowers, but it is not centrally managed, which makes the handling of reported cases difficult.

Information and communication technologies, as components of anti-corruption tools, have made their way into the South African public service and are supported by a relevant Act (Electronic Communications and Transactions Act (2002)). This has become increasingly important due to the growing complexity of the public service mandate. For example, unless the huge amount of grants that the government is engaged in, the dynamic demographic characteristics of the country, and revenue and expenditure transactions, are controlled with the help of ICTs, public departments will be left vulnerable to corruption. However, these ICTs are in their initial stage and many challenges have been encountered, including employees' and management's lack of trust in ICTs, resistance from corrupt officials in favour of traditional mechanisms, lack of system integration both within and outside an institution, data manipulation, lack of the required skills, cyber crime, lack of an integrated financial management system, absence of centralised public e-procurement, lack of interoperability and coordination in government information systems, absence of automatic checking of conflict of interests at

the nomination and appointment of public officials, lack of access to information (database) concerning the wealth of public officials and their close relatives granted for judicial action, lack of a national database concerning information on corrupt individuals or businesses, and absence of an integration of judicial, executive and banking information systems.

Public departments are naturally very interdependent for various resources, information being one of the most important. Currently, information sharing by public departments is not adequate enough for deterring corruption, which results in millions of Rand leaking from the financial system to fraudulent individuals. Worst of all is that some information systems are not even integrated within an institution.

The Internet, as an e-government infrastructure for combating corruption, is basically in its early stage in the South African public service. Even though all public departments have web presence, most of them are in the emerging phase, that is, they are in the stage of providing limited level of information in a static manner. Very few have reached the transaction stage where actual online services, such as electronic payment, can be provided. However, the internal workings of departments are relatively more efficient than their contact with the public, which limits active public involvement in the fight against corruption. Hence, surveillance of government operations, and interactivity through the Internet, for example in procurement, is very limited in the current state of e-government in South Africa.

In South Africa, e-procurement is in the initial phase. In procurement, though bids are well advertised, the public has no way of knowing the decision processes as there are no online features that enable monitoring. The procurement system does not have strong pre-emptive mechanisms to prevent fraud. Furthermore, there is a gap in the chain of interconnectivity between SARS and the National Treasury, which makes it difficult to verify the status of tax liability of corrupt businessmen who bid for contracts. Hence, the absence of real-time authentication of the status of tax compliance opens the way for corrupt businessmen to get contracts, who otherwise could have been prohibited from doing business in the public sector. Though the National Treasury has mechanisms to

punish corrupt suppliers, it has also limitations; it only prohibits corrupt businessmen from doing business in the public sector and not from other sectors.

The desired impact of the South African e-government initiative (more application of ICTs and the Internet in administration) on various fronts is not satisfactory. Survey results indicate that there is a moderate impact on promoting active public involvement in administration; low in fostering accountable and transparent government; low in linking government, businesses and citizens; and low in strengthening control of cross-border corruption and international cooperation. In general, almost all respondents agreed that the impact of information and communication technologies in South Africa is low.

However, there is a positive move towards better application of ICTs through incorporating the technology in the anti-corruption drive. To counter corruption through ICTs, the National Treasury has initiated the introduction of an Integrated Financial Management System (IFMS) that is expected to be an effective anti-fraud mechanism, among others; and the Department of Home Affairs has introduced an ICT system called 'Who am I online' that enables the use of biometrics in all transactions.

Computer software (like PERSASL and SAP) is used to control financial transactions in most departments. In addition, SARS uses software called People Software and other internally customised software to help to control the transport system, revenue, income, and tax returns; SASSA has a software package called SOCPEN to track and trace payments to beneficiaries, and another software package called Beneficiary Maintenance Unit that tracks and traces illegal beneficiaries. City Power uses software called Risk Manager, which links HR to their financial system. The Gauteng Shared Services Centre is providing the Gauteng provincial government with software packages, including ID management, SRM (supplier relationship management), e-invoicing, ESS (employee self-service). However, despite these mechanisms, these institutions are not free from corruption, because their ICTs do not address all areas that are prone to corruption.

During the discussions it emerged that the trend of both forms of corruption (traditional and ICT-based) is increasing. This conclusion does not contradict the assessment of the



corruption vulnerability dimensions discussed in this chapter and in Chapter 4. Despite the existence of sufficient legislation and institutions to address corruption, the basic traditional anti-corruption mechanisms in South Africa have limitations and no fully-fledged and integrated ICTs have been put in place to combat the scourge. Hence, it is very difficult to assess the impact of e-government on corruption in South Africa, especially as comprehensive and formal anti-corruption documentation is also lacking in the Gateway projects, though some information can be obtained from brochures and from the website.

## Chapter 6

### Conclusions and recommendations

“Sunlight is the best disinfectant” Kaufmann [n.d.].

“Electric light the most efficient policeman” Brandeis (cited in United Nations, 2003:305).

“The glare of the Internet is expected to create disincentives for corruption and bring pressure to reduce corruption” Vinod (1999).

#### Introduction

The investigation for this dissertation was undertaken to determine the role and status of ICTs in the South African anti-corruption system, with specific focus on the management information systems in the public sector. Some other traditional anti-corruption mechanisms were also investigated to obtain a general picture of the entire system. An extensive survey of literature on the nature, causes, and consequences of corruption provided the background to the study, and various anti-corruption approaches and strategies were explored on the basis of this. Then the focus shifted to South African corruption and anti-corruption mechanisms—at both documentary and empirical level. The empirical study involved the Department of Home Affairs, SARS and SASSA.

This chapter presents the conclusions and main findings, recommendations, challenges and limitations of the study, and indications for future research. The recommendations are based on complexity thinking as discussed in Chapter 1. Given the limitations listed below, this project cannot be viewed as exhaustive research, but rather as indicative of an approach to anti-corruption strategies from a fresh point of view (complexity thinking) in

the context of e-government and the proliferation of ICTs. The aim is to open up some avenues for exploration, rather than to present a finished work.

## **6.1 Anti-corruption Model**

The anti-corruption system model for this dissertation is based on the elements shown in Figure 6.1 that reinforce one another. The following approaches have contributed to the building of the model.

- The panoptic vision, taken from the history of anti-corruption reform in the American public administration that emphasises comprehensive observation, surveillance and monitoring.
- e-Government infrastructure and complexity thinking
- Klitgaard's and the United Nations Development Programme's (UNDP's) conceptualisation of the following relationship:  $\text{Corruption} = (\text{Monopoly} + \text{Discretion}) - (\text{Accountability} + \text{Integrity} + \text{Transparency})$ .
- Part of the Hong Kong Independent Commission Against Corruption (ICAC) model, which stresses the strategies of prevention, investigation and education (see sub-section 3.3.7).

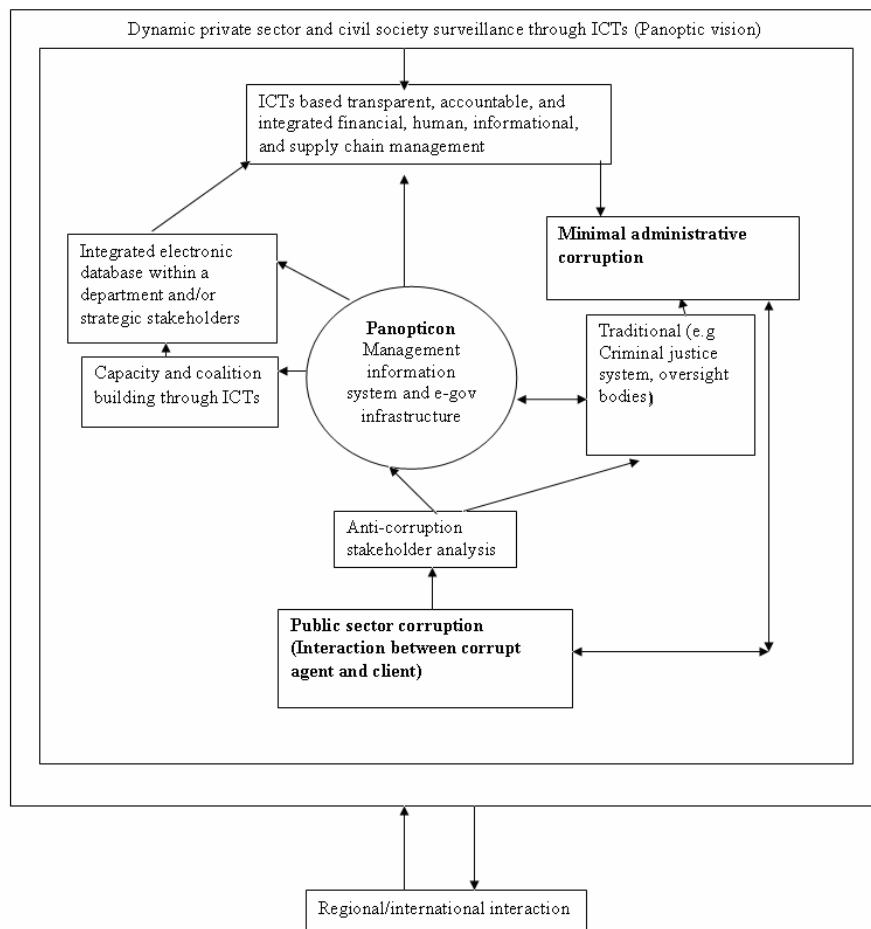


Figure 6.1: Anti-corruption model

Source: The author

The model in Figure 6.1 suggests that corruption in the public sector (the interaction between the agents (officials) and clients) calls for traditional and ICT-based (management information systems and e-government infrastructure like the Internet and Telecommunication facilities) anti-corruption efforts. This begins with stakeholder analysis in order to identify the forces that can be aligned within the effort to curb corruption, which leads to the building of anti-corruption strategies based both on traditional (like awareness raising, improving the quality of administration and professionalisation of bureaucrats, strengthening the criminal justice system) and electronic (information systems and e-government infrastructure) aspects. The system has ICTs tentacles to reach every stakeholder, and creates an environment of participation by feeding information back and forward. As a complex system, the continuous interaction

among agents, enhanced by the power of ICTs, develops an integrated electronic database with strategic stakeholders, which, together with other factors, is expected to result in cooperative, transparent and accountable management. The emergent behaviour of the system comprises *minimal administrative corruption*.

Though the model emphasises the ICT-based anti-corruption system, it does not rule out traditional mechanisms; in fact, the two systems are complementary, as indicated by the double arrow. In the digital era we cannot compartmentalise the two mechanisms and there is a blend of both traditional and ICT-based anti-corruption systems. For example, the criminal justice system is expected to rely increasingly on electronic support systems where ICTs increasingly infuse all of its activities. On the other hand, in the case of any deviation, an efficient and effective criminal justice system is called on to intervene and filter out corrupt behaviour and any tendency to deviate in order to rectify the functioning of the system. The safeguard against deviation is also strengthened through capacity (professionalism and integrity at all levels of society) and coalition building.

The model is overarched by dynamic monitoring by civil society and oversight bodies through auditing, whistle blowing and media reports. Because of globalisation and the Internet, the model also shows that there is increasing interaction among states, which increases a country's exposure to regional and international influences.

It is for purposes of analysis only that the model is depicted diagrammatically; in reality it is not as neat as that. As in any model, this is a simplification of reality. Corrupt agents also self-organise and adapt to new developments in the anti-corruption system to emerge with new tactics to counter every effort against them, and the struggle goes on. The two situations, the initial and final states of corruption, are also linked because the fight against corruption is not a one time strike but a dynamic process of constant struggle characterised by stories of successes and failures. Change may not be in the direction indicated by the arrows in the figure; there always is a possibility of nonlinearity. Once an improved level of corruption is achieved, it does not stay there; it may deteriorate to a lower or revert to the previous level—disequilibrium is constant. According to complexity thinking, any small negative or positive change in any of the elements can

bring about a dramatic change (unexpected decrease or increase in corruption levels). That is, the model is sensitive to small changes that may result in amplification of results.

