

Chapter 8

Bribery and Corruption

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ABSTRACT

Bribes are mainly directed at government officials, although they could be directed at the employees and managers of business firms. However, bribery appears to be a self-defined crime. Bribery of small public sector employees is a white-collar crime. However, bribery also exists in high-level decision-making processes, whether political, economic, or corporate situations. These are large-scale bribes, consisting of millions and/or billions of dollars, paid out to executives and public officials in return for construction contracts, oil contracts, telecommunication contracts, etc. Although punishments exist and are implemented, it is up to the individual alone to make the final decision and choose between personal moral value system and personal welfare in opposition to serving the public welfare. This chapter explores bribery.

INTRODUCTION

*O, this life
Is nobler than attending for a check,
Richer than doing nothing for a bribe,
Prouder than rustling in unpaid-for silk. - William
Shakespeare*

*Though the bribe be small, yet the fault is great.
- Lord Edward Coke*

Bribery, in itself, is a term that is described as the attempt of offering, promising, giving, accepting or soliciting of something else of value to an individual or company in return for an illegal action or a breach of trust, such as an

attempt to sway a view, opinion, or decision in a direction or another. These inducements made are called bribes: they are usually described by the broadly construed term “anything of value”, which consists not only of monetary rewards and cash equivalent but also of favors such as gifts, discounts, entertainment (drinks and meals), transportation and lodging benefits or even promises of future employment. The most common types of bribery are bribery by/of a public official, bribery by/of a witness, bribery of a foreign official. “Few men have virtue to withstand the highest bidder.” (Washington, 188x) describes the interrelationship that bribery creates with the people involved in it. Bribery, in itself, is a term that is described as

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the attempt of offering, promising, giving, accepting or soliciting of something else of value to an individual or company in return for an illegal action or a breach of trust, such as an attempt to sway a view, opinion, or decision in a direction or another. These inducements made are called bribes: they are usually described by the broadly construed term “anything of value”, which consists not only of monetary rewards and cash equivalent but also of favors such as gifts, discounts, entertainment (drinks and meals), transportation and lodging benefits or even promises of future employment. A tricky issue with these inducements is that the latter have no minimum or maximum value, and are perceived and valued very subjectively and differently by the briber and bribed individual, making it harder for authorities to determine whether the offer is actually considered a bribe.

Given the tough economic conditions that plague most of today’s world, competition among corporations and businesses remains as fierce as it is ruthless. Any sliver of profit could spell the difference between a firm’s survival and its downfall. That being the case, some managers or key executives in a firm might resort to unethical practices in order to get slightly ahead of the rest of the crowd and gain a faint competitive advantage to ensure the survivability of their firm. One of these unethical practices is bribery. Simply put, bribery is the corrupt act of giving a bribe, which is a sum of money, a favor, or any perceived object of value (materialistic or non-materialistic) destined to influence the behavior of an individual in favor of the briber. The UK Bribery Act defines bribe as “the payment of money, another financial advantage, or a non-financial advantage, including, for example, lavish hospitality or gifts” (Maton 2010). In the business world, bribes are mainly directed at government officials, although they could be directed at the employees and managers of competing firms.

BACKGROUND

Corruption is not only the sad circumstance of government officials skimming off cash for their own interest. It includes incidences where the system does not function the way it is supposed to operate, and normal people are left in a dilemma, having to offer a bribe for the medicine or the certificates they need. Public corruption involves the misuse of the existence of a public office for personal benefit. Private corruption, however, exists among people in the private sector, like a Mafia forcing some local business to give it money.

There are many types of corruption, some includes:

- **Bribery:** The offering of money or favors to a person in exchange of a service.
- **Nepotism:** Preference revealed by public officials to friends or relatives.
- **Fraud:** Dishonest behavior towards the government through deception.
- **Embezzlement:** Taking money or other property that do not belong to the person.
- **Administrative Corruption:** Corruption that changes the application of rules, such as getting a license even if you don’t qualify for it.
- **Political Corruption:** Corruption that impacts the making of laws, regulations, and policies, such as cancelling all licenses, and gaining the solitary right to function the beer or gas monopoly.

A key difference exists between administrative corruption and political corruption.

General History

The Assyrians first recognized the term “bribe” as a concept and as a reality in 3,400 BC. Dutch archeologists found an administrative center giving evidence of its considerable existence at the time:

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