Cultural Relativism or Ethical Imperialism?
Dealing with Bribery Across Cultures
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Abstract: North American businesses seeking to participate in the global economy will quickly encounter conflicting cultural norms and values which complicate the normal rigors of competing in the marketplace. One of the more serious areas of cultural conflict for international business takes place over the issue of bribery. Whose norms should apply? “When in Rome do we do, or not do, as the Romans do?” This paper argues that bribery violates absolute moral principles which cannot be compromised, it examines the counter arguments for cultural accommodations, and suggests strategies that business persons can adopt to compete ethically in corrupt environments.

Introduction
The bribery and extortion scandal surrounding the awarding of the winter games to Salt Lake City by the International Olympic committee, the more recent “Food for Oil” scandal at the United Nations, and current Justice Department probe of allegations of bribery at Daimler Chrysler remind us that bribery and corruption continue to be extremely important contemporary issues in the global village. Perhaps the most sobering aspect of these recent events is how easily the Salt Lake organizing committee was suborned—ironic in a state whose self image was one of rectitude—“How could it happen here, with our high moral standards?...There is evidence that the United States is now viewed abroad as a country congenial to corruption of the cheapest third world variety” (Caldwell, 35-36). One suspects that the organizing committee justified its behavior as necessary cultural accommodation—“unfortunately that’s the way things are done at the Olympics; everyone is doing it, so if we want to be a player, we will have to play by these rules.” Is bribery condemned by absolute moral principle which cannot by compromised, or are there conditions which warrant cultural accommodation on this issue?

For U.S. businesses the Foreign Corrupt Practices Act of 1977 (FCPA) prohibits the bribing of senior government officials to secure major contracts, and in 1997 the 30 member nations of the Organization for Economic Cooperation and Development (OECD) ratified the Anti-Bribery Convention\(^1\), committing them to embrace these principles. However, even the FCPA fails to prohibit more modest “grease” payments to facilitate legitimate activities. Can a company committed to high ethical standards make “grease” payments? Can it use agents to “get things done” indirectly with “no questions asked?” What is a Christian business person to do when her firm sees these kinds of compromises as expedient and necessary tools essential for effective competition? Can an ethical firm compete effectively in a corrupt environment?

\(^{1}\) The full name is The Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.
When considering ethical frameworks that one might use to analyze these issues, Donaldson and De George both reject the two extreme approaches of cultural relativism and ethical imperialism. Cultural relativism (when in Rome…) presumes that “no culture’s ethics are better than any other’s; therefore, there are no international rights and wrongs. If the people of Indonesia tolerate the bribery of their public officials, so what? Their attitude is not better or worse than that of people in Denmark or Singapore who refuse to offer or accept bribes” (Donaldson, 48). Now, Christians would agree that we should be predisposed to show tolerance and respect for the customs and values of other cultures, but we cannot yield our commitment to moral absolutes flowing from the Creator and the universal imperative of these principles for the decisions of life. Furthermore, even though many see cultural relativism as providing the operative mores of multinational corporations, this framework is also condemned by most moral philosophers because: i) it is illogical (intolerant of intolerance), ii) it offers no basis for the moral improvement of a society, and iii) although it denies the universal application of moral absolutes, most find that tolerance of practices such as political torture, slavery, racism, murder, theft of property, female circumcision, etc. is morally unacceptable. At the other extreme, ethical imperialism “directs people to do everywhere exactly as they do at home” (Donaldson, 49). De George calls this the “righteous American” position (15). American standards on the environment, gender roles, wages, working conditions, dress, value of autonomy vs. loyalty to the firm or community, product safety, social conventions, etc. may reflect societal values which are non-moral in nature or which represent value judgments based upon our stage of relative economic development rather than moral imperatives. Attempts to impose such standards across cultures should be seen as arrogance rather than moral excellence. What then are the universal absolutes, and how do they apply to the issue of bribery?

**A. How Do We Define Bribery?**

Let us attempt to carefully define bribery before further exploring the moral issues surrounding it. It is very important to understand that corruption and bribery cannot arise out of voluntary two-party exchanges or transactions. Rather, bribery, and the broader range of behaviors characterized as corruption, always involve the betrayal of trust, of fiduciary responsibilities, or of stewardship. In some forms of corruption such as thief and embezzlement the exchange is forced upon one of the parties making it involuntary; in other forms of corruption, including all cases of bribery, the exchange involves an agent who betrays her principal who has not consented to the exchange.

**Corruption** is commonly defined as the misuse of public power for private benefits. However, Weber and Getz prefer to more broadly define it as:

the misuse of trust for personal benefit. Thus a corrupt individual is one who abuses her power or position to assure personal gain rather than to act according to her duty. A

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2 See e.g. the considerations of the Jerusalem council in Acts 15.
3 See Wilkens for an excellent, more extensive critique of alternative ethical framework from the perspective of both Christianity and moral philosophy.
payment made to induce a person to act in a way that is contrary to his responsibilities is a bribe. A bribe is a payment, made by a third party to an agent of a principal, in which the agent explicitly or implicitly agrees to take an action that is contrary to his duty as an agent of the principal and is thus not in the interest of the principal. (696)

Bribery is therefore a corrupt act; but, corruption also includes other behaviors which constitute betrayal of trust such as embezzlement, insider trading, and nepotism. The agents accepting or demanding (extortion) a bribe and the principals who are victimized can be either public sector (e.g. customs agent and citizenry) or private sector (e.g. purchasing agent and business organization) parties.

