Corruption How we rate it Monash Business Review

Despite Australia being one of the least corrupt countries in the world, a recent survey by *Diana Bowman* and *George Gilligan* reveal it's a key issue for many Australians.

# Collar colour?

"At length corruption is like a general flood, that shall deluge all; and avarice, creeping on, spread like a low-born mist, and blot the sun."

o said Alexander Pope, English essayist, critic, satirist, and one of the great poets of the Enlightenment. He had a point. Corrupt governments and bureaucracies and their venal mates in business usually end up taking the people down with them, be it in the shattering of an atmosphere of trust or in the \$US1 trillion a year the World Bank estimates it adds to the cost of global business.

It is a pleasing fact that Australia is one of the world's least corrupt countries. The recent Transparency International Corruption Perceptions Indices survey of more than 140 countries scored Australia better than all members of the Group of Eight most highly industrialised nations and most of the Organisation of Economic Co-operation and Development (OECD) countries. We were ninth least corrupt in 2005 and 2004, eighth in 2003, 11th in both 2002 and 2001, and 13th in 2000. However, recent white collar crime scandals such as the mushrooming Australian Wheat Board

(AWB) scandal, Steve Vizard's naughty purchase, the late Rene Rivkin's Qantas hijinks and Rodney Adler et al over at HIH, has shaken our faith.

To find out how much these and other scandals have affected our psyche, a survey was conducted late 2004 into how common do Australians believe corruption is and how important an issue it is. While the relatively small number of total respondents (300) means that the results cannot be said to be truly representative, it raises many questions that demand more extensive research.

A phone survey was conducted by Researchwise of 300 randomly selected interviewees aged 16 years and over. The sample was proportionate to state populations from Victoria (100), New South Wales (130) and Queensland (70) with 200 from metropolitan regions and 100 from regional/rural areas. Eleven questions were written to gauge how prominent corruption is as an issue at the national and state level in Australia.

The definition of corruption offered to respondents in the survey was "a lack of integrity or honesty (especially susceptibility to bribery); and/or the use of a position for dishonest gain".

In the Recognition of Key Issues in Australia, those surveyed responded to 12 nominated issues with 50 per cent identifying corruption as a key issue, ranking fifth behind health care (61 per cent), education (60 per cent), the environment (55 per cent) and crime (53 per cent).

## RECOGNITION OF KEY ISSUES IN AUSTRALIA Occupation and Perceptions of Corruption

For more detailed analysis we chose to examine differences in the attitudes of professional/white collar workers (114) and trade/self-employed workers (54).

To determine how serious a problem corruption was considered to be within Australia, respondents were requested to state the extent to which they believed 'corruption' was an issue at the national level and within their home states.

Overall, 24.9 per cent of respondents considered corruption to be a major issue in Australia, with 23.2 per cent believing that corruption was a major issue within their state. Importantly, a relatively high 40.7 per cent of trade/self-employed considered corruption a major issue compared to 17.4 per cent of professional/white collar workers. Of trade/self employed 38.9 per cent considered corruption a major state issue, compared with 15.8 per cent of professional/white collar occupations. These findings suggest

## Mirror, mirror on the wall, who is the least corrupt sex of all?

t is a fact that women are less likely to be in positions of power, but they are also less likely to break the law and more likely to support and promote family and social justice issues. There is also preliminary evidence to support the notion that in countries that are less corrupt, women enjoy higher status. For example, a quick survey of the results in recent years of the Corruption Perceptions Indices of Transparency International indicates that in countries generally perceived as corrupt, women are significantly culturally disadvantaged. Conversely, in countries not perceived as corrupt women fare much better.

To see how attitudes to corruption play out over the sexes in Australia, this study conducted a survey of men and women asking questions about how corrupt they judged certain scenarios. The sample size is small and so assertions must be qualified, but if the results are representative of the broader population, they have ramifications for anticorruption efforts on both micro and macro levels.

As seen in the table (over page), a higher proportion of female respondents (27.5 per cent) declared that offering 'mates rates' for friends and associates was 'definitely corrupt', with 44.9 per cent

stating it was 'maybe corrupt'. Meanwhile 18.8 per cent of males believed it was 'definitely corrupt' and 40.6 per cent thought it was 'maybe corrupt'. The majority of female respondents (61.3 per cent) also stated the appointment of friends into senior jobs was 'definitely corrupt' and 28 percent stated it was 'maybe corrupt'. Meanwhile 48.4 per cent of males considered it was 'definitely corrupt', with a further 43.8 per cent saying it was 'maybe corrupt'.

