BUSINESS ETHICS AND CORRUPTION
(TOWARDS A NEW ECONOMIC ORDER FOR THE NEXT 100 YEARS)

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1. **ABSTRACT**

At independence, most African countries were presented with an opportunity to chart new directions in their development agenda to improve the livelihoods of their people. The policy agenda of all African states at independence was mainly to fight ignorance, poverty and diseases. However, to date all African countries are still experiencing low levels of development characterised by high levels of poverty, unemployment, insecurity and general social and moral decay. All these developmental problems are partly blamed on bad governance and more particularly, misrule and high levels of corruption the continent is experiencing. Indeed, the case of Africa is one of a paradox in that although it is the richest in the world in terms of natural resources, it remains at the bottom of global governance and development prism.

In recent years, however, the situation has improved in a number of countries with various measures being taken to address the problem of corruption. Stakeholders in Africa’s development are increasingly utilising the concepts of corruption and governance as the basis of their actions. Similarly, policy makers and scholars are still actively seeking better ways to address these problems and deliver the continent to the earlier envisaged higher development path.

Today, we hope to explore the origins of corruption in Africa, its causes and effects and proposes practical solutions that can be considered to reenergize the fight against corruption to improve business ethics, governance, renew growth and revert the continent on a higher development path.
2. **INTRODUCTION**

“Without doubt, corruption has permeated the African society and anyone who can say that corruption in Africa has not become alarming is either a fool, a crook or else does not live in this continent”.

-Chinua Achebe, *The trouble with Nigeria*

*Corruption is worse than prostitution. The latter might endanger the morals of an individual, the former invariably endangers the morals of an entire country.*

Corruption is presently one of the major challenges facing the human race. The world over, corruption is increasingly being seen as a threat to human existence to the extent that some commentators have called for it to be recognized as a ‘crime against humanity.’ Indeed, corruption has been identified as the main obstacle to the realization of good governance, Sustainable Development Goals and Millennium Development Goals. It has monumental effect on the political, economic, social and cultural well-being of societies. In Africa, for instance, the Commission for Africa identified corruption as a central concern which negatively affects governance and development on the continent.

Africa continues to lag behind other continents. The grim situation of Africa can be summarized in the words of Rwekaza et al (2006) who observed that ‘while other regions increased per capita, raised literacy rates and improved healthcare, per capita income in Africa was roughly the same in 1990s as it was at independence in the 1960s’. Africa’s development has stagnated and declined significantly over the years, with nearly half of the continent’s population living on less than a dollar a day, thus representing 30 percent of the world’s poor in the 1990s and even the first decade of 2000. Africa persistently ranks at or near the bottom in global comparisons of social indicators. This state of affairs is mainly attributable to the culture of impunity, corruption and bad governance.

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3 See Transparency International ‘Millennium Development Goals are unreachable without commitment to fighting corruption’ Berlin, Germany, 14th September 2005.


6 Rwekaza M. et al (n 5 above)
The questions invariably confronting researchers, commentators and policy makers alike are; where did post-independence Africa go wrong in charting a new direction for her people? Can Africa reclaim its lost glory? Are political and other leaders in the continent committed and/or interested in addressing the vice of corruption?

The problem of corruption cannot be seen solely as an Africa problem. It is an import, nurtured, developed and entrenched in Continent of Africa. Therefore while corruption is a global challenge\(^7\), its effects are more manifested in Africa and other developing countries.

Consequently, it has been realized by stakeholders in the governance process that the cost of corruption is pernicious and that no society can survive its grip.

3. WHAT IS CORRUPTION?

Corruption is seen as a social, legal, economic and political concept. The definitions focus on one of several aspects of the phenomenon. Khan (2004)\(^8\) proposes that the various approaches of corruption can be placed into five groups, namely Public interest centered, Market centered, Public office centered, and public opinion centered and legalistic. Despite this proposition, corruption is defined in the context of a state–society relationship, where distinctions are made between political and bureaucratic corruption (Petty vs. grand); redistributive and extractive corruption (from below vs. above). More particularly and for the purpose of this paper, corruption is used to mean the “use of public office for private gain”\(^9\).

a) Origins of Corruption

Corruption is not a new phenomenon. Its origins can be traced to the origin of humanity. Others say it is among the oldest vices. Similarly, concern about it dates back many centuries. Kautilya, the Chief Minister to the king in ancient India, in his writing *Arthasastra* wrote in the fourth century BC that:

> Just as it is impossible not to take the honey (or the poison) that finds itself at the tip of the tongue, so it is impossible for a government servant not to eat up at least a bit of the King’s revenue. Just as fish moving under water cannot possibly be found out either as drinking or not drinking water, so government servants employed in the government cannot be found out (while) taking money (for themselves).

\(^7\) Evidenced in global scandals such as the Enron case in the United States, Goldenberg and Anglo Leasing in Kenya, Lesotho Highlands Water Project, recent political awards in the UK and the Elf case in France.

\(^8\) Khan M M.: “Political and Administrative Corruption: Concepts, comparative Experiences and Bangladesh Case”, Transparency International

In the recent past, corruption has attracted a lot of interest across the world. One would then ask why this renewed interest. Is it that there is more corruption now or that the world was less concerned about it in the past?

This renewed interest can be attributed to a number of factors, among them, the increased democratic space as most governments have since embraced democracy, which makes it possible to discuss corruption freely and highlight it especially where press freedom and a robust media exist. More attention is being given to governance the world over, while people are generally more enlightened on issues relating to corruption. In addition, scandals involving top officials across the world and the resultant suffering inflicted on the people have also to a large extent contributed to the renewed interest by the international community which now views corruption as no lesser threat to humanity than terrorism, drug trafficking and genocide.

b) Causes of Corruption in Africa

The root causes of corruption vary from place to place depending on the political, social, economic and cultural circumstances. In Africa, some of the identifiable causes of corruption include the negative colonial legacy, poor leadership, politics of the belly, omnipotent state, greed and selfishness, clientelism and patronage nepotism, absence of popular participation of the public in government, weak institutions of governance, lack of accountability and transparency, lack of political will, weak ethical values, centralist nature of the state and concentration of state power, weak judicial system and constant insecurity and conflicts.

Despite the myriad factors that contribute to or cause corruption, in the case of Africa, the deep seated governance problem seems to explain why the continent is viewed as very corrupt.

At independence most African states, and by extension leaders, preoccupied themselves with ‘politics of survival’ using military coups or other means to consolidate power through de-jure or de-facto one party states which guaranteed them security of tenure but which they also used to propagate their so called development agenda for the nation. This only worked to perpetuate neo-colonialism, exploitation of the people and resentment of any dissenting voices. Nepotism, ethnicity, race and other factors became key considerations in the allocation and application of national resources. Individuals in high offices in both the public and private sector used their power and influence to amass wealth to the detriment of the common person. This coupled

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10 Rwekaza M. et al (n 6 above), 2006
with insensitive donor programmes, created and sustained bad governance, entrenched corruption and impunity and increased poverty levels.

Generally, regardless of ideological persuasion, from the post independence era to date, Africa has produced few States capable of creating enabling environment for economic development. The states are not only guilty of unproductive interventions in the economy but also for retarded economic development through parasitic and corrupt activities that discouraged and made business success dependent on political connections. This led to the structural adjustment programmes (SAPs) of the 1980s geared towards restoring economic growth, restructuring the political-economic patronage system of the post colonial era, pursuing economic and political reforms and improving infrastructure.

