

ETHICS, CORRUPTION AND NATIONAL DEVELOPMENT

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Abstract

Every society should be governed by a national conscience/ethics. Its absence results in a corrupt, chaotic society. There are other far reaching and dire consequences. This paper points out such effects of `lack of ethics and how they reveal themselves. But more importantly, it emphasizes the benefits of ethical conduct and what being ethical involves. It strongly urges everyone to discard the 'here I am, send them attitude', but view themselves as a microcosm of the universe and act ethically in their little corner. The time to act was now!

Key Words: Ethics, Ethical conduct, national development, corruption.

Introduction

Humans are different from animals by virtue of human conscience. This conscience is implanted to guide human actions and inactions, as the case may be, and in all spheres of human lives. Societies are made up of humans and thus the society should of necessity have a conscience, a national conscience. No society can and should operate without a *national conscience and ethics*. This conscience is in secular terms known as ethics. Any nation lacking national ethics and values will at best be a doomed, chaotic society. It must be stated that such lack of ethics, reveal itself in various corrupt ways in different communities and their types range from rare, widespread to even systemic.

This article therefore intends to examine ethics in its different ramifications. Specifically, it traces the etymology of the word ethics. It also highlights what ethical behaviour involves, the importance and impact of ethical behavior, what constitutes unethical behavior and the effect of such behaviour to society.

Etimology of Ethics and Definition of other concepts

It has been observed that the word ethics comes from the greek word 'ethike' (techne) and is concerned with good behavior or conduct of a person in an institution or community when exercising duties or functions, irrespective of whether such institution is public or private (Namala, 2013). Since ethics lacks a single, universal though, individuals and communities have proffered various definitions. For instance, Bennet (2014) saw ethics as the moral standards one relies on when making a decision, defining what is right and wrong. The Standardized Swahili Dictionary (2004) defines the word ethics as a good trend, issues of justice, equity, good teaching. It would not be

presumptuous to say that such standards and rules should guide ones daily activities. A Wikipedia source adds that ethics is an internal code that governs an individuals' conduct, ingrained into each person by family, faith, tradition, community, laws and personal mores.

Eborah (2016) in a broad sense saw ethics as the moral principles that govern a persons' behavior or the conduct of activity. In clear terms he perceived ethics as a response to sense of decency, respect for rules of good, relationship, compliance with natural laws, upholding the consideration of moral justice, putting oneself in others position, practicing a spirit of 'live and let live'. To be sure, such ethical issues would doubtless include the right and duties between company and its employees, suppliers, customers and neighbours, as well as the fiduciary responsibility to shareholders.

Thus, a careful scrutiny of the diverse definitions of ethics would reveal that ethics, also known as values establishes standards of proper behaviour cutting across all areas of human endeavour. On the flip side of the ethics coin is corruption. Transparency International (2018) defined corruption as 'the abuse of entrusted power for private gain.' Of course such gain could be either financial or non-financial. It could also vary in level from 'minor use of influence to institutionalized bribery. Marriam Websters dictionary provides series of definitions of the word corruption to be 'dishonest or illegal behavior especially by powerful people (such as government officials or police officers), [depravity](#); inducement to wrong by improper or unlawful means (such as bribery), the corruption of government officials.

Development has to do with growth or directed change. Thus, national development is growth of a nation in various areas. National development is the ability of a county or countries to improve the social welfare of the people by providing social amenities like quality education, portable water, transportation infrastructure, and medical care. However, various things can affect this growth or progress. One of such is ethics or lack of it thereof. Corruption becomes rife in a society where ethics is lacking.

Forms of corruption

The World Bank (1997) provided two main forms of corruption, namely *state capture and administrative corruption*. State capture is said to be the action of individuals, groups or firms both in public and private sectors, which influence the formation of laws, regulations, decrees and other government policies to their advantage as a result of illicit and non transparent provisions of private benefits to public officials. Administrative corruption is said to be the intentional imposition of distortions in the prescribed implementation of existing laws, rules and regulations to provide advantages to either government or non-government actors as a result of the illicit and non-transparent provision of private gains to public officials.

Others also classify corruption as petty (need based) and grand (greed based). Petty corruption is found where public servants who may be grossly underpaid depend on small kickbacks from the public to feed their families and pay school fees. Not that it is justified, if you ask me. Grand corruption on the other hand involves high officials who make decisions on public contract. These ones shift government expenditures to areas in which they can collect bribes easily. Large and hard to manage projects, such as, airports or highways make fraud easy.

Various reasons have been adduced for the prevalence of corruption. Idise (2011) saw corruption as being caused by:

- Great inequality in distribution of wealth
- Political office as the primary means of gaining access to wealth;
- Conflict between changing moral codes
- The weakness of social and governmental enforcement mechanisms
- The absence of a strong sense of national community (Bryce, 1921)
- Poor reward system
- Greed
- Peer, community and extended family pressures
- Polygamous households
- Weak cultural values
- Ineffective taxing systems
- Distortions in policy and regulatory regime and the institutions of restraint
- Very low rate of direct foreign investment. For instance, Idise (2011) said that in a recent study of corruption index revealed that a two-fold increase in the level of corruption is equivalent to raising the marginal tax rate by over 20 percent, and a one percentage point increase in the marginal tax rate reduced foreign direct investment by as much as five percent. Truly, no business has resources to waste.
- Has negative impact on economic growth and reduces public spending on education.
- Poor ethics has a major impact on the bottom line of a business. Many legal issues have arisen with people seeking compensation for losses suffered due to unethically misinformed, misguided and bad decisions made by individuals or organizations.
- Loss of national pride and credibility among the committee of nations.

