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Businesses

Corruption in the private sector

Private sector corruption is misuse of position whereby damage is inflicted on the company and it is essentially not different from corruption in the public sector. The biggest problem with the prevention of corruption in private sector is scarce information and low public awareness.

Corruption between companies is referred to using the English term 'business-to-business corruption'. More information about the nature of private sector corruption can be found on the website of Transparency International Estonia (MTÜ Korruptsioonivaba Eesti): <http://www.transparency.ee/cm/korruptsioon-ja-erasektor> [1]. Private sector corruption can occur at different levels, and its consequences can reach from non-monetary damage to substantial fines or winding-up.

Before 2015, the Penal Code also lacked any separate provisions that would impose punishments for cases of private sector corruption, and criminal matters were resolved using the general sections on gratuities and bribery. 1 Jan 2015 saw the entry into force of provisions of the Penal Code on taking and giving bribes in the private sector, both provisions set out an up to five years' prison sentence for natural persons and a fine for legal persons. Within the first four months of 2015, the police registered three such crimes. Also in earlier years, the police have worked on a few cases of private sector corruption. 2014 will be remembered by a massive case of private sector corruption where a real estate employee of an international company repeatedly accepted gratuities. The case also involves eight natural persons and legal persons who paid the gratuities.

In 2016 was completed a new survey on business corruption in Estonia and Denmark. The survey was conducted by experts from Aarhus University in Denmark and University of Tartu under the PrivaCor project. The survey is available [here](#) [2].

Business Corruption and Risk Management

When corruption studies got properly off the ground a couple of decades ago, it was decided in a consensus that as there was no better explanation that anyone could think of, corruption was to be defined as misuse of public authority for personal gain. By now, the word "public" has been omitted from before the authority or official position and corruption means misuse of one's power or official position for personal gain, regardless of the sector where that person is active in. The word "personal" has also received a wide meaning, encompassing next of kin, some group of persons as well as a political party. One of the wider definitions and a more sympathetic one to me is that corruption means misuse of trust vested in the person.

The private sector's forms of corruption have been studied less as of now, while more attention has been paid to the values of company directors and personnel. Also, the definition of private sector corruption has not yet been agreed on. Information in English about [private sector corruption](#) [3] is available from economic scientist Susan Rose-Ackerman. Private sector corruption is misuse of position whereby damage is inflicted on the company and it is essentially not different from corruption in the public sector. The biggest problem with the prevention of corruption in private sector is scarce information and low public awareness.

Allikas URL: <https://www.korruptsioon.ee/en/businesses>



Lingid:

[1] <http://www.transparency.ee/cm/korruptsioon-ja-erasektor>

[2] https://www.korruptsioon.ee/sites/www.korruptsioon.ee/files/elfinder/dokumentid/private-to-private_corruption_final_report_2.pdf

[3] <https://www.u4.no/publications/measuring-private-sector-corruption/>