

### Increasing incentives and penalties

Penalties and rewards from corruption need to create a situation where the risks of exposure are substantially higher than the benefits. This must be combined with an increase in law enforcement capacity.

Enforcement of penalties should be increased, however, not indefinitely. Increased enforcement should continue until a "change of phase" or long-term multidimensional and transdisciplinary change of all five social dimensions of development is created (economics, governance, knowledge/science/technology, ethics/morality and inspiration), whereafter it can be reduced.

#### CHANGING PERCEPTIONS

Such "change of phase" will be achieved when perceptions start to change, i.e. from the perception that "everybody does it", to being "afraid to do it". If the probability is high that a transgressor will be caught, the perception will change from awareness to prevention; and from compliance to performance.

To make such "change of phase" possible, the relation between penalties and the probability of detection should be in harmony. If penalties are increased, the probability of detection should be increased simultaneously and in proportion to the penalties.

When people know that they will be caught, they will think twice before engaging in corruption. However,



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increasing penalties without increasing the probability of detection will not deter corruption.

Penalties and risks should be linked to the benefits (gains/spoils) of/from corruption after deducting the costs (i.e. the costs of the bribe or kick-back, the risks of being caught, the loss of status, position and income). A fixed penalty increases the demand for higher bribes, but as long as the threshold of the benefits are more than the costs, corruption will remain worthwhile.

#### References

**Rose-Ackerman, S. 1999. Corruption and Government: Causes, Consequences, and Reform. Cambridge: Cambridge University Press.**

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