## **6.2 Conclusions**

### **6.2.1 Nature, causes, and consequences of corruption**

The complexity of the nature of corruption and its control is not a new phenomenon. What is new is the emergence of new insights, concepts and tools to deal with this complex social phenomenon. “[Corruption’s] complexity makes it impossible to report with identical degree[s] of certainty what its causes and consequences are and which the best policies to combat this endemic social problem could be” (La Porta & Mény, cited in Cuadrado & Arce, 2005:24). Corruption, as a complex system, does not have a fixed set of causes and consequences. However, there is general consensus that the basic causes develop from economic, political, anthropological and social situations and their interaction in complex ways, which give rise to many forms of corruption.

How corruption is defined depends on the perspective from which one sees it. Hence, it means different things to different people as it manifests itself in various forms which can coexist in any environment. In defining corruption, no approach is without a shortcoming, neither is it wrong. They all complement one another and assist the general understanding of its intrinsic nature, which has become a basis for international coalition. Regardless of the origin, motive, or magnitude, corruption entails the abuse of entrusted power for private (group or individual) gain, whether in the public or in the private sphere.

The consequences of corruption were thought to be beneficial by some earlier authors, while the majority of recent authors see it as harmful. This dissertation does not support the approach that treats corruption as beneficial. There is an overwhelmingly majority agreement that corruption is a crime and, like an invisible wound, is detrimental to sustainable development. Although the impact of corruption is not the same in all spheres of life, there is general consensus that “corruption is not merely immoral: it is highly destructive of economic and human development and leads directly to insecurity and

conflict” (Carver, 2003:120). Anger (2004:17) refers to corruption as an insidious plague that has a wide range of corrosive effects on societies. Corruption is a symptom of bad governance; therefore there is a negative correlation between good governance and levels of corruption. But this does not mean that there is a corruption-free zone on earth, no matter how democratic states may be. As an asymptote, we can never touch a corruption-free line, we can only approach it. And as a complex phenomenon “...corruption keeps on changing in an adaptive process in order to survive in an evolving environment” (Cuadrado & Arce, 2005:21). Like a virus, it infiltrates and attacks even the control mechanisms themselves. Hence, corruption, as complex adaptive system, tends to live perpetually in societies.

The concept of corruption has been theoretically analysed in different disciplines and its parts have been treated separately. Many authorities – development practitioners, political scientists, economists, anthropologists, and sociologists – have developed versions of the phenomenon in light of their own areas of expertise. However, as a ‘multidisciplinary’ fact, equally affecting both public administration and society in general, it requires a complexity thinking approach for better insight and for strengthening the anti-corruption industry.

### **6.2.2 The anti-corruption system**

Given the increase in outbreaks of corruption, a trend to establish anti-corruption agencies began in the 1950s. It was found, however, that anti-corruption agencies (ACAs), as exemplified by Singapore and Hong Kong, work better in environments of effective governance; in badly governed countries they are counterproductive. Though they are potentially potent in fighting corruption, they usually fail in spite of the high cost of setting them up, because they become instruments of the political elite.

Despite the urgent need for them, theoretical frameworks and fundamental anti-corruption strategies are scarce, while most traditional anti-corruption strategies focus on dealing with symptoms rather than causes and emphasise stern punishment, salary increments or establishing anti-corruption commissions. These strategies have not been successful. The remedy should lie in curing the disease by making subtle but creative

changes. The age-old struggle against corruption is a struggle for freedom, security and human rights and is far from being won. Corruption has demonstrated durability and flexibility by mutating and adapting to new environments.

As corruption represents a systemic failure, the primary focus of anti-corruption success must be on reforming systems rather than on blaming individuals. Corruption needs to be viewed within a broader governance context and hence we have to dismantle bad governance, which facilitates an environment that is conducive to corruption. Successful anti-corruption initiatives must aim to avoid a monopoly of resources, must limit discretion in decision making, and promote accountability, transparency and integrity. The rough formula of:

$$\text{Corruption} = \text{Monopoly} + \text{Discretion} - (\text{Accountability} + \text{Transparency} + \text{Integrity})$$

has a lot to tell us. In a monopoly, an official charges more than optimal price and provides less. If officials have more discretion, they have the power to act without clear rules, and when accountability and transparency is reduced, transactions take place in the dark. When they do not have integrity, officials deviate from what is considered ethical behaviour (see Klitgaard, 1996). If government's activities and decision-making processes are conducted in an 'ICT-lit' environment and not in a black box, there will be little chance for corrupt agents to abuse their entrusted power. Even regimes that tacitly condone corruption cannot turn a blind eye when it is visible to the population. Hence, visibility, i.e. bringing everything into sunlight—with transparency—is the basis to fighting corruption. The cover under which activities take place has to be removed with the power of the media, watchdogs, opposition parties, whistleblowers, civil society and the power of information and communication technology. To publicly punish prominent corrupt leaders (frying the big fish), to focus on the prevention of future corruption rather than dwell on investigating past cases, to make comprehensive bureaucratic reforms, and to have a clear strategy identifying the means and ends for what is to be achieved can also be cited as important practical steps that help to minimise corruption.

Although various approaches and anti-corruption strategies have been useful, they tended to encourage a mechanical view of combating corruption. The conventional approaches



to fight corruption rely on a linear relationship between a corrupt and ‘corruption-free’ systems. These strategies suggest that proper analysing, planning and implementing, can create a corruption free society. They all focus on big interventions. Anti-corruption campaigns and punishment do not seem to have eradicated corruption, though; corrupt officials wait for the anti-corruption zeal to settle and then corruption resurfaces. Unless the paradigm at the heart of the entire culture is changed, sustainable change will remain elusive. Combating corruption requires bringing about change in people’s minds. Such a change must be from within and not from outside. It requires the enhancement of moral development and ethical values at an individual level and the reformation of social, political, economic and administrative structures at systemic levels.

“The long-term dynamics of a system is governed by its attractors, and the shape of the attractor determines what type of dynamics occur” (Stewart, 1995:117). Frederick, (2003:18) sees values and attractors as identical. Due to the interaction between internal and external factors, employees and officials may be attracted towards other emerging corrupt value systems (strange/chaotic attractors) and follow trajectories unforeseen by the department’s anti-corruption specialists. This emphasises the importance of a careful and continuous effort to shape the ethical values of employees and the vigilance required to correct deviations in the unstable globalised economy. People switch between corrupt and ‘honest’ behaviour according to circumstances. When they feel they are under surveillance they pretend to be honest. They perform their corrupt activities in a subtle way. Like in torus attractor, the fight against corruption seems victorious and progresses, but later slackens and a new cycle of corruption begins, though disguised in various forms. According to complexity thinking, a corrupt system may respond differently to internal and external perturbations, given its context, which calls for a tailor-made anti-corruption system. This process is iterative, as new forms of response will emerge as the result of intense interaction between corruption and anti-corruption forces, calling for a different strategy—so the battle goes on.

In situations where one is unquestionably required to comply, ‘command and control’ styles of management are the easiest types to use. Though these were initiated in the defence forces, they are giving way to more collaborative styles with the changing

missions of the defence (Rouse, 2000:146). Complex systems do not only have point attractors like rules and regulations—management directives that have to be routinely followed. If they were machines it would be easier to control by means of fixed rules imposed by leaders. Corrupt agents, as part of complex adaptive systems, exhibit unpredictable behaviours attracted towards different emerging values, though. These values are influenced by many agents (internal and external) and new value systems (strange attractors) emerge over time as a result of the dynamic interaction between different values and behaviours. Hence, establishing fixed norms (point attractors), like rigid bureaucratic control mechanisms, is not sufficient. Shim and Eom (2008:302) observe that the traditional efforts to curb corruption (e.g. enhancing professionalism, bureaucratic quality and law enforcement) have limitations. Excessive control can reduce the responsiveness of government, and controlling corruption is costly. Open competition and standardised work processes that are enabled by e-government leave little room for public workers to receive ‘express money’.

The unstable status of a system enhances its innovative capability in a struggle for existence, whereas a state of equilibrium makes it difficult to cope with the fast pace of change. This makes it imperative for organisations to respond flexibly and be innovative rather than rigid. At ‘the edge of chaos’, firms develop novel strategies to ensure their continuity, while learning is diminished under highly stable conditions (see Fryer & Ruis, 2004; Carlisle & McMillan, 2006:2-4; Sundarasaradula *et al.*, 2005:367). Hence, public managers must constantly steer their organisations with novel anti-corruption ideas and attractors (including values and policies).

The advent of information and communication technologies (ICTs) has signalled both promises and perils to the anti-corruption system. As pillars of good governance, accountability and transparency are enhanced through the application of ICTs. These are the new media for the information and network society. e-Governance has emerged as an information-age model of governance that uses ICTs at all levels and sectors of a society aiming at good governance. ICTs have opened many possibilities for improving internal managerial efficiency, data management systems, and the quality of public service delivery to citizens. Many of the attributes of e-governance are mechanisms to counter

corruption. They can limit opportunities for corruption by promoting transparency and reducing the discretion and arbitrary power of public officials. Despite the promising potential, ICTs are increasingly abused and a new area of corruption is emerging as electronic corruption. Though many authors welcome the e-governance initiative as an opportunity for better services in terms of efficiency, effectiveness, transparency and lower prices, others are sceptical because the associated dangers, including cyber crime, are on the rise. All the misconduct designated as cyber crime in the literature is in some way or another linked to corruption. Corruption is the infrastructure through which crime travels. Like a broad bandwidth that allows the swift flow of data, the more corruption there is the higher the crime rate facilitated by ICTs through those who abuse the modern communication network. In this digital era of increased use of cyber technologies, where networks and data are available to stakeholders, opportunities for corruption are on the rise, and organisations with poor security systems are the most vulnerable.

The concepts of co-evolution, self-organisation and emergence are guiding principles in responding to rapid change (Zimmerman, 1999:45). e-Governance has prepared the ground and enabled increased globalisation and integration. This networking has changed traditional management; according to Rouse (2000:143), “[t]his emerging organizational environment is leading to the demise of the ‘command & control’ approach to management... To function well, or to restore effective functioning, complex systems require collaboration, participation, and openness to information and relationships”. This complexity science approach to administration is accomplished by e-government, which enables seamless interaction with informed immediate, local and customised responses to problems. According to Hasgall and Shoham (2007:81):

It is found that the ability of a digital social network to create immediate system-wide solutions, together with a management approach that transforms the organization into a complex adaptive system, allows employees to behave as fractals – i.e. to share applied knowledge, to take responsibility for performance and management of the processes, to update their superiors, and to develop self-management abilities at the local level.

This brings together the e-government infrastructure and complexity thinking as contributors to the effectiveness of anti-corruption actions. Leitner (cited in Saxena,

2005:501) also argues that “e-government is not only modernizing public administration through ICTs, but is a key enabler in the building of citizen-centric, cooperative, ‘seamless’ but polycentric modern governance”. One characteristic of the information technology paradigm is the growing convergence of technologies into a highly integrated system that is well adapted to increasing complexity of interaction and to unpredictable patterns of development (Castells, 2000:70-72). From this we can deduce that, for viability, effectiveness and efficiency, the anti-corruption system has to be a network integrated through ICT capabilities and must energise its constituents to break the coalition of the corrupt system. However, in most developing nations various social and economic constraints are hindering the demand for ICTs, thus denying the people the opportunity to actively participate in governance and combat corruption.

Despite the fact that theories of government abound, e-government has not developed such theoretical foundations. Practice so far indicates that e-government is not functioning as hoped. Local level governments have not shown much progress and seem to have come to a standstill, though at a national level some improvements regarding cost saving, and efficiency in services are witnessed. The main problem is attributed to lack of integration among organisations, which results in sub-optimisation, both technically and functionally. This is contrary to the systems approach that advocates wholeness and universal optimisation (Grönlund, 2005). Similarly, according to Saxena (2005:498) it is in the “techno-centric focus rather than a governance focus” that e-government initiatives are not achieving the alleged gains. Furthermore, corruption is so complex that it has to be addressed through a combination of approaches and strategies including legal, moral, and economic perspectives. ICTs, though important for dealing with symptoms of corruption, cannot resolve the fundamental problems as it is not easy to change traditional attitudes and organisational culture (Liou, 2008: 91).

