

Outdated strategies

Nixon's abandoning of the Bretton Woods principles, his intensifying of the war on drugs and deregulation of financial markets opened up vast areas of corporate and gangster criminal activity.

For example, some pharmaceutical companies abused the ignorance of locals in developing countries to claim patent rights of indigenous originated drugs (knowledge) to make mountains of money. These companies also abused vulnerable people, like the homeless, unemployed and drug addicts, to test the effect of chemically produced drugs before releasing it on the market.

The impact of dichlorodiphenyltrichloroethane (DDT) is another example of corporate criminal activity over decades that caused human and ecosystem destruction although the impact was known for years. Despite reliable evidence indicating the failure of the war on drugs for decades, the developed world as misled by the USA continued with their counterproductive efforts to fight drug related criminal activity with ineffective strategies. These efforts included increased policing, regulation, litigation and sentencing offenders without addressing the problem. Overcrowded prisons and locking up thousands of productive young men succeeded in creating more, much more ruthless drug trafficking networks than those that had been disrupted (Woodiwiss).

Organised crime is only possible if the vast profits from it can be legalised in the grey world of offshore banking havens, such as the Cayman Islands and Aruba.

These havens connect respectable companies in the developed world through intermediaries such as lawyers and facilitators. They provide credibility for legalising money in the form of setting up paper companies, buying properties and investing in stock markets. Lawyers act on behalf of their customers who pay a premium for facilitating and managing such risks on their behalf.

As long as corporate and financial crime is perceived as less damaging than organised crime, citizens will remain endlessly vulnerable.

Disguised as legal companies and professional associations, corporate criminals operate according to "the book", within the law, but unethical and detached from their obligations towards the vulnerable in society, the poor. For example, international auditing companies audited Lehman Brothers, Enron and Parmalat that according to them, complied with best practice corporate governance principles, and gave them spotless "health checks" before these companies collapsed. These auditors and other professionals created false



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impressions of these corporate giants and defrauded shareholders and customers, including pensioners from their hard-earned money.

'FAT CATS' PLAYING MUSICAL CHAIRS

In Namibia, within the context of poverty, the enormous board fees paid by State Owned Enterprises (SOEs) to board members is a disgrace to the poor. Such fees sometimes amount to almost half a million Namibian dollars per year, e.g. Namport board fees paid to board members during the 2013 and 2014 financial years.

The poor do not have the means to make a decent living, as is their right in terms of the Constitution. However, society tolerates those board fees. Some Chief Executive Officers sit on several boards, with very limited concern about possible conflict of interest. While some board members are playing musical chairs, they are neglecting their obligations towards the institutions that employed them on a permanent basis.

Board members are obliged to steer SOEs to the best of their abilities, as required in terms of "fairness, accountability, responsibility and transparency on a foundation of intellectual honesty", constituting their fiduciary obligations (King).

Complying with auditing and corporate regulations provide no guarantee that the 85 SOEs in Namibia are not wasting resources and mismanaging those institutions.

To comply with the law, is no guarantee for not neglecting their social responsibilities towards the most vulnerable in society, e.g. the homeless, the poor, the unemployed, the orphans and the street children.

The mediocre to below standard performance of most SOEs as opposed to their remuneration of board members does not auger well with Namibia's gross inequalities, e.g. in income distribution. From the discussion, it is possible to conclude that current strategies to manage corporatocracy and organised crime as well as reducing inequalities in society, need a radical change in mindset and calls for moral and transformation leadership.

• References
King, M. (2006). *The Corporate Citizen*.
Woodiwiss, M. (2005). *Gangster Capitalism. The United States and the Global Rise of Organised Crime*.
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