While the effects of SAPs on the poor and vulnerable remain controversial to date, they contributed to expansion of democratic space, increased agitation for transparency and accountability from government, reforms of key governance institutions and improved service delivery. The challenge to the full realization the benefits of democratic governance remain weak systems and lack of political will among Africa leaders. Therefore effects of corruption and bad governance are far reaching.

In order to understand the pernicious nature of corruption, a brief assessment of recent events in Kenya will be useful.

c) Effects of Corruption in The Continent

There is abounding evidence in developing countries indicating that corruption negatively affects growth and development. In the words of Kofi Annan, the former United Nations Secretary General:

“Corruption undermines economic performance, weakens democratic institutions and the rule of law, disrupts social order and destroys public trust, thus allowing organised crime, terrorism and other threats to human security to flourish…And it is always the public good that suffers.”

The words of Hugh Bayley succinctly capture the effects of corruption in Africa, he says:

*Corruption is bleeding Africa to death and the cost is borne by the poor. Some estimates put money corruptly leaving the continent at greater than that arriving as aid. Much of the money is banked in Britain or our overseas territories and dependencies and sometimes British citizens or companies are involved in corrupt deals. We want our government to get tough on corruption.*

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11 Through inappropriate taxation policies, misallocation of foreign exchange, the undermining of distribution networks and the redistribution of property.


Corruption is an impediment to political, economic and social development, hinders administrative development and performance, impairs economic efficiency, leads to brain drain, discourages foreign investments, undermines effective utilisation of natural resources leaving the affected countries vulnerable and dependent on outside interests, subverts democracy, undermines the state legitimacy, leads to capital flight, increases and skews public expenditure on basic needs such as healthcare, education and infrastructure, leads to environmental degradation, erosion of social values, stifles local initiatives and enterprise and intensifies other social problems such as crime, unemployment, poverty and ethnicity.

Corruption also reduces the productivity of public investment and of the county’s infrastructure through misallocation of talent and other resources, reduces government revenue due to tax evasion resulting in high taxation of the public and reduces a country’s competitiveness at the international level, particularly, with regard to trade, currency stability and investment. These consequences have the overall negative distortion on a country’s development.

The effects of corruption have been more evident in Africa than any other continent, a fact that has made a commentator to state that:

Few would quarrel with the assertion that corruption in Africa has damaged development objectives, undermined long term economic growth, increased poverty, and contributed to the continent’s declining position in world trade.

The situation has deteriorated to the extent that whichever way one views corruption, it involves a violation of public duty or deviation from high moral standards in exchange for (or in anticipation of) personal pecuniary gains. Although the direct costs of corruption may be high in terms of lost revenue or funds diverted from their intended use, the indirect costs of the economic distortions, inefficiencies and waste resulting from corrupt practices are more problematic over the long term and thus make more difficult to address.

Corruption undermines democracy and creates state capture by the political elite. According to Kramer,

Corruption strikes at the heart of democratic polity, the rule of law and the twin principles that all citizens enjoy equal rights in a transparent political process and officialdom exists to promote the public will not self-aggrandizement. In essence, corruption fosters the ‘privatizing’ of government in the service of specific groups at the expense of the public interest.

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15 Africa receives the lowest share of the global Foreign Direct Investments (FDI) inflows due to corruption. According to Bjorvatn (2000: 1) the whole of Africa receives less FDI than Singapore alone.

16 A report of the Global Financial Integrity titled ‘Illicit financial flows from developing countries: 2000 – 2009,’ released in January 2011 conservatively estimate that a total of US$1.26 trillion of which 21.9% (US$ 0.276 trillion) is from Africa was flown out of developing countries in 2008. The Report states that the amount of money that has been drained out of Africa is far in excess of the official development assistance to African countries.

17 Corruption would lead to collapse of public investments or massive losses and further reduce the quality of roads, telecommunications, housing and sanitation among others.


The effects of corruption are felt more by the poor in society as has been documented in the World Bank Report of 2010\textsuperscript{21} and by Mullei and others in their book titled *The Link Between Corruption and Poverty: Lessons from Kenya case studies* that:\textsuperscript{22}

*Corruption and corrupt leaders both deepen poverty and make it difficult for ordinary people to get ahead as a result of their own efforts. There is increasing evidence that costs of corruption disproportionately affect the poor, who do not only suffer from lack of services and efficient government, but who are also powerless to resist the demand of the corrupt officials.*

This leads to public apathy, despondency and pessimism to the extent that in some African countries citizens have considered the possibility of their colonial masters recolonising them.

All of the above factors lead to decrease in national budget resources and to expenditure cuts. More often than not, lower revenues lead to disproportionately lower levels of spending on education, health care, family benefits and other social services, which would be beneficial to the public.

4. DEFINITION OF ETHICS

Before I get started, a short note on the words ethics and moral is in order. Some people like to make a distinction between these two concepts, arguing that ethics is about social values and morality is about personal values. As a practical matter, courses on moral philosophy cover the same material as courses on ethics. There is a long history of using these terms as synonyms of each other, regardless of their roots in different languages. In De Fato (II.i) Cicero substituted the Latin word morale for Aristotle’s use of the Greek word ethikos. We see the two terms defining each other in the Oxford English Dictionary. The word moral is defined as “of or pertaining to the distinction between right and wrong, or good and evil in relation to the actions, volitions, or character of human beings; ethical,” and “concerned with virtue and vice or rules of conduct, ethical praise or blame, habits of life, custom and manners”. Similarly, ethics is defined as “of or pertaining to morality” and “the science of morals, the moral principles by which a person is guided”.

Ethical behavior, in its simplest terms, is knowing and doing what is right. The difficulty is in defining “right.” Different individuals, different cultures, and different religions define it in different ways. The accepted treatment of women and attitudes toward slavery in different cultures and at different times in history provide prime examples of how what’s “right” can vary.

Many people would define ethics and morality as identical, but it is helpful to view them somewhat differently. Ethics are based on a set of social norms and/or logically coherent philosophical principles; morality is based


on a (usually broader) set of beliefs, religious and cultural values, and other principles which may or may not be logically coherent. Morality can, however, form the basis for an ethical system.

John Rawls, one of the most important ethical philosophers of the 20th century, makes a distinction between comprehensive moral systems, such as religions, which cover not only behavior, but such issues as humanity’s place in the universe, and less comprehensive systems, which cover the political, social, and/or economic spheres.

Even the meaning of “ethics” is open to interpretation. Some of the different ways that the term is defined:

A. *Situational ethics.* What’s right depends on the context of the situation. What’s right in one situation may be wrong in another.

B. *Cultural relativism.* Whatever a culture deems right is ethical for that culture. No one has any right to judge the ethics of another culture except on its own terms.

C. *Professional ethics.* Many professions – law, medicine, and psychotherapy are perhaps the most familiar, but the list is long and varied – have their own specific codes of ethics, which all members of those professions are expected to follow. Members of those professions are considered ethical in their practice if they adhere to the code of their profession.

D. *Value-based ethics.* The assumption here is that everyone has a set of values she lives by. A person is behaving ethically if her behavior matches her values.

E. *Rule-based ethics.* If you follow the rules – of your organization, your peer group, your culture, your religion, etc. – you’re behaving ethically.