Economists use the more sanitized term, rent seeking behavior, to characterize “actions taken by individuals and groups seeking to use the political process to plunder the wealth of others” Gwartney, 142). What is the connection between rent seeking behavior and bribery? One could argue that rent seeking represents an attempt to corrupt the political system’s stewardship over the public good. It is true that democratic institutions function legitimately to broker compromises between competing parochial points of view and interests. However, when rent seeking activities move beyond attempts to influence public opinion in the public forum to direct payments or the granting of favors to public officials they would seem to constitute bribery—particularly when they are covert and accrue to the benefit of individuals rather than to advocacy groups/political parties accompanied by full disclosure. Noonan differentiates between legitimate campaign contributions and bribery by the degree to which such contributions create an “overriding…or absolute obligation on the part of the candidate [or office holder] to do the work the contributor expects” (697). Rent seeking activities such as the “Credit Mobilier” and “Teapot Dome” scandal in the United States can clearly be categorized as bribery. Unfortunately, rent seeking behavior in much of the world still constitutes bribery. Hoon and Sherry chronicle such behavior in Korea as follows:

The system created by Park allowed President Roh Tae Woo to collect—by his own admission—a staggering 500 billion won ($650 million) in contributions from businessmen during his term in office from 1988 to 1993. In return, he, or those answering to him, doled out licenses and contracts for everything from golf courses to nuclear power plants, allowing chosen conglomerates, known as chaebol, to flourish with limited competition. (71)

**B. Moral Imperatives and Bribery**

While a few observers would characterize corruption in amoral or objective terms as representing a market response to ineffectual government or the normal political development stage between tyranny and democracy, most ethicists would strongly condemn either using a position of power to extort a bribe or the gratuitous offering of a bribe to secure treatment one

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4 Note that nepotism in a private firm is a two-party transaction which is not corrupt whereas nepotism in a public company or government organization constitutes corruption because the agent is not acting in the best interests of her principal (stockholders or citizenry).

5 See e.g. Scott (1971) and Osterfield (1988).
would not normally be entitled to receive. De George concludes “a company with integrity can neither demand nor accede to bribery” (116). Donaldson states, “I believe that even routine bribery is intolerable” (58).

Noonan sees bribery as universally shameful indicative of its violation of the human good. The acceptance in practice of plutocratic rule is abhorrent; the trust reposed in government is inherent in public office, which becomes raw power without it;…Personal and social needs are frustrated by the act of bribery which violates the basic need to honor by action—not mere words—values other than wealth, the basic need to trust one’s government, the basic need to be like one’s heavenly Father. The nature of bribery is contrary to the nature of the human person in its full development…I venture [Noonan says] a prediction: as slavery was once a way of life and now, whatever analogues in economic duress remain, has become obsolete and incomprehensible, so the practice of bribery in the central form of the exchange of payment for official action will become obsolete. (705-706)

The recent OECD action to take a stand against bribery would seem to support Noonan’s prediction.

The following considerations support the moral condemnation of bribery:

**1. Bribery empowers those with money—disenfranchising those without it. Hence is it inherently unfair.**

It attacks basic human rights, and is in direct violation of Biblical mandates to avoid partiality (James 2, Leviticus 19:15). God had instructed Moses to:

> Appoint judges and officials for each of your tribes in every town the Lord your God is giving you, and they shall judge the people fairly. Do not pervert justice or show partiality. Do not accept a bribe, for a bribe blinds the eyes of the wise and twists the words of the righteous. (Dt. 16:18, 19)

However, Amos indicts the leaders of Israel for failing to keep this command:

> For I know how many are your offenses and how great your sins. You oppress the righteous and take bribes and you deprive the poor of justice in the courts. (Amos 5:12)

If the judicial system is controlled by those with the deepest pockets then justice is suborned by the bribe and the poor have no rights. Small businesses with excellent products but limited capital are also in danger of losing their intellectual property rights and any pretense to a level playing field competitively.

Some have argued that corruption works to relieve the economic destitution of low level government functionaries and otherwise enfranchise the poor. However recent research has persuaded Peter Ward to take a rather more cautious view about the positive outcomes of illegal or informal activities for the poor…Although many of us still recognize the opportunities that corruption, illegality, and informality may offer to less-advantaged groups, we are also acutely aware that such practices do little to address the underlying structural inequalities within society that lead to poverty in the first place. While offering some relief, corruption may intensify and extend existing relations of exploitation, dependency, and
stunted life-chances for the majority of the population...The conventional wisdom is that corruption subverts resources away from the poor and acts against the wider interest. In allowing some people to jump the queue others are denied access. (1, 3) Michael Johnson agrees. “As an influence upon the distribution of wealth, power, and privilege within societies, corruption is often a conservative form of influence...it is more likely to preserve existing advantages than to change them” (from Ward, 18). The Economist states that “economists still discriminate between various types of corruption; but they are slower now to argue that any of them is good.” (23)

2. Bribery Creates inefficient allocation of resources and blocks economic development. Lewis says that in 1996 both the World Bank and the International Monetary Fund (IMF) “declared corruption the enemy of development...A 1995 study by IMF economist, [Paolo] Mauro, forcefully concluded that corruption reduces growth” (D6). Gesteland and Lewis both observe that the five most corrupt countries in the world according to Transparency International (Nigeria, Pakistan, Kenya, Bangladesh, and China, with India and Indonesia also in the top ten) are also among the poorest while the least corrupt are among the most affluent. Some might argue that poverty creates the conditions supportive of bribery rather than being caused by it. Mauro (1998) suggests that there may be causality in both directions. For example, corruption may find favorable conditions because “poor countries cannot devote sufficient resources to setting up and enforcing an effective legal framework.” However, he also concludes “corruption breeds poverty.” (13) Gray and Kaufman summarize the reasons that bribery usually leads to inefficient economic outcomes:

It impedes long-term foreign and domestic investment, misallocates talent to rent-seeking activities, and distorts sectoral priorities and technology choices (by, for example, creating incentives to contract for large defense projects rather than rural health clinics specializing in preventive care). It pushes firms underground (outside the formal sector), undercuts the state’s ability to raise revenues, and leads to ever-higher tax rates levied on fewer and fewer taxpayers. This in turn, reduces the state’s ability to provide essential public goods, including the rule of law. A vicious cycle of increasing corruption and underground economic activity can result. (8)

Mauro concurs that corruption distorts the composition of government expenditure. “Corrupt politicians may be expected to spend more public resources on those items on which it is easier to exact large bribes and keep them secret—for example, items produced in markets where the degree of competition is low and items whose value is difficult to monitor. Corrupt politicians might therefore be more inclined to spend on fighter aircraft and large scale investment projects than on textbooks and teachers’ salaries, even though the latter may promote economic growth to a greater extent than the former...Regression analysis shows that a country that improves its standing on the corruption index from 6 to 8 will typically raise its spending on education by ½ of 1 percent of GDP, a considerable impact.” (Mauro 1998, 12)

