

## Gifts, Corruption and Philanthropy

By Peter Verhezen

Should we bother to ask the question whether some gifts and donations could be interpreted as bribes, or is the distinction always clear?

From the recent corporate scandals in Australia and overseas, corporations apparently face PR disasters as a result of corruption scandals. Some even face legal prosecution for such corporate malpractice where alleged gifts were interpreted as genuine gifts. The Australian Wheat Board has gone through some serious upheaval destroying a lot of goodwill and damaging its reputation in the process. The Victorian Police's reputation was tainted by a recent scandal of police officers accepting 'gifts' from criminals, violating their Office of Police Integrity guiding principles and undermining the effectiveness and vision of what the police force stands for in Victoria. Well intentioned gifts could turn into a PR disaster when some subtle or less subtle 'cultural' borderlines are crossed.

There does not seem to be any relationship between corporate philanthropy and corporate malpractice. Corporate donations to political parties and politicians in NSW may not necessarily be what it appears to be despite the fact that organisations donate when they can. Philanthropy does not seem to imply any wrongdoing. The whole legislation with respect to such corporate donations to political parties may need to be completely revamped in order to fine tune the objectives of philanthropic donations. Whether such corporate socially responsible donations imply some pragmatic altruism, or attempt to guarantee some license to operate from the political party in power, or whether such philanthropy is a blatant cover up for legalised favouritism need to be carefully analysed.

In my socio-philosophical book, *Gifts, Corruption, Philanthropy, The Ambiguity of Gift Practices in Business*, I attempt to answer why gifts are not just moral expressions but why gifts function as binding social practices in business and personal relations. People give because of their desire for sociability or to subtly obtain some favour back; people receive because they don't want to embarrass the other, and they reciprocate not to humiliate themselves. The notion of reciprocity induces a feeling of indebtedness towards the benefactor. However reciprocity can be easily misused for less benevolent purposes as the above corporate scandals seem to suggest. Because of an inherent ambiguity, the gift can deviate into a logic of tit-for-tat or even deliberate domination of the other.

Donors will always need to pay attention to the possible perversions lurking in their gifts such as the desire to dominate or to violate certain social norms and moral values. Gifts often express a struggle for prestige, as a symbolic combat in which the social positioning of the donor and recipient is at stake. Giving is the art of balancing on the fine line of this ambiguity.

Reciprocal gifts can potentially fall into the trap of an alleged gift or bribe that is often justified by the elite in power or by public officials who claim it to be culturally acceptable. This deviation is often the beginning of a vicious and destructive involvement in corruption. Bribery eats away and breaks down the tissue of morality and the trust that holds together any social community or relationship. It is in the self-interest of corporations and its leadership to be perceived as trustworthy, reliable and accountable. Bribing your way through business deals may provide some short term windfalls, but the reputation is at risk that could easily destroy well earned

organisational value. Public officials on the other hand should be trustworthy agents of the state and not trustworthy friends of business relations.

Understanding gift practices within a specific business and cultural context will help practitioners to pursue an appropriate strategy of corporate responsibility that aims to enhance business relationships and increase its corporate shareholder value. Despite its inherent ambiguity, a gift should be understood as a worthy ethical and social practice within a specific cultural or organisational context.

[Click here](#) for details of the Australian launch of Peter Verhezen's book, *Gifts, Corruption and Philanthropy, The Ambiguity of Gift Practices in Business*. His book can be purchased at Peter Lang AG: International Academic Publishers (Switzerland), Tel ++41 (0)32 376 17 17, Fax ++41 (0)32 376 17 27, email: a.frey@peterlang.com (Andrea Frey). Website: [www.peterlang.com](http://www.peterlang.com)

### **About Peter Verhezen**

Peter Verhezen is an Associate at Mt Eliza Executive Education and a Visiting Scholar at the University of Melbourne teaching and performing research in the field of Corporate Governance in International Business.

Prior to his current appointments, Peter was a management consultant and entrepreneur for more than 25 years, mainly in Asia. He still advises organisations on integrated risk strategies, sustainable investment strategies and good governance practices, including the Great Union Oil Investments Ltd, a recently established energy company in Hong Kong.

He obtained a Master's in Applied Economics (International Relations) from Antwerp University (Belgium), an MBA (Finance) from Leuven Vlerick Business School/Chicago Business School and a Master's and PhD in Philosophy from the University of Leuven (Belgium).