None of the conceptions in this list is perfect, but these last two, in particular, have a glaring problem: not all value systems or rules reflect what is right, by most people’s definition. In the 1980’s, for instance, many people considered the ideas in Robert Ringer’s 1977 book, *Looking Out for #1* – which explains human

The general principles of the codes of ethics are largely similar across the various business societies and chartering authorities of the world, which further extend the code and publish specific guidance.

These are principles of trust, integrity, simplicity, agility and innovation and together act at the heart of business dealings and drive the way organisations work for the benefit of our people, customers, suppliers, shareholders and other stakeholders.
a) Why Practice Ethical Behavior

Most people would probably agree that people ought to be ethical (although there might be a lot of disagreement about what that means), but there are a number of good reasons why being ethical makes sense.

a. **Being ethical models ethical behavior to the organization and the community**

b. **It builds trust.**

c. **It brings credibility and respect, both for you and the organization.**

d. **Leads to collaboration.** Other organizations will be much more willing to collaborate with you if they know that you’ll always deal with them ethically.

e. **Creates a good climate within the organization.** If everyone in the organization knows that power will be shared and not abused, that they’ll be dealt with respectfully and straightforwardly, that they’ll have the power to do their jobs, and that the organization as a whole will operate ethically in the community, they’re likely to feel more secure, to work well together, and to be dedicated to the organization and its work.

f. **It is simply the right way to go.** Everyone has an obligation to themselves, to their organization, to the community, and to society to develop a coherent ethical system that seeks to make the world a better place.

g. **Ethical leadership affords self-respect.** Because you know that you consistently consider the ethics of your decisions, actions, and interactions, you can sleep at night and face yourself in the morning without questioning your own integrity.

An example of Sage’s Code of ethics handbook

**Responsible Employment**

The Sage Group plc currently employs circa 13,000 people around the world. It is vital that we treat all of our people fairly, respecting human rights and equal opportunities whilst maximising the talent, capability and performance of our people to benefit our business and ultimately the customer.

**Vision and strategy**

In all of our businesses, the organisation vision and strategy should be clearly communicated to our people and everyone should understand how their role and objectives relate to it.
Employee views

Sage listens and responds to views and opinions. In some of the larger businesses, this may be through formal and informal means including employee surveys, focus groups, intranets, meetings and one to one discussions. In some of the smaller businesses within the Sage Group, this is likely to be delivered through more informal routes, such as all company meetings, one to one discussions and team meetings. Our people will be involved in decisions that affect them whether as individuals or through consultation with representatives.

Grievance and issues

All of our businesses should operate processes that enable our people to raise grievances/corner's concerns and have these concerns fully investigated and resolved.

Diversity

All of our businesses should operate an equal opportunities policy that prevents discrimination during any aspect of recruitment or employment on grounds of gender, religion or belief, race, creed, age, disability, sexual orientation, ethnic origin or marital status. We aim to create an environment in which all our employees can develop their full potential. Valuing and promoting diversity across all of our businesses is an essential part of achieving that goal.

Health and safety

The Sage Group will do its utmost to provide a safe and healthy work environment, ensuring that local legislation regarding health and safety is adhered to.

Performance and reward

The Sage Group will ensure that in all operating companies there is a clear process for setting performance standards and expectations and for measuring and rewarding performance.

Work life balance

The Sage Group supports a positive work life balance for all our people. Cultural and legislative differences mean that this will be managed in different ways in different countries, but policies should be clear and well communicated to employees.

Talent

In every Sage operating company, there should be a route to recognise and reward talent as part of our talent strategy.

All of these topics should be delivered through policies and activities managed locally by Human Resources departments in every operating company.

Employee Conduct

Appropriate use of company resources

We expect all of our people to use company resources in a responsible and ethical manner. While incidental or occasional private use may be allowed with prior approval from a manager, you should not abuse resources provided to you in the course of your working role. Each location should have formal standards and policies to protect the company from potential abuse and associated risk. If in doubt check local policies or ask your manager.
**Intellectual property**

It is the Sage Group plc’s policy to establish, protect and maintain all commercial intellectual property rights and all employees must take steps to safeguard these. Commercially sensitive information must not be disclosed under any circumstances. Theft and misuse of trade secrets or proprietary information may result in criminal proceedings.

You should be aware and understand that all inventions, ideas and solutions devised whilst in employment are the intellectual property of the company. Whilst Sage actively encourages ideas and creative thinking in order to improve the customer experience, it is vital that our people understand that all work is the intellectual property of the Sage Group plc and the company has the sole ownership and use of it.

The Sage Group plc will also respect the intellectual property rights of others. When using logos, trademarks or other intellectual property, steps must be taken to ensure it is with the prior agreement of the owner and is correctly represented at all times. These obligations apply to all employees of Sage, including those who leave the company.

**Conflicts of interest**

You should not undertake any activities, financial interests or relationships outside your job that could represent a possible conflict of interest. It is recognised that our people may undertake legitimate financial and business activities in their own time, but these should not conflict with or damage the reputation of the Sage Group plc. Examples of conflicts of interest include, but are not limited to:

- selling business software or services;
- using the Sage brand for personal interests;
- directing company business to a friend or family member without going through a proper purchasing process;
- preferential recruitment or promotion of a partner, relative or close personal friend; and
- situations where a member of the family, the spouse or partner of an individual also reports directly or indirectly to an individual.

Operating companies should ensure that local procedures are in place for any potential conflicts of interest to be escalated to and, if appropriate, approved by, local management.

**Insider trading**

Insider trading or insider dealing means personally buying or selling stock of any company while in possession of ‘inside information’ about the company. Inside information is non-publicly disclosed information that could affect the share price of that company. Examples include, but are not limited to:

- a pending merger or acquisition;
- a major lawsuit or claim;
- an earnings announcement; and
- significant product development.
Insider trading is illegal, as is ‘stock tipping’ - disclosing inside information to a friend, relative or colleague to enable that person to buy or sell stock on the basis of the information.

Our people should not recommend or suggest the purchase or sale of Sage Group plc shares or the stock of any other company that they have inside information about. As a guiding principle, but not as a cover all, do not disclose any information marked ‘confidential’ or ‘internal use only’. If in doubt, always ask your manager or with the person who has issued the information.

Those identified by the Sage Group plc as potential ‘insiders’ have been issued with a separate policy in relation to their dealing in Sage Group plc shares. All employees however, should have regard to their own knowledge of the Sage Group plc’s affairs in considering whether they may be subject to these restrictions.

**Doing Business**

In the course of doing business with customers, suppliers and other third parties, we must behave with integrity and professionalism.

**Customers**

Customers are our main priority and all dealings with customers must be undertaken with honesty, integrity and openness. We will communicate in an accurate and truthful way to customers whether in advertising, marketing, PR or via direct communication. A promise made by any employee is a promise made by the Sage Group plc and must be treated as such. Customers must not be miss-sold products that are unsuitable for their businesses and contracts made with customers must be honoured. Customer data will always be treated with sensitivity and respect and must not be used for personal gain. All data is handled in a way that meets the requirements of data protection laws in the countries in which we operate.

**Suppliers**

We will seek mutually beneficial relationships with suppliers and recognise our position as a role model to SME businesses. As such, we will settle accounts promptly and efficiently. Contracts agreed with suppliers must be honoured.