### **6.2.3 South African public sector**

Corruption has long history in South Africa with the net loss of billions of Rand in tax payers’ money to finance corrupt public officials and their counterparts in the business

sector. The country is still listed among corrupt states, the financial cost of which far exceeds the value derived from the visible violent street crimes in the country.

In South Africa, secrecy has provided the main cover for corruption during apartheid. The apartheid system, based on secrecy, discrimination and patronage, was inherently corrupt. This was evidenced by the creation of secret organisations such as the Broederbond, which consisted of loyal members of the ruling party and were the invisible hand directing government policy and its implementation. Some believe that this system's corruption has spilled over to the new South Africa. As discussed in subsection 4.2.1, "[C]orrupt practices inherited from the past also prove resilient and particularly astute in adapting to new democratic orders". However, it cannot be wholly argued that the apartheid system is responsible for the current level of corruption. Studies have shown that, if not increasing, there has been no abatement in corruption since the apartheid era. Research indicates that decline in morals and ethics, weak checks and balances, and mismanagement are some of the reasons for the high level of corruption in contemporary South African society. The new social forces that have been excluded from the economy in the past now control state power: a major mechanism of wealth accumulation. This opportunity in the context of inadequate control mechanisms provides fertile ground for misconduct and abuse of power.

In the new government's lack of transparency is also cited as a main cause of corruption. This situation has been further aggravated by the current government's democratisation and restructuring processes that opened new avenues for corruption in the context of inadequate control mechanisms. Even if a system has a history that connects it to its past, one cannot go on blaming the apartheid system for present-day corruption. From insights of complexity thinking we can deduce that corruption also emerges through current socio-political and economic interaction irrespective of past links.

In Chapter 2 (section 2.1) it was suggested that corruption manifests itself as a by-product of low political competition, low and uneven economic growth, a weak civil society, and the absence of institutional mechanisms. However, in South Africa these indicators are not present to the extent that they can be causes for the current level of corruption.

Despite this fact, all the manifestations of corruption detailed in section 2.1 (nepotism and cronyism; ghosting; purchase of public offices; collection of unauthorised fees; falsification or the destruction of records; arbitrary administrative action and circumvention of established regulations) are commonly found in the South African public sector. Moreover, regardless of their cause, most of the types of corruption are present: foreign-sponsored (e.g. the Arms Deal, see subsection 4.8.1); institutionalised (e.g. the police, and the department of home affairs, see section 4.5); outcome of political scandal (corruption by some of ANC struggle icons, see section 4.6) can be cited as some of the common ones.

This high level of corruption in South Africa prevails despite the presence of a strong legal base and a comprehensive set of laws to promote ethics and prevent corruption. As discussed in subsection 2.4.2, when one set of rules has broken down, but another has not yet become institutionalised, opportunities for corruption flourish. The government's commitment is also further demonstrated by the initiatives taken to control corruption as exemplified by the various campaigns, summits, conferences, forums, and establishments of various anti-corruption institutions. The problem, however, seems to rest with enforcement. From Klijn's work it can be inferred that anti-corruption is a complex system in which anti-corruption Acts, conferences and forums (like NACF in South Africa) are not the strong buoys that guide processes. Though Acts and forums play important roles, their interpretation by agents and local interactions are, to a large extent, guiding processes (see Klijn, 2008:291). South Africa's law enforcement institutions rank top in the corruption list within the country. Ironically, these institutions that are appointed to be the guardians of justice are found to be exacerbating the problem. The problem is aggravated by senior ruling party officials who attack anti-corruption agencies and courts that detract them from their duties. Moreover, lack of sufficient strategic thinking and resorting to administrative and legal structures at the expense of the inclusion of civil society and the private sector in the fight against corruption also are problems in the anti-corruption effort.

To enhance the efforts to tackle corruption through the creation of more efficiency and transparency, the South African government has put in place the Electronic

Communication and Transactions Act (2002), and the Promotion of Access to Information Act (2000). These Acts are believed to lay the foundation for the e-government initiative that may make a positive contribution in the fight against corruption. However, government departments still are not easily accessible for information and procurement procedures and this is a dangerous situation that may breed a culture of secrecy. The application of ICTs is still in its initial stage and not in the mainstream of the anti-corruption strategy. Among others, a skills deficiency in ICT is still hampering information systems from becoming fully functional, even after they are acquired.

Moreover, one of the common themes that emerged from discussions is that, unless there is integrity among officials serving the public, ICTs won't work miracles, as corrupt officials will always try to clog up the ICTs infrastructure. This highlights the need for ethical education throughout society starting from childhood, and severe punishment by the criminal justice system. Ethical education, including codes of conduct as taught elsewhere (school, workplace, community institutions and families) can serve as a hidden hand to combat corruption. As prevention is better than cure, these form part of sustainable anti-corruption mechanisms. As discussed in subsection 3.3.5, monitoring and enforcing of anti-corruption laws are expensive and the compliance process must be supplemented by codes of conduct from trade and professional associations (O'Keefe, 2000; Zekos, 2004: 639).

The lesson from complexity thinking is that complex systems such as corruption and anti-corruption have to be approached from various perspectives, given their multifaceted nature. Time and space having limited the study, I focused on the exploration of the role and status of ICTs, therefore the approach taken in this dissertation represents one aspect of the panoptic (see section 3.2) vision that highlights the prominence of transparency in the fight against corruption. The panoptic vision sees information technology as the main leverage of management control enhanced in the context of e-government. Here the assumption is that, if the government's activities and decision-making processes take place in an ICT-lit environment and not in a black box there will be little chance for corrupt agents to abuse their entrusted power.

However, the panoptic vision that emphasises the application of ICTs for transparency also has shortcomings. Corrupt agents abuse the system and always self-organise and find ways to dodge ICTs or reverse their positive role in order to facilitate corruption. Therefore, none of the approaches in the literature is sufficient on its own. We must draw lessons from all the available strategies and customise to our specific context—without looking for a universal model as there is no such.

I conclude that ICTs have limitations when it comes to fighting corruption. Since corruption is deeply rooted in cultural, social, economical, and political situations, it cannot be easily uprooted by ICTs. These technologies can be manipulated by IT specialists, by staff that have special access to vital resources, and by management who have great influence in the design of the system. However, if they are properly designed and installed they can be part of an effective anti-corruption system. Hence, in its effort to bring corruption to its minimal level, the government of South Africa must employ both ICT-based and traditional anti-corruption mechanisms that can address the root causes and the symptoms of corruption. Both mechanisms must reinforce each other.

### **6.3 Main findings of the empirical study**

The key findings from the empirical study are based on respondents' perceptions that emerged during the interviews. This can be summarised as follows.

- Traditional mechanisms of corruption control are still dominant in the South African anti-corruption effort. They comprise, among others, the criminal justice system, anti-corruption agencies, and oversight bodies, and codes of conduct. Corruption, slowness, and lack of coordination between the criminal justice system and anti-corruption institutions are persistent problems adversely affecting the traditional anti-corruption system. The impact of codes of conduct and ethical education has not been satisfactory. Effectiveness of the criminal justice system and severity of punishment, and the promotion of codes of conduct stressing ethical principles as discussed in section 3.3 are important ingredients of the anti-corruption system.



- There are factors like political connections in recruitment and promotion that increase public departments' susceptibility to corruption. Unless recruitment processes are based on meritocracy, and systems of pay and promotion are related to performance, public service is most likely to be corrupt (see Bailey, 2000 in subsection 3.3.3).
- Government's focus in combating corruption is skewed. That is, all sectors, management levels, and government spheres are not given due attention in proportion to the magnitude of corruption that is present. Government's effort is geared more towards the public sector, top and middle management, and national and provincial governments. The private sector, civil society, the rank and file in the public service, and local governments do not get the attention they require, despite corruption being rife in these entities. From complexity thinking we take note that the world is intrinsically holistic (Rouvray, 2003:3 subsection 1.7.1) and society by extension is one whole, which leads to a blurred distinction between the public and the private sector (Bailey, 2000, see subsection 3.2.2). As indicated by Camerer (2001:34, see sub-section 2.3), though corruption is mostly associated with government structures, it occurs throughout the society. This is also in line with the definition of corruption adopted by the Transparency International that refers to "the misuse of entrusted power..." (societal focus) rather than the misuse of public office..." (government focus), see section 2.3.
- The quantity and quality of whistle blowing is hampered due to the inadequacy of the Protected Disclosures Act (2000) that results in whistle blowers being victimised and discouraged. Despite the call for the protection of whistle blowers/informants by the South African Public Service Anti-corruption strategy to take steps to improve the conditions for and functioning of the system of witness protection (Department of Public Service and Administration, 2002:15), the problem persists. As discussed in subsections 3.3.2 and 3.3.3 the Open Society Institute (2002:27-310), (Bailey, 2000) and (Eigen, 1998:86) acknowledge the role of whistle blowers and hence demand their protection.

- The hotline system moreover is dispersed and not centrally managed, which means that similar cases are not handled equally. There is also difficulty in the assessment of the quality of the issues reported through the hotline system because of insufficient coordination between the organ that manages the hotline, the department for which the issue is reported, and the prosecution process in some cases. According to the Public Service Commission (2008:15; 22), “[t]he most visible and collaborative anti-corruption effort post 2004 was the creation of the National Anti-Corruption Hotline (NACH)....” However, its “impact is compromised if [it is] not located within a coherent national system...”.
- The South African anti-corruption information system (ICTs) is fragmented and has interoperability problems. In some instances, even a department’s own internal systems are not integrated, let alone being integrated with other departments, i.e. the information systems do not communicate with each other. The various public sector initiatives to develop management information systems are mostly disconnected. The discussion, however, stressed that e-government’s power to fight corruption lies in linking ministries and levels of government as opposed to fragmented administration (see subsection 3.4.2.). Despite having good policies as a foundation for ICT-based anti-corruption efforts, there is an implementation problem and lack of coordination as well. The *modi operandi* of most institutions differ; there is no consistency in application. This problem has been identified by Klijn (2008:300) by stating that a government cannot be always conceived as a unified actor. From Rhodes’ (2008:366) work we can project the following factors as forces shaping the complex anti-corruption system: a) heterogeneous agents with different perceptions of the system (their ‘schema’); b) decisions/interactions of agents within the system over time; c) a performance landscape made up of decisions, factors, payoffs and rules that constrain or facilitate agent decision making; and d) the outcomes of the system including those that relate to specific agents and those that are jointly produced (see sub-section 1.7.1.4). In the South African Public Service Anti-Corruption Strategy, the Department of Public Service and

Administration (2002:16-18) stipulates that “[g]ood management is the first line of attack on corruption [that]...entails ...risk management and management information systems...An integrated information management system that links with existing human resource and financial management systems must be developed and implemented. This system will improve management through timeous information and systemic controls. The system must ensure generic recording and classification of acts of corruption” (see also section 4.8.2).

- The absence of real-time authentication mechanisms of tax compliance of companies allows corrupt businessmen to obtain contracts in the public sector, despite being prohibited by National Treasury regulations. A similar problem concerns the inadequacy of the national database concerning information about corrupt individuals or businesses. This undermines preventative measures and makes it possible for corrupt individuals and businesses to be employed by or be engaged in business in society. In section 4.8 we saw that the Second National Anti-Corruption Summit reiterated a request for an integrated database and Internet-sectoral cooperation.
- The persistence of ‘ghosting’, and double and false claims for reimbursement/benefits in the public sector mainly results from the absence of a centralised electronic database, interoperability of ICTs, a shortage of skills to apply available ICTs, and a corrupt culture. In subsection 3.4.2 it was discussed that the features that lead to transparency and accountability must suitably be built into the e-government infrastructure in a way that facilitates access to information and enables the tracking of decisions and actions of civil servants. If some of these features are missing or inadequate, the whole purpose of e-government is defeated (Bhatnagar, 2003:25).
- Control mechanisms in some departments are not fully automated; there is a rift somewhere in the system, i.e. it is partially automated and partially manual. In this case, the efforts cancel out each other and corruption still persists, e.g. in the Department of Home Affairs. Organisational factors like weak personnel management practices, and inadequate administrative control and accountability systems are conducive to corruption (see subsection 2.4.2).