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6 That is, predictable, or well ordered, corruption harms investment less than where it is capricious.
7 See Mauro for the definitive research on the deleterious impact of corruption upon investment. He concludes that “a one-standard deviation improvement in the corruption index is associated with an increase in the investment rate by 2.9% of GDP.” (Mauro 1995, 695)
Kimenyi argues that when political allocation facilitated by rent seeking replaces market allocation “inefficient producers are able to remain in the market not because of their efficiency in meeting consumer demand but because they are protected from competition by the government....Rent seeking [itself] ...involves wastage of resources, [and]...there is a tendency for people to specialize in rent seeking instead of production. Thus the margin of competition that leads to efficient markets is replaced by rent seeking. The result is a situation where markets operate inefficiently and resources are wasted” (205). Gesteland (93) estimates that illegal payments account for 15 to 20% of the cost of doing business in Russian and as high as 30% in Indonesia. Frei suggest (flyleaf) that up to one sixth of Italy’s economy is thought to have been directly attributable to corruption prior to the moral revolution which took place in the early 90’s. Most of this money was squandered on the costs of rent seeking and nonproductive assets such as the container seaport at Gioia Tauro with three miles of quayside which cost several billion dollars to build and has never been placed into operation (28).

3. Bribery defeats social policy imperatives frustrating the constructive role of government.
Let me illustrate this point with two illustrations gleaned from my experience in Kenya during a teaching assignment at Daystar University College in 1991. First of all, we experienced a chronic water shortage in Nairobi with water often unavailable to homes for a week or more at a time. The city had a planning process for building permits for new developments or complexes, which, among other things, required an assessment of adequate water/sewage capacity before construction could proceed. Since the red tape was routinely cut with bribes, the required additional capacity was not installed and new construction led to outages. The second illustration concerns Kenya’s matatus (private buses). Nearly all traffic fatalities in the country involve overcrowded matatus which have experienced brake failure, driver impairment from narcotics, etc. Strict regulations governing vehicle safety, overcrowding, and driver impairment exist and police routinely stop matatus for inspections. However, the norm is for the required “chai” to pass hands, and for the unsafe vehicle to proceed unimpeded—often to an appointment with a fatal accident.

Gray and Kaufmann observe: “In any society, there should...be a core of laws and regulations that serve productive social objectives, such as building codes, environmental controls, and prudential banking sector regulations. The grease argument is particularly troublesome in this context, since bribes can override such regulations and cause serious social harm, such as illegal logging of tropical rain forests or failure to observe building codes designed to ensure public safety” (8-9). Clearly, societal attempts to control public goods like air and water quality and other environmental imperatives are likely to be subverted when bribery is condoned.

4. Decisions are not made on the basis of the merits.
According to Deuteronomy 16:19, cited above, decisions based upon solicitation and payment of bribes are twisted as merits of the situation are subjugated to pecuniary considerations. The first

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8 The context for this quote (see especially pp206-209) suggests that Kimenyi sees rent seeking activities as predominantly bribery and other forms of corruption—particularly in developing countries (206).
three considerations represent specific examples of this principle showing that bribes are capable of frustrating justice, economic efficiency, and social policy. However, it is important to recognize this pattern as a broader principle under which bribery and corruption, in general, reduce the reasoning and decision-making powers of humanity to inane expediency. The enlightened, the noble, the wise, the prudent, the nurturing, the productive, the just proclivities of humanity are all diminished. The most qualified candidates are not selected for positions, the products representing the best quality, features, and value are not purchased, government franchises are not granted to those most qualified to serve the society; rather, decisions lack stewardship for the many and for future generations, and things just don’t work. Imagine hospitals with unqualified personnel, equipment that is not maintained, lab tests which are unreliable, contaminated blood, and missing medical supplies. Unfortunately, they exist.

5. **Bribery destroys the trust essential to the functioning of governments and economies.**

Noonan argues:

> Trust, that is, the expectation that one will do what one is relied on to do, is a precious necessity of every social enterprise. The notion of fidelity in office, as old as Cicero, is inextricably bound to the concept of public interest distinct from private advantage...When [government officials] take bribes that divide their loyalty...their resultant conflict of interest is always a dilution of loyalty, always a betrayal of trust...the social injury inflicted by breaches of trust goes beyond any material measurement. [It frustrates the foundation of government, i.e. the expectation that] those chosen to act for the public welfare will serve the public welfare. (704)

Corrupt police and other government functionaries who use their power to victimize the common people undermine the legitimacy of their government.

Likewise, a foundation of trust or integrity is critical to the functioning of market economies. The honoring of contracts and exercising fairness in transactions is one of four “Basic Moral Norms” which De George argues should be adhered to universally by businesses (19). Donaldson observes: “Some degree of ethical commitment—some sense that everyone will play by the rules—is necessary for a sound economy...Bribery undermines essential social and economic systems...CEOs in India admit that their companies engage constantly in bribery...[and they] know that their country’s business practices perpetuate corrupt behavior. Anyone walking the streets of Calcutta...comes face to face with the devastating effects of corruption.” (58) I have previously demonstrated that “the biblical virtues of integrity and its close cousins, justice and righteousness, are integral to the efficient functioning of financial markets and...of businesses in our system of democratic capitalism” (Logue, 39).

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9 Falkiner observes: “One of the realities in most Two-Thirds World nations is that quality control inspectors can be bought. Thus, inferior products and services enter the marketplace because inspectors have been paid to ‘turn a blind eye’ to deficiencies” (26).
6. Bribery violates a divine paradigm.

The imitation of God lies at the root of the bribery prohibition. God “does not take shohadh [bribes],” the Book of Deuteronomy proclaims [10:17, 18]. The God of Israel is not turned from the widow and the orphan by the wealth of their opponent. The God of Israel judges impartially. No human gift can blind God’s eye or blind his judgment. Nothing, as the Book of Job teaches, can compel the Creator to reciprocate. Fixed in the biblical basis of Western culture is the model of the Ruler-Judge who is above all attempts to bribe him. We are to be like him. Fixed in the Christian tradition which has been recurrently invoked to reform our civilization are the image of what cannot be bought, the paradigm of the Donor who identifies with the donees, and the teaching that what is freely received must be freely given. Generous gift and base bribe are demarcated forever by religious examples and instruction. (Noonan, 705)