**Gifts and improper payments**

Gifts of money, goods, services or other favours must not be asked for or accepted. Small tokens and reasonable hospitality may be accepted provided they do not place you under any obligation and will not be misconstrued. Any gift or hospitality of more than a token value must be reported to your line manager to determine if it may be accepted and you must comply with any other gift/hospitality rules in place in your operating company. You and your family should not accept anything that could damage our reputation.

The Sage Group plc’s Bribery and Corruption Policy (see below) also contains rules governing gifts, hospitality and entertaining and should be read in conjunction with this section.

In the course of doing business we will develop many relationships with third parties such as business partners who, at times, may be seen as representing the Sage Group plc. Through our relationship with these third parties, we should encourage them to reflect our ethical practices.
Bribery, corruption and fraud

The terms bribery, corruption and fraud are often used interchangeably but have different legal meanings in different jurisdictions. In general, bribery involves one person offering a financial or other advantage to another in return for some improper favour or advantage; fraud involves criminal deception by someone designed to gain a financial advantage and corruption refers to a wide range of different corrupt activities, such as extortion, dishonesty and abuse of office. Corruption may include activities which would also amount to fraud or bribery. The Sage Group plc has introduced policies and procedures designed to tackle these activities and more detail is set out below.

Bribery and corruption

We are committed to acting professionally, fairly and with integrity in all our business dealings, wherever we operate. Bribery and corruption damage business and Sage will have no part in such activity.

The Sage Group plc has introduced a separate Bribery and Corruption Policy setting out appropriate standards of behaviour for our business and procedures to help prevent bribery and corruption. You should refer to that separate Policy and ensure you comply with its requirements.

Fraud

Whilst having regard to the relevant aspects of the culture of those markets in which the Sage Group plc invests, it is of fundamental importance that the Sage Group plc does not enter into, or condone, any action that is contrary to local legal rules or its stated policies or practices. Where fraud is identified in any market, the Fraud, Bribery and Incident Investigation and Reporting Policy, which has been circulated separately, will apply. A strong internal controls environment is identified as the key factor in identifying and preventing fraud. Therefore in each market in which the Sage Group plc is established, a formal anti-fraud policy should be introduced which is consistent with the policies in this area adopted by the Sage Group plc, subject to any particular issues arising from local culture and practice. Local formal training on the fraud policy should be introduced for all employees and should include the steps to be taken by and required of Sage operating companies to combat fraud generally.

Compliance with laws

All our dealings must be in compliance with relevant legislation and local legal rules at all times. Sage cannot accept circumstances where any employee allows a situation to arise where our company may not be in full compliance with all applicable laws.

Expenses

Policies and forms for the claiming of expenses will be managed locally within operating companies. Any attempt to claim expenses for which individuals are not entitled will be thoroughly investigated and deliberate actions will be treated as fraud.

Preventing money laundering

People who are involved in criminal activity, such as bribery, fraud or trafficking narcotics may attempt to launder money through apparently legitimate businesses in order to use the funds from their criminal activity and reduce suspicion. Under law, acceptance or processing of money gained through criminal activity is illegal.
The Sage Group plc will deal only with reputable customers who are involved in legitimate business activities and whose funds are derived from legitimate sources. Our people are asked to raise concerns with the legal department if a customer's business appears to be suspicious.

Examples of unusual payment practices that might indicate money laundering include, but are not limited to:

- multiple money orders or travellers cheques;
- large amounts of cash;
- a cheque on behalf of a customer from an unknown third party; and
- reluctance to provide complete information or provision of suspicious information.

If you become suspicious, you should raise your concern immediately within our business and document all steps that are taken in relation to the payment/customer.

**Competition**

Anti-competition laws prohibit agreement between competitors to fix prices, limit supplies or act dishonestly in any other way. Sage is committed to free and open competition and we will compete vigorously, but honestly, while complying with all relevant competition and anti-trust laws, wherever we do business.

We are often asked about whether we can do anything about the effect heavy reseller discounting is having on our own sales and on those of other resellers, who complain about a heavy discounting reseller. The answer is no. If a reseller is undercutting another reseller's prices, or even our own prices, we cannot object. It is perfectly acceptable and is simple competition. If anything we do or try to do results in the prevention, restriction or distortion of competition which may affect trade, then it is anti-competitive behaviour whether intended or not. This means that:

- we cannot specify the price that resellers, distributors and other such third parties can charge for our products. We can only recommend a price and we should not get involved in debate with resellers about prices being charged by other resellers. However, predatory pricing is not permitted, that is, where a party deliberately lowers its prices to a level at which competitors cannot compete, in an attempt to squeeze those competitors out of the market.
- we cannot prevent resellers from selling to one another; and
- we cannot limit production or refuse to supply existing or potential resellers without objective justification for doing so, such as the fact that a reseller is in serious breach of its reseller agreement with us.
- Any attempt to do any of the above by direct or indirect means, would be anti-competitive and any discussion of doing anything like this (including all emails/ memorandums or letters on the subject) would have to be disclosed.
**Political contributions**

The Sage Group plc will not make political contributions unless approved by the Group Board of Directors. Political contributions can include cash, gifts, sponsorships, donations or benefits in kind and no Sage Group plc employee should knowingly make a political contribution on behalf of the organisation.

**Corporate Governance and Shareholder Communication**

The Sage Group plc is a public quoted company, listed on the London Stock Exchange. As such, we have certain legislative requirements to fulfil in our approach to business. Responsibility for business practice and legal compliance rests with the Group Board of Directors.

We also have an obligation to maximise the value we create for shareholders. This can be achieved through:

- proper financial controls, audits and reporting;
- creation and maintenance of proper and accurate business transactions;
- the safeguarding of all physical, financial and other company assets;
- timely, honest reporting of actual performance and of forecasts and assessments; and
- sound processes and controls.

**Company records**

All books and records must be kept in accordance with applicable laws and according to proper accounting standards, fully reflecting receipts and expenditures. This is to ensure the financial information we use within the business or for external publication is accurate and reliable.

**Communications**

Sage will communicate openly, directly and honestly with interested stakeholders and groups. Material information about our performance and prospects will always be published to the financial community at the same time so as not to advantage or disadvantage any particular organisation.

Matters relating to the “Group” must not be discussed with any member of the media (regardless of the publication) unless authorised or specifically part of your responsibility in your role. Your local PR department will co-ordinate all announcements, statements, press releases and responses to questions from the media and any enquiries should be directed to your PR department.

Published reports and information that we use to supply to regulatory agencies or any other bodies must be complete and not misleading in any way.

**Corporate Responsibility**

Every business impacts on society and the environment in some way. Sage is committed to minimising any potential negative environmental impacts and maximising the positive. Our Corporate Responsibility statement within the
Annual Report sets out minimum expectations and standards around managing our environmental impact, supporting community and charitable work, managing our responsibilities as an employer and maximising the positive impacts we have on the world of business.

Privacy

The Sage Group plc commits to protecting any personal information it obtains through the course of doing business and our people should understand the basis of legal rules surrounding the protection of data and how it may apply to them in their role. Specifically our people must:

- protect customer data and should not share it with any third parties;
- protect personal information relating to co-workers, suppliers or business partners;
- keep any such information secure.

When dealing with personal information, you should ensure business decisions are based on sound judgement and not personal information that could result in suggested discrimination. Please read and familiarise yourself with local data protection policies and, if unclear, speak to your manager to ascertain how it applies to you in your role.

Privacy while using company resources

Many locations, when allowed by local legislation, undertake monitoring of telephone calls to ensure high standards of customer service and so you should be aware that any call made on our telephone network may be recorded.

