



Why should donors care about corruption?

Corruption is bad for donor business. Corruption reduces popular support for aid in donor countries. However, aid agencies should pay attention to corruption because it is the right thing to do, rather than just the smart thing to do. Donor anti-corruption policies require a strong grounding in ethics.

Corruption produces bad development outcomes. This is the reasoning largely underlying donor anti-corruption efforts. The focus on consequences of corruption makes donor anti-corruption efforts vulnerable to interpretation and manipulation, resulting in inconsistent, time-varying and fickle policies to combat corruption. An alternative would be to base anti-corruption policies on duty-based ethics, where corruption is wrong in and of itself.

This brief examines consequentialist and duty-based arguments against corruption. It also examines the claim that “corruption is acceptable where it is commonly practiced.”

Corruption has bad consequences

From a consequentialist perspective, an action or practice is ethically wrong if it has bad consequences. According to this perspective, one should pursue actions and practices that produce the best possible state of affairs, and conversely avoid actions and practices that prevent this state of affairs from being attained. From a consequentialist point of view, then, corruption is wrong if it has bad consequences.

Corruption is believed to reduce investment and growth, and to have a disproportionate effect on the poor. More generally, corruption may create serious distortions in the economy. In particular, corrupt officials distort public sector choices to generate large rents for themselves resulting in too many of the wrong kinds of projects. These observations are commonly used to justify donor anti-corruption policies.

Whether corruption actually has undesirable consequences, is an empirical question. A number of empirical studies on consequences of corruption have been conducted, reaching varying results. Micro-level econometric studies and case studies suggest that corruption can seriously reduce growth. Macro-level econometric studies, do not find a robust relationship between corruption and growth. Thus, there seems to be a disparity between micro and macro studies on the effects of corruption, making it hard to draw general conclusions.

Though it is likely that corruption has bad consequences, it is harder to prove causal effects and reveal the more complex interaction of factors that link corruption to development outcomes. There are alternative ways to interpret the cross-country variation in corruption and its relation to income. Mushtaq Khan argues that the cross-country correlation between the level of corruption and growth, does not capture the historical path of development for most nations. He therefore suggests that 'good governance – in the sense of less corruption and deeper democracy – is typically an outcome of successful economic development', rather than a precondition of growth.

The different theoretical views and partial inconclusiveness of empirical studies explicate some of the implications of using consequentialist arguments as a basis for donor anti-corruption efforts. Identifying the impact of corruption is an ongoing

process with a gradual accumulation of knowledge. There will be disagreements on how to weight and interpret findings. The untrained or ideological eye may give more credit to individual studies than their scientific quality merits.

The basic point is that policies based on consequentialism, must be based on empirical evidence. If this evidence is incomplete, or subject to error of interpretation, manipulation or fads, the result will be inconsistent, time-varying and fickle policies to combat corruption.

There are also more fundamental objections to a consequentialist approach to corruption. Consequentialism essentially implies that the end justifies the means. If evidence of good consequences emerged, a consequentialist approach would tolerate and even encourage corruption. Moreover, this perspective implies that you trade off different consequences. Bad consequences would be permitted if they were outweighed by good consequences. So in principle, a policy that leads to massive corruption could be justified if it leads to a marginal improvement for the poor. These are implications that go against the moral intuition of many.

Corruption is wrong in itself

Duty-based, or deontological, ethical theory takes a different approach. According to these perspectives, actions or practices are ethically right or wrong depending on characteristics of the actions themselves, rather than their consequences. Stated differently, duty-based theories argue that certain actions are wrong in and of themselves, irrespective of their consequences.

The best known duty-based theory is perhaps Kantianism. The test of whether an action is permissible under Kantian ethics is called the categorical imperative, one version of which is:

'Always treat the humanity in a person as an end, and never as a means only'

The interpretation of this is that one should refrain from actions that involve coercion or deception, and that one should act in a way that contributes to developing the rational and moral capacity of others. In simple terms, for the members of a society to be able to make moral decisions, one should not constrain their thought and action through force or deception, and one should enhance their capabilities for making moral and rational decisions.



Corruption is by its nature hidden, and therefore certainly involves a form of deception. Public officials abusing their position, deceive the public whose interests they are elected or appointed to secure. Firms that bribe public officials, are similarly complicit in deception of the public or of competing firms. Some forms of corruption, such as extortion of the private sector, also involve a degree of coercion. With a prevalence of hidden agendas and arbitrary decisions, the rationality of decision makers is also undermined. And since corrupt acts by definition means giving priority to the self-interested over the other-regarding, the ability of agents to make moral choices may also be impaired.

Within a duty-based perspective, one can thus argue that agents have a duty to refrain from corrupt acts. This duty is based on corruption being wrong in itself, not on adverse consequences. It entails absolute restrictions on behaviour, corruption cannot be tolerated or traded off for some other end. The above arguments only imply that participation in corrupt acts is wrong, so donors should take care not to be implicated in these types of acts. But do donors also have a duty to address the corrupt acts of others?