Ethical and National Development

Honestly, exhibiting ethical conduct is always a win-win situation. The results of compliance are huge and beneficial. They might be intangible at first, but they are appreciable in the long run (Eborah, 2016).

Bennett (2014) highlighted that having high moral ethical values benefits individuals, businesses and nations in the following ways:

- A higher moral within your employees and the organization
- It helps to attract new customers
- It builds higher customer loyalty
- It reduces the risk of negative press or backlash caused by doing “the wrong” things
- It helps to make a positive impact on the community
- Enhances sustainable business and corporate governance
- Values are a source of success for the development of other sectors of the social, political, economic or cultural life (Nyerere in Namala, 2013)

Corruption and National Development

Idise (2011) provided his views on the effect of corruption when he said that corruption has reached a cancerous proportion and has a demonstrably negative impact on the development process in the African region. Other effects include that it restricts economic development, reduces social services and diverts investment in infrastructure, institutions and social services.

Corruption wastes skills of experts who instead of channeling knowledge on development issues lose it on various committees aimed at fighting corruption. Corruption is obviously a major blockade to sustainable development, with especial effect on poor communities.

Corruption is costly. For instance, Daniel Kaufman, the Global Governance Director of the World Bank Institute stated that a “conservative approach to such measurement gives an estimate for annual worldwide bribery of about US 1 trillion dollars” – a colossal amount one would agree!

World Bank (2011) provided the following insights:

Corruption impacts societies in a multitude of ways. In the worst cases, it costs lives. Short of this, it costs people their freedom, health or money. The cost of corruption can be divided into four main categories: political, economic, social and environmental.

On the political front, corruption is a major obstacle to democracy and the rule of law. In a democratic system, offices and institutions lose their legitimacy when they're misused for private advantage. This is harmful in established democracies, but even more so in newly emerging ones. It is extremely challenging to develop accountable political leadership in a corrupt climate. Economically, corruption depletes national wealth. Corrupt politicians invest scarce public resources in projects that will line their pockets rather than benefit communities, and prioritise high-profile projects such as dams, power plants, pipelines and refineries over less spectacular but more urgent infrastructure projects such as schools, hospitals and roads. Corruption also hinders the development of fair market structures and distorts competition, which in turn deters investment.

Corruption corrodes the social fabric of society. It undermines people's trust in the political system, in its institutions and its leadership. A distrustful or apathetic public can then become yet another hurdle to challenging corruption. Environmental degradation is another consequence of corrupt systems. The lack of, or non-enforcement of, environmental regulations and legislation means that precious natural resources are carelessly exploited, and entire ecological systems are ravaged. From mining, to logging, to carbon offsets, companies across the globe continue to pay bribes in return for unrestricted destruction.

Further results of unethical behaviour

Some dire scenarios arising from unethical behaviour range from the most simple to the life threatening:

- i. Creative accounting – resulting to deceit of shareholders and investors
- ii. Earnings management
- iii. Misleading financial analysis
- iv. Insider trading
- v. Securities fraud
- vi. Bribery and kickbacks
- vii. Facilitation payments
- viii. Forex scams
- ix. Harrassment
- x. Fraud
- xi. Misuse of company time and resources for personal gain. One report says that it costs companies billions of dollars each year, averaging about 4.2 hours lost weekly of stolen time as well as abuse of internet services.
- xii. Lying with malicious intent or to reach goals or reap rewards or avoid assignments, or negative issues to gain status.
- xiii. Dubious and misleading adverts which encourages individuals to develop potentially life threatening actions, attitudes and addictions.
- xiv. Poor hiring/employment procedures that puts square pegs in round holes because of ‘whom you know syndrome’.
- xv. Loss of lives that result because some doctors and nurses are too lazy to read patient case files before administering treatment, or unable to understand written reports.
- xvi. Collapsed and ‘mungo park’ educational standards, institutions and infrastructure, resulting to graduating unqualified, half-baked students because of ‘let my people go’ system.
- xvii. Collapsed buildings and structures due to poorly trained engineers and dishonest contractors.
- xviii. Poor security, whereby even security agents become ‘killer agents’ against innocent citizens who cannot afford ‘roger tax’ on the highways.
- xix. Miscarriage of justice where the innocent become the guilty party and are prosecuted, while the really guilty ones are freed on a ‘plea bargain’.
- xx. Death of innocent citizens, including children due to fake drugs and other substandard products.