Sage offices also monitor the use of email and the internet. Local policies should exist to guide our people when using internet services and monitoring is in place to ensure that neither the Sage Group plc nor individuals are put at risk through inappropriate use. Such monitoring should always comply with legislation and must always be disclosed to employees through our policies and at induction. Services should always be used in a way that will not compromise employees or the organisation. Common sense and good judgement should be applied at all times.

Applying the Policy

Smaller operating company requirement

In writing and issuing Group policies, the requirements and relative size constraints of smaller operating companies have been considered. The relative size of the Code of Ethics could make it difficult for operating companies to understand the messages contained. A summary of responsibilities has been attached as Appendix A to this Code to outline the key requirements. All Sage operating companies are however expected to adopt and incorporate the Code of Ethics into their business.

References

It is expected that local operating companies will have relevant policies in place as set out in this Code and as summarised in the schedule of responsibilities in Appendix A.
Reference should also be made to other relevant Group policies as appropriate. The relevant Group policies in this instance are:

- the Bribery and Corruption Policy;
- the Fraud, Bribery and Incident Investigation and Reporting Policy;
- the Data Protection Policy;
- the Code of Remuneration Practice;
- the Health and Safety Policy; and
- the Corporate Responsibility Policy.

Publication
The Sage Group plc Code of Ethics will, upon approval, be published by the global team on the corporate group website. It is a policy requirement, to assist communication with all employees, that operating companies also publish the Code of Ethics locally. The method of this publication is to be determined by the operating company. Guidance can be obtained from the global team on local publication.

Reporting a problem
The Sage Group plc has committed to ensure all of our people have a route to highlight any instance of unethical behaviour. In each operating company this may be handled differently but the options include:

- grievance policies to ensure grievances are properly heard and where appropriate acted upon;
- access to senior directors to enable any employees to discuss concerns with members of the leadership team; and
- a confidential telephone line or internet service which enables any individual to anonymously raise concerns about an issue.

Whistle-blowing services, provided on behalf of the Sage Group plc, are available.

If you do not know how to raise an issue in your organisation, you should contact your local HR department in the first instance to clarify. Should, for any reason, the process still not be clear you should contact the Group Company Secretary, highlighting your concerns or the lack of process. Any issues raised with the Group Company Secretary will be treated in the strictest confidence.

Annual Declaration
In order to ensure that the Code of Ethics has been fully embedded within operating companies and to facilitate good business practice and corporate governance, an annual Code of Ethics Declaration is required to be completed by certain senior employees within the Sage Group. Employees identified as required to complete the declaration will be contacted individually.

The declaration asks employees to disclose any relevant business interests, benefits, responsibilities outside of the Sage Group, relationships with professional advisors and relatives or business associates employed by the Sage Group.

Completed declarations are required to be submitted to the Group Company Secretary who will review the information
provided to ensure that employees and/or the Sage Group are not exposed to any potential ethical issues. Information provided in the declarations will not be published and will be held securely by the Group Company Secretary.

5. REDRESS MECHANISMS IN PROMOTING BUSINESS ETHICS AND FIGHTING CORRUPTION

Fighting corruption requires a multifaceted and multidisciplinary approaches and strategies which target its political, economic, legal, administrative social and moral aspects. This requires coherent, consistent and broad based approaches with long term perspective especially in the business sectors. It is argued that fighting corruption is fundamentally about addressing poor governance rather than catching the crooks.23

**Busting the Myth that Corruption is a Victimless Crime**24

It must be acknowledged that corruption has disproportionate impact on the livelihood of the poor since it undermines the delivery of public services (health, education, water, houses and so on), diverts financial and other resources (that could have been used for development, job creation and poverty alleviation), weakens the capacity of the state to deliver effective services equally, undermines the credibility of the democratic system (citizens’ trust in government and the rule of law, government credibility in pursuing reforms in the wider public interest). This myth must be busted to indicate in no uncertain terms that the public, especially the poor, voiceless and vulnerable are the main victims of corruption. It must also be stated that corruption is a violation of human rights and crime against humanity.

The numerous conflicts in many parts of Africa can be attributed to corruption, whether it is in Zimbabwe, Kenya or Nigeria. Indeed, the recent ‘revolutions’ in Egypt and Tunisia have also been prosecuted in the name of poor governance and corruption.

**a. Reenergizing the fight against corruption the African continent**

i. Declare corruption a national disaster


24 Jack Selebi, the former police commissioner in South Africa, now convicted of corruption, said he found it strange that he was prosecuted because there was not victim of his corruption (William Gumede)
poverty and suffering among our people. All government of Africa must provide leadership in engaging a national, regional and international response to corruption through effective administration, prevention, education and enforcement. This could help to end the dangerous defensiveness, and in some cases denialism, with in some government and political circles, over the levels of corruption.

**ii. Generate and demonstrate sufficient political will to tackle corruption**

Political will is the ability to spell out clear anti-corruption policies and interventions and effectively implement them without fear, favor and regardless of who is involved. It is also seen in the ability, will and resolve of the political leaders to deal with the corrupt decisively whether allies, friends, families or colleagues. They must be able to set-up a special public enquiry to probe corruption scandals and act on the recommendations of the inquiry. This has a bearing on just how serious governments are when it comes to fighting corruption. Public confidence will only be restored when there is a proper investigation, prosecution and adjudication over corruption cases.

**iii. Strengthen the policy, legal and institutional framework to fight Corruption**

The UNCAC and the AU Convection on presenting and combating corruption spell out clear benchmarks and measures for the effective, prevention, education and enforcement. It is the responsibilities of state parties to ensure that these conventions are fully domesticated so as to tighten legislative gaps. Most countries have put in place some of these measures. Full implementation and citizens’ education, information, knowledge and engagement are of paramount importance.

**iv. Cleaning up the Political party system and machinery: the power of setting an example**

Political parties must be properly structured and well governed if they are to effectively champion the boarder public good. This requires that political parties adhere to established laws, rules and norms of society or a nation. Countries that have not put in place laws and systems to govern political parties to ensure fair and effective representation, regulate party funding, streamline party management, ensure transparency and accountability in managing party and national affairs and foster public interest must do so with the urgency that it deserves.

According to Gumede, the parties themselves must punish bad behavior of their leaders and members, legally, socially and politically, and reward good behavior. Only if that is done publicly, will government restore its moral authority to deal credibly with transgressions from ordinary citizens. This will help compel ordinary citizens to follow the rules. The parties must consistently bring in a new calibre or leadership at all levels –
more competent and more honest. A system of merit must be brought into the internal party elections. Candidates must be judged on the basis of competence, moral character and genuine commitment to public service.

v. Increase transparency, access to information

‘Open access to information provides a basis for government accountability and raises the barriers against capricious, self-serving intervention. Without accurate and detailed information it is difficult to assess company and board performance, set targets and allocate capital efficiently’25. Therefore as William Gumede argues, more transparency from government departments, state-owned companies and other agencies about their activities is required. Private companies’ and SOE payments to elected representatives, public servants, political parties and government departments must also be made public. Therefore all government must put in place freedom of information legislation to ensure that the masses have access to information about official business and on corruption and other ills affecting the society. This will go a long way in improving transparency and accountability in the conduct of public affairs.

vi. The importance of life-style audits and barring corrupt officials and business