- Biometrics is not fully functional in the Department of Home Affairs, opening the way to producing fictitious birth and marriage certificates and multiple entries of a single individual into their systems. As indicated in section 4.8, the Department has introduced a biometric system, but is not operational as required.
- Some government institutions do not capitalise on the ICTs already available in the country and owned by the public and/or the private sector. For example, ESKOM's prepaid systems are not replicated by city Power; the technology that can track faulty electricity consumption readings and illegal electric power connections, that is available in South Africa, is also not adopted by City Power; and the private sector's fleet tracking system that incorporates GPS is not adopted by government departments to control their vehicle usage (an area highly abused). Substantial amounts of electricity is lost to criminals through illegal connections and hijacking which could have been detected easily by ICTs already available in the country.
- Though it is the demand of the time to incorporate ICTs in the mainstream of anti-corruption efforts, the South African public departments are not up to standard in terms of quantity and quality. Some ICTs (e.g. PERSAL) are outdated in so far as their tracking capability is concerned, and the available modern ones are not well integrated as required. There are still deficiencies in the allocation of ICTs and skilled manpower to control and connect HR and financial transactions, and monitor the supply chain. As discussed in section 3.4, one of the benefits of ICTs is that they enable institutions to have a single, complete and uniform information system, thereby enhancing transparency and accountability.
- There is no centralised public e-procurement, and the public does not have an online mechanism to monitor procurement processes. As discussed in section 3.4.2, e-procurement is one of the main public sector reforms for fighting corruption.
- As the result of the above-mentioned shortcomings, vulnerability to corruption is high in the South African public departments. Both traditional and ICT-based

corruption has been perceived to increase since 1994. None of the respondents believed that it is decreasing. This is in line with TI's 5.6 CPI score in 1995, which has gone down to 5.1 in 2007, though it had shown slight improvement from the preceding 8 years. There, furthermore, is special concern about ICT-based corruption (cyber crime), since it involves large sums of money, and rapidly increasing money laundering, as well as unauthorised and illegal payments.

- An effort was made to verify findings of previous researchers if they were still hampering the effectiveness of the South African anti-corruption agencies. During the interview, a set of alternatives was discussed and the insufficient ICT application and integrated database, political interference, insufficient accountability to oversight bodies, unclear mandate (mandates overlapping with other agencies), poor cooperation with other anti-corruption bodies, inefficient criminal justice system, shortage of financial resources and skilled personnel, inadequate cooperation from the public, the organisational crisis (strategic location of the anti-corruption agency), among other things, were found to be continuing problems. The discussion recorded in sub-section 3.3.4 concerned the fact that strategic placement of the anti-corruption agency was important for its success. The insufficiency of ICT application and integrated databases was the most agreed upon problem in the anti-corruption agencies. Insufficient regional and international cooperation and corruption within the agencies were other problems. These challenges were identified by previous researches (see Camerer, 2001) and they still are perceived as problems.

## **6.4 Recommendations**

Though it is futile to fight for the absolute demise of corruption, it is worth striving to bring it down to a minimal level at best and prevent it from becoming a way of life at worst. There are instances of once extremely corrupt states having turned around to be the cleanest (Sweden, Hong Kong and Singapore, among others)—this is promising for our endeavour. Public departments were studied as a matter of focus, but the recommendation will encompass mechanisms that apply in all sectors because corruption is a national and

international issue, not a sectoral one. Flowing from the empirical findings, the following recommendations are presented to be implemented in South Africa. The discussion in Chapters 2 and 3 showed that corruption and anti-corruption strategies are complex societal phenomena, hence the recommendation to fight corruption basically rests on complexity thinking. It is also recommended that all these anti-corruption efforts be powered by ICTs.

- Survey findings indicate that the traditional corruption control components cannot cope with the magnitude and speed of the current public sector activities and mandates. However, traditional anti-corruption mechanisms are not null and void, they are only insufficient. ICT-based anti-corruption components also are not sufficient to combat corruption on their own; both mechanisms must work in tandem to complement each other's shortcoming. The anti-corruption model developed in section 6.1 though putting emphasis on ICTs, does not rule out the traditional mechanisms, and it sees both ways as supporting each other. Pope (2000) also sees civil society participation as a traditional mechanism that is an important ingredient of the anti-corruption system (see section 3.2.3).
- Though the potential of ICTs to control corruption is considerable, it does not work in isolation of the other anti-corruption systems. In a corrupt environment, ICTs do not work magic; they are only as good as the people who utilise them—without integrity, ICTs are incapable of controlling corruption on their own. Hence, the efforts to increase professionalism and integrity in public service are of enormous importance. Ethical behaviour has to be inculcated in employees to create self-similarity to the organisational vision, which places the responsibility of fighting corruption on all parts of the system. Similarly, as society is the source of public servants, it is necessary to instil ethical behaviour in the whole range of society, starting from the family to the school and filtered at the recruitment stage. Unless the government and other anti-corruption actors focus more on the supply side, efforts at a later stage will be too late and more costly. In fact, the overall interest in ethics education is one of the drivers in anti-corruption initiatives (see section 3.1). Similarly, the public integrity-based

approaches put forward by the Open Society Institute (2002:30), as discussed in section 3.2, give prominence to the role of ethics in fighting corruption. The United Nations Development Program (2001c), and Cuadrado and Arce (2005:36), discussed in subsection 3.3.5, also see ethical principles as complementing the limitations of the other anti-corruption strategies.

- The imbalance of focus creates an environment of instability in the anti-corruption system. In a corrupt relationship, there are always three parties, as discussed in Chapter 3—the principal, agent, and client. The South African government’s focus is only on the public sector, which means that it controls the demand side (inducement by public officials) of corruption. To balance the equation, the supply side (private sector and civil society, i.e., corrupter) also must be controlled. “[M]uch of the corruption in state organisations involves payments from the private sector” (Heeks, 1998:2). As a consequence of government’s unbalanced focus in its anti-corruption effort, corrupt businessmen are left free to do business elsewhere once they are prohibited from doing in the public sector. Hence, combating corruption more in specific sectors than others is creating an environment conducive to corruption flourishing in a wider scale in society.
- From perspectives of complexity thinking, corruption has fractal (see section 2.7) characteristics, that is, corruption is found at all levels of society in a nation, and in international organisations exhibiting similar characteristics of fractal dimensions and self-similarity. Moreover, the size and frequency of corruption follows a power law (see subsection 1.7.1.5), meaning that relatively much small-scale corruption occurs at local levels; less medium-sized corruption at provincial levels, and very little at national levels, though this would involve large amounts of money. This can apply to management levels as well. If we take organisations as holograms, we find similar instances of corrupt behaviour at all levels, though in varying degrees. So the emphasis given to anti-corruption work must be proportional to the extent of corruption, as we cannot fight corruption sustainably in one sector of society or in specific spheres of a sector, or at management levels. Unless we fight corruption in all

organs of society and government, the anti-corruption drive will not succeed, no matter the amount of resources allocated. Society has to be treated as an interconnected system, and discrete and isolated efforts are doomed to failure. It is not sustainable to fight corruption in a closed system because corruption as a complex system imports and exports ideas from its environment (national and international). Partial treatment does not heal the wound, it only ‘teaches’ the organisms (corruption system) to be more adaptive and more resistant and survive in a disguised form. South Africa’s public-sector oriented anti-corruption strategy has to be designed to incorporate the whole society in a national anti-corruption policy.

- “The quantum world has demolished the concept that we are unconnected individuals... Physicists have observed a level of connectedness among seemingly separate particles, even if separated by huge distances” (Wheatley, 1999:39; 41). This emphasises the intersectoral, regional, and international influence that can have on any anti-corruption effort, and hence the need for cooperation. The effort to curb corruption is no longer a national issue only; it is a major international concern. The national anti-corruption system has to widen its boundaries to be a subset of the global anti-corruption system. Departments are no longer conceived as in Newtonian organisations, and no boundaries must be drawn to limit the flow of experience. Fragmenting the networks of interaction can only deny their organic nature because the anti-corruption drive is an open system by nature. Since anti-corruption systems receive energy in the form of material and information from the environment they are described as open systems (Cf. Ward, 1995:630). For their survival, anti-corruption systems import their energy from social forces—civil society, government agents, international bodies.
- The hotline system must be managed centrally. This is important for economies of scale, equitable handling of issues, coordination, and monitoring and assessment of measures taken. It will also be less confusing and easier for the public to report to a single call center. Furthermore, for the assessment of the hotline system, there must be continuous feedback from the concerned



Department and criminal justice system about the quantity of the conviction rate (out of the reported cases).

- One of the key characteristics of a complex system as discussed in sub-section 1.7.1 is that its parts must interact; unless there is sufficient interaction the system will cease to exist. For an anti-corruption system to be viable, its agents must cooperate to tackle the continuous challenge issued by adaptive agents in the complexity of corruption. This interaction must be amplified by integrated ICTs and a centralised national database. The anti-corruption industry is like an organic system in which all parts must be linked in some way or another, as e-government's potential strength to fight corruption rests on its ability to join up all sectors of society. Static environments are giving way to the turbulent post-modern societies, and hence change is becoming the rule rather an exception. To ensure their survival, organisations have to interact appropriately in the open system (Sundarasaradula *et al.*, 2005:367). In this regard, complexity theory is expected to empower public administrators to have a filmic view and not a static picture of governance processes (Klijn, 2008:288).
- An integrated database, though not a panacea on its own, is efficient and effective in detecting and singling out malicious elements. Disintegration is defeating the ends of e-government. Mere automation and the subsequent efficiency do not suffice though these are necessary conditions for the anti-corruption system; nor does it suffice to have a transparent system. The point is that South African public departments must build integrated ICT systems that communicate to one other. In section 4.9 it was discussed that the Department of Public Service and Administration (2001: 8) sees interoperability as a feature necessary for the success of e-government. Yang and Rho (2007:1213) discuss the need to overcome the constraints of interoperation of systems identified by Klischewski (2007: 893-895) in subsection 3.4.2.
- Control mechanisms must not be partially automated and partially manual as this leaves gaps at the point of intersection. Automation must encompass the whole range of similar activities within a system. From perspectives of complexity thinking we must see processes as holistic in nature and they must

reflect reality (Rouvray, 2003:3). The parts of the system have to interact through internal feedback loops in order to create an environment conducive to self-organisation (Prigogine & Stengers, cited in Lansing, 2003: 183) and emergence (Baron, 2002:56) (see subsection 1.7.1). Though both traditional and ICT-based anti-corruption mechanisms are accepted, one must not be interrupted by the other. There must not be partial but complete and self-contained processes of each anti-corruption mechanism.

- As a Department that is responsible for the inventory and demographic dynamics (from birth to death) of the South African population, the Department of Home Affairs must be one of the users of state-of-the-art ICT. In this case, the application of biometrics and an integrated ICT system will be very crucial for the department and the country. An organisation that intends to close the opportunities of corruption but lags behind in terms of acquisition, design and implementation of the right technology is diminishing its adaptability and emergence in its ecosystem.
- South African public departments have to phase out legacy systems (in both the technical and the organisational sense). Outdated systems like PERSAL and staff must be comprehensively assessed for their compatibility with modern ICTs. Incompatible items must be removed because they are bottlenecks in the drive of an ICT-based anti-corruption system. “Rather than adding new systems on top of outmoded legacy systems, e-government planners should develop systems and record formats that work together and across departments” (Center for Democracy and Technology, p 19).
- Furthermore, ICT projects that take a long time to become operational may be outdated in the process, given that the life span of electronic systems is short. South African IFMS is a seven-year project, and the Corruption Management Information System (CMIS) is still not operational because of lack of the required skill among others. Unless there is skill to run the support systems (ICTs), they will be idle at best and instruments of abuse at worst. Systems that are not operational because of human skills are like white elephant projects and they may no more be relevant for the purpose they were bought for in terms of

quality and cost. It would be better for the government to buy or develop the ICTs system when it is ready to use it. When the government plans to modernise ICTs, it must plan to modernise people as well, because e-government shakes up people's roles, and the way jobs are done is changed—they must be compatible with the system. The ICT-based anti-corruption system (management information systems and e-government infrastructure) entails the human aspect, it must not be technology-biased. Care also must be taken at the initial introduction of ICTs (in terms of their potential to deter and/or encourage corruption); they will have far-reaching consequences because of the sensitivity of a system to initial starting points. The advent of technology may be disruptive to old corrupt relationships but supportive to new anti-corruption forces to collaborate.

