The Impact of Corruption on Development: A Comparative Developmental Perspective.
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## ABSTRACT

*Corruption has attracted increased and intensive consideration in discourse on development in recent years. Beyond being an ethical problem, corruption is also a governance and development challenge.*

*To contextualise the impact of corruption on development, a comparative analysis of the outstanding development characteristics of developing as opposed to developed countries of 16 internationally accepted indices has been conducted. From analysing the indices, overall patterns emerge that demonstrate that developing countries such as Namibia and Kenya, with relatively low scores in terms of development indicators, present more obstructions to development that act as co-producers of corruption compared to a developed country such as Norway, which has fewer such obstructions. Such co-producers and their interaction increase the level and complexity of corruption as well as magnify its impact on development. As the drivers of corruption take different forms, emerging obstructions are less dominant in developed countries and, given all other possible co-producers, corruption can be managed more easily compared to the situation in developing countries. To change a culture of corruption requires that the environment must be developed to make problems impossible to arise and to dissolve corruption as a complex problem situation.*

***Keywords:*** *Corruption; development; perceptions; co-producers*

# THE IMPACT OF CORRUPTION ON DEVELOPMENT: A COMPARATIVE DEVELOPMENTAL PERSPECTIVE

## Introduction

During the past two decades the debates around corruption and ways to contain it have acquired a new intensity and concentrated focus. Corruption has risen to the top of the development agenda. An example of this new intensity and focus is a bulletin of the Carnegie Endowment for International Peace dealing with Trade, Equity and Development published in 2002. In this document Peter Eigen (2002, p. 1), Chairman of Transparency International (TI), said that corruption is perceived not only as an ethical problem, but as a governance issue that has a direct impact on development. This focus on the consequences of corruption is one of the reasons why Robert Klitgaard (2008, p. 1-7), talked about a "holistic approach to the fight against corruption".

## Rationale

In the sphere of socio-economic and management studies, the concept of 'development' is normally associated with any improvement which enhances the capacity (ability) of an entity to perform its functions. The systems view of development defines the development of a social system as a learning and creative process "by which a social system increases its ability and desire to serve its members and its environment by the constant pursuit of truth, plenty, good, beauty and liberty" (Ackoff, as cited by Gharajedaghi, 1982, p. 54). The systemic definition of development moves beyond the enhancement of ability by pointing to the crucial role of human behaviour ('desire to serve') in a multidimensional development process.

In contrast, self-serving behaviour is the hallmark of corruption (Coetzee, 2012, p.16). Corruption is thus the antithesis of a 'desire to serve', as specified in the systems definition of development. Corruption is also the antithesis of integrity (Spies, 2003, p. 9), because a breakdown of integrity means a systemic breakdown. Corruption breaks down integrity and can be defined as "an impairment of integrity, virtue or moral principle; depravity, decay, and/or an inducement to wrong by improper or unlawful means, a departure from the original or from what is pure or correct, and/or an agency or influence that corrupts" (Merriam-Webster Dictionary, 2010). However, the World Bank (WB) defines corruption as the use of "public office for private gain" (World Bank, 1997, pp. 9-10). This is one of the most commonly used definitions of corruption within the public domain. In the 2007 publication the WB still maintains the definition of the 1997 publication, but when read in context of the whole publication, the definition acknowledges the complex nature of the phenomenon (World Bank, 2007, p. 434).

The expanded definition of the WB distinguished between "isolated" and "systemic" corruption (World Bank, 1997, p. 9-10). Isolated (or accidental) corruption is described as "rare, consisting of a few acts, it is straightforward (though seldom easy) to detect and punish". In this case non-corrupt behaviour is the norm, and public and private sector institutions support integrity. Both formal and informal systems are strong enough to return the system to a "non-corrupt equilibrium". Systemic corruption, on the other hand, is pervasive or entrenched; it is a condition where corruption is routine between and within the public sector, companies or individuals. Formal and informal rules "are at odds with one another". Corruption may be illegal, but in this case it appears to be routine in transactions with government or business. Equilibrium prevails where incentives for corruption are very attractive for companies, individuals and public servants – attractive and difficult to resist because of a high likelihood of success in a supportive corrupt environment, also called a "systemic corruption trap" (Coetzee, 2012, p.10).

