

CHAPTER 3: TOWARDS A NATIONAL INTEGRITY SYSTEM

3.1 INTRODUCTION

The concept of a national integrity framework was advanced at both the Africa Forum on Fighting Corruption and Global Forum V which were held in Johannesburg during March and April 2007 respectively. Amongst others, issues highlighted at these conferences included:

- the values necessary for building an integrated national integrity system;
- the need for a common system for measuring integrity; and
- the various roles of stakeholders towards establishing a framework of national integrity.

The aim of this panel discussion was to advance and fully explore the idea of an integrated national integrity framework for South Africa with the intended result of a cohesive approach to the building of integrity.

With a view to promoting discussion and the obtaining of inputs from the all delegates, plenary was addressed by speakers covering the different sectoral points of view. Thereafter delegates were given the opportunity to obtain further clarity, to ask questions and to make suggestions to the panel members.

The presentations contributed to the tone of the Summit and prompted some of the resolutions presented to plenary at the conclusion of the Summit.

3.2 OPENING REMARKS BY MR JERRY VILAKAZI: CEO, BUSINESS UNITY SOUTH AFRICA (BUSA)

The key issue linked to our theme is the question of an Integrated National Integrity System that speaks to all the sectors of society. Further, a key issue for me was in fact mentioned this morning in the opening session, namely that of the responsibility of the various South African sectors and social partners to respond positively and collectively to the challenge to eliminate corruption

In this regard the concept of a National Integrity System, as was widely endorsed at the Africa Forum on Fighting Corruption as well as during the Global Forum V, is an important aspect that requires our attention and discussion.



Mr Jerry Vilakazi is the CEO of Business Unity South Africa

3.3 THE ROLE OF GOVERNMENT IN THE NATIONAL INTEGRITY FRAMEWORK BY PROF RICHARD LEVIN: DIRECTOR-GENERAL, DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION

When it comes to a national integrity framework, as South Africans we are indeed privileged. We have the values and institutional framework that underpins much of our national integrity framework which is clearly documented in the Constitution of the Republic of South Africa. The very manner, in which we arrived at this Constitution, through extensive public participation, itself a value of the Constitution, ensured that we have defined common values and the institutional framework to advance and protect these values. I would argue that in fact we have a defined national integrity framework.

If, as the Chairperson of the National Anti-corruption Forum indicated in her keynote address, the national integrity framework's values must permeate the structures, practices and principles of the state, the corporate sector and civil society, then I think we must debate whether indeed our Constitutional values have found practical application.

The Government has a dual role in the national integrity framework. Firstly, like any other sector it must ensure the integrity of its daily operations. This means that the processes and activities such as planning, budgeting, drafting of legislation, procuring goods and services, appointing and managing staff and most importantly the manner in which services are provided stand up to the benchmark of the Constitution. This benchmark is to be found throughout the Constitution but pertinently in Chapter 10 which deals with the values and principles of public administration. These values and principles include professional ethics, efficiency, effectiveness, equity, redress of demographic imbalances in our workforce and services and accountability.

Secondly, Government also has the developmental obligation to ensure that all of society has the requisite integrity in its operations, processes and outputs. This is in essence about the interface between the State and the business and civil society sectors and the degree to which this interface serves the best interests of all of society. Without the State regulating, for example the ethical circumstances under which labour is contracted and used, it may be as history has taught, that labour will be exploited in rampant pursuit of profit. There are many examples indeed where the developmental intervention of the State is desirable and fundamental to ensuring integrity in operations.

I think it fair to state that the standards of integrity that the Government applies, in the first instance, that is towards its internal operations, exceeds that which it requires for the business and corporate sectors. This is fine but begs the question whether sufficient emphasis is being given to ensuring that values such as accountability, transparency, equity, efficiency and access to information permeates the operations of the other sectors?

For nearly 15 years now the project towards an ethical and transformed public sector has been ongoing, and this project will continue as long as it takes to reach the Constitutional benchmark. What is it that has emerged from this 15-year project?

- A new public sector belief - set of Batho Pele, of caring, sharing and serving that makes the Constitutional values practical and tangible.
- The introduction of Constitutional values and principles in the education curricula.
- We have various normative frameworks such as Batho Pele, the Public Service and Local Government Anti-corruption Strategies, codes of conduct and ethics, financial disclosure frameworks and detailed procurement and employment policies.
- Many laws that fight corruption and sustain integrity, including the Prevention and Combating of Corrupt Activities Act, the Protected Disclosures Act, the Promotion of Just Administration Act and the Promotion Of Access To Information Act, laws on financial management at national, provincial and local government, laws on companies, auditing and reporting.
- Strong and maturing institutions such as law enforcement agencies, courts, Constitutional and so-called oversight bodies.
- Mechanisms for cooperation and coordination such as the National Anti-corruption Forum, the Anti-corruption Coordinating Committee, similar provincial mechanisms and the Moral Regeneration Movement.