As far as getting a high-ranked executive to employ a relative, 44.2 per cent of females considered it was 'definitely corrupt', with only 15.8 per cent believing it was not. Of males, 27.8 per cent stated it was 'definitely corrupt' and 42.1 per cent said that it was 'maybe corrupt'. Of males, 78.9 per cent thought accepting cash payments to reduce tax, was 'definitely corrupt' compared with 72.4 per cent of females. Finally, when considering accepting bribes, 95.3 per cent of female respondents believed it was 'definitely corrupt', compared with 86.8 per cent of males.

Overall, what conclusions might be drawn from the above? First, there may be a correlation between less corrupt societies and women attaining higher levels of political and economic power. Secondly, in

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### 'The Gender Gap' Gender and perceptions of corruption

GENDER	DEFINITELY NOT CORRUPT	MAY BE CORRUPT	DEFINITELY CORRUPT
Professionals offering mates rates for friends and associates			
Male (128)	40.6	40.6	18.8
Female (167)	25.7	44.9	27.5
Total (295)	33.2	43.1	23.7
Appointing your friends into senior jobs in government and institutions			
Male (128)	7.8	43.8	48.4
Female (168)	10.7	28	61.3
Total (296)	9.5	34.8	55.7
Asking a high-rank executive to employ a relative of yours			
Male (126)	30.2	42.1	27.8
Female (165)	15.8	40	44.2
Total (291)	22	40.9	37.1
Gift to a doctor to take special care of you			
Male (123)	30.9	42.3	26.8
Female (167)	32.9	28.7	38.3
Total (290)	32.1	34.5	33.4
Accepting under-the-counter cash payments to reduce your tax liability			
Male (128)	7	14.1	78.9
Female (170)	3.5	24.1	72.4
Total (298)	5	19.8	75.2
Accepting bribes to not do your official duties			
Male (129)	5.4	7.8	86.8
Female (171)	1.2	3.5	95⋅3
Total (300)	3	5.3	91.7

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an Australian context, women seem more tolerant of corruption than men. These findings support the notion that women are the 'fairer sex', with female respondents in five of the six scenarios being found to be less tolerant of corrupt behaviour than their male counterparts.

Using the categories of 'not corrupt' and 'corrupt' further, analysis was conducted to assess the potential impact of occupation on gender differences in perceptions of corruption. This analysis reinforced the findings that females were less tolerant of corruption than males in three of the six scenarios: offering mates rates, asking a high-ranking executive to employ a relative, and accepting bribes to not conduct your official duties. Notably, blue collar workers, who were

predominantly male (72 per cent) were significantly less likely to view mates rates as being corrupt than white collar workers, while a similar trend for appointment of friends into senior jobs in government was apparent.

The implication for all of us is that it may benefit the Australian community and indeed individual firms, if both business organisations and governments made greater efforts to appoint more women to both oversight and to policy development roles, in those contexts in which experience has demonstrated that corruption might be more likely to occur. More investigative work involving larger scale studies is required to test whether these hypotheses equate with the reality of corruption and its prevention across contemporary Australia.

that professional/white collar workers are either less exposed to and/or more ambivalent about corruption than their trade/self-employed counterparts.

Of particular interest also is that many more trade/self-employed workers believe corruption is increasing compared with their professional/white collar counterparts. This finding suggests that trade/self-employed workers may be more exposed to and/or more vulnerable to corruption on a daily basis than their professional/white collar counterparts driven by a range of variables, such as exposure to the 'black' economy, where cash is king.

Respondents were also asked what occupations or organisations in the community they most associated with corruption as illustrated in the table which looks at sites of corruption (see below).

Both groups had similar perception in relation to sources of corruption, and ranked the police considerably higher than all others, at 54.5 per cent. Other significant rankings included political parties and big business/corporations.

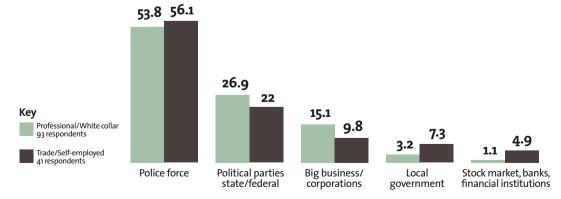
While credible international surveys find most Australians don't think corruption is a problem, these findings indicate that, in fact, it is a key issue, particularly for 78 per cent of trade/self-employed

people. A substantial majority of respondents agreed corruption is harmful, difficult to control, inevitable and growing.

Corruption has become an issue of major political and economic significance in recent years and the necessity to take measures against it has become evident. That personal interests and power are seen to drive or at least enable corruption is not surprising. However, what this study suggests, and any suggestions must be tentative given the limited sample population, is that across Australia there may be significant differences in occupational groups regarding both perception of, and experience with, corruption.

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Sites of corruption (%): top five unprompted responses

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