

SYSTEMIC CORRUPTION AND CORRECTIVE CHANGE MANAGEMENT STRATEGIES : A STUDY OF THE CO-PRODUCERS OF SYSTEMIC CORRUPTION AND ITS NEGATIVE IMPACT ON SOCIO-ECONOMIC DEVELOPMENT

Coetzee, Johan J. (2012-12)


Thesis (PhD)--Stellenbosch University, 2012.

THESIS

The focus of the study is the socio-economic impact of systemically corrupt institutions on developing countries. The unit of analysis is systemic corruption. The study seeks to make a contribution towards the understanding of, and insight into, corruption in private and public institutions. Corruption is a subsystem of the social system that is embedded in the economy, politics, science and technology, ethics, and aesthetics. Systemic corruption is not only an impairment of integrity, virtue and moral principle(s), but a departure from the original purpose, processes, structure, governance and context of systems created with the intention to be pure and correct and to enable development. Systemic corruption is destructive for development. Corruption is a social pathology. As a systemic problem situation, corruption does not have root causes, but co-producers. These co-producers are obstructions to first-order-development of an institution and society. If these first-order-co-producers interact, e.g. when marginal groups are powerless and do not have any hope of being accommodated in formal society (that is synonymous with a better life) the impact thereof co-produces second-order-problems, e.g. alienation and polarisation. Alienated people organise themselves and for survival create their own values and culture that contradict those of formal society. For example, organised criminal groups are not accommodated within the formal structures of society; they are labelled, feared and detested. Marginal groups use the negative impact they experience during alienation and polarisation, i.e. absolute, relative, and total deprivation from goods, services, knowledge, influence, norms and identity, to justify their corrupt practices. Corruption cannot be solved with linear solutions, but should be addressed by a systemic approach, e.g. system dynamics, soft - and complex systems. This approach aims to change the „culture of corruption“ by changing the environment that contributes to corruption, i.e. by eliminating programmes that co-produce corruption, by developing moral and transformational leaders and role models, and by developing innovative, transparent and accountable institutions. This dissertation is primarily a hermeneutic study. Exploratory research provided insight into and comprehension of the co-producers and impacts of corruption. Although a substantial volume of literature on corruption exists, very few employ a systemic framework that provides a holistic understanding of corruption and its relationship with other variables within the context of the developing world. The relationship with these variables is important to gain an understanding of the complexity of corruption. Corruption can be a concept, a condition, a manifestation, and a co-producer that contribute towards poverty and under-development. Corruption can also be a co-impact on poverty and under-development. The multidimensional dynamics of corruption to take on various „masks“ make it an elusive phenomenon. As a complex subsystem, corruption takes on a life of its own that is self sustaining - corruption strengthens corruption. Corruption’s co-producers, various manifestations and devastating impacts can at best be understood in terms of contextualising these from a systemic and complex system perspective. The dissertation offers a conceptual framework for identifying systemically corrupt institutions. Strategies were developed for change management to transform such institutions to international best practices. These strategies are based on the principles of good governance, institutional capital and trust, quality personnel, a culture of discipline, and sustainability. The concept of „quality“ is central to the creation of social/institutional capital, an integrated institution and also in the control and management of these strategies. Strategies and processes were developed for a complete institutional change and transformation, by creating institutions that enhance participation, parity, organisation, adaptation and innovation. These strategies were developed by integration, e.g. developing social capital; differentiation, e.g. application of specialised knowledge and skills about procurement; coordination; and control of systemic corruption. For every level of differentiation, a minimum required level of integration is required. Therefore, all strategies „balance“

opposing developmental aspirations. A discussion of developing countries' corruption problem situations, based on examples of real incidents of corruption, illustrates what can be done if reform of people and transformation of systems are applied systemically. Corrective change management strategies were tailored for suiting a unique context, governance, structure, purpose and processes. The discussion assessed the key drivers and key uncertainties with possible directions of how these alternatives can unfold in terms of the Namibian corruption problem situation. Leverage points describe how to implement the most effective containment strategies with the best outcome in the shortest time. Containing strategies include hard, formal and tactical-operational strategies. Dissolving strategies focus on soft, informal and long-term sustainable transformation.

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