

# ANNUAL CESA CONFERENCE

## Ethical Issues in Engineering Practice

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# Defining Ethics

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Everyone's ethics are defined by what they will tolerate when it is done to others

*William Greider*

**What:**

- Intent
- To be achieved
- Do we believe will ensure that we achieve it



# Issues Facing Engineers

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- **Technical**
- **Ethical**
  - **health**
  - **safety**
  - **welfare of general public**
  - **climate change**
  - **natural environment**
- **Commercial**



# Types of Issues

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- **Technical incompetence or misrepresentation of competence**
- **Conflicts of interest**
- **Discrimination, favouritism, or harassment**
- **Misuse of resources, client and company**
- **Failure to protect public health, safety or welfare**
- **Improper relations with clients or contractors**
- **Improper political or community involvement**
- **Mishandling sensitive information**
- **Failure to protect the environment**
- **Poor quality control or quality of work**



# Specific to South Africa?

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- **Circumventing BBE**
- **Fronting**
- **Cartels/Oligopolies**



# Administrative Corruption

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- **Accept bribes to distort the prescribed implementation of laws, rules and regulations**
- **Includes bribes to:**
  - **gain access to political favours**
  - **win tenders**
  - **obtain delivery of public service**



# Corporate Corruption

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- **Collusive practices**
- **Pay bribes**
  - **distort laws and regulations**
- **Sponsorships**



# Dilemmas

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**Moral Choices of society**

**VS**

**Moral choices of individual within  
society**

**Doing what is  
morally right**



**Bad outcome or  
bad effects**

**Doing what is  
morally wrong**



**Good or at least  
better effects or  
outcomes**

# Laws



South  
Africa

- **Prevention of Organised Crime Act No 121 of 1998 (anti-corruption measures)**
- **Employment Equity Act No 55 of 1998 (promotion of development of human capital)**
- **Labour Relations Act No 66 of 1995 (employment practices between employees and employers)**
- **Promotion of Equality and Prevention of Unfair Discrimination Act, No 4 of 2000 (fair treatment of employees, anti-racism etc.)**
- **Prevention and Combatting of Corrupt Activities Act 12 of 2004**
- **Financial Intelligence Centre Act 38 of 2001**
- **Securities Services Act, No 36 of 2004**
- **Protected Disclosures Act, No 26 of 2000**



# Laws

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## International

- **Foreign Corrupt Practices Act (USA)**
- **OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions 1997**
- **SADC Protocol against Corruption 2001**
- **Inter-American Convention Against Corruption 1996,**
- **European Convention on the Fight Against Corruption 1997,**

# The Jungle of Ethics

**Laws**

**Dilemmas**

**Profit**

**Costs**

**Behaviour**



# Quality of Life, Legislation and Ethical Behaviour

- Laws **DO NOT** prevent unethical behaviour



- Compliance system based on legal requirements alone is not enough to curb unethical behaviour within the business community

King Report  
Protocol on Corporate  
Governance in the  
Public Sector  
etc.

**codes**

Complex array of  
different but  
linked paradigms





# Consequences

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- **Rob the poor**
- **Stunt growth**
- **Loss of trust**
- **Loss of freedom**
- **Violent protests**



# The Roots of Violence

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- **Wealth without work**
- **Politics without principles**
- **Commerce without morality**

Mahatma Ghandi





# Best Practice

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- **Optimum use of human & monetary “capital”**
- **Not Industry specific**
- **Multi-disciplinary fields**
- **Apply in all walks of life**



# **Ethics and Best Practice – A Futile Exercise?**

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- **Best Practice and Ethics imply stresses and tensions**
- **The rightness or wrongness of the actions and**
- **The goodness or badness of the consequences of the actions**
- **Best Practice imply profit**
  - ➔ **ethics are neglected?**
- **Lobbying, pedaling influence, circumventing laws are the order of the day**



# The Solution? Good Governance

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## Fiduciary Obligations

- Legislation
- **Liability and Accountability**
  - Social codes
- **Peer Review Mechanisms**
  - Independent and objective process

Ethics *not part* of a process; it is the *framework* within which business must be conducted





# Implement Monitoring System

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- **Monitoring of corruption levels**
- **Plan of action**
  - **civil society participation**
  - **analysis of corruption issues and the roots of corruption**
  - **mid and long-term anti-corruption initiatives**
  - **monitoring baselines, targets and indicators**



# Public Sector vs Private Sector

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## Public Sector

- Focus on society
  - Companies Act
  - PFMA
  - Corporate Governance (Protocol + King)
  - Prevention and Combatting of Corrupt Activities Act

## Private Sector

- Focus on profit
  - Companies Act
  - Prevention and Combatting of Corrupt Activities Act



# Performance Indicators

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- **Prevention of corruption**
  - **number of public and private sector systems examined**
  - **number of implemented and pending measures of the Programme**
  - **implementation of Programme within set timelines**
- **Investigation of corruption related offences**
  - **number of criminal cases filed and completed**
  - **number of reports investigated and charges laid**



# Performance Indicators (Cont.)

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- number of persons convicted and acquitted vs numbers of charges laid
- ratio of anonymous reports to official reports about alleged crimes
- **Anti-corruption education and awareness-raising of the public**
  - number of speeches at conferences, seminars, workshops
  - awareness campaigns in media
  - assessment of success in the fight against corruption as reflected in public opinion polls



# Conclusion

Vigilant protection of our hard-won freedoms

**Our efforts, obligations and conduct must materialize in practice**



**Respect dignity of individual, promotes and supports sustainable human, economic, environmental development**



**Strengthen organs of civil society**

**Make actions/policy/regulations relevant to our own activities**



# *Thank You*

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