Our research shows that the majority of public service recipients regard such services in a positive manner and that the actual experience of corruption is marginally on the decline. This is good news but not good enough news. As long as citizens experience disappointment in service delivery and perceive the public sector to be generally corrupt, trust in the integrity of the State suffers.

The public sector, like all of society and the world, is a mixed bag of humanity. This mixed bag contains persons of little virtue and persons of virtue. The public sector, being a microcosm of our society will feel the effect of greed and moral decay of society in general. The reality is such that the public sector is no more and no less unethical than the rest of society. But because the public sector is constituted of people and institutions that hold public trust, and because the public sector functions on the back of taxes that citizens pay, the public sector must and does make that extra effort to maintain the integrity of its internal operations.

The ideal of meeting the Constitutional values in practice in the public service can thus not be divorced from what the business and civil society sectors do to enhance integrity and obviously what the public sector does to enhance its integrity will equally impact on the business and civil society sectors. There is no doubt that the public sector is the senior partner in the interface between the sectors; the public sector has responsibilities and powers that the other sectors can never have. This really makes the public sector the catalyst for improved integrity in society at large and reinforces the developmental role of the State in pursuit of our Constitutional objectives. This essentially requires of the public sector, leadership which goes much further than mere legal requirements and levels of conduct that are exemplary. The *Batho Pele* belief - set is built on this recognition of the need to care for and serve citizens that stems from the value system that sees the individual as part of the broader community. *Ubuntu* is the same belief in a universal bond of sharing that connects all humanity.

The African Peer Review process in South Africa, the Phase 1 examination of South Africa by the OECD Working Group on Bribery and past assessments by the Department of Public Service and Administration, Transparency South Africa and the Centre for Public Integrity all affirm that we have a solid and progressive integrity framework and in particular a sound framework for the public sector. These reviews also recognize the challenges we still face. The challenges are in essence the full application of our anti-corruption framework and full awareness and understanding of the rights, obligations and potential sanctions that citizens accrue in terms of the national anti-corruption framework.

Chairperson, in conclusion I wish to reaffirm a few points:

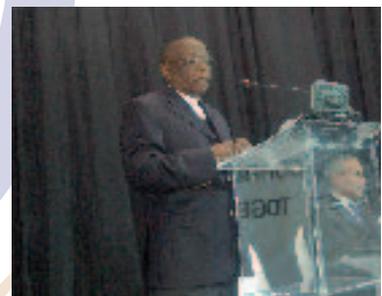
- The public sector has established the requisite normative frameworks, legislation and institutions to support a national integrity framework as envisaged through the Constitution.
- The public sector is a microcosm of society and reflects the “values of the day” but the public sector has the advantageous position and obligation to also shape the “values of the day”.

Under the leadership of the President and Ministers the public sector has made significant strides in the last 15 years towards implementing a national integrity framework, and this work is ongoing.

3.4 SOUTH AFRICA. A COUNTRY IN A STATE OF MORAL DECLINE By Archbishop Tlhalagale, Archdiocese of Johannesburg

South Africa faces many challenges. But the one that appears virtually every day in the media is the challenge of the worsening morals of men and women who are simply unscrupulous in getting what they want.

They favour private advantage by exploiting resources, which have been put in their care. White collar fraud and corruption point to the decline of the appreciation of virtues of honesty, loyalty and integrity. When such a collapse happens at the level of leadership, when it affects the “shakers and movers” of society, then, there is a serious reason for concern. This is equally the case when institutions which have an impact on the lives of ordinary people, become tainted by moral corruption.



Archbishop Tlhalagale of the Archdiocese of Johannesburg

The examples listed below have been gleaned from newspapers. Some are allegations of corruption which simply refuse to go away. Regrettably, the justice system drags inordinately on, on such matters and this affects some people's good name negatively. The attempt is certainly not to confess other people's sins. These matters have been amply covered by the press.

Charges of racketeering, corruption, fraud and money laundering have been brought against the high profile leader Mr Jacob Zuma, a former Deputy President. (Star, 19/04/2008). Similar charges have been leveled against the National Police Commissioner, Mr J Selebi in connection with his ties to Mr G Aggliotti, a businessman. The latter has also been accused of involvement in the murder of mining businessman Brett Kebble.