- In line with the panoptic vision (section 3.2) the formal traditional oversight bodies (including auditors, public protectors and parliamentary committees) must enhance their power of vigilance through the power of ICTs. Though traditional, they are operating in the digital era (e-government) where the role of ICTs is emphasised as the main enablers of transparency. The oversight role must not be limited to the formal governmental structures (top-down) but must include society and the media as the main partners in the responsibility to fight corruption. Surveillance of government operations should neither be top-down (the developmentalist approach discussed in section 3.2), nor bottom-up, but from the middle-out, inclusive of all and radiating to all directions. That is the nature of complex systems. ICTs and e-government infrastructure should be the main support systems in this empowerment process. For the highest interaction of, and thereby to evolve to higher status, information must seamlessly flow among the agents. “To function well, or to restore effective functioning, complex systems require collaboration, participation, and openness to information and relationships” (Rouse, 2000:143).
- If information is monopolised by public administrators and not fully shared out to stakeholders in the anti-corruption industry, their decision will only act as a fixed point attractor that exerts pressure to pull the employee in management's

direction of thinking, thus inhibiting people's novelty in the fight against corruption. Stakeholders must have sufficient information so that they transcend the fast changing behaviour of corrupt agents. Monopoly is not only in the economic front. Monopoly of information by officials creates an asymmetric access to the main decision variables (information) and exclude citizens from governing processes (see Yang & Rho, 2007:1199 in subsection 3.4.1). As discussed in subsection 2.4.2, the political approach emphasises that corruption is a function of various political issues like monopoly of power (and information is power). Information is real muscle to the people and prerequisite for accountability (Pope, 2000) and if it is stifled in terms of access, citizens will be in a weaker state for fighting corruption (Bailey, 2000) (see subsection 3.4.2).

- Procurement is one of the main areas where much corruption takes place. There must be strong ICT systems to prevent corruption from taking place, starting from tendering processes. In addition, there has to be mechanisms through which the public monitors the whole process on the Internet. The Internet is instrumental in this regard. Citizens in Peru, for example, can track how government funds are spent through a website called Public Window (Shim & Eom, 2008:305). As discussed in subsection 3.4.1, e-Procurement is one of the central components of public sector reform that gives greater access to competition, integration and automation to minimise corruption by avoiding in-person contact, among others (Leipold, 2007:1-3). Case studies mentioned in subsection 3.4.2 show that Brazil's savings go as high 20% in government procurement, and in Chile e-procurement is commended for its creation of new methods of oversight and accountability.
- As corruption is more pernicious if it is in the criminal justice system, government must devote substantial resources and effort in this area. If the principle of Batho Pele (People First) is to be practically demonstrated, the government must take bold steps to re-engineer procedures in a way that decreases susceptibility to corruption, even if this demands political sacrifice.

- Simple and effective small programmes must start within each public department and develop in an evolutionary manner. The large-scale national anti-corruption plans which encourage standardised action plans should only set the framework while remaining flexible to the actual needs on the ground. National programmes must not stifle local initiatives, as variation is key in keeping a complex system alive. Fisher’s theorem states that “the more genetic variance in a species, the more likely it is to evolve into new niches” (Carlisle & McMillan, 2006:5). Hence, organisations must hold on to their internal variation and not necessarily stick to uniformity of operations (see subsection 1.7.1.4).
- Given that an institution has its own history, the impact of any anti-corruption effort cannot be expected to be uniform. Hence, there has to be diverse efforts which suit each public department under the umbrella of an interconnected anti-corruption system. Out of these diverse efforts and interactions, new emergent properties or structures that can be a lesson to all is expected to arise. Moreover, I recommend a separate unit of integrity assurance under every department, which can be one that closely monitors and understands particular corruption in that area (or units whose responsibility it is to strengthen prevention of corruption). Every unit in an organisation must have a *built-in anti-corruption mechanism* in the same way that the biological immunity system functions through the empowerment of local cells. From the perspective of adaptive complex systems, one way to go out of the narrow view of organisations as machines is to see them as biological, cultural and political entities (Rouse, 2000:145), as discussed in subsection 1.7.1.4).
- Change and instability are the only constants. There will be always changes in the behaviour and tactics of corrupt agents. Accordingly, anti-corruption mechanisms have to be able to proactively devise efficient and effective tools to combat corruption. They do not have to be only responsive in the sense that their role is restricted to putting out fires. In this case, anti-corruption forces must not be complacent by once creating appealing anti-corruption strategies. A certain anti-corruption tool (cause) may not produce a predetermined reality

(effect), as there is no reality out there. Since the relationship between cause and effect in complex systems is not linear, the outcomes are not always as desired (see subsection 1.7.1.1). Corruption and the efforts to curb it are never linear systems. A prescribed action may not bring an intended result. Corrupt actors are quick to devise new tactics and go in the direction one has not predicted. Projecting from Friedman's work on the unpredictability of a system, Cuadrado and Arce (2005:21-22) indicated that corruptors' behaviour could not be predicted in the short- and medium term, elongating their survival in a changing society. "To survive in an evolving environment, corruptors' capabilities must keep on changing, attempting to take up opportunities by offering new answers: that is an adaptive process" (Nelson & Winter, cited in Cuadrado & Arce, 2005:21). Furthermore, if there are even small flaws in the anti-corruption design, according to complexity thinking, sensitivity to initial conditions will operate to magnify the resultant errors. As discussed in subsection 1.7.1.1, a system is sensitive to initial conditions (Livneh & Parker, 2005:20). Hence, extensive care and monitoring must be present at the commencement stage of anti-corruption programmes. Information systems must be designed in a way that can help to optimise sound decision-making processes.

- Similarly, any anti-corruption effort cannot reach equilibrium and settle at a point with its well crafted-laws and control mechanisms. The anti-corruption activity is an open system that influences, and is influenced by, its wider environment. It imports new energy (challenges and information) from its external environment (national or international), facilitated by the Internet and ICTs that always keep it off balance. This necessitates that it be dynamic to increasingly find innovative ways in order to be a viable entity in its environment. To give an anti-corruption system dynamism is to prevent it from getting stuck. We should never be complacent about what we already have, and we need to introduce greater variance of actors and strategies. All stakeholders must come on board, including new entrants to the system—children at home

and school, new recruits to the workforce, new members to a community organisation, and new regional and international coalitions.

- The current debate in South Africa is whether to use a single- or multi-agency approach to fight corruption. As opposed to these two approaches, I recommend a third option which favours, i.e., empowerment of the criminal justice system, oversight bodies, and anti-corruption capability of each organ of state and society—a departure from the anti-corruption agency approach.
  - In the fight against corruption, if the government resorts to anti-corruption agencies, the criminal justice system may lose the sense of its natural ownership of the anti-corruption effort and may be pushed to be part of the corruption system instead of the anti-corruption system. Corruption in a country is worse if the criminal justice system is corrupted than if any other organ of government or society is corrupted.
  - Every public department must enhance its anti-corruption capability; its units, starting from the lowest hierarchy, must also be empowered to deal with corruption. It is the day-to-day local interactions within the system, combined with many other influences globally, that can bring profound change. Monstrous national anti-corruption agencies at the top, however formidable they look, will not bring sustainable change. As part of this organisational pattern, the managerial control (financial, human and supply chain) through management information systems must also be in place.

Instead of creating a separate, large, single or multiple, anti-corruption agency that drains substantial resources and may be instruments of political abuse, it is better to empower and modernise the criminal justice system and oversight bodies (that includes auditing functions). As seen in the South African experience, the lack of cooperation among them, duplication of work, and lack of organisational and public support is hampering their effectiveness. Instead of dispersing resources (financial and human) to such agencies it would be more effective to have built-in

mechanisms in every public entity that respond quickly to any malaise in the system. This can be integrity assurance units coupled with the administrative control aided by ICTs. It is the intense local interactions that create innovation as an effective antidote to the malfunctioning of the system.

- Experience from other countries show that anti-corruption agencies are mostly becoming instruments of political manipulation.
- An anti-corruption system is a complex adaptive system that can be metaphorically regarded as a biological system. A wound basically heals from within, due to the empowerment of the white blood cells. It would be more efficient to fight corruption from within than from outside. Hence, departments must be capacitated through anti-corruption work—inculcating ethical behaviour, efficient management information systems, and appropriate auditing functions, all aided by ICTs. The investigation and prosecution matters have to be handled by the criminal justice system.
- There are no conclusive success stories about anti-corruption agents so far. The success stories from Singapore and Hong Kong cannot be universal models to be replicated elsewhere, after all, these are city states. Even in these states there are reports that corruption is on the rise. Similarly in Botswana, despite the initial successes due to the anti-corruption agency, recent reports tell of increasing corruption.

## **6.5 Contribution, challenges and limitations of the study**

The originality of this work is enhanced by the attempt to bring together e-government and complexity thinking approaches to combat corruption. The main contribution of this dissertation, though limited in scope, is the application of complexity thinking in the analysis of corruption and anti-corruption systems in the context of e-government. As pioneering work in the South African context (one of rather few in the world) this dissertation may be subject to debate and criticism, in that I have taken a bold step. To my knowledge, very few authors have attempted to see corruption and the anti-corruption



system from the perspective of complexity theory and a lack of literature specifically dealing with this topic has limited the analytical power of this contribution. Moreover, even studies about the impact of e-government on corruption are scanty in terms of statistical evidence, and have only started to emerge recently (see Shim & Eom, 2008:303). This dissertation is a call to other researchers to analyse anti-corruption strategies from the perspective of complexity thinking. I have a strong conviction that this approach will give a deeper and a fresh insight into the field.

Undertaking research on corruption where there is little evidence of the crime is difficult. With this in mind, I did not try to discover the actual level of corruption in any department, instead I focused on the status and roles of ICTs in fighting corruption, in order to determine susceptibility to corruption. Despite this mild approach, the following challenges were encountered during the research process.

*a) Access*

Freedom and access to information in South Africa has a legal basis. However, public departments are not easily accessible for gaining information, especially for research on aspects like corruption that are considered sensitive. It has been also very difficult to get specific relevant documents that could assist with identification of the anti-corruption flaws of the surveyed institutions. The only source of documentation available was the information posted on the Internet and some official documents (open to the public).

The fact that the interviewees were managers made it very difficult to get hold of them because of the scarcity of time—on account of meetings, workshops and other obligations. Access to the Office of the Auditor-General and the NPA was denied, the reasons given were ‘confidentiality concerns’, and the ‘current internal crisis’ respectively. The Department of Finance said they had distributed the questionnaire online to the managers, but they declined to reply.

The information obtained from respondents was mostly of a general nature. Further probing to find out more about specific cases required the full cooperation of respondents in divulging their internal working processes, which was not possible in most instances.

As a researcher, being a foreigner and not attuned to South African public departments and their operations added additional pressure to conducting the research. In terms of ease of access and cooperation, it has to be admitted that it has not been easy to conduct social science research outside one's home country for the first time, especially in a sensitive area of study.

***b) Financial***

The South African national departments are located in Pretoria and I was forced to reside close by during the surveying phase. I accordingly moved from Cape Town to Johannesburg, which was not financially easy by any means. Beyond partial living expenses there was no funding for the research project and I was therefore limited to interviewing a few people on two sites— in Pretoria and in Johannesburg. It was due to the assistance of my research (academic) supervisor that I could overcome the problem of transportation.

Furthermore, due to the financial constraints, there was no chance of participating in workshops or conferences that could serve as sounding boards to the progress and findings of the research.

***c) Methodological***

One of the serious problems that was encountered was reluctance to participate in the online survey. The University of Stellenbosch purchased new online survey software and I had to wait for more than two months before it was operational. Then I loaded the entire questionnaire on the University's website and distributed it to the communication officers of the Department of Finance, the Office of the Auditor-General, and the NPA to distribute on my behalf, as they had promised to do so. They declined, however, due to the reasons given above. From this narrow perspective I expected the response rate in the online survey to be very low, especially as the questions were not directly related to their field of interest and the researcher was not known to the respondents.