In such a supportive corrupt context, allegations and perceptions as reported in the media and by word of mouth are critical. What is of importance is not whether the reported allegations and perceptions are indeed the truth, but the perception that it exists in society. Where there is no evidence for the validation of perceptions, the problem is that, if such perceptions are not cleared fully and without doubt, for example, by the media and courts, they create a culture in which people doubt the integrity and morality of leaders. Such behaviour is in itself a co-producer of corruption as a general (systemic) community practice. Unfounded rumours are an indication of a breakdown of the moral fibre and trust of a society. Limited trust in society encourages the forming of cliques and/or pacts that create their own subcultures of self-righteousness within which they justify corruption.

**Complexity of corruption**

Obstructions to development and their impacts also act as key or primary drivers of corruption. When anyone of these obstructions and/or their impacts interact, such interaction function as a secondary (and more complex) driver of corruption (Gharajedaghi, 1982, p.63). Impacts cannot be separated from co-producers, because all impacts also act as co-producers of corruption and vice versa. The impacts and the co-producers are so intertwined that it is not possible to analyse and/or categorise them due to their complex relationships and interactions. For instance, poverty can act as a co-producer of corruption. However, corruption can also co-produce poverty. And both poverty and corruption can impact on each other as well as on development. Poverty is also a complex problem situation. If two complex problem situations form a 'knot', each with its own components that interact, the complexity and impacts increase exponentially. For example, the complexity of poverty and corruption increases. From the above explanation, it can be concluded that corruption is both a systemic and complex problem situation.

There is an interdependence of co-producers, impacts and manifestations of corruption. There is a recurrent relationship between the impact of co-producers and the manifestations of corruption. Co-producers can impact on corruption and their impacts can, in turn, also act as co-producers. This double-loop interrelationship amongst co-producers, impacts and manifestations is a knot or tangle that represents the complexity of the problem of corruption. The emerging interactions between the various impacts that also act as obstructions to development are of greater significance than just the impact of corruption on social systems. The more these obstructions are created, the bigger the opportunity for them to interact, the more severe their impact will be and the more complex the task of 'dissolving' them becomes.

Measuring the impact of corruption can be useful for developing and prioritising change-management strategies. However, developing reliable indicators to measure social harm is challenging. As evidence of corruption tends to disappear and because of privacy challenges, most impact studies of corruption are perception studies. To increase the validity and reliability of such studies, they should be followed up with empirical studies and/or actual examples and cases that reflect reality. Perception indices are normally representative reflections of reality and are arrived at neither on the basis of a rigorous methodological approach nor a well - tested theory. However, perception indices in this paper are representative of the key drivers of development (of any society) as will become clear under the next heading that deals with the methodological approach. Perception indices can be subjective and their validity can be questioned by development recipients (in developing countries) as not necessarily giving an indication of the most appropriate development indicators. However, perception indices about development, developed by developing countries, such as the African based Mo Ibrahim Index on Good Governance and Corruption and the Afro-Barometer Survey executed by Africans in 35 African countries in 2012, correspond with development indices generated by developed countries.

