Is the Moral Universe Shrinking?

by Rushworth M. Kidder

Posted to Ethics Newsline, November 22, 2010

HONG KONG

By global standards, Hong Kong is a pristine place. Parks are litter free, people are well laundered, and cars are gleaming. It's also remarkably free of corruption and bribery, standing well ahead of the United States on the Corruption Perceptions Index from Transparency International.

So last week's headline in the **South China Morning Post** here — "29 Arrested in Jockey Club Bribery Probe" — was both jarring and reassuring. Hong Kong's seven million citizens, well aware of the no-nonsense enforcement policies of their state-funded Independent Commission Against Corruption, are as accustomed to seeing bribe takers handcuffed in pre-dawn raids as they are to seeing street sweepers at work. They know that to maintain their global standing — where, for example, they rank fifth on **Foreign Policy** magazine's recent Global Cities listing — they need to make persistent efforts toward physical and ethical cleanliness. So news of the bribery probe is a reassuring reminder that standards are being maintained.

That the probe concerns the Jockey Club, however, is troubling. In a city long on newly acquired wealth but short on old prestigious clubs, this granddaddy of clubs stands as a revered institution — even if it's something of an anomaly. An elite membership organization, it's also the sole institution licensed to oversee gambling in Hong Kong. Having the task of maintaining standards for betting of all kinds, it has more than 20,000 members. Pressure for admission is enormous, yet an arcane membership procedure, where new members can be nominated only by the 200 "voting members," invites corruption. The miscreants rounded up last week were allegedly part of a scheme that delivered more than $100,000 in bribes to buy nominations.

This week, however, Hong Kong is not alone in supersized corruption:

- In Zurich, the Fédération Internationale de Football Association (FIFA) suspended six officials, including two executive committee members, in a World Cup vote-selling scandal that came to light through an investigation by the London **Sunday Times**.
- In Washington, U.S. Rep. Charles Rangel of New York was found guilty on 11 counts of ethics violations after a House subcommittee found that he failed to pay some taxes, improperly solicited charitable donations, and failed to give accurate reports of his personal income.
- In New Delhi, auditors from India's government reported that some $40 billion in fees for wireless spectrum licenses had been squandered by the government's telecommunication minister, who resigned just prior to being implicated in the age-old Indian practice of selling licenses at a discount to politically connected companies in return for bribes.

An odd week? Yes, but only in the concentration of cases. Otherwise each had a common contour. They involved highly placed individuals in highly honored organizations. They were made possible by a lack of transparency within the organizations' processes and records. And they had potentially serious implications for the international reputation of the nations or organizations caught in the crossfire.

Making this week different, however, were the comments on the Indian case made by Sonia Gandhi, president of the Congress Party and head of the alliance of the country's ruling parties. Noting that "graft and greed are on the rise," she warned a conference in New Delhi last week that "the principles on which independent India was founded, for which a generation of great leaders fought and sacrificed their all, are in danger of being negated."

"Our economy may be increasingly dynamic," she said, "but our moral universe seems to be shrinking."

And so it might seem. When that universe includes a congressional representative who once chaired the House Ways and Means Committee — as well as FIFA commissioners who decide which nation will host World Cup matches, Jockey Club members who oversee the largest taxpayer in Hong Kong, and a government entity regulating a 700-million-customer mobile phone market second in size only to China's — the scale of the economic damage wrought by their unethical decisions is breathtaking.

But let me suggest a possibly heretical counterpoint, which is that these cases indicate an *expanding* moral universe. Why? Because in each case the cheats have been found out. How they will be punished remains another matter; Rep. Rangel, it appears, will get only a mild rap on the knuckles. But the much larger sentence — the one that lives on in the public mind — is already in place.

To be sure, it will take time to make whole those entities that suffered economic hardship because of unethical decision making. News of the Indian scandal, for instance, sent that country's stock market into a deep dive, and may sour its reputation as a fair and prosperous market for international investors. And Rep. Rangel's sorry tale, though it didn't prevent him from winning reelection earlier this month in his district, has contributed noticeably to the extremely low ratings of members of Congress in this last election and to a surging anti-incumbent mood among voters.

But think of it this way: Until last week, we didn't know how much we didn't know. Now that we know, we don't like it. We're not cheering on these crooks, hoping they'll best these mighty organizations. Nor are we heedless, apathetic, or uninterested. These stories create very big headlines in their relevant countries, and we care very much about them. Shrinking moral universe? Okay, but it's happening in the context of an expanding moral concern.