In the literature on rights, it is pointed out that for rights to be secure, there need to be correlative duties of two kinds: Negative duties not to violate rights through one's own actions, and positive duties to create and contribute to schemes of rights protection and fulfilment. Negative duties are universal, and correspond here to the idea that everyone has a

duty not to coerce or deceive others. Positive duties correspond to the duty to develop the moral and rational capacity of citizens and decision makers in developing countries. These positive duties fall primarily on developing country governments. However, where governments fail to fulfil these obligations, other agents, including the donor community, have a secondary duty to step in. To promote the ability of the population of corrupt countries to make rational and moral choices, donors should therefore support efforts to combat corruption.

In contrast to consequentialist accounts of corruption, the duty-based evaluation of corruption does not depend on empirical evidence. By implication, it provides a basis for a stauncher, more consistent position on corruption, which is less vulnerable to manipulation. These advantages notwithstanding, the choice of an ethical basis for donor anti-corruption may ultimately be a question of outlook. However, the consequentialist position that donors implicitly assume should at least be questioned, and the alternatives considered. Changing one's basic idea of why corruption is ethically objectionable, would also entail changes in priorities in anti-corruption policies.

Is corruption acceptable where it is accepted?

The argument is sometimes made that what is morally right depends on context. Corruption, it is suggested, is acceptable in countries where it is a commonly practiced or culturally permitted.

This is an ethically unsubstantiated argument. It is commonly accepted in

ethics that one cannot derive an 'ought' from an 'is', in other words, just because people act in a certain way, one cannot infer that they are right to do so. So existing cultural practices are not necessarily a good ethical guide.

In fact, they may in certain cases be a particularly poor one. Custom and practice is often defined and shaped by the powerful in a society, who may be more or less representative of and accountable to the population in general. The way in which a particular society works, can therefore reflect the interests of the rich and powerful rather than any reasonable conception of the common good. This is a particularly apt description of many countries with a high level of corruption, where the rules and practices have been expressly designed to allow the elite to siphon off society's riches. The relation between the customary and the morally right is therefore too flimsy to provide a defence for corruption.

These matters can also be discussed with more explicit reference to ethical theory. Consequentialist and duty-based theories have been criticized as being too demanding. These theories in principle demand that everyone be treated equal, that we afford everyone an equal standing in our moral calculation, or award everyone equal rights. They thus abstract from personal attachments or relations of any kind. This critique has given rise to communitarian ethics, which sees humans as partly defined by their relationships and the rights and obligations that go along with these. These commitments themselves form a basic element of personality. In other words, we are embedded in a social and



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cultural setting to such an extent that reducing the level of commitment to one's community would be similar to changing one's identity.

The implication of these arguments is that it may be permissible for us to give certain individuals preferential treatment, i.e. we may have special duties towards certain individuals that we do not have to others. For such preferential treatment to be legitimate, however, it must be given to people with whom we are in a certain kind of relationship, one that is an essential component of our identity. Only certain types of relationships therefore have moral significance. One version of communitarianism argues that the relationship or more generally the community in question be constituted by the shared beliefs of a set of people :

- i) they belong together,
- ii) their association is neither transitory nor instrumental,
- iii) their community has distinctive characteristics,
- iv) there is loyalty in the sense of willingness to sacrifice personal gain to advance the interests of the community.

By extension, practices that are essential to uphold relationships constitutive of our identity, must also presumably be permissible. So certain types of interaction may be ethically legitimate, though they do not take the interests of people outside the relationship or community in question into account.

A convincing case has yet to be made that corruption is a type of practice that would be morally legitimate by reference to identity-bearing relationships. Some types of corruption would certainly not be legitimate, such as embezzlement or extortion, as they do not affirm any type of essential relationship.

More generally, corruption is by definition an instrumental practice, and signifies the opposite of loyalty in terms of sacrificing the interests of a community for personal gain. Corruption is thus the antithesis to practices essential to upholding the type of community that is morally significant. Anthropological studies point out that corruption in Africa is partly driven by certain types of cultural logics, such as the logics of gift-giving. Though these types of cultural logics may be essential to local identities, this does not imply that

all the practices spurred by these logics are essential. The logics of gift-giving would and could presumably be pursued through other types of exchange. Communitarian ethics can also be criticized at a more fundamental level. The emphasis on relationships taking precedence over duties to others, certainly implies a breach of the principle of impartiality, which many see as a cornerstone of ethics. Importantly, those individuals that are not included in relationships and communities, suffer particularly from practices that affirm existing communities. And as we know, poverty is often related to discrimination and exclusionary practices, which implies that those in most need may be highly vulnerable to communitarian practices.

Conclusion

The fundamental legitimacy of donor anti-corruption efforts derives from the perspective that corruption is ethically wrong. It is unfortunate that the ethics of corruption is an under-studied area. More research on the ethics of corruption needs to be conducted to identify appropriate priorities in donor anti-corruption efforts.

Further Reading

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CMI Chr. Michelsen Institute
P.O. Box 6033 N-5892 Bergen Norway
e-mail: cmi@cmi.no

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