**Methodological approach**

The description in this paper of the problem of corruption in some developing countries is in itself a methodological element which highlights systemic corruption as the unit of analysis. The research methodology applied is systems thinking, and specifically a 'soft systems approach' (SSA) (Checkland, 1981) to systems thinking. SSA is aimed at tackling complex real-world problematic situations and the two best known applications of SSA are Checkland's (1981) soft systems methodology (SSM) and Ackoff-Gharajedagi's 'social systems methodology' (Ackoff, 1999; Gharajedaghi, 1982 and 1999). Both of these approaches to complex problem research are useful, but the social systems approach is especially suitable because it focuses on outlining a multidimensional context to study factors that may obstruct social development. In particular, idealised design and (participative) interactive planning are two facets of social systems methodology that are most relevant for the study of systemic corruption (Ackoff, 1999). Idealised design focuses on an appropriate framework that can be used and contextualised to dissolve complex systemic corruption, while interactive planning is a process design for involving stakeholders in the planning process. Idealised design starts with the premise that it is of little value to remove or prevent particular discrete problems when you are faced with a complex problem situation in society. The environment must be changed in order to make the emergence of such a problem situation impossible to occur (Gharajedaghi, 1982, p. 30) – that is to dissolve complex problem situations such as corruption.

In order to contextualise the impact of corruption on development, a comparative analysis of the outstanding development characteristics of developing as opposed to developed countries based on 16 internationally accepted indices has been conducted. These indices were categorised in terms of the Ackoff-Gharajedaghi Five-Dimensional Design (Gharajedaghi, 1982, pp. 6-11) of development (subsystems). These subsystems and/or key drivers of a society and what their purpose should be in any society may be outlined as follows:

- *economic* – providing services and products equitably, free from poverty, and from discriminating and constraining regulations;

- *scientific/knowledge/technological* – creating knowledge sharing, understanding, insight and wisdom, free from theoretical and paradigmatic exclusiveness;

- *political* – promoting participation, inclusiveness, good governance and tolerance in a transparent and legitimate environment;

- *ethical/moral/spiritual* – creating peace and harmony, free from religious fundamentalism and ethical intolerance; and

- *aesthetic/inspirational* – stimulating innovation, inspiration, entrepreneurship and creating hope for a better future.

Obstructions to development emerge if any one or more of the above - mentioned key drivers (of a social system) are prevented to contribute to development (Gharajedaghi, 1982, p.63), and their interactions (co-producers) create more complex obstructions to form a web of interrelated corruption problem situations.


**Perception indices**

The next section provides a comparison of the outstanding characteristics that co-produce corruption problem situations in developing countries such as Namibia and Kenya compared to the situation in a developed country such as Norway, as summarised in Table 1. Norway was selected because it is ranked number one on the Human Development Index (2011) and the Democracy Index (2011). These indicators reflect perceptions about some of the key drivers of development, and corruption is a developmental problem situation. Kenya, which is ranked 154th (out of 183 countries) and given a score of 2.2 out of 10 (with 10 being a perfect score for good governance) on the Corruption Perception Index of Transparency International (2011), was selected because it can be perceived as one of the more corrupt developing countries compared to Namibia, with its ranking of 120th (with a score of 4.4), as one of the less corrupt developing countries.

**Table 1: Outstanding development characteristics of developing as opposed to developed countries**

| General | Norway | Namibia | Kenya |
|---|---|---|---|
| Demography: | | | |
| Populations, total both sexes, 2011/2 (thousands) [a] | 4,924.8 | 2,324.0 | 41,609.7 |
| Population, urban, 2011/2 (% of population) [a] | 79.8 | 38.6 | 22.5 |
| Human development, 2011/2 (rank out of 187 & score) [a] | 1 (0.943) | 120 (0.625) | 143 (0.509) |
| Stage of economic development (factor driven, efficiency driven, innovation driven) [c] | Innovation | Efficiency | Factor |
| Corruption Perceptions Index (CPI), 2011 (rank out of 183 & score, 0=highly corrupt, 10=very clean, most countries < 5) [b] | 9 (9.0) | 57 (4.4) | 154 (2.2) |
| Most problematic factors for doing business: Corruption (from 15 factors, rank & % of total responses) [c] | 14 (0.3) | 4 (11.2) | 1 (21.2) |
| Diversion of public funds to companies, individuals or groups: (due to corruption, 7=never occurs) [c] | 5.9 | 3.7 | 2.6 |
| Global competitiveness, 2011/2 (rank out of 142 & score,7=highest) [c] | 16 (5.2) | 83 (4.0) | 102 (3.6) |
| Time required to start a business (number of days) [c] | 7 | 66 | 33 |