Components of ethical conduct

Beyond just talking about unethical conduct, this paper will also point out those areas that exemplify proper ethical behaviours to adopt. Culling from and sharing the view of Bennett (2014) which captures the essence of ethical conduct:

Honesty

You need to be honest in all of your actions, and every communication you make. When people see you making honest decisions, they start to trust your company because you are not only being truthful, you are being upfront and candid. People appreciate the fact they can take you at your word, as customers only ever do business with those they trust. Being an ethical executive means you do not deceive others by misrepresenting the facts, overstating and exaggerating or only giving partial truths. If you've inadvertently given the wrong impression, provide the relevant information to your customers and correct their misunderstanding as soon as possible.

Integrity

Being ethical in business means maintaining a high level of personal integrity. This is how you earn the trust of others, whether they are your customers, team or your superiors. In this definition integrity means having a consistent character that is demonstrated by an alignment of your thoughts, words and action. Sometimes it requires you to have moral courage to do the right thing, and it takes inner strength to live up to mistakes and admit when a fault has been made. Despite a great pressure to do otherwise, ethical business managers live by a moral code they believe in, principles to maintain and they fight for their beliefs – without sacrificing their honor for the sake of just getting a job done.

Keeping Your Promises

Your word is one of the most important tools in your arsenal as a business manager. Keep every promise that you make, and always fulfill a commitment. The trust you build as an ethical executive means people like doing business with you, as you take every reasonable effort to fulfill not only the letter, but the spirit of the promises and commitments you have made. Do not ever twist your words to rationalize or get out of contracts, or justify why it is okay not to comply with a commitment. Just do what you said you were going to do. Talk about your word being your bond!

Loyalty

You need to be loyal to your company, your team and yourself, while operating within a strong moral compass. If you demonstrate your loyalty it builds trust, and shows that you place a high value on advancing the interests of both the company and your colleagues. You should not ever place loyalty above your other principles, or use it as an excuse for unethical behavior. Demonstrate your loyalty but always make an independent judgment, and never use information that you have gained in confidence for your own personal advancement. Steer clear of conflicts of interest, and if you ever decide to leave your company, do it on the best of terms. Give reasonable notice, respect any information that was gained in your former employment, and never engage in activities that take advantage of a previous position that was held.

Fair

In all of your actions, you must strive to be fair and just. An ethical executive is committed to fairness in all that they do, and do not seek to exercise their power for an

unfair advantage or use indecent methods to gain a competitive edge. They also never take undue advantage of another person's difficulties and mistakes. Being an ethical executive means that you are committed to being fair, employ justice in your decisions and treat all people equally, with tolerance and acceptance of diversity. Being fair also means being open minded, admitting when they have made a mistake, and adjusting their beliefs and positions when it is appropriate.

Caring

This involves having a genuine concern for others, as well as a sense of compassion. An ethical business manager is caring, benevolent and kind to both customers and staff, and seeks to reach their goals while causing the least amount of harm and the greatest amount of good. Being caring means understanding that there will be an impact on every stakeholder following a decision, and they always consider the financial, emotional and long term business consequences of an action. They don't simply discount the needs of others.

Respect

Being ethical means treating everyone with respect, demonstrating this by being courteous and having an equal treatment of people regardless of who they are. Respect is given because everyone deserves dignity, privacy and rights, and they adhere to the rule that you must strive to treat others the way you would like to be treated.

Obeying the law

An ethical executive always obeys the law, and never breaks the rules, regulations or laws surrounding their business activities.

Excellence

Being ethical in business is also about pursuing excellence in everything that you do. Delivering the highest quality of service or products makes business sense, especially if there is a constant endeavor to always improve.

Being a Leader

You need to demonstrate the principles and ethics you want your team to live by, and take an active role as a leader to be a positive role model. The best way you can enforce an ethical mentality is to lead by example, and creating an environment within your business that values decisions made on principles and standards of ethics.

Morale

Ethical business managers enhance the good reputation of a company, which at the same time boosts the morale of its employees. The company reputation is very important, as well as the pride and morale of their employees. As an ethical business manager you need to avoid taking actions that undermine this respect, and they take action to correct any inappropriate behavior of others.

Accountable

Being ethical means holding yourself accountable, and acknowledging and accepting personal accountability for their decisions, and any consequences. Not just personally, but an ethical manager will stand up and take accountability in front of their colleagues, their company, and the community.

Holding yourself and your business to these standards will ensure you're not only covered against any wrongdoings, (if you follow these principles you cannot do anything wrong), but you'll impress customers and staff alike, and build a strong sense of trust with all of your stakeholders. This is the foundation that takes your company to the success that it deserves to reach!

Conclusion

It is usually very easy to point accusing fingers at others when discussing remedies to ethical and corruption issues by offering suggestions such as that government should strengthen institutions like Servicom, Independent Corrupt Practices and other related Offences Commission (ICPC), Economic and Financial Crimes Commission (EFCC), etc. One might as well add that organizations require employees to attend seminars regarding business conduct to include company policies, specific case studies and other legal requirements.

However, moving away from the 'here I am send them' attitude, this researcher is of the view that all of us here represent a microcosm of the society. To that effect, we should positively and ethically control our little corners of the world, even if we are the only ones. We are all linked in a chain, none of us should be the weak or missing link. Let us be committed to giving our one hundred percent.

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