

## Column Corruption - A social disease • Part 137

# The role of the private sector in tackling corruption

This article is based on a study commissioned by the Institute of Public Policy Research (IPPR) during the last quarter of 2017, which will be presented by the author on 7 May 2018.

The launching of the publication involves a panel discussion by prominent business leaders.

Corruption is an add-on and/or inflation that increases the prices of all consumer goods and services and reduces profit (Coetzee). Businesses that can afford corruption the least are Small and Medium Enterprises (SMEs) that cannot absorb public service inefficiencies.

Against the background of the dire current economic situation, reduced government resources and mediocre political commitment to reduce corruption, the private sector needs to increase public awareness about corruption issues of national importance and initiate civil and criminal cases to investigate corruption.

The private sector and civil society need to unite and use the media to mobilise public support for the dis-



Johan Coetzee

closing of public documents, for audit assessments and/or full audits of large-scale corruption cases. The private sector and civil society need to coordinate in order to form a united front to negotiate with government on alternatives to reduce corruption in the public and private sector interface, e.g. in terms of border control corruption, delays in the approval of licences and permits, corruption in allocation of tenders and large capital intensive projects.

### INFLUENCING GOVERNMENT

In general, it is recommended that the private sector collaborates and synergises its resources to influence the government in terms of advising on legislation, policies and regulations and monitor the imple-

mentation of such instruments. A private sector that is united on the issue that corruption is one of the top issues reducing business and investment can put pressure on government to reform "hot spots" and strategic and/or key institutions to reduce corruption, e.g. procurement, monopolies and cartels.

The business community should encourage their members and the public at large that when people are aware of suspected activities or have benefitted themselves from what could be interpreted as corruption, to make use of the protection of the provisions of Section 52 (4) of the Anti-Corruption Act that stipulates that "No action or proceedings of a disciplinary, civil or criminal nature may be instituted or maintained by any person or authority against any informer or a person who has assisted the Commission in an investigation into an alleged or suspected offence under this Act or any other law in respect of any information, other than a material statement which he or she knew or believed to be false or did not believe to be true, disclosed by him or her to the Commission for the purpose of assisting the Commission in the performance of its functions under this Act".

The mentioned provisions are strong guarantees to encourage the reporting of corruption to the Anti-Corruption Commission (ACC).

### REPORT CORRUPTION

These guarantees are relatively unknown in the business and civil fraternity. Private sector is very reluctant to report corruption to the ACC because of the fear of not being allocated government tenders in future. A silent private sector is in effect encouraging corruption and should take greater accountability in reporting corruption to the ACC. Since the public sector neither has the political backing nor the capacity to tackle corruption in the public sector, e.g. in cleaning up public procurement, improving the struggling performance of SOEs (most of which are monopolies with very limited competition), it is recommended that the private sector initiates voluntary regulation of its various and diverse industries to comply with the NamCode to improve corporate social responsibility. If the private sector can get its own house in order in incentivising individuals to refrain from corruption through its associations, e.g. NEF and CIF, it can put pressure on government to reform the public sector.

Leverage points include withholding funding and donations to political parties. If businesses threaten to withhold their financial support to political parties - as happened in the USA in the 1800s and the UK in the 1900s - the government will have no choice but to reform the

public service to be efficient and effective with less bureaucracy and fewer delays. A more efficient public service can reduce the demand for corruption.

The private sector have a critical role to play and an undeniable accountability in reducing corruption in the public-private sector interface. The private sector should refuse to pay bribes and expose corrupt public servants and public transactions. Questionable transactions should be reported to the media to increase transparency as "sunlight" is the most appropriate cure for corruption.

### References

- Coetzee, J.J. 2012. Systemic corruption and corrective change management strategies: A study of the co-producers of systemic corruption and its negative impact on socio-economic development. Unpublished PhD dissertation. Stellenbosch: University of Stellenbosch.
- Coetzee, J.J. 2018. The role of the private sector in tackling corruption. Article commissioned and published by the Institute of Public Policy Research. Windhoek: The Open Society Initiative of Southern Africa (OSISA). Will be made available at: [www.ippr.org.na](http://www.ippr.org.na).
- Republic of Namibia. 2003. Anti-Corruption Act, Act 18 of 2003. Windhoek: Government Gazette. [jcoetzee@nust.na](mailto:jcoetzee@nust.na)