| Health: | | | |
|---|---|---|---|
| Malaria incidence (cases per 100,000 population) [c] | Not endemic | 1,698.5 | 31,027.8 |
| HIV prevalence 2009 (% of adults aged 15-49 years & rank) [a] | 0.1 (21) | 13.1 (136) | 6.3 (132) |
| Judicial independence (1=heavily influenced,7= entirely independent) [c] | 6.3 | 4.9 | 2.9 |
| **Economic subsystem** | **Norway** | **Namibia** | **Kenya** |
| Income: | | | |
| GDP per capita US$; GDP (PPP) as share (%) of world total, 2010 [c] | 84,444 (0.35) | 5,652 (0.02) | 809 (0.09) |
| GNI per capita PPP, 2009 (current international $) [d] | 54,880 | 6,350 | 1,570 |
| Inequality: | | | |
| Income Gini coefficient (out of 1, the higher, the more skewed) | 0.258 [c] | 0.600l | 0.477 [c] |
| Loss due to inequality in income, 2011/2 (%) [a] | 10.6 | 68.3 | 36.0 |
| Loss due to inequality in education, 2011/2 (%) [a] | 2.2 | 27.8 | 30.7 |
| Loss due to inequality in life expectancy, 2011/2 (%) [a] | 3.7 | 21.1 | 34.1 |
| Development outcomes: | | | |
| Improved water source, 2008 (% of population with access) [d] | 100 | 92 | 59 |
| Index of Economic Freedom, 2011 (free, mostly free, moderately free, mostly unfree, repressed) [e] | Moderately free | Moderately free | Mostly unfree |
| Macroeconomic environment (rank and score; out of 7=highest) [c] | 4 (6.4) | 63 (4.9) | 117 (4.0) |
| Efficient markets: | | | |
| Goods and market efficiency, labour and financial (rank) [c] | 31-18-5 | 71-57-36 | 80- 37-26 |
| Infrastructure (rank and score, out of 7=efficient by international standards) | 35 (4.9) | 58 (4.2) | 103 (3.1) |
| **Scientific / Knowledge / Technology subsystem** | **Norway** | **Namibia** | **Kenya** |
| Education: | | | |
| Public expenditure on education, 2011/2 (% of GDP) [a] | 6.8 | 6.4 | 7.0 |
| Expected years of schooling, 2011/2 (of children under 7 years) [a] | 17.3 | 11.6 | 11.0 |
| Mean years of schooling, 2011/2 (of adults over 25) (years) [a] | 12.6 | 7.4 | 7.0 |
| Education Index, 2011/2 (expected and mean years of schooling) [a] | 0.985 | 0.617 | 0.582 |
| Combined gross enrolment in education 2011/2 (both sexes, %) [a] | 96.9 | 71.2 | 66.7 |
| Higher education and training: | | | |
| Rank and score (7=highest) [c] | 15 (5.5) | 113 (3.2) | 94 (3.7) |
| Extent of staff training (1=hardly any, 7=to great extent) [c] | 5.4 | 4.2 | 4.0 |
| Quality of management schools (1=poor, 7=among best in world) [c] | 5.0 | 3.1 | 4.6 |
| Quality of scientific research institutions (rank and score, 1=very poor, 7=the best in their field internationally) [c] | 28 (4.7) | 83 (3.4) | 53 (4.0) |
| University industry collaboration (rank and score, 7=extensively) [c] | 22 (4.8) | 78 (3.5) | 49 (3.9) |
| Technological readiness (rank and score,7=highest) [c] | 7 (6.1) | 99 (3.3) | 98 (3.3) |
| **Political subsystem** | **Norway** | **Namibia** | **Kenya** |