Corruption charges are being investigated against another high profile leader Mr M Maharaj. It is alleged that he had corrupt dealings with a high profile businessman, Mr S Schaik who is currently serving a jail sentence for corruption. Corruption charges have also been investigated against the former Minister of Defence, the Late J. Modise.

Alexander Forbes, South Africa's largest Administrator of pension funds is currently facing a R1.16 billion claim from seven retirement funds for taking millions of Rands out of the surpluses of their funds in the 1990's. In 2006, Alexander Forbes was accused of bulking bank accounts of many funds under its administration. The company was requested to repay R500 million to the affected funds. (Star. 1/04/2008).

Fidentia Holdings, an asset management company, is alleged to have misappropriated millions of Rands, depriving 500 000 mineworkers' beneficiaries of money invested on their behalf. (City Press. 16/12/2008).

The Competition Commission is investigating the anti-competitive behaviour of cartels. Tiger Brands has been accused of price-fixing in the bakery industry and has been ordered to pay over R90 million. Other companies under investigation for price-fixing include companies dealing with dairy products, fertilisers, and pharmaceutical companies. (Sunday Times. 2/03/2008).

The South African Post Office was ordered by a court of law to pay R60 million in damages due to a tender process that had been "greatly influenced by corrupt and dishonest conduct and fraud" committed by a former employee of the Post Office (Business Report. 14/12/2007).

Currently, 3000 civil servants are being investigated for fraudulently obtaining government-subsidized houses during the 1990's. During that period, the data systems could not detect and verify some of the applicant's details. (Star. 23/04/2008).

A study by Business Against Crime released in March 2008, reported that middle- management was mostly involved in demanding and in accepting bribes. Also, that corruption occurs mostly when competing for and when rewarding tenders. Corruption is reported to be in the form of monetary bribes, kickbacks, gifts, favours and excessive entertainment.

Doctors J. Preddy and P. Miller were declared guilty of unprofessional behaviour by accepting kickbacks from radiologists to whom they had referred patients. During 1993 – 1999, they respectively received R156 792 and R756 153.

Those, whose cases of corruption have come to light, raise questions about the many cases that are known, but not reported. There are perceptions that corruption is rife in some areas where driver's licenses, passports and identity documents are issued. Is it possible to quantify the extent of corruption in these areas? Some people are said to bribe officials in order to jump the housing queue while others reduce traffic fines by engaging with officers on the road. There is clearly an abuse of authority and

power on behalf of those who solicit bribes. But so too those who seek unlawful favours. A widespread practice of crime and corruption precipitates society into a state of moral decay at the expense of the well-being of society itself.

The Impact of Corruption

Allegations of corruption that have been brought to the courts for investigation, and hugely publicized by the media, have a serious and negative impact on the individuals concerned and on the institutions they serve. These allegations imply that the individuals so accused do not behave in an exemplary fashion, and consequently undermine the ethical code of the institutions. The institutions themselves suffer a serious loss of credibility and the public's trust in the institution is eroded. Serious allegations of corruption against prominent political leaders and businessmen poison their work environment, which in turn, becomes a sordid breeding space for ethical malpractice. It sends a regrettable message to employers and to members of society without a moral backbone and to those who find themselves in situations of moral dilemma. It says to them: "go for it; enrich yourself; just make sure that nobody catches you in the act". These allegations and the numerous cases of actual corruption weaken the moral fibre of South African Society. It tarnishes the reputation of the said institutions and renders the common decency of people suspect. So much money of the tax-payer is wasted on protracted law-suits in the false name of justice and criminal lawyers have a field-day. Justice on the other hand is entangled in its own red-tape of procedures.

Moral sensitivity

The King Report on Corporate Governance for South Africa, 2002, reminds us that while the implementation of an ethical code can be "a powerful instrument for preventing ethical malpractice as well as for raising standards of moral behaviour ... it would be a mistake to over-estimate the value of an ethical code" (p.244). It is therefore critical that people embrace and internalize self-chosen ethical principles in the process of realising themselves as authentic persons. This choice of ethical principles points directly to the dignity of the person. There is an urgent and pressing need in our society for individual members of society hitherto mercilessly and helplessly exposed to ethical malpractice, to make an about-face. This about-face entails a moral conviction that gives a new basis to one's decisions and choices. Such decisions and choices will no longer be based primarily on personal satisfaction, and personal aspirations to get rich quickly, but on values, and on what is truly "good". Such a discovery of ethical principles and values entail the promotion of personal integrity and honesty and respect for the accepted ethical norms of behavior. Personal discovery ought to lead to an effort at self-mastery, self-control and a deepening sense of moral responsibility for one's actions. There is a need to develop a strong collective sense of responsibility so that individuals do not hold entire communities to ransom. Those who do not uphold the law should find it difficult to survive in our workplaces and communities.