With hindsight, I have to confess that I was not able to ask all the questions that came to mind during the research process. It was very difficult to go back to see the respondents again, except in one case when I managed to get an interview for the second time. On this occasion I filled in some of the gaps of which I was not aware previously and had overlooked during the first interview. For the rest I was able to contact some of the previous respondents by telephone and e-mail and complemented some points. This time, since I had developed some rapport with the respondents, cooperation was relatively better.

It was very difficult to put similar questions to the surveyed departments, because the managers who were interviewed in any department were experts concerning some aspects only, and those in the other departments were experts on other aspects.

## **6.6 Future research**

Anti-corruption studies based on perceptions, apart from not presenting the whole picture, cannot be objective. A formal assessment with unreserved access to the subjects of study is the only advisable rigorous undertaking towards a sustainable solution. This dissertation introduces general ideas that require further development and extension. For better results, further research should focus on a specific organisation and conduct an in-depth study. The following are suggested:

- Conduct rigorous case studies and field observations regarding the causes of specific forms of corruption and anti-corruption mechanisms in place in every public department, private, and civil society organisation, and propose how to close avenues vulnerable to corruption.
- Assess each of the government's social, economic and political policies that could have unintended consequences, i.e. lead to more corruption in a different form.
- Identify ICTs that help to combat specific forms of corruption.
- Find ways to optimally integrate information systems to combat corruption.
- Explore deeply for the complexity thinking approach to fight corruption.

- Come up with concrete proposals for a route to follow—whether a single, multi-agency, or a different approach to combat corruption.

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## **ANNEXURES**



# Annexure I

## Structured questionnaire at a National level (Supplementary to unstructured questions)

Respondents:

- a) Department of Public Service and Administration (DPSA)
- b) Public Service Commission (PSC)
- c) Special Investigating Unit (SIU)
- d) Council for scientific and Industrial Research (CSIR)
- e) State Information Technology Agency (SITA)

**Please indicate your attitude by putting an “x” mark.**

Attempts have been done to explore the vulnerability of public departments to corruption by looking at their traditional anti-corruption strategies. This was done along the following anti-corruption dimensions.

Please indicate your attitude by putting an “x” mark.

1. How accessible is it for members of the public to request information from South African public institutions?

	Highly accessible	Accessible	Moderately accessible	Inaccessible	Highly inaccessible	Do not know
DPSA	X	X	X	X	X	X
SIU		X				
PSC			X			
SIITA			X			
TREASURY						
CSIR			X			

2. What role do the following factors play in the consideration of recruitment and promotion in the South African public sector?

***Meritocracy***

	Major	Medium	Minor	Nothing	Do not know
DPSA		X			
SIU			X		
PSC		X			
SIITA		X			
TREASURY					
CSIR					X

***Political connections***

	Major	Medium	Minor	Nothing	Do not know
DPSA				X	
SIU		X			
PSC		X			
SIITA	X				
TREASURY					
CSIR		X			

***Patronage***

	Major	Medium	Minor	Nothing	Do not know
DPSA				X	
SIU		X			
PSC			X		
SIITA	X				
TREASURY					
CSIR	X				

***Gifts and bribes***

	Major	Medium	Minor	Nothing	Do not know
DPSA				X	
SIU		X			
PSC			X		
SIITA		X			
TREASURY					
CSIR	X				

3. Please indicate in each of the following sectors what you think the level of emphasis is currently put in terms of anti-corruption?

***Public sector national***

	High	Moderate	Low	Do not know
DPSA	X			
SIU			X	
PSC	X			
SIITA		X		
TREASURY				
CSIR			X	

***Public sector provincial***

	High	Moderate	Low	Do not know
DPSA	X			
SIU			X	
PSC		X		
SIITA		X		
TREASURY				
CSIR			X	

***Public sector local***

	High	Moderate	Low	Do not know
DPSA		X		
SIU			X	
PSC		X		
SIITA			X	
TREASURY				
CS			X	

***Private sector***

	High	Moderate	Low	Do not know
DPSA			X	
SIU			X	
PSC		X		
SIITA		X		
TREASURY				
CSIR		X		

***Civil society***

	High	Moderate	Low	Do not know
DPSA			X	
SIU			X	
PSC			X	
SIITA			X	
TREASURY				
CSIR		X		

***Anti-corruption agencies themselves***

	High	Moderate	Low	Do not know
DPSA	X			
SIU			X	
PSC	X			
SIITA		X		
TREASURY				
CSIR		X		

4. What is the extent of corruption control in the various levels of public service?

***Top leadership***

	More	Moderate	Less	Do not know
DPSA		X		
SIU			X	
PSC		X		
SIITA	X			
TREASURY				
CSIR			X	

***Middle management***

	More	Moderate	Less	Do not know
DPSA		X		
SIU			X	
PSC	X			
SIITA		X		
TREASURY				
CSIR		X		

***Lower management***

	More	Moderate	Less	Do not know
DPSA			X	
SIU		X		
PSC		X		
SIITA		X		
TREASURY				
CSIR	X			

***Rank and file***

	More	Moderate	Less	Do not know
DPSA				X
SIU		X		
PSC		X		
SIITA		X		
TREASURY				
CSIR				X

5. How sufficient is the South African Government's campaign on the Internet to sensitize and mobilize South Africans for a concerted action against corruption?

	Sufficient	Moderately sufficient	Insufficient	Does not exist at all	Do not know
DPSA			X		
SIU			X		
PSC		X			
SIITA			X		
TREASURY					
CSIR					X

6. To what extent are the following anti-corruption mechanisms impacting positively on the South African anti-corruption effort?

***Religious teachings***

	Very high	High	Moderate	Low	Very low
DPSA		X			
SIU				X	
PSC			X		
SIITA					X
TREASURY					
CSIR		X			

***Ethical education and codes of conduct***

	Very high	High	Moderate	Low	Very low
DPSA			X		
SIU				X	
PSC			X		
SIITA				X	
TREASURY					
CSIR			X		

***Awareness raising and empowerment***

	Very high	High	Moderate	Low	Very low
DPSA			X		
SIU				X	
PSC			X		
SIITA				X	
TREASURY					
DPSA					
CSIR				X	

***Media freedom***

	Very high	High	Moderate	Low	Very low
DPSA		X			
SIU		X			
PSC			X		
SIITA			X		
TREASURY					
CSIR					X

***Criminal justice system***

	Very high	High	Moderate	Low	Very low
DPSA		X			
SIU			X		
PSC				X	
SIITA				X	
TREASURY					
CSIR					X

***Information and Communication Technologies***

	Very high	High	Moderate	Low	Very low
DPSA				X	
SIU				X	
PSC					X
SIITA				X	
TREASURY					
CSIR				X	

7. How satisfied are you with the quantity and quality of whistle blowing system in the South African public service?



***Quantity of the whistle blowing***

	Highly satisfied	Satisfied	Moderately satisfied	Unsatisfied	Highly unsatisfied	Do not know
DPSA			X			
SIU				X		
PSC			X			
SIITA				X		
TREASURY						
CSIR				X		

***Quality of the whistle blowing***

	Highly satisfied	Satisfied	Moderately satisfied	Unsatisfied	Highly unsatisfied	Do not know
DPSA				X		
SIU				X		
PSC			X			
SIITA				X		
TREASURY						
CSIR				X		

8. If you are not highly satisfied with either category of the responses in Q 7, to what extent do you think the following variables are hampering the functioning of the whistle blowing system? If you are highly satisfied go to Q 10.

***Technologically (ICTs) insecure system***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA		X				
SIU			X			
PSC						X
SIITA			X			
Treasury						
CSIR			X			

***Insufficient ICTs infrastructure***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA		X				
SIU			X			
PSC						X
SIITA		X				
Treasury						
CSIR			X			

***Insufficient motivation of whistle blowers***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA		X				
SIU		X				
PSC					X	
SIITA		X				
Treasury						
CSIR	X					

***Inadequate legal protection***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA			X			
SIU		X				
PSC					X	
SIITA		X				
Treasury						
CSIR	X					

***Other (specify)***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA						
SIU						
PSC						
SIITA						
TREASURY						

9. Please indicate to what extent you agree or disagree with the following set of statements:

***The South African public administration is separated from party politics***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
DPSA		X			
SIU					X
PSC			X		
SIITA					X
TREASURY					

CSIR				X	
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***The Information Technology Act is sufficient to deal with cyber crime***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
DPSA		X			
SIU				X	
PSC			X		
SIITA			X		
TREASURY					
CSIR				X	

10. How would you describe the visible impact of South African e-government (more application of ICTs and the Internet in administration) initiative on:

***Promoting active public involvement in administration***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA			X			
SIU			X			
PSC						X
SIITA				X		
TREASURY						
CSIR			X			

***Fostering accountable and transparent government***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA			X			
SIU				X		
PSC						X
SIITA				X		

TREASURY						
CSIR					X	

***Joining government, businesses and citizens***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA			X			
SIU				X		
PSC						X
SIITA			X			
TREASURY						
CSIR				X		

***Strengthening control of cross-border corruption and international cooperation***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA				X		
SIU			X			
PSC						X
SIITA				X		
TREASURY						
CSIR						X

11. Are ghosting, double and false claims for reimbursement/benefit still problems in the public sector? If “No,” go to Q 13.

	Yes	No
DPSA	X	
SIU		
PSC	X	

SIITA		
TREASURY		
CSIR		

12. To what extent do you agree or disagree with each of the following statements as important reasons for the persistence of ghosting, double and false claims for reimbursement.

***Poor electronic database system***

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
DPSA		X				
SIU						
PSC		X				
SIITA						
TREASURY						
CSIR						

***Lack of centralized database***

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
DPSA		X				
SIU						
PSC		X				
SIITA						
TREASURY						
CSIR						

***Too much decentralization to unqualified personnel***

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
DPSA		X				
SIU						
PSC						X
SIITA						
TREASURY						
CSIR						

***Lack of skill to apply available ICTs***

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
DPSA		X				
SIU						
PSC			X			
SIITA						
TREASURY						
CSIR						

***Weak control from the national government***

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
DPSA				X		
SIU						
PSC			X			
SIITA						
TREASURY						
CSIR						

13. Please indicate the extent of usage or existence of the following anti-corruption information system tools.

***Integrated financial information system***

	High	Medium	Low	Not at all	Do not know
DPSA	X				
SIU					
PSC		X			
SIITA					
TREASURY					
CSIR					



***Project management technology wherever***

	High	Medium	Low	Not at all	Do not know
DPSA			X		
SIU					
PSC		X			
SIITA					
TREASURY					
CSIR					

***A centralized public e-procurement with feedback concerning the actual contract and cost of possession versus tender specification***

	High	Medium	Low	Not at all	Do not know
DPSA				X	
SIU					
PSC					X
SIITA					
TREASURY					
CSIR					

***A coherence of information between organs of state***

	High	Medium	Low	Not at all	Do not know
DPSA			X		
SIU					
PSC		X			
SIITA					
TREASURY					

***Interoperability between government information systems***

	High	Medium	Low	Not at all	Do not know
DPSA		X			
SIU					
PSC		X			
SIITA					
TREASURY					
CSIR					

***Automatic check of conflicts of interests at the nominations of public officials***

	High	Medium	Low	Not at all	Do not know
DPSA			X		
SIU					
PSC			X		
SIITA					
TREASURY					
CSIR					

***Access to information (database) concerning the wealth of public officials and their close relatives, granted for judicial actions***

	High	Medium	Low	Not at all	Do not know
DPSA				X	
SIU					
PSC	X				
SIITA					
TREASURY					
CSIR					

*A national data base concerning information of corrupt individuals or businesses*

	High	Medium	Low	Not at all	Do not know
DPSA		X			
SIU					
PSC			X		
SIITA					
TREASURY					
CSIR					

*An integration of judicial executive and banking information systems*

	High	Medium	Low	Not at all	Do not know
DPSA				X	
SIU					
PSC			X		
SIITA					
TREASURY					
CSIR					