The Anti-corruption agencies in all countries must be vested with responsibilities to conduct life style audits of public officers - all members of parliament, all party leaders, and public servants – so as to name and shame the corrupt, exposure corruption to the public and boost public confidence in the fight against corruption. In addition, corrupt officials and politicians must be prohibited from employment in the public sector. Corrupt businesses and individuals must also be barred from doing business with the public sector. Civil society, trade unions, social movements and NGOs must also shame and put pressure on corrupt business, so that they can feel the reputational effects of corrupt activities.

vii. Protection of whistle-blowers, witnesses and anticorruption fighters

As is attested by Gumede in the case of South Africa, to be a whistle-blower of corruption, whether in the public or private sector, is life-threatening in most countries in the continent. The perception is that whistle-blowers are more likely to be prosecuted than the corrupt individuals. This must change. Proper whistle-blower protection legislation must be put in place and more official action should be taken on the information provided by whistle-blowers – otherwise the system will lose credibility.

viii. Increase citizen activism and engagement in the fight against corruption
All countries should introduce citizens’ or community forums directly corresponding with departments to keep a watch over corruption and service delivery in departments and monitor the progress of complaints. In Kenya for example, the Muslims for Human Rights (Muhari), a community-based organisation, monitors the use of the budgets given to MPs to distribute as grants to their constituencies. There has to be a grassroots campaign against corruption: the masses must know the extent of corruption, the impact of its public service delivery; and how to monitor and report it, and the importance of holding their elected leaders and public servants more vigorously accountable.

ix. Set up independent anti-corruption institutions across the continent
Some countries already have dedicated agencies spearheading the fight against corruption while others do not. It is imperative that all governments set up independent anti-corruption agencies with sufficient powers and capacity to fight corruption. There is also need for effective oversight mechanism over such institutions to ensure that the ‘watchers are also watched’. The civil society, the private sector, and other watchdog bodies such as the parliament have a responsibility to demand transparency and accountability from the anti-corruption agencies on the implementation of their mandates.

It is imperative to strengthen the corruption fighting capacity of existing institutions dealing with corruption. This includes improving co-ordination and integration of anti-corruption work across government. All public institutions have a responsibility to fight corruption within them. This means they should mainstream and institutionalize corruption prevention and enforce public service codes of conduct and ethics and the anti-corruption laws. A multi-stakeholder forum should be created to bring on board all actors in the fight and to ensure that everyone engaged has adequate information, appropriate plans of action and reporting and feedback mechanism.

In addition, all governments should improve the enforcement of internal anticorruption controls within the state. This would include managing conflicts of interests better, improved screening of personnel, better performance valuation and making procurement systems more transparent.

x. Foster values that reject corruption
In the long-term, the best antidote to corruption is to foster the values of the constitution. The new value system must reward honesty and discourage dishonesty. Importantly, political leaders must also be seen to

adhere to these values. Civil society will have to play a role in shaming those leaders who maintain corrupt values and encouraging those who behave with integrity.

xi. Introduce merit into political system
Merit-based appointments to jobs in the public service, and in politics, will go a long way to reduce the patronage system of jobs for pals, which fosters the environment for corruption. It would be important to professionalize the public services of all countries where this has not been done. Performance agreements across government must be enforced. More transparent methods for appointments should be introduced, including making outcomes of decisions publicly available.

xii. De-ethnicise and de-racialise the corruption debate
The debate on corruption is often ethnicised—which undermines the fight against it. These tendencies must be eliminated to ensure that when leading public figures are charged with corruption, the process of investigation and prosecution are devoid of ethnic or sectarian accusations such ‘my tribe or race is being finished’. Shouting ‘my tribe or race is being finished’ for self-enrichment at the expense of the public good, or to deflect attention from individual wrongdoing is aiding corruption. What we should not do is, in our bid to debunk outrageous ethnic or racial generalizations, defend individual incompetence, wrong-doing and even corruption, just because the person happens to be from my tribe or race.

b. Widen and Deepen Anti-Corruption and Governance Reforms across the Continent
Some of the practical approaches and strategies would include the following:

i. Governance Structure
There is need to establish a governance structure that promotes good governance in Africa. The structure must conform to the dictates of the principles of constitutionalism, separation of powers and the rule of law. The structure should provide for checks and balances including the independence of the judiciary as this is one of the surest ways of ensuring transparency and accountability in the management of public affairs, law enforcement as well as good governance.

ii. Policy Reforms
African countries need to develop policies to guide the anti-corruption legislative and administrative actions and processes which would ultimately promote good governance. It is worth of noting that many African
countries are yet to develop anti-corruption policies or review the existing policies to bolster the fight against corruption.

iii. Legislative and Institutional Reforms
The African countries should strive to review their legal and institutional frameworks in order to make corruption a high risk venture with negative returns. The institutional reforms must target all institutions especially within the public sector to ensure that their operations are streamlined to enhance good governance.

iv. Political Reforms
Political reforms are critical if Africa is to address the problem of corruption and bad governance. This would entail putting in place measures to deal with the political structures and processes including the political parties. It is instructive to note that political parties remain the most popular and determinate method of capturing state power worldwide, Africa included. However, recent studies have shown a direct relationship between the management of politics especially funding and the level of corruption. Transparency International Global Corruption Barometer of 2010, for instance, found that political parties were viewed as the most corrupt sector. Given the role and place of political parties in the democratisation process in any country, there is need to initiate reforms to streamline their operations and ensure that they embrace good governance from the party level. This would also provide the much needed impetus to the anti-corruption process by assuring political will and leadership.\textsuperscript{27}

v. Establishment of Institutions Promoting Good Governance
These are institutions established to buttress the tripartite configuration of government with the goal of enhancing transparency, accountability and the rule of law, and hold the duty bearers accountable. Some of these institutions in contemporary world include the anti-corruption agencies, human rights institutions and election management bodies among others. Accordingly, African states could take advantage of the recent global trends by establishing and operationalising these bodies and cloth them with the necessary powers and independence to promote good governance.

\textsuperscript{27} The African Development Bank has noted that leadership is critical in fighting corruption especially the political leadership. They must set example and demonstrate the will to fight corruption and respect for the law. See the African Development Bank Proceedings for the Regional Learning Workshop on Combating Corruption in Africa, African Union Conference Centre, Addis Ababa, Ethiopia, January 2003, 10.
vi. Public Service Reforms

The public service in Africa including the operational framework should be reviewed in order to improve service delivery and enhance good governance. This would entail reviewing the terms and conditions of work, development and enforcement of governance instruments such as codes of conduct, and introduction of sanctions and rewards.

vii. Citizen Empowerment and Participation

Empowerment entails giving a voice to the people to determine issues that affect their lives. It enables citizens to expand their authority and control over resources and decisions that affect them. The key to empowerment and participation can be found in building knowledge base and skills for more effective participation and organisational capacity. In order to enhance governance in Africa, there is need to enhance citizen participation in governance and also institute and nurture social accountability mechanisms such as civic education, participatory budget making and analysis, participatory public expenditure tracking, citizens advisory and oversight boards, social audits, community scorecards, citizens’ charters and lifestyle audits.

viii. Civil Society Activism

The civil society has had profound impact on the political, social and economic development the world over. Nowadays, the civil society not only delivers development assistance, but also provides an alternative voice on various issues that affect human development. Indeed, the civil society has developed ‘soft law’ through formulations of guidelines and recommendations which in some cases have crystallised into hard law thus influencing domestic and international legal regimes. A study by Alexis De Toqueville, for instance, credited the strength of democracy in the United States to the proliferation and advocacy of many citizen oriented associations in the country. Similarly, a recent study on the relationship between civic participation and governance found high public conscientiousness and compliance with the rule of law by the governors in societies with active civic participation.28 The civil society resolve is informed by the statement of Woodrow Wilson that it is the citizens and not governments that can remove the shackles to the realisation of individual and collective liberties. In order for the civil societies in Africa to accomplish their goal, they need to be vigilant and proactively engage with the governors and the governed and formulate new approaches to promoting good governance, for example, through monitoring and evaluation of public projects and activities.