In addition to observing an ethical code of behavior, it is imperative that we discover and promote ourselves as creators of value in the decisions and choices we make. It is equally important that individual persons are committed to values such as: respect for life, respect for community and respect for property.

As persons, and as citizens, we are called to embrace the ideal of authentic human living where moral responsibility becomes a key element in the process of self-creation, and self-transcendence. Certain public perceptions ought to change if we are to bring about a culture of integrity and moral responsibility, and to restore confidence in the justice system. Cases of serious crime, fraud, corruption, robbery and rape take ages before finality is reached and the victims often throw their arms up in despair. "Justice delayed is justice denied". After such long delays, cases are at times thrown out of court for lack of adequate evidence or because of some legal technicalities.

There is also a widespread public perception that crime and corruption are endemic. There is a growing culture of impunity. First, cash transport vehicles are still being attacked and robbed and Automated

Teller Machines (ATM's) are now routinely blown-up and the perpetrators disappear "into thin air". A car cannot be left parked on the street overnight. Crimes committed with such impunity spread a deep sense of insecurity among law-abiding citizens. People feel insecure about their future given the high levels of crime and corruption. To say that crime and corruption exists everywhere in the world is an unfortunate "cop-out".

There is also the perception that the police services are at their wits end; that they cannot cope with the challenges, and that the justice system does not seem to deter the committing of crimes. Finally, in the price-fixing scams by major companies, the Chief Executive Officers have not been held liable for the crimes committed by their companies. This goes against the principle of accountability and integrity.

The National Anti-Corruption Forum calls for and promotes vigilance by advocating that proper measures be put in place in order to eliminate unethical practices in both the public and private sectors.

We are reminded that human beings and societies are like earthen jars.* - they break easily. Yet Nelson Mandela at the age of 90 symbolizes the triumph of good over evil and that it is possible to overcome the odds, if there is enough political will.

*[The Archbishop dropped a large earthen jar on stage to demonstrate and to symbolize the fragility of societies beset by corruption].

3.5 TOWARDS A NATIONAL INTEGRITY FRAMEWORK – THE ROLE OF BUSINESS BY MS FUTHI MTOBA: BUSINESS UNITY SOUTH AFRICA (BUSU)

Corruption is big business!! Just how big, however, is impossible to quantify. Some estimates show that the cost of corruption equals more than 5% of global GDP (US\$2.6 trillion), with over US\$ 1 trillion paid in bribes each year¹

Is Africa coping?

According to the African Union, corruption in Africa is costing the continent nearly US \$ 150 billion a year².

Closer to Home – South Africa

- South Africa featured 43rd out of 179 countries in the 2007 Corruption Perception Index³.
- As the economy tightens, so does the incidence in South Africa of white collar crime and vulnerability of public and private institutions from being robbed from the inside.
- Deloitte's Tip-offs Anonymous has seen a 200% increase in reports of corruption in the past 12 months⁴.

Corruption is a complex and sensitive topic. It is a globally pervasive phenomenon – in developed and developing economies. It impacts both public and private sectors and has far-reaching consequences for society as a whole.

The integration of anti-corruption into the corporate citizenship agenda as well as the United Nations Global Compact has been an important development.

1 Clean Business Is Good Business – The Business case against corruption – 2008 A joint publication by the International Chamber of Commerce, Transparency International, the United Nations Global Compact and the World Economic Forum Partnering Against Corruption Initiative (PACI)

2 http://www.transparency.org/news_room/latest_news/press_releases_nc/2007/2007_12_19_nis_africa

3 http://www.transparency.org/policy_research/surveys_indices/cpi/2007

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It sends a strong signal that the private sector shares the responsibility for the challenges of eliminating corruption.

The essence of our global compact is the upholding of a sustainable and ethical world. In this context, the fight against corruption is a fight for the "soul of business".

I believe that the theory, principles and philosophy of the anticorruption drive are well documented. In my message this morning, I would like to be as plain and practical as possible.

While there are many ethical businesses out there, corruption remains a global problem. This is well illustrated by the following conventional attitudes. In isolation, they may appear trivial, but, as a whole, they illustrate a serious ethical problem in our approach to business.

- "The end justifies the means".
- "It does not happen in my business".
- "We are fine at corporate headquarters. This is a foreign geography challenge".
- "These are the realities of business and society".
- "It's a redistribution of sales commissions".
- "It's a facilitation payment".
- "It's a cultural phenomenon. That's the way they do business over there..."
- "The world is not black and white, but shades of grey".
- "Or, in the words of Shakespeare's Macbeth, "I am in blood steeped in so deep, that going over is just as easy as going back".

