In rich and poor countries alike corruption trashes public value.

Women in Africa spend about 40 billion hours per year collecting water.

Despite the skill of engineers to clean water and move it to where it is needed, and despite billions of dollars in development aid, clean water is a scarce resource in Africa, and the incidence of waterborne illness and the brake on economic development is staggering. The main reason that women spend so many hours fetching water is corruption – corruption in every step of the water development, management and distribution process.

The total number of hours worked annually by Australia’s entire labor force is about 20 billion hours. That produces a modern functioning economy, a wealthy society with infrastructure that works, and education, health and other services funded from the taxes paid on that 20 billion hours of labor.

Imagine if those 40 billion hours in Africa were put to more productive use.

Two years ago in Australia (where I live) a state Premier (governor) resigned because he could remember if he received a bottle of very expensive wine from a shady character. There was an inquiry into whether a company was corruptly manipulating water licenses and maneuvering itself into a situation where it would be the sole developer and distributor of a city’s water and sewerage. It would then use its government granted monopoly to unlock great riches for its directors. In the course of the inquiry the Premier denied that he had ever had anything to do with the company, but a note of thanks for the wine emerged. The Premier said he could not remember the note or the wine, and although he was never accused of any corrupt behavior, he resigned.

His resignation, and the circumstances surrounding it filled the media for days, and the debate was fierce, as was the outrage about potentially corrupt dealings in the management of water. In Africa, where the water is foul and unsafe, and where corruption dominates and women work relentlessly, nobody says much. This is the way it is, and it doesn’t look like changing.
Why is there outrage in rich countries yet acceptance in poor countries, and secondly why is the rich country outrage about things that would usually not raise an eyebrow in poorer countries?

Rich country corruption is different to poor country corruption.

When we look at global league tables we know that Denmark is less corrupt than Zimbabwe, that Sweden is less corrupt than Iraq, but that is not a helpful way of looking at things. Using the nation state as the unit of analysis does not tell us about the nature of corruption, about its effects nor about public value. When cases of corruption are exposed in Denmark or Sweden citizens are often more angry than when something similar might be exposed in Zimbabwe or Iraq.

As a researcher I frequently participate in meetings convened by the World Bank or the United Nations, and at these meetings people from all continents and cultures invariably look at me and say that I am so lucky to come from Australia which has virtually no corruption. Unlike citizens in many countries Australians (and Americans) can go about their daily business without the fear of being shaken down by public servants wanting a bribe, or knowing that hard earned tax dollars find their way into the offshore back accounts of kleptocratic leaders who use the treasury as their personal bank account, and distribute largesse to family, friends and cronies.

However when we do identify corruption, and we do see it from time to time in Australia, we are justifiably and seriously aggrieved. We feel that public value is being trashed. We are aggrieved because we expect better, and we see it as reprehensible when people use public office to enrich themselves.

The essence of rich country corruption is not bribery, extortion and embezzlement. But do not for a moment, think that there is no corruption in rich countries. When it is identified it is about breaches of trust, creating unfair advantage and diminishing quality of services because officials put themselves ahead of citizens. These things diminish public value.

I have used two examples that relate to water. The saga of water in Flint Michigan described in the previous editorial (Carole can you appropriately reference this) was not a tale of corruption, but rather of ignorance and incompetence, and
bureaucratic malfeasance and turf protection. Much of what vexes citizens in rich countries is not corruption, but incompetence, misconduct, maladministration and arrogance of officials. I have data that shows that most reports to anti-corruption agency in Australia are about these matters rather than about corruption.

There are two points to note. There are always people on the make and looking for advantage, and generally our systems are sufficiently robust to keep in check these people on the make.

The key difference between rich country corruption and poor country corruption is that in rich countries there are often transgressions, while in many poorer countries corrupt behavior is part of the system. Our unit of analysis when studying corruption should not be the nation state, but institutions, workplaces, processes, cultures and “evil organizations” (Jurkiewicz).

There are certainly risk factors in rich countries. Procurement, town planning and hiring of family and friends to government positions pose great risks of corruption. Hopefully these are transgressions rather than systems of corruption.

But there are looming risks where transgressions can become institutionalized. The banking sector which brought us the global financial crisis is one, as is the system of political donations. The US Supreme Court decision in *Citizens United* can change the way in elections can be bought. If big picture legal and cultural shifts move bad behavior from transgressions to systems, then we have a corrupt future ahead of us, and public value is likely to be trashed.

The research agenda for those of us working in public integrity encompasses these challenges.