

## INTERVIEW

# For African business, ending corruption is 'priority number one'

UN Global Compact urges companies to operate ethically

The United Nations Global Compact is an initiative to encourage businesses to voluntarily adhere to ethical standards. Launched a decade ago in 2000, the initiative now has about 7,700 corporate participants and stakeholders in 130 countries, including 297 firms in 29 sub-Saharan African nations. Most recently, a high-level business leaders summit in New York on 24-25 June, organized by the Global Compact, declared that "embedding human rights, labour, environmental and anti-corruption principles into corporate practices benefits both society and business." Just before the summit, *Africa Renewal* spoke with Executive Director Georg Kell about the Compact's anti-corruption work.

**Africa Renewal** The Global Compact adopted its 10th principle, on fighting corruption, in 2004. In much media coverage of corruption and in some official anti-corruption programmes, there seems to be an assumption that corruption primarily concerns the public sector. Yet you focus on the corporate world. Could you discuss corruption as it relates to both the private and public sectors?

**Georg Kell** Often there is a blame game. The private sector blames the public sector. The public sector retorts that it is the private sector which is the initiator. The truth is



that there is supply and demand and both are complicit. But it is also true that the more the involvement of government in economic activity in general, the higher the degree of abuse of power and corruption. Several recent reviews have confirmed that.

In principle, if the rules of the game are clear and they are enforced strictly, if there is a distinction between private sector competition on the one hand and rule making and government entities on the other, then there is less opportunity for corruption.

Corruption, experts agree, is a systemic issue which involves society as a whole. It involves both private

*Marketplace in Tamale, Ghana: Many African businesspeople resent the bribes they must pay to corrupt officials in order to function.*

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and public sectors. It involves education, the basic economic system, the regulatory system, how the economy is run and more generally the ethical values which are in place.

**AR** Some analysts of corruption in developing countries argue that it is a question of too much government involvement. Others that the involvement is not of the right kind. In Africa, the state is generally very weak, with little effective regulation. Can you comment?