Corruption is a phenomenon that we should all agree is wrong. Indeed 93 Countries have ratified the United Nations Convention Against Corruption.

So, we are not short of knowing what to do: We have extensive conventions, laws, guidelines and activities: In addition to the UN convention, we have, for example:

- The Global Forum on Fighting Corruption.
- The Financial Action Task Force on Money Laundering.
- The Basel Committee on Banking Security.
- The Group of Eight Recommendations.
- The recommendations in the Global Coalition for Africa.

In reality, corruption is often difficult to confront and handle.

As business leaders and members of the society compact, what are we going to do to give real effect to this fight against corruption?

Understanding the Challenges

Corruption has been identified as amongst the greatest obstacles to economic and social development. It undermines development by distorting the rule of law and weakens the institutional foundation on which economic growth depends.

It has a clearly negative impact on investment, increasing the cost of doing business and undermines the trust and faith of stakeholders in the capital markets.

The harmful effects of corruption are specifically severe on the poor, who are:

- hardest hit by economic decline;
- are most reliant on the provision of services, and are the least capable of paying for the extra costs associated with bribery, fraud, and the misappropriation of economic privileges.

This is a specific concern for me and those of us on this continent. The experience is that corruption sabotages policies and programs that aim to reduce poverty. Therefore, attacking corruption is critical to the achievement of the mission of poverty eradication.

So what can we do about this?

Everyday each of us in this room makes decisions that impact our world at varying levels. We are leaders

- In our own businesses,
- Our industry segments,
- Our global and local supply chains, and
- Our communities and our countries and our families.

How do we uphold the public trust and do the right thing. How do we move from the philosophical level to practical action? Consistent with the theme of this meeting, how do we move "Towards an Integrated Framework, Consolidating the Fight against Corruption...?"

Let us consider some of the tangible approaches that I believe are key in addressing corruption:

- As business leaders, we need to increase our accountability and responsibility.
- We need to create an ethically Competitive Private Sector for Business to thrive. *Sustainability is the new competitive edge.*

I also agree with the Premier of Gauteng in his opening remarks that it is impossible to fight this battle alone! In the spirit of the Global Compact, we need to collaborate and work together. We need to extend our efforts in partnering anti-corruption programs and initiatives.

We need to open up interaction between civil society, government and business to re-establish values, for example – using today's session as a moral summit - to adopt specific anti-corruption interventions that give effect to existing frameworks. Anti-Corruption efforts require partnerships across communities and organisations through effective engagement at the local, regional and global level.

We need to increase institutional capacity to combat corruption and we need to do this visibly. Throughout the African continent, with varying degrees of success, there have been serious efforts by government, the private sector and civil society to combat corruption.

The question remains, given such efforts, why does corruption remain such an intractable challenge? Part of the reason is that the prevention systems are not functioning effectively, largely due to inadequate institutional capacity.

The lack of accurate information on occurrences of corruption is also a challenge. Most instruments to measure corruption focus on the private sector's perception of corruption in the public sector, neglecting to recognise that the private sector itself plays a significant role on the supply side of corruption (i.e. paying bribes).

The private sector also plays a significant role on the demand side of corruption (receiving bribes) i.e. company to company corruption.

The private sector, however, cannot do it alone. We need collective action against corruption so as to move forward.

At a global level:

- Most recently, on the 5-6th June 2008, the third meeting of the United Nation's Global Compact Working Group on Anti-corruption took place at the United Nations Office in Vienna.

- The meeting brought together business participants from 13 countries with representatives of civil society, labour, business associations, and international organizations.
- South Africa's Business organisations, Business Unity South Africa, National Business Initiative and the signatories to the United Nations Global compact were also represented.
- The meeting concluded with the establishment of a few task teams that had to move the programme of implementation and reporting forward.
- The meeting strengthened collaboration between global initiatives. Working in this initiative are the International Chamber of Commerce, Transparency International and the World Economic Forum's Partnering against Corruption Initiative (PACI)⁵, and the UN Global Compact.
- It is imperative that as South African business we are vigorous and link up with what is happening at a global level by setting up our own working groups which will feed into the global networks and initiatives.
- The next international working group meeting will take place in February 2009 and South Africa needs to make its input at this meeting. Note that as we are on the African continent we are perceived to be the more corrupt. We need to have our actions well put together so that we can demonstrate our efforts in this regard.

Taskforce on Reporting on Anti-Corruption

This Taskforce will aim to mainstream the reporting of companies' anti-corruption efforts in non-financial and/or sustainability reports because it is not yet adequate.