Michael Goldberg, Professor of Jewish Studies, at Saint John’s University in Minnesota argues from the Torah in agreement with Noonan. “A storied understanding of the character of Israel’s holy God as the one totally beyond all attempts at manipulation is reflected in an ethic concerned with the character appropriate for Israel’s judges” (23). Goldberg goes on to argue that the Judaic understanding in this regard was unique among the ancient civilizations. Other cultures saw their deities, and hence their human judges as well, as being susceptible to manipulation. They saw the approach of the supplicant to the judge as a two-party transaction where the offering (bribe) of the supplicant to the powerful judge was fitting and expected if recourse were to be received. The notion of the judge as an impartial agent responsible to the public and/or a just God as principal for his actions is unique to the Judeo-Christian ethos (as articulated in the enlightenment). Hence, we should not be shocked that much of the world affirms bribery, or at best deals with it at an amoral level. The Economist states “in many of the world’s more corrupt countries, the distinction between private interest and public duty is still unfamiliar” (24). Rose-Ackerman observes that “high level or grand corruption is impossible in a nation where state authority flows from the personality of the ruler. Such a ruler may lack legitimacy, but he cannot be corrupt. He and the state are intertwined” (365). That is, the ruler in such a reprehensible kleptocratic state is the principal and there is no trust to be betrayed. Only in democratic societies or in benevolent dictatorships where leaders characterize their rule as a public trust could we have a betrayal of trust at the top.

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10 Falkiner cites (27-28) three problematic texts in the book of Proverbs (17:8, 18:16, 21:14) which Nichols (30), for example, uses to contend Biblical support for the giving of bribes (even though he agrees that the Bible always condemns the taking of a bribe). Falkiner, Noonan (26), and most commentators (see e.g. Word Biblical Commentary, Vol. 22, Nashville: Thomas Nelson Publishers, p. 129) see these texts as describing the real world efficacy of the offering or “shohadh” rather than making a moral affirmation of bribery.

11 “A member of the ruling class having not only autonomy to make legal decisions, but also political, economic, or military clout to make those decisions stick” (Goldberg, 17).

12 She notes, however, “low level corruption can occur when functionaries enrich themselves at the expense of both rules and citizen…Observing kleptocratic behavior at the top-level, lower-level officials seek a share, constrained only by the ruler’s distress at losing a portion of the spoils” (365).
C. Rationales for Acquiescence to Bribery

The first consideration above would surely be convincing to a deontological thinker like Kant who argued that people should be valued as “ends” not just as “means.” The 2nd through 5th considerations would surely be convincing to utilitarian thinkers, and the Judaic-Christian imperative against bribery seems to be clear. Bribery, therefore, should be universally condemned, and indeed the laws of most lands make it an illegal act. Why then do so many businesses engage in it while at the same time generally seeing it as a costly and somewhat distasteful act? Here are some rationales that are commonly given for such behavior.

1. In some cultures, such behavior is consistent with expectations for “gifting” and parallels American tipping.\(^{13}\)

This is the famous commitment to reciprocity that Noonan believes is so incompatible with Christianity. He distinguishes a gift from a bribe in that a gift “is meant as an expression of personal affection...No equal exists between what the donee has done and what is given. No obligation is imposed that the donee must fulfill...That the gift should operate coercively is indeed repugnant and painful to the donor, destructive of the liberality that is intended. Freely given, the gift leaves the donee free” (695). Hence, a “gift” given to meet a reciprocal obligation connected to a business transaction is a bribe, not a true gift. “A gift brings no shame, a bribe must be secret. A gift may be disclosed, a bribe must be concealed” (697). A gift is a voluntary exchange between two parties whereas a bribe induces betrayal of a third party principal, as noted earlier. Tips and campaign contributions lie in the moral ground between true gift and bribe, and one must scrutinize them carefully to ascertain whether they cross the moral ground to become a bribe. The degree of quid pro quo with a specific transaction—i.e. the degree of reciprocity—is the determining factor.

2. Everyone does it.

It is true that bribery is widespread globally. However, there is no ethical framework that makes popularity rather than principle the arbiter of morality. The rub comes competitively when a business doing the right loses important contracts to more opportunistic players. Weber and Getz cite sources claiming that “U.S. businesses, which are subject to the Foreign Corrupt Practices Act, reportedly lost more than $108 billion in business from 1994 to 1998, in part because laws against foreign bribery did not restrict their non-U.S. competitors...The economic consequences of bribery are devastating to businesses seeking to compete legally in developing markets, as well as organizations operating in established international commerce” (695).

3. A show of moral courage on one’s part by refusing to acquiesce to bribery would do nothing to change the prevailing system of corruption, hence, nothing would be gained and much lost by such action. When in Rome do as the Romans do. Why be a Don Quixote?

Many have the sense that when societies are pervasively corrupt, there is no point in fighting it. In a sense corruption is a negative public good. How do we engender action when the influence of any one player is so inconsequential and yet the collective actions of all are so destructive?

\(^{13}\) See e.g. Nichols for a vigorous defense of bribery based on the “gifting” argument by an evangelical missionary to the Ukraine
There is a strong parallel to the positive public good of democratic institutions sustained by the voting and civic activity of the citizenry. The impact of one vote is rarely consequential, hence, only a deontological commitment to the “duties of citizenship” as motivation can avert the collapse of these institutions due to a lack of participation. Christians in particular are called to be salt and light by “fighting for the right without question or pause.”

I am fascinated by the moral revolution which has taken place in Italy since 1990 where the power elites in the Mafia, government and business (including a former prime minister) who once participated in the generous distribution of graft and patronage and tax evasion are now imprisoned or under indictment. The Economist states, “Italy purged its political class in the legal investigations of the early 1990’s, which dramatically improved its ranking in Transparency International’s anti-corruption index” (24). There is a wonderful irony in this development since a classic case study widely used for years in ethics courses, entitled “Italian Tax Mores,” has been used to demonstrate the appropriateness of acquiescing to bribes when the host culture condones such behavior. The discerning would have questioned whether the “Romans in Rome” had freely chosen their system of pervasive corruption, or whether they were just pawns in the hands of the corrupt elites. When a few key priests and magistrates said “enough” and took a stand—even to the point of giving their lives in the ultimate act of moral courage—the common people rose up in revulsion, in a moral revolution which obliterated the two largest political parties. Similar international developments have also been taking place in other countries like Korea.