| | | | |
|---|---|---|---|
| Democracy, 2011 (rank out of 167 and score, all countries: full democracy, 15%; flawed democracy, 31.7%; hybrid regime,22.2%; authoritarian regime, 31.%) [j] | 1 (9.80) Full | 68 (6.24) Flawed | 103 (4.71) Hybrid regime |
| Political environment, voting and the political process: | | | |
|     Electoral process and participation, 2010 (0=lowest, 10=highest) [j] | 10.00 | 5.25 | 3.92 |
|     Functioning of government, 2010 (0=lowest, 10=highest) [j] | 9.64 | 5.36 | 4.29 |
| Public trust of politicians (7=highest) [c] | 5.7 | 3.7 | 2.0 |
| Freedom in the world, 2010 (political rights and civil liberties) (free, partly free, not free) [h] | Free | Free | Partly free |
| Worldwide Press Freedom Index, 2011 (good situation, satisfactory situation, noticeable problems, difficult situation, very serious situation) [i] | Good situation | Good situation | Noticeable problems |
| **Ethical / Moral / Spiritual subsystem** | **Norway** | **Namibia** | **Kenya** |
| Civil liberties and engagement: | | | |
|     Civil liberties, 2010 (0=lowest, 10=highest) [j] | 10.00 | 8.24 | 5.29 |
|     % who voiced opinion to public officials, 2008 (% of total) [k] | 31.0 | 23.0 | 23.0 |
| Transparency of government policymaking (7=highest) [c] | 5.2 | 4.4 | 3.8 |
| Access to information: | | | |
|     Open Budget Country Score, 2010 (0=lowest, 100=highest) [f] | 83 | 53 | 49 |
|     Exemptions to disclose (0=lowest, 5=highest) [g] | 3.3 | 1.7 | 1.7 |
|     Sanctions for failure to disclose, 2010 [g] (unweighted average: 0=No, 1=Yes) | 0.3 | 0.0 | 0.0 |
| Reliability of police services (7=highest) [c] | 6.0 | 4.6 | 3.2 |
| Extent of cost on business by organised crime (7=not at all) [c] | 6.4 | 5.3 | 3.8 |
| Ethical behaviour of companies (7=highest) [c] | 6.3 | 4.4 | 3.4 |
| Efficacy of corporate boards (7=highest) [c] | 5.5 | 4.8 | 4.3 |
| Strength of auditing and reporting standards (7=highest) [c] | 6.0 | 4.7 | 3.7 |
| Level of peacefulness, 2012 (the lower the score the more peaceful) [n] | 1.480 | 1.804 | 2.252 |
| **Aesthetic / Innovation subsystem** | **Norway** | **Namibia** | **Kenya** |
| Sustainable well-being: | | | |
|     (well-being x life expectancy)/ecological footprint [m] | (7.6x81.1)/4.8 | (4.9x62.5)/2.0 | (4.3x57.1)/0.9 |
|     Rank (out of 151 countries) 2012 [m] | 29 | 96 | 98 |
|     Health and gender: | | | |
|     Live expectancy at birth, 2011/2 (years) [a] & 2008 (years) [d] | 81.8 (81) | 62.5 (61) | 57.1 (54) |
|     Under-five mortality rate, 2011/2 (per 1,000 live births) [a] | 3 | 48 | 84 |
|     Adolescent fertility rate, 2011/2 (births/1,000 women aged 15–19) [a] | 9.0 | 74.4 | 100.2 |
|     Maternal mortality rate, 2011/2 (deaths of women/100,000 live births) [a] | 7 | 180 | 530 |
| Slum annual growth rate % & slum population 2005 (thousands) [o] | Not applicable | 2.9 (239) | 5.9 (9,620) |
| Proportion of urban population living in slum area 2007 (%) [p] | Not applicable | 33.6 | 54.8 |
| Distribution of households by shelter deprivation (all slum types) 2005 (%) [p] | Not applicable | 33.9 | 54.8 |

| Distribution of households by type of residence (area with 25% or less slum households, and area with 75+% of slum households) 2000-2005 (%) [p] | Not applicable | 74.6 (2.5) | 44.6 (11.6) |
|---|---|---|---|
| Capacity for innovation (rank & score; 1=licensing/ imitating foreign companies; 7=formal research & pioneering new products & processes) [c] | 17 (4.5) | 102 (2.6) | 47 (3.3) |
| Utility patents granted/million of population (rank & number) [c] | 15 (81.4) | 0 (90) | 0 (87) |

Note: 'Rank' refers to position of a country out of all countries for which data were available.