14. How do you assess the anti-corruption agencies' coordination of their anti-corruption work?

***Within the South African anti-corruption agencies***

	Fully coordinated	Partially coordinated	Not coordinated at all	Do not know
DPSA		X		
SIU			X	
PSC		X		
SIITA			X	
TREASURY				
CSIR		X		

***With the criminal justice system***

	Fully coordinated	Partially coordinated	Not coordinated at all	Do not know
DPSA		X		
SIU			X	
PSC		X		
SIITA			X	
TREASURY				
CSIR		X		

***With civil society***

	Fully coordinated	Partially coordinated	Not coordinated at all	Do not know
DPSA		X		
SIU			X	
PSC				X
SIITA		X		
TREASURY				
CSIR			X	

***With private sector***

	Fully coordinated	Partially coordinated	Not coordinated at all	Do not know
DPSA		X		
SIU			X	
PSC				X
SIITA		X		
TREASURY				
CSIR			X	

***With regional anti-corruption bodies***

	Fully coordinated	Partially coordinated	Not coordinated at all	Do not know
DPSA	X			
SIU			X	
PSC		X		
SIITA		X		
TREASURY				
CSIR				X

***With international anti-corruption bodies***

	Fully coordinated	Partially coordinated	Not coordinated at all	Do not know
DPSA	X			
SIU			X	
PSC		X		
SIITA		X		
TREASURY				
CSIR			X	

15. To what extent do the following factors hamper the effectiveness of the South African anti-corruption agencies?

***Political interference***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA				X		
SIU	X					
PSC			X			
SIITA	X					
TREASURY						
CSIR	X					

***Insufficient accountability to oversight bodies***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA				X		
SIU	X					
PSC				X		
SIITA	X					
TREASURY						
CSIR	X					

***Unclear mandate (Overlapping mandates with other agencies)***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA			X			
SIU	X					
PSC					X	
SIITA		X				
TREASURY						
CSIR			X			

***Poor cooperation with other anti-corruption bodies***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA			X			
SIU		X				
PSC			X			
SIITA		X				
TREASURY						
DPSA						
CSIR	X					

***Inefficient criminal justice system***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA		X				
SIU		X				
PSC			X			
SIITA	X					
TREASURY						
DPSA						
CSIR						

***Shortage of financial resources***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA				X		
SIU		X				
PSC				X		
SIITA		X				
TREASURY						
CSIR		X				

***Shortage of skilled personnel***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA		X				
SIU	X					
PSC			X			
SIITA	X					
TREASURY						
CSIR	X					

***Lack of regional and international cooperation***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA			X			
SIU			X			
PSC			X			
SIITA		X				
TREASURY						
CSIR		X				

***Lack of effective legislature***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA			X			
SIU		X				
PSC				X		
SIITA		X				
TREASURY						
CSIR	X					



***Corruption within the agency***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA				X		
SIU			X			
PSC				X		
SIITA			X			
TREASURY						
CSIR		X				

***Public cooperation***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA		X				
SIU			X			
PSC			X			
SIITA	X					
TREASURY						
CSIR			X			

***Organizational crisis (Strategic location of the anti-corruption agency).***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA				X		
SIU	X					
PSC				X		
SIITA	X					
TREASURY						
CSIR		X				

***Insufficient ICT application and integrated data base***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA		X				
SIU	X					
PSC						X
SIITA		X				
TREASURY						
CSIR		X				

***Other (specify)***

	Very high	High	Moderate	Low	Very low	Do not know
DPSA						
SIU						
PSC						
SIITA						
TREASURY						
CSIR						

16. Which of the following possible anti-corruption approaches do you think is the most effective in the South African context? Please choose only one.

	DPSA	SIU	PSC	SIITA	TREASURY	CSIR
a) Single national anti-corruption agency		X	X			X
b) Multiple national anti-corruption agencies (as what is currently under practice in South Africa)	X					
c) Anti-corruption units only						

	DPSA	SIU	PSC	SIITA	TREASURY	CSIR
within each department (neither single nor multiple anti-corruption agencies)						
d) Only administrative reforms (without any special anti corruption agency or unit)						
e) Combination of all approaches mentioned in b, c, and d.				X		
f) Other, please specify:						

17. Do you think that the following two corruption trends are decreasing, increasing or stayed the same since 1994?

***Traditional corruption***

	Decreasing	No change	Increasing	Do not know
DPSA			X	
SIU			X	
PSC				X
SIITA			X	
TREASURY				
CSIR			X	

***ICTs based corruption***

	Decreasing	No change	Increasing	Do not know
DPSA			X	
SIU			X	
PSC				X
SIITA			X	
TREASURY				
CSIR			X	

## Annexure II

Structured questionnaire at Departmental level

**(Supplementary to unstructured questions)**

Respondents: Department of Home Affairs, SARS, and SASSA.

N.B. Responses from SASSA are recorded in a separate file as part of the unstructured questions.

1. To which level of employees is your ICTs system geared to control? Why?

	Rank and file	Lower management	Middle management	Top management	All levels
Home Affairs					X
SARS					X
SASSA					

2. In your organization how effective are ICTs to deter corrupt employees from hiding, altering, deleting essential documents from your computer system?

	Very effective	Effective	Moderately effective	Ineffective	Very ineffective	Do not know
Home Affairs			X			
SARS						
SASSA						

3. How would you describe your internal computer network system in assisting in the fight against corruption?

Highly integrated and widespread	Integrated and widespread	Moderately integrated and spread	Disintegrated and limited	Highly disintegrated and limited, with no centralized database	Manual work and face to face contact is still dominant
		X			
	X				

4. Do you have a dedicated website designed to fight corruption? If “No” skip`.

	Yes	No
Home Affairs		X
SARS	X	
SASSA		

5. If your response to the previous question is “yes,” what is its function?

	Awareness raising	Exposing convicted corrupt individuals and businesses	Disseminating ethical values	Other
Home Affairs				
SARS		X		
SASSA				

If other specify:

6. Challenges of the application of ICTs in the anti-corruption system:

***Employee’s and management’s lack of trust of the application of ICTs in the anti-corruption work***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs				X	
SARS		X			

SASSA					
-------	--	--	--	--	--

***ICTs are easily manipulated***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs		X			
SARS					
SASSA					

***The Information Technology Act is not sufficient to deal with cyber crime***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs					X
SARS			X		
SASSA					

***Lack of skill***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs		X			
SARS				X	
SASSA					

*It is insecure*

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs				X	
SARS				X	
SASSA					

*Insufficiency of ICTs infrastructure*

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs				X	
SARS				X	
SASSA					

*Our ICTs not being state-of-the-art*

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs		X			
SARS					X
SASSA					



***Lack of integration/cooperation of ICTs in the anti-corruption industry***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs	X				
SARS		X			
SASSA					

***ICTs based anti-corruption method is not coordinated with the overall organizational (traditional) anti-corruption system.***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs		X			
SARS				X	
SASSA					

***Financial***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs					X
SARS				X	
SASSA					

***Not centralized database***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs		X			
SARS		X			
SASSA					

***Resistance to computerization by corrupt individuals***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs	X				
SARS				X	
SASSA					

***Political interference***

	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Home Affairs				X	
SARS				X	
SASSA					

***Other (specify)***

Home Affairs	
SARS	
SASSA	

7. What is the extent of corruption on the revenue side (tax evasion, collection of money of services delivered) after the application of ICTs (that is mainly attributable to ICTs and the Internet)? **(SARS)**

Very low	Low	Moderate	High	Very high	No change	Do not know
		X				

. What is the capacity of your department to address the following forms of corruption through ICTs? (SARS).

	Very good	Good	Fair	Poor	Very poor	Do not know
Smuggling			X			
Underreporting/not reporting of Taxable income/transactions in accounts			X			
Overreporting of expenditures			X			
Underreporting of the value of imports			X			
Misclassification of high tax and duty rates to indicate as goods with lower rates			X			
Goods in transit sold on the domestic market			X			
Inappropriate tax exemptions	X					
Falsified claims for VAT refunds			X			
Reporting import goods as transit goods		X				
Extortion by taking advantage of taxpayers' incomplete knowledge of tax legislation	X					
Embezzlement of collected revenue	X					
Fraud: falsifying tax receipts	X					
Corrupt inspectors/auditors	X					

Please indicate your attitude towards the Customs and taxation policies: (SARS)

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
Too strict, encouraging taxpayers to seek illegal alternative ways to circumvent them				X		
Too complex to understand by citizens affected by them				X		
Characterized by exceptions that leave exploitable grey zones that are arguably legal when violated			X			

How would you rate the current status of the following systems to minimize corruption? (SARS)

	Very good	Good	Fair	Poor	Very poor	Does not	Do not know

						exist	
Tele-and e-filing tax return systems	X						
Integrated taxation information system	X						

Which of the following services are available online to taxpayers? (Please tick all available options). **(SARS)**

Web portal and information	Filling data and Signing the document and sending to tax administration	Receive response from tax administration	Pay online
X	X	X	X

## Annexure III

### Structured questionnaire at a National level (Supplementary to unstructured questions)

Respondents: Treasury (two respondents), Financial Intelligence Center, and some DPSA, SIU, PSC, SITA (second time), CSIR, GSS

#### Please indicate your attitude by putting an "x" mark.

Please indicate the degree of transparency of the South African budgeting process?

	Very transparent	Transparent	Somewhat transparent	Non-transparent	Very non-transparent	Do not know
Financial Intelligence		X				
Treasury		X				
Treasury						X
SITA		X				

How effective are public departments in applying ICTs (Information and Communication Technologies) to control their budget in order to deter instances of corruption?

	Very effective	Effective	Moderately effective	Ineffective	Very ineffective	Do not know
Financial Intelligence			X			
Treasury			X			
Treasury						X
SITA				X		

How sufficient is the universal public-access system for carrying out tendering via the Internet?

	Very sufficient	Sufficient	Somewhat sufficient	Insufficient	Very insufficient	No such system	Do not know
Financial Intelligence							X
Treasury							X
Treasury						X	
SITA					X		

How sufficient is the legal infrastructure laid to support ICTs and Internet applications in the financial system?

	Very sufficient	Sufficient	Neither sufficient nor insufficient	Insufficient	Very insufficient	Do not know
Financial Intelligence						X
Treasury						X
Treasury						X
SITA		X				

How would you describe the visible impact of South African e-government (more application of ICTs and the Internet in administration) initiative on:

***Promoting active public involvement in administration***

	Very high	High	Moderate	Low	Very low	Do not know
Financial Intelligence			X			
Treasury			X			
Treasury						X
SITA			X			
SITA				X		
DPSA			X			
SIU			X			
PSC						X
CSIR			X			
GSS				X		

***Fostering accountable and transparent government***

	Very high	High	Moderate	Low	Very low	Do not know
Financial Intelligence			X			
Treasury			X			
Treasury						X
SITA			X			
SITA				X		
DPSA			X			
SIU				X		
PSC						X
CSIR					X	
GSS			X			

***Joining government, businesses and citizens***

	Very high	High	Moderate	Low	Very low	Do not know
Financial Intelligence				X		
Treasury				X		
Treasury						X
SITA			X			
SITA			X			
DPSA			X			
SIU				X		
PSC						X
CSIR				X		
GSS				X		

***Strengthening control of cross-border corruption and international cooperation***

	Very high	High	Moderate	Low	Very low	Do not know
Financial Intelligence				X		
Treasury				X		
Treasury						X
SITA				X		
SITA				X		
DPSA				X		
SIU			X			
PSC						X
CSIR						X
GSS				X		

Are ghosting, double and false claims for reimbursement/benefit still problems in the public sector? If "No," go to Q 8

	Yes	No
Financial Intelligence	X	
Treasury	X	
Treasury	X	
SITA	X	
DPSA	X	
SIU	X	

To what extent do you agree or disagree with each of the following statements as important reasons for the persistence of ghosting, double and false claims for reimbursement.