28 RD Putman in Making Democracy Work, 89; citing Democracy in America by Alexis De Toqueville, 513 – 514.
ix. International Co-operation

The transnational nature of corruption necessitates cooperation within and outside states. In the case of Africa, the member states have to cooperate to develop and enforce anti-corruption and good governance strategies and processes to make it difficult to engage in corruption or hide corruptly acquired wealth. In addition, the developed countries especially Western countries must cooperate with African countries and where appropriate assist in not only repatriating the looted wealth stashed in their countries, but also make it difficult for the corrupt to hide their loot in their countries.29 In addition, they must develop and enforce strict anti-corruption rules for their Multi-National Corporations operating in Africa.

x. Stakeholders Synergy

The fight against corruption requires the involvement of every stakeholder in society. Accordingly for African countries to succeed in addressing the problem of corruption, they need to harness the available resources and synergise the efforts of all stakeholders in the process.

c. Role of ICT in Abetting Crime

The pace of technology improvements, especially in the information and telecommunication technology, vastly outstrips the abilities of law enforcement to keep pace in terms of analyzing how criminals might exploit new technologies and how law enforcement might employ novel technologies in their investigations of organized crime. Criminals have found ways to employ technology to commit traditional forms of crime in enhanced or novel ways. ICT has globalized corruption through the transfer of illicit gains. The anonymity associated with ICT increases the difficulty of decoding encrypted messages. It provides safe, secure and rapid communication. It assists in document fraud.

There is, however, a shortage of trained personnel in law enforcement with information technology knowledge. The capabilities of law enforcement to investigate and conduct organized crime cases that involve a technology element vary widely across borders. When states cooperate in such investigations, their

capabilities are pooled together which speeds up the life of an investigation. An association can lay down the modalities of such cooperation.

d. Disparate Anti-Corruption Legal Frameworks in African Countries
The legal frameworks within which different the anti-corruption bodies of Africa operate are not similar. African states are not in the same wavelength in terms of anti-corruption efforts and commitment. It is therefore necessary for such bodies to create a forum or platform where they can periodically assess each other’s environments and identify weaknesses and loopholes. An association would be a very ideal mechanism for accomplishing this objective.

e. Disparate Institutional Capacities
Likewise, the anti-corruption bodies have varying strengths in terms of institutional capacity. It becomes necessary for them to seek assistance when a matter they have to handle is beyond their capacity or capability. In Africa, it is exceptionally important for the anti-graft bodies to assist each in crime investigation, owing to the prevalent lack of talent in various technical and professional fields. The anti-corruption bodies can consider establishing a common pool or reservoir of experts on various fields who would be called upon to assist on a case by case basis by the authorities. This kind of arrangement is best in a formal association arrangement.

f. Success of Cooperation in other Jurisdictions
Other continents and regions have successfully formed associations which have in one way or another improved their working environment. This shows that forming associations is the way to go. Key anti-graft associations bringing countries together in the fight against corruption include;

- The International Association of Anti-Corruption Authorities (IAACA), headquartered in China, was officially established in 2006. It has spearheaded efforts towards international cooperation against corruption.
- The East African Association of the Anti-Corruption Authorities (EAAACA) since its inception in September 2007 has bound the anti-graft associations of the five East African countries in a working relationship based on association and cooperation.
- The Stability Pact for Southern Eastern Europe, whose member countries have adopted an anti-corruption initiative known as Stability Pact Anti-Corruption Initiative (SPAI) through which the countries cooperate in the fight against corruption.
The reason why countries have mobilized to fight corruption is because corruption respects no borders, knows no economic distinctions and tends to affect all government bodies. No country can afford the social, political and economic costs that corruption entails. As such, the fight against corruption has moved to the top of the regional and international political agenda. Africa should not be left behind in this important development.

6. MECHANISMS FOR COOPERATION IN FIGHTING CORRUPTION

The creation of an association of African anti-corruption authorities should not be interpreted to mean that the individual institutions set up in the various countries cease to have their identity or impetus. There are numerous ways or mechanisms through which the envisaged cooperation can be realized. Some of these strategies include the following:-

a. Law Enforcement Cooperation

Many high profile cases of corruption involve a cross-border element; either where the suspects have absconded or they have transferred their ill-gotten gains to places outside the territory. It is imperative for law enforcement agencies to provide each other with assistance and information in relation to fugitive offenders and stashed assets, as well as assist in the recovery and repatriation of the offenders and such assets. Africa can have its own version of Interpol which can work within the framework of the association of anti-corruption bodies.

b. Experience & Information Sharing

As efforts to combat corruption increase, so does the need for information exchange and cooperation among the growing number of organizations involved in anti-corruption work. It is vital for the anti-corruption bodies of Africa to exchange information and ideas about the fight against corruption, evaluate existing strategies and develop new approaches.

c. Staff Training

Currently, training of staff to implement anti-corruption work is not coordinated in Africa. Countries tend to replicate each other’s training programmes. Very often, trainers sourced from overseas move from country to country replicating the same programmes for staff in each country. This can be done in a more organized manner if Africa could unite. There can be joint institutions where staff can attend o rotation and programmes
streamlined. Through exchanges in staff training, the countries can successfully establish an international liaison network which can further the unity objective.

d. Joint Operations
Anti-graft bodies can establish legal parameters on which joint investigations teams can be appointed in matters of cross border crime. Such an arrangement can be very helpful in cases such as tax evasion and smuggling across borders. A joint operation would not only speedily finalize the case but would also help in dismantling the criminal network involved.

e. Establishment of Specialized Cooperation Units
The anti-graft bodies can also set up specialist units to cater for the demand in of international cooperation and information exchange. Such units would maintain effective operational liaison with other anti-corruption agencies worldwide and share with them relevant experiences. Where necessary they could also coordinate investigative operations and assist in the apprehension of suspects. They would also be charged with convening regular meetings with the liaison persons of other anti-graft agencies.

f. Joint Secretariat
An association would, as a matter of course, have a joint secretariat. Such a secretariat can be headquartered in any one country identified by ballot, or can rotate periodically among the countries. The countries involved can enact a Convention to establish the association or parties can work within the framework of a constitution. The Association can be started by those countries that are willing, while membership remains open for those countries who warm up to the idea with time.

7. BENEFITS OF AFRICAN UNITY IN FIGHTING CORRUPTION
There is a lot to gain in forming an association of law enforcement agencies, especially those charged with fighting corruption. Some of the benefits that Africa stands to benefit by mobilising in the war against corruption include;

a. **Synergy:** When two or more agents or forces cooperatively interact or combine their efforts, the effect is greater than the sum of their individual effects.

b. **Harmony:** Cooperation ensures that efforts towards the same goal are not duplicated.

c. **Speed:** The investigation of complex cases of corruption, especially those involving cross border transactions would be expedited through cooperation mechanisms.
d. **Deterrence:** Cooperation in law enforcement increases the certainty of detection and punishment of offenders, which is a key deterrent to potential offenders.

e. **Conflict Resolution:** Many studies undertaken on corruption have always drawn a link between corruption and conflict, especially in Africa. Effectively combating corruption could be a crucial step towards establishing permanent peace in the Continent.