4. Do it for the Greater good.

Many who recognized the evil embodied in bribery, nevertheless, rationalize it as “altruistic sinning.” The deal secured with the bribe preserves the viability of the business and protects the jobs of employees. The temptations are perhaps even greater for mission and philanthropic organizations given their altruistic missions. The bribe opens the door to humanitarian aid and makes proclamation of the gospel possible—lives are saved both temporally and eternally.

Adeney gives lip service to the deontological conclusions of Noonan, acknowledging that “certain types of bribery are absolutely wrong.” However, he goes on to reject moralism as a “shallow example of a deontological approach that insufficiently recognizes the complexity of reality” (147). His moral analysis proceeds to emphasize teleological arguments which stress the need to maximize the good or minimize the evil in our decisions. He flirts briefly with a situational ethic which he also rejects as “a shallow example of a teleological approach that overestimates the power of an individual to calculate and bring about loving results without the

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14 See e.g. Stone, Chapter2, for a careful analysis concluding that because “an election is a collective good…the self interested citizen will be a free rider rather than help pay for collective goods critical to the relationship between the citizen and the political system…[Therefore], people vote primarily because they feel they have a duty to do so” (36-39).

15 Kroecker chronicles with illustrations from daily life the costly commitment of Trudi Schwartz, a development worker in Tanzania, to share her faith in her work as MEDA’s country manager by resisting giving in to bribery and graft.

16 See Frei and Gilbert for fascinating documentation and commentary on these developments.
restraints of law and community” (149). In conclusion, Adeney advocates a prima facie prohibition on bribery; however, altruistic sinning is permitted. “While some kinds of bribery are absolutely wrong, some may be wrong but unavoidable. They are wrong on the face of it, but less significant than the values that would be lost if we refused to pay. Some people have more power to break the bribery system than others. Therefore, it is important not to judge those who make different decisions about what is a ‘lesser evil’” (161). However, even Adeney remains uncomfortable with altruistic sinning. “Nevertheless, the greatest danger of the prima facie category is that it may become the easy way out, a means of justifying actions we know are wrong. Most of what we call bribery is evil and cannot be done without consequences that hurt other people more than the briber. If we bribe or kill or lie for what we consider a higher cause, repentance is advisable, for judgment lies ahead” (161). Certainly Christians called upon to emulate the holiness of their God (Lev. 20:26) should approach altruistic sinning with fear and extreme reluctance.  

Falkiner offers an illustration of the greater good argument in the story of a missionary.  

A new business manager once came to one of our projects near the Indian border. It had been the custom for years to provide a little ‘token of appreciation’ to the man at customs for expediting the passage of mission goods across the border. But the new business manager—a wonderful fellow, but prone to see things in black and white—regarded this as bribery, pure and simple. He put an end to the passage of mission goods across the border. There was a face-off, naturally; the mission reinstated the practice and the business manager went home. (24)  

The work must go on! Falkiner offers two arguments against this justification: i) This justification “places pragmatism over obedience. The missionary opts for ‘what works,’ even though this involves sinning in the sight of God.” ii) “Giving in assumes that bribes are necessary to work successfully in these nations. Many missionaries and businessmen have worked successfully without succumbing. Creative ways to operate without bribery have been found. For example, to work in the face of strict visa laws, missionaries have gone as tentmakers or students or have approached these countries as nonresident missionaries. The idea that bribery is ‘necessary’ is relative to the price that one is willing to pay to operate without bribing.” (24)  

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17 Geisler (Chapters 5-7) asserts that evangelicals subscribe to moral absolutes and reject the relativism briefly described in the Introduction. He also contends that evangelicals choose one of three different forms of absolutism to resolve the dilemma which arises when two or more moral principles conflict (e.g. preserving life and not paying a bribe), and that this choice will tend to reflect the theological tradition of the decision maker as follows: “Unqualified absolutism is associated with the Anabaptist tradition, conflicting absolutism with the Lutheran tradition, and graded absolutism with the Reformed tradition” 113. “Unqualified absolutism affirms that all such conflicts are only apparent; they are not real [and one always acts on the most directly applicable principle trusting the consequences to the providential working of God]…Conflicting absolutism admits to real moral conflicts [and one acts to choose the lesser evil], but claims that one is guilty no matter which way he goes…Graded absolutism (or the greater-good position) agrees with the view that real moral conflicts do sometimes occur, but maintains that one is personally guiltless if he does the greatest good and chooses the lesser evil in that situation” (97). Noonan’s deontological views on bribery would fit the “unqualified absolutism” form. Adeney’s prima facie views would meet the criteria for the “conflicting absolutism” form. I personally fail to see a meaningful distinction between conflicting and graded absolutism as both employ moral calculus and certainly we should experience regret and sorrow when we are forced into such awful choices in a fallen world.  

18 He accepts the justification in the case of extortion.
Cathy Thornberg relates that “I heard one case of a Russian believer who makes a distinction between agreeing to bribery for a Christian cause, but not for personal gain.” In reaction, Cliff Harder, with Campus Crusade for Christ in Russia, rejected this dualistic practice as being inconsistent with an effective Christian witness. (36) Finally, one must understand that the bribe which procures a short-term ‘good’ may forfeit the longer range opportunity for reformation. Adeney reports that many global Christians “argued for a principled rejection of all bribery…as the only way for a community to resist the enslavement of corruption. Some even argued that it was working, that officials no longer tried to receive payments from the Christian community because they knew it was futile” (148-149)

5. When the official of a government or business uses their authority to extort a bribe, that coercion relieves the victim (briber) of moral responsibility.

It is true that using duress as an excuse for otherwise immoral behavior has a long history going back to such ancients as Aristotle. Nichols argues that the powerless are relieved of moral responsibility for the giving of bribes.

Scripture is clear that God’s people, who are in positions of power and leadership, must uphold blind, impartial judgment. But all of God’s people do not have godly rulers. Many times his people suffer under unjust decision makers, blaspheming tyrants, or lazy clerks. In such situations God’s compassion and wisdom are found in his not forbidding a bribe. He knows his children may find themselves in positions of powerlessness where the future depends upon the personal favor of the decision maker, regardless of the written law. (32)

Falkiner agrees that extortion creates a special moral condition.