There has been an increasing demand for companies reporting on non-financial matters from a wide range of stakeholders and users ranging from regulators to civil society. A majority of non-financial reports have increasingly favoured the issue of environment, neglecting transparency and anti-corruption matters.

Therefore this team will look at how to improve the reporting on anti-corruption in financial statements so that stakeholders can assess their impact and contribution to society.

Multi-National Corporations (MNC) Head Quarters to Subsidiaries, Suppliers and Subcontractors Task Team

The aim of this Group is to ensure that the policies or practices of major MNC headquarters are implemented as they move across different geographies.

Anti-Corruption Education Initiative Task Team

The Anti-Corruption Education Initiative aims to promote the integration of anti-corruption and ethics courses into the curriculum of business schools.

Anti-Corruption Tools and Resources

The Sub-Working Group on Anti-Corruption Tools and Resources will look at tools that can be used by business as they deal with the issues of corruption.

Multi-Stakeholder Dialogue Networks Initiative Task Team

In an effort to promote public-private partnerships on anti-corruption issues, the Dialogue Initiative will aim to expand multi-stakeholder dialogue networks to the local level involving public sector-counterparts.

⁵ United nations Global Compact 3rd meeting of the Working Group on the 10th Principle 5-6th June 2008, Vienna , Austria

Media Engagement Initiative Task Team

This Initiative specifically aims to bring media's attention to positive stories and progress that business has made in the fight against corruption.

Conclusion

In an interconnected, global economy, we cannot afford a failure of global governance. How do we move beyond expediency and our own self-interest? How do we avoid losing our soul as business?

It is clearly in the enlightened self interest of business to address corruption effectively.

The way forward

There are three action steps that business needs we take:
Collective action, Collective action, Collective action!

First collective action: By each one of us accepting responsibility for our part or contribution to the problem. Therefore it is critical that as business we promote collective action.

Second Collective Action relates to collaboration between the public and private sector.

The third collective action relates to civil society, especially the media: We need to bring media's attention to positive stories and progress that business has made in the fight against corruption.

Let me conclude with a quote by the Late Dullah Omar that summarises our imperatives well:

"Ultimately, the struggle against corruption depends on our sense of morality which tells us that our own egoistic interest does not come before our public interest. We can take all kinds of prevention measures and they can be broken down and subverted. But if the moral fibre of our society in the conduct of our business activities is high, then no amount of corruption can subvert our preventative measures".

3.6 CORRUPTION IS A PROCESS OF DECAY BY MS M MALETE: PRESIDENT OF THE FEDERATION OF DEMOCRATIC UNIONS OF SOUTH AFRICA (FEDUSA)

The Third National Anti-Corruption Summit could not have come at a better time. Every day our society cries out for help, which seemingly falls on the deaf ears of those who are answerable and when there is no transparency in dealing with the concerns that are raised. To my mind this is done deliberately to cover up or undermine society and to label them as 'for ever moaning'.

Corruption is defined as *"acting dishonestly in return for money or personal gain, it is evil and morally depraved, unreliable and unethical"*. Usually two or a group propagates corruption. "It takes two to tango" as it is said. Corruption is said to be a process of decay just like when bacteria gets into the body and ends up causing harmful diseases. The person starts as a law-abiding citizen, who later gets so entangled, that for he or she it becomes business as usual. These people abuse their authority that was entrusted to them, for personal gain.

Corruption in effect corrupts one's personality and unfortunately it becomes difficult to get rid of. Corruption can manifest itself where poor people are trapped either by greed or peer pressure, like those who take vulnerable people and misuse them for crimes for personal gain. Such persons need psychological assistance. Corruption for personal gain is affecting our country the most and needs serious intervention by society at large. People enrich themselves at the expense of the poor and in the name of community projects. Services from the government don't reach the poor; an example hereof is the corruption of certain public servants in the department of Social Development who were involved

in the misappropriation of grants. One can also look at the issue of BEE which is an attempt by our Government to improve the lives of the poor. Instead 'the haves' are the ones who are awarded up to six tenders per company. However, the smaller companies are sidelined because they don't know the "right people". Small businesses, if they are lucky will render a service using their stretched resources they have, but will wait for ages to be paid. In this regard, some are even told to have their own reserves. How do you accumulate reserves, when you are paid late? Those who want to blow the whistle are told that nothing will happen as the perpetrators know the "top brass" in government. Using small companies to subcontract also is a mockery, though the attempt has its good intentions. One can go on and on. It is regrettable that when corruption is committed by top people it is something else and when done by 'nobodies' it is corruption. Bribery and kickbacks are also forms of corruption.