Sources: [a] United Nations Development Programme (UNDP), (2011); [b] Transparency International (2011); [c] World Economic Forum (2011); [d] World Development Indicators (2008); [e] *Wall Street Journal* and Heritage Foundation (2012); [f] Open Budget Index (2010); [g] Public Accountability Mechanisms (2010); [h] Freedom House (2012); [i] Reporters Without Borders (2012); [j] Economic Intelligence Unit (2012); [k] Gallup (2008); [l] Sims & Koep (2012: 141); [m] Happy Planet Index (2012); [n] Institute for Economics and Peace (2012); [o] UN-HABITAT (2007); and [p] UN-HABITAT (2011)

From Table 1 above it can be deduced that, in developed countries such as Norway the economy is innovation driven compared to developing countries, where it is factor driven, such as Kenya, or efficiency driven, such as Namibia. Namibian income distribution is highly skewed and there are high levels of inequality. Corruption is listed in Kenya and Namibia as one of the 'most problematic factors' for doing business. Keeping all other variables constant, excessive regulations and corruption co-produce delays in the number of days it takes to start a business in Namibia and Kenya compared to Norway.

Turning to scientific/knowledge/technology, it is evident that considerable differences exist between expected and mean years of schooling in developed compared to developing countries. This has an effect on productivity, quality of labour and staff training. Combined gross enrolment in education is between 25 and 30 percent lower in the two developing countries than in Norway. As a result of major differences in technological readiness between developed and developing countries, and limited collaboration between research institutions and industry, Kenya and Namibia are weak in terms of technological application.

Focusing on politics, it can be deduced that the political environment and processes differ between developing countries compared to developed countries. For example, Norway is classified as a full democracy, Namibia a flawed democracy and Kenya a hybrid between a democracy and an authoritarian regime (Reporters Without Borders, 2012). The electoral process and voting are rated substantially higher in Norway compared to the two developing countries. In Norway and Namibia there is a high level of public trust in politicians. The implication is that there is no substantial demand from voters in Namibia for politicians to reform inefficient and ineffective public sector systems.

Turning to ethics/morality/spirituality, it can be deduced that civil society in developing countries, such as Kenya and Namibia, is less inclined to express their opinion to public officials, and government policy making is less transparent compared to developed countries such as Norway. What is morally acceptable is determined by the political group in power, which often represents only one, or the biggest, ethnic group. The prevalence of activities of organised criminal groups and police services that are less reliable than those in developed countries increases the probability that developing countries, for example, Kenya, are less able to maintain law and order. Within this context, companies in developing countries, for example, Kenya and Namibia, behave less ethically, the efficacy of their corporate boards is lower, and auditing and reporting standards are also lower than those of developed countries such as Norway.

Focusing on aesthetics/innovation, it can be deduced that fewer years of schooling and a lower quality of education and staff training in developing countries, such as Namibia and Kenya, partially explain the lower capacity for innovation and utility of patents granted compared to developed countries such as Norway. There is a big difference in life expectancy at birth, under-five mortality and the maternal mortality rate in Norway compared to Kenya and Namibia. Sustainable wellbeing as measured by [(wellbeing x life expectancy) / ecological footprint] demonstrates a substantial difference between Norway compared to Kenya and Namibia. As an indicator of quality of life, it can be deduced that sustainable wellbeing is substantially higher in developed countries than in developing countries. The proportion of urban populations that live in slum areas

and the annual growth rate of slums are substantially higher in Kenya than in Namibia. Slums are not an issue in Norway. More than half (55%) of urban Kenyans live in slums, as is evident from Table 1.