A relief worker in Thailand saw 25 of his national co-workers arrested, and he could not purchase or distribute food and fuel for 18,500 refugees, until he paid a bribe…Extortion withholds justice and services that are rightfully due a person or that should be provided without charge. [This] relief worker who paid a “bribe” so that he could feed refugees was really a victim of extortion. He didn’t pay to pervert justice, he paid to prevent the officials from wrongfully imprisoning his workers and preventing him from feeding 18,500 refugees. The victim can refuse to pay in order to help curb the continuation of corruption, but his guilt is not equal with that of the one who is extorting. (24-25)

Wertheimer, in his book Coercion, treats this subject at great length without giving us any neat, cut and dry formulas that would tell us when bribery is morally excusable. He suggests that the standard for what level of duress creates a coercion excuse depends upon the seriousness of the resulting act from a moral point of view. That is, there is a prima facie responsibility to resist the extortion demand. However, if the extortion demand itself is immoral, and if the moral calculus (teleological considerations) shows that acceding to the demand dramatically reduces the moral evil or dramatically increases the moral good then the briber may legitimately use the coercion excuse. So the Thai relief worker could not use the coercion excuse unless he had exhausted all alternative means to carry out the mission. Nor could he use the excuse to end

That is, a threat with serious consequences.
delays and increase effectiveness—nothing less than the imminent starvation of the refugees would clearly validate the excuse. The arguments here clearly parallel Adeney’s prima facie/greater good arguments in section “C4” above.

This line of reasoning would suggest that the moral requirement to resist duress is greater for a bribe of consequence which would gain an illegitimate advantage for the briber than for a small grease payment that expedites services to which the briber is rightfully entitled. Webster defines bribery as “money or favor given or promised to a person in a position of trust to influence his judgment or conduct.” Perhaps, if the money given influences the person to simply carry out the job properly that he has been entrusted with, no breach of trust, and hence, no bribery is involved. De George argues that “so called facilitating payments which induce civic servants to do their jobs [are] closer to tipping than to bribery” (13). However, he hastens to caution that to qualify as tipping such payments have to be customary, open to scrutiny, and afford the payer no special advantage.

It is interesting that scripture explicitly condemns the bribee rather than the briber. God seems to be more concerned about the party in a position of trust who breaches her fiduciary responsibility or commitment to exercise her authority in favor of justice and fairness. However, I am hesitant to place all of the moral responsibility upon the bribee, even when the bribe is coerced. The briber would seem to have complicity if they do nothing to resist the extortion, and certainly those offering gratuitous bribes to gain an unfair or illegitimate advantage are guilty of seduction. It also seems dangerous to me to condone accommodation to the extortion of grease payments as corruption is a slippery slope much analogous to cancer in its spread. Galasi and Kertesi demonstrate that once corruption gains a foothold in a centrally planned economy it follows a downward spiral similar to the death spiral experienced by markets in the presence of asymmetric information as illustrated by Akerlof’s “Market for Lemons.” They conclude that “from certain points in the spreading of corruption not only those refraining from corruption but also those practicing it will be worse off than if there has been no bribing in the market—yet corruption keeps on spreading” (371). Brademas and Heimann, likewise, note this downward spiral. “Corrupt systems are not only unjust but are inherently unstable. Because bribes must be paid in secret, normal systems of checks and balances do not function. Without them, corruption spins out of control, as in Italy. Payoffs to political parties started at 5% of the price of government contracts, then escalated to 8, 10, and finally 15%. As the amounts involved shot up, the funds were no longer restricted to the political parties. Instead, they went increasingly to the personal bank accounts of leading politicians” (21).

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20 However, the demand for “grease payments” suggests a willingness on the part of a public official (agent) to withhold or delay services which the public (government representing people as the principal) has mandated to be provided without discrimination. Thus, the act of extortion creates injury to the extent that services are withheld or delayed
D. Strategies for Competing Ethically in Corrupt Environments

De George and Gesteland have proposed helpful guidelines for ethical businesses seeking to compete in marketplaces where corruption is pervasive and bribery is the modus operandi. The strategies below, except for rules 6 and 7, are due to Gesteland (95-97). There is considerable overlap with the guidelines of De George (chap. 7), and I have tried to note some of these commonalities.

**Rule 1** is the simplest: Never assume you have to give a bribe, even in supposedly highly corrupt societies. Always look for another way. He who expects to pay a bribe will do exactly that.

De George calls this using moral imagination. He illustrates it with the following: “When a customs official assessed one firm a higher than normal fee, company officials sent 500 letters to various government offices asking for an explanation” (115).

**Rule 2** is also simple: Just say no. Tell the bribee your corporate policy forbids such payments. Of course, this ploy seems to work best for companies with sought-after products or a very big pencil. In other words, those with clout.

De George call upon ethical firms to do what is right, to show moral courage, “In responding to an unethical opponent be prepared to pay a price—sometimes a higher price” (119). “Where bribery is the prevailing practice, a company that acts with integrity may have no option but to opt out of it and so lose the business. This is blatantly unfair, yet a company with integrity can neither demand nor accede to bribery” (116). On the positive side, companies with reputations for integrity experience fewer problems with solicitation.

**Rule 3**: When a government employee asks for or hints about a bribe, look hard for legal and ethical ways to meet his or her needs instead. Foreign negotiators often follow this rule in today’s China.

Rule 3 is also an example of using moral imagination. Gesteland suggests considering: a) A plant visit or training course in your home country. b) Making an appropriate, publicized donation such as building a medical facility in an official’s home district, giving equipment to worthy causes, or creating local jobs in such a way that honor is reflected on the decision makers. c) Do a personal favor such as helping an official get a relative into a university in your homeland.

**Rule 4**: Look for creative ways to accomplish your goals without giving in to graft.

Gesteland illustrates this rule with a case where a company regularly sending techs to Indonesia noted that passports with pencil tick marks in the corner of the visa stamp subjected the techs to demands from immigration officials for $50 payments. Erasing the tick marks eliminated future demands.

**Rule 5**: Learn the culture of the country. Culture gives you invaluable clues to evading the bribery trap.

Gesteland points out (97-98) that societies in which illegal payments are common happen to share a number of key cultural values including:

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21 Gesteland illustrates these guidelines with extremely helpful case studies
22 See Nichols (32, 33) for additional elaboration of moral imagination.
• They are relationship focused; personal connections are crucial.
• They are strongly hierarchical with the wide status differences.
• They are polychromic, with a relaxed attitude toward time and scheduling.

