

# SPECIAL EDITION 03

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## WOMEN'S ROLE IN FIGHTING CORRUPTION



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### The Paradox of Women's Role in Corruption

Women present half of the world's population, yet in one of the most pressing issues to development and social justice, corruption, their role can be seen as paradoxical. Research indicates that women are disproportionately impacted upon by corrupt activities. Women, especially in developing countries, are negatively impacted upon by corruption, to a greater extent than that experienced by their male counterparts. In a survey conducted by the United Nations Development Programme in 2012, 76% of women responded that corruption has prevented their access to public goods and services. This is the case despite the fact that several studies suggest that women have a tendency to be less corrupt and that countries or companies with a greater number of women in decision-making positions perform better in terms of their corruption levels.

This article will give an insight into the current state of research, with specific reference to women's effects upon companies. It will also present strong evidence for involving women at all levels of business processes.

## More Equality = Less Corruption?

The World Bank's report from 2001, 'Engendering Development through Gender Equality in Rights, Resources and Voice' made the clear observation that, with more gender equality, countries tend to be less corrupt.<sup>1</sup>

Similar research, that only started to take off in the early 2000s, presented the tendency of women to be less prone to corruption. However, Hung-en Sung developed the thesis that the evidence for less corruption in certain countries is a result of a 'fairer system' with established liberal democratic institutions rather than the presence of women in political leadership positions. At this point it has to be noted that the gender equality indexes by institutions like the World Economic Forum show that countries tending to have more gender equality are exactly those countries that have established democratic institutions.

It can therefore be said, that countries that have greater freedom, an established democracy and support gender equality show better results in corruption indexes. The core values of democracy and gender equality are therefore fundamental to reducing corruption.

The Anti-Corruption and Transparency department of the United Nations Global Compact developed a short paper on the correlation between gender and corruption, and the role of the private sector. The paper sought to examine the effects of corruption from a gender perspective. Grassroots women ranked business and employment as the second highest service area prone to bribes (after the public sector). Women are subjected to monetary bribes or solicited for sexual favours in exchange for employment or operating a business, hindering their ability to earn income and/or sustain their businesses. These studies show the importance of addressing corruption through a gender lens by providing safe and inclusive environments that are transparent and accountable, while at the same time leveraging women as agents of change.

#### The Business Case

Two recent studies on gender diversity and corporate performance by McKinsey and Company conducted in partnership with the Women's Forum for the Economy and Society, demonstrated the link between the presence of women in corporate management teams and companies' organisational and financial performance. The research suggested that the companies where women are most strongly represented at board or top-management level are also those companies who perform best. Further research on female leadership showed that behaviours more often carried out by women, reinforce the company's organisational performance on several dimensions.<sup>2</sup> From a business point of view as well as from the ethical therefore, female leadership is worthwhile.

## Accountability and Transparency

Corruption occurs and is protected by insufficient accountability and transparency. It often takes place in established networks excluding women. Participatory processes including women can detect and reduce corruption.<sup>3</sup> Women who are involved in transparent processes and who are empowered to understand the

policies behind it are able to fight corruption from the local to the national level.

Cultural reforms affect the overall situation of women worldwide and have been advocated for decades. It is an imperative to influence societies, politics and economies. Therefore, in the fight against corruption, changes of attitudes towards gender equality are important.<sup>5</sup>

#### Conclusion

There is a lack of data on the correlation between women and corruption due to the fact that there is a lack of women in leading business positions.

Research on the role of women in fighting corruption is still in its infancy, nevertheless, from all angles we can see that women are strong advocates against the corrupt behaviours that negatively impact upon the lives of them and their families.

In order to enable women and men to fight effectively against corruption, transparent processes need to be implemented on all levels. Institutions as well as the private sector need to step up their efforts to have accountable systems that will not only empower women on all levels but also create the structures to fight corruption effectively. In this sense the recommendations by UNIFEM as highlighted above are about "changing basic understandings of the public interest so that women's rights and gender equality are at the center of social compacts for the broader public good."

As more women reach leading positions more data on the issue will become available, allowing thorough conclusions to be drawn as to whether women are less corrupt than men. In the meantime, it can nevertheless be said that there are several reasons to include women at all levels of enterprises: a human rights approach, the business case or the mere possibility to reduce corruption. There is no harm in trying.

By Bettina Metz-Rolshausen and Andrea Cordes

<sup>2</sup> Women's Empowerment Principles Page 12

<sup>3</sup> See Böker, Metz-Rolshausen (2015), Page 2.

<sup>4</sup> UNIFEM (2009), Page 7f.

<sup>5</sup> See UNIFEM (2009), Page 7ff.

<sup>6</sup> UNIFEM (2009), Page 12.

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