The next section focuses on emerging obstructions (key drivers) and interactions (co-producers) in developed and developing countries.

**Scenario of emerging obstructions and interactions**

The democratisation process in developing countries that gained independence from their colonisers created power vacuums during the transition process. Radical change in power relationships on all levels of society took place. Such vacuums co-produced a frantic struggle for political supremacy. Discontinuity emerged during the transition process when institutional experiences and memory vacuums or fault lines were created. The implication is the opening up of opportunities for maladministration, fraudulent practices and systemic corruption. Because of inherent weaknesses of colonialism (such as complete disregard for human rights and dignity), traditional cultures (associated with autocratic leadership) and liberation movements (that can be associated with violence), neither colonial nor traditional regimes nor liberation struggles prepared leaders for an evolutional restructuring of society based on good governance. In many developing countries an autocratic leader emerged who stifled all opposition, for example Daniel arap Moi of Kenya, Mobuto and Sese Seko of Zaire and Hastings Banda of Malawi (Russel, 1999). This means that people were powerless (absolutely excluded) and power was centralised (skewed) by the ruling elite. Coetzee (2012, p.137) stated that immoral leaders excluded people from participation and decision making, and illegitimate governments were created that did not represent the will of the people (co-producing insecure futures). Systemic corruption is an inevitable outcome of transformation processes in developing countries where moral and strategic leadership fails. In developing countries, there is a close relation between transformation, failed moral leadership and systemic corruption (Coetzee, 2012, p.137).

Economically, absolute poverty and a skewed distribution of income and consumption in developing countries are connected with insecurity of the poor and jobless, who do not know if they will have access to resources essential to survive (Coetzee, 2012, p.138). The privileged elite, who operate by means of pacts and have access to the factors of production, as a result of their connections with the ruling elite and/or being part of the business elite, do not have empathy for the vulnerable poor or a desire to alleviate their desperate conditions. Formal society is apathetic towards their needs. Such marginalised groups form their own groups (alienation), they position themselves for survival and have limited options other than to steal for survival (Coetzee, 2012, p.138).

The abject poor in developing countries such as Kenya and Namibia do not have equal access to schools and tertiary institutions. For example, those in rural areas may have under-qualified teachers, cannot afford school fees and need to walk long distances to school. The implication is that such children are less competitive in finding jobs and securing an income in the formal economy and/or to become entrepreneurs. They seek outcomes such as nationalisation of state assets and land grabbing (for example what happened in Zimbabwe under the rule of Robert Mugabe), and are vulnerable to radical demagogues who propagate populist ideologies (for example statements by Julius Malema in South Africa about the possible nationalisation of mining) and who can see the potential usefulness of the lack of competencies among the uneducated, i.e. the future is bleak and their hopes are dim.

Although it is not evident from the data in Table 1, the study by Coetzee (2012, p. 139) deduced that the poor in developing countries may have the power to vote, but not the power to rule and/or to set the agenda of the legislative process after elections. The political elite use them like pawns in a chess game. After securing their support with rhetoric before the election, they ignore their plight after the election. The ruling elite enrich themselves and forget about the poor until the next election. The poor have almost no choice but to survive under desperate conditions in squatter camps and slums, where lack of sanitation contributes to diseases such as diarrhoea and tuberculosis (Coetzee, 2012, p.139). Such conditions represent the antithesis of a quality or aesthetic lifestyle. In this sort of existence in an unsafe environment where gangs, violence and organised crime are common, they struggle to secure their human dignity, to live meaningfully and to live fulfilled lives. Such desperate conditions of unemployed people with no hope to improve their future or those of their children can contribute to xenophobia towards refugees and emigrants, who compete with them for jobs and income;

this is what happened in South Africa some years ago, for example, with xenophobic attacks against an estimated 3 million Zimbabwe refugees (Coetzee, 2012, p.139) as well as the 2015 xenophobia attacks against foreigners, not only Zimbabwe refugees.