Corruption in government undermines our democracy and if not seriously confronted head on, it has the potential to destroy it. The decay of the moral and ethical standards in the various sectors is undermining the good policies that have been created. Elected officials through their actions weaken the democratic institutions and deprive government of revenue that could be used to provide citizens with basic needs, hence the outcry by the people against "NO SERVICE DELIVERY". Corruption is a worldwide phenomenon which needs a Messiah to turn the world around!

Our hope depends on the nation to admit that it is wrong whether done by the most powerful or least powerful. The nation knows the various types of corruption practices. They should be the ones to change the mind - set against accepting wrong things and accepting them as the business of the day. They need to be jealous of guarding the good of democracy. This can be done by knowing your rights and fighting hard to correct things, knowing the policies and rules of our country, knowing channels of reporting corruption and providing facts, and also insisting on being heard.

The Moral Generation Charter adopted and signed last week, if practiced by all, will lead our society to greater accountable, transparent and efficient democracy. All our collective efforts will contribute to a country in which everyone wants to live. Every member of the society should be each other's keepers. We have also witnessed the appointment of comrades into certain positions because they are members of the ruling party. Organised labour must also consider not representing workers who have intentionally committed corruption and so depriving society from benefiting from democracy.

Corruption widens the gap between the rich and the poor. Let us use the Constitution, the charters that were adopted to benefit all, especially the vulnerable, by taking them along and hearing and responding to their concerns.

3.7 PANEL DISCUSSION

A panel discussion ensued after the presentations and the input/comments on the presentations are contained in Table 1.

TABLE 1: COMMENTS ON PRESENTATIONS

Discussion points	Inputs from conference delegates	Response by panel members
Local Government	<ul style="list-style-type: none"> ● Local government is usually the focus of corruption discussions, however all levels of government must be examined as must all the other sectors. 	<ul style="list-style-type: none"> ● There is corruption at all levels of government but the focus is on local government because of the direct interface with citizens and the fact that citizens experience such corruption negatively.
Assistance with the combating and the eradication of corruption	<ul style="list-style-type: none"> ● Corruption is rife and must be eradicated. Organisations such as Sangoco and others are able to monitor corruption and work with government in this regard. The Department of Labour should also be included in the process. ● The communication breakdown between sectors and between institutions must be eliminated. ● There are many discussions - fora and Summits on corruption, but too little implementation takes place, whilst corruption affects the poorest sections of the population the most. 	<ul style="list-style-type: none"> ● Monitoring is critical. Yet to do this on a multi-sectoral platform the difficulty remains the method sharing information. All sectors should monitor their areas and share their information in order to overcome the communication problem.
Procurement and Tenders	<ul style="list-style-type: none"> ● Research should be done from 1994 onwards to see which individuals and which organisations have benefited the most from the Tender and Procurement Act. It appears that it benefits those people who already have money, yet South Africa is supposed to be a developmental state. 	<ul style="list-style-type: none"> ● National Treasury is busy completing a comprehensive study on corruption on preferential procurement and the requirements of such preferential procurement. Procurement is an area where there is a lot of corruption and I do think that in the implementation and application of preferential procurement and BEE, "corners are cut", while not enough significance is given to the actual tender processes.

Discussion points	Inputs from conference delegates	Response by panel members
Service Delivery	<ul style="list-style-type: none"> Despite poor service delivery, top managers always get their annual bonuses; such bonuses are paid whether they perform or not. Quality performance management systems are needed to address this. 	<ul style="list-style-type: none"> Regarding poor service delivery and productivity, society tends to keep quiet about poor service delivery as it is often afraid of officials and politicians. Such officials need to be monitored as has been suggested by a number of delegates. Regarding the issue of service delivery and the fact that managers still get bonuses; the government acknowledges the need to improve the management system and the need to measure organizational performance which must be done at the individual and institutional level.
Labour	<ul style="list-style-type: none"> Organized labour's philosophy concerning productivity is questioned and the original approach of 'an injury to one is an injury to all' is often no longer in congruence with the living conditions of many of the people in South Africa. The agency-employment system needs to be addressed by organized labour. The extended public works programme has the objective to help with the skilling of the poor. However, once these skills have been obtained there are too few opportunities to do practical work. 	<ul style="list-style-type: none"> As companies and labour have established codes of practice that were negotiated and agreed upon, they both have to abide by these agreements. Regarding the employment agencies – labour has been active regarding this matter and has approached the Minister, Parliament and Nedlac regarding the problems of agencies. Since 1999 in various fora the trade union sector has come up with a number of solutions. The sector should determine whether they are working, and if not, we need to find out how they can be improved upon.
Common System of Integrity	<ul style="list-style-type: none"> What is the role of business and government in establishing a common system of integrity, while examples are needed of best practice and of good governance? Thus lawyers and universities, for example, should become involved. 	<ul style="list-style-type: none"> No response was provided.
Private Sector	<ul style="list-style-type: none"> There are challenges in terms of the Competition Act and the complex monopolies in South Africa. 	<ul style="list-style-type: none"> Codes of conduct and methods of reporting, including financial statements, are needed to deal with the collusion and corruption that takes place at the business-to-business level. The UN global Compact is an attempt to have a uniform approach for members so that civil society and others have access to the necessary information. Proper directives and a common point of view are also needed for this to succeed. Where cases of corruption are not taken further or the results of such cases of corruption are not generally known the people become disillusioned. This should be addressed.