8. **WHEN AND BY WHOM SHOULD ETHICAL LEADERSHIP BE PRACTICED?**

Ethical leadership should be practiced all the time by anyone in a leadership position – whether that position is formal or informal, intentional or unintentional. There are no times when it’s more appropriate than others, nor are there people for whom it is more appropriate than for others.³⁰

There are definitely times when ethical leadership is more difficult than not – when there are hard choices to make, or when the right choice is clear but unpleasant (confronting a nice person who’s simply not doing his job, and making everyone else’s harder as a result, for example, or acting against your own self-interest). In fact, the difficult times are when ethical leadership is most important, because the stakes are high.

The stakes in ethical leadership may also vary widely, depending on the level and responsibilities of the leadership in question. Few directors of community-based organizations find themselves faced with the kinds of life-and-death decisions that may be experienced by national leaders, for instance. Yet their decisions can still have serious ethical and human consequences, even though those consequences may play out in a more limited sphere.

Ethical leadership is part – although by no means all – of the definition of good leadership. Being an ethical leader is a full-time job – it isn’t something you can put on and off at will. You either are or you aren’t, and if you are, you have to try to be one all the time.

Many situations or problems just don’t allow for simple solutions, or even satisfactory ones. A coherent ethical framework may not present you with a clear decision, but it will tell you what factors you must consider, and help you sort out which are more important. That process may still leave you with an array of choices, none

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of which seems totally acceptable. Ultimately, hard decisions are made not by ethical structures, but by people, who bring their ethical standards and their human feelings – as well as the opinions of others – into the mix.

Three necessary characteristics of a useful ethical framework are:

a. **Internal consistency.** Each of its principles should fit with all the others, rather than contradicting any of them.

b. **Proactivity.** It should tell you what to do, not what not to do.

c. **Dynamism.** It should be constantly reexamined and readjusted as your ethical thinking evolves.

Having such a foundation doesn’t make you an ethical leader, but it helps your development as an ethical person, a necessary characteristic for an ethical leader.

9. **ETHICS AND CORRUPTION SHOULD BE A TOPIC OF DISCUSSION**

Just as an ethical framework must be constantly reexamined, both the ethics of an organization and the ethics of everyone in it should be regularly discussed by all concerned. Everyone’s ethical assumptions, including the leader’s, should be open to questioning, and everyone should be willing to hear that questioning without defensiveness and to consider it seriously. Only by serious discussion of ethical questions, and being willing to examine your own ethical assumptions can you continue to develop your ethical understanding. It was mentioned above that an ethical framework grows out of all you learn and experience. If you extend that statement to its logical conclusion, it follows that your ethical framework continues to grow as you continue to learn and have experiences, and that process – if you’re consciously examining ethical questions – goes on throughout life.

In some ways, putting the greater good before your own can be thought of as the definition of ethical leadership, since it underlies so many of the other components. Leaders who sacrifice themselves for a cause or for others are often seen as heroic, but you don’t have to die in battle or go to prison – or fast as Gandhi and Cesar Chavez did – to qualify as an ethical leader. You simply have to be willing to put your ego and self-interest aside, and do what’s best for the organization or those for whom you’re responsible.

a. **Encourage the discussion of ethics in general and of the ethical choices involved in specific situations and decisions as an ongoing feature of the organizational culture**

Everyone in the organization should be accustomed to analyzing the ethical implications of a given decision or action, and deciding whether and how those implications should influence their approach.
b. Institutionalize ways for people to question your authority.

Unless the goal of your organization is pure profit, warfare, or world conquest – and perhaps even then – the chances are that autocratic leadership will be bad for you (you won’t get the feedback and information you need to become more effective and make good decisions), bad for those you lead (many will be unhappy and resentful, and may intentionally or unintentionally become less effective as a result), and bad for the organization (much of the input and creativity of staff other than you will be lost, and lack of ownership of decisions and philosophy on their part could lead to a less successful organization and lots of turnover.) All should have some share in decision-making – at least in areas that affect them directly – and should have at least enough power to do their jobs well without interference.

c. A word – actually more than a word – here about power and its uses:

Erich Fromm, in *Escape from Freedom* distinguishes between *power over* and *power to*. *Power over* is the ability to control other human beings, and to use them to achieve one’s own ends. *Power to* is the capacity to accomplish one’s goals without needing power over others. (That doesn’t necessarily mean without needing help, but it does mean that that help isn’t forced.)

*Power over* involves some degree of force and/or intimidation, whether physical, psychological, economic, social, political, or a combination thereof. In an organization or a community, the exercise of such power can lead to enormous negative consequences – the need to continue indefinitely the application of force or intimidation at the cost of other goals (and often at the cost of the leader’s humanity), and, among followers, resentment and rebellion, turf- and self-protection, lack of concern for others or for the work, a power vacuum when the leader is absent, etc.. (Fromm describes the human taste for this kind of power as psychological cannibalism.)

*Power to* implies none of this. In the context of ethical leadership, it can be seen as both the personal power – i.e. the internal resources of knowledge and self-knowledge, learned skills, talent, determination, work ethic, empathy, interpersonal skills, etc. – and the ability to marshal other resources – i.e., assistance from others, adequate time, funding, etc. – that enable you to get things done. Gaining and exercising this kind of power

32 Lucas N. *Global Leadership: A Turn of the Kaleidoscope*. Chapter 4 of Concepts, Challenges, and Realities of Leadership: An International Perspective.
takes working at personal development (interpersonal skills, self-knowledge and understanding, empathy, an ever-expanding world view, unselfishness, objectivity) and being willing to share power.

Conclusion

In conclusion it cannot be gainsaid that the corrosive effect of corruption needs urgent and sustained action which demands that Africa strengthens governance as a way of curbing systemic corruption. The menace of corruption cannot be permitted to be hidden under the carpet of wavering and equivocal political will and legal technicalities.

As the experience has shown in a number of African countries like Cote d’ Ivoire, Zimbabwe, Niger, Guinea, Gabon and Kenya, among others, corruption undermines peace, the rule of law and democracy and threatens the very survival of the state. Leadership is a privilege and a responsibility that demands a good deal from those who practice it, whether formally or informally. High on that list of demands is the need to be ethical, both in personal life and in leadership. Because leaders are role models whether they choose to be or not, they set the tone for the ethical stance of their individual followers, of the organization or group they lead, and, to some extent, of the larger community.

Ethical leadership requires from the leader a coherent ethical framework that will guide her decisions and actions all the time, not only in specific situations. Among the most important of the characteristics that define an ethical leader are openness and honesty; the willingness to make the discussion of ethical issues and decisions a regular part of the organizational or group conversation and culture; the urge to mentor others to lead; the drive to maintain and increase competence; the capacity to accept and seriously consider feedback, both positive and negative; the ability to put aside personal interest and ego in the interest of the cause or organization; the appropriate use of power, which is never abused or turned toward the leader’s own ends; and consciousness of the human beings behind the labels of “opponent,” “ally,” “staff member,” “participant,” etc..