***Poor electronic database system***

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
Financial Intelligence						X
Treasury						X
Treasury				X		
SITA		X				
DPSA		X				
PSC		X				

***Lack of centralized database***

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
Financial Intelligence		X				
Treasury		X				
Treasury				X		
SITA		X				
DPSA		X				
PSC		X				

***Too much decentralization to unqualified personnel***

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
Financial Intelligence						X
Treasury						X
Treasury				X		



SITA		X				
DPSA		X				
PSC						X

***Lack of skill to apply available ICTs***

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
Financial Intelligence						X
Treasury						X
Treasury						X
SITA	X					
DPSA		X				
PSC			X			

***Weak control from the national government***

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Do not know
Financial Intelligence						X
Treasury						X
Treasury				X		
SITA			X			
DPSA				X		
PSC			X			

Please indicate the extent of usage or existence of the following anti-corruption information system tools.

***An integrated financial management system***

	High	Medium	Low	Not at all	Do not know
Financial Intelligence					X
Treasury					X
Treasury		X			
SITA				X	
DPSA	X				
PSC		X			

***Project management technology wherever applicable***

	High	Medium	Low	Not at all	Do not know
Financial Intelligence		X			
Treasury		X			
Treasury		X			
SITA			X		
DPSA			X		
PSC		X			

***A centralized public e-procurement with feedback concerning the actual contract and cost of possession versus tender specification***

	High	Medium	Low	Not at all	Do not know
Financial Intelligence					X
Treasury					X
Treasury			X		
SITA				X	
DPSA				X	
PSC					X

***A coherence of information between organs of state***

	High	Medium	Low	Not at all	Do not know
Financial Intelligence			X		
Treasury			X		
Treasury			X		
SITA		X			
DPSA			X		
PSC		X			

***Interoperability between government information systems***

	High	Medium	Low	Not at all	Do not know
Financial Intelligence					X
Treasury					X
Treasury					X
SITA			X		
DPSA		X			
PSC		X			

***Automatic check of conflicts of interests at the nominations of public officials***

	High	Medium	Low	Not at all	Do not know
Financial Intelligence					X
Treasury					X
Treasury		X			
SITA			X		
DPSA			X		
PSC			X		

***Access to information (database) concerning the wealth of public officials and their close relatives, granted for judicial actions***

	High	Medium	Low	Not at all	Do not know
Financial Intelligence			X		
Treasury			X		
Treasury		X			
SITA			X		
DPSA				X	
PSC	X				

***A national data base concerning information of corrupt individuals or businesses***

	High	Medium	Low	Not at all	Do not know
Financial Intelligence				X	
Treasury				X	
Treasury	X				
SITA				?	
DPSA		X			
PSC			X		

***An integration of judicial executive and banking information systems***

	High	Medium	Low	Not at all	Do not know
Financial Intelligence				X	
Treasury				X	
Treasury					X
SITA		X			
DPSA				X	
PSC			X		

Do you think that the following two corruption trends are decreasing, increasing or stayed the same since 1994?

***Traditional corruption***

	Decreasing	No change	Increasing	Do not know
Financial Intelligence				X
Treasury				X
Treasury	X			
SITA		X		
SITA			X	
DPSA			X	
SIU			X	
PSC				X
CSIR			X	

***ICTs based corruption***

	Decreasing	No change	Increasing	Do not know
Financial Intelligence				X
Treasury				X
Treasury				X
SITA			X	
DPSA			X	
SIU			X	
PSC				X
SIITA			X	
TREASURY			X	
CSIR			X	

Thank you for participating in this survey.

## Annexure IV

Structured questionnaire at a Provincial level  
(Supplementary to unstructured questions)

**Respondent:** Gauteng Shared Services

Please indicate as to which phase of e-gov the government departments of your province are?

	75-100% of the departments	50-74% of the departments	25-49% of the departments	0-24% of the departments
<b>Phase 1: Emerging web presence</b> —limited level of information in a static manner	X			
<b>Phase II: Enhanced web presence</b> —increased dynamics in information through regular updates in contents				X
<b>Phase III: Interactive web presence</b> —two-way communication via web (online application, confirmation and response)				X
<b>Phase IV: Transaction web presence</b> —provision of actual online services, process handling and electronic payment				X
<b>Phase V: Fully integrated web presence</b> —all services and links are provided on a single government portal, and all the administrative services can be processed online.				X
?				

For which activities do you have programs and mandate?

Enabling efficiency and transparency to internal and managerial processes	Providing information on the web, etc, (external relationships with citizens)	Laying infrastructure for e-procurement
X	X	X

Other, Specify: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

From the above mentioned activities where do you focus more?

\_\_\_\_\_ ALL \_\_\_\_\_

Please indicate to what extent you agree or disagree with the following statements.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Don not know
e-gov is visibly helping government departments to be more transparent			X			
e-gov is visibly helping government departments to be more accountable		X				

If you have reasons for your response, please provide us \_\_\_\_\_

*Response: For example the premier's commitment are posted online.*

Do you have ICTs (Information and communication technologies) based projects in the public sector that help minimize/eliminate susceptibility to corruption? If "No," go to Q 7.

Yes	No
x	

List the main types of ICTs based projects that help minimize/eliminate susceptibility to corruption.

*Responses:*

*ID mgt*

*SRM*

*e-invoicing*

*ESS (employee self service—, employees can access, track and update their own information that may result in the increase of efficiency and reduce the cost associated with HR functions. with electronic tracking. For example, Automated Leave*

*Management*

*payment angle*

How do you assess South African e-gov's visible impact so far in:

	Very high	High	Moderate	Low	Very low	Do not know
Promoting active public involvement in administration				X		
Fostering accountable and transparent government			X			
Joining government, businesses and citizens				X		
Strengthening control of cross-border corruption and international cooperation				X		
Improving data management systems in the public sector			X			

What do you think is the impact of your e-gov initiative on corruption?

A decrease in corruption	No visible impact	An increase in corruption	Do not know
X			

Please indicate further the extent of the impact on decreasing or increasing corruption.

	High	Moderate	Low
On decreasing corruption			
On increasing corruption			



## **Annexure V**

### **Unstructured questions**

Interview: a) Department of Public Service and Administration (DPSA)  
b) Public Service Commission (PSC)

All questions (all refer to South Africa)

Has reducing corruption been an integral part of South African public sector reform programs and e-government initiatives?

How accessible to information, transparent and accountable are public departments to the general public?

How are ICTs and the Internet assisting in this regard?

How do you assess the role played by ethics and codes of conduct to fight corruption in the public sector?

What problems do you see in the functioning of the whistle blowing system?

How flexible are departments to do organizational restructuring in order to accommodate new ICTs that are placed as an anti-corruption infrastructure?

If any, what strengths and weaknesses do you see in the South African anti-corruption systems in general?

What government policy do you think have aggravated corruption? (unintended consequence?)

Is there visible impact of high personnel turn over or high retention rate in the South African anti-corruption system?

## **Annexure VI**

### **Unstructured questions**

(Asked on top of Annexure VII)

Interview: Department of Home Affairs

Have you reengineered your processes in order to take away unnecessary discretion from civil servants to delay or deny the service (examples).

Do you have a centrally updated computerized registers of all citizens and immigrants?

How effective is your information system to prevent double/illegal registration?

## **Annexure VII**

Interview with: South African Revenue Services (SARS), South African Social Security Agency (SASSA), Government Employees Pension Fund (GEPF)

What does your anti-corruption system entail?

*Traditional:* e.g. ethical education and codes of conduct, awareness raising and capacity building (employees, public), manual managerial control, investigation, law enforcement, etc.

*Electronic:* e.g. Application of more ICTs (Information and Communication Technologies), and electronic decision support systems, etc. Which activities are tracked through ICTs?

Your anti-corruption unit organizational structure (organogram)?

When did you introduce ICTs as the main component of your anti-corruption work? What special software do you have in your anti-corruption system?

How do you apply the e-gov infrastructure like the Internet, telecommunications network, etc. to prevent, investigate, and educate against corruption?

What is the status of your ICTs in controlling corruption in the areas of:

Supply chain management (tendering, procurement, distribution of materials, etc),

Financial transactions (revenue collection, cost control, etc), Human resources (recruitment, promotion through performance appraisal, leave, absence tardiness, etc)

Who have you identified as your stakeholders in the anti-corruption effort? (in public departments, private sector, civil society, regional, and international bodies)? With which stakeholders haven't cooperated or haven't an integrated system so far? Why?

Is there an online system to review permit applications and decisions on such applications? Does the system enable citizens to monitor in real-time details of

the handling their applications, the procedures involved in their approval and review, and when the permits are expected to be awarded?

Do you do organizational restructuring in order to accommodate new ICTs that are placed as an anti-corruption infrastructure? If not how does it inhibit your anti-corruption work?

How long does it take for your department to be aware (be informed) of a ghost beneficiary or employee?

In your department, is there a balance on the emphasis given to front-line services (like dissemination of information to the public) and back office operations (effectiveness and speedy administrative processes in the workplace)? Examples?

Are the hotline systems in your department well placed and effective to report crimes of corruption? Which features do you have: Tel, fax, sms, e-mail, weblog. Which are the most used media?

Are there cases of ICTs based anti-corruption projects that proved counterproductive by facilitating or opening new forms of corruption in your department? If so, can you give us examples?

If any, what weaknesses do you see in your anti-corruption information systems in general?

Are there complaints of delays in the provision of services?

If your response to the previous question is "yes," what are the main reasons, despite the fact that ICTs can expedite procedures?

Is the number of ghost beneficiaries increasing or decreasing? Why?

Do you easily identify if a beneficiary is a South African citizen? How? And if not, why? [refers only to SASSA and GEPF]

Have you identified areas prone to corruption that can be dealt with ICTs but still not done so? Why?

## **Annexure VIII**

Interview with National Treasury, Financial Intelligence Centre, State Information, Technology Agency (SITA)

What is the current status of the Open Source Corruption Management Information System (OSCMIS) project that sought to provide a solution to institutional efficiency within Government?

What anti-corruption information systems are there in the government's financial system currently?

How do you assess the interoperability of the current anti-corruption information systems?

Is the information system uniform throughout all the public departments in every sphere?

What is the current status of IFMS?

As parts of IFMS what software (modules) are so far functional in the following areas. And what aspects of each do they control in order to deter corruption?

Financial management,

Human resources management,

Supply chain management,

Business intelligence

What are the shortcomings and strengths of PERSAL? SAP? Open Source Software?

What is the level of South Africa's internal, regional and international integration and cooperation of anti corruption information systems?

Do public departments have an online e-procurement system that allows them bidding for suppliers to meet government needs and that ensures increased transparency in transactions?

What are the challenges in the anti-corruption information systems in general (from political, social, and technical perspectives)?

## **Annexure IX**

Interview with City Power, Johannesburg

How sufficiently are information and communication technologies (ICTs) well incorporated in your anti-corruption system to help minimize/eliminate susceptibility to corruption? Examples?

Are there cases of ICTs based anti-corruption projects (systems) that have successfully decreased vulnerability to corruption? If so, can you give us examples?

On the other hand are there cases of ICTs based anti-corruption projects (systems) that proved counterproductive by facilitating or opening new forms of corruption? If so, can you give us examples?

Is the emphasis given to anti-corruption effort similar in the three spheres of government? Where is the impact of the effort more visible and why?

How connected or integrated is your department's ICTs system with the other public departments, private sector and civil society in your anti- corruption effort?

Is there an online system to review permit applications and decisions on such applications? Does the system enable citizens to monitor in real-time details of the handling their applications, the procedures involved in their approval and review, and when the permits are expected to be awarded?

How effective is your ICTs system in preventing illegal use of electric power, such as unregistered use?

Have you identified areas prone to corruption that can be dealt with ICTs?

Which ones have you dealt with? And which ones not?

How effectively are ICT's placed to connect or integrate public departments, private sector and civil society in their anti- corruption effort?

Are the hotline systems in your organization well placed and effective to report crimes of corruption?

How developed is the Management Information System in your Department in linking existing human resource with the financial management systems, for example to prevent ghosting?

If any, what weaknesses do you see in your Department's anti-corruption system?

## **Annexure X**

Interview with Gauteng Shared Services Centre

Do you have explicit aim to fight corruption?

If so in what ways are you assisting public departments (executive, legislative, judiciary), private sector, civil society to fight corruption

Who is leading in e-gov applications from the provinces? And the least one?

What kind of coordination do you have with other provinces in connection with e-gov initiatives?

What is the extent of Internet usage in South Africa (%)?