Emerging obstructions enforce each other in a recurrent feedback process where unexpected outcomes start to surface. Self-serving groups, such as cronies and gangs, secure an existence in the jungle of social decay and unique behavioural rules create the route towards a failed and corrupt state (for example, Somalia). In stark contrast to the disadvantaged in developing countries are the privileged (for example, political, business and religious elites), who perceive their entitlement as a natural right (even a divinely determined destiny, as in the Dutch Reformed Church in South Africa during *apartheid*) to secure special treatment in power relationships on all levels of society (Coetzee, 2012, p.139).The Dutch Reformed Church justified and supported *apartheid* as their God given right, based on their interpretation of the Bible. Dr Malan, leader of the National Party, prime minister of the Union South Africa in 1948 and one of the founding members of *apartheid,* was also a reverend of the Dutch Reformed Church (Muller, 1980, p. 477), illustrating the interrelatedness and interdependency of the political regime and religious elite. The behaviour of the elite is unlimited and unrestricted, because there are very limited and ineffective checks and balances. Such behaviour aggravated the initial situation of unbalanced development and under such conditions the state penetrated by corruption, is driven by its self-made processes which it cannot cure or release itself from – corruption strengthens further corruption.

In developed countries the system dynamics follow a direction different from those in developing countries. Corruption also occurs, but its magnitude (size of bribes) can be on a much bigger scale and also much more sophisticated and difficult to detect, for example, the crisis in the financial services sector that started in 2008. The drivers of corruption in such countries can be different – for example, greed and a hunger for power, as demonstrated in the avarice of some bankers in the United States (Coetzee, 2012, p.138). The subversive network structure of mutually self-serving relations is similar to that in developing countries. For example, in addition to bankers, others who participated in the white-collar crimes of the financial services sector include property agents and valuators, mortgage-processing agents, credit managers, insurance companies, accountants and auditors. The substantially larger size of developed economies, their ability to innovate, and their flexibility to adapt to rapid global changes allow developed countries to mitigate, absorb, adapt to and/or afford corruption more successfully than developing countries. Poverty, marginalisation and underdevelopment are much less of a problem or not a problem at all. The consequent impact on vulnerable groups is insignificant compared to developing countries. There are also more checks and balances in the economic and political (governance) systems, because they have had centuries of experience with improving economic  systems related to development outcomes such as water and the macroeconomic environment, and efficiency of markets and infrastructure  and political systems  such as democracy, voting and the political process The United States and the United Kingdom are two best practice case studies of sustainable reform over a period of 40 years that and still prevail (Coetzee, pp. 125-128). As the drivers of corruption are different, emerging obstructions are less dominant in developed countries (for example, the quality of life in Norway suppresses the likelihood of such obstructions emerging) and given all other possible co-producers, corruption can be managed more easily compared to the situation in developing countries (Coetzee, 2012, p. 139).

**Conclusion and recommendations**

Perception studies should be interpreted with caution, because they tend not to be arrived at based on a well tested theory or a rigorous methodological approach, and their validity can be questioned by development recipients as not necessarily accounting for the most appropriate development indicators. However, perception indices in this paper are representative of the key drivers of development. From analysing these drivers of development on the basis of 16 indices, overall patterns emerge that demonstrate that developing countries such as Namibia and Kenya, with a relatively low score in terms of development indicators, present more obstructions to development that act as co-producers of corruption compared to a developed country such as Norway, which has fewer such obstructions. Such co-producers and their interaction increase the level and complexity of corruption as well as magnify its impact on development.

The comparative perspective has been based on key assumptions and how they could determine structural and operational polarisation and corruption in both developed and developing countries. To change an environment

supportive of corruption in a developing country requires that the environment must be developed to make problems impossible to occur. In effect, this implies structural changes in the five drivers of a social system.

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