Discussion points	Inputs from conference delegates	Response by panel members
Accountability	<ul style="list-style-type: none"> ● A mechanism should be in place to ensure that the public remain informed of the process of justice as too often the outcomes of cases of corruption are delayed. If citizens do not hear of the outcomes they become disillusioned. ● The NACF and NIF should have some form of oversight role so that at the next Forum the same issues are not again raised. 	<ul style="list-style-type: none"> ● No response was provided.
Commitment of Ministers	<ul style="list-style-type: none"> ● The commitment of Ministers to the NACF is questioned as they have not participated at the Summit. The Ministers of Intelligence, Finance, Security and others should be present. Only Minister Moloketi has been present at the Summit. Their absence will impact on the implementation of any agreements and resolutions that are taken at the Summit. 	<ul style="list-style-type: none"> ● No response was provided.
Common System of Integrity	<ul style="list-style-type: none"> ● What is the role of business and government in establishing a common system of integrity, while examples are needed of best practice and of good governance? Thus lawyers and universities, for example, should become involved. 	<ul style="list-style-type: none"> ● No response was provided.
Private Sector	<ul style="list-style-type: none"> ● There are challenges in terms of the Competition Act and the complex monopolies in South Africa. 	<ul style="list-style-type: none"> ● Codes of conduct and methods of reporting, including financial statements, are needed to deal with the collusion and corruption that takes place at the business-to-business level. The UN global Compact is an attempt to have a uniform approach for members so that civil society and others have access to the necessary information. Proper directives and a common point of view are also needed for this to succeed. ● Where cases of corruption are not taken further or the results of such cases of corruption are not generally known the people become disillusioned. This should be addressed.

Discussion points	Inputs from conference delegates	Response by panel members
<p>Sectors</p>	<ul style="list-style-type: none"> ● There is a need for independent sector and organizational monitoring, without which nothing will be achieved. The Summit also needs to agree on monitoring structures for each government department. ● Statistics are needed regarding the number of women entrepreneurs that have been empowered. The present situation often sees women as subcontractors, but not contractors. ● The professional sectors of society are presently outside of the process and should be in the lead in the debate on integrity. Thus lawyers and universities for example, should become involved. 	<ul style="list-style-type: none"> ● Regarding the ability to implement policies as well as the promotion of development issues, the need exists to keep the focus on the policies, legislation and frameworks that deal with corruption. ● There is a need to build integrity-systems composed of different elements. An important element is the monitoring framework in the individual sectors. In this regard government has normative frameworks and codes of conduct and financial disclosure system, all of which are operating. However, the level of implementation is an issue of concern. ● In the other sectors, such as the business and civil society, individual businesses have codes of conduct as do certain civil society organisations. But the idea is to have a broad overall intra-sector code of conduct accepted by all participants. This has been spoken about for many years and we need to move towards this and also to enhance cooperation. There is also a need to strengthen the monitoring within sectors and to ensure compliance with codes of conduct which forms part of the NIF. ● Improved oversight measures are needed and to achieve this and the NACF needs to be strengthened, together with an augmentation of its oversight functions. South Africa has not reached the point of systemic corruption and we need to ensure that we do not head down that road. ● In terms of corruption, South Africa is ranked 43rd in the world which is some cause for concern and the situation needs to be improved. A zero tolerance approach is required. The NACF should be strengthened and an oversight body is needed. There are countries that have reached the point of no return and South Africa must send out the message of 'zero tolerance.' ● The legal profession should be at the conference and also take part in such debates, whilst there should be more Ministers participating in the Summit. ● One should look beyond civil society and look at the broader community as they should be involved. Often criminals are part of the community which also benefit from such corrupt elements. Communities need to be involved in the debates and fora to effect a change of perspective. In addition, an oversight body to ensure progress in combating corruption is important and to ensure that progress is made.