Cliff Harder of Campus Crusade reported that “in order to try to avoid bribes and to get [government administrators in Russia] to do what they are supposed to do, several times a year we [would] give them flowers, candy, or some other token of appreciation, just to say, ‘We appreciate our working relationship with you’” (Thornberg, 35). Instead of paying their dues to legally forge critical relationships, some business novices think that “spreading ‘baksheesh’ around is the best way to expedite the lengthy process of developing good relationships—thus falling into the bribery trap” (Gesteland, 98). “Frustrated by seemingly inexplicable delays, executives from clock-worshiping monochromic cultures are often willing to make under-the-table payments in order to expedite a government decision” (Gesteland, 101).

**Rule 6**: In responding to unethical forces, apply the technique of ethical displacement.

According to De George (97), ethical displacement consists of “solving an ethical problem by seeking a solution on a level other than the one which the problem appears…” Examples would be i) appealing for just treatment to higher levels of government or organizations, and ii) lobbying for OECD adoption of FCPA principles so that companies operating under the FCPA prohibitions also means finding strength to oppose bribery and corruption by acting in concert with organizations of like minded businesses. He cites the success of business support of the Sullivan Principles in South Africa as a case in point.

**Rule 7**: In responding to an unethical adversary, system or practice, use publicity to underscore the immoral action.

“Corruption operates most effectively in the dark…[it] thrives on people’s unwillingness to confront it…Publicity opens up [practices such as bribery] to public scrutiny,…it enables one to mobilize pressure against corrupt practices and their perpetrators, and…it forces a government to come to terms with corruption within its borders…Of course,…publicity may also bring retaliation of various kinds on those using it” (De George, 117-118).

**E. Scope of Bribery and Outlook for the Future**

When the talk turns to corruption, the news media and most international institutions (whether official or nongovernmental) focus on the demand side of the equation: on public officials who abuse their office for private gain. Frequently, the supply side is given less attention. Those who pay bribes are sometimes depicted as innocent parties, forced by ruthless officials to provide kickbacks and do special favors in return for business. The reality is that both parties to corrupt practices conspire to defraud the public, to undermine fair trade, to waste resources, to frustrate development, and often to increase human suffering. (Vogl, 30)

In the mid 90’s Dr. Frere Ginwalla, then Speaker of the South African Parliament, echoed the same theme as she addressed a European ethics conference: “Yes, Africa and most of the Third

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24 In 2004 Alan Boeckmann, CEO of the Fluor Corporation, announced that 19 large international engineering and construction firms have united to commit themselves to a “zero tolerance” for bribery. (Hulm, 18)
World is corrupt. But the head and fountain of that corruption is the very entity that is pointing admonishing fingers at us—in short, the North” (Versi, 7). In 1977 the United States took a pioneering step toward control of supply side corruption by passing FPCA in the wake of the Lockheed/Japanese aircraft scandal. In 1996 the 34 member countries of the Organization of American States (OAS) adopted the Inter-American Convention against Corruption, the first multilateral legal framework to combat public corruption. Follow-up mechanisms were mandated in 2001, and a total of 28 countries have committed themselves to cooperate in implementation of the Convention. Reports assessing the progress against corruption have been reviewed for nineteen of these countries to date and five more country reports are scheduled for review in late September. These reports are available for review at the OAS web site (www.oas.org).

A year after the OAS Convention was adopted, OECD countries took another decisive step forward with adoption of their Anti-bribery Convention which has now been ratified by all 30 member countries and six non-members. As of 2005 all but one of the 36 countries had completed the Phase I assessment of the conformity of each country’s anti-bribery laws with the OECD Convention requirements, and fifteen countries (including the G7) have completed Phase II which involves “several days of intensive meetings in the examined country with key players from government, business, trade unions and civil society to build a clear picture of how effective that country’s anti-foreign bribery laws are in practice” (OECD Observer, 20). These reports are also available for review at the OECD web site (www.oecd.org/bribery).

The World Bank and IMF have begun to provide high profile leadership on the war against corruption as the enemy of development since the early 1990’s. Mauro, an IMF economist, is responsible for seminal research on the negative correlation between corruption and economic growth; “internal task forces on corruption in the World Bank and IMF…have submitted reports to their respective Executive Boards and to the joint Development Committee” (Gray and Kaufmann, 7), and the World Bank declares “corruption the single greatest obstacle to economic and social development. [This represents an enormous turnabout from their earlier posture.] Augusto Lopez-Claros, Chief Economist and Director of the Global Competitiveness Programme of the World Economic Forum, remembers hearing that for many years, institutions such as the World Bank and IMF did not allow staffers to mention the word ‘corruption’ in official papers” (Huhm, 18).

Brademas and Heimann also document a dramatic decline in tolerance for corruption with illustrations from fifteen different countries representing all regions of the world. They contend:

The growing intolerance of corruption stems from the convergence of several political and economic pressures. The post—Cold War era has brought an opening up of governmental processes, freer news coverage, and increased independence of prosecutors and judges. Corruption is harder to hide, as the wave of bribery scandals involving high-level officials in Europe, Asia, and South America demonstrates. On the economic front, impediments to investment and other dysfunctions due to corruption are vividly displayed in Russia, Africa, and Eastern Europe. With the growth of the global economy, international business leaders are increasingly recognizing that common, morally defensible rules are essential. (18)
Private activist organizations like Transparency International (TI), led by Peter Eigen, have also turned the global spotlight on corruption with tools like the highly publicized “Corruption Perception Index” and the “Bribe Payers Index” (targeted at supply side corruption). Many researchers such as Mauro have depended heavily upon this data in their research. The most recent country and sector surveys can be reviewed at the TI web site (www.transparency.org).

These initiatives represent the bright side of the picture. However, it would appear that Noonan’s dream that bribery will some day be as universally condemned and rare as slavery will be realized only following an extremely arduous struggle. “Daniel Kaufmann of the World Bank, a veteran dispenser of third world loans, estimates that illegal transactions [grand corruption] cost the world economy some $1 trillion a year” (Finney, C8). The FCPA and OAS and OECD Conventions are great steps forward provided that the international community has the will to implement them. Finney reports that although the pace of prosecutions has picked up since 1998, fewer than 100 cases have been prosecuted since the FCPA became law. I will close the paper with a lengthy and somewhat sober assessment by Weber and Getz of the current state of affairs.

Experts in the field believe that the scale of international bribery has not diminished, and some even believe that it has increased. According to Fritz Heimann, Chairman of the U.S. chapter of Transparency International, many observers and analysts believe that there has been a gradual escalation in the bribe amounts—to twenty to thirty percent of the contract amount from five percent a decade ago. Some evidence is provided by surveys. At least one survey reports on the respondents’ own bribery. A 1997 World Bank survey reported that 40% of 3500 firms in 69 countries admitted to paying bribes, with the bribe averaging about 20% of the transaction amount. Most survey data reports on respondents’ perceptions of others’ propensity to pay bribes. Over 90% of directors of U.S. firms report that they think they compete with bribe-payers when bidding for contracts in developing nations.

Additional evidence is supplied by the Transparency International Bribe Payers Index. The BPI shows that from the perspective of developing countries, there is a high propensity for firms from exporting countries to pay bribes. In the 1999 index, five of the nineteen countries were considered highly corrupt (China, Italy, Malaysia, South Korea, and Taiwan). The same five countries were still considered highly corrupt in 2002, along with Hong Kong and Russia, which were added to the survey in 2002. In both 1999 and 2002, another seven countries were considered at least moderately corrupt. For 1999, the moderately corrupt countries were Belgium, France, Germany, Japan, Singapore, Spain, and the U.S.. For 2002, Belgium’s score improved to “not corrupt”, while the score for the United Kingdom fell to “moderately corrupt.” Further, the BPI for both years showed that domestic companies from the developing countries surveyed were perceived as more corrupt than those of even the worst investing country. (696-697)
Conclusion

We have demonstrated that there is an universal moral imperative for all business persons, but particularly for Christians, to condemn the practice of bribery. The moral prohibition falls most particularly upon all bribees, although offering a bribe to secure advantageous treatment to which one would not normally be entitled is also condemned. The prohibition is less clear for those making small payments to facilitate services to which they are legitimately entitled, and these may be analogous to tipping if they are customary and open to scrutiny. Rather than just retreating from markets marked by pervasive bribery or fatalistically yielding to the bribery trap, ethical firms and individuals are encouraged to use moral imagination to find strategies for competing successfully in such markets without resorting to bribery, and a number of suggestions have been given.
References


APPENDIX
Notes on the Literature

The objectives of this paper have been to analyze the morality of bribery and corruption and to help the Christian professional acquire the beginnings of wisdom in dealing with the challenges of this difficult ethical issue. The author hopes that many professors will be able to use this paper to incorporate a module on bribery and corruption into courses in ethics, international business, business policy, etc. It is hoped that some will even be motivated to extend this research and that the extensive reference list will be helpful in this regard. John Noonan’s voluminous work, *Bribes*, is the definitive Judeo-Christian analysis of the topic, and is recommended as a primary reference. Bernard Adeney offers an alternative Christian viewpoint which is rooted in praxis, relies heavily on the analytical frameworks of moral philosophy as opposed to Noonan’s more theological treatment, and reaches more relativistic and less deontological conclusions. DeGeorge and Donaldson are the two secular ethicists who have reflected most extensively on this topic in the international business context. Paolo Mauro’s seminal research on the relationship between economic development and corruption in the mid 1990’s influenced the World Bank and IMF to become activists in the fight against corruption, and undoubtedly gave impetus to the increasing activism of the OECD. Gray and Kaufmann of the World Bank provide a helpful overview of the economic costs of corruption and its impact on economic development in their 1998 paper. The Weber and Getz paper in *Business Ethics Quarterly* in late 2004 gives the best current review of the academic literature on bribery and of the status of the global efforts to curb bribery and corruption.

One will quickly discover that the literature on the micro level (that is, directed at personal and organizational decision makers) tends to delineate the extent of bribery and analyze its morality rather than to offer any practical suggestions to the ethical individual or firm for coping with the reality of corruption in a fallen world. The works of Gesteland and DeGeorge cited in this paper are the rare exceptions that offer extremely helpful coping mechanisms illustrated by numerous cases. The academic literature, as elaborated below, focuses its attention on the macro policy initiatives which can be taken by governments and international trade and financial organizations. These macro considerations don’t offer much help to the company negotiating a transnational contract or to the mission organization seeking visas or government permits.

For the most part I have observed that Christian organizations maintain a deafening silence on this topic even though international missions and humanitarian aid professionals obviously encounter excruciating pressures to bribe or submit to extortion as they pursue their missions. In this light *Evangelical Missions Quarterly* is to be commended for devoting its January 1999 issue to several provocative articles dealing with bribery.

Those teaching classes in Auditing, Business Law, or Forensic Accounting and those concerned with compliance with current regulations regarding bribery will find two papers published in 2004 to be especially helpful. Johnstone, Brown and Wickizer provide a comprehensive review of the legislative response to bribery in the USA and UK including a fairly detailed description of applicable regulatory provisions. Herz and Larson explore the accounting and internal control
requirements of the FCPA for companies and discuss tools that internal auditors can use to assess and deal with the risk that illegal payments will be made by their organizations in connection with international activities. They advocate the use of the Bribe Payers Index (BPI) published by Transparency International.

Finally, in view of the restricted focus of this paper as outlined above, let me point out that my references do not attempt to survey the extensive literature on bribery dealing with structural and cultural elements of causation on both the supply and demand sides of corruption nor the public policy initiatives which might help ameliorate the problem. The 2004 paper of Sanyal and Samanta would provide a sample of this class of literature and its list of references would provide a helpful starting point for further research. They conclude: “There is a strong positive correlation between countries where bribes taking is highly prevalent and those countries that are most likely to offer bribes. The propensity to give bribes is determined by economic factors such as per capita income and degree of economic freedom in the country, cultural factors such as power distance and masculinity, and legal-regulatory factors such as accounting and tax treatment of bribes” (Abstract). “Countries with high scores on power distance, masculinity, and uncertainty avoidance are perceived to be more corrupt” (11). The paper by Janos Bertok, a functionary of OECD, provides another example of this literature. He outlines OECD initiatives in the fight against corruption with some specificity and argues for structural reform. “In OECD work on public sector ethics, corruption is seen as more than individual criminal actions, but rather the result of systematic failure and a management problem. This is manifested by low-quality legislation and by weak public institutions that do not enforce laws, and even more, fail to provide adequate control, oversight, and transparency” (Abstract).